



**Audit Committee**

**Venue:** Kirkstall/Fountains, Springhill 1, Wakefield, WF2 0XQ

**Date:** Thursday 7 January 2016

**Time:** 0900 hours

**Chairman:**

Barrie Senior (BS) Non-Executive Director

**Attendee (Member):**

Pat Drake (PD) Non-Executive Director & Deputy Chairman  
 Erfana Mahmood (EM) Non-Executive Director  
 John Nutton (JN) Non-Executive Director  
 Mary Wareing (MW) Non-Executive Director

**In Attendance:**

Robert D Toole (RDT) Interim Executive Director of Finance & Performance  
 Steve Page (SP) Executive Director of Standards & Compliance  
 Ronnie Coutts (RC) Non-Executive Director (Designate) (Observing)  
 Hassan Rohimun (HR) Executive Director, Ernst & Young  
 Claire Mellons (CM) Senior Manager, Ernst & Young  
 Benita Jones (BJ) Internal Audit (IA)  
 Sue Kendall (SK) Internal Audit (IA)  
 Shaun Fleming (SF) Counter Fraud  
 Anne Allen (AA) Trust Secretary (Observing)  
 Perry Duke (PDu) Head of Financial Services (for items 6.0,8.1 & 11.0)  
 Kate Sims (KS) Associate Director of HR (for Item 12.4)  
 Nigel Batey (NB) Business Intelligence Manager (for item 12.5)  
 Jo Wilson (JW) PA to Executive Director of Finance and Performance  
 Paul Tilney (PT) Internal Audit (Item 12.3)

**Apologies:**

**Minutes produced by:**

Joanne Lancaster (JL) Committee Services Manager

		Action
	The meeting commenced at 0900 hours.	
1.0	<b>Introduction and Apologies (including Audit Committee Workplan Update)</b> BS welcomed everyone to the meeting and thanked them for their	

		<b>Action</b>
	prompt attendance. No apologies had been received. Introductions were made round the table.	
<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>	<p><b>Minutes of the last meeting on 1 October 2015, including Matters Arising</b></p> <p>The minutes of the meeting held on 1 October 2015 were reviewed and agreed as a true record of the meeting subject to the following amendments.</p> <p>AA formally apologised to the Committee for the Minutes from 1 October, these had been produced by a temporary member of staff, and although appropriate checks and tests had been undertaken prior to commencement, the individual had not performed as well as expected.</p> <p>BS advised that due to the issues outlined by AA that the review of the minutes would be taken one page at a time.</p> <p>The minutes of the meeting held on 1 October 2015 were reviewed and agreed as a true record subject to the following amendments.</p> <p>Page 2 – Paragraph 3.3 – the Action should read – ‘MW requested that an update paper be provided at the January Audit Committee’.</p> <p>Page 3 – Paragraph 2 – change to ‘BS questioned whether adequate controls were in place to manage Trust data’.</p> <p>Page 3 – Paragraph 4 – change ‘feed into the overall data quality’ to ‘feed into the Quality Accounts’.</p> <p>Page 5 – Paragraph 2 – Action – replace the word ‘renewing’ to ‘reviewing’.</p> <p>Page 5 – Paragraph 7 – change ‘that the wording’ to ‘that some of the wording’.</p> <p>Page 5 – Paragraph 4 – Add to Approval ‘The report to be presented to the Trust Board in January 2016’.</p> <p>Page 11 – Paragraph 7 – change ‘BS commented on those reports where an opinion was not given’ to ‘BS observed that when audit reports were not flagged as limited assurance there was perhaps a tendency to treat them less seriously’.</p> <p>Matter Arising from the Minutes – Page 11 – Paragraph 7 – BJ advised that RAG ratings were not being provided on follow up audits. BS stated that where an area had been audited where there were widespread issues then it should probably be re-audited and an</p>	

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<p>opinion provided. BJ advised that at the start of audits it would be made clear what would be provided.</p> <p>Page 11 – Paragraph 8 – Action – change to ‘RDT to clarify which audits on the action log required no opinion’. It was noted that the action log had been amended as necessary.</p> <p>Page 11 – Paragraph 11 – change wording ‘and would be incorporated into the audit plan’ to ‘and was already incorporated into the audit plan’.</p> <p>Page 11 – Paragraph 13 – change wording to ‘proposed updated audit plan 2016/17’ to ‘an update on the audit plan 2016/17’.</p> <p>Matter Arising - Page 12 – BS advised that actions allocated to DS would be picked up by KS. KS responded that she would be reviewing these with the team and would report back to the Committee at a later date.</p> <p>BS stated his belief that a common theme in recent HR related internal audit reports appeared to be a lack of critical self-analysis and issues being highlighted to an appropriate level of management. BS requested that the common themes be considered and commentary provided about what was being doing to address these.</p> <p><b>Action:</b>  <b>A report on common themes and actions being taken to address these to be circulated to Audit Committee members.</b></p> <p>PD advised this had been raised at the Quality Committee.</p> <p>BJ responded that audit recommendations would be fed back in to the Assurance Framework.</p> <p>Page 13 – Paragraph 7 – change ‘RDT’ to ‘AC’.</p> <p>Page 14 – Paragraph 2 – change wording ‘refine the recommendations and actions’ to ‘confirm queries in respect of the recommendations and actions’. (BJ advised that she had emailed the Audit Committee clarifying this since the previous meeting).</p> <p>Page 17 – Paragraph 1 – change wording to ‘Standing Financial Instructions (SFIs) and Standing Orders (SOs)’.</p> <p>Page 17 – Paragraph 5 change wording to ‘Standing Financial Instructions (SFIs) and Standing Orders (SOs)’</p> <p>EM arrived at 0945 hours.</p>	<p>2016/001  KS</p>

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3.1	<p><b>Action Log and Matters Arising</b> The action log was reviewed and updated.</p> <p><u>Action 2015/93 – Data Assurance Checklist</u> - SP advised this tied into the report on Data Quality which was later in the agenda. The Quality Account was data assured and if there was anything more bespoke from this then there would be a separate check undertaken.</p> <p><u>Action 2015/94 – Process to Assure Accuracy of Data</u> - Change the action to include the wording 'accuracy and completeness. This would be covered later in the agenda under item 12.5. Action closed.</p> <p><u>Action 2015/95 – Audit Committee Terms of Reference</u> - AA advised there would be a delay in the revision of the ToR until the Well Led Review had concluded. There would be an update at the next Audit Committee on 7 April. RDT confirmed that he would draft revised ToR for the Audit Committee Chairman and NEDs to agree.</p> <p><u>Action 2015/96 – Benchmarking Exercise re Review of Schedules of Losses and Special Payments</u> - BJ advised that information had been gathered, however it was not Ambulance Service specific. The information obtained allowed for conclusions to be drawn of the process but more information would be required for robust analysis. This was still an item of work in progress and BJ would continue to progress and liaise with PDU and Alex Crickmar outside of the meeting.</p> <p><u>Action 2015/103 – Internal Audit Plan 2016/17</u> - This was on the agenda at 12.1. Action closed.</p> <p><u>Action 2015/104 – Internal Audit Reports relating to HR</u> - KS to consider this action and report back at the next meeting.</p> <p><u>Action 2015/105 – Rectification of MARS' Documentation</u> - KS to consider this action and report back at the next meeting.</p> <p><u>Action 2015/106 – ICT Strategy and Governance report recommendations and actions</u> - This action was closed, however, BJ advised that an email had been sent to the Audit Committee with a full report and comments on the recommendations.</p> <p><u>Action 2015/108 – ICT Strategy and Governance Report re Assurance on Risk Management in ICT</u> - RDT advised that the person who would have presented this was on leave due to working all over the festive period managing the ICT issues caused by the recent flooding in the region. The existing ICT Business Plan was being implemented, with the ICT Group monitoring this and developing it where appropriate. In terms of Risk Management there would be an updated report. Major issues identified were being dealt with. SP advised that at a recent workshop on security some</p>	

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	<p>security risks had been identified and these would be addressed through the Capital Programme and the Business Plan.</p> <p><u>Action 2015/109 – Management of Tenancies Report</u> - RDT advised that since the previous meeting the CAPSTICKS Estate Management tool had been introduced into the organisation. This tracked when leases were due to expire. A review with the software providers was due to take place to discuss and review the capabilities of the system. Discussions were also taking place in relation to alternative accommodation for the Willerby Ambulance Station.</p> <p><u>Action 2015/110 – Service Transformation Report extract</u> - This action was closed, however, SP advised that a self-assessment by TEGT had taken place and the service transformation had been constructed and aligned to the Strategy. A lessons learned review had taken place on the rota review in 2014. The work will inform the planning process for the Transformation Programme. SP further advised that there was now a dedicated Programme Manager in place, Paul Klein.</p> <p><u>Action 2015/113 – New Format of Internal Audit Report</u> - BJ advised she had not received any comments on the new format of the Internal Audit report. This would be presented later in the agenda. Action closed.</p> <p><u>Action/114 – Report on Management Process for Staff Working whilst on sick Leave</u> - This was on the agenda at Item 12.4. Action closed.</p> <p><u>Action 2015/117 – Review of Standing Financial Instructions/ Standing Orders Matrix</u> - RDT advised that work was on-going and he would hope to present the report at the April Audit Committee meeting. PDU had undertaken a full review of budget responsibilities and who was spending the budget allocations. The system hierarchy matched user setup. BS stated that assurance was required that SO and SFIs were being complied with.</p> <p><u>Action 2015/118 – Review of Standing Financial Instructions/ Standing Orders Matrix</u> - This was a duplicate action – to be deleted.</p>	
4.0	<p><b>Risk Assurance Reporting including Board Assurance Framework (BAF) and Corporate Risk Register (including Datix Progress Update)</b></p> <p>SP outlined the details of the report which was to inform the Committee on the risks recorded within the BAF and Corporate Risk Register and to provide assurance on the effective management of corporate risks.</p> <p>SP advised that this was the standard report and had been through the usual quarterly cycle of peer review. This cycle was slightly out</p>	

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<p>of synchronisation and a couple of risks had been added since those meetings.</p> <p>SP advised that there was good progress on all the risks. However, it had become apparent that the projected risk rating for 3a – Inability to deliver performance targets and clinical quality standards would not be reached. This would need to be carried over into the next year with on-going work.</p> <p>BS commented that where the projected risk rating had not been achieved this should be reviewed and lessons learned about the achievability of forward projections.</p> <p>SP responded that progress had not been made at the anticipated pace. The rigour of the process would be reviewed and the information gleaned would be used to inform future work.</p> <p>SP advised that an additional Board Development Meeting had been scheduled to consider Risk Appetite with AA confirming this was scheduled for 23 February.</p> <p>SP suggested that a Risk Review be undertaken at the same time if the time allowed for this. Risk Appetite would look at how YAS undertakes new challenges and innovations. Colleagues from Internal Audit would help facilitate the session.</p> <p>BS noted that in the BAF more risks had been completed than the Audit Committee had seen previously. BS referred to the risks with annotations in red that were complete. However, it appeared that in one or two instances expected completion dates had passed with no update.</p> <p>SP responded that it was an improving situation and that it would be a process of continual review.</p> <p>BS referred to the BAF risks and the Corporate Risk Register (CRR) that were relevant to Quality Committee and Finance and Investment Committee and asked if these were flagged accordingly. SP confirmed that they were and that he would replicate this for future Audit Committee reports.</p> <p>BS asked about some of the 'review dates' quoted in the Corporate Risk Register schedule which were in the past.</p> <p>SP advised that the 'general' review date of the risk should be updated. Actions would have their own review dates attached to them. The Risk Manager overviewed this data on a weekly basis and overdue risks were followed up with the relevant officer and actions mapped against the gaps.</p> <p>PD referred to some of the risks that were opened in 2012 and</p>	

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<p>wondered if these should be reviewed.</p> <p>SP advised that some of these had been challenged and noted by CQC and through this process some had closed. However, it was acknowledged that some risks would be carried forward on a rolling basis.</p> <p>SP referred to the charts detailed at 5.5, 5.6 and 5.7 of the report. The charts showed the percentage of risk level (5.5), risk level by Directorate (5.6) and the spread of risks by rating and grouped subtype (5.7). The chart at 5.7 was an experimental chart and it appeared that some areas were under represented. Further discussions would take place to ensure that there was full confidence that all risks had been captured.</p> <p>SP advised that Kevin Wynn, Investigations and Compliance Manager had completed a desktop analysis of Internal Audit reports from 2014/15 and 2015/16 to understand the profile of risks identified in these and to help further to ensure the completeness of the wider organisational risk register. The process had consisted of a number of phases:</p> <ul style="list-style-type: none"> <li>• Aggregation of the recommendations arising from each report;</li> <li>• Review of the findings of each report to identify and rate specific risks arising;</li> <li>• Review of the risk profile of all reports by directorate, to give an overview of the risk profile across the whole Internal Audit programme.</li> </ul> <p>SP advised that the summary of the review was attached at appendix 3. The review had sought to translate the Internal Audit findings into risk 'currency'. SP informed the Committee that he and Kevin Wynn would sense check the initial findings by liaising with Senior Managers and cross referencing to the Risk Register.</p> <p>SP advised that it was expected to apply this methodology to each new Internal Audit report going forward.</p> <p>MW commented this was a helpful piece of work. She would like to see the totality of Internal Audits by areas, for example, HR, ICT, etc. and then allocate an overall risk rating to each function.</p> <p>SP responded that work was underway to enable reporting to take place on that basis.</p> <p>BJ commented that the process supported the quantitative effectiveness of Internal Audit and the improvement it facilitated in the organisation. She added this was key aspect of using risk registers to drive the internal audit planning.</p> <p>BS thanked SP for the significant piece of work that had been undertaken and supported the role of Internal Audit in identifying</p>	

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<p>risks in the organisation. BS questioned if some of the risks identified by this route should perhaps have been flagged by management.</p> <p>SP advised that it was probable that some had been identified by senior management and accepted that some may not have been. There was some inconsistency. To improve the process it was expected that when an Internal Audit report was published that the Risk Manager would liaise with the relevant manager about the risks. This would also enable the risk management process to be more widely understood.</p> <p>HR advised that the primary responsibility for risk management was managers and directors and that risks should be proactively identified and managed accordingly.</p> <p>BS commented that the BAF and Risk Register were rolling pieces of work on an on-going basis. The report gave assurance that the Risk Management process was effective.</p> <p><b>Approval</b>  <b>The Audit Committee noted the update and gained assurance from the update report.</b></p>	
<p><b>5.0</b></p> <p><b>For Assurance: Review Annual Assurance Statement and action plan</b></p> <p>SP advised this would be covered under Annual Accounts process and would be presented at the April Audit Committee.</p>	
<p><b>6.0</b></p> <p><b>For Assurance: Review Draft Annual Accounts Timetable/Plan 2015/16</b></p> <p>PDU outlined the purpose of the paper which was to provide the Audit Committee with the draft timetable for the production and submission of the 2015/16 account.</p> <p>PDU reported that the dates for submission of draft and audited accounts had been confirmed as 22 April and 2 June respectively.</p> <p>PDU advised this would mean that the Audit Committee and Extraordinary Public Trust meeting would need to be rescheduled to align to this timeline. The proposed date suggested was 31 May 2015.</p> <p>BS noted that this was within the Spring Bank holiday week and asked if there would be an issue with Audit Committee quoracy.</p> <p>CM advised that as External Auditors they would be able to work with the proposed timetable.</p> <p>Discussion took place around suitable dates involving the necessary</p>	



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	<p>parties for:</p> <ul style="list-style-type: none"> <li>• The issue of accounts, audit and other papers for review by NEDs;</li> <li>• The NED accounts review meeting;</li> <li>• The Audit Committee meeting;</li> <li>• The Extraordinary Public meeting (formal sign-off 2015/16 Annual Accounts, Annual Report and Quality Account.</li> </ul> <p>It was agreed that PDU would circulate the dates via AA and then an agreement could be reached involving the Trust Chairman.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the updated and the proposed dates for the Annual Accounts submission and would take further instruction from PDU.</b></p> <p>SP advised that this would be in line with the Annual Quality Accounts report and work was progressing to dovetail these together.</p>	
<p><b>6.1</b></p>	<p><b>For Assurance: Review Annual Report Timetable 2015/16</b>  This was discussed under 6.0.</p>	
<p><b>7.0</b></p>	<p><b>Quality Committee Risk Assurance Report</b>  PD outlined the paper which provided assurance on the management of risks within the remit of the Quality Committee.</p> <p>PD made specific reference to Risk 1A 'adverse clinical outcomes due to failure of reusable medical devices and equipment' asking if the Medical Devices Manager role had been appointed. RDT responded that the interviews would be taking place the following week.</p> <p>PD advised that A&amp;E performance remained a key topic and the Quality Committee had asked for a report on Private Providers in the context of quality and safety.</p> <p>PD reported that the presentation on Estates/Fleet/Procurement received prior to the last meeting had been most useful.</p> <p>PD commented that focus remained on recruitment and workforce and noted that staff absence, education and training were all having a detrimental effect on abstractions.</p> <p>PD advised that plans were in place for Winter Pressures with SP adding that a report was due for the Board meeting on the recent flooding experienced in the North of the country.</p> <p>BS thanked PD for the report and commented that it read well and as an observer to the Quality Committee, he felt that meetings worked well.</p>	

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	<p>PD thanked BS and advised that agendas were well structured to ensure everything that needed to be was captured and retained a focus on risk.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the update on Quality Committee discussions in relation to key risks and gained assurance from the update report that risks were being appropriately managed.</b></p>	
<p><b>8.0</b></p>	<p><b>Charitable Funds Committee Risk Assurance Report</b></p> <p>EM referred to a course she had attended on risk profiling for charities and advised that YAS' Charity Committee would be focusing on the risk profile of the charity in more detail.</p> <p>EM advised that the charity had done well in terms of funding from a combination of the work done by the fundraiser and by a couple of legacies that had been received.</p> <p>EM reported that the charity trustees considered that an audit was not required for this year under section 144 (1) of the Charities Act 2011 but that an independent examination was required. The Trust's now former external auditors, Deloitte LLP, undertook the examination during August and September 2015.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the update on Charitable Funds Committee discussions in relation to key risks and gained assurance from the update report.</b></p>	
<p><b>8.1</b></p>	<p><b>For Approval: Charitable Funds Committee (CFC) Annual Accounts &amp; Trustee Annual Report</b></p> <p>PDu outlined the details of the paper which presented to the CFC the independently examined 2014/15 Annual Accounts and Trustee Annual Report to note and forward to the Trust Board for approval.</p> <p>AA noted that the Terms of Reference had been updated in 2015 and advised that this should be reflected in the Annual Report.</p> <p>AA briefly outlined the changes that had taken place including the 'purpose' of the charity being made the same as the Terms of Reference objectives and one of the Trustee's only having served until 4 June 2015. In terms of governance the supplemental deed of declaration would require significant update to reflect the Terms of Reference.</p> <p>It was noted that JN was a designate during the financial year and not a full Non-Executive Director as stated in the Annual Report.</p> <p>PDu confirmed that the Annual Accounts and Annual Report covered 2014/15 so the latest amended ToR referred to by AA did not need to</p>	

		<b>Action</b>
	<p>be included in this Annual Report.</p> <p><b>Action:</b>  <b>AA and P Du to discuss outside of the meeting to ensure that the documentation presented to the Trust Board in January 2016 was correct.</b></p> <p>JN noted concern about the amount held in Charitable Funds against expenditure. EM responded that that the Committee were looking at projects to support the purpose of the charity. AA advised that a workshop was being organised for February for all Trustees and other interested parties where fundraising and expenditure ideas would be explored.</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>2016/002 AA</b></p>
<p><b>9.0</b></p>	<p><b>For Assurance: Finance and Investment Committee (F&amp;IC) Risk Assurance Report</b></p> <p>MW outlined the purpose of the report which was to provide assurance to the Audit Committee on the effectiveness of the Finance and Investment Committee in assessing its plans, processes and controls pertaining to financial risk for the organisation.</p> <p>MW advised that here was limited assurance on Patient Transport Services (PTS). The F&amp;IC had received a presentation from the service which had provided more information but had raised more questions around achievability of targets and income growth.</p> <p>There was a good level of assurance on the Financial Outturn although the F&amp;IC had noted the potential financial penalties of non-delivery of performance and slippage of the in-year Capital Programme.</p> <p>BS noted that the report had improved, however, he did ask for the report to better 'mirror' the introduction and conclusion (3.21) provided in the Quality Committee Report.</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 from the report with qualifications.</b></p>	
<p><b>10.0</b></p>	<p><b>For Assurance External Audit Update</b></p> <p>RDT advised that he had reviewed the report but he had not spoken to External Audit in this regard.</p> <p>HR advised that as the External Auditors they had had liaison meetings with the Trust and that Alex Crickmar, Associate Director of</p>	

		<b>Action</b>
	<p>Finance, had met with CM. They had reviewed background documents and had attended an Audit Committee. He advised that the majority of the work would start when the Final Accounts were audited.</p> <p>CM advised that she had spoken with Deloitte LLP, the previous External Auditors, so they had received background information. She advised they were still to meet with Internal Audit.</p> <p>BJ advised that discussions with External Audit as key consultees would prove beneficial in Internal Audit planning process.</p> <p>BS suggested the scrutiny of data quality would be useful to provide background assurance regarding key data.</p> <p>HR referred to value for money (vfm) and the requirements of the National Audit Office which were detailed at page 6 of the report. He advised that the criteria to establish vfm were:</p> <ul style="list-style-type: none"> <li>• Take informed decisions;</li> <li>• Deploy resources in a sustainable manner; and</li> <li>• Work with partners and other third parties.</li> </ul> <p>HR advised that at this early stage the key area of focus in terms of risk assessment was:</p> <ul style="list-style-type: none"> <li>• The impact of the recent changes at Board level;</li> <li>• The operational performance of the Trust.</li> </ul> <p>JN commented that Red 1 and Red 2 performance was a substantial risk in terms of financial performance.</p> <p>HR advised that any updates to the current plan would be discussed with RDT. RDT noted that the two major items on the Asset Register were Estates and Fleet.</p> <p>BS thanked HR and CM for their report and advised this would be discussed again at the next Audit Committee meeting in April.</p> <p><b>Approval:</b>  <b>The Audit Committee received and accepted the latest External Audit Progress Report.</b></p>	
11.0	<p><b>For Assurance: Compliance with Audit Recommendations</b>  BS confirmed the report was Trust wide.</p> <p>BJ suggested that the report be taken in context with the following report – Item 12 – Internal Audit Progress Report.</p>	
12.0	<p><b>For Assurance: Internal Audit Progress Report</b>  BJ outlined the details of the report which provided the Audit Committee with a progress update on internal Audit activity.</p>	

BJ advised that the report was presented in a new format which would hopefully be more digestible for the reader. There was an overview of each review with the full reports available on BoardPad should Committee Members require these.

BS welcomed comments on the new report format with Audit Committee members all in agreement that the new format worked well.

BS asked for the Terms of Reference for each report to be made available on BoardPad. It was agreed that rather than upload these systematically that they only be uploaded where requested by a Committee member.

BJ referred to the summary at the front of the document, which showed a list of forthcoming Internal Audit reports and their current status. She referred to the Performance Summary detailed on page 5 of the report and advised that the table showed the revised figures on expected activity on the Internal Audit plan for 2015/16.

BJ referred to page 6 which showed the number of reviews that had been finalised since the previous Audit Committee meeting along with the assurance ratings given. The Director of Operations had requested an internal audit review to take place on 'end of shift overtime'. This had specifically been requested to look at the process for authorising overtime for individuals. BJ advised that she could not give any assurance at this time, and that her team were now drilling down further with Trust Managers relating to individual cases. PD suggested that his review might need to be scrutinised over a number of previous years.

#### End of Shift Overtime

Discussion took place around end of shift overtime and the culture of 'rounding up' perhaps being custom and practice at some stations. It was acknowledged that it was not an easy process to manage.

PD commented that she believed that where checks and consequences were in place then honesty would prevail, however, when there were no checks and balances then incorrect processes could quickly become custom and practice. PD emphasised that she was confident that people were working over and above their shift patterns. However, it was only prudent that the Trust should check that time was being claimed accurately.

BJ advised there should be an easy system to facilitate managers to do the checks and use systems to validate claims.

BS commented that authorisation should only take place when the manager was confident that the time had been worked.

JN asked if the telematics system was used to corroborate hours

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<p>worked with BJ confirming this already did take place but when staff changed ambulances this made tracking difficult.</p> <p>BJ advised that the audit would establish roles and responsibilities in terms of overtime authorisation so that it was clear and consistent. BS believed this was an internal control challenge and that it would be interesting to look at all of the relevant key financial controls and then ask Internal Audit to consider their robustness.</p> <p>RDT responded that the service was already looking at a host of financial payment categories and focusing on the top 100.</p> <p>BS acknowledged that it would not be possible to guarantee 100% that there would be no fraudulent claims. However, the Trust should ensure that robust controls were in place to limit this as far as possible.</p> <p>RDT advised that the Director of Operations proposed restructure would ensure there would be ownership at each station and this should add to the controls in place.</p> <p>PD suggested and MW agreed further reporting would be presented at F&amp;IC to gain assurance that the robust policy and process was in place in this regard.</p>	
<p><b>Action:</b>  <b>For a report to be presented to Finance and Investment Committee in March 2016.</b></p>	<p><b>2016/003</b>  <b>RDT</b></p>
<p>PD asked about Job Descriptions and contracts to ensure that the managers had accountability for authorising overtime.</p> <p><b>Action:</b>  <b>RDT agreed that accountability of managers was the key to the way forward and this would be picked up at TEG and TMG to ensure this was explicit in Job Descriptions.</b></p>	<p><b>2016/004</b>  <b>RDT</b></p>
<p>SF advised that it was very much a custom and practice/cultural issue that saw this type of claim. He advised that he would continue to raise fraud awareness.</p>	
<p><u>Limited Assurance Reports</u></p>	
<p><u>Clinical Pathways/Partnerships</u>  BS commented on the relevance of this to the upcoming Vanguard programme.</p>	
<p>PD commented that it would be hard to control the compliance of others with SP advising that the Vanguard initiative would be structured in this regard.</p>	

	<b>Action</b>
<p>AA added that TEG had received a paper on governance arrangements for YAS in terms of Vanguard and this would go to Trust Board at a date to be determined. This was part of a wider piece of work considering governance.</p> <p>PD had asked Julian Mark to provide information on this at a future Quality Committee.</p> <p><u>Hotel Services – Estates Cleaning</u>  BS commented on this and suggested that staff should be made to feel more empowered so they felt confident to question things and make things happen to rectify/improve them.</p> <p>BJ advised that the actions arising from the CQC were addressing the issues raised. SP questioned and BJ confirmed that the internal audit report was carried out after the CQC visit.</p> <p>SP advised that processes and Standing Operating Procedures (SOPs) would all support the on-going process to address the issues. The Operations restructure would ensure that there was accountability for stations by the Locality Managers. Standardising process and changing behaviours were key to turning things around.</p> <p>BS reiterated the cultural aspect of this and the need to change this so that unacceptable issues were addressed and reported appropriately and speedily.</p> <p>SP advised that stock control had been fundamentally overhauled (buildings and vehicles) and that a review of cleaning resources was underway for premises and vehicles. The workforce in this area was historically difficult to manage in terms of sickness absence and cover, etc.</p> <p>PD advised that this issue was due to be reviewed by Quality Committee through the CQC Action Plan.</p> <p><u>Significant Assurance Reports</u></p> <p><u>Health Records Management</u>  This was noted but not discussed.</p> <p><u>IT Healthcheck</u>  BJ advised that Internal Audit had completed an assessment of the controls in place to provide the Trust with a level of assurance on the design and operation of key operational and management arrangements, to maintain the confidentiality, integrity and availability of Trust information assets and processes. The audit had covered nine separate areas and had been combined in to one audit.</p> <p>PT explained that over a week period a team of auditors had undertaken the audit. There was nothing of major concern found.</p>	

	<b>Action</b>
<p>There were only two areas of 'non-compliance' and overall the review provided significant assurance that there was generally a sound system of control designed to meet the organisations objectives.</p> <p>BS stated that the report had given him assurance. BJ added that the recommendations underpinning the report would strengthen processes where required.</p> <p>Discussion took place around the IT service and how the audit had given a baseline and framework for future pieces of work.</p> <p>BS commented that it was a significant piece of work by the internal audit team and offered a good level of assurance, with no adverse major findings.</p> <p><u>Veritel System General Controls</u> This item was noted but not discussed.</p> <p><u>Integrated Business Plan</u> RDT suggested that the revised IBP was much better than its predecessor. It was critical that plans were in place to manage the organisation and its performance, especially in the transformation of the four main service areas. The revised IBP had reflected roles, sense of challenge, responsibilities and accountabilities more clearly.</p> <p>BJ advised that the audit review had provided significant assurance regarding the IBP.</p> <p><u>TDA Financial Plans</u> This item was noted but not discussed.</p> <p><u>Vehicle Replacement Programming and Financing</u> RDT advised there was more work to do in this regard. There were areas where management did need to plan more in advance and there currently was no rolling replacement scheme in place. There was a plan going forward to address the findings.</p> <p><u>Tariff Validation</u> RDT advised that there was no national tariff in respect of Ambulance Services. The intention was to develop a tariff with the CCGs and move away from a block tariff to a payment by results method.</p> <p>BJ advised that pages 22-24 of the report listed a number of recommendations which had been fed back into the Trust's 'Master Actions Spreadsheet'.</p> <p>BS referred to page 24 of the report and queried the number of proposed changes to the plan, which required Audit Committee approval.</p>	



BJ responded that this was Year three of the three Year Plan and some of the work had slipped but with a valid reason. BJ explained the changes:

- Community Resilience – area had not been defined and could cover from HART team, CFRs, etc;
- Stand by Points and Hubs – This was a moving target at the moment due to the rota review;
- Financial Ledger, AP, AR, Payroll – these had all been on separately and were now combined;
- Employee/IR relations/governance – this had been kept in due to the Audit Committee asking for this. It had been agreed with David Smithson that it would be looked at next year rather than the current year;
- SLR – This had not been lost but deferred to next financial year;
- Management of Reserves – this had been taken out of the plan due to there being no specific issues. RDT added that the F&IC received detailed analysis on the use of reserves;
- Procurement Strategy – the results for this were being derived from other audits;
- Business continuity – would not have assurance validation;
- Infection Prevention and Control – deferred to 2016/17 but should read Qtr 1 rather than Qtr 3;
- Duty of Candour – This was a general principle, had we had direct dialogue with patient/carers where there had been a serious incident of harm;
- Tariff Validation – This was requested as an additional piece of work to the plan and its objective was to review the basis of preparation of the pricing model for the proposed tariff for the financial year 2016/17;
- Recruitment checks – deferred until the new applicant tracking system was in place;
- Committee effectiveness – this had been expanded.

Discussion took place around the changes, with BJ advising that there was on-going discussions with Executive Directors. RDT added that YAS received 650 audit days when most Trusts' receive around 300.

BS thanked BJ for a useful session and commented how beneficial it had been to hear the run through of the report and the view of BJ after reading it beforehand.

RDT advised that since he had arrived at YAS he had seen some of the audit reports and the management response to those which didn't always answer the questions raised. In liaison with BJ the process had now been revised with the correct level of sign off and ownership. The process was still being 'tidied up' but work was underway to ensure points raised were answered, that issues were put through TMG, that roles and responsibilities were clarified, a

	Action
<p>timetable for audits was produced and that both sides were aware of their obligations in the process.</p> <p>BJ commented that having one Executive lead, even on those issues that were cross cutting, was welcomed.</p> <p>BS asked if a progress check list would be attached to the front of reports with RDT responding that it would also include the date of management responses.</p> <p>BS asked if the three week drafting timescale was generous or whether it could be tightened further, with BJ responding that the in reality the process was generally faster, however it was prudent to allow time for QA process or other issues that might arise.</p> <p>RDT advised that where the information was limited at the scoping stage then it should be raised with RDT so he could raise with his Executive colleagues.</p> <p>BS thanked Internal Audit for their work on this comprehensive report.</p> <p><b>Approval:</b>  <b>The Audit Committee received and accepted the latest Internal Audit Progress Report</b></p>	
<p><b>12.1 For Assurance: Internal Audit Progress Report for 2016/17 planning</b></p> <p>BJ outlined the details of the report which provided the Audit Committee with an outline timescale and approach for future Internal Audit planning.</p> <p>BJ advised that the strategic 3 year internal audit plan was due for refresh from April 2016. During the period since 2013/14, Yorkshire Ambulance Service NHS Trust commissioned an enlarged internal audit plan of around 600 days per annum (which was double that delivered in previous years). It was always the intention to review the size and scope of the plan from 2016/17 with an expected reduction in input days. The planning process would link more to the risk registers.</p> <p>BJ advised that the process would also develop the assurance map and would incorporate established internal mechanisms.</p> <p>BS stated that Internal Audit reviews should be performed on an 'audit need' basis. The approach to which he was accustomed was along the lines of very high risk areas being audited each year, high risk areas being audited two years out of three and medium risk areas being audited one year in three. He added that, three years ago when the current three year plan was in production, NEDs had met with Internal Audit and the Executive Director of Finance for a</p>	

		<b>Action</b>
	<p>'workshop session' to talk through the draft three year plan. BAS enquired of NED colleagues whether this should now be repeated, with all agreeing that it should. A session would be arranged for February/March.</p> <p><b>Action</b>  <b>RDT to arrange a NEDs' meeting to discuss the new draft Internal Audit plan so as to then facilitate formal approval of the Internal Audit Plan at the April Audit Committee meeting.</b></p> <p><b>Approval:</b>  <b>The Audit Committee noted the update on the Internal Audit Progress Report 2016/17.</b></p>	<b>2016/005</b> <b>RDT</b>
<b>12.2</b>	<p><b>For Assurance: Anti-Fraud Progress Report</b>  SF outlined the details of the report which updated the Audit Committee on the work undertaken within the Trust against the Fraud Plan and in accordance with NHS Protect Standards.</p> <p>SF drew the attention of the Board to the final case on page 4 of the report and advised that he was waiting for further information from NHS Protect.</p> <p><b>Post Meeting:</b>  <b>It was confirmed post meeting that the above case was vexatious and that NHS England had not meant to pass this on to YAS. RDT believed this was sufficient reason to remove from future reports.</b></p> <p>SF highlighted the joint fraud awareness programme to staff that was being planned between the Fraud and Legal Services Teams to reinforce the message to staff around fraudulent staff injury claims.</p> <p>BS asked if there were appropriate and effective fraud prevention controls within the Trust with SF responding that the bulk of his remit was to ensure this.</p> <p><b>Approval:</b>  <b>The Audit Committee received the latest Anti-Fraud Survey Report for information and discussion.</b></p>	
<b>12.3</b>	<p><b>For Assurance: Assurance regarding improved risk management in ICT (Action Log 2015/92)</b>  This item was covered under Agenda Item 12.0.</p>	
<b>12.4</b>	<p><b>For Assurance: Robust Management process of staff working whilst on sick leave (Action Log 2015/114)</b>  KS outlined the details of the paper which was to report on the processes in place to address circumstances where staff were found to be working in secondary employment whilst absent on sick leave</p>	

	<b>Action</b>
<p>from their employment with the Trust.</p> <p>KS advised that the report followed a request by the Audit Committee on the 1 October and had been a joint piece of work between HR and the Local Counter Fraud Specialist (LCFS).</p> <p>KS advised that cases had been brought to light from a number of sources, including: Counter Fraud Specialist; Social Media; Reported by colleagues. There was a growing number of cases highlighted through the use of social media.</p> <p>KS advised that where the LCFS had identified the potential activity of a staff member working whilst on sick leave from the Trust, the relevant HR Business Partner would be notified and an investigatory process would be agreed. Likewise, if the Trust's HR team were notified of potential activity of a staff member working whilst on sick leave from the Trust, LCFS would be notified. Both parties would keep the other updated throughout the investigation.</p> <p>KS referred to Appendix 1 of the report which summarised recent cases relating to staff working whilst on sick leave from the Trust, the appendix was anonymised.</p> <p>BS asked whether where it was evident that fraudulent activity had taken place, was the Trust still required to go through the whole investigatory and disciplinary process.</p> <p>KS responded that the Trust had an obligation to carry out the full process and investigation. The employee had to have the opportunity to be able to give their evidence and any mitigation, or otherwise, to the Trust. If a case subsequently went to an Employment Tribunal the Trust would need to be able to demonstrate that its policies and processes were followed.</p> <p>KS added that there may be certain exceptional circumstances where a member of staff may legitimately be working elsewhere whilst on sick leave but there should be a clear process for such cases.</p> <p>BS asked if the Trust was doing all that it reasonably could on those cases that were identified.</p> <p>KS stated her belief that the Trust was doing all that could reasonably be expected. All cases were investigated using the correct procedures. Where possible monies were recovered.</p> <p>PD asked that once cases had been investigated and it was proved that fraudulent activity had taken place was the appropriate notification sent to the Health Care Professional bodies. KS confirmed that there was an automatic process that ensured relevant bodies were notified when it was proved that fraudulent activity had</p>	

	<b>Action</b>
<p>taken place by an employee.</p> <p>PD asked that when staff were working in secondary employment for YAS if they were made aware of their responsibilities around sickness absence for their primary and secondary employers.</p> <p>KS advised that staff should be aware of their responsibilities whilst acknowledging there was more that YAS could do to communicate process and procedure. Work would be undertaken with the Communications team around raising awareness on this issue. There may be legitimate reasons when a person could not carry out their primary role but could continue in a secondary role, for example, unable to work out in the community but able to do a desk based job.</p> <p>MW raised concern about the different outcomes following appeal panels and final written warnings with discussion taking place around this and breaches of Trust policy. KS advised that she was satisfied that disciplinary procedures had been followed in the cases identified, the panel had taken a view that was proportionate to the breach in each case.</p> <p><b>Approval:</b>  <b>The Audit Committee received the Report and were assured that correct processes were in place when it was found that staff were working whilst off sick from the Trust.</b></p>	
<p><b>12.5 For Assurance: Trust-wide data quality and management information</b></p> <p>NB provided a verbal update on Trust-wide data quality and management information.</p> <p>NB advised that there had been spot checks of data carried out throughout the Trust. In terms of the information contained within the IPR, the underlying data was being checked at source by the Quality Team and the information was being verified.</p> <p>NB reported that the IG Toolkit had a nominated lead and that appropriate procedures were in place along with a supporting Strategy.</p> <p>NB recommended that a dedicated resource be made available to review each team systematically looking at data, systems, procedures, accuracy of data, completeness of data, compliance with procedures, etc.</p> <p><b>Action:</b>  <b>RDT to consider the above recommendation and report back whether there would be capacity to achieve this.</b></p> <p>From the work undertaken so far NB advised that significant</p>	<p><b>2016/006</b>  <b>RDT</b></p>

		<b>Action</b>
	<p>assurance could be gained that the Trust's data quality and management were fit for purpose. Very few issues had been raised.</p> <p>NB reported that each team was responsible for checking that their systems were reliable and that data produced on behalf of the Trust was accurate, reliable and fit for purpose.</p> <p>BS thanked NB for the update and commented on the positive progress made in this area.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the update.</b></p>	
<p><b>13.0</b></p>	<p><b>For Assurance: SFI Waivers and Contract Award Activity over £100,000</b></p> <p>RDT introduced the item which provided the Audit Committee with assurance on the contracts that had been let and purchase orders raised for goods and services above £100,000 and Single Tender Waivers (STW) signed since the last Audit Committee.</p> <p>MW confirmed that F&amp;IC considered SFI Waivers and Contract Activity over £250,000.</p> <p>MW referred to the STW for Patient Transport Services (PTS) and asked if the £170k was spread across a number of suppliers and what it had actually provided. She further queried why the Trust had not planned in advance to avoid the STW.</p> <p>RDT advised he would clarify this point outside of the meeting.</p> <p><b>Action:</b>  <b>RDT to clarify the £170k STW spend for PTS and why this had been used.</b></p> <p>PD requested that future SFIs included a printed name and job title alongside the handwritten signature.</p> <p><b>Action:</b>  <b>To include printed names and job title on the handwritten signature sheet.</b></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) subject to RDT clarifying the position on the PTS STW.</b></p>	<p><b>2016/007</b>  <b>RDT</b></p> <p><b>2016/008</b>  <b>RDT</b></p>
<p><b>13.1</b></p>	<p><b>For Assurance: Review of Suspension of Standing Orders</b></p> <p>BS advised that he had received confirmation from AA that no Suspension of Standing Orders had taken place since the last Audit Committee meeting.</p>	

		Action
<p><b>14.0</b></p>	<p><b>For Assurance: Review of Schedules of Losses and Special Payments (should any losses or special payments be confidential then Audit Committee members will review these at the end of the meeting)</b></p> <p>RDT outlined the details of the report which was to advise the Audit Committee on the incidence of Losses and Special Payments for the eight months to November 2015.</p> <p>JN referred to information that had been received previously on end of shift overtime and asked if there was any correlation to the staff putting in claims against the Trust.</p> <p>RDT advised that the team were looking at these types of issues in totality with BJ adding that the work undertaken by HR would tie in with the work by PDU and SF.</p> <p>PD commented that in terms of Manual Handling that everyone had now received training and Occupational Health was in place was there the opportunity to use these to mitigate against claims.</p> <p>SP advised that the team were doing that, adding that Blue Bag claims were lessening and the claims costs were decreasing. That said, claims were being received over other issues, for example, the Mercedes Van tail lifts and space issues.</p> <p>SP advised that work is undertaken to mitigate risks in terms of injury to staff via equipment.</p> <p>SP referred to one of the items of the Losses and Special Payments Register, this was a 'financial remedy complaint' and not a public liability claim but had been raised through the complaints procedure. The Ombudsman guidelines instruct that a payment should be made. This just sits outside the claims process but is a growing trend. SP advised that an internal policy and process was being developed to address this.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the reported incidence of Losses and Special Payments made up to November 2015.</b></p>	
<p><b>15.0</b></p>	<p><b>For Assurance: Review of Members Expenses (first half of 2015/16)</b></p> <p>AA presented an update on Board members' expenses from 1 April to 30 September 2015, which had been fully and independently reconciled against the approved forms.</p> <p>BS asked who reconciled the Board Members expenses with JW advising that Luke Playford, Committee Services Administrator undertook this work overseen by AA.</p>	

		<b>Action</b>
	<p><b>Approval:</b>  <b>The Audit Committee noted the Board Members' expenses as at the end of September 2015.</b></p>	
<b>16.0</b>	<p><b>For Assurance: Assurance regarding Raising Concerns at Work Arrangements</b>  None had been received.</p>	
<b>17.0</b>	<p><b>For Assurance: Review of Meeting actions and Quality Review of Papers</b>  BS advised that he welcomed the new paper format produced by Internal Audit.</p> <p>Any further comments on the meeting to be made to BS.</p> <p>BS expressed his thanks to all who had prepared and supplied information to the meeting, and to all those present for their attendance and contributions.</p> <p>The meeting closed at 12:45 hours.</p>	
	<p><b>Date and Location of Next Meeting:</b>  7 April 2016, 0900-1300</p>	

**CERTIFIED AS A TRUE RECORD OF PROCEEDINGS**

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

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