



## Audit Committee

**Venue:** Kirkstall & Fountains, Springhill 1

**Date:** Thursday 7 June 2012

**Time:** 1000-1300

### Chair:

Richard Roxburgh (RR) Non-Executive Director (Chair)

### Attendees (members):

Roger Holmes (RH) Non-Executive Director  
 Patricia Drake (PD) Non-Executive Director  
 Mary Wareing (MW) Non-Executive Director (Designate)  
 Erfana Mahmood (EM) Non-Executive Director

### In Attendance:

David Whiting (DW) Chief Executive  
 Rod Barnes (RB) Executive Director of Finance & Performance  
 Richard Ford (RF) Financial Controller  
 Anna Rispin (AR) Associate Director of Finance  
 Steve Page (SP) Executive Director of Standards & Compliance  
 Paul Thomson (PT) External Audit  
 Hayley Wardle (HW) External Audit  
 Shaun Fleming (SF) Counter Fraud  
 Sue Kendall-Lansall (SKL) Internal Audit

### Observer

Karen Kanee (KK) Head of FT Development

### Apologies:

Elaine Bond (EB) Non-Executive Director  
 Benita Jones (BJ) Internal Audit

**Minutes produced by:** (MG) Mel Gatecliff

		Action
	The meeting commenced at 1000 hours.	
1.	<p><b>Introduction &amp; Apologies</b>                      Apologies were noted as above.</p> <p>RR introduced the new members of the Committee and asked all attendees to introduce themselves.</p>	

		<b>Action</b>
2.	<p><b>Minutes of last meeting 19 April 2012</b> The minutes were accepted as a true and fair representation of the meeting with the following amendments:</p> <p>Page 2 – Board Assurance Framework The year at the end of the first paragraph should be 2012/13.</p> <p>.</p>	
3.	<p><b>Action Log and Matters Arising</b> The action log was noted and updated.</p> <p><u>Action 2011/45, 2011/56, 2011/66</u> All actions relating to training plans would be covered in August when Stephen Moir would be invited to attend.</p> <p><u>Action 2012/10</u> This action was closed.</p> <p><u>Action 2012/11</u> This action was closed. There was still work to do at TEG and the 26 June Board Development meeting as strategic risks, etc needed to be tidied up prior to BGAF w/c 23 July.</p> <p><u>Action 2012/12</u> RB confirmed that the expense policy was not being universally followed with inconsistencies in usage, albeit this only represented the process of booking train tickets and hotels.</p> <p>A discussion took place following which it was agreed with reticence those members' expenses for 2011/12 should not be published and that a new system would be implemented for 2012/13. If FOI requests were received the figures would have to be declared with associated caveats.</p> <p>It was agreed that a full analysis of Qtr 1 2012/13 Board Member expenses would be issued to all Board Members for agreement. Any anomalies would be resolved and this reconciliation would continue quarterly to support the statement at the end of the financial year</p> <p><b>Actions</b> RB to re-issue expenses guidance for NEDs and Board members, and complete Quarterly review in advance of next Audit Committee meeting.</p> <p>Guidance to be signed for to include quarterly expense reconciliation and sign off by the NEDs.</p> <p><u>Action 2012/13, 2012/14, 2012/15, 2012/16</u> These actions were all closed.</p>	<p><b>RB</b></p> <p><b>NEDs</b></p>
4.	<p><b>Review of Members Interests</b> No interests were declared relating to the items on the agenda.</p>	

		<b>Action</b>
5.	<p><b>Board Assurance Framework</b>            SP presented the updated Board Assurance Framework (BAF) providing assurance in regard to the effective management of key risks to strategic objectives. The version was unchanged from that presented at the last meeting.</p> <p>SP stated that the only item to highlight was that the next risk and assurance meeting on 26 June would review the current status of risks and feed back to the Audit Committee.</p> <p>SP reported that a discussion on Chapter 7 of the Integrated Business Plan (IBP) had taken place at the previous day's Board Development meeting. In the light of this discussion, a number of refinements would be made to the risk profile contained in the framework and the grading of these risks. SP confirmed that the IBP would be revised and updated by the end of June.</p> <p>RH stated that the Monitoring Committee for risk 3b was shown as Finance and Investment but as it was more of an implementation risk, it should be monitored by TEG as well as F&amp;I.</p> <p><b>Action</b>            SP to amend Monitoring Committees for BAF risk area 3b</p> <p>RR asked whether the aims and objectives aligned with those in the Annual Business Plan. SP confirmed that they did.</p> <p>RB stated that he was struggling to see the link between Strategic Objective 10 and risk 10b. SP agreed that the definition might be too narrow.</p> <p><b>Action</b>            SP to amend wording of risk 10b.</p>	<p><b>SP</b></p> <p><b>SP</b></p>
6.	<p><b>Annual Governance Statement</b>            DW presented a short summary of the Annual Governance Statement, which had been presented by DW at the June Audit Committee.</p> <p>DW stated that the changes to Board committees, which were the result of the review of Trust committees carried out in 2010/11 and detailed in the Governance Framework section, were starting to bed down. He stated that the Finance &amp; Investment Committee was the crucial committee for the organisation in its move towards FT status, adding that, although it was still early days, the Quality Committee was performing well so far.</p> <p>DW reported that a number of new operational risks had emerged during the year, the most significant of which were: delayed</p>	

	<b>Action</b>
<p>activation/response to red emergency calls, through the loss of the CAD system; and non-compliance with elements of the Essential Standards of Quality and Safety. Both of these issues had led to improvements in YAS's processes.</p> <p>DW reported that the Trust was fully compliant with the CQC essential standards of quality and safety. The inspection in October 2011 had raised only relatively minor issues and had been a good learning experience. The Trust was now working hard to ensure that the new practices became embedded across its activities.</p> <p>DW stated that small but significant progress had been made in relation to the achievement of annual performance targets which he believed would be sustainable going forward into the new year.</p> <p>In relation to the significant PTS issue that had been identified, DW reported that positive improvements could be seen in the KPIs in South Yorkshire. He added that, at its meeting the previous day, the Board had approved the implementation of further diagnostic work with the Trust's partner, Unipart, over the next few months.</p> <p>RR requested questions or comments on the report's contents.</p> <p>RH stated that the word 'biennial' used in the final line on page 10 meant every two years and should read 'biannual' ie six monthly.</p> <p><b>Action</b> DW to incorporate amendment in to the report</p> <p><b>Approval</b> The Audit Committee received and accepted the Annual Governance Statement 2011/12, prior to endorsement by the Trust Board.</p>	<b>DW</b>
<p>7. <b>Annual Report</b> RB presented the final draft of the Annual Report for 2011/12. He stated that in terms of content it had been reviewed and compared with other reports (both FT and private sector) in addition to published good practice. As a result, this year's Report contained more information about the Trust than in previous years.</p> <p>RB added that he had liaised with Elaine Gibson (EG), Head of Corporate Communications, about a number of items but he did not intend to go into detail.</p> <p>RR asked whether the final draft would be issued in September. DW confirmed that, although a few minor amendments were still required such as the addition of information about the new Non-Executive Directors (NEDs), this was the version that would be published.</p> <p>RR requested clarification of information, as the percentage volume of incidents on page 9 did not tie in with information elsewhere.</p> <p>RH stated that there were several examples of information being</p>	

	<b>Action</b>
<p>repeated. For example, the clinical leadership framework was mentioned at least three times so some editing to avoid duplication was required. He further stated that there was no reference to private events or resilience which might be worth considering.</p> <p>RH stated that the use of the word 'strangers' on page 10, three paragraphs up from the bottom was an odd use of wording and suggested that an alternative word might be more appropriate.</p> <p>He further stated that on page 35 the start date of Executive Director of Operations, Sarah Fatchett was incorrect. November 2008 was when Sarah had joined the Trust but she had not taken over the role of Executive Director of Operations until May 2011.</p> <p>RR stated his belief that more emphasis should have been placed on the increasing sick absence numbers compared to the previous year, information about which could be found on page 20.</p> <p>RH suggested that further proof reading of the glossary was required.</p> <p><b>Action</b> RB to liaise with EG to ensure inclusion of amendments above</p> <p>PBW asked whether the Trust had disclosed all of the required mandatory information on page 34, as the table currently did not show information for a full year. SP replied that when the draft was compiled the missing data was not available, adding that he would amend the table.</p> <p><b>Action</b> SP to amend personal data-related incidents table on page 20</p> <p>HW pointed out that that there was no remuneration report in the contents. RB replied that this had been circulated separately.</p> <p>RR stated that NED details on pages 36 and 37 were inaccurate, as EM and MW were not Board members during 2011/12. DW agreed to amend this section to incorporate all of the changes to the Board, including the dates that RR and RH were due to leave.</p> <p><b>Action</b> DW to amend Trust Board section of the report</p> <p>RH whether the Audit Committee would see the report again before it was issued. RB replied that it would go back to the Board for final review at the end of July before it was issued.</p>	<p><b>RB</b></p> <p><b>SP</b></p> <p><b>DW</b></p>
<p>8. <b>Internal Audit Annual Report</b> SKL stated that the purpose of the paper was to present the Head of Internal Audit (HoIA) Opinion and to summarise Internal Audit work carried out during the year highlighting key issues and themes arising.</p>	

	<b>Action</b>
<p>She reported that the Overall Opinion stated that significant assurance could be given that there was a generally sound system of internal control, designed to meet the organisation's objectives and that controls were generally being applied consistently. However, some weaknesses in the design and/or inconsistent application of controls put the achievement of particular objectives at risk, most notably in relation to evidencing CQC standards within the CBU's. PDR's and the efficiency savings programme.</p> <p>SKL further stated that the overall results of the post audit review work reflected an 84% implementation of previous recommendations made, which was good and significantly higher than some clients.</p> <p>SKL added that 23 reports had been issued during 2011/12 covering aspects of work on the Trust's key financial systems, high risk operational areas and key IM&amp;T systems. Five of the reports were still in draft and one further review from 2011/12 was shortly due for completion. She confirmed that the six pieces of work with limited assurance were the main areas looked at, the details of which were provided as part of the report from page 6 onwards. SKL added that the Occupational Health report was still in draft.</p> <p>RH requested confirmation of the total number of reports as the penultimate paragraph on page 3 stated that 13 pieces of work had been completed to date but 12 (providing significant assurance) plus 3 (providing limited assurance) was 15. SKL confirmed it was 15.</p> <p>RR expressed concern that only 50% of the 6 limited assurance reports been seen. A similar problem had been encountered the previous year and it was unacceptable to be faced with unexpected reports at the time of the year end accounts.</p> <p>It was agreed that going forward, the Audit Committee would need a clearer idea of which limited assurance reviews there were likely to be before year end.</p> <p>RR thanked SKL for presenting the report which the Committee agreed had been a good overall review.</p> <p><b>Approval</b> The Audit Committee accepted the report and its recommendations.</p>	
<p>9. <b>External Audit Opinion</b> RR reported that a pre meeting between the Audit Committee NEDs and Deloitte, at which the draft 2011/12 Financial Statements Audit had been presented, had taken place the previous week.</p> <p>He stated that Deloitte were complimentary of the organisation and the preparation of the accounts and supporting papers and reported no major issues or misstatements.</p>	

	<b>Action</b>
<p>PT (External Auditor) re-iterated RR's comments. He stated that the audit had been very clean and the quality of working papers had been very good. He added that, across the backdrop of the overall process for NHS accounts, the accounts were highly commendable.</p> <p>HW stated that the three outstanding matters listed in the Executive summary of the External Audit Opinion related to the signing of the accounts and would be signed later that day. She further stated that on satisfactory completion of the outstanding matters, they anticipated issuing an unmodified audit opinion on the truth and fairness of the financial statements and TRUs. She added that they did not anticipate reporting any matters in respect of the Trust's overall VFM arrangements.</p> <p>HW stated that the key audit risks identified as part of the overall audit strategy and which were communicated to the Trust as part of its planning report included the three mandatory risks of revenue recognition, management override of controls and recoverability of non-NHS debt were found to have been appropriately addressed.</p> <p>Other key audit risks included: fixed asset valuation – method and process (this was a desk top valuation as it was not the year for a full re-evaluation); fixed asset valuation – impairments (tested in detail); and Remuneration Report disclosure (which was included as there were late changes last year). All risks were appropriately addressed.</p> <p>HW reported that there had been no uncorrected misstatements identified up to the date of the report, nor had there been any significant deficiencies to bring to the attention of the Committee.</p> <p>RR thanked the external auditors for their presentation and invited questions. There were no questions forthcoming.</p> <p>HW re-iterated PT's earlier comments. She congratulated the organisation on a good set of accounts which had been the culmination of improvements witnessed over the past few years.</p>	
<p>10. <b>Quality Accounts</b></p> <p>SP presented the final draft of the 2011/12 Quality Accounts, work on which had been progressing for some time. Informal consultation with internal and external stakeholders had been followed by the first draft going out for the mandatory 30 day consultation period. Feedback from stakeholders had been mainly positive and the final draft contained the comments received as part of the consultation.</p> <p>SP stated that it was a positive report which reflected well on the previous year's priorities and services. Priorities for the forthcoming year would be aligned to CQUINs and priorities in the Business Plan.</p> <p>SP added that the document needed to be finalised and published on the Trust website by 30 June as part of the Annual Report.</p>	

	<b>Action</b>
<p>DW stated the ambulance response time on page 45 was slightly incorrect and would need minor amendment.</p> <p>RH stated that the glossary would need checking as it contained inaccuracies. Also, the penultimate paragraph on page 14 should read 'to identify or reduce harm' rather than 'to cause harm'.</p> <p>MW stated that on page 57, the sentence immediately below the table should read 'number of reported incidents' rather than 'number of incidents'.</p> <p>RR stated that the Quality Accounts looked good in terms of content, specifically comments from patients and commissioners. He further stated that the elements of the Annual Report that related to patient safety should be picked up and built in.</p> <p>PBW asked whether an abbreviated 'glossy' version was due to be produced, as it would compare well to other FTs. SP replied that the abbreviated document had been well received the previous year so the Trust was aiming to produce another this year.</p> <p><b>Action</b> SP to ensure amendments were incorporated into the document</p> <p>SP placed on record his thanks to Karen Warner for her hard work leading on the preparation of the Quality Accounts for the second year running.</p> <p><b>Approval</b> The Audit Committee approved the final draft of the 2011/12 Quality Account for publication.</p>	<b>SP</b>
<p>11a. <b>Going Concern Basis &amp; Post Balance Sheet Events</b> RB stated that there were no major issues to flag up in either the Going Concern Status report or the Post Balance Sheets Events documents.</p> <p>As there were no questions, the Audit Committee was assured that the Trust was and would remain a going concern for the foreseeable future and was satisfied that no adjusting events had occurred.</p>	
<p>11b. <b>Annual Accounts (and associated statutory returns)</b> RR stated that, as previously mentioned, in conjunction with Deloitte, the Finance Director and the Finance team, the NEDs had constructively challenged the information within the accounts, based on the briefing document and draft accounts prepared in advance.</p> <p>While the list was not comprehensive, areas discussed, challenged and resolved included:</p> <ul style="list-style-type: none"> <li>• Year on year analytical review, covering all aspects of Income, Expenditure and Balance Sheet</li> <li>• Background and accounting treatment of Asset impairment</li> </ul>	



- Revaluation and reconciliation of asset values
- Reconciliation of year on year pay costs, including NI contributions
- Review of on-going concerns concerning fuel prices and PTS taxi charges
- Slight error on year on year Operating costs comparison, highlighted and corrected in advance of NED review
- Capital accruals
- Treatment of assets reclassified as Held for Sale
- Basis of rolling stock check and fuel dips
- Cash balance and payment profile
- Details behind accruals and provisions-specifically PTS dispute
- Noting increase in NHSLA liabilities-outside accounts

RR added that the Remuneration Report had not been available at the meeting but was due to be reviewed at that day's meeting.

RB stated that the Trust would be reporting a £428,000 surplus before impairments for the year against the planned figure of £415,000. Reductions for impairments would lead to a £20,000 reported surplus.

RR asked whether there remained any specific questions.

It was agreed that all questions had been resolved successfully at the detailed review the previous week.

### **Approval**

The Audit Committee was sufficiently assured that the Annual Accounts and Annual Disclosure Statements were accurate and complete and that they could recommend to the Board that they be approved and signed by the Board.

RB shared copies of the Remuneration Report and Operating and Financial Review for the Audit Committee to consider.

He stated that the information contained in the Remuneration report was factually correct, as it had been audited by Deloitte. PT stated that, although benefits in kind had been rounded to the nearest £100 which was not following the official guidance, the auditors would not object to this. He confirmed that base salary did not include pension, etc and that benefits in kind predominately related to car benefits.

RB stated that the Remuneration Report usually formed part of the Annual Report and would therefore be fed into this Report. It would also form part of the Governance Statement.

He explained that the salary of the most highly paid individual in the 2011/12 financial year was 5.9 times the median salary of the workforce. PT confirmed that the rate varied at other Trusts between 5.5 and 7.3, so this was at the lower end of the scale.

	<b>Action</b>
<p><b>Approval</b> The Remuneration Report was accepted by the Audit Committee and recommended to go forward to the Board for approval and sign off.</p> <p>RR thanked everyone for their hard work which had led to a successful briefing the previous week and had saved time at that day's meeting.</p> <p>DW left the meeting at 1110</p>	
<p>12. <b>Finance &amp; Investment Committee Report</b> RH stated that the purpose of the paper was to inform the Audit Committee of the activities of the Finance and Investment Committee and provide assurance as to the internal processes and mechanisms for financial delivery and performance management within the organisation.</p> <p>RH reported that the Committee received assurance about the year end position for both I&amp;E and cash.</p> <p>He further stated that the Committee's main focus had been on the cost improvement programme for 2012 /13. They had looked at a number of business cases of varying quality but the process was not complete as further business cases were still required.</p> <p>RH reported that the Board was more up-to-date than the Audit Committee, as they had met since the last Audit Committee on 10 May and had therefore seen further business cases. He added that business cases would be referred to the Committee when available.</p> <p>RH stated that the HQ CIP was moving quickly and resolving itself towards the purchase of building. He further stated that a progress report on the LTFM had been received by the Board at its meeting on 6 June, adding that the Trust seemed to be on track with its HDD2 actions.</p> <p>RR stated that he had attended the meetings as an observer and had found their content first class.</p> <p>The Audit Committee confirmed that it had sufficient assurance on the matters reviewed by the Finance and Investment Committee</p>	
<p>13. <b>Quality Committee Report</b> PD updated the Audit Committee on the activities of the Quality Committee. She stated that the second meeting of the Committee had taken place and the work plan, which was intended to be a working document, had been agreed.</p> <p>PD reported that CIPs and Quality impact were to be considered at the Board Development workshop on 26 June. Key governance and</p>	

	<b>Action</b>
<p>quality issues in relation to the proposed 111 service would be an agenda item in July.</p> <p>PD stated that valuable presentations had been made by clinical practitioners from the North and East. Consideration of the Quality Governance report was due to take place at the next meeting</p> <p>SP reported that the JRCALC delay was due to the refinement of the contract. It was due to be released in October so the Committee would be able to review it in September before implementation.</p> <p>The Audit Committee noted the discussions within the Quality Committee and the key issues highlighted for further scrutiny within the Committee work programme.</p>	
<p>14a. <b>External Audit Update</b>  No document had been received prior to the meeting but HW had produced and shared an update report which summarised the external auditors work performed to date and their progress against the 2012 External Audit Plan.</p> <p>HW stated that Securing Financial Resilience, Governance Arrangements and Follow up of prior year recommendations was on-going work as it was undertaken on a continuous basis. She added that the Review of 111 Financial Due Diligence was on hold until outcome of the bid was known.</p> <p>There were no questions.</p>	
<p>14b <b>Agree External Audit Plan/Fee</b>  HW stated that this item was not normally brought to the Audit Committee at this time, adding that new fees would be discussed in August when the information was received from the Audit Commission.</p> <p><b>Action</b>  RB to include as an agenda item for 14 August meeting</p>	<b>RB</b>
<p>15 <b>Compliance with Assurance Recommendations</b>  RB stated that the purpose of the report was to give assurance on management actions in resolving Internal and External audit recommendations. He further stated that although he had brought the report back to the Audit Committee he had not done a lot of work on it since because of conflicting work priorities due to the FT application process.</p> <p>RB confirmed that he had not lost sight of the comments in relation to firming up on completion dates, etc</p> <p><b>Action</b>  RB to provide more detailed report at the August meeting</p>	<b>RB</b>

		<b>Action</b>
16a	<p><b>Internal Audit &amp; Counter Fraud Progress Report</b> SKL stated that five draft reports were included in the document and no changes had been made to 2012/13 since the last meeting.</p> <p>She further stated that an audit of the Board Assurance Framework was carried out at the same time as the content recommendations were implemented and the Trust needed to make sure that the document was updated to address the gaps in assurance.</p> <p>She stated that the CQC Standards work was undertaken as the Trust continued to struggle with the concept of how to demonstrate compliance and only limited assurance could be provided that the CBUs had an effective process in place to demonstrate local compliance.</p> <p>PD stated that she had recently attended a West Locality Board meeting and the item was fairly high on agenda. SKL replied that the Trust still needed to address differing standards to ensure everyone was at the level they needed to be</p> <p>SP stated his belief that the Trust needed to set up sessions for Operations staff to discuss these kinds of issues.</p> <p>PD stated that Quality dashboards would run across all localities, adding her belief that CQC would be embedded through this means.</p> <p>RR stated his belief that, although it was embedded in locality management teams, this was not always the case at station level.</p> <p>RH asked how the Trust could get assurance that embedding had reached the standard it needed it to be. SP replied that this would partly be through the work of locality managers and partly through the work of the Quality Committee. He further stated that the level of scrutiny needed to be increased, adding that he would also be reviewing CQC compliance as part of the performance review route.</p> <p>SKL stated that Carbon Management Planning was a significant report and the organisation still had a long way to go with a more robust structure required. She further stated that although things were happening Internal Audit needed further assurance that they were happening at the right time, in the right way, etc.</p> <p>RB stated that YAS had been seen as national leader with carbon management included in its draft Fleet, ICT and Estate strategies but he queried the level of sustainability in each strategy.</p> <p>SKL stated that a significant amount of testing had been carried out on payroll data and based on the testing undertaken, significant assurances could be provided on the data tested although there were still some issues that arose which required further investigation.</p>	

	<b>Action</b>
<p>SKL reported that the fleet management work had been carried out at the request of RB and had covered areas such as job card processing, income collection and vehicle disposal arrangements. She further stated that the system was manual, time consuming and inefficient so needed improving, adding that although not all income was being billed, it was unclear how much. As a result of the audit therefore only limited assurance could be provided that the arrangements in relation to the specific aspects reviewed were robust and efficient. RR stated it was not the first time that this issue has been reported to the Audit Committee and they had been told that processes were being put in place to rectify the situation. He was disappointed therefore that this did not seem to have been the case.</p> <p>SKL agreed that there was still quite a lot of work to do and a lot of discussion between Finance and Fleet would be required.</p> <p>EM asked what changes were likely to happen. RB replied that some strong action would be taken on the basis of the report. He confirmed that changes to the fleet management structure would have to occur as it was clear that the current arrangements did not have strength in depth of capability. SP stated that he had been working on the quality aspects of the problem.</p> <p>RH stated that the issue also crossed over into IT, as improvements were also required in terms of electronic processes.</p> <p>RR asked whether there would be an opportunity to chase up missing income. SKL replied that although plans were in place to do this it was as yet unclear on materiality.</p> <p>RH requested confirmation of how the issue would be followed up, expressing his belief that a strategy was required prior to the appointment of a new Head of Fleet. It was agreed that RB should bring a more substantive plan to the next meeting.</p>	
<p><b>Action</b> RB to bring a more substantive Fleet Management plan to the next Audit Committee meeting</p>	<b>RB</b>
<p>SKL stated that three follow up pieces of work that had not previously been reported to the Audit Committee had been undertaken. These included one on H&amp;S management that stated there were still no effective systems within the Trust to ensure that all necessary risk assessments had been completed. SP stated that he was not convinced that there was a problem with this item but agreed to bring a paper to the August meeting.</p>	
<p><b>Action</b> SP to prepare a paper on H&amp;S management for discussion at the August meeting</p>	<b>SP</b>
<p>RR asked SKL to forward the final agreed versions of all outstanding</p>	

		<b>Action</b>
	<p>reports to the Audit Committee members as soon as possible.</p> <p><b>Action</b> SKL to share outstanding reports as soon as they had been agreed by YAS management.</p> <p>There were no comments in relation to the content of the report.</p>	<b>SKL</b>
16b	<p><b>Counter Fraud Annual Report 2011/2012</b> SF reported that the full process of outstanding reports had been followed and no further action had been taken. He confirmed that the detailed checklist in Section 2, Secretary of State Directions remained unchanged from previous years.</p> <p>SF stated that Section 3 onwards contained a summary report of all the issues that had been discussed during the previous year, adding that the 9 referrals were relatively high compared to some trusts but lower than previous years for YAS.</p> <p>EM asked whether there was evidence of a consistent theme. SF replied that there was not.</p> <p>RH stated that this area was over budget each year, as one major case such as taxi referrals could use the whole of the annual budget.</p> <p>RR asked whether the payroll over payment to an individual who had retired had been recovered. SF confirmed that it had. RR asked SF to enter this information in the Counter Fraud Annual Report as a success.</p> <p><b>Action</b> SF to enter payroll success in the Annual Report</p> <p>SF confirmed that there were no items of increased awareness of which the Audit Committee should concerned.</p>	<b>SF</b>
16c	<p><b>Bribery Act Compliance Report</b> SF stated that the Bribery Act 2010 had come into force on 1 July 2011, adding that he had been asked to monitor provisions during the year and provide a summary at year end.</p> <p>SF reported that most of the work had been carried out during summer 2011, with the majority of it being achieved relatively quickly as it tied into work that the Trust already undertook.</p> <p>SF confirmed that YAS was compliant with the Act, adding that he would undertake an annual review with an independent review taking place every three years.</p> <p>SP stated that, in relation to section 9, the Trust had conducted a risk assessment when the original policy was launched. As several measures had already been put in place, their success would need to be measured and amendments made. It was agreed that a 6</p>	

		<b>Action</b>
	<p>month review should take place.</p> <p><b>Action</b> SF to undertake a 6 month review of the Trusts risk assessment actions</p>	<b>SF</b>
16d	<p><b>Counter Fraud Policy</b> SF reported that this item was for note rather than action.</p> <p>He confirmed that the Policy reflected the Trust's Bribery Policy, made reference to its 'whistle blowing' guide and would be accessible on the Intranet.</p>	
17	<p><b>Contract Award Activity and SFI Waivers</b> RB stated that the purpose of the paper was to provide the Audit Committee with assurance on the contracts that had been let and purchase orders rose for goods and services above £100,000 and SFI Waivers signed since the last Audit Committee meeting in April 2012.</p> <p>It was agreed that the second entry in the table in 2.2 should be amended to state that the Western Environmental contract for fuel browsers had been an instruction from the SHA in relation to fuel resilience. The contract had been approved by RB and counter approved by DW.</p> <p><b>Action</b> RB to amend table 2.2 in the report to include above details</p> <p>The Audit Committee accepted the report with the above caveat.</p>	<b>RB</b>
18.	<p><b>Contracts Review – A&amp;E, PTS &amp; Other</b> RR confirmed that all contracts were signed off at start of the financial year.</p> <p>It was agreed that the wording of the recommendation on the cover sheet should be amended to state: 'That the Audit Committee continues to receive confirmation that all contracts in place are for 2012/13 work '.</p> <p><b>Action</b> RB to amend wording on Contracts Review cover sheet</p>	<b>RB</b>
19.	<p><b>Review of meeting actions and quality review of papers</b> As it was SKL's last meeting, RR wished her good luck for the future.</p> <p>RR further stated that, as it was also his last meeting, he would like thank everyone for their help and support. He would also like to thank Jo Wilson who had put in so much hard work behind the scenes over the years.</p>	

	<b>Action</b>
<p>RR stated he had thoroughly enjoyed his 6 years on the Trust Board. It was his belief that maintaining the independence of the Audit Committee was very important and if Audit Committee members were to take one thing away with them, it would be to maintain this independence.</p> <p>RH thanked RR for his hard work and commitment, adding that the Trust owed a great debt of thanks to him for the professional way in which had chaired the committee and the additional work he had undertaken away from the main meeting which had improved how the Audit Committee functioned.</p> <p>RH added that RR's work on for example the state of the financial accounts was a great legacy for him to leave behind.</p> <p>PD seconded RH's comments, adding his hope that he would enjoy having more free time going forward, acknowledging that RR was resigning and not retiring. He wished RR best wishes in finding an alternative NED position.</p> <p>The meeting closed at 12:35 hours</p>	
<p><b>Date and Time of Next Meeting</b> 14 August 2012 (1000-1300), Kirkstall &amp; Fountains</p>	

**CERTIFIED AS A TRUE RECORD OF PROCEEDINGS**

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

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