

REPORT TO THE TRUST BOARD - PUBLIC
14 SEPTEMBER 2017

Title	Audit Committee 18 July 2017 – Chair’s report
Committee Chair	Paul Hendrick, Committee Chair

Purpose of the Report:

To bring to the Board’s attention key issues discussed at the Audit Committee meeting held on 18 July 2017.

Issues to be brought to Board’s attention:

The following key issues and actions were agreed at the Audit Committee meeting on 18 July 2017:

- **Board Assurance framework (BAF):** The Committee reviewed and noted the status of the risks included in the BAF. It further noted the work being carried out to refresh the BAF. The strategic objectives will be reviewed following the completion of the ‘Big Conversation’ events taking place over the summer. A Board Development session on risk management and the refreshed BAF will be scheduled in the autumn with input from the internal auditors.
- **Workforce Review internal audit:** A number of issues were identified:
 - lack of formal documented policies and procedures surrounding the compilation of workforce information;
 - lack of consistency in the appraisal spreadsheets and the calculation of appraisal rates within the directorates;
 - errors, inconsistencies and gaps within appraisal spreadsheets;
 - an inappropriate method being used to calculate the Trust’s appraisal rate; and
 - no formal and documented process to validate workforce data.

The Committee asked that:

- the Board is informed about the degree to which previous reports included incorrect data.
- the Appointments and Remuneration Committee monitors the implementation of the action plan.
- **Counter-fraud new contract:** The counter-fraud team has gained a contract to provide counter-fraud services to Barking, Havering and Redbridge from 1st September 2017.
- **Estates deep dive:** The Estates audit demonstrated that all premises and facilities (68% of which are externally owned) are maintained to be safe for staff and service uses, and to comply with fire safety standards. With regard to Fire Risk Assessments, the Committee noted that many other organisations tend to adopt a 1-2-3 system (in-patient annual / out-patient two yearly / admin office based premises three yearly). ELFT’s current standards are annual assessments across the whole building portfolio; this is in addition to the legislative requirements of the Fire Safety Order which expects further assessments to be carried out when there are any changes to the building in relation to structural amendments / occupation or use of the building etc.

Following the Grenfell Tower fire in West London, and an initial focus on high-rise residential buildings, healthcare premises are the second area of investigations. Five ELFT properties are having external cladding inspected by the London Fire Brigade although none is ACM cladding. The Trust is requesting the test results for other buildings, such as the Royal London Hospital (where the RAID team is located), although there was some disquiet that current investigations are restricted to buildings with five or more floors and that investigation of healthcare premises was not being given equal and urgent attention along with residential buildings.

- **External auditor:** Subsequent to the meeting the Committee agreed by email exchange that following the conclusion of the tender process for the external auditor they would recommend to the Governors that Grant Thornton be appointed as external auditors for the Trust.