



Audit Committee

Venue: Kirkstall/Fountains, Springhill 1, Wakefield, WF2 0XQ
Date: Thursday 17 October 2013
Time: 0930 hours

Chairman:

Barrie Senior (BS) Non-Executive Director

Attendees (members):

Pat Drake (PD) Non-Executive Director & Deputy Chairman
Erfana Mahmood (EM) Non-Executive Director

In Attendance:

Rod Barnes (RB) Executive Director of Finance & Performance
Steve Page (SP) Executive Director of Standards & Compliance
Anna Rispin (AR) Associate Director of Finance
Paul Thomson (PT) External Audit (EA)
Benita Jones (BJ) Internal Audit (IA)
Shaun Fleming (SF) Counter Fraud
Paul Webster (PW) Internal Audit (IA)
Mark Hall (MH) Associate Director of Risk & Safety (*Items 5 & 6*)

Apologies:

Elaine Bond (EB) Non-Executive Director
Mary Wareing (MW) Non-Executive Director

Minutes produced by: (MG) Melanie Gatecliff, Board Support Officer

The meeting commenced at 0930 hours.

		Action
1.0	Introduction & Apologies BS welcomed everyone to the meeting. Apologies were received as above and the Committee's best wishes were passed on to Mary Wareing, who was shortly due to give birth.	
2.0	Declaration of Interests No declarations of interest were made relating to the items on the agenda.	

	Action
<p>3.0 Minutes of the last meeting, 16 July 2013 The minutes of the last meeting were reviewed and agreed as a true record of the meeting with the following amendments:</p> <p>Page 23, paragraph 3 – wording to be altered to state: “BJ stated basics, <i>including fraud risks associated with accounts payable such as the possibility of inappropriate charges being made by suppliers, etc, adding work.</i>“</p> <p>Matters Arising Page 9, Feedback from CQC Visit – SP confirmed that the CQC final report had been received and an action plan produced to address the minor concerns in relation to outcomes 9 and 14.</p>	
<p>4.0 Action Log The action log was reviewed and updated.</p> <p>2012/31 – Bribery Act Compliance Report SP confirmed this action was superseded by the recommendations in the Corporate Governance Audit report. Action closed.</p> <p>2012/43 - Fleet Management Actions RB stated that the fuel card work was on-going. BJ confirmed the follow up audit had been carried out but the spot check work in relation to the testing element was still to be agreed with RB. Action remains open.</p> <p>2012/87 - Counter Fraud Progress Report SF stated that, as he was still awaiting receipt of the information from the national source, he was now considering doing the work himself using contacts at individual ambulance trusts, etc.</p> <p>BJ expressed disappointment that NHS Protect had been unable to supply the information requested by SF. She would be formally writing to the organisation, as IA needed clarity about what information was and was not available. Action remains open</p> <p>2013/10 & 2013/11- Committee Assurance - Clinical Governance, Clinical Risk Management & Clinical Audit SP presented an update on behalf of Executive Medical Director, Julian Mark. Technical issues with the ReadSoft scanning and verification software provided by ProcessFlows had worsened resulting in further backlog of forms waiting to be processed. In addition, processed forms had been ‘lost’ before appearing on the Onbase repository requiring the retention of all physical forms to provide assurance that clinical records were not destroyed without a copy securely recorded on Onbase.</p> <p>The labour intensive process had impacted on local clinical audit work, the majority of which had been suspended. National reporting was still on-going, although there remained a risk around this.</p>	

	Action
<p>SP stated that the current situation and mitigations had been discussed at TEG on 16/10/2013. If necessary, the Trust could outsource the work in the short term whilst it explored the procurement of another system if the current 'fix' did not work.</p> <p>RB stated that the process of scoping up alternative systems was being assisted by some work co-ordinated by SF.</p> <p>A further update would be provided to the Quality Committee in November. Action 2013/10 remains open. Action 2013/11 closed.</p> <p>2013/41 - Fleet Management Actions Action remains open – linked to 2012/43</p> <p>2013/42 - Committee Assurance - Clinical Governance, Clinical Risk Management & Clinical Audit Action remains open – linked in with 2013/10 general report on current problems relating to clinical audit.</p> <p>2013/43 - Action Log Future action logs will be printed off in larger print on A3 paper. Action closed.</p> <p>2013/44 - Assurance regarding BAF SP confirmed that this had been built into the refresh of the BAF. Action closed.</p> <p>2013/45 - Charitable Funds Committee Risk Assurance Report EM confirmed that the action had been built into the Charitable Funds report to the Audit Committee. Action closed.</p> <p>2013/46 - Findings of the 111 Review RB confirmed that this work was complete and the action plan would be presented to the F&IC at its November meeting. Action closed.</p> <p>2013/47 - Findings of the 111 Review RB confirmed that this work was complete. PT was happy with the management responses and the report would be presented to the F&IC at its November meeting. Action closed.</p> <p>2013/48 - Updated Quality Accounts Report SP confirmed that PT and he had agreed the process, which would start with a workshop in November. The workshop, which would involve PD, clinical representatives and members of his own team, would include working through examples of best practice from other areas with members of the Deloitte team. At the same time an invitation for feedback would go out to both internal and external stakeholders.</p> <p>PT confirmed that Monitor was behind plan with its revised guidance, which was now not due to be published until January 2014.</p>	

	Action
<p>2013/54 - Internal Audit Progress Report See comments above for 2013/53. Action remains open until December Audit Committee meeting.</p> <p>2013/55 - Internal Audit Progress Report Report updated. Action closed.</p> <p>2013/56 - Internal Audit Progress Report BJ stated that, following the high level walk through in 2012/13, a more detailed piece of work remained on-going in 2013/14. Action remains open.</p> <p>2013/57 - Internal Audit Progress Report Item covered in October IA Progress Report. Action closed.</p> <p>2013/58 - Internal Audit Progress Report Item covered in October IA Progress Report. Action closed.</p> <p>2013/59 - Internal Audit Progress Report BJ confirmed that the work had been carried out and an update provided in the October IA Progress Report. Action closed.</p> <p>2013/60 - Internal Audit Progress Report RB stated that an update on medical devices had been presented at the September Quality Committee meeting. Changes had brought forward the service interval and issues were being raised in Datix. There had been two so far which were being managed through the new process. Action remains open.</p> <p>EM asked whether the recent whistle blowing case discussed at Board needed to be reflected in the Audit Committee minutes.</p> <p>RB replied that EB, a member of the Audit Committee, was receiving regular progress updates about the on-going investigation and could provide an update to the Committee if necessary.</p> <p>2013/61 - Internal Audit Progress Report BJ stated that although the follow up process aligned with the Trust it still needed to be managed properly and in the most streamlined way. BJ and AR were looking into the possibility of using Datix to record and follow up work but a new database would be developed if this was not appropriate. A further update would be provided at the December meeting. Action remains open.</p> <p>2013/62 - Counter Fraud Progress Report RB stated that the national uniform group was looking at the possibility of local uniform modification being available within the contract. SF confirmed that further information relating to the sale of uniform issue was covered in that day's Counter Fraud report. Action closed.</p>	

	Action
<p>2013/63 & 2013/64 - Compliance with Audit Recommendations RB confirmed that the actions were being dealt with partly through raising the profile of IA and its audits and partly through TEG and SMG. A regular report was going to TEG with outstanding actions being picked up with management teams. Opportunities to use Datix to ensure greater visibility within the senior Finance team were also being considered. Action remains open.</p> <p>2013/65 - Review Annual Audit Committee Report BS confirmed that the report had been amended and had gone forward to the September Board meeting. Action closed.</p> <p>2013/66 - Review of SFI's/SO's RB confirmed that the document had been amended and would go back to the Board for final approval in November. Action remains open.</p> <p>2013/67 - Review of Members Expenses RB confirmed that he had re-circulated the 2012 expenses paper. Action closed.</p> <p>BS thanked everyone for their updates.</p>	
<p>5.0 Risk Assurance Reporting including Board Assurance Framework & Corporate Risk Register BS welcomed MH to the meeting.</p> <p>SP stated that the aim of the report was to provide assurance to the Audit Committee that the Board Assurance Framework (BAF) for the financial year 2013/14 had been updated following peer review and to validate that the Audit Committee supported the progress towards achievement of the objectives.</p> <p>BS expressed concern about the report's incomplete front sheet, as the Audit Committee needed a clear indication of who had seen documents prior to their consideration by the Committee.</p> <p>SP stated that much more rigour had been applied to the process of approval during the current year.</p> <p>BS stated that the Committees and Board meetings timetable was improved in terms of sequencing for 2014/15 and would help with the process of timely approval.</p> <p>Action: SP to include additional details on front sheets going forward to ensure that they had a clearer purpose and recommendations and fully reflected how they had been considered prior to presentation to the Audit Committee.</p>	<p>SP 2013/69</p>

	Action
<p>SP stated that MH had added a risk summary on page 7 of the document. BS asked whether the Trust was making progress against its risks, as the summary table did not highlight many changes. He added that, although the new summary was useful, further development was needed as it was not as indicative of progress as it could be.</p> <p>PD agreed that there did not seem to have been any movement in the risk gradings between Quarter 1 and Quarter 2, adding that the fact that overall scores had not changed had been challenged at both Quality Committee and F&IC. She asked whether there was any potential for scores to change in Quarter 3 or 4.</p> <p>SP replied that further information about progress and developments was contained in the detailed narrative in the main body of the Committee Assurance Report. He further stated that where possible the due dates for actions had been brought forward to earlier in the year, although the vast majority remained as March 2014.</p> <p>RB stated that a lot of work had been carried out to strengthen the BAF in relation to due dates, etc. It was his belief that Quarter 3 would be a better test of movement as more deadline dates were due during this time.</p> <p>MH stated that rating movement in large strategic risks was usually seen in Quarters 3 and 4.</p> <p>BS asked whether it was possible to include narrative underneath the summary table to give some context of the progress being made.</p> <p>SP suggested that comments about actions completed could be included in this section.</p> <p>Action: SP to include narrative re actions completed underneath the summary table</p> <p>PD asked how the NEDs could be sure that the review process was robust as, although they were being assured verbally by the Executive Directors, the report did not currently provide the required level of assurance.</p> <p>BS stated that expanding the information on the cover sheet would help to provide some of this assurance.</p> <p>SP stated that the Datix reports on pages 21 to 25 were work in progress. Some of them were incomplete as the relevant areas in Datix were not yet populated. A piece of work was under way to migrate all of the risks from external spreadsheets into Datix. This work was progressing well although the process of executive sign off was still being worked through.</p>	<p>SP 2013/70</p>

	Action
<p>BS stated that, although the direction of travel was clear, it would be useful to have a specific presentation to the Audit Committee and suggested that the meeting on 10 December might be an appropriate time.</p> <p>MH provided an update about the development work still required, adding that the vast majority should be completed by December.</p> <p>Action: SP/MH to present a Datix progress report to Audit Committee at its meeting on 10 December.</p> <p>BS asked what visibility the Quality Committee and F&IC would have of the unified Datix risk register.</p> <p>SP replied that risks could be pulled out of the Datix system to feed into relevant committees and management groups from across all Trust departments.</p> <p>MH stated that information could be extracted within seconds although further quality work was still required. With this in mind, Internal Audit had been asked to carry out a review of risk maturity.</p> <p>PD asked whether the Audit Committee could be assured that the October deadlines would be delivered.</p> <p>SP replied that this had been discussed in TEG and it had been agreed that it would be possible subject to minor amendments.</p> <p>BS asked whether the March 2014 deadline was being used as a default setting.</p> <p>SP acknowledged that there were a lot of actions with March 2014 deadlines but confirmed that this was a realistic date, particularly as several smaller actions would make up many of the main actions.</p> <p>RB confirmed that EB and he had re-worded risk 8b.</p> <p>PD stated that the tables on pages 24 and 25 would be useful once they had been fully populated and confirmed that the Quality Committee would be reconsidering EOC and its SIs in terms of risk.</p> <p>BS asked about the implications of declaring a risk to be extreme, stressing the importance of the considerations of the various interested parties taking place in a structured way.</p> <p>SP replied that the triggers were the criteria underpinning the consequence and likelihood scores, both of which had been discussed at Board. Once something was on the BAF, the level of scrutiny, etc was escalated, stressing the importance of the triangulation of the different committees' views on the various risks.</p>	<p>SP/MH 2013/71</p>

	Action
<p>PD stated that she would expect the extreme risks listed on pages 30 and 31 to be considered by F&IC in terms of CIPs and Quality Committee in terms of QIA.</p> <p>Action: Extreme risks listed on pages 30 & 31 to be considered by F&IC in terms of CIPs and Quality Committee in terms of QIA.</p> <p>BS expressed concern about the amount of ‘uncontrolled’ and ‘inadequate’ entries in the High Level Risk Register’s Adequacy of Controls column, adding his opinion that the Audit Committee needed to see the background to changes made to this column.</p> <p>MH replied that although scoring the risks was a relatively straightforward process, scoring the adequacy of controls was more difficult and further development work was required with the teams.</p> <p>SP stated that TEG wanted to push ownership of risks further down the organisation. However, this would not be a quick fix as a whole education process would be required to increase TEG’s confidence. Work was on-going to this effect.</p> <p>EM expressed concern at the way in which the Hillsborough risks had been noted in the High Level Risk Register.</p> <p>SP stated that there would be a point at which the Hillsborough risks would probably move onto the BAF but this was a moving picture and it was his belief that it was not yet time for this.</p> <p>In reference to risk 4a, PD stated her belief that as a result of the changing NHS landscape and the advent of the 23 CCGs each of which had a brief to tender for services and a desire to flex their new found freedom, it was inevitable that YAS would lose contracts in the coming years. The Trust would therefore need to adapt accordingly.</p> <p>RB stated that a lot of time and effort had been put into action 3b in risk area 4a, ‘contributing to regional and local improvement initiatives via Urgent Care Boards’. The Trust was represented at every UCB event although the heavy level of commitment required meant that the on-going risk would need to be recognised.</p> <p>SP stated that progress, both internal and external, had been made in relation to all actions attached to risk 8a. There were no easy fixes and the nature of the risks meant that they would remain throughout the remainder of the year.</p> <p>BS stated that he had gained a lot of assurance that healthy progress was being made in relation to the Trust’s risks. This was demonstrated by the increasingly valuable clear reporting through TEG, to the Quality Committee, F&IC and the Audit Committee.</p>	<p>EB/PD 2013/72</p>

	Action
<p>There were no other comments.</p> <p>Approval: Having challenged the information presented within the report and identified areas for refinement and development in the process the Audit Committee noted and applauded the progress being made and gained good assurance from the BAF.</p> <p>The Committee gained adequate assurance around the identification and management of the Trust’s key risks and would gain further assurance once the front sheet of the report provided information about the other forums in which the risks had been considered.</p>	
<p>6.0 Risk Management & Assurance Strategy SP presented the updated Risk Management and Assurance Strategy for approval. He apologised for the lack of detail on the cover sheet and outlined the background to the revised paper.</p> <p>SP confirmed that feedback had already been received and incorporated into the Strategy. However, the document was still out for consultation and further amendments were expected. Following final amendment, the Strategy would return to the November Public Board meeting for sign off.</p> <p>SP outlined the changes made to date and invited comments from the Committee.</p> <p>BS stated that, in section 3.10, ‘Finance & Investment Committee’ should be listed under ‘assurance reports’ rather than ‘high level management reports’.</p> <p>EM asked for the Charitable Funds Committee to be included in the list of Committee Responsibilities on page 15.</p> <p>PD acknowledged that clinical governance had been included in the revised Strategy but stressed that further emphasis on professional accountability was still required.</p> <p>She stated that, although she was happy with the third point in the monitoring compliance table, it was her belief that the Board should be included as a Monitoring Committee in the fourth section, in addition to SMG and TEG .SP outlined the amendments that had been made to the Risk Flows diagram. A discussion took place about the flow of information and use of the blue ‘assurance arrows’.</p> <p>SP stated that the arrows showed that the Committees were able to triangulate information and were not reliant on a single source of assurance.</p>	

	Action
<p>BS stated that, given the necessary complexities of YAS' governance structure, there was a limit to how much could be portrayed in one diagram. He further stated that although 'risk appetite', the most difficult aspect of risk management, was defined in Appendix 1 there was no reference in the main body of the report.</p> <p>RB stated that, in line with Service Line Management, the Trust would need to be clear going forward about what its risk appetite was in each sector.</p> <p>It was agreed that the 'risk appetite' information should be included in section 2.5 of the Strategy.</p> <p>BS questioned the flow of sections 3.18 to 3.20 and suggested that consideration should be given to ensuring that the listings of groups and committees are in the order in which information is provided for information and approval, consistent with terms of reference.</p> <p>Actions: SP to: Alter wording of 3.10 altered to ensure F&IC included in correct section; Add Charitable Funds Committee to list of Committee Responsibilities in Appendix 3; Give consideration to the inclusion of further emphasis on professional accountability in the Strategy; Add Board as an additional Monitoring Committee in item 4 of table on page 9; Include information about YAS' 'risk appetite' in section 2.5; Consider the logical flow of the contents of sections 3.18-3.20.</p> <p>BS thanked SP and MH for their updates. Following further amendment, which took into account the Committee's requests and any additional comments received, the Strategy would go back to the Board in November for final approval.</p> <p>Approval: Following discussion, the Audit Committee approved the Risk and Assurance Strategy document as a reflection of current processes subject to the changes requested.</p>	<p>SP 2013/73</p>
<p>7.0 Finance and Investment Committee Risk Assurance Report In EB's absence, PD provided an update on the work of the Finance and Investment Committee to provide assurance on the management of risks within its remit on her behalf.</p> <p>EB's report was presented in its new format for the first time and identified the risks on the Board Assurance Framework which fell within its remit. These were 3a, 4a, 5a, 8a and 8b.</p>	

	Action
<p>PD stated that the F&IC was unable to provide further assurance round the risks associated with 8a 'Adverse impact on developments in urgent/unscheduled care services in partnership with other providers due to failure to meet the requirements of 111 service/WYUC provision', and 8b 'Deficit against planned financial outturn due to significant overspending on the provision of Patient Transport Services, 111 and A&E' due to a lack of information.</p> <p>EM agreed that further information was required in relation to the overall picture and how it was being managed.</p> <p>RB agreed to prepare a paper for F&IC containing detailed information about the current position of the three main operational areas.</p> <p>Action: RB to prepare a paper for F&IC containing detailed information about the current position of the three main operational areas</p> <p>It was RB's belief that A&E could deliver its 75% Red 2 performance target although it would incur additional costs of around £¾m.</p> <p>RB further stated that although a contract variation had been agreed in relation to NHS 111, the service was still in a deficit position with the biggest risk remaining the Winter position. However, discussions were on-going with the Commissioners in relation to this item.</p> <p>RB confirmed that a new CIP of £300k had been delivered in PTS against the shortfall in CIP delivery of £1.6m previously reported.</p> <p>EM stated that in the private sector a stress test would be undertaken to identify the breakage point for a risk such as 8b and asked how YAS would identify a similar point for its PTS service. She asked whether it would ever be unacceptable to run certain parts of YAS' business, stressing that any decisions would need to be justified in a commercial light.</p> <p>RB replied that, in relation to PTS and 111, the transformation programme would be reviewed at the end of March and decisions made whether to continue in the current format or to make changes</p> <p>BS stated that the Committee took comfort in the fact that there was now clear visibility of and action around risks, which was a major step forward. In that respect, therefore, it gained assurance around the management of financial risks and awaited further reports.</p> <p>Approval: The Audit Committee noted the report and gained adequate assurance regarding the management of financial risks.</p>	<p>RB 2013/74</p>

		Action
8.0	<p>Charitable Funds Committee Risk Assurance Report EM presented a short report which outlined the proposed approach for the Charitable Funds Committee to provide the Audit Committee with assurance on risks associated with the management of Charitable Funds.</p> <p>It was agreed that, unless something of an unexpected nature occurred, the Charitable Funds Committee would provide an annual written report which enclosed the most up to date risk register for Charitable Funds.</p> <p>Approval: The Audit Committee noted the report and gained adequate assurance regarding the management of risks relating to Charitable Funds.</p>	
9.0	<p>Quality Committee Risk Assurance Report PD provided an update to provide assurance on the management of risks within the remit of the Quality Committee.</p> <p>The report, which was presented in its new format for the first time, identified the 11 risks on the Board Assurance Framework which fell within the Quality Committee's remit. These were 1a, 2a, 2b, 3a, 3b, 5a, 5b, 6a, 6b, 7a and 8a.</p> <p>The Committee had reviewed the risks and received assurance with regard to mitigating actions in relation to all areas of business within its terms of reference and in line with its annual work plan.</p> <p>PD stated that there was a real need to gain assurance in relation to 3a, adding that feedback was still to be received from the NHS TDA in relation to the Quality Visit and Quality Challenge.</p> <p>SP stated that the TDA had arranged a meeting with the Chairman and CEO to feedback on the Quality Visit, adding that a written response should also have been received by then.</p> <p>PD stated that the November meetings of the Quality and F&I Committees were due to be observed again by the TDA.</p> <p>In relation to 3b, the CQC report had been discussed at the Quality Committee's September meeting and an action plan produced for discussion at the November meeting.</p> <p>SP confirmed that the drop in PDR completion was mainly due to the number of new and temporary people in the NHS 111 team.</p> <p>This issue and that relating to the quality of completed PDRs were due to be discussed with the new Executive Director of People and Engagement when he presented a workforce report at the next Quality Committee meeting.</p>	

		Action
	<p>In relation to 5a, SP confirmed that a joint Quality and F&I Committee meeting was due to take place in November to work through the CIPs and QIAs.</p> <p>PD reported that risk 5b was making good progress through the CQUINs although she was not as comfortable with the comments around EOC as there had recently been a couple of new SIs, which were being considered as part of the EOC review process.</p> <p>In addition, sickness and absence levels had now dropped to just over 5%. The task and finish group's work was still on-going so it was hoped that levels would continue to drop.</p> <p>There were no real changes to 6a although a new dashboard was due to be considered by the Quality Committee in November.</p> <p>Some progress had been made in relation to 6b, although no change in the risk rating was currently proposed.</p> <p>SP stated that the risk relating to the link between Adastra and BT was a national issue which impacted on the 111 service. Daily updates, relating to the volume of activity, were being received.</p> <p>PD stated that she had requested a copy of Trust's Surge Plan at a recent Board meeting as she had needed to be clear about the escalation process. The NEDs were now in receipt of the Plan and she was assured of the process.</p> <p>EM stated that although she was still concerned about the low level and quality of PDR completion she gained comfort from the actions being taken to overcome the issue.</p> <p>BS thanked PD for her thorough report.</p> <p>Approval: The Audit Committee noted the report and gained adequate assurance regarding the management of Quality risks.</p>	
10.0	<p>Integrated Performance Report – Process to give Committee assurance of completeness and accuracy</p> <p>RB provided an update to the Audit Committee on progress and changes to the Trust's Integrated Performance Report (IPR), which had been under review for the past twelve months.</p> <p>The BI team had been further developing the report to ensure that it covered all relevant areas of the Trust's business and highlighted areas of risk at an early stage in order for the Trust Board to be able to act accordingly. In addition, reporting processes had been tightened at TEG.</p>	

	Action
<p>Improvements included:</p> <ul style="list-style-type: none"> • Early Warning Indicators against key targets had been developed; Data quality and production of the report had been refined by ensuring that each service line had strict 'close down' of data to allow for more timely reporting. • Data sources had been systematically revalidated to ensure consistency in reporting and to refresh understanding of data definitions; • The introduction of a reporting section on NHS 111 to be further developed to include contract KPIs not currently included. • The introduction of a sign off process to ensure that changes to the report went through the correct authorisation process. <p>RB confirmed that TEG was currently happy with the accuracy and completeness of the IPR. There were further plans to continue to review the IPR, which contained a significant amount of detail when compared to other Ambulance Trusts' reports. It was felt, however, that the current level of detail was required in order for the Trust Board to fully understand the service performance month on month.</p> <p>RB further stated it was anticipated that the report would shortly have an executive summary which gave high level indication of what was performing well and what areas were rated as Red.</p> <p>PD asked when the review was due for completion.</p> <p>RB confirmed it should be completed by the end of the current year.</p> <p>PD asked whether the Trust should consider a further development of its early warning indicators to broaden out the principle.</p> <p>RB agreed that it was worth considering.</p> <p>Action: RB to consider the further development of the current Early Warning Indicators and pursue the inclusion of an Executive Summary in the IPR.</p> <p>BS stated that he found the IPR difficult to read in places and requested an update on IA's assistance around the IPR production process.</p> <p>BJ stated that IA were about $\frac{3}{4}$ of the way through the testing and to date there had been no major issues in terms of accuracy or completeness. IA would also be commenting on the format and clarity of reporting as part of their work.</p> <p>BS stated it would be useful if he could receive a copy of the draft IA report, prior to reporting on assurance around the IPR at the November Board meeting.</p>	<p>RB 2013/75</p>

	Action
<p>Action: BJ to provide BS with copy of draft IA report on IPR prior to November Board meeting.</p> <p>BS acknowledged that the IPR would continue to evolve, adding it was important to keep focussed on ensuring the accuracy and completeness of the report.</p> <p>Approval: The Audit Committee noted the further development and improvements to the IPR.</p>	<p>BJ 2013/76</p>
<p>11.0 External Audit Review of Effectiveness Report & Audit Transparency Report</p> <p>PT presented the above report to provide the Audit Committee with assurance on the effectiveness of External Audit (EA), as Deloitte believed that they were meeting the required standards</p> <p>He stated that the report presented both the local and national positions as it included a local KPI report which commented against key measures and the national Deloitte UK Report.</p> <p>BS asked RB and AR for their views on EA's performance and whether they agreed with the self-evaluation.</p> <p>RB stated that YAS had a constructive relationship with Deloitte with plenty of opportunity for discussion to tailor the audit plan to meet the organisation's needs. The Trust was therefore happy with the service being provided.</p> <p>BS stated his belief that YAS seemed to have a good relationship with its External Auditors who delivered an effective audit service.</p> <p>PT stated that, although it would be a challenging period when two sets of accounts would need to be produced during the transition to Foundation Trust, Deloitte had already experienced these pressures on several occasions so knew what to expect.</p> <p>BS confirmed that he had found the effectiveness paper useful.</p> <p>He further stated that, in accordance with the Audit Committee's Terms of Reference, the NEDs would find it useful to have a private meeting with EA, adding that the agenda for the meeting on 10 December would allow some time for this meeting.</p> <p>There were no other comments so BS thanked PT for his report.</p> <p>Approval: The Audit Committee noted the content of the report and was assured of the adequacy of external audit arrangements.</p>	

	Action
<p>SP stated that there had been a high turnover of staff during the NHS 111 mobilisation period which had required some flexibility in the recruitment process, adding that risks had been managed by people initially being appointed on a training basis.</p> <p>BJ stated that, even if the NHS 111 issues were taken out, IA would still have deemed the audit to have provided limited assurance as, during the period under review, general actions had also not been taken quickly enough.</p> <p>PD stated her belief that the Trust needed to manage itself more effectively internally, adding that although the new values-based recruitment was being well-received, the process would not resolve all of the administrative problems currently being experienced.</p> <p>BS asked whether it was possible for recruitment to take place in the organisation without a cost control reference.</p> <p>RB confirmed that it was impossible to recruit without the knowledge of the Director of Finance.</p> <p>SP stated that a piece of work had commenced which would feed back to the HR team in terms of the current recruitment process, the timeliness of its service, etc.</p> <p>BJ confirmed HR was also on the IA plan for the following year.</p> <p>BS suggested it would be useful if the Executive Director of People & Engagement, Ian Brandwood (IB), could present an HR update at the December meeting.</p> <p>Action: IB to be invited to December meeting of Audit Committee to present an HR update.</p> <p>BS asked whether the Bribery Prevention Policy had been reviewed during the Corporate Governance work outlined on page 4.</p> <p>BJ replied that the process had been checked and the result had been favourable although the on-going internal arrangements and self-review needed further consideration.</p> <p>BS asked whether the audit approach in relation to the IT Operational Security review of controls on page 6 had commenced with the consideration of risks and covered both the design and operation of the controls.</p> <p>BJ confirmed that it had. She further stated that this piece of work was now a final report and agreed to provide the action plan for consideration at the December Audit Committee meeting.</p>	<p>BS 2013/78</p>

	Action
<p>Action: BJ to provide IT Operational Security action plan for discussion at December Audit Committee meeting.</p> <p>BJ apologised that the ECS IT Programme review was missing from that day's update. The report provided significant assurance and BJ would issue a separate short summary report about this review.</p> <p>Action: BJ to issue separate short report re ECS IT programme review.</p> <p>SP raised the issue of the Security Management standards, which were separate to the Fraud standards and asked whether they would need to be built into the IA plan.</p> <p>BJ agreed to look into the possibility of this.</p> <p>Action: BJ to look into possibility of building Security Management standards into the IA plan.</p> <p>PD expressed disappointment at the deferment, albeit on the basis of assessed relative risk, of the Equality and Diversity review to 2015/16 as E&D would be a key development for the organisation.</p> <p>BJ suggested that if any time was freed up in the current plan, the timing of the piece of work could be revisited.</p> <p>She confirmed that the March 2014 deadlines in the final column of Appendix 3 were the dates of the next IA follow up, adding that the table at the end of Appendix 4 provided the summary of work by directorate analysis previously requested by BS.</p> <p>BS asked for executive comment on whether the breakdown of audit work in the plan was a fair distribution of IA scrutiny across the Trust's Directorates.</p> <p>RB replied that the view of the executive team was that it was a fairly balanced programme with scope to include more audit days in the core operations areas if necessary.</p> <p>As there were no further comments BS thanked BJ for a very thorough report.</p> <p>Approval: The Audit Committee received and accepted the Report and noted the revised 2013/14 plan.</p>	<p>BJ 2013/79</p> <p>BJ 2013/80</p> <p>BJ 2013/81</p>
<p>12.1a</p> <p>Anti-Fraud Progress Report SF presented the latest Anti-Fraud Progress Report.</p>	

	Action
<p>EM asked whether it would be possible to put values against each allegation in the Investigation Log, as it was difficult to get a feel of the scale of possible fraud.</p> <p>SF replied that all of the current investigations were of a relatively low value. However, if anything did arise of a higher value, he would ensure that more detailed information was supplied.</p> <p>EM asked whether there were any repeat offenders in terms of area or locality.</p> <p>SF agreed to look into this although great care would need to be taken, as some of the information provided would be verbal.</p> <p>Action: SF to investigate possibility of “repeat offenders” and report back to Audit Committee.</p> <p>Approval: The Audit Committee received the Anti-Fraud progress report for information and discussion.</p>	<p>SF 2013/82</p>
<p>12.1b</p> <p>Self-Review Toolkit & 2012/13 Counter Fraud Annual Report</p> <p>SF provided the Committee with an update on NHS Protect’s new quality assurance process, which required the Trust to submit a Self Review Toolkit together with the Counter Fraud Annual Report.</p> <p>He stated that, following submission of the documents at the end of July, NHS Protect had requested an on-site focussed assessment to look at the ‘Prevent and Deter’ standard. The work was due to take place on 25 November 2013.</p> <p>SF stressed that the toolkit was purely a self-assessment, which would take place on a three-year cycle. The Quality Assurance section would be considered by the Quality Committee.</p> <p>Approval: The Audit Committee noted the progress made to date.</p>	
<p>12.1c</p> <p>Draft Anti-Fraud, Bribery & Corruption Policy</p> <p>SF stated that NHS Protect had developed a new template fraud policy to encompass the new Standards and update for recent counter fraud and regulatory developments such as the Bribery Act 2010. The policy now required Audit Committee approval.</p> <p>BS requested clarification of the plans to communication information about the policy.</p> <p>SF replied that Internal Audit would publicise the template, adding that SP’s team would also share the information with appropriate stakeholders.</p>	

	Action
<p>EM stated she would like to see Counter Fraud taking a higher profile with more posters, etc advertising the Trust's anti-fraud stance to keep its zero tolerance approach at the forefront of people's minds. BJ replied that there was a Counter Fraud stand in the staff canteen.</p> <p>Approval: The Audit Committee approved the draft Anti-Fraud, Bribery and Corruption Policy for the Trust.</p>	
<p>13.0 Compliance with Audit Recommendations AR provided an update on the status of outstanding Audit and Counter Fraud recommendations.</p> <p>BS asked whether there were any concerns about any of the late or on-going recommendations.</p> <p>AR replied that a change in the managers responsible for recommendations one and two on page one had caused the delay in completion. Dialogue about the Asset Register recommendation was now under way between External Audit and Michelle Scott.</p> <p>RB stated that, in relation to medical device management, job cards were now in use and a policy was currently being drafted. This item would be considered at Quality Committee on an on-going basis.</p> <p>Approval: The Audit Committee noted and accepted the report.</p>	
<p><u>Standing Financial Instructions & Standing Orders</u></p>	
<p>14.0 SFI Waivers and Contract Award Activity over £100,000 RB reported that two single tender waivers above £100,000 had been signed since the last Audit Committee meeting.</p> <p>Clarification of the process for agreeing the level of signatories required in relation to the sign off of contracts, etc was requested. RB replied that, as its value was over £250k, the T@lecom single tender waiver had been signed by the Chairman and CEO whilst the Sinclair Voicenet Ltd single tender waiver, as its value was under £250k had been signed by the CEO and himself.</p> <p>PT asked if there were any Legal implications in accordance with EU Procurement Directives for the T@lecom single tender waiver.</p> <p>RB confirmed that this area had been thoroughly explored and there were no implications. He stated that under EU Tender procedures there are exemptions to cover this kind of requirement where there are compatibility implications with existing systems and where by tendering the costs would be disproportionate to what could be achieved by tendering.</p> <p>BS asked whether the Trust needed to consult an EU lawyer.</p>	

		Action
	<p>RB replied that this would be inappropriate at the current time.</p> <p>Approval: The Audit Committee accepted the report.</p>	
14.1	<p>Review of Suspension of Standing Orders BS, on behalf of AA, confirmed that there had been no suspension of Standing Orders since the last Audit Committee meeting.</p>	
14.2	<p>Review of Standing Finance Instructions and Standing Orders RB provided an update on changes to Standing Orders (SOs), the Scheme of Delegation and the Standing Financial Instructions (SFIs).</p> <p>He stated that some minor amendments were required and they would be brought back to the Committee as an updated version at an appropriate time.</p>	
	<p><u>Losses and Special Payments</u></p>	
15.0	<p>Review of Schedules of Losses and Special Payments RB presented a paper to the Audit Committee for approval of the Losses and Special Payments made for the first two quarters of 2013/14.</p> <p>EM stated that it looked as if some monies were being paid out because the Trust was unable to comply with timescales.</p> <p>A discussion took place about this statement and RB confirmed that due process was gone through before approval of payments was given.</p> <p>EM asked how many of the payments were genuine payments and how many could have been avoided if the right paperwork had been in place.</p> <p>AR replied that the majority of payments were NHSLA payments.</p> <p>RB added that procedures were in place within the Finance Department to ensure that any Losses and Special Payments were appropriately recorded.</p> <p>Approval: The Audit Committee approved the Schedule of Losses and Special Payments to the end of Quarter 2 2013/14.</p>	
16.0	<p>Raising Concerns at Work Update BS stated that the Audit Committee had a duty to periodically review and appraise the YAS 'whistleblowing' procedures and to consider at each meeting whether any 'concerns at work' notifications had been received since the last meeting.</p>	

		Action
	It had been confirmed that morning to BS by the Executive Director of People & Engagement that none had been received via any of the approved means since the last Audit Committee meeting.	
17.0	<p>Review of Members' Expenses</p> <p>BS stated that a process was in place whereby processed expenses within the system were reconciled to the approved expense claims with the end result being assurance that the expenses were correct. Although numbers were not large, it was still an issue on which visibility and assurance as to probity was required.</p> <p>PD expressed concern that MW did not seem to be claiming her mileage and NEDs submitting appropriate mileage claims was a governance principle. She suggested that when MW returned from maternity leave she should be reminded about the process.</p> <p>Approval: The Audit Committee noted and accepted the report.</p>	
17.1	<p>Review of Register of Members' Interests</p> <p>BS stated it had been agreed that, on a quarterly basis, all NEDs and Executive Directors would email AA to confirm that there were no changes to their interests or to make amendments to the system.</p> <p>He confirmed, on behalf of AA, that there were no changes other than those stated in the report presented to the Committee.</p> <p>Approval: The Audit Committee noted and accepted the report.</p>	
18.0	<p>Off Payroll Payments to Senior Staff</p> <p>BS stated that the purpose of the paper was to provide the Audit Committee with assurance in relation to arrangements for payroll payments to senior staff.</p> <p>He further stated that the Chairman had given feedback to the TDA and had asked for good order that the Audit Committee also had sight of the information.</p> <p>There were no comments on the paper.</p> <p>Approval: The Audit Committee noted the report and was satisfied that the representations made by the Chairman had been well-founded.</p>	
19.0	<p>Audit Committee Self-Evaluation</p> <p>BS stated that the Audit Committee would shortly need to undertake its annual self-assessment, a date for which was already in the diary.</p> <p>BS suggested that consideration be given to taking up MIAA's offer to run a facilitated self-assessment session.</p>	

		Action
	<p>Action: BS to investigate and recommend the best way forward so as to obtain maximum value from the AC annual self-assessment.</p>	BS 2013/83
20.0	<p>ANY OTHER BUSINESS NHS TDA feedback from observation of Audit Committee meeting, 16 July 2013 BS stated that a letter had been received from Stephen Downs of the TDA, which provided formal feedback on the observation of the Audit Committee meeting on 16 July 2013. He distributed copies of the letter to those present.</p> <p>PD expressed disappointment at the timeliness and quality of the feedback.</p> <p>BS agreed with PD, adding that although he had been keen to receive some constructive criticism, he did not feel that the letter added any value to the work of the Committee.</p> <p>BS expressed surprise at the TDA's suggestion that the Audit Committee should meet privately with external and internal audit at each of its meetings. This was not something that he had ever come across.</p> <p>BS asked PT whether he felt that it would be useful for the NEDs to have a private meeting with the external auditors after each Committee meeting, as recommended by the TDA.</p> <p>PT replied that, unless there was a specific reason, such as the Trust having a bad relationship with its auditors, it would be an unusual step to take so one annual meeting was perfectly acceptable.</p>	
20.0	<p>Review of Meeting Actions and Quality Review of Papers There were no comments about the meeting.</p> <p>BS thanked everyone for their attendance and their contributions in the lead up to and during the course of the meeting.</p> <p>The meeting closed at 1240 hours.</p>	
21.0	<p>Date and Time of Next Meeting Tuesday 10 December 2013, 1000–1300 hours, Boardroom, Springhill 2, Wakefield, WF2 0XQ.</p>	

CERTIFIED AS A TRUE RECORD OF PROCEEDINGS

_____ **CHAIRMAN**

_____ **DATE**