



**Audit Committee**

**Venue:** Kirkstall and Fountains, YAS, Wakefield, WF2 0XQ  
**Date:** Thursday 12 January 2017  
**Time:** 0900 hours

**Chairman:**

Barrie Senior (BS) Non-Executive Director

**Membership**

Barrie Senior (BS) Non-Executive Director  
Pat Drake (PD) Non-Executive Director & Deputy Chairman  
John Nutton (JN) Non-Executive Director – **Acting as Chairman of Audit Committee**  
Erfana Mahmood (EM) Non-Executive Director  
Ronnie Coutts (RC) Non-Executive Director

**In Attendance:**

Robert D Toole (RDT) Interim 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)  
Benita Boyes (BB) Internal Audit  
Anne Allen (AA) Trust Secretary (Observing)  
Perry Duke (PDu) Head of Financial Services  
Roberta Barker (RBa) Interim Director of Workforce and Organisational Development (for Item 3.4)  
Rebecca Robinson (RR) Head of HR Operations (for Item 3.4)

**Apologies:**

Barrie Senior (BS) Non-Executive Director  
Shaun Fleming (SF) Counter Fraud

**Minutes produced by:**

Joanne Lancaster (JL) Committee Services Manager

		<b>Action</b>
	The meeting commenced at 0900 hours.	
<b>1.0</b>	<b>Introduction and Apologies</b> JN explained that BS was unable to attend the meeting due to illness. JN would act as Chair. BS had sent a number of comments by email to JN (cc'd to AA) in relation to the agenda/papers that would be raised by JN/AA as appropriate.	

		<b>Action</b>
	JN welcomed everyone to the meeting. Apologies were noted as above.	
<b>2.0</b>	<b>Declaration of Interests for any item on the agenda</b> No declarations of interest were made relating to agenda items.	
<b>3.0</b>	<b>Minutes of the Audit Committee meeting on 6 October 2016 and minutes of the Auditor Panel meeting on 6 October 2016, including Matters Arising</b>	
<b>3.1</b>	The minutes of the Audit Committee meeting held on 6 October 2016 were reviewed and agreed as a true record subject to the following amendments:  Under Item 16 to include the paragraph 'SP updated the Audit Committee on a number of cases that had been raised under 'Raising Concerns at work' including 2-3 specific whistleblowing cases'.	
<b>3.2</b>	The minutes of the Auditor Panel meeting held on 6 October 2016 were reviewed and agreed as a true record.	
<b>3.3</b>	<b>Action Log and Matters Arising</b> The action log was reviewed and updated.  Action 2016/006 – Dedicated resource to systematically review accuracy and completeness of data across the Trust's systems - It was noted that it was not appropriate to have a dedicated resource. This action was linked to action 2016/038.  The Committee discussed this under Item 9 and gained assurance that the Trust had the appropriate systems and processes in place within the organisation. It was noted that the next step would be to ensure that managers and staff were aware what their responsibilities were under SOs and SFIs and this was an on-going piece of work. A new action which supersedes this action was covered at 2017/005. Action closed.  2016/021 – Clinical Governance reporting to Audit Committee - SP and PD advised that significant assurance was received at the Quality Committee on 8 December which had included Clinical Audits and ACQIs. SP agreed to circulate this paper to Audit Committee members. Action remains closed.  2016/037 – HR systems, processes, recruitment and management of risks and map to limited assurance Internal Audit reports - RBa had provided a comprehensive paper with the risks and planned mitigations against a revised timescale(s). Internal Audit would add to the Internal Audit Plan for 2017/18. It was agreed that a further update be brought back to Audit Committee in April on all actions within the paper. A more detailed update to be provided on Capacity and Succession planning. Action remains open.	

2016/038 – To provide assurance on the whole scope of financial systems and controls – The Committee discussed this under Item 9 and gained assurance that the Trust had the appropriate systems and processes in place within the organisation. It was noted that the next step would be to ensure that managers and staff were aware what their responsibilities were under SOs and SFIs and this was an on-going piece of work. This action was closed. A new action on this was covered at 2017/005.

2016/039 – Assurance on the methodology and processes for completion of the Annual Accounts - Discussed under Item 9 and the Audit Committee were assured that an appropriate process was in place for completion of the Annual Accounts. Action closed.

2016/040 – Reports provided by Quality Committee and Finance and Investment Committee should specify the level of assurance that had been gained - PD advised this was provided by the Quality Committee. JN noted the action and would follow this up in his next report to Audit Committee. Action closed.

2016/041 – Future reports to include information on where risks had been managed down and the revised risk rating - Assurance mapping was still on-going and a report would be provided to Audit Committee on 13 April. It was noted that the BAF would be reviewed in the Internal Audit Plan 2017/18 and that the Board would review the BAF at the BDM, 28 February 2017. Action remains open.

2016/043 – TEG to further reflect on the impact and risks to the Trust on the UK leaving the EU - It was noted that TEG had discussed this and that National Advisory Groups had issued some guidance, although this was very light due to the unknowns surrounding Brexit. It was agreed to put Brexit risks (freedom of movement, Working Time Directive, procurement medication & clinical trials and cross-border collaboration) on the risk register to ensure the Trust monitored going forward. Action closed.

2016/044 – To consider the question in relation to the 'increase in personal data collection which the Trust would be responsible for as a result of changes to off-payroll working - This related to Public Bodies having responsibility for having a process to ensure that where an agency/contracted individual was employed that NI and Income Tax was paid appropriately. It was noted that Government guidance had not been finalised as yet. A report to be provided to the next Audit Committee. Action remains open.

2016/045 – To circulate the SFIs and SOs to Board Members prior to 8 November Board for comment – This action was completed and AA to discuss with BS off-line in relation to his comments. Action closed.

	<b>Action</b>
<p>2016/046 – Assurances from Executive Directors in relation to the SFIs - AA explained that revised SOs/SFIs (V.2.2) had been signed off by CEO/DoF/TEG on 9 January 2017 following extensive consultation amongst officer roles. The changes to procedures/controls had been assessed and actioned by the Head of Financial Services. AA to discuss with BS off-line in relation to his comments. Action completed.</p> <p>2016/047 – Clarification on the Chief Executive delegated authority within SFIs – AA reported this had been included in SOs and she would discuss with BS off-line in relation to his comments. Action completed.</p> <p>2016/048 – To incorporate assurance in relation to income within SFIs - It was noted that the SFI version on the agenda of the meeting included this in 16.1.1. Action closed.</p> <p>2016/049 – Recording of Internal Audit action dates which were over 6 -12 months old - It was noted that a data cleanse exercise was on-going to ensure that the data was up to date. Action closed.</p> <p>2016/050 – Grouped Assets - This was covered by Item 16 and was supported by External Audit. The decision was ultimately the organisation's to make. Action closed.</p> <p>2016/051 – HR payments in relation to central settlements and grievances - RDT to discuss with BS off-line. Action remains open.</p> <p>2016/052 – Issues surrounding Single Waiver Tenders - RDT to discuss with BS off-line. Action remains open.</p> <p>2016/053 – Investigate whether there had been a breach of compliance with STWs - RDT to discuss with BS off-line. Action remains open.</p> <p>2016/054 – Insert a column on the table which indicated whether there had been a retrospective decision in relation to SFI Waivers – This had been actioned. Action closed.</p>	
<p><b>3.6</b></p> <p><b>Action Log 2016/037 Workforce and Organisational Development Update – Internal Audit Recommendations</b> This item was taken out of order of the agenda.</p> <p><i>AA referred to the comments by BS:</i></p> <ul style="list-style-type: none"> <li>○ <i>Would the recent/current and planned work improvement activity within HR address the limited assurance Internal Audit recommendations.</i></li> </ul> <p>RR reported that the paper provided the Audit Committee with an update on a number of internal audits in relation to the Human Resources &amp; Organisational Development Directorate.</p>	

	<b>Action</b>
<p>She explained that she had started with the Trust in November 2016 and therefore a number of the actions' deadline dates had been revised to enable her to consider and review them appropriately within a more realistic timeframe. The report on the agenda provided a progress update.</p> <p><u>Capacity Building and Management Succession Planning</u> – RR advised that a revised delivery date had been suggested of 30 April 2017.</p> <p>RBA added that there was a significant amount of work that would need to take place before the Trust's Capacity Building and Succession Planning was robust. This included implementing a number of new Operating Models and/or restructures for some functions within the organisation.</p> <p>She advised that the Vision and Values were being refreshed and this would lead to a competency and behavior framework being developed for the Appraisal system. Once these building blocks were in place then a robust Succession and Capacity Planning framework could be developed.</p> <p>Discussion took place in relation to this action and it was agreed that it would be sensible to defer the deadline for an update to the 30 April. It was noted that the Trust had to follow recruitment and retention processes within YAS and the wider NHS although there were other options to pursue to ensure that YAS had plans for the future of its workforce. Once the new appraisal system was in place it would be included in the Internal Audit plan.</p> <p><b>Action:</b>  <b>For an update to be brought to the next Audit Committee meeting on Capacity building and Succession Planning.</b></p> <p><u>Recruitment Checks</u> – RR requested a revised date for an update to be brought back to Audit Committee to enable her to fully consider the scope of the action which she anticipated would be a significant piece of work. RBA added that there was a data cleansing exercise to be undertaken on ESR and that a new version (ERS2) would be implemented mid-year. The Trust needed to ensure the information on ESR was accurate and robust. A paper would be presented at the next TMG meeting to enable colleagues to have a better understanding of the system and timely and accurate recording of data.</p> <p><u>Recruitment Effectiveness</u> - RR advised that the deadline date was revised to 30 April 2017. She advised that 'exit' interviews did take place but these needed to be more systematic and recorded better to establish whether there were themes. A proposal on 'exit' interviews would be brought to the Audit Committee in due course</p>	<p><b>RR/RBA  2016/037  (incorporated into  existing  action  2016/037)</b></p>

	<b>Action</b>
<p>and an update would be provided at the next meeting.</p> <p>Discussion took place in relation to employee engagement and the importance of 'everyday' conversations between managers and staff.</p> <p>The Committee discussed recruitment activity. It was noted some roles had been difficult to recruit, for example, clinical staff. RBa advised that work was taking place and a meeting had been arranged with the Northern Ambulance Alliance (NAA) to discuss joint working in this regard. She advised that there were also indications at a national level to standardise Job Descriptions for Paramedics.</p> <p>SP reported that the Trust had done some positive work in this regard including the Paramedic Career Framework and the Consultant Paramedic role. The Trust had employed 8 Nurses on a pilot internship.</p> <p>RDT advised that the Trust had submitted a return to NHSI which had included all roles within the organisation's corporate functions. A meeting had taken place through the NAA with the Directors of Finance and Procurement colleagues to go through data to ensure that each organisation was including 'like for like' information. When the exercise was completed this would be shared with the F&amp;IC and the Board as necessary.</p> <p>The Committee noted the remainder of the actions in the report:</p> <ul style="list-style-type: none"> <li>• Relocation Expenses;</li> <li>• Occupational Health and Absence Management Follow up ;</li> <li>• Disciplinary and Grievance Processes.</li> </ul> <p>It was agreed to extend the deadline to 30 April on these areas and that a further update be brought on all the actions to the next meeting of the Audit Committee on 13 April 2017.</p> <p><b>Action:</b>  <b>An update to be provided on outstanding internal audits in relation to the Human Resources &amp; Organisational Development Directorate.</b></p> <p><b>Approval:</b>  <b>The Audit Committee noted the update and revised timescales.</b></p>	<p>RBA/RR  2016/037  (incorporated into existing action 2016/037)</p>
<p><b>3.4</b></p> <p><b>Action Log 2016/22 – Sub-contractor Governance Assurance</b></p> <p>The paper provided the Committee with assurance as to the governance arrangements for the oversight and management of sub-contractors.</p> <p>SP advised that A&amp;E Operations was now using one Private</p>	

	<b>Action</b>
<p>Provider which was St John Ambulance. There was an appropriate governance process in place which included regular contract meetings and review of quality and performance indicators.</p> <p>SP reported that there was a large number of Private Providers within PTS. The PTS Sub-Contractor framework had been implemented in 2016 provided a comprehensive governance checklist and formal performance review meetings with providers. Where quality issues had been highlighted those providers had been removed/suspended from the framework.</p> <p>SP advised that the wording at paragraph 3.4 of the report was slightly misleading and that it should be noted that YAS had responsibility for the sub-contract and for managing the contract meetings with LCD. He reported that the sub-contract was under review. The Commissioners had rolled the contract over until the review had taken place.</p> <p><i>AA read out a comment from BS - Recent or planned internal audit coverage/assurance regarding this.</i></p> <p>BB responded and referred to the Healthcare Contract audit and advised that the full report was in the 'reading room' of BoardPad. She advised that the audit had included process, contract negotiations, checking that contracts had been appropriately signed and sub-contract governance checks. The report had been finalised in November. She advised that she could undertake to do some further checks or more in-depth checks but that the audit had provided significant assurance.</p> <p>RC observed that the organisation had 700+ sub-contractors and in his opinion this was too large a base to engage with and manage effectively. He felt that it would be beneficial to reduce the sub-contractor base and therefore to more quality performance reviews. The sub-contractor risk would also be reduced by having fewer providers.</p> <p>SP felt this was a reasonable observation and one worthy of consideration by the organisation.</p> <p>JN thanked SP for the update.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the update and gained assurance that the appropriate governance processes were in place for sub-contractors.</b></p>	
<p><b>3.5</b></p> <p><b>Matters Arising from Minutes – Month 5 Reporting Issues</b></p> <p>The paper provided an explanation of the causes of errors in the Month 5 Board Report and set out the actions to be taken to avoid recurrence.</p>	

	<b>Action</b>
<p><i>AA read out comments from BS:</i></p> <ul style="list-style-type: none"> <li>• <i>He asked whether this was an item for F&amp;IC attention;</i></li> <li>• <i>He asked how were errors discovered;</i></li> <li>• <i>He believed this linked back to action 2016/006 (full appraisal of financial accounting and reporting risks and controls) and the action and timescale for the completion of this.</i></li> </ul> <p>RDT responded that there had been two errors. The first issue had been discovered by JN at the Trust Board meeting on 29 March 2016 at York and the issue had been addressed immediately. He explained that there was a process now in place to cross check spreadsheets to eliminate such errors.</p> <p>One other error had been identified in the Month 5 update and that had been an intuitive understanding that it was incorrect; this was rectified immediately. He outlined the steps that had been undertaken to ensure such errors did not reoccur.</p> <p>JN thanked RDT for the explanation and the Audit Committee noted the report. The lessons learned were noted and that future financial reports would be scrutinised to ensure they were correct prior to publication. JN emphasised that these had been isolated errors and he did not believe there was any general mis-management of extracting and presenting data in the budget process.</p> <p>The Audit Committee did not feel the issue warranted further scrutiny by the Finance and Investment Committee.</p> <p>After a full discussion earlier in the agenda on Action 2016/006 (full appraisal of financial accounting and reporting risks and controls) the Audit Committee believed that the Trust did everything reasonably practicable to ensure that effective financial processes were in place and the Committee therefore had decided to close this action. A new linked action had been established under agenda item 9.0 –Additional Assurances on Accounting Procedures - 2017/005 - For a report to be provided at the next Audit Committee on work being undertaken to ensure that managers understand the importance of their decisions on the financial health of the organisation.</p> <p><b>Action:</b>  <b>A new linked action had been established under agenda item 9.0 –Additional Assurances on Accounting Procedures - 2017/005 - For a report to be provided at the next Audit Committee on work being undertaken to ensure that managers understand the importance of their decisions on the financial health of the organisation.</b></p> <p><b>Approval:</b>  <b>The Audit Committee noted the report and the lessons learned.</b></p>	<p>RDT/PDu 2017/005</p>



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4.0	<p><b>For Assurance: Risk Assurance Reporting including Board Assurance Framework and Corporate Risk Register (including Datix Progress Update)</b></p> <p>The Committee noted an overview of the risks recorded on the BAF and Corporate Risk Register (CRR) and assurance of the effective management of corporate risks. It further provided an overview of quarterly projections against the BAF and factors that had influenced achievement.</p> <p>SP advised that this was the regular report that had gone through the review cycle of TMG, Quality Committee (QC) and Finance and Investment Committee (F&amp;IC) prior being on the day's agenda and going to the Public Board on 31 January 2017.</p> <p>SP advised that Table 1 on pages 4 and 5 of the BAF provided analysis of progress where there was a deviation from the intended position at the end of Qtr 3 with a description of the actual position and an explanation of any variance.</p> <p>He provided an overview of the changes to the CRR since the last Audit Committee, adding that these would all be reviewed at the BDM on 8 February and the information would be used to inform the 2017/18 BAF/CRR.</p> <p>JN noted that it was an evolving document. He questioned Risk 851 East Riding contract negotiation and asked whether this had been factored into the end of year outturn position.</p> <p>RDT responded that it would be relevant for the 2017/18 outturn position but not the current financial year. The full amount required to cover both corporate overheads and operating loss had not been assumed in the financial projections. The difference included in planning was c£650k which was the operating loss before overheads. The Trust as such either required additional funding or to reduce the sub-contracts to mitigate this position. There was no decision from Commissioners to date to cover this instead they were seeking to tender the contract with effect from September 2017.</p> <p>RDT confirmed this had always been included in the 2017/18 Operational Plan as a risk as was any impact should YAS not secure its existing South Yorkshire contract. Any loss of East Riding of Yorkshire would be a legitimate change to the forecasted plan.</p> <p>SP referred to the comments BS had made on the BAF/CRR:</p> <p>:</p> <ul style="list-style-type: none"> <li>• <i>Risk 846 West Yorkshire Urgent Care (WYUC) capacity - why had this only now been added to the CRR;</i></li> <li>• <i>It was rated 16 – serious – what actions were being put forward to mitigate this.</i></li> </ul> <p>SP responded that WYUC capacity had been on the Risk Register</p>	

at a lower level but had been raised to the CRR due to a Serious Incident (SI). An action plan was in place and this was being monitored by YAS management.

- *Risk 861- Delivery of Statutory and Mandatory Training was rated 16 – serious – what actions were being put forward to mitigate this.*

SP advised that it was likely this would be reviewed and the risk rating may be decreased. HR was doing a full review of the training plan. He added that elements of future Safeguarding Adults training might have to be delivered face to face which would present more challenges to the Trust in terms of front line staff.

- *BAF – table 1 – every single BAF risk was currently rated higher than the projected Q4 outturn-*
  - *Would these gaps be closed;*
  - *What were/would be the patient care and/or financial implications of any or all of these gaps remaining unfilled.*

SP responded that the risks on the BAF were all high and this is why they were on the BAF so the Board could monitor them closely. Commentary was provided to assist with the variances in movement throughout the year. He added that mitigating actions were undertaken to reduce risks but that the external context could change which was outside of the Trust's control, for example, STPs and Acute Trust reconfigurations. He emphasised that there had been some positive moment within the BAF/CRR.

- *BAF detailed pages*
  - *Lots of deadlines passed without further comment;*
  - *Lots of 'March 17' deadlines – would these be met;*
  - *Should consideration be given to 'deep dives' by QC and F&IC.*

SP advised that the BAF/CRR was continually updated but that it was likely that some risks would carry forward into the next financial year. It was noted that assurance of the BAF and CRR was provided by the Chair of the QC and the Chair of F&IC. Both PD and JN felt that they requested further assurance on specific issues as necessary at their respective meetings and this was subsequently reported to Audit Committee through their assurance reports.

- *CRR– how was assurance provided for risks rated lower than 12.*

SP advised that the process was for risks of 12 or greater were

		<b>Action</b>
	<p>reviewed via TMG and exceptions were reported through the assurance reports provided to QC and F&amp;IC. Risks below 12 were reviewed at departmental level meetings and were moderated via the Trust Risk Manager.</p> <p>JN thanked SP for the update.</p> <p><b>Approval:</b>  <b>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.</b></p>	
<p><b>5.0</b></p>	<p><b>For Assurance: Quality Committee Risk Assurance Report</b>  PD provided assurance to the Audit Committee on the management of risks within the remit of the QC.</p> <p>PD reiterated that the BAF and CRR were considered as part of the QC meetings and that officers highlighted exceptions within their assurance reports.</p> <p>She advised that the QC on 8 December had received a number of updates including:</p> <ul style="list-style-type: none"> <li>• CQC inspection on which the Trust was still awaiting formal notification of the outcome;</li> <li>• A&amp;E handover issues at Acute Trusts;</li> <li>• Holiday Pay and Apprenticeship Levy impact on the Trust;</li> <li>• The risk in relation to achievement of the national CQUINs;</li> <li>• Quality Account progress.</li> </ul> <p>The Committee agreed that following the review at TEG it would be useful to have the report in relation to Apprenticeship Levy and Holiday Pay.</p> <p><b>Action:</b>  <b>Following review at TEG the Apprenticeship Levy and Holiday Pay report to be presented at Audit Committee.</b></p> <p>SP reiterated his previous point under item 4.0 of the agenda that risks of 12 or greater were reviewed via TMG and exceptions were reported through the assurance reports provided to QC and F&amp;IC. Risks below 12 were reviewed at departmental level meetings and were moderated via the Trust Risk Manager. He added that the BAF and CRR process was subject to an internal audit.</p> <p>BB responded that direct assurance on the management of risk was received as was assurance on the infrastructure around the process.</p> <p>AA added that the Board took assurance from the Governance Review presented to the Board on 27 September 2016 that the</p>	<p><b>RDT/RBa 2017/001</b></p>

		<b>Action</b>
	<p>appropriate structures and processes were in place within the Trust.</p> <p>SP referred to the CQUIN risk which related to the contract offer for A&amp;E Operations. The latest offer would be reflected within the risk commentary/score as appropriate and the impact of the offer would be explained to Commissioners in regard to achievement of the national CQUINs. He added that it was unlikely the full £4m would be at risk but even a proportion of this would be a significant impact to the Trust's financial position. He advised that the Trust would go to arbitration should agreement not be reached with Commissioners.</p> <p><b>Approval:</b>  <b>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.</b></p>	
6.0	<p><b>For Assurance: Charitable Funds Committee Risk Assurance Report</b></p> <p>EM provided a brief summary of the Charitable Funds Committee' activities including that a three year strategy would be developed and that a Fund Manager would be recruited to manage both fundraising activities and distribution of the funds appropriately and in-line with the aims of the charity.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the update on the Charitable Funds Committee.</b></p>	
6.1	<p><b>For Assurance: YAS Charitable Funds Accounts and Annual Report</b></p> <p>The paper presented to the Committee the independently examined 2015/16 Annual Accounts and Trustee Annual Report to note and forward to the Trust Board for approval.</p> <p><i>AA read out the comments received from BS which related to the accuracy of dates of the NEDs terms of office and some typing errors. The document required proof reading and accuracy checking.</i></p> <p>PDu would ensure these points were addressed and rectified where appropriate.</p> <p><i>AA raised the following comment by BS that he was questioning whether the Charitable Fund was spending enough funds compared to income received.</i></p> <p>PDu reported that during 2015/16 the Charitable Fund expended £20k against an income of £134k. He reported that the Fund had supported various communities with the purchase of CPADs, helped members of staff through the Benevolent Fund, supported Restart a</p>	

	<b>Action</b>
<p>Heart and a number of other initiatives.</p> <p>He advised that the Trustees were aware that the Fund should expend more and that work was on-going in an effort to do this. The Fund was in the process of recruiting a Fund Manager who would be responsible for fundraising activities and expending funds in line with the Charity's strategy. A risk register had been developed and a three year Strategy was in development. He anticipated that there would be significant improvements in both fundraising and expenditure over the financial years 2017/18 and 2018/19.</p> <p>EM added that a large proportion of donations came from legacies and it was difficult to anticipate when these might be received. She emphasised that the Fund had made positive progress this financial year and it was expected to build on this progress going forward.</p> <p>HRo advised that from an External Audit perspective, subject to the minor amendments as discussed, the 2015/16 Annual Accounts and Trustee Annual Report were an accurate record of financial activity.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the Report and Accounts and recommended for them to go to the January Board. Subject to clarification and rectification of the minor outstanding matters.</b></p>	
<p><b>7.0 For Assurance: Finance &amp; Investment Committee Risk Assurance Report</b></p> <p>For the purpose of this item, as acting Chair of the meeting, JN provided the assurance as Chair of F&amp;IC to the Audit Committee on the management of risks within the remit of the Finance and Investment Committee (F&amp;IC).</p> <p><i>JN referred to the comment made by BS that BS had reservations in relation to previous discussions in relation to the Financial Plan, particularly concerning the financial forecast 2017/18 and (2018/19) outturn.</i></p> <p>JN summarised the concerns and challenges experienced when approving the Operational Plan and Financial Plan for 2017/18 and 2018/19. He supported the comments provided by BS where it was felt that previous reports to Committee and Board were either imprudent or over prudent in relation to the forecast outturn.</p> <p>This specifically related to the 2017/18 outturn position of £53k. Initially at the Trust Board meeting on 29 November 2016 the Board had heard that an assumed A&amp;E contract settlement of £189m would result in a £53k outturn and the Trust not achieving the £5.2m control total. Executive Directors had emphasised to the Board that nothing more could be done to achieve the control total.</p> <p>At the 8 December Board meeting, the assumed A&amp;E contract</p>	

**Action**

settlement had been reduced to £186m but the financial outturn still projected a £53k surplus for 2017/18.

JN explained that due to the conflicting information that he felt had been provided, or not articulated appropriately, at the Board meetings then it had raised significant concerns amongst the NEDs as to the accuracy and deliverability of the Operational (Financial) Plan 2017/18.

EM added that during the Board telephone conference which had taken place on 22 December 2016 that the Chief Executive (RB) had provided a RAG rated explanation of how the Trust had arrived at the financial position. She stated her belief that this explanation had been missing in earlier discussions and that personally she had taken assurance from the explanation provided on 22 December.

RDT responded that at various points in time there were different risks arising. The Trust had a duty to deliver a breakeven financial position. He explained that the Trust had from the outset realised that the control total was likely not to be deliverable but the Trust had planned to deliver at least a breakeven position.

The first draft of the Financial Plan which was provided to the Board had assumed an £189m A&E contract settlement but with CQUINs applied. There had been a number of efficiencies built in and potential risks in relation to rota implementation had also been factored in. This had resulted in the forecast position of a surplus of £53k.

During negotiations it had become apparent that the Trust would not receive £189m A&E contract settlement and that £186m appeared to be an amount that Commissioners would offer. It had been anticipated by the Trust that the lower offer from Commissioners would attract no risk of CQUIN penalties, limited risks in connection to PTS East Riding had been factored in, though not the potential loss of the PTS South Yorkshire contracts. TEG had further challenged the organisation in terms of CIPs/quality and efficiency savings. Therefore, despite the anticipated offer being reduced, due to the changing nature of the risks, the forecast outturn position was a surplus of £53k and this complied with the Trust's duty to deliver a breakeven position.

RDT added that the Trust continually challenged itself in terms of Quality and Efficiency savings /CIPs.

He explained that YAS had been explicit in the Operational Plan and Financial Plan 2017/18 and 2018/19 submitted to NHSI the assumptions the Trust had made in preparing the financial forecast. He added that until the outcome of the A&E contract negotiations, indeed all the contract negotiations, were known it would not have been prudent for the Trust to have forecast a deficit position.

	<b>Action</b>
<p>He advised that, to date, there had been no push back from NHSI on the Trust's submission of the Operational Plan and Financial Plan 2017/18 and 2018/19 in terms of the control total or the forecasted outturn position.</p> <p>He informed the Committee that should further information indicate that the Trust was heading for a deficit that this would be reported to the Board in a timely and appropriate way and reported to NHSI.</p> <p>PD asked for a report to be presented through Finance and Investment Committee on the different scenarios/risks/mitigations of the financial plan/outturn, for example if X happened, this would be put in place for a Y outturn.</p> <p><b>Action:</b>  <b>A report to be presented through Finance and investment Committee on the different scenarios/risks/mitigations of the financial plan/outturn.</b></p> <p>SP informed the Committee that a Quality Impact Assessment was being undertaken on the A&amp;E contract offer of £186m.</p> <p>RC stated his belief that some of the concerns held by the NEDs in relation to the Operational Plan and Financial Plan 2017/18/19 might have been avoided if at the start of discussions it had been clarified that the initial Plans were outline plans with associated risks and mitigations that would be subject to movement throughout the process.</p> <p>JN asked that a report be provided to F&amp;IC on a risk based assessment of quality and efficiency savings CIPs/CQUINs.</p>	<p><b>RDT</b>  <b>2017/002</b></p>
<p><b>Action</b>  <b>A report is provided to F&amp;IC on a risk based assessment of quality and efficiency savings CIPs/CQUINs.</b></p> <p>PD commented that the Board should not lose focus on the overall impact of the financial delivery of care to patients.</p> <p>It was noted that this would be monitored through the regular reports received by the Quality Committee.</p> <p><i>JN referred to the following comment from BS:</i></p> <ul style="list-style-type: none"> <li>• <i>What were the results of TEG considering the agency cap breach risk.</i></li> </ul> <p>RDT responded that benchmarking was taking place with the North West and North East Ambulance Services through the Northern Ambulance Alliance in terms of NHS 111.</p>	<p><b>RDT/SP</b>  <b>2017/003</b></p>

	Action
<p>SP advised that the North East did not recruit clinical staff for this service and so could not be compared 'like for like'.</p> <p>RDT reported that agency costs had been incurred to support RBA until the HR senior team permanent roles had been recruited. He added that the Trust needed to revise/update policies so that they were fit for purpose for the organisation, such as the accommodation expenses for staff undertaking training.</p> <p>It was acknowledged that the Trust needed to reduce agency spend.</p> <p><i>JN raised the following point from BS:</i></p> <ul style="list-style-type: none"> <li>• <i>What would be reported to NHSI on 17 January 2017 and was there sufficient assurance as to the realism of the forecasted outturn.</i></li> </ul> <p>RDT confirmed that the Trust would be reporting the mid-point outturn position to NHSI on 17 January. The Month 8 position showed £2.3m forecast outturn. At month 9 the Trust would need to take in to account the National Discount rate in respect of benefits/pensions.</p> <p>PDu added this had impacted on every public sector organisation. He explained that the Trust would achieve the month 9 STF target so STF funding could be accessed. The remaining three months had more uncertainty with the rise in demand. The Trust had put mitigating plans in place such as reducing the use of private providers and ensuring meal breaks were taken but increased demand negatively impacted upon these efficiencies.</p> <p>He explained that NHSI had been made aware that an increase in demand for A&amp;E services by 6.5% with no compensatory income was proving a challenge for the Trust, plus the outstanding financial issues with reconfigurations of Mid Yorkshire Trust and York/Scarborough Hospital Trust provided further challenges.</p> <p>It was noted that an increase in demand resulted in increased consumable/oxygen usage and training costs.</p> <p>RDT referred to fleet costs which had been higher than anticipated. There was a strategic decision to be made in this regard between older fleet requiring more maintenance or investing in new vehicles requiring less maintenance. Currently YAS' data was not mature enough to capture a full life costing - cost/benefit analysis in this regard but it was hoped to address this going forward. Work was taking place with the Northern Ambulance Alliance to look at standardising vehicle specification which would deliver efficiencies.</p> <p>RC commented that he thought it would be beneficial to obtain an external view on fleet logistics, as the Trust would be able to obtain advice on a no-cost basis and it would then be the Trust's decision</p>	



	Action
<p>whether it then paid for implementation of recommendations.</p> <p><b>Action:</b>  <b>For a report to be presented on F&amp;IC on the strategic direction of fleet maintenance/purchase.</b>  RDT advised on the process for the report to NHSI on 17 January and that the return would need to be signed off by the Chair of the Audit Committee, although the requirements were slightly contradictory as they were also required to have been taken through the F&amp;IC. He would contact BS direct to discuss this further.</p> <p><i>JN referred to two further points from BS:</i></p> <ul style="list-style-type: none"> <li>• <i>Front sheet purpose and recommendation – this should more closely, and simply, mirror those in QC report;</i></li> <li>• <i>Was there a cross-check to ensure that the F&amp;IC receives adequate assurance regarding all F&amp;IC-related risks on the BAF? And on the <math>\geq 12</math> CRR.?</i></li> </ul> <p>JN would action the first point and the second point had been discussed extensively under item 5.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the update on Finance &amp; Investment Committee discussions in relation to key risks and gained appropriate assurance that risks were being suitably managed.</b></p>	<p><b>RDT</b>  <b>2017/004</b></p>
<p><b>8.0 For Assurance: NEP Consortium Agreement &amp; Updated Accounting System</b>  The paper asked the Committee to note changes to the accounting system and confirm continuing participation in the NEP consortium.</p> <p><i>JN referred to the comments from BS:</i></p> <ul style="list-style-type: none"> <li>• <i>Clarification of the purpose and recommendation was requested;</i></li> <li>• <i>Questioned whether the paper should be at the Audit Committee or to F&amp;IC.</i></li> </ul> <p>RDT explained that the contract was part of a collaboration arrangement (which also included North West and North East Ambulance Services). He advised that the NEP contract ended on 31 March 2018 and the NEP consortium had conducted an open tender and evaluation exercise to identify a suitable cloud based financial systems solution replacing the existing more labour intensive solution. He informed the Committee that the paper was being presented to the Audit Committee as it was a critical financial system.</p> <p>Following this the NEP service would continue to rely on Oracle's 'Enterprise Resource Planning (Oracle ERP) suite but would move to using the cloud based version of the software. The cloud based</p>	

	<b>Action</b>
<p>version offered a number of improvements over the existing version.</p> <p>PDu added that it was a suitable, low risk arrangement.</p> <p>RDT asked the Audit Committee to recommend to the Board that the contract be continued for at least the next three years.</p> <p>JN asked how vulnerable the system was to a 'cyber-attack'.</p> <p>PDu advised that the system was low risk in that regard, the system was backed up continuously and the way the data was held was secure.</p> <p>SP added that Ola Zahran was on a national programme in relation to ICT data security and had recently updated TMG in this regard and updated YAS policy.</p> <p>JN thanked RDT for the update.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the report and recommended to the Board of Directors that it confirms that the Trust wishes to continue as a member of the NEP Consortium, and to make use of the updated Accounting Software provided through the consortium.</b></p>	
<p><b>9.0 For Assurance: Request for Additional Assurances on Accounting Procedures</b></p> <p>The paper was in response to the request for assurance on the 'whole scope of financial systems and controls' and provided comprehensive assurance on the methodology and processes for compilation of the Annual Accounts.</p> <p><i>AA referred to the comments made by BS which raised the question for him that although the paper offered assurance he still felt there was more work to be done.</i></p> <p>RDT confirmed to the Audit Committee that the preparation of the Annual Accounts received significant assurance for compliance from External Audit.</p> <p>PDu added that in terms of the 'whole scope of financial systems and controls' this was a very wide remit but he felt that there was a high level of assurance in this regard across the organisation. He added that there was always room for improvement but to add in other levels of assurance that were not necessarily required, would not be cost effective.</p> <p>He felt that the issues of financial control were wider issues around the culture of the organisation and managers understanding their responsibility when committing the organisation to expenditure, whether that be by authorising overtime or raising an invoice for an</p>	



	Action
<p><b>organisation (replaces Action 2016/006).</b></p> <p>JN thanked RDT and P Du for the update and the work undertaken to date.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the report and gained assurance that appropriate financial controls and processes were in place across the organisation. The Audit Committee noted the need for further work to be undertaken in relation to aligning the organisational culture to the Standing Orders and Standing Financial Instructions and of the Trust.</b></p>	
<p><b>9.1 For Assurance: Review of Draft Annual Account Timetable 2016/17</b></p> <p>The paper provided the Audit Committee with the draft timetable for the production and submission of the 2016/17 account.</p> <p>PD informed the Committee she would not be available on 22 May.</p> <p>It was noted that the paper referred to 2014/15 accounts on the last line of the table at Appendix 1 which should be amended to 2016/17.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the draft annual account timetable for 2016/17.</b></p>	
<p><b>10.0 For Assurance: Protocol for Change to Forecast</b></p> <p>The paper set out the requirements of NHSI to be met in order to submit the revised forecast at Qtr 3 and to recommend that the Board of Directors confirm the arrangements to comply with the protocol for a revised forecast.</p> <p><i>JN referred to the comments made by BS in this regard and it was agreed that RDT would discuss these direct with BS.</i></p> <p>The Audit Committee noted the paper.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the requirements to be met in order to submit the revised forecast at Qtr 3 and recommended that the Board of Directors confirm the arrangements to comply with the protocol for a revised forecast.</b></p>	
<p><b>11.0 For Assurance: External Audit Update</b></p> <p>H Ro provided an update on External Audit activity. He advised that planning started for the auditing of the Trust's Annual Accounts in early February 2017.</p> <p>He advised that the Charitable Funds Annual Report and Accounts had been audited and subject to the minor amendments discussed</p>	

		<b>Action</b>
	<p>previously at Item 6.1, were an accurate record of financial activity.</p> <p><b>Approval:</b>  <b>The Audit Committee received and accepted the latest External Audit Progress Report.</b></p>	
<p><b>12.0</b></p>	<p><b>For Consideration: Revised Standing Orders and Standing Financial Instructions, January 2017 and Level 2 Committee Terms of Reference</b></p> <p><i>JN referred to the comments from BS on this item and it was agreed that AA would contact BS direct to discuss these in detail.</i></p> <p>AA reported that the Governance Review including the purpose of each Committee had been agreed by the Board in September 2016. The revised versions of the Standing Orders/Standing Financial Instructions and Terms of Reference for Committees would be presented to the Board on 31 January 2017. She reiterated that nothing substantial had arisen to deviate from this timeline.</p> <p>AA referred to Appendix 1 (4) and highlighted the key amendments to the SOs/SFIs with the reasons for the amendment.</p> <p>AA advised she had received legal advice in relation to the definition of a 'meeting' so that the SOs covered more than just a physical meeting and included telephone/virtual meetings. This had been raised through the NAA work and covered collaboration and partnership arrangements.</p> <p>AA asked for comments to be received by 18 January 2017.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the update.</b></p>	
<p><b>13.0</b></p>	<p><b>For Assurance: Compliance with Audit Recommendations</b></p> <p>The paper provided an update on the status of outstanding Internal Audit recommendations and updated on the revised process for follow up of Internal Audit recommended actions.</p> <p>SP referred to paragraph 3.3 of the report which explained the proposed changes to the follow up process, adding that these had been reviewed by TMG in December 2016.</p> <p><i>JN referred to the comments made by BS:</i></p> <ul style="list-style-type: none"> <li>• <i>Overdue audit recommendations – what was being done by the Trust to address this.</i></li> </ul> <p>JN added that he understood the comments made by BS and shared his frustration that more should be done to ensure that Internal Audit recommendations were actioned in a timely and efficient way.</p> <p>BB responded that the implementation levels in the Internal Audit</p>	

	<b>Action</b>
<p>Annual Report were sufficient but they could be improved. She added that sometimes there was a legitimate reason why they had not been implemented. A data cleansing exercise had been undertaken with a robust rationale behind it and discussions would take place with managers in relation to outstanding actions.</p> <p>JN asked whether BB was satisfied.</p> <p>BB responded that in her belief recommendations were actioned but not always in a timely manner. She felt matters had improved and would continue to improve further.</p> <p>SP emphasised that this issue had a strong focus within TMG and the PMO.</p> <p>JN thanked SP and BB for the update and noted the improvements made to date and he acknowledged there were further improvements to be made.</p> <p><b>Approval:</b>  <b>The Audit Committee received and accepted the latest Compliance with Audit Recommendations Report.</b></p>	
<p><b>14.0 For Assurance: Internal Audit and Counter-Fraud Progress Report</b></p> <p>The paper provided an update on progress with, and outcomes from, Internal Audit and Anti-Crime (Counter Fraud and Security Management) activity.</p> <p>BB advised that supplementary information and reports had been placed in the 'reading room' of BoardPad.</p> <p>She referred to the Table 1, Appendix 1 which provided a high level summary of finalised reviews. Table 2 showed those that had been completed but not finalised.</p> <p><i>AA referred to the comment from BS:</i></p> <ul style="list-style-type: none"> <li>• <i>Implications of Nursing Staff Revalidation receiving 'limited' assurance.</i></li> </ul> <p>BB advised that it was making sure the organisation was well sighted on nursing validation.</p> <p>SP added that the process for ensuring that the organisation satisfied itself that Nurses were professionally registered was well established and a notification was sent to line managers.</p> <p>The Trust had provided software to support Nurses within the Trust with their professional portfolio and not every Nurse had chosen to use the system. The Internal Audit report was raising questions whether YAS' Nurses were engaged with the system.</p>	

He explained the process which was undertaken by the Trust and individuals and commented that he felt confident that the processes within the Trust ensured that Nurses carried out their individual responsibility to ensure that they were registered appropriately.

JN asked whether the Trust captured everyone relevant.

SP responded that he was confident that this was the case.

PD emphasised that it was the responsibility of the individual to ensure that they were registered.

*JN referred to the following comment by BS:*

- *Questioned the assurance level of 'significant' for Wireless Network Security Controls when it had 2 grade 2's.*

BB responded that the audit had been undertaken by specialist IT Auditors who had undertaken a thorough audit process. The report had provided significant assurance in this regard. . The overall opinion is guided by the number of higher graded recommendations but informed on the basis of the overall review. The overall opinion is not an exact science and is based on professional judgement. More importantly are the actions delivered in respect of each of the recommendations.

*JN referred to the following comment by BS:*

- *PTS report - What was the review scope.*

BB advised that this was in the early stages and an on-going piece of work which followed up from the work done in the past.

EM asked whether reports commissioned by PTS in the past would be considered during the process.

BB responded that the report would link back where it was appropriate to do so.

EM commented that it would be interesting to understand where the alerts were for PTS.

SP responded that some issues had been highlighted during the CQC inspection and subsequent report in 2015.

*JN referred to the following comment by BS:*

- *Was the Internal Audit Plan on track as Q3 seemed to have resulted in further fall behind YTD;*
- *Clarification on the process for the 2017/18 Internal Audit plan.*

	Action
<p>BB explained that amendments made to the plan were detailed in the progress report. The Audit plan remained responsive to organisational needs. Discussions were taking place for the next Internal Audit Plan with SP and the rest of TEG.</p> <p>BB guided the Committee through the Report Extracts at Appendix 3.</p> <p><u>Reference Costs</u> RDT advised that this provided assurance to the Board that adequate systems and processes were in place for producing ambulance service reference costs. This had been initiated following a late report which had been taken at Board as a 'catchall' when it should have been received by the Finance and Investment Committee first. The Internal Audit report provided significant assurance.</p> <p><u>Tariff Validation</u> RDT advised this was an important assurance report and it could form part of the Trust's response should the Trust go to arbitration. The report provided significant assurance.</p> <p><u>Healthcare Contract Management</u> BB explained that a sample view had been used for the audit to ensure that appropriate and correct process had been used. The report provided significant assurance.</p> <p>RDT added that it should be noted that not all contracts were managed by the central contracting team. He advised that there would be a greater input for contracts within NHS 111 going forward.</p> <p><u>Sub-contract Governance Arrangements</u> This had been discussed earlier at agenda item 3.4.</p> <p>PD referred to the follow up work on the governance information which AA had undertaken on partnerships and other collaborations which she thought would be useful to receive an update at the Audit Committee at the July meeting.</p> <p><b>Action:</b> <b>For an update paper to be brought to the July Audit Committee in relation to the Collaboration Strategy and governance arrangements.</b></p> <p><u>Community First Responders</u> The Audit Committee noted the limited assurance provided by the report and the recommendations to drive improvements.</p> <p><u>Care Pathways Acute Service Reconfiguration</u> BB explained this had been requested by the Executive Medical</p>	<p>LM 2017/006</p>



	<b>Action</b>
<p>Director to examine how the Trust received information in relation to Acute service reconfigurations and how this was captured and recorded within the Trust to ensure an appropriate emergency response. The report provided significant assurance.</p> <p>SP advised that at times the Trust was given very short notice of reconfigurations which did present a challenge. Where the Trust was made aware of reconfigurations this was noted and captured appropriately within the Trust.</p> <p>EM left the meeting at 1225 hours.</p> <p><u>Management of the Estate</u> BB explained that this built on previous work undertaken by Internal Audit. The report had been provided to Emma Bolton, Director of Estates and Facilities. The review provided significant assurance in terms of implementation of previous recommendations around the management of tenancies, estates cleaning and facilities management/repairs and maintenance.</p> <p><u>Diversity and Inclusion</u> BB advised that substantial work had been undertaken with Kez Hayat, Head of Diversity and Inclusion. As a result of this a maturity matrix had been developed. When the Diversity and inclusion agenda had developed further within the organisation further internal audit activity could be considered.</p> <p><u>Security Management</u> BB advised that a Security Management Specialist had undertaken the review. The review had provided significant assurance in this area. SP noted that there would be a substantial change going forward as this process would be similar to the IG toolkit process.</p> <p><u>Medicine Management</u> The review had provided significant assurance. It was noted that significant improvements had been made to medicines management following the CQC inspection in 2015 and this had been noted by Inspectors at the 2016 inspection.</p> <p><u>Medical Device Management</u> The report provided significant assurance. BB advised that there were some actions to be completed at a local level. PD referred to the 123 devices which were recorded as being overdue for service.</p> <p>SP responded that the focus had been on the highest risk devices and he acknowledged there was further work to do. The new Medical Devices Manager was making a difference on ensuring medical devices across the organisation were fit for purpose and complied with regulations.</p>	



		<b>Action</b>
<b>15.0</b>	<p><b>For Assurance: Review of Losses and Special Payments</b> The paper provided information in relation to incidences of Losses and Special Payments for the first eight months to November 2016.</p> <p>PDU reported that the finance team had reviewed all payments charged as legal services for 2016/17 which had initially identified the specific £26k tribunal costs mentioned in the report, based on the invoice description. Further work was continuing.</p> <p>SP advised that employer liability claims had reduced in both number and amount claimed.</p> <p>JN thanked PDU for the update.</p> <p><b>Approval:</b> <b>The Audit Committee noted the reported incidence of Losses and Special Payments made up to November 2016.</b></p>	
<b>16.0</b>	<p><b>For Ratification: Capitalisation of Vehicle Set Up Costs</b> The report outlined the financial framework for the classification of vehicle set-up costs as capital to support operating plans, service delivery and developments fit for purpose.</p> <p>HRO advised he had discussed this with the Trust and it was a management decision how to treat the costs, he added that the costs came well below the level of materiality.</p> <p>RDT confirmed that other Trusts used the same process and that YAS had accounted for these costs in this way previously.</p> <p>It was confirmed that there had been no prior in-year adjustment.</p> <p><i>JN referred to BS comments and RDT would discuss these direct with BS.</i></p> <p><b>Approval:</b> <b>The Audit Committee noted the report and approved the classification of vehicle fit out and equipping as Grouped Assets.</b></p>	
<b>17.0</b>	<p><b>For Assurance: SFI Waivers and Contract Award Activity over £100,000</b> The paper provided 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>The report was noted.</p> <p><i>AA referred to the comments by BS in relation to Actions</i></p>	

		<b>Action</b>
	<p><i>2016/052/053 and 054 which he believed should remain open. It was agreed that these actions remain open for further discussion and assurance. RDT would discuss this with BS.</i></p> <p><b>Approval:</b>  <b>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).</b></p>	
17.1	<p><b>For Assurance: Review of Suspension of Standing Orders</b>  AA confirmed that there had been no suspension of Standing Orders since the Audit Committee meeting on 6 October 2016.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the update.</b></p>	
18.0	<p><b>For Assurance: Review of Members' Expenses (Half Year 2016/17)</b>  The report provided an update on Board Members' expenses for the period 1 April to 30 September 2016.</p> <p>AA pointed out that the expenses relating to the previous Chairman of the Trust included travel and accommodation and other expenses booked directly that for other Board Members had been paid directly by the Trust. JN noted that he also paid directly his occasional external expenses such as rail/ hotel to take account of last minute availability discounts so his expenses should be viewed in the same context as those of the previous Chairman.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the Board Members' expenses for the period 1 April to 30 September 2016.</b></p>	
19.0	<p><b>For Assurance: Raising Concerns at Work/Freedom to Speak Up</b>  SP advised that there had been no new concerns since the previous meeting.</p> <p>He reported that there had been 44 formally logged issues through the Freedom to Speak Up Guardian and these were being dealt with appropriately by the Freedom to Speak Up Guardian either directly or signposting.</p> <p>He advised that work was taking place to review how the Freedom to Speak Up data was captured and reported.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the update.</b></p>	

		<b>Action</b>
<b>20.0</b>	<p><b>For Assurance: Review of Meeting Actions and Quality Review of Papers</b></p> <p>JN referred to the number of items on the agenda and action log which the meeting had covered effectively. He referred to the clarity that had been provided in relation to the forecast outturn position for 2017/18.</p> <p>He thanked those present for their attendance and contributions to the meeting.</p> <p><b>The meeting finished at 1250 hours.</b></p> <p><b>HRO and CM left the meeting at 1250 hours.</b></p>	
<b>14.1</b>	<p><b>For Assurance: East Coast Audit Consortium (ECAC) merger into Audit One Consortium (Confidential)</b> <b>This item was taken out of order of the agenda.</b></p> <p>RDT left the room and PDU provided the commentary for the paper.</p> <p>The paper sought agreement to the proposal for ECAC to become part of 'Audit One'.</p> <p>SP queried paragraphs 3.3 and 3.4 of the document which referred to Foundation Trust Boards which did not include NHS Trusts such as YAS.</p> <p>RDT advised that this anomaly had been noted, in addition to other issues, and would be feedback to be amended.</p> <p>PDU explained the background and confirmed that due diligence had been undertaken. The new arrangements under Audit One would provide more services for the Trust.</p> <p>BB added that it was the right thing to do and that the Trust would benefit from added value, for example access to events/training/briefing papers which were not currently provided by ECAC.</p> <p>SP referred to the Membership of the Board for Audit One.</p> <p>RDT advised this had been noted and comments had been sent in this regard.</p> <p>JN thanked colleagues for the update.</p> <p><b>Approval:</b> <b>The Audit Committee noted the update and recommended to the Board the proposed merger of ECAC into Audit One and membership of the new consortium for an initial 3 year period from 1 April 2017.</b></p>	

		<b>Action</b>
<b>21.0</b>	<b>Date and Location of Next Meeting:</b> 13 April 2017 – 0900-1300, Kirkstall and Fountains, YAS HQ	

**CERTIFIED AS A TRUE RECORD OF PROCEEDINGS**

\_\_\_\_\_ **CHAIRMAN**

\_\_\_\_\_ **DATE**