



## Audit Committee

**Venue:** Board Room, Springhill 2, Wakefield, WF2 0XQ

**Date:** Tuesday 10 December 2013

**Time:** 1000 hours

### Chairman:

Barrie Senior (BS) Non-Executive Director

### Attendees (members):

Elaine Bond (EB) Non-Executive Director

Erfana Mahmood (EM) Non-Executive Director

### In Attendance:

John Nutton (JN) Non-Executive Director (Designate) (Observer)

Rod Barnes (RB) Executive Director of Finance & Performance

Steve Page (SP) Executive Director of Standards & Compliance

Anna Rispin (AR) Associate Director of Finance

Nicky Cook (NC) External Audit (EA)

Benita Jones (BJ) Internal Audit (IA)

Paul Webster (PW) Internal Audit (IA)

Shaun Fleming (SF) Counter Fraud

Mark Hall (MH) Associate Director of Risk & Safety (Items 5 & 6)

### Apologies:

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

Mary Wareing (MW) Non-Executive Director

Paul Thomson (PT) External Audit (EA)

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

The meeting commenced at 1000 hours.

		Action
1.0	<b>Introduction &amp; Apologies</b> BS welcomed everyone to the meeting and apologies were noted as above.  BS stated that the order of the agenda had been revised with Items 13 and 13.1 to be considered after Item 4 to allow BJ and SF to leave the meeting early.	
2.0	<b>Declaration of Interests</b> No declarations of interest were made relating to the items on the agenda.	

	<b>Action</b>
<p>3.0 <b>Minutes of the last meeting, 17 October 2013</b> The minutes of the last meeting were reviewed and agreed as a true record of the meeting with the following amendments:</p> <p>Page 3, paragraph 2 – end of sentence deleted to finish: ‘co-ordinated by SF’.</p> <p>Page 4, action 2013/68 to be amended to state: ‘BJ to present update linking IA actions to BAF risks in the context of IA coverage across strategic risks, etc at Audit Committee meeting on 10 December.’</p> <p>Page 10, Approval section – ‘of weakness’ replaced with ‘for refinement and development’.</p> <p>Page 12, 4<sup>th</sup> paragraph from end – delete paragraph.</p> <p>Page 19, action 2013/81 amended to state: ‘BJ to look into possibility of building Security Management standards into the IA plan.’</p>	
<p>4.0 <b>Action Log</b> The action log was reviewed and updated.</p> <p><b>2012/43 - Fleet Management Actions</b> BJ confirmed this action related to the follow up work, which would be carried out in the next quarter. Details of unexpected spot checks in Dec/Jan were still to be agreed with RB with final report to come to March meeting. Action remains open.</p> <p><b>2012/87 - Counter Fraud Progress Report</b> SF was hopeful that an update would be available for the March meeting. Action remains open.</p> <p><b>2013/10 - Committee Assurance - Clinical Governance, Clinical Risk Management &amp; Clinical Audit (linked to 2013/42)</b> SP stated that following recent work carried out by the provider, the system seemed to be working albeit with a reduced number of fields.</p> <p>RB confirmed that the company had been on site for a week and the backlog was now reducing. Action remains open.</p> <p><b>2013/41 - Fleet Management Actions (linked to 2012/43)</b> It was agreed that this action would be closed following the March meeting. Action remains open.</p> <p><b>2013/42 - Committee Assurance - Clinical Governance, Clinical Risk Management &amp; Clinical Audit (linked to 2013/10)</b> Action remains open – see update for 2013/10.</p> <p><b>2013/46 – Findings of the 111 Review</b> Action remains open until March meeting.</p>	

	<b>Action</b>
<p><b>2013/53 - Internal Audit Progress Report</b>  BJ confirmed she had attended SMG and reiterated that the three-week deadline would be rigorously applied. If no response was received then reports would be issued as final.</p> <p>PW stated if there was a genuine reason for a delayed response the deadline could be extended. Action remains open until March.</p> <p><b>2013/54 - Internal Audit Progress Report</b>  Action remains open until March meeting (see update for 2013/53).</p> <p><b>2013/56 - Internal Audit Progress Report</b>  BJ apologised for the oversight in terms of sending the report. She had emailed the PTS report the previous day. There were a number of pieces of work that crossed over which touched on the IPR.</p> <p>BS acknowledged the size and complexity of the IPR and asked how the Audit Committee could reach agreement that at a specific time it was complete, accurate and reliable.</p> <p>EB asked for TEG's response as there was a heavy reliance on data and the limited assurance report gave her cause for concern.</p> <p>RB replied that the limited assurance only related to PTS, the other parts of the report had significant assurance.</p> <p>It was agreed that a paper should come to the next Audit Committee meeting which clearly showed the current status in relation to building assurance for the IPR. Action remains open.</p> <p><b>Action:</b>  <b>RB to present update report to March meeting re current status of IPR, including reliability of data, etc.</b></p> <p><b>2013/60 - Internal Audit Progress Report</b>  RB confirmed that a response had gone to IA. The actions had also been considered by the Quality Committee and the conclusion had been reached that the whistle blowing incident was drawing to a close. Action remains open.</p> <p><b>2013/61 - Internal Audit Progress Report</b>  In relation to the streamlined follow up process BJ confirmed that two systems were still in use. Datix had been suggested as the means by which the streamlining process could be managed but some technical issues had been encountered.</p> <p>PW confirmed that the situation was not as simple as it might appear and further work was needed to see how easy the proposed system would be to administer. It was important to ensure that the right system was introduced and a conclusion should have been reached by the March meeting. Action remains open.</p>	<p><b>RB</b>  <b>2013/84</b></p>

	Action
<p><b>2013/63 &amp; 2013/64 - Compliance with Audit Recommendations</b> It was agreed that the two actions should be brought together and linked to action 2013/61 - see update above. Actions remain open.</p> <p><b>2013/66 - Review of SFI's/SO's</b> Item covered on that day's agenda. Action closed.</p> <p><b>2013/68 – Internal Audit &amp; Counter Fraud Plan</b> BJ stated that details of the assurance mapping exercise had been provided with additional information to be circulated after meeting. Action closed.</p> <p><b>2013/69 – Risk Assurance including BAF</b> SP confirmed that the information was included in that day's paper. Action closed.</p> <p><b>2013/70 - Risk Assurance including BAF</b> SP confirmed that the information was included in that day's paper. Action closed.</p> <p><b>2013/71 - Risk Assurance including BAF</b> Item covered on that day's agenda. Action closed.</p> <p><b>2013/72 - Risk Assurance including BAF</b> EB confirmed item was covered in the F&amp;IC report. Action closed.</p> <p><b>2013/73 – Risk Management and Assurance Strategy</b> SP confirmed that the list of minor points had been actioned and the amended Strategy had been approved by the Board. Action closed.</p> <p><b>2013/75 – IPR Report</b> Item on that day's agenda. Action closed.</p> <p><b>2013/76 – IPR Report</b> BS confirmed he had received the draft report. Action closed.</p> <p><b>2013/77 – Internal Audit Progress Report</b> SP confirmed MFD had provided a verbal update at the November Quality Committee meeting. The Committee had been concerned about the findings and wanted to see more detailed, written assurance about how the actions had progressed at its February meeting. Action closed.</p> <p><b>2013/78 - Internal Audit Progress Report</b> IB had sent his apologies to the meeting as he had to attend an appeal. However, his paper had still been tabled. Action closed.</p> <p><b>2013/79, 2013/80, 2013/81 - Internal Audit Progress Report</b> BJ confirmed that these items were included in the IA progress report. Actions closed.</p>	

	Action
<p><b>2013/82 – Anti-Fraud Progress Report</b> Item on that day’s agenda. Action closed.</p> <p><b>2013/83 – Audit Committee Self-Evaluation</b> BS confirmed the meeting was due to take place on 13 January. It was agreed that BS and BJ would liaise before then. Action closed.</p> <p><b>Action:</b> <b>BS and BJ to speak about Audit Committee Self-Evaluation prior to the self-assessment taking place.</b></p> <p>BS thanked everyone for their updates.</p>	<p><b>BS / BJ 2013/85</b></p>
<p>13.0 <b>Internal Audit Progress Report</b> BJ provided a progress update against the agreed Internal Audit (IA) Plan along with outcomes of reviews undertaken.</p> <p>A lengthy discussion took place on the contents of the report.</p> <p>BS asked whether the Audit Committee should be aware of any possible major concerns relating to the ten completed reviews that awaiting final ratification.</p> <p><b>Fleet – Vehicle Workshops Repair and Maintenance</b> PW replied that the Vehicle Workshops review had been lacking in terms of appropriate processes in place, etc; they had struggled to find all of the relevant documents and also tended to use the old local paperwork eg South. He confirmed that the final report would be available at the March meeting.</p> <p>RB stated that the Trust was currently out for recruitment in Fleet, adding that there was also a wider project within Fleet which should capture the issues raised by IA.</p> <p><b>PTS – Logistics/Contract and Performance Management/Income and Cost Monitoring</b> PW stated that the deadline for feedback on the PTS draft report had been extended on the request of RB and AR, as some of the issues therein would need to be answered by a wider audience.</p> <p>The meeting considered Table 1, the Performance Dashboard.</p> <p>BS asked how much work was likely to go over year-end, as the Trust would not want a considerable hangover at the end of the year.</p> <p>BJ stated that, given the volume of activity, it was her belief that IA were doing well. It would be a challenge to complete everything but she was fairly comfortable that only a few elements would go over year-end.</p>	

	<b>Action</b>
<p>BS stated he would find it helpful to have expected finalisation dates for planned audits on the dashboard.</p> <p>BJ agreed to compile and circulate this information separately.</p> <p><b>Action:</b>  <b>BJ to compile and circulate a list of expected commencement / finalisation dates for planned audits for the current year.</b></p> <p>BS stated he would prefer the 2014/15 plan to go through executive consideration and approval prior to 6 March, to enable the Audit Committee to consider the revised version of the plan at its meeting.</p> <p>BJ stated that the 2014/15 plan, which was year two of a three-year plan, was already in outline and reflected learning from the current year. She further stated that IA would normally have separate meetings with the individual Executive Directors prior to the plan going to TEG, so she would discuss timings with RB.</p> <p><b>Action:</b>  <b>BJ to discuss scheduling of separate meetings with Executive Directors with RB.</b></p>	<p><b>BJ</b> <b>2013/86</b></p> <p><b>BJ</b> <b>2013/87</b></p>
<p>BS stated that good progress had been made in terms of the reporting of significant assurance reviews but he would like to see further improvements where limited assurance reports had been received. These included, for example, the inclusion of a summarised action plan in table format.</p> <p>The meeting moved on to consider the finalised reviews.</p> <p><b>Corporate Governance</b>  RB requested clarification of the statement in the Corporate Governance section: 'Board level effectiveness review has not previously been carried out by the Trust, the first mid-year review is due to be tabled at the Trust Board on 24th September 2013 by the Executive Director of Finance and Performance.'</p> <p><b>Action:</b>  <b>BS to request clarification/explanation of this point</b></p> <p><b>ICT Project Management Controls, ECS Continuous Testing</b>  BJ stated that she had missed the ICT Project Management Controls, ECS Continuous Testing, information off the last update report, although it had been discussed in outline at the meeting.</p> <p>BS stated his belief that the recommendations needed more clarity.</p> <p>RB stated that Matt Watkins was currently the lead for the project and to date repeated requests for engagement champions had resulted in no nominations.</p>	<p><b>BS</b> <b>2013/88</b></p>

	Action
<p>EB asked whether there was any information available subsequent to the publication of the report.</p> <p>PW stated that this was an on-going review which the IT auditors had revisited. Their findings would be presented at the March meeting.</p> <p><b>Action:</b>  <b>BJ to present the updated findings of the IT auditors re ECS Continuous Testing review at the March meeting.</b></p> <p><b>Medicines Security</b>  SP stated that he had spoken to Executive Medical Director, Julian Mark (JM) who had confirmed that the majority of actions relating to the Medicines Security review were being handled through the Medicines Monitoring Group.</p> <p>PW stated that JM had felt assured that medicines security did not need any further external review.</p> <p>BS stated that the list of key risks in the introduction to the review gave a useful insight and asked whether it would be possible for IA to include a similar list as part of future reviews.</p> <p>BJ agreed that she would do this whenever possible.</p> <p><b>Action:</b>  <b>BJ to include list of key risks in the introduction to future reviews whenever possible.</b></p> <p>BS requested clarification of the statement ‘one area of particular concern is the progress on achieving monthly vehicle POMs audits’.</p> <p>BJ stated that she would go back to the report author to clarify the statement and circulate the information.</p> <p><b>Action:</b>  <b>BJ to liaise with report author to clarify the statement: ‘one area of particular concern is the progress on achieving monthly vehicle POMs audits’ and report back to the Audit Committee.</b></p> <p>SP stated that reports on medicines management were included in the Quality Committee’s workplan.</p> <p>BJ stated that the auditor could attend the February meeting if this would be helpful.</p> <p>SP thanked BJ for her offer. He agreed to liaise with the Quality Committee Chairman, Pat Drake (PD) and JM and would report back to BJ in due course.</p>	<p><b>BJ</b>  <b>2013/89</b></p> <p><b>BJ</b>  <b>2013/90</b></p> <p><b>BJ</b>  <b>2013/91</b></p>

	Action
<p><b>Action:</b> <b>SP to liaise with PD and JM re medicines management report author's attendance at the February Quality Meeting.</b></p> <p>EM asked whether it would be possible to see the other IA reports on medicines management. BJ agreed to circulate these reports.</p> <p><b>Action:</b> <b>BJ to circulate previous reports about medicine security</b></p> <p><b>ICT – Operational Security</b> In relation to the Operational Security review BS stated that, having seen the draft report at the last Audit Committee meeting, he was concerned that it was not as balanced as it could be. BJ acknowledged BS's comments, adding that part of the report might need to be written in plainer English to alleviate his concerns.</p> <p>BS expressed concern about the finding in relation to possible problems with the Trust's recovery processes in a disaster situation.</p> <p>RB assured the Committee that the core systems had very resilient back up arrangements.</p> <p><b>Action:</b> <b>BJ to amend the wording in the ICT – Operational Security report to clarify its findings.</b></p> <p><b>Estates – Health and Safety Compliance</b> SP stated that Mark Hall (MH), the Trust's Associate Director Risk &amp; Safety, had refined and introduced the Trust's new 'Inspection for Improvement workbook' process. It had been useful to have an early external view on the process when IA had looked at the pilot with the aim of further refining and developing it.</p> <p>EM stated that the report had given her assurance, as Health and Safety in the business was so disparate.</p> <p><b>Financial Ledger</b> BS requested details of the actual span of the Financial Ledger review.</p> <p>PW summarised the span of the work, adding that he was happy that the controls were as segregated as possible.</p> <p><b>Hotel Services – Estates Cleaning</b> In relation to the Estates Cleaning review, BS asked what recommendations IA could make in relation to a workable solution for cleaning staff being away from work for a long time.</p> <p>PW suggested that, although it might not be a popular suggestion, a mobile cleaning staff workforce might be one solution.</p>	<p><b>SP</b> <b>2013/92</b></p> <p><b>BJ</b> <b>2013/93</b></p> <p><b>BJ</b> <b>2013/94</b></p>



	<b>Action</b>
<p>RB stated that supervisors would cover to some extent, adding that agencies were used when supervisors were not available.</p> <p>SP stated there had been no major cleaning issues for several months so it seemed as if the situation was under control. However, this could perhaps be a specific focus in a future inspection.</p> <p><b>Information Governance Toolkit</b> BS stated that the numbers of the standards listed in the Information Governance Toolkit review report did not provide enough detail, as he did not know what they meant.</p> <p>The meeting moved on to consider the follow up work and BS expressed concern that no follow up work had been carried out since the last meeting.</p> <p>BJ acknowledged BS' concerns, explaining that it had been planned, as follow up work did not have an equal profile throughout the year.</p> <p>PW confirmed that the Finance team was still completing its follow up process work.</p> <p>When considering the summary of changes to the 2013/14 IA Plan it was agreed that the deferred Employee Relations Policy work definitely needed to be carried out as part of the 2014/15 plan.</p> <p>RB stated that he had not been sighted as to the reasons for the deferment of the work, adding his belief that, as the IA Plan had been agreed by TEG, any variations to the Plan should be discussed at TEG to allow for a degree of cross check.</p> <p>BS asked BJ if it would be possible to include notes on the Audit Dashboard to explain over-runs, etc.</p> <p>BJ replied that any concerns would be escalated to RB but this had not had to happen to date.</p> <p><b>Procurement</b> A discussion took place about the Procurement limited assurance report and BS asked EB for details of the discussion about procurement at the recent F&amp;IC meeting.</p> <p>EB stated that Procurement had been asked to ensure that all contracts were received by F&amp;IC in a timely manner for review, adding that the workplan had been amended to include details of the contracts that were due to be considered at each meeting.</p> <p>She further stated that problems were still being experienced in relation to the contents of reports although the production of a new front sheet should help. In addition, there were several aspects around governance that were a cause of concern to her.</p>	

	<b>Action</b>
<p>JN stated that there seemed to be a quite high exception report which could be a sign of collusion between Accounts Payable and the Procurement team. He asked whether RB could produce a monthly report of all new accounts and expenditure each month.</p> <p>BS stated that he too had concerns, some of which related to fundamental procurement risks.</p> <p>RB stated that these concerns were some of the reasons for the review's inclusion in the 2013/14 IA Plan. Now the Trust had a clearer understanding about the gaps in controls and a greater management recognition of the need for significant change, it could start to improve things.</p> <p>AR confirmed that the CQC had been given a copy of the IA report.</p> <p>EM stated that the report seemed very light on legal issues and asked whether it would be possible to have some legal input.</p> <p>RB replied that CPC had been commissioned for that expertise.</p> <p>EB stated her belief that a re-audit was needed in the early part of 2014/15 as several of the areas where arrangements could improve identified by IA were real governance issues.</p> <p>RB confirmed that the detailed action plan was currently being followed up.</p> <p>BS requested a strong progress report outlining remedial actions to be taken to move the service forward to the March meeting.</p> <p><b>Action:</b>  <b>BJ to present progress report outlining remedial actions to be taken to move the Procurement service forward at the March meeting.</b></p> <p>BS stated that he had various comments/suggestions regarding the format of this and other reports which he would discuss with BJ outside the meeting.</p> <p><b>Action:</b>  <b>BJ to discuss format of Procurement update and other reports with BS outside of meeting.</b></p> <p><b>Approval:</b>  <b>The Audit Committee received and accepted the Internal Audit Report and noted the updated 2013/14 Plan.</b></p>	<p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p><b>BJ</b> <b>2013/95</b></p> <p></p> <p><b>BJ</b> <b>2013/96</b></p>
<p>13.1</p> <p><b>Anti-Fraud Progress Report</b>  SF presented the latest Anti-Fraud Progress Report.</p>	<p></p>

	<b>Action</b>
<p>BS asked for further details regarding the allegation of irregularities in a major procurement exercise.</p> <p>SF stated that he worked closely with the auditor at the time, as it had started as a fraud allegation. There was subsequently no evidence of fraud taking place, etc with the findings being similar to those of the IA report but as the HR process remained on-going, he could not say much more.</p> <p>SF further stated that procurement had been an issue at the Trust for several years. The issues had, however related to particular individuals rather than the systems themselves. There was a risk of fraud and there had been similar types of fraud at other ambulance trusts but it was very difficult to prove.</p> <p>EM stated that the on-going investigations had raised awareness, as there had recently been a surge of referrals which she hoped would help SF.</p> <p>BS asked SF if he could ensure learning was built into future reports.</p> <p><b>Action:</b> <b>SF to ensure that learning was built into future update reports.</b></p> <p>SF stated that the other issues were relatively minor. In relation to previous queries about possible repeat offenders, he had checked timesheets, etc and offenders had been across the board.</p> <p><b>Approval:</b> <b>The Audit Committee received the Anti-Fraud progress report for information and discussion.</b></p> <p>BS asked BJ whether, from an IA point of view, IB's report (agenda item 5.2) covered everything it needed to. BJ and PW confirmed that it did, although an independent follow up would be carried out later.</p> <p>BS thanked BJ and SF for their updates. He apologised that they had taken longer than planned but he was happy that things were heading in the right direction.</p> <p>BJ and SF left the meeting at 1125 hours</p>	<p><b>SF</b> <b>2013/97</b></p>
<p>5.0</p> <p><b>Risk Assurance Reporting including Board Assurance Framework &amp; Corporate Risk Register</b></p> <p>Mark Hall (MH), the Associate Director of Risk and Safety entered the meeting.</p> <p>BS stated that the report's cover paper did not refer to its scrutiny and consideration by F&amp;IC.</p>	

	<b>Action</b>
<p>SP replied that it did refer to how the Quality Committee oversaw the risk process and how F&amp;IC reported on relevant risks.</p> <p>BS acknowledged SP's comment whilst stressing that it would still be useful to confirm that F&amp;IC had considered the relevant parts on the front cover.</p> <p><b>Action:</b>  <b>SP to ensure that future BAF and Corporate Risk Register report cover papers reflected their consideration by the F&amp;IC.</b></p> <p>BS asked whether SP and RB were satisfied that all BAF action owners were confident they would comply with the March 2014 deadlines.</p> <p>SP and RB confirmed their confidence that all outstanding actions were still on track to delivery to deadline.</p> <p>SP stated that MH had introduced a new process whereby he met with pairs of Executive Directors, risk owner and peer, to provide an opportunity to give an update on actions underway and look forward. Any changes coming out of that process would be reported through the various management groups to the Audit Committee.</p> <p>MH expressed his belief that the majority of large objectives were achievable in-year, although some might have to roll forward.</p> <p>BS stressed the importance of maintaining the appropriate pressure to deliver.</p> <p>There were no further questions.</p> <p>BS asked when the next version of the report would go for full Board consideration, as he was concerned about it going to Board without first being considered by the Audit Committee. He acknowledged that, moving into 2014/15, the Board and Committee dates had been planned in such a way as to provide the Audit Committee with the opportunity to review each report prior to it going to full Board.</p> <p>SP confirmed that the report was next due to be considered by the full Board at its March meeting.</p> <p><b>Approval:</b>  <b>The Committee noted the key risks outlined in the report and was assured with regard to risk management processes and action.</b></p>	<p><b>SP 2013/98</b></p>
<p>5.1 <b>Datix Progress Report</b>  SP introduced MH who would present the update.</p>	

	<b>Action</b>
<p>MH stated that Datix had been launched in April 2013 on the back of the Prism system which had not been fit for purpose and confirmed that all core elements were now functioning and could generate reports. IA had since carried out two in depth reviews of the reporting system both of which had given significant assurance.</p> <p>BS requested an update on the proficiency of users.</p> <p>MH replied that users were fairly near the top of their learning curve due to excellent reporting inputs, etc. He further stated that the cross reference with IRG was also working very well.</p> <p>EB stated that she had not received any negative feedback during site visits, etc.</p> <p>SP stated that a good session had been held in the recent RAG meeting. The group had started to use the live risk register which people found a useful exercise.</p> <p>SP further stated that his team was currently working on refining the quality and sophistication of how information was used for management purposes, adding that the next round of Committee meetings would enable them to see the risks relevant to their areas.</p> <p>MH presented a five-minute overview to give the Audit Committee awareness of the system and a first opportunity to see the live risk register.</p> <p>He stated that high level risks (graded 12 or above) were compiled into a Risk Report to the Quality Committee and SMG where the risks and associated action plans were further challenged to ensure progress of the risk mitigation. Following these meetings, a similar report would be compiled for the Audit Committee and Executive Board with an accompanying summary.</p> <p>MH confirmed that the Trust's highest current risk, which was owned by Cath Balazs (CB), Head of Business Development, related to tendering and potential loss of business.</p> <p>MH confirmed that current gaps in controls and the actions needed to fill them had been identified.</p> <p>BS asked whether there was an embedded authorisation process for amendments.</p> <p>MH replied that currently the team would look at a risk register and signed off amendments. CB would then inform RB of any changes and the audit path would be shown in Datix itself.</p> <p>RB stated his belief that a more regimented sign off process for risk amendment was still required.</p>	



	<b>Action</b>
<p>BS thanked MH for his update, adding that good progress had been made.</p> <p>SP highlighted the fact that this was MH's last appearance at Audit Committee, as he was due to leave the Trust on 31 December. He registered his thanks to MH for his excellent work during his time at YAS, some of which had been clearly evident that day. BS offered MH the thanks of the Audit Committee.</p> <p><b>Approval:</b>  <b>The Audit Committee reviewed the report and was assured with regard to the Datix Risk Register Systems and plans for further development.</b></p> <p>MH left and AA entered the meeting at 1130 hours.</p>	
<p>5.2 <b>People &amp; Engagement Assurance Report – including update on actions resulting from Internal Audit reviews</b></p> <p>BS had talked to IB about his report, which had been produced following the recent People &amp; Engagement Directorate's internal reviews. IB had provided assurance that the recommendations were being acted on and his answers had reassured BS.</p> <p>BS stated that references would be obtained for all new starters prior to their start date, although some 111 staff might be under training.</p> <p>He confirmed that IB was working with his team on the process for CRB/DBS checks as he was concerned about current exceptions, etc. Although IB was confident that the Trust probably did more than it needed to, this remained an on-going piece of work.</p> <p>RB stated that he was not comfortable with Finance staff having been taken out of the process.</p> <p>EB asked whether any formal guidance was available.</p> <p>BS replied that IB had admitted this was a topic of continued action, which was a pragmatic balancing exercise.</p> <p>IB had highlighted to BS other pragmatic balancing actions that had been needed in order to get the new NHS 111 service up and running. BS requested an update from SP.</p> <p>SP stated that the service was still experiencing a high turnover rate so there was a constant pressure to keep at full establishment. This in turn created pressure to get people quickly through the process, which was still being managed to a large extent within 111 by the 111 management team with support from HR. He was satisfied that all relevant processes were in place and although the process was accelerated to place recruits in training all checks were carried out before they become patient facing.</p>	

	<b>Action</b>
<p>SP stated that he was keen to see 111 built into the values based recruitment process in line with other departments and this would happen as soon as the time was right and he had the appropriate capacity in his team.</p> <p>SP further stated that his main concern was ensuring that HR had the capacity to recruit at the pace that the 111 service needed to keep the service running.</p> <p>BS stated that, although IB had been unable to attend the meeting in person, he still felt reassured and suggested that IB should be invited to attend the next meeting. As IB was still relatively new member of the Board and had been taking stock of his area, it would be good if he could come along to share his views and provide further assurance that, from a risk management perspective, HR was progressing along the right path.</p> <p><b>Action:</b>  <b>IB to be invited to attend the March Audit Committee meeting to provide a further update focused upon risk identification, assessment and management in his directorate.</b></p> <p><b>Approval:</b>  <b>The Audit Committee noted the update report.</b></p>	<p><b>BS</b>  <b>2013/101</b></p>
<p>6.0 <b>Finance and Investment Committee Risk Assurance Report</b></p> <p>EB stated that the improvement in the risks around the CIPs, etc had been considered in the last F&amp;IC meeting and the joint meeting with the Quality Committee on the same day.</p> <p>Included in the other papers considered at the meeting, was the Mid-Year Review which had given assurance as to completeness when assessing risks that the overall picture was being managed. The overarching message was that although the Trust was on target to meet its surplus, there were still significant risks that could offset it.</p> <p>RB agreed that this would be the case until the Trust stabilised performance in all three of its operating areas: A&amp;E; PTS; and 111.</p> <p>EB stated that, in relation to winter funding, it now looked as if some national additional funding would be available for both A&amp;E and 111 which would offset some of the risks. However, the A&amp;E income could easily be used up improving Red 2 performance.</p> <p>JN stated that he understood the top level risk and assurance issues in relation to PTS and asked what assurance the Board had received in relation to what was happening below this level.</p> <p>EB replied that PTS was a standing agenda item at F&amp;IC and although she felt assured that the Committee received accurate information, it was the pace of change that raised concerns.</p>	



		<b>Action</b>
	<p>JN stated that he too was concerned about the rate of change, as this was critical for the future of the service.</p> <p>SP stated that genuine real time discussions were under way in relation to the allocation of additional winter funding for 111, adding that there were a number of positive indications.</p> <p>EB stated that, as the Chief Executive's report for the NEDs was very detailed, she did not feel that there were currently any issues on which she was not sighted.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the report and gained adequate assurance regarding the management of financial risks within the remit of the Finance &amp; Investment Committee.</b></p>	
7.0	<p><b>Charitable Funds Committee Risk Assurance Report</b></p> <p>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>BS referred to the previously made agreement that the production of a written report was not necessarily required for every meeting.</p> <p>EM replied that it had been useful for the Committee's audit trail and it was agreed that going forward she should submit a written report twice yearly.</p> <p><b>Approval:</b>  <b>The Audit Committee noted the report and gained adequate assurance regarding the management of risks relating to Charitable Funds.</b></p>	
8.0	<p><b>Quality Committee Risk Assurance Report</b></p> <p>EB presented the report on behalf of PD, stating that the Quality Committee had more risks to cover than F&amp;IC.</p> <p>There had been positive movement in relation to risk 2a as RAG had met and recommended its downgrading going forward.</p> <p>EB stated that there were still number of red risks that could not move at the current point in time as concerns remained around them but these had been considered in a fair level of detail in Committee.</p> <p>BS asked SP whether he would liaise with PD in relation to a Quality Committee deep dive into lower level risks.</p> <p>SP replied that he would be picking up the same process for both Quality and F&amp;I, as EB had suggested that the two Committees could do this work together.</p>	

		<b>Action</b>
	<p><b>Action:</b>  <b>SP to liaise with PD and EB re process for deep diver into lower level risks.</b></p> <p><b>Approval:</b>  <b>The Audit Committee noted the report and gained adequate assurance regarding the management of Quality risks.</b></p>	<p><b>SP</b>  <b>2013/102</b></p>
<p>9.0</p>	<p><b>Integrated Performance Report – Further Development of the current Early Warning Indicators</b>  RB updated the Committee on the implementation of Early Warning Indicators (EWI) in the Integrated Performance Report (IPR) and Dashboards.</p> <p>He stated that the paper clearly laid out where EWIs were being developed to capture where the CIP could have an impact and would be built into the IPR, adding that he would welcome feedback if people thought that any areas were missing, etc.</p> <p>In relation to the EWIs in department and Locality dashboards, EB sought further assurance that they were embedded at this level.</p> <p>SP replied that there was now a good understanding of what the dashboards meant and how to use them in practice. However, although information contained in them was being brought forward into performance review meetings, they were not yet embedded to the required level. Further work remained to be carried out in relation to the embedding of processes at different levels of management.</p> <p>RB confirmed that the processes were evolving.</p> <p>SP stated that the process of EWI identification had been discussed in TEG and followed up with a session at Board. The initial set in the IPR had since been refined. Subsequent discussions had taken place in TEG and SMG in relation to the Locality area dashboard which had been aligned to the CIP schemes in Quality Committee. BS asked whether the sequence of review and challenge could be captured on the report's front sheet.</p> <p>SP replied that this would be difficult to capture as it had taken place over a prolonged period of time.</p> <p>BS stated that the explanation given by SP would help people to understand the foundations on which the EWIs, etc had been built</p> <p>SP replied that he would amend the background section of any further reports to include this additional information.</p> <p><b>Action:</b>  <b>SP to include additional information about development of EWIs, etc in background section of any future update reports.</b></p>	<p><b>SP</b>  <b>2013/103</b></p>

		<b>Action</b>
	<p><b>Approval:</b>  <b>The Audit Committee noted the further development and was assured of the process being implemented assured by info provided improvements to the IPR.</b></p>	
10.0	<p><b>Annual Review of Accounting Policies</b>  BS confirmed that the item had been deferred, as there was no current knowledge of any changes forthcoming.</p>	
10.1	<p><b>Review Annual Accounts Timetable/Plan 2013/14</b>  RB provided an outline of the high level 2013/14 Annual Accounts timetable and key milestone dates.</p> <p>He confirmed that a detailed timetable was being put together for circulation in January, although it would need further fine tuning.</p> <p>JN stated that w/c 26 May was half term holiday which might be an issue for those with school children.</p> <p>RB replied that, as the timeline was currently relatively flexible, he would look to change the dates of the actions due that week and circulate the revised timetable.</p> <p><b>Action:</b>  <b>RB to circulate revised timetable once amendments made.</b></p> <p><b>Approval:</b>  <b>The Audit Committee, accepting that it was yet to be finalised, accepted the current outline Annual Accounts timetable.</b></p>	<b>RB  2013/104</b>
10.2	<p><b>Review Annual Report 2013/14 Timetable Plan</b>  RB apologised for the inaccuracies on the front cover of the report. He stated that, following the compilation of the previous year's draft report, some of the milestone dates had been brought forward to ensure that actions were dealt with in a timelier manner.</p> <p>SP stated that the Quality Accounts needed to follow the same timetable because although it was a standalone document, the Quality Accounts still formed part of the Annual Report. Although the draft timetable to which the Trust was currently working aligned reasonably well, there remained a need to look at the end point of production but this could be picked up outside the meeting.</p> <p><b>Action:</b>  <b>SP/RB to pick up deadlines for end point of production of Quality Accounts outside meeting.</b></p> <p><b>Approval:</b>  <b>The Audit Committee noted the timetable for the production of the 2013/14 Annual Plan.</b></p>	<b>SP / RB  2013/105</b>

		<b>Action</b>
11.0	<p><b>NTDA Accountability Framework: Board Statements and Monitor Compliance</b></p> <p>BS stated that the evidence submitted was, in essence, the material seen at the recent Board meeting. This had been produced as the result of his earlier request to see the evidence which supported the monthly Board Statements and Monitor Compliance returns.</p> <p>BS invited AA invited to address the meeting.</p> <p>AA stated that she was responsible for updating the evidence which would be agreed by TEG on a monthly basis prior to submission to the Board. She confirmed that confidential evidence was held by the relevant Executive Director with the remainder held by the Foundation Trust team and available on the I-drive.</p> <p>AA further stated that a slight change would be made to the second entry in the evidence for Board statement Item 12 and the Register of Interests was now due to be amended twice annually.</p> <p>RB stated that the appointment of the new Director of Operations would need to be noted.</p> <p>SP stated that quite substantial detailed evidence lay under some of the evidence headlines.</p> <p>BS stated from a NED point of view that he found being able to look down the list of evidence relating to each statement very useful.</p> <p><b>Approval:</b>  <b>The Audit Committee was assured of the evidence to support the Trust Board’s monthly submissions of: compliance with Monitor licence requirements for NHS Trusts; and self-assessment with the Trust Board statements contained in the NTDA Accountability Framework April 2013.</b></p> <p><b>The Committee noted that the evidence of compliance should be submitted to the Trust Board for assurance when self-certifying against the Board statements and licence requirements.</b></p> <p>AA left the meeting at 1235 hours.</p>	
12.0	<p><b>External Audit Review</b></p> <p>NC provided the Audit Committee with an update of External Audit (EA) progress. The report was brief as EA were currently in the early stages of planning the audit for 2013/14.</p> <p>NC outlined the dates on the indicative audit timetable, adding that once final instructions had been issued by the Department of Health Deloitte would re-visit the timetable and ensure that all deadlines could be achieved.</p>	

	<b>Action</b>
<p>NC confirmed that EA would complete the Independent Examination of the Charitable Trust Fund during w/c 16 December 2013.</p> <p>In relation to the Quality Accounts, Deloitte had held a workshop in November. The workshop had gone well and had been attended by key staff from across the Trust.</p> <p>The workshop had focused on reviewing the Monitor requirements for Quality reporting, specifically noting the differences between a Foundation Trust (FT) and a non-FT; and reviewing best practice example reports from other ambulance trusts and the wider NHS.</p> <p>The final guidance would not be issued until 2014 so the timetable could not be approved until then. In addition, a further session might be required to discuss any changes proposed.</p> <p>The workshop closed with a brief action planning session to agree key actions required to take forward planning and preparation. The key point was recognition of the tight timescales and the need to develop a detailed plan and timelines for delivery of year end reports.</p> <p>NC stated that Deloitte were shortly due to attend their first planning with an interim visit in February to bring forward any possible work. The draft Audit Plan would be circulated to give the opportunity to feedback prior to discussion at the March Audit Committee meeting.</p> <p>In response to a query from BS, NC stated that the audit fees, which continued to be set centrally by the Audit Commission, would be at a very similar level to the previous year.</p> <p>RB stated that he would need discussions with EA outside the meeting to agree something to pick up the value for money elements.</p> <p><b>Action:</b>  <b>RB to discuss VFM elements of the audit with Deloitte outside the meeting.</b></p> <p><b>Approval:</b>  <b>The Audit Committee noted the content of the report and was assured of the adequacy of external audit arrangements.</b></p>	<p><b>RB</b>  <b>2013/106</b></p>
<p>14.0 <b>Compliance with Audit Recommendations</b>  AR provided an update on the status of outstanding Audit and Counter Fraud recommendations.</p> <p>BS raised concerns about the pace of progress as several recommendations eg Facilities Management and Budgetary Control were taking much longer than initially expected to complete.</p> <p>RB acknowledged that Facilities Management was a legitimate challenge as it had taken too long to identify an interim solution and roll it out.</p>	

		<b>Action</b>
	<p>He confirmed that the Budgetary Control recommendation was more or less completed and in place. It was currently being rolled out to support functions, which was less critical.</p> <p>BS asked why there were several blank expected completion dates. RB replied that it was because a business case needed to be approved first.</p> <p><b>Approval:</b> <b>The Audit Committee noted and accepted the report.</b></p>	
	<b><u>Standing Financial Instructions &amp; Standing Orders</u></b>	
15.0	<p><b>SFI Waivers and Contract Award Activity over £100,000</b> RB stated that the report reflected the outcomes of the November F&amp;I meeting and the Board meeting at the end of November.</p> <p>BS stated that two 2 contracts, Neutral Vendors and Fuel, had lapsed before being renewed and asked what could be done to prevent this in the future.</p> <p>RB replied that the timeliness of papers would help, as people needed to recognise the amount of time that was required to ensure that contracts were of sufficient quality, etc. It was his belief that new contract arrangements should be in place well before expiry dates.</p> <p>In addition, appropriate timing of Committee meetings would also help. There had been a degree of challenge at the last F&amp;IC meeting that there had not been enough time to turn around the revised documents.</p> <p>EB stated that an additional F&amp;IC meeting was due to be held in January, specifically to look at the budget and outstanding contracts. This would take some pressure off the current process.</p> <p><b>Approval:</b> <b>The Audit Committee accepted the report.</b></p>	
15.1	<p><b>Review of Suspension of Standing Orders</b> BS stated that AA had confirmed by email that there had been no suspension of Standing Orders since the last Audit Committee meeting.</p>	
15.2	<p><b>Review of Standing Finance Instructions and Standing Orders</b> RB provided an update on changes to Standing Orders (SOs), the Scheme of Delegation and the Standing Financial Instructions (SFIs).</p> <p>RB stated that the full document had been circulated with the various minor changes highlighted. Changes included job title alterations and recognising that people at Associate Director level were able to delegate budget responsibilities to their reports.</p>	

	<b>Action</b>
<p>BS stated that the SFIs/SOs needed to fully and accurately reflect all of the requirements under which the Trust has to operate. He asked how we had assurance as to this completeness and accuracy.</p> <p>RB replied that there had been a detailed review 12-18 months' previously which had led to many amendments in conjunction with guidance from HFMA and as YAS moved to FT status further elements would need to be replaced.</p> <p>It was agreed it would be helpful to have an annual 'completeness and accuracy' review and that AA should draft a process to facilitate it for the Audit Committee to consider prior to it going to the Trust Board for approval.</p> <p><b>Action:</b>  <b>AA to draft a process for an annual SFI/SO review for consideration by Audit Committee prior to it going to Trust Board for approval.</b></p> <p><b>Approval:</b>  <b>The Audit Committee noted the changes to the Standing Orders, Scheme of Delegation and Standing Financial Instructions and endorsed the changes made prior to the final version being presented to the Trust Board for approval in January 2014.</b></p>	<p><b>AA 2013/107</b></p>
<p><b>16.0</b></p> <p><b><u>Losses and Special Payments</u></b></p> <p><b>Review of Schedules of Losses and Special Payments</b>  RB presented a paper for approval of the Losses and Special Payments.</p> <p>He confirmed that, of the total payments of £192k, £187k related to non-clinical settlements via the NHSLA.</p> <p>BS asked whether the Trust received any recompense under the NHSLA scheme.</p> <p>SP replied that it did not with payments being largely damages and fees. Claims were managed via the Legal services team in liaison with the NHSLA and a review of claim reports was built into the Quality Committee's workplan. He confirmed that many of the employee claims had related to manual handling injuries.</p> <p>JN asked whether all claims had to be upheld.</p> <p>SP replied that claims were defended if the Trust believed that they were not valid. He confirmed that there had been a major increase in manual handling injuries in recent years and clinical negligence claims involving a child could sit on the books for a long time.</p> <p>JN asked whether the Trust carried reserves for incidents that had occurred but which had not yet been resolved.</p>	

		<b>Action</b>
	<p>RB replied that it did not. He further stated that claims were reaching a level where they were not manageable on a day to day basis, although YAS' claims were negligible compared with what would be seen in an acute trust.</p> <p>SP stated that following recent changes to NHSLA processes, there would be a move away from the previous 3 levels of assessment on risk management standards to much more focus on claims history.</p> <p>BS asked what the NHSLA's view of YAS was.</p> <p>SP replied that the NHSLA produced a bench mark report from which they took their view. The latest report was due to go to the February Quality meeting.</p> <p>EM stated that an explanation of high level claims would be useful from an Audit Committee perspective to help to identify any trends, as would information about out of the ordinary claims, etc.</p> <p><b>Action:</b>  <b>RB to provide report containing information re high level, out of ordinary claims, etc at March meeting.</b></p> <p><b>Approval:</b>  <b>The Audit Committee approves the Losses and Special Payments made in the eight months ending November 2013.</b></p>	<b>RB 2013/108</b>
17.0	<p><b>Raising Concerns at Work Update</b></p> <p>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> <p>It had been confirmed that morning to BS by Ian Brandwood (IB) the Executive Director of People &amp; Engagement that no new reports had been received via any of the approved means since the last Audit Committee meeting through official channels.</p> <p>EB stated that an updated report was needed about the existing open matter. BS agreed to liaise with IB for an update.</p> <p><b>Action:</b>  <b>BS to liaise with IB re update on open 'whistleblowing' matter.</b></p>	<b>BS 2013/109</b>
18.0	<p><b>Review of Members' Expenses</b></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>	



		<b>Action</b>
	<p>BS stated his belief that, instead of being standing agenda items, going forward this item and the Register of Members' Interests should be reviewed every six months unless members had something to declare.</p> <p>It was agreed that the workplan should be amended accordingly.</p> <p><b>Action:</b>  <b>RB to amend Audit Committee workplan to ensure review of Members' Expenses and Register of Members' Interests takes place on a six-monthly basis going forward.</b></p> <p><b>Approval:</b>  <b>The Audit Committee noted and accepted the update.</b></p>	<b>RB 2013/110</b>
18.1	<p><b>Review of Register of Members' Interests</b>  BS confirmed, on behalf of AA, that there were no changes since the last set amendments made to the Register.</p> <p><b>Approval:</b>  <b>The Audit Committee noted and accepted the update.</b></p>	
19.0	<p><b>Review of Meeting Actions and Quality Review of Papers</b>  BS invited comments on the meeting. He stated that the volume of IA input would be even greater at the next meeting with more substantial information to consider from EA.</p> <p>EB stated that the meeting had been good.</p> <p>EM asked whether the timings of the meeting on 6 March could be confirmed.</p> <p><b>Action:</b>  <b>BS to confirm and share timings of meeting on 6 March.</b></p> <p>BS stated that it had been a good meeting. He was pleased that the Committee was starting to see added assurance from the increased activity of IA and he had found the level of detail very useful.</p> <p>As there were no further comments about the meeting BS thanked everyone for their attendance and their contributions in the lead up to and during the meeting. The meeting closed at 1305 hours.</p>	<b>BS 2013/111</b>
21.0	<p><b>Date and Time of Next Meeting</b>  Thursday 6 March 2013, 1330-1700 hours, Boardroom, Springhill 2, Wakefield, WF2 0XQ.</p>	

**CERTIFIED AS A TRUE RECORD OF PROCEEDINGS**

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

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