



Audit Committee

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

Date: Thursday 9 October 2014

Time: 0900 hours

Chairman:

Barrie Senior (BS) Non-Executive Director

Attendee (Member):

Elaine Bond (EB) Non-Executive Director
Pat Drake (PD) Non-Executive Director & Deputy Chairman
Erfana Mahmood (EM) Non-Executive Director
Mary Wareing (MW) Non-Executive Director

In Attendance:

John Nutton (JN) Non-Executive Director (Designate) (Observer)
Rod Barnes (RB) Deputy Chief Executive & Executive Director of Finance & Performance
Steve Page (SP) Executive Director of Standards & Compliance (For Items 1.0 to 14.0)
Alex Crickmar (AC) Associate Director of Finance
Paul Thomson (PT) External Audit (EA)
Benita Jones (BJ) Internal Audit (IA)
Paul Webster (PW) Internal Audit (IA)
Shaun Fleming (SF) Counter Fraud

Apologies:

Nicky Cook (NC) External Audit (EA)
Anne Allen (AA) Trust Secretary

Minutes produced by:

Mel Gatecliff (MG) Committee Services Manager

		Action
	The meeting commenced at 0900 hours.	
1.0	Introduction and Apologies BS welcomed everyone to the meeting and thanked them for their prompt attendance. BS stated that, in order to maximise the time available for discussion, he would work on the presumption that all papers had been read.	

		Action
2.0	<p>Declaration of Interests for any item on the agenda No declarations of interest were made relating to items on the agenda.</p>	
3.0	<p>Minutes of the last meeting on 3 July 2014 and Matters Arising The minutes of the last meeting on 3 July 2014 were reviewed and agreed as a true record of the meeting.</p> <p>Matters Arising Page 11, paragraph 6 – ‘100% correct’ amended to state ‘free from material error’.</p> <p>Page 21, paragraph 4 from end – ‘Workforce and’ added before ‘Engagement’.</p> <p>Page 21 – sub heading ‘Follow Up’ added before third paragraph from end.</p> <p>Page 24 – SF requested clarification of his action relating to the Anti-Fraud Report 2013/14.</p> <p>EB replied that it related to the boundaries between the definition of a ‘green’ rating and that of an ‘amber’ rating.</p> <p>SF stated that this was a subjective decision, particularly as NHS Protect was not currently instigating any inspections, adding that he would re-circulate July’s Anti-Fraud Annual Report and circulate the full Self Review Tool (SRT) report to Committee members.</p> <p>Action: SF to re-circulate Anti-Fraud Annual Report and full SRT report to Committee members.</p>	SF 2014/75
4.0	<p>Action Log The action log was reviewed and updated.</p> <p>2013/96 – Internal Audit Progress Report – Procurement update Action replaced by action 2014/41. Action closed.</p> <p>2014/1 – Audit Committee Self-Assessment – Development Plan Section A1 – Terms of Reference Action replaced by action 2014/42. Action closed.</p> <p>2014/3 - Audit Committee Terms of Reference Review BS stated he would take this up with AA outside the meeting, as the initial list now needed wider circulation. Action remains open.</p> <p>2014/8 – Risk Assurance Reporting including Board Assurance Framework and Corporate Risk Register – track changes SP confirmed that the changes had been incorporated into the BAF. Action closed.</p>	

	Action
<p>2014/11 – Finance and Investment and Quality Committees – assurance statements Action covered by completed action 2014/45. Action closed.</p> <p>2014/19 – Internal Audit Update – Incidents & Serious Incidents PD stated that the Quality Committee’s Assurance Report would contain a section which tracked the impact of Serious Incidents (SIs) and identified the learning implemented as a result.</p> <p>A more pro-active process was in place which tracked information on a weekly basis, although the final process could not be signed off until the root cause analysis work had been completed.</p> <p>A discussion took place about quality surveillance and the better use of reporting and data. It was acknowledged that the Quality Committee was now able to provide good assurance in relation to the tracking of SIs. Action closed.</p> <p>2014/24 – Internal Audit Update – PTS Patient Reception Centres RB confirmed that the paper had gone to TEG and the item would be picked up as part of the PTS Service Transformation work. Action closed.</p> <p>2014/30 & 2014/31 – Chief Executive’s Statement on Quality (Quality Account) SP confirmed the work was complete. PT stated that the previous report had been updated. He added that the final report would come to the January meeting. Actions closed.</p> <p>2014/40 – Annual Governance Report to Those Charged with Governance – Deloitte client briefings to NEDs It was confirmed that the NEDs had started to receive the briefings. Action closed.</p> <p>2014/41 – Action Log and Matters Arising – Format of IA Reports Work remained ongoing re the format of documents for BoardPad. Action closed.</p> <p>2014/42 – Action Log and Matters Arising – Audit Committee Self-Assessment – Development Plan Section A1 – Terms of Reference Covered in agenda items 6.0 and 8.0. Action closed.</p> <p>2014/43 – Action Log and Matters Arising – Report Template Cover Sheet The template had been amended and re-circulated. Action closed.</p> <p>2014/44 – Action Log and Matters Arising – Clinical Leadership Framework (CLF) SP stated that good progress had been made although there was still work to do.</p>	

	Action
<p>The emphasis on the Clinical Supervisor role in practice had been maintained and the original CLF document was being re-written. Implementation was being monitored through a dashboard and final agreement had been reached in relation to an individually tailored approach to signing off competencies.</p> <p>SP further stated that operational pressures were currently impinging on the CL model This had been reflected in the risk register and CL was considered at each Quality Committee meeting. Action closed.</p> <p>2014/46 – Finance and Investment Committee Risk Assurance Report RB confirmed that EB’s queries about the Project Initiation Document (PID) had been discussed outside the meeting.</p> <p>He stated that the PTS PID was being updated and would be ready shortly. However, the revised Clinical Hub PID was not due to be completed until December.</p> <p>EB questioned the timeliness of this deadline and RB agreed to pass EB’s feedback on to the Clinical Hub management team.</p> <p>Action: RB to pass feedback about timeliness of Clinical Hub PID revision deadline to management team.</p> <p>MW requested an update on progress in relation to the required business case amendments.</p> <p>RB stated that people were aware of the changes that were needed but they were still a few weeks away. Action remains open.</p> <p>2014/47 – Charitable Funds Committee Risk Assurance Report Item covered on that day’s agenda. Action closed.</p> <p>2014/48 – Quality Committee Risk Assurance Report PD confirmed that Risk Assurance was considered throughout the agenda and summarised at the end of each meeting. Action closed.</p> <p>2014/49 – Integrated Performance Report (IPR) – Assurance Map BJ stated that this work would be covered by Internal Audit (IA) during the course of the year. A check of data quality would take place where appropriate within each piece of IA work. Current arrangements would be reviewed within the Business Information team who compiled the IPR. Action remains open.</p> <p>2014/51 – Review of Effectiveness of External Audit Item covered on agenda. PT stated that the factual parts of the document had been completed by Deloitte on behalf of the Trust. The more judgemental sections had been left blank. Action closed.</p>	<p>RB 2014/76</p>

	Action
<p>2014/52 & 2014/53 – Directorate of People and Engagement Risk Identification and Management IB’s update was read out by MG: <i>‘The Directorate Risk Register is reviewed on a regular basis at the Directorate Management Meeting attended by YAS Risk Manager, Rebecca Mallinder (RM). The Directorate has assigned the risk lead role to the Corporate HR Business Partner who attends the Corporate Risk Committee and risks of 12 and above are cited on the Directorate’s Risk Register.’</i></p> <p>BS stated that some of the risks did not seem to have been updated since the last iteration.</p> <p>SP stated that RM actively managed the document, flagging overdue actions and requesting updates from the owners of each action.</p> <p>BJ stated that a risk management assurance review had taken place and she was unaware of any major areas of concern being identified. She would provide an update report at the next meeting which clarified which areas had been reviewed. Action remains open.</p> <p>2014/54 – Internal Audit Update BJ stated that, although IA would try to avoid additional meetings whenever possible, there would be a lot of items to cover at the January Audit Committee meeting.</p> <p>It was agreed that BS and BJ should meet to try to slim down the agenda for the January meeting to prevent the need of an additional meeting. Action remains open.</p> <p>Action: BS/BJ to liaise re content of January meeting agenda</p> <p>2014/55 – Internal Audit Update – Board Assurance Framework BJ confirmed that IA had started to highlight significant points and findings in the summaries of reports provided to the Audit Committee. Action closed.</p> <p>2014/57 – Internal Audit Update – Training and Education Plan BJ confirmed the action would be picked up during the follow up work when the process would be clarified. Action closed.</p> <p>2014/59 – Internal Audit Update – PALS, complaints and Patient Experience BJ confirmed that this action would be picked up at a later stage. Action remains open.</p> <p>2014/60 – Internal Audit Update – Travel and Expense Claims RB stated that he would provide an update at the next meeting. Action remains open.</p>	<p>BS/BJ 2014/77</p>

	Action
<p>2014/61 – Internal Audit Update – Service Transformation Project BJ confirmed that MW would be included in the piece of work, adding that she would catch up with MW before the January meeting. Action closed and replaced by Action 2014/94.</p> <p>2014/63 – Internal Audit Update – Fleet – Vehicle Workshops RB confirmed that he had met with Associate Director of Support Services, Mark Squires who would take the idea forward. Action closed.</p> <p>2014/64 – Internal Audit Annual Report – 2013/14 BJ confirmed that a note had been made to include this information in the next Annual Report. Action closed.</p> <p>2014/65 – Internal Audit Annual Report – 2013/14 BJ confirmed that information about the duration of audits would be included in each progress report going forward. Action closed.</p> <p>2014/66 – Anti-Fraud Annual Report 2013/14 Action closed and replaced by Action number 2014/75</p> <p>2014/67 – Ambulance Trust Counter Fraud Benchmarking SF confirmed that he had circulated the report. Action closed.</p> <p>2014/68 – Audit Committee Annual Report 2013/14 BS confirmed that the amendments had been made and the report had gone to the July Board meeting. Action closed.</p> <p>2014/69 – Assurance regarding on-going suitability of and compliance with the SFIs and SOs Item covered on agenda. Action closed.</p> <p>2014/70 – Standing Financial Instructions Waivers and Contract Award Activity over £100,000 RB confirmed that he had addressed the issue of the increased number of single tender waivers with Procurement. Action closed.</p> <p>2014/71 – Review of Standing Financial Instructions and Standing Orders RB stated that there had been no substantial changes, although a couple of minor wording changes were needed in the Counter Fraud arrangements which would lead to a change to the Committee’s TOR. Action remains open.</p>	
<p>5.0 Risk Assurance Reporting including Board Assurance Framework (BAF) and Corporate Risk Register (including Datix Progress Update) SP provided an update on current changes being implemented to strengthen the Risk Management capability and processes of the Trust and an opportunity to review the BAF and Risk Register.</p>	

	Action
<p>BS asked whether the version of the report submitted to the Audit Committee (AC) was the same as that which went to the Quality Committee (QC) and Finance & Investment Committee (F&IC).</p> <p>SP replied that, as the document was regularly updated, there had been some changes in the interim period to ensure that Committee received the latest version of the report.</p> <p>BS stated that, although it was highly appropriate to keep the BAF as up-to-date as possible, he was still concerned that the AC was not seeing the version of the report that had been through QC and F&IC.</p> <p>EB suggested that it might be useful if the report contained a list of changes made after it was reviewed by each Committee going forward.</p> <p>MW stated her belief that the BAF should be a version-controlled document containing a list of changes made at each iteration.</p> <p>SP stated that a version control log already existed and could be brought forward.</p> <p>BS suggested that any changes to the BAF since the last AC meeting should be flagged up on the document presented to the next AC meeting and highlighting those changes considered by QC and F&IC in the intervening period to highlight the continued scrutiny and assurance flowing from the QC and F&IC.</p> <p>SP agreed to include an additional sheet, which tracked changes to the BAF, the source of the change, etc as part of future Risk Assurance reports to the Audit Committee.</p> <p>Action: SP to include additional sheet containing details and sources of changes to BAF since last AC meeting in future Risk Assurance reports to the Committee.</p> <p>SP stated that the table on page 4 highlighted the projected level of risk by each quarter in addition to the current level of risk. This was to allow easy assessment of which risks had progressed towards their projected level and which had not. The commentary in the final column pointed out the reasons for any variances.</p> <p>MW pointed out that the heading at the top of every page from page 4 onwards finished with 'projected Q1 position'.</p> <p>SP replied that he would amend the headings and remove the unnecessary wording.</p>	<p>SP 2014/78</p>

	Action
<p>Action: SP to amend headings in BAF page 4 onwards and remove the unnecessary wording ‘projected Q1 position’.</p> <p>BS asked whether it was correct to assume that there was no projected improvement to the risk rating for risk 6b by year end.</p> <p>SP replied that, although the overall risk rating would remain at the same level, there would be improvement and progress made within the risk.</p> <p>SP stated that, although performance-related risk 3a was currently at a higher level than its starting position, it was anticipated that it would start to reduce as the actions in the Improvement Plan started to take effect.</p> <p>He further stated that, where timescales on specific actions had been reviewed, text in red had been added to the narrative.</p> <p>MW stated that the comment against action 1a on page 9 stated that a new date had been agreed but it did not include the date. She further stated that a couple of updates were also required against action 1a on page 14.</p> <p>SP stated that he would make these amendments.</p>	<p>SP 2014/79</p>
<p>Action: SP to make the amendments to pages 9 and 14 of the BAF as requested.</p> <p>EM stated that she was not totally assured by the wording of performance risk 3a. For example, the narrative in red at the end of action 3d needed further detail and clarification.</p> <p>SP replied that this element of the CLF impacted on other risks. There was therefore only a single line reference in risk 3a to avoid duplication of information with the main reference under risk 6a.</p> <p>JN stated that, following the recent presentation at Private Board, it was his belief that, although action 1a relating to Service Line Management (SLM) on page 9 needed further validation and checking, it should be given high priority.</p> <p>RB replied that a high proportion of the TEG meeting following the Board meeting was dedicated to this topic.</p> <p>SP confirmed that some of the additional work under way was not yet reflected in the BAF although the cover paper picked out some of the changes and positive developments including the fact that over 100 managers had now received incident investigation training.</p>	<p>SP 2014/80</p>

		Action
	<p>Approval: The Audit Committee noted the key risks and developments as outlined in the report and was assured with regard to the effective management of risks.</p>	
<p>6.0</p>	<p>Quality Committee Risk Assurance Report PD presented an update to provide assurance on the management of risks within the remit of the Quality Committee, many of which had already been discussed during the earlier discussion on the BAF.</p> <p>PD stated her belief that the Audit Committee could feel assured that relevant quality and safety measures had been put in place for risk 3a to ensure that patient safety and experience did not deteriorate.</p> <p>In relation to the on-going Savile investigations, PD stated that SP and his team had done sterling work around the recommendations from the Legacy Unit, adding that everything was on track.</p> <p>PD confirmed that a session on duty of candour was scheduled as part of the December Board Development Meeting so the NEDs would be clear about its impact going forward</p> <p>She added that the Recruitment and Workforce Plan needed to be revised, particularly in relation to the on-going issues around the recruitment of Paramedics.</p> <p>BS stated his belief that anyone looking at the report with no prior knowledge of the Quality Committee’s work would not see any evidence that the Chairman was satisfied that all corporate risks within that Committee’s remit were being managed appropriately. He asked whether there was any way of signifying that in future reports.</p> <p>PD stated her belief that it was implicit that the Committee Chairman was giving assurance in the purpose and aim section of the report. However, if the current wording was not precise enough, it could be amended to state something along the lines of: ‘Having been assured through the auspices of the Quality Committee the Committee Chairman provided assurance on the management of risks within the remit of that Committee.’</p> <p>Action: PD/SP to agree standard wording re Chairman’s assurance for inclusion in future Quality Committee Assurance reports.</p> <p>BS thanked PD for her update.</p> <p>Approval: The Audit Committee noted the update on Quality Committee discussions in relation to key risks and gained assurance from the update report.</p>	<p>PD/SP 2014/81</p>

		Action
7.0	<p>Charitable Funds Committee Risk Assurance Report EM provided a short verbal update to provide assurance on the management of risks within the remit of the Charitable Funds Committee.</p> <p>She stated that there was nothing material to report at the current time although aspects of regulatory risks relating to fundraising might change as the Committee increased its amount of fund raising.</p> <p>EM further stated that a more detail report would be provided later on the agenda when the Annual Accounts and Trustee Annual Report were presented to the Audit Committee.</p> <p>BS thanked EM for her update.</p> <p>Approval: The Audit Committee noted the update on Charitable Funds Committee discussions in relation to key risks and gained assurance from the update report.</p>	
7.1	<p>Charitable Funds Trustees Annual Report RB presented the Independently Examined 2013/14 Annual Accounts and Trustee Annual Report of Yorkshire Ambulance Service NHS Trust Charities.</p> <p>He noted that part of the text on page 10 note 10 had not printed.</p> <p>PT confirmed that this should state: 'Community Medical Unit (CMU)'.</p> <p>MW asked how the cost of the CMU would be split across the accounts.</p> <p>EM replied that this accounting query would be discussed in more depth at the Charitable Funds Committee meeting later that day.</p> <p>RB stated that the Accounts had been submitted within deadline. He further stated that historically the Charitable Funds meeting had taken place prior to the Audit Committee meeting but that year the order had been reversed.</p> <p>Approval: The Audit Committee noted the content of the YAS Charitable Funds 2013/14 Annual Accounts and Trustee Annual Report.</p>	
8.0	<p>Finance and Investment Committee Risk Assurance Report EB presented an update to provide assurance on the management of risks within the remit of the Finance & Investment Committee.</p>	

	Action
<p>She stated that a major amount of time at the last meeting had been spent discussing risk 3a, particularly in terms of the impact of not meeting performance targets. After a long discussion, which had covered items such as: associated risks relating to under-performance; the impact of any penalties that could be imposed on the overall surplus for the year; and mitigations currently in place, the Committee had gained a relevant level of assurance.</p> <p>JN stated that, as the picture was constantly changing, it had been agreed that it was essential to monitor the situation on a regular basis.</p> <p>EB confirmed that performance was a standard agenda item to be monitored at each meeting.</p> <p>Following further discussion, it was agreed that the following wording would be used in future F&IC Assurance Reports: ‘The Finance and Investment Committee provides assurance to the Audit Committee, through this report, that the Committee received reasonable assurance that key financial risks are being adequately managed.’</p> <p>This wording would be applied under section 4.1 of each report.</p> <p>BS thanked EB for her update.</p> <p>Approval: The Audit Committee noted the update on Finance & Investment Committee discussions in relation to key risks and gained assurance from the report.</p>	
<p>9.0 Integrated Performance Report (IPR) Strategy</p> <p>RB presented an update to assure the Audit Committee that the strategy for the improvement and assurance of data quality within the IPR was robust.</p> <p>He stated that, although the document presented was not quite in the format he had originally intended, it was still a useful document which gave assurance on the checks carried out within the Business Information team. In the meantime, work in relation to the Trust’s overarching strategy remained on-going and would come to a future meeting.</p> <p>BS acknowledged that YAS’ goal was to reach a higher level of assurance that the IPR was complete and contained accurate information. However, his principal concern was whether Trust management had real clarity about the assurance for which it was looking.</p> <p>RB stated that the frequent changes to the format and content of the IPR meant that the data behind it could be fragile in places which allowed for increased risk of data quality issues and errors.</p>	

	Action
<p>He further stated that workshops had taken place with different service lines to discuss information reporting requirements going forward, what best practice would look like, what was currently missing, etc.</p> <p>BS stated that he found the statement in the report about data being fragile rather concerning.</p> <p>RB replied that the point being made was that, until recently, the approach taken in relation to the compilation of the data in the IPR had been fairly unstructured with each department tending to work in silos and any changes, without a robust data warehouse in place, left a risk of error creeping in.</p> <p>BS expressed his hope that the statement referred to the fragility of information drawn from the data rather than the data itself as he was looking for assurance that all of the underlying data that fed the IPR was sound. This would mean that the process by which the data was accessed could build on the firm foundations of accurate data to guarantee the provision of reliable information.</p> <p>SP stated that risks were inherent in the process rather than the actual data.</p> <p>RB confirmed that the data was audited in its own right and reasonable assurance gained.</p> <p>BS stated that, although the organisation was progressing in the right direction, further work, including the sharpening of some of the terminology, was still required.</p> <p>RB replied that this underpinned the whole rationale for the data warehouse project.</p> <p>BS acknowledged that the IPR was a complex document and that the on-going improvement of assurance work was a big task. He did not wish to appear impatient but it was essential to gain the required level of assurance as quickly as possible.</p> <p>EB asked RB how much use YAS had made of other ambulance services' IPRs.</p> <p>RB replied that, although examples of best practice had been considered, there did not seem to be any one overarching successful framework.</p> <p>RB further stated that the possibility of establishing mentoring relationships with other ambulance services to help to further develop the skill level of YAS' team was being considered.</p>	

		Action
	<p>Further discussion and agreement of the IPR Strategy to be included as an agenda item for the January meeting.</p> <p>Approval: The Audit Committee accepted the first draft of the paper and supported the direction of the Strategy.</p>	<p>RB 2014/84</p>
<p>10.0</p>	<p>Assurance in relation to Internal Audit of implementation of the Estates Strategy</p> <p>RB presented an update to provide assurance on the implementation of the Trusts' Estates Strategy following a discussion of the findings of the draft Internal Audit (IA) on Estates Strategy Implementation presented at the Audit Committee Meeting on 3 July 2014.</p> <p>The format of the paper was focussed around the recommendations within the IA report and progress since that meeting,</p> <p>RB confirmed that the Estates Programme Board was now well-established and met every month, with regular attendance from Associate Directors and managers from across the Trust.</p> <p>The 'Hub and Spoke' project had its own dedicated project team and Project Board and the HART Project Board had just closed down on completion of that project.</p> <p>RB stated that CPA Solutions had been appointed to assist with the development of the Strategic Outline Case for the 'Hub and Spoke' project which was due to be presented to F&IC and the Board in December.</p> <p>The two tenders received for strategic communications and engagement support were currently being evaluated.</p> <p>RB confirmed that the Interim Head of Estates was currently managing the Estates agenda although an appointment had now been made to the substantive position. The Estates Strategy should therefore continue to progress in the right direction.</p> <p>RB stated that the TDA cap on expenditure could potentially elongate the 'Hub and Spoke' process.</p> <p>EM stated she was pleased to see that progress was being made. The filtering of legal advice could be a costly exercise and EM asked if a cost benefit analysis had been carried out to ascertain if there was any merit in having an internal resource to carry out this work.</p> <p>RB replied that the Trust had a clear view of resource requirements, including legal input, for the next few years.</p> <p>BS asked when the IA follow up activity had been scheduled to take place.</p>	

	Action
<p>PW replied that this was likely to be at the end of the current financial year.</p> <p>Approval: The Audit Committee noted the action that had been taken in relation to the audit recommendations.</p>	
<p>11.0 Report on Progress in relation to the Fleet Management Action Plan</p> <p>RB provided an update on the work being undertaken within the Fleet Maintenance and Repair function and outlined the actions that had been taken following the recommendations outlined in the Internal Audit (IA) Report Ref 141124 dated May 2014 and the external Fleet Maintenance Review dated June 2014.</p> <p>He confirmed that a new Head of Fleet Services, who was currently an independent contractor, had been appointed on a 12-month fixed term basis. The appointment would provide some stability and the individual would be a real asset to the organisation.</p> <p>RB stated that it had been difficult to recruit to the substantive position and this was the third time that the Trust had gone out to the market outside the usual recruitment methods, using the trade press.</p> <p>PD asked whether the Trust had a true understanding of the impact of ambulances being off the road on its 75% performance targets.</p> <p>RB stated his belief that the 'perfect week' work would have given better visibility but he would need to see the formal outcome before he could give a definitive reply to the question.</p> <p>Historically, communications between the Operations functions and Fleet were not perfect with silo working and faults on both sides.</p> <p>SP agreed that, although there had been an awareness of the issues in broad terms, the outcomes of the 'perfect week' work would provide the Trust with more real evidence.</p> <p>MW stated her belief that the Trust needed to find a way to obtain this data on an on-going basis.</p> <p>RB replied that one of the streams in the PTS workplan was to achieve that level of visibility, with a similar situation in A&E.</p> <p>JN noted that recruitment of mechanics was under way to replace people who had already retired. He stated it would be useful if the HR team could produce a report containing information about people who were due to retire across the organisation so that plans could be put in place to replace them prior to them leaving the organisation.</p>	

	Action
<p>RB stated that there had been some early retirement in this part of the business. Apprentice roles had been introduced in terms of on-going succession planning and the Trust was looking to improve the flexibility of its current recruitment processes.</p> <p>SP stated he would expect individual departmental managers to be aware of the on-going recruitment needs for their individual functions.</p> <p>PD stated her belief that the NHS jobs website was not an ideal place to advertise many of the Trust's vacancies. A more imaginative approach to recruitment was therefore an issue which the HR directorate would need to consider in more depth.</p> <p>BS stated his belief that the HR team were, to some extent at least, the facilitators and the appropriate line managers should provide clear input on where to place advertisements, etc.</p> <p>SP agreed that HR needed to be flexible enough to respond to individual managers' requirements.</p> <p>MW stated she had found the report harder to follow than the Estates document and asked whether any of the recommendations had not been actioned.</p> <p>RB replied that the report covered off all of the significant actions.</p> <p>Approval: The Audit Committee noted the update on actions taken and actions currently underway in relation to the improvements to the working practices and governance arrangements relating to the Fleet Vehicle Workshop, Repair and Maintenance department.</p>	
<p>12.0 External Audit (EA) Annual Fee Letter PT presented the External Audit (EA) Annual Fee Letter for 2014/15, which had been updated following feedback received at the Audit Committee meeting on 3 July 2014.</p> <p>He stated that the Annual Fee Letter was a public document which, although fairly brief, still contained information about all of the critical items albeit without going into too much detail.</p> <p>EM stated that she would like to have a greater understanding of where the fit would be with issues such as performance.</p> <p>PT stated that EA had looked at incremental variations and adjustments and the performance of the Trust in relation to PTS, A&E, etc and had been satisfied with the judgements made.</p>	

	Action
<p>He further stated that, in relation to Value for Money (VfM), there were two tests: financial resilience; and economy, efficiency and effectiveness. Although these were not long term forward-looking tests, EA had been satisfied at that point in time.</p> <p>PT stated that EA understood the challenges faced by the Trust and would only qualify a statement if they had significant concerns. EM asked where Internal Audit (IA) would step in.</p> <p>BJ stated that IA's work was mainly systems-based in terms of controls, adding that the Trust was allowed the flexibility to direct IA to areas of concern. She further stated that the IA and EA work did not overlap as in the past, although IA did contribute to the VfM conclusion.</p> <p>EM asked whether IA would look at performance issues in terms of A&E, etc.</p> <p>BJ replied that performance would be included as part of specific audits such as data quality but IA would not look at performance as an issue unless specifically asked to.</p> <p>BS asked whether the IA plan was reviewed regularly to ensure that, given the organisation's ever-changing focus, the plan continued to be focussed on the key issues facing the business.</p> <p>BJ replied that there was always the opportunity to flex the IA plan if there was a perceived need.</p> <p>Approval: The Audit Committee noted the fee letter from Deloitte and the 2014/15 fees.</p>	
<p>12.1</p> <p>Review of Effectiveness of External Audit</p> <p>PT presented Deloitte's self-assessment against the External Audit (EA) Effectiveness Tool in advance of it being completed by the Trust. This was in response to the request for guidance and assistance received at the July meeting.</p> <p>It was noted that the recommendation on the front page of the report's cover sheet should be amended to state that the Audit Committee 'consider' as opposed to 'note' the self-assessment.</p> <p>Action: MG to amend recommendation on the front page of the report's cover sheet to state that the Audit Committee 'consider' as opposed to 'note' the self-assessment.</p> <p>BS thanked Deloitte for the useful information.</p>	<p>MG 2014/85</p>

	Action
<p>MW stated that she had missed the last meeting and queried the significance of the 4s from page 9 onwards.</p> <p>RB stated that they were a typographical error which should be ticks.</p> <p>BS proposed that the Audit Committee self-assessment session, which was due to be scheduled for December should be extended to include an additional session, with RB and the Finance team, to complete the external audit assessment exercise.</p> <p>This would provide the opportunity to complete the toolkit to review EA effectiveness, with the outcome to be reported at the next Audit Committee meeting.</p> <p>Action: BS to schedule a December meeting to cover both the Audit Committee self-assessment (NEDs) and the External Audit Effectiveness Review (NEDs and Finance).</p> <p>Approval: The Audit Committee noted the self-assessment carried out by Deloitte to support and inform the Trust in completing the external audit effectiveness tool.</p>	<p>BS 2014/86</p>
<p>13.0 Compliance with Audit Recommendations</p> <p>RB presented an update on the status of outstanding Internal Audit (IA) and Counter Fraud recommendations.</p> <p>He stated that there had been an improvement in terms of progress against IA recommendations and the Trust was working more closely with IA to ensure they received timely updates.</p> <p>RB further stated that, as IA reports were finalised and actions / recommendations signed off, a review date was agreed whereby IA would confirm that all agreed actions had been implemented, with recommendations now being monitored in an Excel-based system.</p> <p>Outstanding recommendations were initially followed up with the relevant manager. If they remained outstanding they were referred to the Trust Management Group (TMG) where the Directorate representative would be tasked with providing a response. Any issues remaining outstanding, or if the response was insufficient, would be reported through to the Trust Executive Group (TEG).</p> <p>RB stated that, since the last Audit Committee meeting, six final audit reports had been issued generating a total of 32 recommendations. Currently, there were no outstanding ie overdue recommendations.</p> <p>BS stated that there seemed to be quite an extensive period of time between some of the initial implementation dates in Appendix 2 and their revised deadlines.</p>	

	Action
<p>As there were substantial extensions in some cases, BS wondered whether anything could be done to ensure that this did not occur as often going forward.</p> <p>RB replied that all TMG members had been reminded that, when agreeing dates for implementation of recommendations going forward, they should be confident that these dates were achievable.</p> <p>BS stated that this message would need to be regularly reinforced and asked what challenge mechanisms were in place to ensure that deadline dates were both realistic and sufficiently stringent.</p> <p>RB replied that Financial Controller, Gillian Hodgson, followed up progress on a regular basis, although he acknowledged that a more definitive process was probably required in relation to revision of completion dates, etc.</p> <p>BS stated his belief that there was currently not enough evidence of push back and challenge, If conversations were taking place, it was be useful to have sight of a record of the on-going dialogue.</p> <p>PD stated that the improvements to the process over the past two years were evidenced by the fact that these questions could be asked. Prior to this the Trust struggled to identify where it was failing.</p> <p>BS agreed that by comparison with the situation two years previously, good progress had been made.</p> <p>Approval: The Audit Committee noted the current status of outstanding audit recommendations.</p>	
<p>14.0 Internal Audit Update</p> <p>BJ and PW provided a progress update against the agreed Internal Audit (IA) Plan along with the outcomes of reviews undertaken.</p> <p>The report was taken as read as the Committee went through it page by page for comments and questions.</p> <p>BJ stated that all reviews from the 2013/14 Action Plan had been completed and reported upon. Of the final 4 reviews the Public Relations/Communication Strategy report was assigned a significant assurance level but the nature of the remaining 3 reviews (Service Transformation Programme, Compliance with Quality Governance Framework and Risk Maturity) meant that assurance levels were not required.</p> <p>A progress schedule for the 2014/15 IA Plan was presented at Appendix 1. BJ stated that six reviews had been finalised since the last meeting; nine were at draft stage; and seven were at various stages of progress. There had also been 15 pieces of follow-up work.</p>	

	Action
<p>BJ stated that a number of changes had been made to the 2014/15 Plan since the AC last met. At the request of Trust management, a number of reviews originally planned for quarter 1 or 2 had been deferred to quarter 3 or 4. To compensate for this it had been necessary to bring forward some reviews where this was possible.</p> <p>EB expressed concern at the changed timings and removal of some of the work from the Plan. She stated that moving work around meant that reviews could result in quite different outcomes.</p> <p>PD expressed disappointment at the fact that the review of the rota implementation had been re-scheduled.</p> <p>BJ stated that it had been deferred by a quarter because the piece of work remained on-going internally.</p> <p>PW stated that he had attended a meeting with the former Executive Director of Operations about the scope of the review. As a Chief Executive from another ambulance trust was carrying out a separate review at the time it was agreed to wait until that report was finalised to avoid duplication of work.</p> <p>RB stated that he was the executive lead on the review and director colleagues had agreed that the rationale behind the decision had made sense, as if the rota implementation was given more time to settle down, the audit should be able to provide more valuable information as to why it had not worked out as planned, etc.</p> <p>BS stated that if an audit was moved he would expect appropriate executive challenge to have taken place and then a brief explanation provided to the Audit Committee about why it had been necessary. If an audit was removed from the Plan, he would like to see a discussion at AC prior to the final decision being taken.</p> <p>BJ replied that the update report provided that opportunity.</p> <p>She further stated that former Executive Director of HR, Stephen Moir, had requested the inclusion of the two Industrial Relations reviews. However, current Executive Director of People and Engagement, Ian Brandwood (IB) had reflected on their inclusion and was unsure what value they would add to the Trust. It had therefore been suggested that the reviews should be removed from the Plan.</p> <p>Following further discussion, it was agreed that BJ should provide BS with a rationale for the decisions to defer and/or drop certain reviews, including the draft scope for the two potentially 'dropped' reviews.</p> <p>BS would circulate the information to NED colleagues to allow further consideration to take place.</p>	

	Action
<p>It was further agreed that IB should be invited to attend the January meeting to discuss the decision to two potentially drop the reviews in more depth which would allow the Committee to take a balanced view on the decision.</p> <p>Actions: BJ to provide BS with the rationale for the decisions to defer/drop certain IA reviews and the draft scope of the two potentially ‘dropped’ reviews.</p> <p>BS to share information with NED colleagues</p> <p>IB to be invited to attend January AC meeting to discuss the rationale for potentially dropping the reviews in more depth.</p> <p>BS stated that, having seen the number of finalised reviews on page 2 of the report, it did not feel like proportional progress was being made in terms of the planned work for 2014/15. He asked whether IA had the resources to complete the planned work by the end of the current year and whether it was likely to place too high a demand on YAS’ managers.</p> <p>BJ acknowledged that the workload would place the Finance and Standards & Compliance teams under a lot of pressure.</p> <p>BS stated that the Audit Dashboard seemed to show that IA was achieving faster audit completions in the current year. He asked BJ whether IA would prefer to email completed reports to the Committee on completion, or whether they would prefer to hold them until the next meeting.</p> <p>Following discussion, it was agreed that BJ would provide RB with the monthly schedule of finalised reports for him to share with the NEDs. This would then allow them to decide which, if any, reports they would like to receive copies of prior to their inclusion in AC papers and formal presentation at the next AC meeting.</p> <p>Action: BJ to provide RB with a copy of the monthly schedule of finalised reports to share with the NEDs.</p> <p><u>Management of Tenancies (Limited Assurance)</u> BS expressed concern about the on-going fundamental shortfalls in management which had again been highlighted in the report.</p> <p>RB stated that, although the appointment of an Interim Head of Estates had made a big difference and the recent appointment to the substantive post would help further, he could not dispute the findings of the report.</p>	<p>BJ 2014/87</p> <p>BS 2014/88</p> <p>BS 2014/89</p> <p>BJ 2014/90</p>

	Action
<p>EB expressed concern at what she regarded as a lack of basic housekeeping, as Estates should be fully aware of the expiry dates of leases, etc.</p> <p>RB stated that Willoughby and Burn Hall were the two significant sites leased by YAS and although the timetable had slipped the Trust was in active negotiation with their owners.</p> <p>EM stated that she had major concerns about the audit's findings, in particular the number of contracts that had run beyond their lease end date.</p> <p>EB asked whether there would be any Procurement involvement in the process going forward.</p> <p>RB confirmed that this would be the case.</p> <p>PD stated that the Trust would need to see immediate, significant improvement and noted that financial implications were not included in the report.</p> <p>EB stated that the report mentioned that 'Hub and Spoke' went to the Board in September when in fact it neither went to Board nor F&IC.</p> <p>RB confirmed that it was due to go to both F&IC and Board in December.</p> <p>EB asked whether the Estates Programme Board had a set of Terms of Reference.</p> <p>RB replied that it did not.</p> <p>MW asked what the implications of having no planning permission would be.</p> <p>EM replied that if the building work had taken place over ten years previously there would be no problems. However, if the work was under ten years old, there could be legal implications.</p> <p>BS stated that the audit findings mirrored those seen in recent times in respect of other Support Services functions. He asked whether there were any areas of Support Services which had not been reviewed by IA.</p> <p>RB stated that Support Services had traditionally been a difficult area so that was why IA had been invited to undertake a large amount of work in that area. Now that problems had been identified and brought into the open, work was under way to address the issues.</p> <p>BS asked, regarding the general approach to IA work, what process was used to identify and agree key risks forming the basis of scopes.</p>	

	Action
<p>BJ replied that it was a joint process. The final scope of the work was agreed with the executive lead once the initial scope had been drafted to ensure that all risks were covered.</p> <p>It was agreed that MG should add the following three actions to the Finance and Investment Committee's Action Log.</p> <p>Actions to be added to Finance and Investment Committee Action Log:</p> <ul style="list-style-type: none"> • EB to ensure that the Estates Review and the Estates Programme Board workplan were entered on the F&IC workplan for consideration at its December meeting prior to going to the Trust Board later in December; • EB to ensure that the Procurement update at the December F&IC meeting included an Estates and Support Services Update; • RB to ensure that the financial implications of the limited assurance on the management of tenancies with regard to expired leases was included in the paper relating to the Estates Review. <p><u>Vehicle Safety & Cleaning (Limited Assurance)</u> BJ stated that a number of discussions were on-going with RB around the audit, adding that a quick follow up of the significant findings would take place.</p> <p>SP stated that he had not previously seen the report prior and was surprised by some of the concerns expressed therein. It was his belief that several potentially valuable contributors, such as the Clinical Governance Group, had not been included in the review.</p> <p>It was his belief that spot checks and a follow up of the current situation were therefore required to help the Trust gain a better understanding of the stretcher belt issue.</p> <p>PD stated that, following a number of falls being reported during the previous 12 months, she would like to see a firmer stance taken on this issue.</p> <p>SP stated that having to treat a patient with a harness across them was not an ideal situation and this needed to be taken into account.</p> <p>PD replied that if a clinical decision was taken not to put the belt on the patient then there should be some way of noting this to allow an audit to take place by exception.</p> <p><u>Clinical Governance Framework (Significant Assurance)</u> PD asked whether a report could be provided to the Clinical Governance Group (CCG).</p> <p>SP replied that he would take this item back to the Group.</p>	<p>MG 2014/91</p>

	Action
<p><u>Service Transformation Programme – Programme Management & Project Governance</u></p> <p>BJ stated that this 2013/14 piece of work had taken longer than anticipated due to staff changes. The ‘lessons learned’ report did not include an assurance level</p> <p>She further stated that, as the Trust needed to understand that the right processes were in place and were working as expected, SP and she had agreed that additional work would take place in the form of workshops to clarify the effectiveness of the new processes.</p> <p>BJ added that, with hindsight, it might have been a little early to do this piece of work, adding that she would shortly be contacting MW to agree the best way in which to involve her.</p> <p>Action: BJ to liaise with MW to agree her involvement in the on-going IA Service Transformation work.</p> <p>MW stated her belief that a workshop on its own was not necessarily the most appropriate format for future work, adding that she would discuss this with BJ in more depth during their conversation.</p> <p>SP agreed with BJ’s earlier comments, adding that the Programme should be re-audited on the basis of the changes that had been made in order to give greater assurance.</p> <p>BS stated that, although he understood that the management response was included as part of the general report, it remained his belief that a separate, overall summary was still required.</p> <p><u>Quality Governance Framework (Score 3.0)</u></p> <p>BJ stated that the report had been included within the IA Update Report for completeness.</p> <p>SP confirmed that the report had gone to Quality Committee and the Quality Governance Development Plan had been updated in light of the findings. Although it was an on-going process, the key target phase was before the Trust progressed into the Monitor phase of its Foundation Trust journey.</p> <p>PD stated that there was a big theme around staff engagement that could be pulled out of the report.</p> <p>BS thanked BJ and her team for a useful report and discussion which had given the Committee a good insight into work being carried out by IA and the assurance derived from this work, adding that the lengthy discussion had been both necessary and valuable.</p>	<p>BJ 2014/94</p>

	Action
<p>Approval: The Audit Committee received and accepted the latest Internal Audit Progress Report.</p>	
<p>14.1 Anti-Fraud Progress Report Local Counter Fraud Specialist, SF, provided an update of work undertaken against the Fraud Plan and NHS Protect Standards. The report was taken as read.</p> <p>A discussion took place about the best way in which to deal with professionals who were in breach of their code of conduct but not so seriously so as to force them to resign from the organisation.</p> <p>This, in turn, raised questions about how references should be handled in this respect if someone did leave the organisation.</p> <p>BS stated his belief that every organisation had to make it plain that it would not tolerate fraud or wrong doing. He asked whether the Trust ever publicised examples of fraudulent behaviour to highlight the fact that YAS did not tolerate such activity.</p> <p>EB asked whether the Trust could refuse to accept someone's resignation if that person was likely to be sacked and whether sick pay would be recovered from people who had, for example, been working elsewhere whilst off sick from YAS.</p> <p>SF replied that this was something for YAS' HR department to deal with.</p> <p>SF provided an update on the cases that were currently open.</p> <p>SP stated that sanctions in place for registered healthcare professionals included referring them to their professional body. Therefore if someone left the organisation, either because they were sacked or of their own accord prior to a disciplinary hearing, a Healthcare Professional Alert letter could be issued on YAS' behalf advising any organisation thinking of employing the individual concerned to seek a reference from YAS.</p> <p>SF stated that he was due to meet with IB shortly to ensure that the Trust was being as robust as possible and he would pass on the points raised during that day's discussion,</p> <p>Action: SF to discuss the issues raised in relation to non-acceptance of resignation, recovery of sick pay, the issue of Healthcare Professional Alert letters, etc during his forthcoming meeting with IB.</p> <p>BS thanked SF for his update report.</p>	<p>SF 2014/95</p>

		Action
	<p>Approval: The Audit Committee received the latest Anti-Fraud Progress Report for information and discussion.</p>	
<p>15.0</p>	<p>Assurance regarding the on-going suitability of and compliance with the Standing Financial Instructions and Standing Orders RB provided an update to give assurance to the Audit Committee that the Trust had appropriate arrangements in place to ensure compliance with the <i>Standing Orders (SOs)</i>, <i>Reservation and Delegation of Powers & Standing Financial Instructions (SFIs)</i>.</p> <p>He stated that an absolute cast iron guarantee of 100% compliance was not possible. However, as requested, a further review was currently under way, the outcome of which would demonstrate that the Trust was doing everything reasonably possible to comply with the SFIs and SOs.</p> <p>RB further stated that it had initially been agreed that AA would carry out a cross-referencing exercise to bring back to the Committee in October and that she would liaise with RB for further input once an initial draft was available.</p> <p>Financial Controller, Gillian Hodgson, had picked up the action and was systematically working through everything; the outcome of which should be ready to share by the end of October.</p> <p>It was agreed that, once the information was available, RB would update BS, with a further report to come to the January meeting.</p> <p>Action: RB to update BS on outcome of the cross-referencing exercise and to present an update report at the January meeting.</p> <p>Approval: The Audit Committee noted the report and, subject to the outcome of the on-going cross-referencing exercise, was assured that the Trust had appropriate arrangements in place to ensure compliance with the Standing Orders, Reservation and Delegation of Powers & Standing Financial Instructions. This to be reported back to the Trust Board at a future meeting.</p>	<p>RB 2014/96</p>
<p>15.1</p>	<p>Standing Financial Instructions Waivers and Contract Award Activity over £100,000 RB provided assurance on the contracts that had been let and the purchase orders that had been raised for goods and services above £100,000 and SFI Waivers signed since the last meeting.</p> <p>The report was taken as read and it was noted that there had been only one Single Tender Waiver since the last meeting.</p>	

	Action
<p>Approval: The Audit Committee noted and accepted the report.</p>	
<p>15.2 Review of Suspension of Standing Orders RB confirmed that there had been no suspension of Standing Orders since the last Audit Committee meeting.</p>	
<p>16.0 Review of Schedules of Losses and Special Payments (should any losses or special payments be confidential then Audit Committee members will review these at the end of the meeting) RB provided that Audit Committee with details of the Losses and Special Payments made for the first five months of 2014/15. He stated that the format of the paper had been amended to give greater insight to the nature of the payments made.</p> <p>BS asked what the payments to NHSLA and DWP related to.</p> <p>RB replied that the NHSLA payments related to employers' liability and settlements at work, as they managed the payments on YAS' behalf. He was less sighted on the DWP payments so would investigate and provide feedback.</p> <p>Action: RB to investigate the nature of the DWP payments and feed back to the Committee,</p> <p>PD stated that 30% of payments related to manual handling and employers' liability and it was her belief that the Trust now had a greater case to push back at individuals because of all the work that had been done to reduce the incidence of such claims.</p> <p>RB stated that, although the number of claims coming through was reducing, it could take several years for claims to be processed so it would be some time until the Trust would be able to benefit from the full impact of its improvements.</p> <p>Approval: The Audit Committee noted the incidence of Losses and Special Payments made to the end of August 2014.</p>	<p>RB 2014/97</p>
<p>17.0 Review of Register of Members' Interests In AA's absence, BS provided the Audit Committee with an update of the Register of Declaration of Interests for Board members up to and including 26 September 2014.</p> <p>JN requested that 'self-employed Corporate Finance Advisor, Springwell Corporate Finance in association with Cattaneo LLP' be added to his record.</p> <p>It was noted that EB's Diva Designs Ltd entry had been removed.</p>	

		Action
	<p>Approval: The Audit Committee accepted the record, at Appendix A of the report, as a true representation of the interests declared up to and including 26 September 2014.</p>	
<p>18.0</p>	<p>Assurance regarding Raising Concerns at Work Arrangements and 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> <p>BS further stated that, as he had not received the usual conformation that no new reports had been received, he would chase up the information and update the Committee by email.</p> <p>Action: BS to liaise with Ian Brandwood, Executive Director of Stakeholder and Engagement, to confirm whether any new ‘whistleblowing’ reports had been received and to share this information with Audit Committee colleagues.</p> <p>MW stated that she had been involved in a case which had not initially been raised through the normal procedure, although a decision had been made that MW should treat it as if it had.</p> <p>The matter, which had not been resolved to date, related to a number of individual concerns about disciplinary issues and clinical practice and was not a one on one issue.</p> <p>PD stressed her strong belief that all issues should be raised immediately through the right channels.</p>	<p>BS 2014/98</p>
<p>19.0</p>	<p>Review of Meeting Actions and Quality Review of Papers BS thanked everyone for their time and contributions and invited comments from those present.</p> <p>PD stated that the meeting had been timely and well-chaired.</p> <p>EB stated that the papers had been of a good standard throughout.</p> <p>The meeting closed at 1330 hours.</p>	
<p>20.0</p>	<p>Private Meeting with External Audit BS and the NEDs held a short private meeting with External Audit.</p>	
<p>21.0</p>	<p>Private Meeting with Internal Audit BS and the NEDs held a short private meeting Internal Audit.</p>	
<p>22.0</p>	<p>Date and Location of Next Meeting: Thursday 8 January 2015, 0900-1300, Kirkstall & Fountains.</p>	

CERTIFIED AS A TRUE RECORD OF PROCEEDINGS

_____ **CHAIRMAN**

_____ **DATE**