



Report Title	Audit and Risk Committee Report	
Author	Andrew Chang, Non-executive Director and Chair of Audit and Risk Committee	
Accountable Director	Kathryn Vause, Executive Director of Finance	
Previous committees/groups	N/A	
Recommended action(s)	Assurance/Information	
Purpose of the paper	The report provides highlights of the Audit and Risk Committee to provide assurance to the Trust Board	
Executive Summary		
The report provides highlights of the Audit and Risk Committee to provide assurance to the Trust Board.		
The paper aims to update the Board on discussions taking place to reduce the risks set out in the Board Assurance Framework.		
Recommendation(s)	The Board are asked to note the contents of the report.	
Link to Board Assurance Framework Risks (board and level 2 committees only)	12. Secure sufficient revenue resources and use them wisely to ensure value for money. 10. Act as a collaborative, integral, and influential system partner.	

## Report from: Audit and Risk Committee

Date of the meetings: 29 April 2025

### Key discussion points and matters to be escalated from the discussion at the meeting:

#### Alert:

The Committee received and considered two "Limited Assurance" internal audit reports:

#### **Data quality: patient ethnicity and health inequalities**

Within EPR, data collected on patient ethnicity, learning disability and accommodation status lacked completeness.

#### **Controlled Drugs (revisit)**

The governance structure was not always in line with reporting identified in the Medicines Optimisation Policy. Reports did not contain sufficient evidence to demonstrate compliance with the processes for managing controlled drugs. Medicines Optimisation Group meetings were not held in line with its Terms of Reference; agenda items and reports received did not always align with those identified in its work plan.

All Internal audit recommended management actions have been agreed for implementation.

#### Advise:

The Committee:

- Approved the 2025/26 Internal Audit Plan and the Counter Fraud, Bribery and Corruption Plan.
- Approved the external audit plan for the review of the annual report and accounts for 2024/25 including the audit fee of £113,850 (excluding VAT). The fee is in line with the provisions of the Bishop Fleming tender.
- Approved the Financial Year-End Timetable as well as the revised Accounting Policies and Notes to be used in preparing the Accounts, including the Going Concern Policy.
- Approved its revised Terms of Reference (attached) and recommends it for approval by the Trust board.
- Noted that there were no new Strategic risks since the previous ARC meeting and that the highest Corporate Risk is Risk 623: Hospital Handover (South) – 25 (high risk)
- Noted that three new corporate risks have been opened:
  1. Risk 677: Exporting to PDF of CAD incident logs (15, High Risk) [since closed]
  2. Risk 678: Trade Union engagement with workforce policies (12, Moderate Risk)
  3. Risk 633: Fleet Availability – North and East (16, High Risk).
- Noted that existing corporate risk Risk 669: Associate Ambulance Practitioner Apprentices passed planned end date, increased from 12 to 16.
- Was advised of two emerging risks:
  1. EV charging points across the Trust - Whilst the Trust has adequate capacity currently available for existing fleet, there is a potential risk that as the EV fleet increases in line with sustainability requirements it will not be able to adequately charge the fleet. Estates and Fleet is assessing the expected numbers within fleet and the plan for increasing charging facilities.

- Intelligent routing platform (IRP) – The IRP is used across the NHS to ensure at times of increased pressures when calls cannot be answered within 120 seconds, they are re-routed to another Ambulance Service to handle the call. This platform is currently commissioned and funded by NHSE on behalf of the sector. NHSE planned to decommission the service at the end of March 2025. They have agreed to extend to end June 2025, and through AACE the sector continues to challenge this decision, which we believe will result in patient harm. Mitigations are likely to lead to costs being incurred by Trusts. Reviewed and commented on the early draft Annual Governance Statement (AGS) 2024/25. The revised AGS will be brought to the Trust board for approval in the summer.

#### Assure:

##### The Committee:

- Received and noted "Significant Assurance" internal audit report summaries on:
  - Fit and Proper Person Test
  - Compliance with the NHS Code of Governance
  - Budget Setting, Reporting and Monitoring
  - Infection Prevention Control.
- Noted the continued improved position on Overdue Management Actions.
- Received and noted the "Significant Assurance" Interim Head of Internal Audit Opinion.
- Considered progress against: the 2024/25 Internal Audit Plan including performance against agreed key performance indicators; and the 2024/25 Counter Fraud, Bribery and Corruption Plan.
- Received assurance reports from the Quality Committee, Finance and Performance Committee and the People Committee.
- Received and considered assurance reports on Losses and Special Payments, and Single Tender Waivers, Direct Awards and Contracts Awarded over the £139k threshold.
- Noted the completion of actions arising from the 2023/24 self-assessment of compliance with the NHS Code of Governance.
- Noted the results of a self-assessment survey of the Committee based on the HFMA's 2024 NHS Audit Committee Handbook.

##### **Risks discussed:**

As listed above.

##### **New risks identified:**

N/A

**Report completed by: Andrew Chang, Committee Chair**

**Date: 5 May 2025**

#### **APPENDIX A Audit and Risk Committee Terms of Reference**

## **COMMITTEE TERMS OF REFERENCE**

### **THE AUDIT AND RISK COMMITTEE**

Approved by Committee	29 April 2025
Approved by Board of Directors	

# **The Audit and Risk Committee**

Draft Terms of Reference 2025/26

## **1.0 CONSTITUTION**

- 1.1 The Audit and Risk Committee (the Committee) is a standing Board Committee that has been formally constituted by the Board of Directors of the Yorkshire Ambulance Service NHS Trust (the Trust) in accordance with its Standing Orders (4.6.1)
- 1.2 The Scheme of Powers Delegated by and Reserved to the Board, the Scheme of Financial Delegations, and the Standing Financial Instructions of the Trust will apply to the work of the Committee.

## **2.0 AUTHORITY**

- 2.1 The Committee is authorised by the Board of Directors to act within its terms of reference and will be provided with Trust resources to do so. All members of Trust staff are directed to co-operate with any request made by the Committee.
- 2.2 The Committee has no executive powers other than those set out in these Terms of Reference.
- 2.3 The Committee has the right of access to all information that it deems relevant to fulfil its duties. This may require any Trust colleague to attend a meeting of the Committee to present information or to answer questions on a matter under discussion.
- 2.4 The Committee is authorised by the Board of Directors to instruct professional advisors and request the attendance of individuals and authorities from outside of the Trust with relevant experience and expertise if it considers this necessary.
- 2.5 The Committee is authorised to meet via virtual / remote arrangements if it deems this to be necessary.
- 2.6 The Committee is authorised, in exceptional circumstances, to conduct discrete business outside its scheduled meetings where it is not practicable to convene a full meeting.

## **3.0 PURPOSE AND DUTIES**

- 3.1 The purpose and duties of the Committee are consistent with the NHS Audit Committee Handbook (HFMA) and other relevant guidance for public sector audit and risk committees.

### 3.2 The purpose and duties of the Committee are to:

- Review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the Trust's objectives.
- Ensure that there is an effective internal audit function that meets the mandatory Public Sector Internal Audit Standards and provides appropriate independent assurance to the Chief Executive, this Committee, and the Board.
- Review the work and findings of the external auditors and consider the implications and management responses to their work.
- Review the work of other committees within the organisation whose work can provide relevant assurance to the Committee's scope of work. This will include the review of assurances provided to the Committee by the Quality Committee, the Finance and Performance Committee, and the People Committee.
- Review the findings of other significant sources of assurance, both internal and external to the organisation, and consider the implications of these for the governance, risk management and internal control of the organisation.
- Satisfy itself that the organisation has adequate arrangements in place for countering fraud and review the outcomes of counter fraud work.
- Monitor the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance.
- Ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to the completeness and accuracy of the information provided to the Board. A primary source of assurance in this regard shall be the Finance and Performance Committee.

## 4.0 RESPONSIBILITIES

### 4.1 Risk Management and Internal Control

4.1.1 The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the Trust's objectives. In particular, the Committee will review the adequacy and effectiveness of:

- All risk and control related disclosure statements. In particular these will include the Annual Governance Statement, Board memoranda and self-certification statements to regulators, and declarations of compliance with the NHS Code of Governance and the Essential Standards of Quality and Safety, together with any accompanying Head of Internal Audit Opinion,

External Audit opinion, and other appropriate independent assurance, prior to endorsement by the Board;

- Fitness for purpose of the Board Assurance Framework and the system of risk management in the organisation, the effectiveness of governance arrangements, and the appropriateness of evidence that shows how the organisation is fulfilling its regulatory requirements.
- The statements contained within the Quality Account, together with review of any associated external audit assurance opinion as directed by NHS England;
- The underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks, and the appropriateness of the above disclosure statements;

4.1.2 In carrying out this work the Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these sources. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness. This will be evidenced through the Committee's use of an effective assurance framework to guide its work and that of the audit and assurance functions that report to it.

## **4.2 Internal Audit**

4.2.1 The Committee shall ensure that there is an effective internal audit function established by management that meets the mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Committee, Chief Executive, and the Board. This will be achieved by:

- Consideration of the provision of an Internal Audit service, the tendering procedure for any change in audit provider, the cost of the audit service and any questions of resignations and dismissal of internal auditors;
- Review and approval of the Internal Audit strategy, the annual Internal Audit plan and more detailed programmes of work as required, ensuring that this is consistent with the audit needs of the organisation as identified in the assurance framework;
- Consideration of the major findings of internal audit work and management response thereto, including seeking assurance regarding the timely and appropriate response to recommendations arising from internal audit work.
- Consideration of the Head of Internal Audit Opinion and management response thereto.
- Ensuring appropriate coordination between internal and external audit work to optimise the effective and efficient use of audit resource;

- Ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisation; and
- Undertaking an annual review of the effectiveness of Internal Audit.

### **4.3 External Audit**

4.3.1 The Committee shall review the work and findings of the External Auditor and consider the implications of and management responses to their work. This will be achieved by:

- Through the establishment of the Auditor Panel in accordance with Standing Orders (4.6.2), recommend to the Board of Directors the appointment of the external auditor.
- Discussion and agreement with the External Auditor, before audit work commences, of the nature and scope of the audit as set out in the Annual Plan, and ensure coordination as appropriate, with other External Auditors in the local health economy;
- Discussion with External Auditors of their local evaluation of audit risks and assessment of the Trust and associated impact on the audit fee;
- Ensuring appropriate coordination between internal and external audit work to optimise the effective and efficient use of audit resource;
- Approve the Annual Plan and associated fees;
- Review all external audit reports, including agreement of the annual audit letter before submission to the Board and any work carried outside the Audit Plan, together with the appropriateness of the management response;
- Consideration of the major findings of internal audit work and management response thereto, including seeking assurance regarding the timely and appropriate response to recommendations arising from internal audit work.
- Development and implementation of a policy or other appropriate means of internal control regarding the engagement of the External Auditor to supply non-audit services, taking into account relevant ethical guidance and in context of the role of the Auditor Panel to advise the Board on the selection and appointment of the External Auditor;
- Undertake an annual review of the effectiveness of the External Auditor.

### **4.4 Other assurance functions**

4.4.1 The Committee shall review the findings of other significant sources of assurance, both internal and external. These may include but are not limited to:



- Any reviews by the Department of Health and Social Care's Arm's Length Bodies or Regulators/Inspectors, e.g. the Care Quality Commission, NHS England.
  - Any reviews by other government departments or regulatory bodies (e.g. Office of the Information Commissioner; Office of the National Guardian; Health and Safety Executive, Ofsted)
  - Professional Bodies with the responsibility for the performance of staff (e.g. Royal Colleges, accreditation bodies etc.)
- 4.4.2 The Committee will review the work of other Board Committees in the Trust, whose work can provide relevant assurance to this Committee's own scope of work. In particular, this will include the review of assurances provided to the Committee by the Quality Committee, the Finance and Performance Committee, and the People Committee.

#### **4.5 Management reports and assurance**

- 4.5.1 The Committee will request and review reports and assurances from directors and managers of the organisation regarding the overall arrangements for governance, risk management and internal control.
- 4.5.2 The Committee may request specific reports from individual functions within the organisation as it may deem to be appropriate.

#### **4.6 Financial reporting**

- 4.6.1 The Committee will monitor the integrity of the financial statements of the organisation and any formal announcements relating to the Trust's financial performance.
- 4.6.2 The Committee will ensure that the systems for financial reporting to the Board of Directors, including those of budgetary control, are subject to review as to the completeness and accuracy of the information provided to the Board of Directors.
- 4.6.3 The Committee will review the Annual Report and Financial Statements before submission to the Board of Directors
- 4.6.4 The Committee will review the Annual Governance Statement and other disclosures relevant to the terms of reference of the Committee.
- 4.6.5 The Committee will review changes in, and compliance with, accounting policies, practice, and estimation techniques, including the following:
- Unadjusted misstatements in the financial statements;
  - Significant judgements made in the preparation of the financial statements;
  - Significant adjustments resulting from the annual external audit;

- The letter of management representation to external audit; and
- Qualitative aspects of financial reporting.

#### **4.7 Standing Orders and Standing Financial Instructions.**

##### **4.7.1 The Committee will:**

- Seek assurance regarding compliance with the organisation's Standing Orders and Standing Financial Instructions.
- Consider any proposed changes to the organisation's Standing Orders and Standing Financial Instructions, prior to presentation to the Board of Directors for approval.
- Review schedules of losses and special payments and make recommendations as required to the Board of Directors.
- Review retrospectively every decision to suspend the Standing Orders of the organisation.
- At least once every twelve months, review the Register of Interests of the Board of Directors as maintained by the Chief Executive.
- If so directed by the Board of Directors, conduct a detailed review of annual or period budgets including proformas prepared for the Department of Health and Social Care, but these are to be returned to the Board of Directors for approval.
- Receive reports from the Charitable Funds Committee regarding governance, risk management, control, audit, and financial reporting matters.

##### **4.7.2 Consider any other matters of financial accountability, probity, compliance, and/or value for money as and when requested by the Board of Directors.**

##### **4.7.3 Other matters may be considered when directed to do so by the Board of Directors.**

#### **4.8 Counter Fraud**

##### **4.8.1 The Committee will:**

- Satisfy itself that the organisation has adequate arrangements in place for counter fraud, bribery, and corruption, which meet the NHSCFA's standards, and shall review the quality of work in these areas.
- With regards to the local counter fraud specialist, review, approve and monitor counter fraud work plans, receiving regular updates on counter fraud activity, monitor the implementation of action plans and discuss NHSCFA quality assessment reports.

#### **4.9 System for Raising Concerns**

##### **4.9.1 The Committee will:**

- Review the effectiveness of the arrangements in place for allowing staff (and contractors) to raise in confidence concerns about possible improprieties in any area of the organisation (financial, clinical, safety, or workforce matters) and ensure that any such concerns are investigated proportionately, independently, and in line with the relevant policies.

#### **4.10 Regulatory Compliance: Governance**

##### **4.10.1 The Committee will:**

- Review the organisation's reporting on compliance with the NHS provider license, NHS Code of Governance, and the fit and proper person test.
- Satisfy itself that the organisation's policies, systems, and processes for the management of conflicts (including gifts, hospitality, and bribery) are effective, including receiving reports relating to non-compliance with the policy and procedures relating to conflicts of interest.

#### **5.0 RELATIONSHIPS**

5.0 The Committee will seek the views of Board Committees to gain assurance on Trust systems to provide timely and on-going assurance regarding the effectiveness of systems of integrated governance, risk management and internal control within those Committees' areas of concern as per their respective terms of reference.

5.1 The Committee will oversee the relationship of the organisation with external and internal audit functions. It will seek their views on the Trust's systems of control and will consider the management response to the auditors' work.

#### **6.0 MEMBERSHIP**

6.1 The Membership of the Committee will be agreed by the Board of Directors.

6.2 Membership of the Committee will consist of three Non-Executive Directors (excluding the Chair of the Trust who will not be a member of the Committee):

6.3 The Board of Directors will appoint the Chair and the Vice Chair of the Committee.

6.4 Other than in exceptional and temporary circumstances, neither the Deputy Trust Chair nor the Senior Independent Director shall be the Chair of the Audit and Risk Committee.

#### **7.0 ATTENDEES**

7.1 Attendees of meetings of the Committee will include:

- Executive Director of Finance
- One other Executive Director, appointed by the Board of Directors

- Company Secretary
  - A representative of the internal auditors
  - A representative of the external auditors
  - The local counter fraud specialist
  - One associate Non-Executive Director, nominated by the Board.
- 7.2 The Executive Director of Finance will be the Lead Director for the Committee.
- 7.3 The Chief Executive and any other Executive Director may be invited to attend meetings of the Committee at the discretion of the Chair, particularly when the Committee is discussing areas of governance, risk or control that is the responsibility of that director.
- 7.4 Where reports of the internal auditors reflect 'weak' or 'limited assurance' the relevant Executive Director should assume that their attendance at the next meeting of the Committee is required.
- 7.5 The Chief Executive shall attend meetings of the Committee as required, for instance to discuss with the Committee the Annual Governance Statement and to review each year's draft internal audit plan and the draft annual accounts.
- 7.6 Other Non-Executive Directors and Associate Non-Executive Directors may attend meetings of the Committee at the discretion of the Chair, particularly where such a Non-Executive Director is the Chair of another committee that provides assurance to the Audit and Risk Committee.
- 7.7 At least once a year the Committee will meet with each of the External and Internal Auditors without any Executive Director of the Board present.
- 7.8 Additional members of Trust staff or external attendees will be invited to attend as and when required to support the workings of the meeting.
- 7.9 An attendance record will be held for each meeting. The attendance record for each year will be published as part of the Trust's Annual Report and Accounts.

## **8.0 QUORUM**

- 8.1 Meetings of the Committee will be declared quorate when at least two Committee members are present.
- 8.2 No business shall be transacted by the Committee unless a quorum is present.
- 8.3 Members are able to attend Committee meetings in person, by telephone, or by other electronic means.
- 8.4 Members in attendance by electronic means will count towards the quorum.

## **9.0 COMMITTEE ADMINISTRATION**

- 9.1 The Committee will meet at least five times each year. These meetings will comprise four quarterly ordinary meetings plus a fifth meeting to review the Trust's Accounts, Annual Report, and associated year-end documentation.
- 9.2 The Committee Chair, the External Auditor, or the Head of Internal Audit may request an additional meeting of the Committee if they consider this necessary, in order to allow the Committee to discharge all of its responsibilities.
- 9.3 Additional meetings will be convened by the Committee Chair as necessary. The Committee Chair will ensure that, if additional meeting(s) are held virtually, these must be recorded and the minutes reviewed and approved by the Board of Directors.
- 9.4 The Chair of the Committee and the Lead Director will meet to agree the agenda for each meeting. The agenda will be based on the Committee's Annual Work Plan plus any agreed additional items that may arise.
- 9.5 The Company Secretary or their nominated designate will support the Chair of the Committee and the Lead Director in the management of the Committee's business and for drawing attention to good practice, national guidance, and other relevant documents, as appropriate.
- 9.6 Notice of each meeting shall be made available to each member of the Committee no fewer than four clear working days before the date of the meeting in electronic form unless agreed otherwise by the Chair and the Lead Director.
- 9.7 Administrative support to the Committee shall be provided by the appropriate committee secretary, who will normally be a member of the Trust's corporate governance team (which fulfils the role of Trust secretariat). The committee secretary will take minutes and clearly record actions.
- 9.8 Items for inclusion on the agenda shall be submitted to the secretary no fewer than ten days prior to the meeting. Agendas may only be amended by the agreement of the Committee Chair and the Lead Director.
- 9.9 The Chair shall establish, at the beginning of each meeting, the existence of any conflicts of interest and ensure that these are recorded in the minutes accordingly.
- 9.10 The committee secretary shall minute the proceedings of all Committee meetings and provide draft minutes within five working days, reviewed by the Lead Director and then approved by the Committee Chair within 10 working days of the meeting.
- 9.11 An urgent decision be taken by Chair after having consulted with at least one other Committee member and the Lead Director. The exercise of such powers by the Chair will be reported to the next formal meeting of the Committee.
- 9.12 In order to facilitate a more flexible decision-making process between formal meetings the Committee may, where deemed appropriate by the Chair, and

as long as there is quorum, consider a matter circulated via email and record their decision by email correspondence. A record of the decision will be created and reported to the next formal meeting of the Committee.

## **10.0 REPORTING AND ACCOUNTABILITY**

- 10.1 The Committee is accountable to the Board of Directors.
- 10.2 The Chair will report to the Board of Directors following each meeting on how it has discharged its responsibilities. The Chair of the Committee shall provide the Board with a Chair's Assurance Report following each Committee meeting, providing assurance, or highlighting risks or issues that require executive action. The approved minutes of Committee meetings shall be formally recorded and submitted to the Board.
- 10.3 The Committee will report to the Board annually on its work. The Annual Governance Statement, as part of the Trust's Annual Report, should also describe how the Committee has fulfilled its terms of reference and give details of any significant issues that the Committee has considered and how these were addressed.
- 10.4 The Committee Chair shall attend the Annual General Meeting of the Trust to respond to any stakeholder questions on the Committee's activities.

## **11.0 MONITORING AND REVIEW**

- 11.1 The Terms of Reference of the Committee will be reviewed at least annually by the Company Secretary and by the Committee. Following its review, the Committee will recommend the Terms of Reference to the Board of Directors for approval.
- 11.2 The Committee will undertake an annual review of its performance. This will usually be via an externally facilitated self-assessment by its members. Any agreed improvement actions will be monitored by the Committee and reported to the Board of Directors.

These Terms of Reference reviewed and approved by the Committee on 29 April 2025