

UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST
BOARD OF DIRECTORS
THURSDAY 23 OCTOBER 2014

Title:	AUDIT COMMITTEE REPORT
Responsible Director:	David Burbridge, Director of Corporate Affairs
Contact:	Berit Reglar, Associate Foundation Secretary, Ext 14324

Purpose:	To provide the Board of Directors with assurance on the systems/processes considered by the Audit Committee and highlight any areas of concern.	
Confidentiality Level & Reason:	None	
Annual Plan Ref:	None	
Key Issues Summary:	There are no areas of concern.	
Recommendations:	To receive the report.	
Approved by:	David Burbridge	October 2014

UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST
BOARD OF DIRECTORS
THURSDAY 27 MARCH 2014
AUDIT COMMITTEE REPORT
PRESENTED BY THE DIRECTOR OF CORPORATE AFFAIRS

1. This report aims to provide the Board of Directors with formal assurance on the Trust systems/processes reviewed by the Audit Committee in accordance with the Committee's annual cycle and to highlight any areas of concern.
2. The Audit Committee is authorised to review the establishment and maintenance of a system of internal control and risk management and may investigate any activity of the Trust with assistance from Internal and/or External Audit to establish the systems' robustness and effectiveness.
3. The last report to the Board of Directors was made verbally at the 22 May 2014 meeting which followed the Audit Committee meeting in order to sign off the pre-approved Annual Report and Accounts. Since then the Audit Committee has only met once on 18 September 2014.
4. The 18 September meeting was an ordinary meeting at which the Audit Committee received the quarterly compliance update reports (Single Tender Approvals, Aggregated Report, Assurance Report and Clinical Compliance Report) as well as an update from External and Internal Audit.

External Audit

5. External Audit presented its draft External Audit Plan for 2014/15. It was noted that the Trust's CIP target for the year of £18.9m is around 3% of planned spend and therefore about 1.5% lower than the average for acute trusts. It was agreed that the difficulty in delivering CIP targets whilst maintaining quality of services would be discussed as a separate agenda item at the next Audit Committee meeting in November.
6. It is expected that new audit standards under ISA 700 will be introduced to Foundation Trusts in 2014/15. The new standards require the inclusion of a summary of risks of 'material' misstatements assessed as being significant to the audit. External Audit propose a 'materiality' for 2014/15 year end of 1% of planned income and 20% of net assets.
7. The planned real estate valuation of the Selly Oak estate, based on judgments by the District Valuer and management, could have an impact on the planned surplus should there be a significant impairment or reversal of previous impairments.
8. The Institute of External Auditors requires the next Finances Audit Report to be slightly longer and shared with all stakeholders for their benefit.

Internal Audit

9. Minor changes to the annual plan were discussed. It was noted that the new FT ARM requires the inclusion of specific commentary on 'how the Trust assures data quality of waiting times' in the next Annual Governance Statement.

Quarterly Compliance Reports

10. Nothing of significance was reported in relation to the quarterly compliance monitoring report.

Recommendation

The Board of Directors is asked to note the content of this report.

David Burbridge
Director of Corporate Affairs