



Audit Committee

Venue: Kirkstall and Fountains, YAS, Wakefield, WF2 0XQ
Date: Thursday 13 July 2017
Time: 0900 hours

Chairman:

Barrie Senior (BS) Non-Executive Director

Membership

Barrie Senior (BS) Non-Executive Director
Erfana Mahmood (EM) Non-Executive Director
Ronnie Coutts (RC) Non-Executive Director

In Attendance:

Pat Drake (PD) Non-Executive Director, Deputy Chairman and Chairman of Quality Committee
John Nutton (JN) Non-Executive Director & Chairman of Finance & Investment Committee
Anne Allen (AA) Trust Secretary
Mark Bradley (MB) Executive Director of Finance
Steve Page (SP) Executive Director of Quality, Governance and Performance
Hassan Rohimun (HRo) Executive Director, Ernst & Young (External Audit)
Claire Mellons (CM) Senior Manager, Ernst & Young (External Audit)
Sue Kendall (SK) Interim Head of Audit, Audit One
Ian Wallace (IW) Managing Director, Audit One
Suzanne Hartshorne (SH) Deputy Director of HR and Organisational Development (Item 3.2)
Matt Sandford (MS) Associate Director of Planning and Development (Item 15.0)
Mike Fairbotham (MF) Associate Director of Procurement and Logistics (Item 17 & 17.1)

Apologies:

Perry Duke (PDU) Head of Financial Services
Ronnie Coutts (RC) Non-Executive Director
Terry Smith (TS) Head of Counter Fraud

Minutes produced by:

Joanne Lancaster (JL) Committee Services Manager

		Action
	The meeting commenced at 0900 hours.	
1.0	Introduction and Apologies BS welcomed everyone to the Audit Committee meeting.	

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	Apologies were noted as above.	
2.0	Declaration of Interests for any item on the agenda No declarations of interest were made relating to agenda items.	
3.0	Minutes of the Audit Committee meeting on 13 April 2017 and 30 May 2017, including Matters Arising The minutes of the Audit Committee meeting held on 13 April 2017 were reviewed and agreed as a true record subject to the following amendment: Page 8, Item 4 the date to be changed to 13 July 2017. The minutes of the Audit Committee meeting held on 30 May 2017 were reviewed and agreed as a true record. There were no matters arising that were not already included on the day's agenda.	
3.1	Action Log and Matters Arising The action log was reviewed and updated. Action 2016/037 – HR Internal Audit recommendations – This was covered under item 3.2. Action remains open. Action 2017/006 – Collaboration Strategy – This was on the agenda at item 15. Action closed. Action 2017/008 – Apprenticeship Levy – Assurance had been provided to both the Quality Committee and Finance and Investment Committee on 15 June 2017. Action closed. Actions 2017/012 & 2017/013 – Regular updates to NEDs on financial information including detail in the weekly Chief Executive's brief –It was noted that this had not yet been received. MB would rectify this immediately and provide the information as requested. Action remains open. Action 2017/015 – External Audit definition of 'entity-wide controls' – HRo would circulate this to BS. Action remains open. Action 2017/018 – Fleet Management Controls – This was on the agenda under item 15.1. Action closed. Action 2017/019 – Salary Sacrifice Car Scheme – This would be brought back to the September meeting. Action remains open. Action 2017/020 = Risk Vision Statement – This action was addressed under item 7. Action closed. Action 2017/023 – Authorisation levels – This action was addressed	

	Action
<p>under agenda item 17.1. Action closed.</p> <p>Action 2017/024 – Assurance on SFI Waivers – This action was addressed under agenda item 17.1. Action closed.</p> <p>HRo arrived at the meeting at 0910 hours.</p>	
<p>4.0</p> <p>For Approval: 2016/17 Reference Costs Process The paper set out the process for completing and submitting the Trust's 2016/17 reference cost submission and sought Audit Committee approval of the process in line with national requirements.</p> <p>BS asked whether the AC felt suitably assured in relation to the reference cost return (Section 3 – 2a – 2f) of the report. BS believed that further assurance was required in terms of 2e of Section 3 'there were proper controls over the collection and reporting of the information included in the combined collection, and these controls were subject to review to confirm that they were working effectively in practice'.</p> <p>It was noted that Internal Audit had reviewed the Reference Cost process the previous year and it received substantial assurance.</p> <p>BS confirmed that the process as presented was appropriate and the Committee would delegate the final approval of the submission to the Director of Finance (MB) subject to MB discussing the final submission with BS prior to sending it to NHSI.</p> <p>Action: MB and BS to discuss the final Reference Cost Process submission to NHSI prior to it being sent.</p> <p>Approval: Audit Committee approved the reference cost process as presented within the report and delegated final approval of the submission to the Director of Finance subject to MB and BS discussing this prior to submission. The Audit Committee noted the introduction of costing standards for ambulance Trusts which would determine future apportionment methodologies and that the detailed impact of the standards had been and would continue to be considered at F&IC.</p>	<p>MB/BS 2017/025</p>
<p>5.0</p> <p>For Approval: Annual Audit Committee Report The paper summarised the activities of the Audit Committee during and subsequently in respect of the financial year 2016/17.</p> <p>The Audit Committee noted the report.</p> <p>It was noted that the accountable director name should be that of BS and not MB.</p>	

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	<p>Approval: The Audit Committee reviewed and agreed the Audit Committee Annual Report and recommended it to the Trust Board subject to the above amendment to the report header.</p>	
<p>6.0</p>	<p>For Approval: Review of Members Expenses (full year 2016/17) The paper provided details of Members expenses for the full year 2016/17.</p> <p>AA highlighted that the previous Chairman had booked her own accommodation and travel and claimed these back from the Trust by way of expenses. Both the Executive Director of Operations and Executive Medical Director held national roles which were reflected in expenses claimed.</p> <p>It was confirmed that ‘other’ expenses included such things as dependent care costs and subscriptions.</p> <p>HRO questioned that the previous Interim Executive Director of Finance was not on the list.</p> <p>Action: AA to clarify whether the previous Interim Executive Director of Finance claimed expenses and if so how these were claimed.</p> <p>Approval: The Audit Committee noted the Board Members’ expenses for the financial year 2016/17.</p>	<p>AA 2017/026</p>
<p>3.2</p>	<p>Action Log 2016/037 – Workforce Update on outstanding Audit Committee Recommendations</p> <p>This item was taken out of order of the agenda.</p> <p>The report provided an update of the outstanding audit actions within the Workforce Directorate.</p> <p>It was noted that there had been positive movement on the action plan since it had been reviewed at the Quality Committee meeting on the 15 June 2017.</p> <p>SP advised that discussions were taking place between SK and Rachel Monaghan, Associate Director of Performance Assurance and Risk to streamline the process and maintain a combined approach to avoid duplication in their work.</p> <p>It was noted that the action relating to Mutually Agreed Resignation Scheme (MARS) had been completed and would be removed from the Audit Committee action log.</p> <p>SH advised that:</p>	

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	<ul style="list-style-type: none"> • Temporary Staffing/Interim Management/Staff Appointments procedure would be going to TMG on 9 August for approval. It was noted that some new guidance had been received in relation to IR35; • Relocation Expenses policy had been approved by TMG; • Professional Registration process had been approved although there had been some changes to the legislation so there were some minor tweaks to incorporate; • Disciplinary and Grievance processes had been approved. <p>BS asked that the action plan be presented at future AC meetings to provide assurance to the Audit Committee. He asked that SP and SK liaise to discuss follow-up reviews of the work done to address the Internal Audit recommendations.</p> <p>Action: Bring the action plan back to further meetings detailing progress made.</p> <p>Action: Internal Audit to discuss with SP follow-up reviews of the work done to address the Internal Audit Recommendations.</p> <p>It was noted the importance of ensuring these actions were completed and within timescale.</p> <p>Approval: The Audit Committee noted the update and gained assurance that the action plan was being progressed satisfactorily. The Audit Committee supported the work of the HR Directorate.</p>	<p>SH 2017/027</p> <p>SP/SK 2017/028</p>
7.0	<p>For Assurance: Risk Management Reporting including Board Assurance Framework (BAF) and Corporate Risk Register (CRR)(including Datix Progress Update) – (this item includes details of Item 15.2 – Risk Vision Statement and embedding effective risk management – Action 2017/020)</p> <p>The paper provided an update on the annual re-cast of the BAF for 2017/18, key changes to the CRR, ongoing reviews of security arrangements and Information Governance (IG) toolkit 2017/18 deadlines. The paper also provided assurance on action 2017/020 on the Risk Vision Statement and the embedding of effective risk management across the organisation.</p> <p>It was noted that a version of this paper had been presented at the Quality Committee and the Finance and Investment Committee on 15 June 2017; the paper had since been updated.</p> <p>The BAF was aligned to the two year Business Plan and reflected the CQC actions.</p> <p>The changes to the CRR since the last meeting were noted. It was</p>	

	Action
<p>confirmed that some of these had been departmental risks where the risk rating had increased resulting in a move to the CRR.</p> <p>SP advised that section 4 of the report detailed the Trust's risk Vision and aspiration to have a fully embedded risk management system across the organisation. He explained that the Trust continued to build on the progress made within risk management which was generally working well and the next step was to ensure that individuals and middle managers fully understood the risk process. A relaunch of the Datix system had been undertaken to encourage more staff to raise incidents through this route.</p> <p>The Risk and Assurance Group had reviewed its effectiveness and this had highlighted the need to strengthen representation within the Group.</p> <p>TMG regularly reviewed exceptions at their meetings.</p> <p>SP confirmed that YAS compared favorably to other ambulance services with regard to risk management.</p> <p>BS asked whether there was a plan and timetable for the Trust to reach the aspiration of 'Risk Enabled'.</p> <p>Action: To develop a plan and timetable for the Trust moving from 'Risk defined' to 'Risk Enabled' and bring back to the October meeting.</p> <p>The AC discussed section 5 of the report relating to the Security Risk Review. It was noted that the national context was changing specifically in relation to terrorism. A review of buildings had been undertaken to ensure that security arrangements were robust and a proposal had been put to TMG for 'real-time' CCTV. A staff communication plan was being developed to further support staff around premises, vehicle and personal safety and security.</p> <p>SP advised that the number of reports in relation to violence and aggression towards staff had increased.</p> <p>PD remarked that QC had picked up on violence and aggression towards staff in the risk section and the reporting process was now more robust.</p> <p>BS asked whether it had been considered to undertake a completeness check against all the key entries on the BAF and high level corporate risks to ensure they had been appropriately considered at the relevant committee(s). Discussion took place in relation to this and it was believed that key risks were covered via the Committees and raised as appropriate through the governance process. This could be further</p>	<p>SP 2017/029</p>

	Action
<p>strengthened by way of a cross reference process and it was agreed that SP would give this consideration.</p> <p>Action: To consider whether a system for a ‘completeness’ check could be developed to ensure that all BAF and key CRR entries are considered by the relevant Committee(s) on appropriate timescales.</p> <p>Discussion took place in relation to BAF risk 4a ‘Impact of external system pressures and changes in wider health economy’. There were a number of challenges within this risk most notably the post General Election context and the divergence of national, STP and localised agendas.</p> <p>MB explained that YAS was on the footprint of four STPs but not four Urgent Care Strategies. The Transformation Funding tended to be localised to Primary Care rather than regional care. Due to the nature of YAS’ regional presence there was a capacity issue within the Trust to engage with the numerous partners across the patch although the Business Development and Planning team were working hard to ensure YAS representation at meetings and at the right seniority level.</p> <p>PD remarked that she had concerns with the accountability of STPs. YAS’ Board was accountable as a Board and she felt that the governance process for decision making at an STP level required understanding and transparency. She questioned the NED engagement with STPs.</p>	<p>SP 2017/030</p>
<p>Action: An update to be provided at the August Board on YAS’ Governance Arrangements with STPs followed by a more detailed report at September Board.</p> <p>HRO remarked that it was a common theme across the country that there appeared to be a gap for accountability between the STPs and other organisations.</p> <p>BS questioned whether the risks rated 16-20 on the CRR received sufficient scrutiny.</p> <p>Discussion took place and the general consensus was that risks were discussed through the various reports considered by QC and F&IC. It was noted that all Internal Audit limited assurance reports were reported on by the relevant Executive Director to the relevant Committee.</p> <p>HRO asked whether there had been a Health and Safety review of Trust buildings in response to the Grenfell Tower incident.</p>	<p>LM 2017/031</p>

	Action
<p>MB confirmed that the Trust had checked all its buildings within 24 hours of receiving the request from central government although it was noted this was mainly in-patient focused buildings. In addition there had been a separate return to complete in relation to cladding.</p> <p>SP confirmed that YAS would review any issues and implications arising from the Grenfell Tower incident through the Estates Management Group.</p> <p>Approval: Audit Committee noted the key risks and developments as outlined in the report and continued to be assured with regard to the effective management of risks and noted the continued improvement of risk management within the Trust.</p>	
<p>8.0 For Assurance: Quality Committee Risk Assurance Report PD provided assurance to the Audit Committee on the management of risks within the remit of the QC.</p> <p>PD informed the AC that she had requested a more detailed report for the QC in relation to Clinical Governance than that which would be presented at the AGM in September.</p> <p>She summarised the reports that had been considered by the QC.</p> <p>The QC had considered the report relating to the Outstanding Internal Audit recommendations for the Workforce and Organisational Development Directorate and advised that this would be kept on the QC agenda for oversight and assurance. She felt that workforce and organisational development governance could be strengthened and she had asked that consideration be given to this.</p> <p>It was noted that the paper on the PTS Service Update had provided an update including recent bid activity, transformation plan and CIP delivery. It had been noted that PTS was currently facing significant challenges.</p> <p>A paper had been received in relation to Acute hospital reconfigurations and the potential negative impact on YAS' performance; the QC would continue to monitor issues arising from these and a further report to QC had been requested in relation to York and Scarborough hospitals.</p> <p>The West Yorkshire Urgent Care action plan had been considered.</p> <p>The number of breaches of deep cleans within the agreed timescale was noted to have risen in recent weeks due to a combination of pressures on vehicle demand from increased demand and new rotas and the ongoing programme of tail lift modifications.</p> <p>SP advised that so far approximately three quarters of the CIP</p>	

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	<p>programme had been subject to a QIA process. He advised that the A&E and NHS 111 contracts for 2017/18 had undergone a Joint QIA with Commissioners.</p> <p>BS remarked that as an observer at the QC he felt suitably assured that relevant risks were under the required scrutiny.</p> <p>BS thanked PD for the summary.</p> <p>Approval: The Audit Committee noted the update on Quality Committee discussions in relation to key risks and gained adequate assurance from the update report that appropriate risks were being suitably managed.</p>	
<p>9.0</p>	<p>For Assurance: YAS Charitable Funds Committee Risk Assurance Report</p> <p>EM provided a brief summary of the Charitable Funds Committee' (CFC) activities. She advised that there had been £38k of expenditure against a target of £40k on various projects including the purchase of defibrillators.</p> <p>Danielle Norman the new Fundraising Manager had now commenced with the Trust and she would be responsible for expenditure and fundraising. She would develop the CFC Strategy over the coming months.</p> <p>The Chairman had requested that the CFC be given more exposure at Board level including a bi-annual review of the CFC Accounts. Discussion took place in relation to this and it was agreed that the CFC would consider the merits of holding an annual Trustees meeting to consider the Annual Accounts and Charitable Fund performance.</p> <p>Action: Charitable Fund Committee to consider the merits of holding an annual Trustees meeting to consider Annual Accounts and Charitable Fund performance.</p> <p>BS thanked EM for the update.</p> <p>Approval: The Audit Committee noted the update on the Charitable Funds Committee discussions in relation to key risks and gained appropriate assurance that risks were being suitably managed.</p>	<p>EM/AA 2017/032</p>
<p>10.0</p>	<p>For Assurance: Finance & Investment Committee Risk Assurance Report</p> <p>The paper provided assurance on the management of risks within the remit of the Finance and Investment Committee (F&IC).</p>	

	Action
<p>JN summarised the key points of the F&IC meeting. The revised Control Total for 2017/18 had been noted. Reservations had been expressed that the Trust would achieve the challenging CIP programme and it had been noted that the amount of non-recurrent CIPs would create further challenges for 2018/19. The PTS transformation programme slippage was a cause for concern and a further report had been requested for the F&IC in September.</p> <p>The F&IC had noted the positive progress with the Northern Ambulance Alliance and welcomed further progression in this regard.</p> <p>The revised Control Total for 2017/18 had been discussed at a 'virtual' Board meeting and the general consensus had been this was achievable with continued focus on CIPs and by ensuring that no additional costs were added into the budget. There had been some concerns in relation to the amount of reserves budgeted for contingencies.</p> <p>JN advised that he had requested a paper on non-pay costs and cost creep for the September F&IC.</p> <p>Approval: The Audit Committee noted the update on Finance & Investment Committee discussions in relation to key risks and gained appropriate assurance that risks were being suitably managed. The limited assurance with regard to the PTS Transformation Programme was noted.</p>	
<p>11.0</p> <p>For Assurance: IR35 Process</p> <p>The paper provided an update on IR35 issues and set out the processes through which these were being managed.</p> <p>It was noted that changes to legislation covering individuals engaged through intermediaries, such as 'Private Service Companies' made the Trust potentially liable for tax and National Insurance deductions. The rules governing IR35 had been amended so that for the Public Sector the end client (i.e. YAS in this case) was responsible for determining status and making deductions as well as ensuring payment to HMRC where necessary. HMRC had a team in place to ensure that public sector organisations adhered to the new legislation.</p> <p>YAS had ensured that Agencies used by the Trust to engage temporary employees had been notified that where an intermediary was involved then tax and National Insurance deductions would be required to be made by the Agency. In addition the Trust had established robust procedures to review and approve all applications to engage new employees, making use of the vacancy panel procedure.</p>	

	Action
<p>MB highlighted four cases within the Trust where individuals had been engaged through Agencies that were not part of the National Framework and where the IR35 status was initially uncertain. Discussions had taken place with these individuals and a way forward established in relation to paying tax and National Insurance to HMRC.</p> <p>BS asked whether the Trust would be liable for retrospective liability.</p> <p>MB confirmed that as far as he was aware the Trust would not be liable for anything prior to 1 April 2017 unless there was an outstanding invoice prior to that date and then tax and National Insurance payment then YAS would become liable.</p> <p>JN asked if the Trust employs an individual through such a means in the future an indemnity clause should be placed in the contract.</p> <p>MB advised that all such employment contracts would go through the Trust's Procurement Team to ensure it matched YAS' Terms and Conditions. IR35 would be confirmed at the contract stage.</p> <p>BS asked for a further report to the October Audit Committee.</p> <p>Action: Further report on IR35 within the Trust to be provided at the October Audit Committee.</p> <p>BS thanked MB for the update.</p> <p>Approval: The Audit Committee noted the report and gained assurance that appropriate steps had been and were being taken to manage the changes in legislation to the IR35 process within the Trust.</p>	<p>MB 2017/033</p>
<p>12.0</p> <p>For Assurance: External Audit Update The paper presented the Ernst and Young Annual Audit letter Report for YAS and the Health Sector Update.</p> <p>HRO explained the Annual Audit letter for YAS was a publicly available document and included the Annual Audit Results report. He confirmed that they did not report anything by exception.</p> <p>The AC noted the Audit Committee Briefing document. BS referred to the right hand column of page 7 'Tackling conflicts of interest' and asked whether the Trust had robust procedures in this regard.</p> <p>AA responded that new guidance from NHSE on conflicts of interest had been published in May. The Trust had reviewed the guidance and updated and reissued YAS' Managing Conflicts of interest Policy. This had been approved by TMG in May 2017. Under the guidance the Trust had to publish a Register of Interests for the</p>	

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<p>Board of Directors and for those employees at band 8D and above and these had been published on the Trust's website.</p> <p>AA confirmed that the Interests, Gifts and Hospitality Policy was widely communicated throughout the Trust with hard copies placed in key locations. The policy was drawn to the attention of managers undertaking the Management Leadership Training and a quarterly update was placed in the Operational Update. The Trust benchmarked positively against other Ambulance Trusts in this regard.</p> <p>PD referred to Page 14 of the report which noted the gender pay gap.</p> <p>AA advised that an associated paper would be presented to the Board in August 2017 – Women on Boards 50/50 by 2020.</p> <p>It was agreed that SH would discuss with HRo whether data analytics were available on gender pay differences for YAS and for SH to report to TEG on 7 August on the Gender Pay Gap regulations.</p> <p>Action: SH to discuss with External Audit data analytics for the gender pay gap.</p> <p>Action: A paper on the Gender Pay Gap Reporting Regulations April 2017 to be provided to TEG on 7 August.</p> <p>BS referred to page 8 of the report which highlighted 'Developing STP Governance Arrangements'.</p> <p>Discussion took place in relation to the governance arrangements in this regard. The AC consensus was that it was a complex picture and in terms of the STPs the focus on YAS would be relatively small compared to the Acute Trusts and primary care providers.</p> <p>HRo advised that E&Y was doing some work on governance arrangements with STPs and he would look to share the scope of that work at a suitable point in time.</p> <p>It was confirmed that the STP relationship and governance framework was on the Trusts BAF. This issue had been discussed previously under agenda item 7 and where there had been an agreed action to bring a paper on the STP governance arrangements to the Board.</p> <p>BS referred to Hybrid Payment Approaches on page 9 of the report. MB advised that there was the potential for this approach to be used by the Trust.</p>	<p>SH/HRo 2017/034</p> <p>SH 2017/035</p>

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<p>BS thanked HRo for the update.</p> <p>Approval: The Audit Committee noted the update.</p>	
<p>13.0</p> <p>For Assurance: Compliance with Audit Recommendations The paper provided an update on the status of outstanding Internal Audit recommendations.</p> <p>In terms of overdue items it was confirmed that the relevant individuals were aware of what they needed to do to ensure these were addressed and resolved appropriately.</p> <p>The improved position was noted.</p> <p>Approval: The Audit Committee received and accepted the latest Compliance with Audit Recommendations Report.</p>	
<p>14.0</p> <p>For Assurance: Internal Audit and Counter-Fraud Progress Report The paper provided an update on progress with, and outcomes from, Internal Audit and Anti-Crime (Counter Fraud and Security Management) activity</p> <p>SK explained that there were two limited assurance reports for Payroll and HR Controls and Fit & Proper Persons. As previously discussed under item 3.2 she would discuss with SP the assurance mapping of the HR processes on the Internal Audit Plan.</p> <p>SP advised that a new NHSI Well Led Framework had been launched (June 2017) and this would be discussed at TEG and Board.</p> <p>BS referred to the Progress against the 2017/18 Anti-Crime (Local Counter Fraud) Work Plan.</p> <p>IW confirmed that a review of fraud risk would be undertaken by Audit One.</p> <p>BS asked for assurance regarding the adequacy and effectiveness of preventative controls and measures the Trust had in place particularly in relation to payroll. IW responded that when analysis was undertaken the root cause of fraud cases involving overpayment it was often an oversight of individual managers rather than indicative of an issue with HR process.</p> <p>It was agreed to consider whether a further review of Payroll systems and controls was required in the Internal Audit workplan for 2017/18 and report back to Audit Committee.</p>	

	Action
<p>Action: To consider whether a further review of Payroll systems and controls was required in the Internal Audit workplan for 2017/18 and report back to Audit Committee.</p> <p>The Audit Committee noted the following Internal Audit Reports:</p> <p><u>Computer Aided Dispatch System</u> This review had received significant assurance.</p>	<p>SP/SK 2017/036</p>
<p>Action: To clarify whether the recommendation under the CAD system relating to <u>guidance booklets</u> and support documentation referred to <u>all documents</u> or just some.</p> <p><u>Combined Financial Systems</u> This review had received significant assurance.</p> <p>MB advised that he had secured an individual on secondment to act at a deputy level to oversee the work on financial control and processes.</p> <p><u>Payroll and HR Controls</u> This review had received limited assurance.</p> <p>Discussion took place in relation to management training to ensure that managers understood the importance of informing HR in advance of employees leaving, and holding managers accountable where HR had not been notified. All staff should be reminded of the policy and what sanctions could be undertaken should the policy not be adhered to.</p> <p><u>IT Projects and Contract Management</u> This review had received significant assurance.</p> <p>The Committee noted the review.</p> <p><u>Clinical Governance</u> This review had received significant assurance.</p> <p>The Committee noted the review.</p> <p><u>Fit and Proper Persons</u> The Committee noted the review.</p> <p>SP advised that SP and AA would be meeting with HR to go through the report and recommendations.</p> <p>BS referred to the NHS Protect Self Review and questioned the amber ratings.</p>	<p>SP 2017/037</p>

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	<p>IW responded that the Audit One Counter Fraud team would review this document and provide analysis for the October meeting.</p> <p>Action: Audit One Counter Fraud team to review the NHS Protect Self Review self-assessment disclosure.</p> <p>Approval: The Audit Committee received and accepted the latest Internal Audit Progress Report.</p>	<p>IW 2017/038</p>
<p>14.1</p>	<p>For Assurance: Counter Fraud Annual Report 2016/17</p> <p>Approval: The report provided a review in totality the work completed by the Trust's Counter Fraud Specialist during the period 2016/17.</p> <p>IW advised that Audit One's Counter Fraud Specialist would be undertaking proactive counter fraud work with the Trust. It was noted that referrals for investigation came in from a variety of sources.</p> <p>Approval: The Audit Committee received and accepted the Counter Fraud Annual Report 2016/17.</p>	
<p>15.1</p>	<p>For Assurance: Fleet Management Audit Report Progress Update (Action 2017/018)</p> <p>This item was taken out of order of the agenda.</p> <p>The paper provided an update on progress made in addressing action points raised in a recent internal audit of the fleet management team.</p> <p>MB outlined the progress made against each action. Of particular note was the following:</p> <ul style="list-style-type: none"> • A new Fleet Management System was being developed alongside Northern Ambulance Alliance partners; • Fleet Services had undergone a restructure with new roles created. A new Head of Fleet Services had been appointed. <p>BS thanked MB for the update and commended the response to the actions. He added that the report provided good assurance to the AC.</p> <p>Approval: The Audit Committee noted the progress made and gained assurance that the action plan was on track.</p>	
<p>15.2</p>	<p>For Assurance: Progress Update – Risk Vision Statement and embedding effective risk management (Action 2017/020)</p>	

		Action
	This item was taken out of order of the agenda. This item was considered and noted under Item 7 of the agenda.	
16.0	<p>For Assurance: Review of Losses and Special Payments This item was taken out of order of the agenda.</p> <p>The paper provided information in relation to incidences of Losses and Special Payments for the first two months of 2017/18.</p> <p>The Audit Committee noted the paper.</p> <p>Approval: The Audit Committee noted the reported incidence of Losses and Special Payments for the first two months of 2017/18.</p>	
17.2	<p>For Assurance: Review of Suspension of Standing Orders This item was taken out of order of the agenda.</p> <p>It was confirmed that there had been no suspension of Standing Orders since the Audit Committee meeting on 13 April 2017.</p> <p>Approval: The Audit Committee noted the update.</p>	
18.0	<p>For Assurance: Raising Concerns at Work/Freedom to Speak Up This item was taken out of order of the agenda.</p> <p>SP advised that 21 concerns had been raised through the Freedom to Speak Up Guardian.</p> <p>SP explained that issues concerning organisational culture were being reported through the Freedom to Speak Up route, rather than, as had been expected, patient focused issues.</p> <p>The Freedom to Speak Up initiative had been live for 12 months and SP advised that a review would be undertaken on the process and an evaluation report produced which would be shared with the Quality Committee.</p> <p>Action: A review of the first year of the Freedom to Speak Up initiative to be taken to Quality Committee in September. BS thanked SP for the update.</p> <p>Approval: The Audit Committee noted the update.</p>	SP 2017/039
17.0	<p>For Assurance: SFI Waivers and Contract Award Activity over £100,000 This item was taken out of order of the agenda.</p>	

	Action
<p>The paper sought to provide assurance to the Audit Committee on the approved contracts that have been let and purchase orders raised for goods and services above £100k and Single Tender Waivers (STW) signed since the previous Audit Committee.</p> <p>BS thanked MF for the update.</p> <p>Approval: The Audit Committee noted the update and was assured on the contracts let and purchase orders raised for goods and services above £100,000 and Single Tender Waivers (STW).</p>	
<p>17.1 For Assurance: STW Assurance (Actions 2017/023 and 2017/024) This paper was taken out of order of the agenda.</p> <p>The paper provided a response to issues raised by BS at the Audit Committee meeting held on 13 April 2017.</p> <p>MF advised that to strengthen version control of the STW form this had been uploaded to the website. In future should an old form be submitted this would be returned to the originator requesting that the new form be completed before it could be processed.</p> <p>Discussion took place in relation to Purchase to Pay and the controls that would be in place to ensure this was used appropriately and effectively. It was noted that training would take place during August so that managers knew what was expected of them under the Purchase to Pay system. It was noted that the system would require a cultural change across the organisation.</p> <p>BS asked whether an Internal Audit review would be undertaken either pre and post implementation of the Purchase to Pay system.</p> <p>Action: To consider whether an Internal Audit was required for the Purchase to Pay project.</p> <p>Discussion took place in relation to whether governance arrangements were sufficient for key interim positions in the same area.</p> <p>Action: To consider whether governance arrangements were sufficient for key interim positions (where there were a number of interim positions in the same area).</p> <p>Approval: The Audit Committee noted the update and gained assurance that the STW process was being managed correctly and appropriately.</p>	<p>SP 2017/040</p> <p>AA/SP 2017/041</p>

		Action
15.0	<p>For Assurance: Development of a Partnership Checklist (Action 2017/006) The paper provided assurance in response to the audit of partnership governance within YAS.</p> <p>AA advised that there had been ongoing discussions with PD and more recently with LM in regard to ensuring the Trust had appropriate governance in place for the various partnership working arrangements that were in place. The Board had previously requested this assurance and it had been agreed that LM would pick this piece of work up once she had joined the Trust.</p> <p>SP added that the Trust had a number of established partnerships such as with the Air Ambulance, West Yorkshire Urgent Care and more recently the Northern Ambulance Alliance each of which had their own governance arrangements reporting to YAS' Board.</p> <p>MS advised that he had spoken with colleagues including the legal team. Based on AA's initial piece of work he had developed a Partnership Checklist as to the kind of issues that should be considered when entering into a partnership arrangement. A policy and guidance would be developed alongside the checklist.</p> <p>EM remarked that she welcomed this piece of work. She added that going forward the basics should be correct such as due diligence, agreements signed and dated appropriately, break clauses added and special damages included. She felt all agreements should be sense checked by Legal.</p> <p>BS added that there would be subtleties in difference between contractual and non-contractual arrangements and those that could fall in between. It was important to ensure that all arrangements were captured.</p> <p>SP advised that legal input had been sought in relation to partnership arrangements with NAA, Air Ambulance etc.</p> <p>It was agreed that MS would develop the checklist further along with the policy and guidance with a timetable for implementation and bring this back to the Audit Committee in October and for this to be presented to a future BDM.</p> <p>Action: To bring a further report to the October Audit Committee.</p> <p>Action: To schedule a session on this at a future BDM.</p> <p>Approval:</p> <p>The Audit Committee noted the progress and gained assurance with the action plan in response to the audit into partnership</p>	<p>LM/MS 2017/042 AA 2017/043</p>

		Action
	governance arrangements.	
19.0	<p>For Assurance: Review of Meeting Actions and Quality Review of Papers BS referred to the discussions which had taken place on key issues and he welcomed the quality of the papers that had been presented.</p> <p>He thanked those present for their attendance and contributions to the meeting.</p> <p>The meeting finished at 1220 hours.</p>	
20.0	<p>Date and Location of Next Meeting: 12 October 2017, 0900 – 1300 hours, YAS HQ</p>	

CERTIFIED AS A TRUE RECORD OF PROCEEDINGS

_____ **CHAIRMAN**

_____ **DATE**