



Audit Committee

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

Date: Thursday 5 March 2015

Time: 1000 hours

Chairman:

Barrie Senior (BS) Non-Executive Director

Attendee (Member):

Elaine Bond (EB) Non-Executive Director

Erfana Mahmood (EM) Non-Executive Director

Mary Wareing (MW) Non-Executive Director

In Attendance:

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

Steve Page (SP) Executive Director of Standards & Compliance
(*for items 1-4*)

Alex Crickmar (AC) Interim Executive Director of Finance & Performance
(*for items 1-4*)

Benita Jones (BJ) Internal Audit (IA) (*for items 1-3.2*)

Paul Webster (PW) Internal Audit (IA) (*for items 1-3.2*)

Apologies:

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

Anne Allen (AA) Trust Secretary

Shaun Fleming (SF) Counter Fraud

Minutes produced by:

Mel Gatecliff (MG) Committee Services Manager

		Action
	The meeting commenced at 1000 hours.	
1.0	Introduction and Apologies BS welcomed everyone to the meeting and thanked them for their prompt attendance. Apologies were noted as above. The Audit Committee noted that the minutes of the meeting held on 8 January 2015 would be considered alongside the minutes of that day's meeting at the meeting scheduled to take place on Thursday, 2 April 2015.	

		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>	
3.1	<p>Review of 2015/16 Internal Audit and Counter Fraud Plan BJ provided the Audit Committee with an update about the Internal Audit (IA) and Counter Fraud planning process for 2015/16.</p> <p>She stated that the report presented the Committee with planned IA and Counter Fraud activity for 2015/16 for comment, input and approval. The planned activity, which was drawn from the three-year strategic plan agreed in 2013, had been updated with regard to current year activity and Executive Director comments received during detailed meetings held during January 2015 and the TEG meeting of 18 February 2015, following which further amendments were made.</p> <p>BJ further stated that IA had started with a zero-based plan for 2013/14. An audit universe was created which covered everything that could possibly be audited. Agreement was reached about priorities, what needed to be done every year, what could be left, etc and movement between years was also considered.</p> <p>BJ stated that ICT was a particularly specialist area which had its own addendum plan. This plan had been updated following a recent meeting with Associate Director of IM&T, Ola Zahran (OZ), and details would be shared later in the meeting.</p> <p>The IA Plan contained a total of 600-650 days' work for each of the three years with the peak of the work coming towards the end of the period covered by the Plan.</p> <p>BS asked whether, if the 2015/16 Plan was executed as planned, everything that IA would have expected to have been subject to audit would have been covered.</p> <p>BJ replied that, although she had not formally checked this, she felt comfortable that there should not be any major gaps.</p> <p>BJ stated that there was now a need to reflect on the work that had been carried out in terms of the audit universe. The information would need to be converted into an assurance map to make the routine management controls more transparent, etc and to form the baseline for a sustainable audit plan going forward.</p> <p>BS stated that the information might lead to some audits falling away as the assurance would remain valid for several years with the expectation that high risk areas, such as those seen on the BAF, would be key areas in need of back up assurance.</p>	

	Action
<p>JN suggested that a similar overview could take place every few years to ensure that no major new issues, etc were overlooked.</p> <p>BJ stated that, going forward, there might be more of an opportunity to engage in a number of themed reviews, as it was currently difficult to draw themes out from such a large audit plan.</p> <p>BS stated that the BAF had been reviewed in depth by the Board at the previous week's BDM with several changes coming out of that review. He asked whether the IA Plan would be reconsidered in light of the BAF changes.</p> <p>BJ confirmed that the IA Plan would be updated and reference made to the February changes.</p> <p>A discussion took place about any possible gaps in the draft document. It was suggested that, as sickness was still proving to be a major issue for the Trust, it might be appropriate for IA to undertake a thematic piece of work in this area.</p> <p>EB stated her belief that the management of sickness absence was a management rather than an audit responsibility.</p> <p>BS stated that he had seen instances of IA being used as a catalyst for change in areas about which an organisation had major concerns.</p> <p>JN agreed that such a piece of work might help to start to change behaviours.</p> <p>BJ replied that, although this could happen, the Trust would need to be very clear about what outcome, such as provision of assurance, provision of extra capacity, etc it wanted to see from such a piece of work.</p> <p>BJ stated that a key outcome of the large three-year plan had been a level of IA visibility, which had never before been seen.</p> <p>BS stated that, in accordance with the requirements of the Audit Committee Handbook the IA Plan covered the two key roles of Internal Audit which were:</p> <ul style="list-style-type: none"> • The provision of an independent and objective opinion to the Accountable Officer, the Board and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisation's agreed objectives; • The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements. <p>He asked at what point the work would become too much like consultancy, which was an issue which would need to be addressed.</p>	

	Action
<p>BJ replied that if IA carried out a piece of work to develop systems, etc, the person who did that work would be excluded from any review of that work further down the line</p> <p>The Audit Committee considered the proposed IA Plan for 2015/16 section by section.</p> <p>General AC stated his belief that the organisation would gain more value from the review of the Development and Alignment of the Integrated Business Plan, which was currently scheduled for Quarter 4 of the current year, if the work took place in 2015/16.</p> <p>BS stated his belief that looking at the process by which an IBP was written or updated might be more useful than a retrospective review of what had been done.</p> <p>A lengthy discussion took place about the process to produce the IBP and how the days allocated to the current review could be used to best effect in terms of processing the IBP.</p> <p>It was agreed that AC would discuss the scope of the work, which would not necessarily need to be a full 10-day review, with IA.</p> <p>Action: AC to liaise with IA re scope, length and timing of the IBP review work.</p> <p>EB expressed surprise that, following the recent change to the person heading the function, there was nothing planned in against PR/Communications Strategy, especially as this area would continue to increase in importance as the Trust moved forward with its union remit, etc.</p> <p>BJ replied that the last review had taken place at the end of 2013/14. She acknowledged that PR and Communications were currently issues of high risk, so would consider how to include more about this area in the scope of the Stakeholder Engagement review scheduled for 2015/16.</p> <p>However, the scope of the review already included elements of communications in addition to an internal piece of work which would look at employee relations and engagement.</p> <p>Action: BJ to further consider the inclusion of PR/Communications in the scope for the 2015/16 Stakeholder Engagement review.</p> <p>SP suggested that the Communications Strategy could be built in when scoping out some of the Workforce reviews.</p>	<p>AC 2015/19</p> <p>BJ 2015/20</p>

	Action
<p>BJ agreed to take this into consideration.</p> <p>Action: BJ to consider the inclusion of the Communications Strategy when scoping out future Workforce reviews.</p> <p>SP stressed the need to fine tune the scopes of forthcoming reviews to take into account the CQC feedback etc</p> <p>Clinical Governance BS stated that he would liaise with PD on her return from leave to ensure that her thoughts on the IA Plan in terms of the clinical and quality perspective were taken into account.</p> <p>Action: BS to liaise with PD re her input into the IA plan in terms of a clinical and quality perspective.</p> <p>EM asked whether IA would input into any future work in relation to the Clinical Leadership Framework.</p> <p>SP stated that the CQC report would undoubtedly lead to actions in that respect as there clearly remained issues in this area.</p> <p>BJ stated that, following the major review the previous year, a follow up review was currently under way.</p> <p>BS asked whether the deferral of Medical Records Management from 2014/15 was appropriate.</p> <p>PW stated that he had discussed this item with, YAS' Executive Medical Director, Dr Julian Mark (JM). JM had explained that the timeline had shifted in terms of an external organisation coming in to manage YAS' medical records. It therefore made sense to defer the review until 2015/16.</p> <p>Workforce EM asked whether 10 days would be sufficient time to undertake the review of Recruitment Checks, etc given the previous limited assurance in this area and the introduction of the new volunteer policy.</p> <p>BJ replied that IA did not want to repeat what had been done before although there would be some follow up work in this area.</p> <p>EM suggested that IA might be able to free up some of the 15 days programmed to review the Equality and Diversity Framework, especially as the E&D working group might be able to provide some of the specialist support required in that area.</p>	<p>BJ 2015/21</p> <p>BS 2015/22</p>

	Action
<p>Finance and Performance BS stated he had not been surprised that the Service Line Reporting / Management review had been deferred from 2014/15 to 2015/16.</p> <p>BJ stated that the decision had been made following the discussion at the last AC meeting with the work due to be carried out fairly early in the new financial year.</p> <p>AC stated that, as the Trust's new SLM lead was due to start in early April, it had made sense to defer the work until this time.</p> <p>EM questioned whether the 10 days allocated for Healthcare Contract Management, etc in the Commissioning and Contracting section of the report was sufficient.</p> <p>BJ agreed that there might not be sufficient days when the audits were scoped in more detail. However, it should be possible to make some savings by merging some of the programmed audits.</p> <p>In addition, although there were currently no 'contingency' days in the plan, several days would probably be freed up at the detailed scoping stage. In addition, although IA tried to avoid requesting increased days, if there was a need they would do this.</p> <p>ICT PW provided a short verbal update about the updated ICT section of the IA plan.</p> <p>He stated that the audits of IT Asset Management and Business Continuity and Resilience had dropped off the plan, as OZ had informed IA that the Trust had its own projects in place in relation to those items. However, the audits of IT Security & Controls and Wireless Network Security would remain on the plan.</p> <p>PW confirmed that the review of Management of Outsourced Services would focus on CAD and Veritel.</p> <p>He added that a brief scope and rationale was available for each piece of work, which he would circulate to Committee members as soon as possible.</p> <p>Action: PW to circulate updated ICT report, including scope and rationale for each piece of work to Audit Committee members.</p> <p>EB stated her belief that there might be a gap in terms of the scope of change within PTS in relation to the use of technology in the future.</p> <p>AC stated that he would raise EB's comment with RB and the Executive Group for their comment.</p>	<p>PW 2015/23</p>

	Action
<p>Action: AC to raise EB's suggestion about the need for a piece of work in relation to PTS' future use of technology with TEG.</p> <p>BS acknowledged that work was currently under way in relation to refining and improving the IPR and asked whether any consideration had been given to IA reviewing the processes and controls related to producing the revised document, perhaps towards the end of 2015/16.</p> <p>BJ replied that consideration of the IPR would be partly covered in the 15 days allocated to Business Intelligence/Data Quality & Embedding and as well as being built into other audits when appropriate.</p> <p>BS stated he was due to attend a meeting of the re-launched ICT Strategy Board the following day and queried to what extent IA should have visibility of the business of the meeting. He agreed to raise the question of IA's possible attendance at a future meeting and report back at the April AC meeting.</p>	<p>AC 2015/24</p>
<p>Action: BS to raise question of possible IA attendance at future ICT Strategy Board meetings and report back to Audit Committee.</p> <p>Standards and compliance EB asked whether IA were likely to have any involvement in the production of Quality Accounts.</p> <p>BJ replied that they had been involved in the past and had expected to work jointly with External Audit (EA) in 2013/14. However, this had not been necessary.</p> <p>Operations BS asked whether the first line relating to staffing /rotas in EOC had been intentionally left blank.</p> <p>BJ replied that the audit universe headings had been refined and slimmed down during the course of the three-year plan and this was one of the headings that needed to be removed.</p> <p>She confirmed that work had been programmed in relation to the A&E rota implementation.</p> <p>BS stated his belief that Committee members would find it useful to see the whole of the original audit universe to enable them to identify what had been audited, what had not been audited, when audits had taken place, etc. This would enable the Committee members to assure themselves that there were no major gaps in the IA plan.</p> <p>JN agreed that an overview would be very useful.</p>	<p>BS 2015/25</p>

	Action
<p>Action: BJ to present an overview of the audit coverage, actual and planned, 2013-16 versus the audit universe at the April Audit Committee meeting.</p> <p>JN asked whether, in view of the recent computer problems experienced in EOC, some high level assurance was possible in relation to service critical work.</p> <p>SP replied that the CAD system was covered in the ICT section of the plan.</p> <p>MW stated that she had identified 80-100 days' work dedicated to the NHS 111, A&E and PTS services in Operations. It was her belief that this was too light and that more time should be dedicated to these services, especially as the headings found under Operations did not contain the finer details found in other sections of the IA Plan.</p> <p>EB agreed with MW, adding her belief that A&E in particular needed more scrutiny. She asked whether Interim Executive Director of Operations, Dr Dave Macklin (DM) had contributed to the section.</p> <p>BJ confirmed that DM had contributed, although she acknowledged that a further meeting was required with him to scope the work in greater detail.</p> <p>MW suggested that it might be useful to include a number of contingency days in the plan for use in A&E Operations.</p> <p>AC reminded those present that the Trust was already working with a number of specialist external consultants in Operations, adding that the consultancy work would continue into the next year.</p> <p>EB stated that more emphasis was needed on compliance within A&E as it was her belief that there was currently a lot of silo working within the service, which could be a risk to the organisation.</p> <p>BJ replied it had been agreed that the Resource Team Management audit, which would include compliance, would take place in quarters 3 and 4 of 2015/16.</p> <p>BS stated that, as part of the audit universe overview, it would be useful in relation to Operations if an audit assurance map could be included which justified the level and limitations of Operations-related IA work to give reasoned assurance as to why the Plan met the required standards, bearing in mind the other aspects of third party assurance available.</p>	<p>BJ 2015/26</p>
<p>Action: BJ to include audit assurance map of Operations-related IA work as part of the audit universe update.</p>	<p>BJ 2015/27</p>

	Action
<p>BS further stated that one of the biggest changes to YAS' services since the creation of the audit universe was the establishment and implementation of its NHS 111 service. He asked, in terms of 111, whether all relevant aspects had been or would be audited.</p> <p>SP confirmed that everything had been or would be covered in various pieces of work.</p> <p>BS asked whether the 30 days allocated to follow up work were enough.</p> <p>BJ confirmed that it would be tight but as a lot of follow up work would take place as part of other pieces of work it should be manageable.</p> <p>PW agreed that although it would be challenging, it should be manageable.</p> <p>Counter Fraud BJ stated that the proposed Counter Fraud plan was fairly standard and allowed the prescribed framework to be followed.</p> <p>BS stated that a fundamental continuing issue for him was whether there was sufficient up-to-date assurance in relation to the existence and effectiveness of prevent and detect fraud controls.</p> <p>BJ replied that she would raise that question with SF.</p> <p>Action: BJ to discuss effectiveness of 'prevent and detect' fraud controls with SF.</p> <p>There were no questions in relation to the Internal Audit Plan and BAF/CRR comparison.</p> <p>Approval: Following detailed discussion, the Audit Committee agreed to defer approval of the 2015/16 Internal Audit and Counter Fraud Plan until it had considered the overview of audit coverage versus the audit universe at its April 2015 meeting.</p>	<p>BJ 2015/28</p>
<p>3.2</p> <p>Internal Audit Progress Report BJ and PW provided a progress update against the agreed 2014/15 Internal Audit (IA) Plan along with the outcomes of reviews undertaken since the January Audit Committee meeting.</p> <p>BS stated he was keen to take the paper as read and to move through it in sequential order for comments and questions.</p> <p>In terms of the overview of progress against the 2014/15 IA Plan, BS expressed some confusion.</p>	

	Action
<p>He stated that although the overview looked as if good progress had been made the position in the more detailed dashboard gave him less confidence in the progress made. He asked how much work was realistically likely to be deferred into 2015/16.</p> <p>BJ stated that the overview of progress provided an accurate picture, which was further improved by the fact that she was due to sign off the IPR ten-day audit later that day. She further stated that this was a much better position than the previous year when around 65 days had been carried over.</p> <p>JN stated that he had been encouraged by the IA assurance.</p> <p>BJ confirmed that 11 reviews had been finalised since the January IA update report and 2 reviews were at draft stage. In addition, 22 reviews were in progress, 17 of which were at various stages of delivery and 5 of which were yet to commence, although they were all scheduled to commence during March 2015.</p> <p>BJ further stated that there had been some changes to the 2014/15 IA Plan since the January meeting. At the request of Trust management three reviews originally planned for Quarter 4 had been deferred to 2015/16. These were: Wireless Network Security; Procurement Strategy; and Service Line Reporting/Management.</p> <p>An additional ICT review, Testing of the Network on Service Configurations had been added to Quarter 4 to compensate for one of the reviews deferred to 2015/16.</p> <p>The Committee considered the finalised reports.</p> <p>Limited Assurance <u>Contracts / SLA Management</u></p> <p>EB stated that the Trust's Procurement Strategy had not been approved by F&IC at its December meeting as it still needed further development. However, she took assurance from the fact that now the new Head of Procurement, Mike Fairbotham (MF), was in place, under AC's stewardship, improvements should be forthcoming.</p> <p>MW stated that the report was an accurate reflection of what was regularly seen at F&IC. However, although a lot of issues had been highlighted, it was her belief that the Trust was now in a much better position to deal with them than in the past.</p> <p>AC stated it was MF's opinion that it would take 6-9 months to process all of the appropriate changes to ensure that the Procurement function was working fully effectively.</p> <p>EB stated that the timing of the follow up work would therefore be very important.</p>	

	Action
<p>BS stated it would be useful when a deadline date had passed on action plans presented to the Audit Committee if IA could indicate whether the target date had been achieved or not, as this was not clear in all reports.</p> <p>BJ replied that this was not necessarily realistic, as without updating every report, IA would not know whether or not every deadline date had been achieved.</p> <p>PW suggested that deadline dates could be reviewed and revised where appropriate to provide an updated position when follow up pieces of work were carried out.</p> <p>It was agreed that, in terms of the current report, AC would ask MF to review the deadline dates in the action plan and provide feedback about whether or not he regarded them as realistic.</p> <p>Action: AC to liaise with MF re feedback in terms of whether the current dates in the action plan were realistic.</p> <p>EM stated that the findings under the identified risk that ‘Signed contract documentation including up to date tariffs may not be retained in respect of live suppliers’ were not a surprise to her. However, she was concerned that basic administration tasks such as completion of dates, etc were not being carried out.</p> <p>BS stated his belief that this was another instance of management within YAS not being sufficiently self-critical and waiting for an audit outcome before they were motivated to change processes, etc.</p> <p>AC disputed this comment, adding that the Procurement function had already been changing and trying to ensure that its structure was fit for purpose, its staff had appropriate skills, etc.</p> <p><u>Facilities Management and Repairs & Maintenance</u></p> <p>JN stated his belief that facilities ought to be very easy to manage and questioned whether it might be appropriate for F&IC to carry out a benchmarking exercise on completely outsourcing the function.</p> <p>BS expressed concern that a lot of maintenance work was not being approved or signed off and asked if this was something the Clinical Supervisors could do. However, if that was not possible, it was his belief that the Trust should consider employing a specialist resource.</p> <p>AC stated that the Interim Head of Estates, who had started some good work in terms of introducing new processes, etc, was unfortunately leaving the Trust.</p>	<p>AC 2015/29</p>

	Action
<p>EB stated that the third party outsourcing model was a good comparator and suggested this was something that AC could take to TEG for consideration in greater depth.</p> <p>Action: AC to arrange for TEG to consider third party outsourcing model for facilities management / repairs and maintenance and report back to Audit Committee</p> <p><u>Application of PTS Policy & Criteria</u> EB stated that her major concerns related to the fact that IA had highlighted issues that should have already been identified. The management response to the report was poor as it was not focussed or sharp enough and in addition, this was the second limited assurance report received in respect of PTS in a short period of time.</p> <p>JN stated that the report had formally confirmed what the Board already knew. It seemed in parts that the PTS management team had struggled to provide a response and therefore needed guidance.</p> <p>MW and EM agreed that the report had been extremely worrying.</p> <p>BS stated that this had been the IA report which had most concerned him since he joined YAS.</p> <p>SP stated that the report highlighted clearly the lack of management strength within PTS.</p> <p>BS asked what difference receiving a limited assurance report had within the organisation.</p> <p>BJ replied that the impact of a limited assurance report should be to raise the profile of that particular area within an organisation. She further stated that when IA brought their overall opinion together at the end of the year, they would also consider the impact of limited assurance reports.</p> <p>She confirmed that this particular report had been at the lower end of the limited assurance spectrum.</p> <p>SP stated that the issue of a 'limited assurance' internal audit report was taken seriously by executive management.</p> <p>AC stated that the Curzon work remained on-going within PTS, adding that the Board was aware of the current position of the service.</p> <p>EM expressed concern about the sensitivity of sharing the contents of the report in a wider forum.</p>	<p>AC 2015/30</p>

	Action
<p>Following further discussion it was agreed that, such was the Audit Committee's concern about the contents of the report, it should go for information and awareness to the Private Board meeting in March.</p> <p>Action: PTS Limited Assurance IA report to be included as an item on the agenda for March Trust Board Meeting in Private.</p> <p>SP stated that the Board would also need to ensure that the issues outlined in the body of the report were reflected in the BAF to ensure that they remained within the sight of the Board throughout the year.</p> <p>Action: BAF to be updated to ensure that the issues outlined in the above report were reflected accurately.</p> <p>SP stated that although Executive action was taking place it would take time to bring about the major changes that were required.</p> <p>Significant Assurance <u>Clinical Audit</u> EB and MW agreed that the management response to the report was very good and extremely focussed.</p> <p><u>Clinical Research</u> There were no comments relating to this report.</p> <p><u>Occupational Health</u> EB stated that, following the new provider's early implementation problems in relation to the contract, it had been encouraging to read the report.</p> <p><u>Cost Improvement Programme</u> EB congratulated AC on the positive outcome of this above audit.</p> <p><u>Payroll</u> BS expressed concern that the changes report had not been available at the time of the audit as this was an important part of monitoring payroll.</p> <p>AC replied that a Pensions Officer role had been created within the Payroll team and that person would also carry out some of the monitoring work so there should be no issues going forward.</p> <p><u>Accounts Payable</u> JN expressed concern about the minor issue which stated that, since the transfer from Oracle R11 to R12 it had not been possible for the AP Transaction Supervisor to run a report of all changes to supplier details input to the system', as it was his belief that this issue could lead to the diversion of substantial funds.</p>	<p>BS/MG 2015/31</p> <p>SP 2015/32</p>

	Action
<p>BJ confirmed that no issues had been identified as a result of the checks undertaken during this review.</p> <p><u>Business Case Development & Approval</u> EB stated she had been surprised that the report had resulted in significant assurance when she had read its contents, adding her belief that the departure of the Commercial Director should not be an excuse for the Gate Review process not being fully followed. MW stated that her impression on reading the report was that the organisation had developed a process which was being used some of the time but that the Trust was unable to demonstrate that it was being used all of the time to best effect.</p> <p>BS stated that he too struggled to gain 'significant assurance' from the report.</p> <p>AC stated that 95% of business opportunities and ideas were now coming through the Gate Review Forum. Compared with several months previously, people now knew what they needed to do and there did not seem to be many occasions when the formal process was not being followed.</p> <p>AC acknowledged, however, that further development of Gates 6 and 7 which were the 'lessons learned' part of the process was still required.</p> <p>SP stated that the Gate Review process was set up by the Trust's former Commercial Director, Chris Dodd (CD). Following CD's departure, although the process had continued to be used as expected, it had lacked the expertise and attention to finer detail that CD would have brought to it.</p> <p>The process therefore continued to run as a mechanism but had not matured as quickly as it would have, if CD had still been in the Trust's employment.</p> <p>MW stated her belief that people did not necessarily see the process as being as helpful as it could be, adding that it was perhaps often viewed merely as a hurdle that had to be jumped.</p> <p>BJ stated that IA had looked at the process in terms of quality and the fact that it remained a developing process. Although significant assurance was provided overall, there remained several areas in which further develop work was required. Follow up work would be scoped to take place during future IA work on transformation.</p> <p><u>Private & Events</u> BS stated that there was no description of the risks considered.</p> <p>BJ apologised for the missing information and agreed to share the full report at the same time as the changes to the ICT report.</p>	

		Action
	<p>Action: BJ to circulate full Private and Events report to Audit Committee members.</p> <p>A discussion took place about the best place in which to save IA reports.</p> <p>It was agreed that, once BoardPad was working effectively, a reading room could be set up in which the reports could be saved to be accessed by Committee members.</p> <p>Action: MG to set up an Internal Audit reading room in BoardPad at an appropriate time.</p> <p>BS thanked BJ and PW for a very useful session.</p> <p>Approval: The Audit Committee received and accepted the latest Internal Audit Progress Report.</p> <p>BJ and PW left the meeting at 1140 hours.</p>	<p>BJ 2015/33</p> <p>MG 2015/34</p>
4.0	<p>Review of Effectiveness of External Audit AC presented a paper to the Audit Committee which supported the assessment of the effectiveness of External Audit.</p> <p>He stated that, following the introduction of the requirement for an organisation to formally evaluate the External Auditors into the Corporate Governance Code, Deloitte had presented a self-assessment, using their in-house developed tool for Foundation Trusts, to the meeting held in October 2014.</p> <p>The tool comprised two options: a 'Framework for Annual Assessment' designed to be used every year and a 'Full Framework' which provided a comprehensive review designed to be completed on a three year cycle.</p> <p>Deloitte had subsequently completed, in as far as it was appropriate to do so, a 'Full Framework' self-assessment of their performance to help inform the Committee and Trust when completing the assessment.</p> <p>The framework was then assessed by the Finance department to review and comment where appropriate upon Deloitte's self-assessment and to provide a Finance team view of performance.</p> <p>The framework, which showed both Deloitte's input (in black text) and the Finance department's input (in red text) was shared with the Audit Committee and a discussion took place about the effectiveness of External Audit.</p>	

	Action
<p>The Committee considered and challenged the inputs provided by Deloitte and Finance, forming its own view throughout.</p> <p>Approval: The Audit Committee discussed and fed back on the effectiveness of External Audit.</p> <p>SP and AC left the meeting at 1220 hours</p>	
<p>5.0 Audit Committee Self-Assessment BS apologised for the fact that NED colleagues had not received a consolidated response in advance of the meeting.</p> <p>He provided a recap of the ways in which the Committee had self-assessment during the past two years. The 2012/13 self-assessment had been based on the HFMA Audit Committee hand book check list and the 2013/14 self-assessment been an MIAA-led facilitated discussion.</p> <p>BS stated that, for the current year, a new Audit Committee Handbook had been published by HFMA which contained an enhanced 2-part check list which it was his belief served the Audit Committee’s purpose fairly well.</p> <p>He had therefore provided NED colleagues with copies of the two checklists. The first checklist (‘Committee Processes’) had been completed in draft by BS as Committee Chairman and the second checklist (‘Committee Effectiveness’) was provided for individual Committee member completion. The views of individual members with regard to the second checklist had been consolidated onto one form to help the Committee to compare and debate individual views.</p> <p>The meeting considered each checklist and discussed items as appropriate on a page by page basis to allow the Committee to consider any ways in which it could further improve.</p> <p>The meeting closed at 1300 hours.</p>	
<p>Date and Location of Next Meeting: 2 April 2015, 0900-1300, Kirkstall & Fountains, Springhill 2</p>	

CERTIFIED AS A TRUE RECORD OF PROCEEDINGS

_____ **CHAIRMAN**

_____ **DATE**