



Additional Audit Committee

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

Date: Tuesday 23 May 2019

Time: 0845 hours

Chairman:

Stan Hardy (SH) Chairman of Audit Committee and Non-Executive Director

Membership:

Stan Hardy (SH) Chairman of Audit Committee and Non-Executive Director

Tim Gilpin (TG) Deputy Chairman/Non-Executive Director

John Nutton (JN) Non-Executive Director

Anne Cooper (AC) Non-Executive Director

Apologies:

John Nutton (JN) Non-Executive Director

Phil Storr (PS) Associate Non-Executive Director

In Attendance:

Rod Barnes (RB) Chief Executive

Mark Bradley (MB) Executive Director of Finance

Steve Page (SP) Executive Director of Quality, Governance and Quality Performance/Deputy Chief Executive

Perry Duke (PD) Head of Financial Services

Hassan Rohimun (HR) Executive Director, Ernst & Young

Claire Mellons (CM) Senior Manager, Ernst & Young

Ian Wallace (IW) Managing Director, Audit One

Wayne Brown (WB) Group Audit Manager, Audit One

Minutes produced by: (JL)

Joanne Lancaster, Executive Coordinator

		Action
	The meeting commenced at 0845 hours.	
1.0	<p>Introduction and Apologies</p> <p>SH welcomed everyone to the meeting and apologies were noted as above.</p> <p>SH stated that, in order to maximise the time available for discussion, he would work on the presumption that all papers had been read.</p>	

		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>Head of Internal Audit Opinion WB presented the Head of Internal Audit (IA) Opinion Statement for 2018/19 which provided an overall opinion on work completed in the period and which informed the Trust's Annual Governance Statement.</p> <p>WB referenced the overall Internal Audit Opinion:</p> <p><i>'From my review of your systems of internal control, I am providing good assurance that there is a sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.'</i></p> <p>The basis of the Internal Audit Opinion was noted which included:</p> <ul style="list-style-type: none"> • An assessment of the design and operation of the underpinning Assurance Framework and supporting processes for governance and the management of risk; • An assessment of the range of individual opinions arising from audit assignments, contained within risk-based plans that had been reported throughout the year. This assessment had taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses; • Brought forward Internal Audit assurances; • An assessment of the organisation's response to Internal Audit recommendations; • Consideration of significant factors outside the work on Internal Audit. <p>WB advised that attached at Appendix A of the report was a summary of work undertaken by Internal Audit with the following noted:</p> <ul style="list-style-type: none"> • 4 Audits with substantial assurance; • 10 Audits with good assurance; • 2 Audits with reasonable assurance; • 1 Audit with limited assurance. <p>SH, on behalf of the Committee, thanked WB for the work that he and his team had carried out during the year.</p> <p>Approval: The Audit Committee received and accepted the Head of Internal Audit Opinion Statement for the year ending 31 March 2019.</p>	

		Action
3.1	<p>For Approval: Annual Governance Statement 2018/19 RB introduced the Annual Governance Statement (AGS) for the financial year 2018/19. The report had been considered by the Trust Executive Group, Trust Management Group and relevant Committees.</p> <p>The report outlined the responsibilities of the Accountable Officer (RB), the Board of Directors and the Trust’s Executive and Management teams.</p> <p>The most significant risks to the strategic objectives identified in 2018/19 were noted:</p> <ul style="list-style-type: none"> • Inability to deliver national performance targets and clinical quality standards; • Lack of capacity and capability to deliver and manage change including delivery of cost improvement programmes; • Inability to deliver the plan for integrated patient care services owing to multiple service tenders; • System wide lack of availability of workforce and impact ability of changes to funding streams on provision of education and training; • Ineffective strategies for leadership and engagement and a developed organisational culture; • Impact of external system pressures and changes in wider health economy; • Ineffective joint working between corporate teams and operational service lines. <p>Other risks recorded in the Board Assurance Framework 2018/19 were:</p> <ul style="list-style-type: none"> • Ineffective strategies for the promotion of wellbeing; • Financial performance that failed to deliver the Control Total in the context of the financial status of wider health economy and national drivers. <p>Mitigation plans were in place for each of these principal risks and the Audit Committee had scrutinised the controls and assurances as part of its annual work programme through reports from accountable Executive Officers.</p> <p>There were a number of operational risks with a potential impact on the strategic goals which had continued during the year and had required additional management action:</p> <ul style="list-style-type: none"> • The delivery of the national performance standards for the Ambulance Response Programme (ARP) with a number of mitigations put in place to help the Trust achieve delivery: <ul style="list-style-type: none"> ○ The transition to Double Crewed Ambulances (DCAs) from Rapid Response Vehicles (RRVs); 	

	Action
<ul style="list-style-type: none"> ○ A Low Acuity Transport model developed to ease the pressure on 999 response times; ○ Within the Emergency Operations Centre (EOC) a focus on increasing hear and treat rates and a functional redesign; ● Retention and training of staff continued to be a risk with mitigations put in place: <ul style="list-style-type: none"> ○ Embedding the clinical career framework; ○ Through the Capacity and Capability Programme Board the Trust was developing an integrated and sustainable workforce plan and model that aligned with wider system requirements; ● The Trust had secured the Integrated Urgent Care tender; ● There remained challenges relating to leadership and engagement and the Trust continued to focus on developing mechanisms for robust staff communications and engagement. The Leadership in Action development programme had been rolled out across the organisation. Work continued on supporting constructive relationships with all of the key trade unions; ● The Patient Transport Service (PTS) had successfully retained contracts over the year for large areas of the geography and an extension to the contract in West Yorkshire was close to finalisation. <p>It was noted the Trust had made good progress with ARP and in March 2019 YAS had achieved all of the national standards with the exception of category 4.</p> <p>Three issues had been highlighted during the year as a result of the Internal Audit programme in aspects of:</p> <ul style="list-style-type: none"> ● Fixed assets – significant work had been undertaken by the Trust to rectify this; ● Attendance management – the Trust was introducing a new absence management system to support the attendance management process going forward; ● Controlled Drugs Audit – the Trust would be addressing recommendations from this recently published report. <p>The Board continued to receive information relating to significant issues and risks through the Board Assurance Framework.</p> <p>The Trust was in a strong financial position having achieved the Control Total for 2018/19.</p> <p>In terms of Information Governance there had been no breaches which had required the Information Commissioners intervention. The Trust’s annual self-assessment against the new DSP Toolkit was completed at the end of March 2019. For 2018/19 YAS declared an overall rating that was in line with last year’s compliance level overall.</p>	

	Action
<p>SP advised that there were two additional documents other than the Annual Governance Statement 2018/19 to sign during the Public Meeting relating to this item:</p> <ul style="list-style-type: none"> • Provider Declaration – Condition G6; • Provider Declaration – Condition FT4. <p>These were set out in the NHSI guidance of March 2018. There was a requirement to certify against two conditions in relation to the Provider Licence irrespective of the fact that as an NHS Trust YAS was exempt from requiring the provider licence.</p> <p>SH commented on the comprehensiveness of the document which highlighted the complexity of the organisation.</p> <p>Approval: The Audit Committee received, accepted and supported the Annual Governance Statement 2018/19, prior to its endorsement by the Board.</p>	
<p>3.2 For Approval: Annual Report & Accounts 2018/19 (and associated statutory returns)</p> <p>RB introduced the item and stated that the Annual Report emphasised the significant amount of work that was taking place within the Trust.</p> <p>MB advised that a meeting had taken place with the Non-Executive Directors the previous week where the 2018/19 Accounts had been discussed in detail.</p> <p>The Statement of Comprehensive Income for the year ended 31 March 2019 was highlighted which showed the Trust had an underlying surplus of £3.7m at the year-end and received from NHS Improvement PSF of £5.6m giving a total year end position surplus of £9.3m.</p> <p>MB confirmed that the Trust had met all statutory duties for the year.</p> <p>SH thanked all those involved in the preparation of the Annual Report and Annual Accounts for their hard work.</p> <p>Approval: The Audit Committee was sufficiently assured of the accuracy and completeness of the 2018/19 Annual Report and Accounts 2018/19 to recommend that they be approved and signed by the Board.</p>	
<p>3.3 For Approval: Assessment of Post Balance Sheet Events</p> <p>MB confirmed that there were no Post Balance Sheet events for consideration that could or would result in adjustments to the Annual Disclosure Statements.</p>	

		Action
	<p>HR confirmed there were no issues identified by the External Audit review.</p> <p>Approval: Subject to final completion of the Annual Accounts, the Audit Committee was satisfied that no adjusting events had occurred.</p>	
3.4	<p>Letter of Representation to External Audit MB presented the Letter of Representation to be submitted to the External Auditors with respect to the 2018/19 Annual Accounts.</p> <p>Approval: The Audit Committee approved the content of the Letter of Representation, to be issued to the Auditors on 23 May 2019.</p>	
3.5	<p>Annual Governance Report to Those Charged with Governance (ISA260) HR provided assurance that the Trust had received a clean external audit report. He confirmed that the Trust had received an unqualified audit opinion on the financial statements in the form that appeared in Section 3. There were no matters to report regarding the Trust's arrangements to secure economy, efficiency and effectiveness in the use of its resources.</p> <p>HR guided the Committee through the report which included significant risks, Audit Report, Audit Differences, Value for Money, Other Reporting Issues, Assessment of Control Environment, Data Analytics, Independence and Appendices.</p> <p>HR confirmed that under the 'Assessment of Control Environment' that no issues had been identified other than those already highlighted though Internal Audit however he did highlight the issue with the reconciliation of assets which he understood the Trust was in the processing of rectifying.</p> <p>The respective leads and SH thanked both teams for their mutual support and cooperation in the process.</p> <p>Approval: The Audit Committee was assured by the report subject to the amendments outlined and recommended that it go forward to the Trust Board for approval.</p>	
3.6	<p>For Approval: Quality Account 2018/19 SP presented the draft 2018/19 Quality Account for review prior to it being presented for approval by the Board. It was confirmed this was a statutory report and formed part of the Annual Report.</p> <p>The draft document including the 2019/20 Priorities for Improvement had been widely consulted on with internal and external stakeholders.</p>	

		Action
	<p>The Quality Account was a mandated requirement of all healthcare providers and was published annually. It described the quality of care and services and also highlighted the priorities for quality improvement for the forthcoming year.</p> <p>SP stated that the final draft included, overall, favourable comments and feedback from various internal and external stakeholders.</p> <p>There had been several positive developments across the Trust including the participation in Clinical Audit 2018/19, Research and Innovation and Quality Improvement.</p> <p>It was confirmed that subject to the approval of the Board later that day, the Quality Account would be sent to the Secretary of State and published on NHS Choices website on 29 June 2019. It would also be published on the Trust's intranet and website alongside an 'easy read' version.</p> <p>Approval: The Audit Committee received and accepted the final draft of the 2018/19 Quality Account for onward approval by the Board.</p> <p>MB noted his formal thanks to the finance and wider teams for their hard work during the production of the year-end Accounts and to Ernst and Young for their work on External Audit.</p> <p>SH reiterated his thanks to all for a smooth process and meeting.</p> <p>The meeting closed at 0925 hours.</p>	
4	<p>Date and Location of Next Meeting: 11 July 2019 Kirkstall and Fountains, Springhill 1, WF2 0XQ.</p>	

CERTIFIED AS A TRUE RECORD OF PROCEEDINGS

_____ **CHAIRMAN**

_____ **DATE**