



**Audit Committee**

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

**Date:** Thursday 1 October 2015

**Time:** 0900 hours

**Chairman:**

Barrie Senior (BS) Non-Executive Director

**Attendee (Member):**

Erfana Mahmood (EM) Non-Executive Director

John Nutton (JN) Non-Executive Director

Mary Wareing (MW) Non-Executive Director

**In Attendance:**

Alex Crickmar (AC) Associate Director of Finance

Steve Page (SP) Executive Director of Standards & Compliance

Hassan Rohimun (HR) Executive Director, Ernst & Young

Benita Jones (BJ) Internal Audit (IA)

Neil Cook (NC) Interim Associate Director of Finance

Anne Allen (AA) Trust Secretary

Fred Chambers (FC) Interim Head of Financial Services (For Items 10.13 and 15)

Cath Balazs (CB) Head of Business Development (For Item 3.4)

Nigel Batey (NB) Business Intelligence Manager

**Apologies:**

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

Robert D Toole (RDT) Executive Director of Finance & Performance (Interim)

Shaun Fleming (SF) Counter Fraud

Ronnie Coutts (RC) Non-Executive Director (Designate) (Observing)

Jackie Cole (JC) Locality Director, South (Observing)

**Minutes produced by:**

Carole Marsden (CM) Interim Committee Services Manager

|            |   | <b>Action</b> |
|------------|---|---------------|
|            | The meeting commenced at 0900 hours.  |               |
| <b>1.0</b> | <b>Introduction and Apologies</b><br>The Chairman of the Audit Committee, BS had given his apologies, prior to the start of the meeting that he would be unexpectedly late in arriving at that morning's meeting. |               |

|                      |  | <b>Action</b>         |
|----------------------|--|-----------------------|
|                      | <p>As Deputy Chairman of the Committee, JN stood in as Chairman of the meeting until BS' arrival at the start of Item 3.</p> <p>The Trust Secretary, AA, confirmed that the Committee was quorate.</p> <p>Apologies were noted as above.</p>   |                       |
| <b>2.0</b>           | <p><b>Declaration of Interests for any item on the agenda</b><br/>No declarations of interest were made relating to any of the agenda items.</p> <p>Any declarations made during the meeting would be noted.</p>   |                       |
| <b>3.1 &amp; 3.2</b> | <p><b>Minutes of the last meeting on 2 July 2015, including Matters Arising (BS joined the meeting during this item)</b><br/>The minutes of the meeting held on 2 July 2015 were reviewed and agreed as a true record of the meeting subject to the following amendments.</p> <p>Page 11 paragraph 9 'appropriateness' should read "challenged".</p> <p>Page 25 paragraph 4 should read signed off by the Trust Development Authority (TDA). The words, 'Chief Executive' should be removed from this sentence.</p>  |                       |
| <b>3.3</b>           | <p><b>2015/40 – ICT new system development and maintenance assurance</b><br/>Report on the agenda.</p> <p>BJ confirmed the IT health check audit was scoped covering a range of IT controls which replaced other IT audits as previously agreed. The timescale was for the final report in December ready for reporting to the January 2016 Audit Committee meeting.</p> <p><b>Action: MW requested that an update paper be provided at the January Audit Committee.</b></p>   | <b>MW<br/>2015/92</b> |
| <b>3.4</b>           | <p><b>2015/57 – 3.6 Chief Executive's Statement on Quality (Quality Account)</b><br/>CB introduced Nigel Batey (NB), Business Intelligence Manager who would be taking the work forward after CB's departure and following on from the responses to the review carried out by Deloitte on data quality.</p> <p>Over the past year there had been issues identified around closing down data sets. Internal Continuing Professional Development (CPD) processes were now in place to support the quality of management information, which should enable any concerns to be picked up in advance of publication.</p> |                       |

|   | <b>Action</b>   |
|---|---|
| <p>The biggest assurance was around a system of individual peer spot checks to reduce the risk of errors. There is three months' development work, setting up systems to support the new Integrated Performance Report (IPR).</p> <p>BS questioned if accurate controls were in place to manage Trust data.</p> <p>CB replied that renewed emphasis was now being placed upon individual data owners taking responsibility and being accountable for data quality.</p> <p>SP stated that we needed to do more work along these lines which would feed into the overall Quality Accounts and be processed by one central team to produce one consolidated report.</p> <p>BS stated that it would be useful to have a data assurance process leading later to an internal audit.</p> <p><b>Action: SP to provide data assurance checklist in relation to the Quality Account, 2016/17.</b></p> <p><b>Action: NB to work with data owners to develop a process to assure the accuracy, completeness and timeliness of key data.</b></p> <p><b>Action Log and Matters Arising</b><br/>The remainder of the action log was reviewed and updates provided. There were no queries in relation to the closed items.</p> <p><b>2014/3 – Audit Committee Terms of Reference</b><br/>AA confirmed that the committee's Terms of Reference had been revised. It was suggested that this lengthy action be revisited and reworded to capture specific points relevant to the Audit Committee action log.</p> <p><b>Action: AA to review with BS and SP outside of the meeting.</b></p> <p><b>2015/51 – Review of Schedules of Losses and Special Payments</b><br/>BJ had recently received some comparative information and will share with AC as part of a benchmarking exercise. Information from other Ambulance Trusts will be sought. Action remains open.</p> <p><b>Action: BJ to report outcomes to next meeting (January 2016).</b></p> <p><b>2015/57 – Chief Executive's Statement on Quality (Quality Account)</b><br/>AC confirmed that this item was on the agenda. Action closed.</p> | <p><b>SP<br/>2015/93</b></p> <p><b>NB<br/>2015/94</b></p> <p><b>AA<br/>2015/95</b></p> <p><b>BJ<br/>2015/96</b></p> |

|  | Action  |
|--|---------|
| <p><b>2015/58 - Chief Executive's Statement on Quality (Quality Account)</b><br/> This arose from the external auditors report on the quality accounts 2014/15 and with regard to the checklists around data quality. SP and BJ had discussed framing the forthcoming audit around the questions.</p> <p>BJ also confirmed that the audit scope would be shared with the new external auditors to highlight any other issues that may be suggested (given that the data quality checklists were from the previous external auditors).</p> <p><b>2015/75 – 7.0 Risk Assurance Reporting including BAF and CRR</b><br/> The overall risk score for management of medical devices was noted as having reduced quite significantly. JN asked if the scores had been updated following the Care Quality Commission (CQC) inspections. SP replied that the details from the CQC report had been incorporated as appropriate.</p> <p><b>2015/76 – 11.0 ICT New System Development &amp; Maintenance Assurance</b><br/> BJ had scoped an IT health check audit and highlighted to the Committee the overall objectives and areas of coverage.</p> <p>The audit replaced other more specific reviews to cover a wider area as per previous audit committee discussions and agreement with Trust Executives. The Audit specification will be issued by BJ to Committee members.</p> <p>The report is due in December 2015 and BJ indicated a verbal update can be provided to the January 2016 meeting in advance of the report being finalised. The appropriate auditor would be asked to attend the meeting.</p> |         |
| <p><b>Action: BJ to share ToR for IT health check audit outside of the meeting.</b></p>  | 2015/97 |
| <p><b>Action: It was agreed that Ola Zahran, Associate Director, ICT attend the next meeting</b></p>   | 2015/98 |
| <p><b>2015/77 – 13.1 Internal Audit Progress Report/Update</b><br/> BJ indicated that, as part of reviewing audit protocols with the Interim Executive Director of Finance and Performance, opinion definitions had been discussed which included consideration of when opinions are not given. She referred to items in the current update report which would be discussed more fully at that agenda item.</p>  |         |

|            |   | <b>Action</b>   |
|------------|---|-----------------|
|            | <p>Issues were raised around the relative materiality of some aspects of the internal audit plan and it was agreed that BJ and SP along with RDT would consider providing a process for setting the strategic context of the opinions and linkage to the BAF.</p> <p>BS stated that, as the current 3 year Internal Audit plan period comes to an end there was a need for executive management, and then the Audit Committee, to consider the future plan, which should also consider the extent to which internal audit is used to undertake review which provided additional capacity to management.</p> <p><b>Action: BJ/SP to provide a process for reviewing the organisational risk implications of IA opinions to be discussed at next meeting following other deliberations.</b></p> <p><b>2015/78 – 13.1 Internal Audit Progress Report/Update</b><br/>Report on Performance Development Reviews (PDRs) had been reviewed following the last meeting and issued in full prior to this meeting along with an explanatory covering email. This linked with 2015/77. Action closed.</p> <p><b>2015/83 – 13.1 Internal Audit Progress Report/Update</b><br/>BJ confirmed that this follow up will be included in the IT Health check review. Action closed.</p> | <b>2015/99</b>  |
| <b>4.0</b> | <p><b>Audit Committee Annual Report 2014/15</b><br/>BS presented the draft Audit Committee Annual Report, 2014/15 and summarised the activities of the Audit Committee during and in respect of the financial year 2014/15. It was noted the date on the paper should read 1 October, 2015 and not 2 October, 2015.</p> <p>BS requested, and BJ confirmed, that the wording in red on the report was correct, and it was agreed, following feedback to BS and after incorporation of any changes required, the paper could be sent forward to Board.</p> <p>It was later confirmed by BJ that some of the wording was incorrect and that JW would be provided with the correct information.</p> <p><b>Action: BJ to provide JW with correct information in order to update the Annual Report 2014/15.</b></p> <p><b>Approval:</b><br/><b>The Audit Committee approved the report, subject to any amendments as a result of consideration within the meeting. The report to be presented to the January 2016 Trust Board.</b></p>  | <b>2015/100</b> |
| <b>5.0</b> | <b>Risk Assurance Reporting including Board Assurance Framework &amp; Corporate Risk Register (Including Datix Progress Update)</b>   |                 |

|  | <b>Action</b> |
|--|---------------|
| <p>SP stated a new process incorporating written reports to the Risk and Assurance Group is working well, allowing any gaps in assurance to be mapped and addressed during the course of the meeting.</p> <p>It had been agreed by executive management that all members must attend every meeting or send an appropriate deputy or, failing that, a written update must be submitted in advance for which the appropriate owner had responsibility for authorising its content.</p> <p><b>Risk registers</b></p> <p>BS stated that there were a number of predicted quarter four reductions in risk ratings and asked if they were achievable.</p> <p>SP gave an update in relation to the following specific items:</p> <p>1a) <b>Adverse clinical outcomes due to failure of reusable medical devices and equipment</b> – the Audit Committee noted good progress on the action plan including completion of work on Standard Operating Procedures (SOPs) and risk assessments.</p> <p>An options appraisal was being developed to look at an in house versus external solution in future.</p> <p>The Trust is looking to second an appropriate person into the department with expertise to support that process who would then oversee delivery of the future model for the department.</p> <p>3a) <b>Inability to deliver performance targets and clinical quality standards</b> – the Audit Committee noted the operational risk would have to be reviewed again owing to the current variance from trajectory.</p> <p>3b) <b>Lack of compliance with key regulatory requirements (CQC HSE, IGT, NHSLA) due to inconsistent application across the Trust</b> - BS stated he felt assured, based upon recent reports and Board discussions, that CQC actions are being appropriately addressed. He questioned whether, aside from the specific CQC findings, there were wider lessons to be learned and acted upon.</p> <p>SP stated the Trust had not amassed significant new learning through the CQC process, rather there had been useful reflection on specific known areas, eg cleaning issues, support for the front-line and escalation of risks through the system. Where appropriate, processes that had been in place for some time had been tightened up.</p> <p>In other areas, news SOPs had been developed to address specific issues. Considerable work had been put in place to ensure effective cross departmental collaboration is delivering</p> |               |

|   | Action |
|---|--------|
| <p>improvements. An audit process is planned to give assurance on compliance.</p> <p>4a) <b>Loss of income due to inability to secure/retain service contracts, and challenge to the delivery of Trust strategy within the constraints of the wider commissioning system-</b> the Audit Committee noted the developments in relation to YAS' investment in the West Yorkshire Urgent and Emergency Care Vanguard.</p> <p>4b) <b>Inability to implement PTS transformation programme resulting in loss of income due to failure to secure/retain service contracts</b> – the Audit Committee noted that recruitment to the post of Managing Director of Patient Transport Services (PTS) was on-going.</p> <p>5a) <b>Inability to deliver service transformation and organisational change, including non-delivery of cost improvement programmes</b> – the Audit Committee noted positive developments in the service transformation programme. The Committee was also updated on the need to review arrangements for 2015/16 that were informed by Vanguard developments. The Trust also aimed to develop a more focussed Performance Management Office (PMO) function.</p> <p>5b) <b>Failure to learn from patient and staff experience and adverse events within the Trust or externally</b> – the Audit Committee was briefed on Freedom to Speak Up developments in the Trust.</p> <p>5c) <b>Insufficient alignment and responsiveness of corporate services to operational service requirements</b> - the Audit Committee noted, in terms of alignment of support services to the front-line, there has been really good work, eg vehicle cleaning, so there is positive movement. This has been facilitated by the fleet department work arising from the CQC action plans.</p> <p>6a) <b>Adverse impact on clinical outcomes due to failure to embed the clinical leadership framework</b> - the Audit Committee noted that the Associate Director of Paramedic Practice role has been appointed to.</p> <p>6b) <b>Adverse impact on clinical outcomes and operational performance due to inability to deliver the A&amp;E workforce plan and associated recruitment and training requirements</b> - the Audit Committee noted that further work is in progress on the A&amp;E workforce plan. However further consideration was required in relation to discussions with Unions on the workforce plan.</p> <p>6c) <b>Challenge to the delivery of key objectives due to ineffective staff engagement</b> – the Audit Committee noted the</p> |        |

|  | <b>Action</b> |
|--|---------------|
| <p>positive progress around the new intranet, Pulse and social media.</p> <p>The Committee acknowledged that further work is needed and ongoing in relation to the wider communications and engagement strategy.</p> <p><b>7a) Adverse impact on organisational performance and clinical outcomes due to significant events impacting on business continuity</b> - the Audit Committee noted there were no significant changes reported.</p> <p><b>8a) Deficit against planned financial outturn, eg due to contract penalties and non-delivery of CQUIN scheme</b> – the Audit Committee noted the risk issues around non-delivery of CQUINs, eg Paramedic Pathfinder, and winter funding. There is still no confirmation from the TDA re the final figure for the financial stretch target, 2014/15. The Committee also noted the risk needed to be updated around additional expenditure.</p> <p>BS queried the Trust’s funding for winter resilience.</p> <p>SP confirmed that Commissioners had been anticipating additional funding coming in from NHS England for NHS 111 but that was not now the case.</p> <p>AC commented that YAS was still pursuing the national winter funding through the TDA and looking outside the normal process, similar to winter funding for the NHS 111 national advertising campaign.</p> <p><b>707a - Corporate Risk Report</b><br/> BS questioned whether 707a - hand hygiene was a new risk, taken from the CQC report.<br/> SP explained that it was in the risk register but it had now been brought up to corporate level; that it is an escalation rather than a new entry.</p> <p>EM commented that membership of the Board contained several interim directors and was concerned this may prompt external scrutiny. SP stated that this had been mentioned by the TDA previously however YAS was in a better position now as there was only one interim, the interim Executive Director of Finance and Performance, albeit soon to be two, with an interim HR Director.</p> <p><b>Approval:</b><br/> <b>The Audit Committee noted the key risks and developments as outlined in the report and continued to be assured with regard to the effective management of risks.</b></p> |               |



|            |   | <b>Action</b>   |
|------------|---|-----------------|
| <b>6.0</b> | <p><b>Preparations for YAS Quality Account 2015-16</b><br/>BS queried whether this paper was for the Audit Committee to approve and asked whether the paper should go to TEG first.</p> <p>SP stated he was of the opinion that it was more for information than approval by the Audit Committee. YAS are trying to tighten up alignment of the Quality Account with the Annual Report process.</p> <p>BS highlighted that the document should be proof read at each stage before coming to Audit Committee and that it needed to go to Trust Management Group (TMG) and the Trust Executive Group (TEG) much earlier in the cycle.</p> <p><b>Action: SP to ensure that 2.5 read ‘limited scope’ not ‘limited assurance’; and reference was required to E&amp;Y performing the 2016 review.</b></p> <p><b>Approval:</b><br/><b>The Audit Committee noted the timeline for the development of the 2015/16 Quality Account.</b></p> | <b>2015/101</b> |
| <b>7.0</b> | <p><b>Quality Committee Risk Assurance Report</b><br/>BS commented that the paper provided a good summary regarding the risks relevant to the Quality Committee.</p> <p><b>Approval:</b><br/><b>The Audit Committee noted the update on Quality Committee discussions in relation to key risks and gained assurance from the update report that risks were being appropriately managed.</b></p>   |                 |
| <b>8.0</b> | <p><b>Charitable Funds Committee Risk Assurance Report</b><br/>EM provided a short verbal update to provide assurance on the management of risks within the remit of the Charitable Funds Committee.</p> <p>BS noted that the Committee’s annual report and the accounts required Board approval.</p> <p><b>Approval:</b><br/><b>The Audit Committee noted the update on Charitable Funds Committee discussions in relation to key risks and gained assurance from the update report.</b></p>   |                 |
| <b>9.0</b> | <p><b>Finance and Investment Committee Risk Assurance Report</b><br/>MW presented an update to provide assurance on the effectiveness of the Finance and Investment Committee (F&amp;IC) in assessing its plans, processes and controls pertaining to financial risk for the organisation.</p>  |                 |

|  | <b>Action</b> |
|--|---------------|
| <p>The Audit Committee noted that the F&amp;IC report continued to provide a financial risk commentary but not assurance as to the effective management of risks relevant to the F&amp;IC.</p> <p>It was agreed that future reports had to address this, including the expression of opinion similar to that at 3.21 in the Quality Committee report. It was also agreed that the F&amp;IC report needed to make reference to and provide assurance regarding relevant risks included in the Corporate Risk Register extract.</p> <p>MW stated that the Month 4 to date position was positive and forecasted £1.8m surplus at year end. The CIP plans were on track and delivering 114%.</p> <p>MW stated that, of the performance penalties which were assumed to be £2.5m, the Trust had already incurred £1.4m at month four. She noted, as more resource is put into A&amp;E, the risk of penalties should decline. The maximum penalties that could be levied are around £4m.</p> <p>Risk 3a) – the F&amp;IC had noted an inability to deliver performance targets and clinical quality standards link to CQUINS. The report showed clearly what is in the forecast, and that is was essentially deliverable.</p> <p>Risk 4a) – loss of income – the F&amp;IC had noted there was significant work with simulation software by Operational Research in Health (ORH), which was progressing at pace. It was confirmed, the licence was for the tool rather than a number of people.</p> <p>Risk 8a) – The F&amp;IC had noted that Cost Improvement Plans (CIPs) were delivering well at the moment. The main variance year to dated (YTD) was in respect of the A&amp;E Operational efficiency scheme due to performance issues.</p> <p>BS thanked MW for her update.</p> <p><b>Approval:</b><br/> <b>The Audit Committee noted the update on Finance &amp; Investment Committee discussions in relation to key risks and gained appropriate assurance from the report, subject to the comments in paragraph 3. above.</b></p> |               |
| <p><b>10.0</b></p> <p><b>Compliance with Audit Recommendations</b></p> <p>AC stated that progress on Audit recommendations continued to improve with a new process around TMG and graded reports by significance; that is those reports with ‘no assurance’, ‘limited assurance’ or ‘significant assurance’. Those with ‘no’ or ‘limited’ assurance were subject to a new process where they would be actioned for further follow up work to be reported back to TMG. This process aimed to provide assurance of future developments to</p>  |               |

|   | <b>Action</b>          |
|---|------------------------|
| <p>improve systems, processes, capacity or capability, as appropriate, to be received by TMG in order ensure improved assurances and any future audit outcomes. –</p> <p>BJ stated that the process of engagement with Internal Audit reports by TMG members has improved, with monthly reports to TMG and reports by exception.</p> <p>BS queried how slow an ‘amber’ had to be, before it went to ‘red’. BJ acknowledged the point, noting that individual items had a variety of influencing factors but ultimately any judgement had an element of subjectivity depending on the persons conducting a review.</p> <p>Following on from BS’ point, HR asked whether the Trust wanted to continue to reflect fairly old mitigating actions, and asked if they could be dropped.</p> <p>AC stated that where another audit superseded an old one, especially on long outstanding actions, this needed to be updated.</p> <p><b>Approval:</b><br/> <b>The Audit Committee noted the current status of outstanding audit recommendations.</b></p>  |                        |
| <p><b>11.1 For Assurance - Internal Audit Update</b></p> <p>BJ provided a progress update against the agreed Internal Audit (IA) plan along with outcomes of reviews recently undertaken. The meeting considered the report page by page and a long discussion took place.</p> <p>BJ referred to the performance dashboard and the profiling of the audit activity which had provided for slippage in quarter four if required.</p> <p>BS expressed concern that when audit reports were not flagged as ‘limited assurance’ there was a risk that they would be treated less seriously. One of the actions on the action log is to be clear as to why opinions are not expected/expressed because of the nature of the work.</p> <p><b>Action: RDT clarify which audits on the action log required no opinion’. It was noted that the action log had been amended as necessary.</b></p> <p>BS asked SP whether any changes to the audit plan were required if appropriate in light of issues raised by the CQC in its inspection report.</p> <p>SP confirmed that a review was underway to determine any necessary/appropriate changes.</p> | <p><b>2015/102</b></p> |

|  | <b>Action</b>          |
|--|------------------------|
| <p>BJ stated that the planned audit areas linked to CQC findings had been anticipated and was already incorporated in the audit plan 2016/17.</p> <p>BS requested that the Committee be provided at its January meeting with an update as to the proposed plans for internal audit activity in 2016/17, and noted that the Committee would need to review and approve the plans before the year end.</p> <p><b>Action: BJ to provide an update on the internal audit plan 2016/17 at the January meeting</b></p> <p><b>Limited Assurance Reviews</b></p> <p><b>Community &amp; Commercial Education</b></p> <p>BS stated that he believed that this report provided extremely limited assurance, and that it should not take an internal audit review to identify such weaknesses; that was the job of executive/line management.</p> <p>SP stated that the review had been targeted audit activity to provide an independent view in suspected problem areas already highlighted by management.</p> <p>BS commented, and other Committee members agreed, that recent internal audit reviews of some of the support functions seemed to result in the same tone/theme of adverse findings.</p> | <p><b>2015/103</b></p> |
| <p><b>Action: BS requested that DS attend the January meeting to explain the actions taken in respect of this and other internal audit reports relating to the directorate, and to provide assurance that management performance has been improved.</b></p> <p><b>Relocation Expenses</b></p> <p>BS stated, and other Committee members agreed, that this report also provide very limited assurance.</p> <p>It was noted that, where limited assurance audits are on the agenda, then the managers and responsible directors are on standby to attend.</p> <p><b>MARS Scheme</b></p> <p>BS stated, and the Committee agreed, that yet again this report provided very limited assurance</p> <p>EM stated that although it was a relatively new scheme there was an issue with lack of documentation internally.</p>   | <p><b>2015/104</b></p> |

|   | <b>Action</b>          |
|---|------------------------|
| <p><b>Action: DS and others to move forward quickly on rectification of MARS' documentation. CEO to be made of this.</b></p> <p><b>Significant assurance reviews</b></p> <p><b>Safety Alerts Process</b></p> <p>There were no comments in relation to the report.</p> <p><b>Financial Reporting – Board and F&amp;IC</b></p> <p>There were no comments in relation to the report.</p> <p><b>Leased Car Scheme</b></p> <p>BS noted that the report referred to incomplete documentation being kept – something which appeared to be a recurrent theme in the Trust.</p> <p>In the light of recent press coverage of discoveries within police forces, BS queried whether any non-operational YAS' staff had been allocated a car equipped with blue lights.</p> <p>SP replied that such vehicles were only provided to staff who were emergency responders. This was an area that was tightly managed. If a member of staff was to change role and a blue light vehicle was no longer applicable, then that vehicle would be withdrawn from that individual.</p> <p><b>Disciplinary and Grievance Processes</b></p> <p>BS questioned the 'significant assurance' rating attributed to this report/review in the light of there being a grade 2 audit finding.</p> <p>BJ explained that the rating of this audit result had been 'on the cusp'.</p> <p>BS stated that, in his view, if an audit opinion was on the cusp then it should be 'limited'.</p> <p>BJ stated that the opinion was an overall indicator which is underpinned by graded recommendations. The range of opinions provided is being reviewed in conjunction with RDT.</p> <p><b>Capital Charges and Asset Register</b></p> <p>BS stated that, in his opinion, the Asset register opinion was also borderline, between significant and limited. AC stated it was good practice that if more than one asset register existed they should be merged.</p> | <p><b>2015/105</b></p> |

|   | <b>Action</b>  |
|---|--|
| <p><b>ICT Strategy and Governance</b></p> <p>BS stated that, after reading the summary, he thought there were significant weaknesses identified and he did not feel significantly assured about this matter, commenting that this had been brought up before. He thought the report summary did not support a 'significant assurance' opinion:</p> <ul style="list-style-type: none"> <li>▪ Deficiencies in the ICT strategy</li> <li>▪ Limited consultation with Trust directorates</li> <li>▪ Gaps in the overarching governance framework</li> <li>▪ Reference to the ICT Strategy Group, that was disbanded some months ago</li> </ul> <p>SP stated that this audit report needs to go to TEG to be addressed. It was noted the ICT Strategy Group had ceased to exist when this report was issued and clearly more management attention needed to be focussed.</p> <p>BJ stated that she would go back to the authors as they had agreed the report actions, outcomes and recommendations.</p> <p>After gaining the opinions of Committee colleagues, BS stated that the Audit Committee was not assured by this report.</p> <p><b>Action: BJ to go back to the ICT Strategy and Governance report's authors to confirm queries in respect of the recommendations and actions.</b></p> <p><b>Action: SP to bring the ICT Strategy and Governance report to the attention of TEG</b></p> <p><b>Action: ICT Strategy and Governance report to be presented to the January Audit Committee meeting to provide assurance regarding improved risk management in ICT.</b></p> <p><b>Contract Quality</b></p> <p>There were no comments in relation to the report.</p> <p><b>Reviews not attracting an assurance level</b><br/><b>Occupational Health and Absence Management Follow-up</b></p> <p>BS reiterated his frustration that a report such this did not carry an assurance level rating. With eight adverse findings, including a grade 2 finding, he believed an assurance rating would help to focus management attention on the need for action.</p> | <p></p> <p></p> <p></p> <p></p> <p><b>2015/106</b></p> <p><b>2015/107</b></p> <p><b>2015/108</b></p> <p></p> <p></p> <p></p> |

|  | Action   |
|--|----------|
| <p><b>Management of Tenancies – Follow Up</b></p> <p>BS asked when this stopped being a ‘follow up’ and became a re-audit. He noted that the report identified eight areas of continuing weakness, including four assessed as being grade 2. He suggested that such a result would be of significant concern from an initial audit and all the more so from a follow-up review.</p> <p>BJ explained the varied approach to follow-up work alongside the Trust processes.</p> <p>BS stated that the lack of progress on the audit recommendations was unacceptable.</p> <p>AA queried if action had been taken around the individual who is managing that area.</p> |          |
| <p><b>Action: BS asked for a robust assurance Management of Tenancies – Follow Up report covering the issues and the root cause to be produced at the next meeting confirming that all issues have been addressed.</b></p>   | 2015/109 |
| <p><b>Service Transformation (Report Extract)</b></p> <p>BJ confirmed the full report had been shared with MW. There were no other comments.</p>   |          |
| <p><b>Action: TEGT to follow up Service Transformation report extract.</b></p>   | 2015/110 |
| <p><b>Rota Implementation Report</b></p> <p>SP stated that TEG was conscious of the issues, lack of clarity, and that milestones have slipped.</p>   |          |
| <p><b>Action: BJ to assign satisfactory/unsatisfactory flag in lieu of opinion</b></p>   | 2015/111 |
| <p><b>Action: SP to feedback on issues arising from the Rota Implementation Report</b></p>   | 2015/112 |
| <p><b>Capacity Building and Management – Succession Planning</b></p> <p>BJ stated that this piece of work was in last year’s plan and had taken a long time to obtain information.</p> <p>BJ stated she had sent the whole report to SP and that she had not given an assurance level on the basis of the limited information available in this developing area.</p>   |          |

|                    |   | <b>Action</b>          |
|--------------------|---|------------------------|
|                    | <p>JN stated that looking at the talent process entailed questioning had the Trust got the skill set required, and the management aptitude. The Trust needed the right management habits from, strong health professionals with the right leadership qualities.</p> <p><b>Approval:</b><br/> <b>The Audit Committee noted, with some concern, the varying levels of assurance provided by recent Internal Audit activity.</b></p>   |                        |
| <p><b>11.2</b></p> | <p><b>For Assurance - Internal Audit Reporting Formats</b><br/> BS informed the committee that in the interest of time this item would be deferred and responses provided outside of the meeting. JN stated that he had found the report on this agenda easier to read in portrait style.</p> <p><b>Action: Comments pertaining to the Internal Audit Reporting Formats' report to be fed back to BS ASAP.</b></p> <p><b>Approval:</b><br/> <b>The Audit Committee did not consider the options at this meeting and noted comments on the future formatting of the report.</b></p>  | <p><b>2015/113</b></p> |
| <p><b>11.3</b></p> | <p><b>For Assurance - Anti-Fraud Progress Report</b><br/> In the absence of SF (Counter Fraud Specialist), BJ updated the Audit Committee on work undertaken against the Fraud Plan and NHS Protect Standards.</p> <p>BS commented on the issue of staff working elsewhere whilst off sick, and the need to pursue and be seen to pursue alleged and actual perpetrators to 'set the tone', even if it takes time to recover cash.</p> <p>AC suggested that this could be highlighted through newsletters, and a 'fraud stand' making a specific point around working whilst sick.</p> <p>The Committee agreed an update on a clear, consistent, robust way of dealing with issues of staff working whilst on sick leave was required.</p> <p><b>Action: Clarification from HR at the next meeting on robust management process of staff working while on sick leave</b></p> <p><b>Approval:</b><br/> <b>The Audit Committee received the latest Anti-Fraud Progress Report for information/discussion.</b></p> | <p><b>2015/114</b></p> |



|             |   | <b>Action</b>   |
|-------------|---|-----------------|
| <b>12.0</b> | <p><b>For Assurance – Review of Internal Audit Effectiveness</b><br/>BS stated that the report contained useful information and a date needed to be set for the Audit Committee members to give their views on the Internal audit plan going forwards.</p> <p><b>Action: RDT to consolidate views and feedback to BJ</b></p> <p><b>Approval:</b><br/><b>The Audit Committee noted the report provided by Internal Audit.</b></p>  | <b>2015/115</b> |
| <b>13.0</b> | <p><b>For Information &amp; Assurance: 2015/16 Manual for Accounts</b><br/>AC stated that there had been no key changes, and that other minor matters had been picked up and the report updated.</p> <p>AC noted that the Charitable Fund accounts had previously been prepared under the UK GAAP; after 31 March 2016 YAS must decide whether to prepare accounts under the Financial Reporting Standard for Smaller Entities (FRSSE) or the Financial Reporting Standard applicable in the UK (FRS 102).</p> <p><b>Approval:</b><br/><b>The Audit Committee noted the content of the report.</b></p>  |                 |
| <b>14.1</b> | <p><b>For Assurance: SFI Waivers and Contract Award Activity over £100,000</b><br/>BS asked whether there were any comments on the paper.</p> <p>MW stated that the F&amp;IC reviews procurement, and that there are significant assurance processes around this area.</p> <p><b>Approval:</b><br/><b>The Audit Committee noted the report as a true representation of high value contracts and STW activity.</b></p>   |                 |
| <b>14.2</b> | <p><b>For Approval: Review of Standing Financial Instructions/Standing Orders Matrix</b><br/>NC stated that the Audit Committee had previously requested an Assurance Matrix to provide assurance on compliance with Standing Financial Instructions (SFI's) and Standing Orders (SOs). He said an attempt was made at this some time ago by the previous Financial Controller. However, it was thought too large and cumbersome to maintain up to date. An alternative model has therefore been brought to Committee today for discussion and approval as a format going forward.</p> <p>NC stated that the report was still in the discussion stage and was very much a proposal and still requires updating to be fit the purpose.</p> |                 |

|   | <b>Action</b>  |
|---|--|
| <p>BS stated that looking at the document, the management column should be first as it helped to reinforce the message of who was responsible.</p> <p>MW stated that the report had migrated a bit from the brief and reflected on the conversation there had been around process, mapping assurance to risk, to performance. It was acknowledged there was a lot of work to join up all these aspects.</p> <p>BS agreed with MW's statement and added that he could not tell if anything significant was missing. NC stated that the drive behind the Committee request was that there was a concern that adequate provision of assurance on SFI and SO compliance was not there. BS reiterated that the first level of consideration was the Board and management followed by external assurance to top up. If the complete list could be mapped against management actions, Executive Board controls etc, the question remained what external assurance was available?</p> <p>BS recognised that this was a big piece of work but that it would be helpful if an updated version could be brought to the January meeting. He also thought that this piece of work may be a suitable candidate for some kind of workshop.</p> <p><b>Action: BJ to talk to NC to feed in extra dimensions to the Review of Standing Financial Instructions/Standing Orders Matrix</b></p> <p><b>Action: RDT to provide paper to TEG and TMG on the Review of Standing Financial Instructions/Standing Orders Matrix</b></p> <p><b>Action: AC to provide paper to January Audit Committee meeting on the Review of Standing Financial Instructions/Standing Orders Matrix</b></p> <p><b>Approval:</b><br/> <b>The Audit Committee confirmed that the format of the Assurance Matrix met requirements and noted that the presentation of an up to date and complete matrix to the Committee would be made on a twice yearly basis.</b></p> | <p></p> <p><b>2015/116</b></p> <p><b>2015/117</b></p> <p><b>2015/118</b></p> |
| <p><b>14.3</b> <b>Review of Suspension of Standing Orders</b><br/> AA confirmed that there had been no suspension of Standing Orders since the last Audit Committee meeting.</p>  |  |
| <p><b>15.0</b> <b>For Assurance: Review of Schedules of Losses and Special Payments</b><br/> The Audit Committee considered the Summary of Losses and Special Payments arising in the first five months of the 2015/16 financial year to 31/08/2015.</p>  |  |

|      |   | <b>Action</b>   |
|------|---|-----------------|
|      | <p><b>Approval:</b><br/> <b>The Audit Committee noted the report of Losses and Special Payments made to the end of August 2015.</b></p>   |                 |
| 16.0 | <p><b>For Assurance: Review of Register of Members' Interests</b><br/> AA asked the Committee to note that the entry for Alex Crickmar (former Interim Executive Director of Finance &amp; Performance) had been moved to the archive section of the Register as being no longer a member of the Trust Board. Robert Toole had been added to the Register as the Interim Executive Director of Finance &amp; Performance.</p> <p>BS suggested and it was agreed that in future all Members should provide positive confirmation to AA that their entries are accurate and complete rather than a 'silence means agreement' approach.</p> <p><b>Approval:</b><br/> <b>The Audit Committee was assured of the record, at Appendix A, as a true representation of the Register of Members Interests up to and including 24 September 2015.</b></p> |                 |
| 17.0 | <p><b>For Assurance: Assurance regarding Raising Concerns at Work Arrangements.</b><br/> 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, adding that he had received written and verbal confirmation through all of the normal channels that no notifications had been received since the July Audit Committee meeting.</p>  |                 |
| 18.0 | <p><b>For Assurance: Review of Meeting Actions &amp; Quality Review of Papers</b><br/> BS thanked everyone for their time and contributions and invited comments from those present.</p> <p>BS stated that comments about the meeting would be gratefully received either now or later, outside the meeting.</p> <p><b>Action: BS asked colleagues to consider the options presented on internal audit progress reports and feedback.</b></p> <p>BS thanked everyone for their attendance and the meeting closed at 1330 hours.</p>   | <b>2015/119</b> |
|      | <p><b>Date and Location of Next Meeting:</b><br/> 7 January 2016, 0900-1300</p>   |                 |

**CERTIFIED AS A TRUE RECORD OF PROCEEDINGS**

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

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