

Meeting Title	Board of Directors		
Date	13.9.18	Agenda item	Bo.9.18.35

CONFIRMED MINUTES OF AUDIT COMMITTEE MEETINGS 18 MAY & 23 MAY 2018

Presented by	Chair of the Audit Committee		
Author	N/A		
Lead Director	Matthew Horner, Director of Finance		
Purpose of the paper	To present the Board with the confirmed minutes of the Audit Committee 18 May and 23 May 2018		
Key control	N/A		
Action required	To receive		
Previously discussed at/ informed by	Audit and Assurance Committee		
Previously approved at:	Committee/Group	Date	
	Audit Committee	7 August 2018	
Recommendation			
The Board of Directors is requested to note the content of the minutes and the escalations and actions identified			

**AUDIT AND ASSURANCE COMMITTEE MEETING
MINUTES, ACTIONS & DECISIONS**

Date:	Friday, 18 May 2018	Time:	09:30 am – 12:30 pm
Venue:	Trust Meeting Room	Chair:	Mr Barrie Senior Non-Executive Director
Present:	Non-Executive Directors: <ul style="list-style-type: none"> - Mr Barrie Senior, Non-Executive Director (BS) - Dr Trevor Higgins, Non-Executive Director (TH) - Ms Selina Ullah, Non-Executive Director (SU) 		
In Attendance:	<ul style="list-style-type: none"> - Mr Matthew Horner, Director of Finance (MH) - Mr Michael Quinlan, Deputy Director of Finance (MQ) - Ms Helen Kemp-Taylor, Audit Yorkshire (HKT) - Ms Karina Rogers, Audit Yorkshire (KR) - Ms Adele Jowett, Audit Yorkshire (AJ) for agenda item A.5.18.8, 9 and 10 - Mr Paul Hewitson, Deloitte (PH) - Mr Nick Rayner, Deloitte (NR) for agenda item A.5.18.5, 6 and 7 - Professor Clive L Kay, Chief Executive (CLK) for agenda items A.5.18.13, A.5.18.14, A.5.18.15 and A.5.18.16 - Ms Tanya Claridge, Director of Governance and Corporate Affairs (TC) for agenda items A.5.18.13, A.5.18.14, A.5.18.15, A.5.18.16, A.5.18.18 and A.5.18.19 - Ms Sandra Shannon, Chief Operating Officer (SS) for agenda item A.5.18.11 - Mr Chris Davies, Head of Facilities (CD) for agenda item A.5.18.11 - Ms Alison Smith, Interim Corporate Compliance Manager (AS) for agenda item A.5.18.16 - Ms Jacqui Maurice, Head of Corporate Governance (JM) - Ms Juliet Kitching, Minute Taker (JK) 		

No.	Agenda Item	Action
A.5.18.1	Apologies for Absence There were no apologies.	
A.5.18.2	Declaration of Interests There were no declarations of interest reported.	
A.5.18.3	Minutes of the meeting held on 3 April 2018 The minutes were accepted as a correct record subject to the following changes: A.4.18.7, page 4, paragraph 5 should read, 'SU suggested that the Organisational Risk Assessment applied to the Project Management Office audit, under Operations, be changed from Standard to High and this was agreed by the Committee. A.4.18.8, page 6, paragraph 1 should read, 'TC attended the meeting to	

	<p>discuss the two Limited Assurance audits, BH/33/18, Clinical Audit (Divisional) and BH/34/18, Business Continuity’.</p> <p>A.4.18.8, page 7, paragraph 4, to remove the final sentence of the paragraph and, therefore, the associated action on page 12.</p> <p>A.4.18.8, page 7, Audit heading should read, ‘BH/31/18 Payroll – Significant assurance’.</p> <p>A.4.18.8, page 7, paragraph 11, should read, ‘... to the Internal Audit reading room in Board Pad’.</p> <p>A.4.18.8, page 8, paragraph 7 should read, ‘The Committee noted the assurance provided by this review, and the four moderate priority recommendations requiring action by the Medical Director and Chief Nurse’.</p>	
A.5.18.4	<p>Matters Arising</p> <p>The following actions from the action log were closed:</p> <p>A.12.17.5 (05.12.17) – Internal Audit Progress Report BH/17/18.</p> <p>A.4.18.7 (03.04.18) – 2018/11 – Draft Internal Audit Plan 2018-19.</p> <p>A.4.18.7 (03.04.18) – 2018/12 – Draft Internal Audit Plan 2018-19.</p> <p>A.4.18.7 (03.04.18) – 2018/13 – Draft Internal Audit Plan 2018-19.</p> <p>A.4.18.8 (03.04.18) – 2018/14 – Internal Audit Progress Report.</p> <p>A.4.18.8 (03.04.18) – 2018/15 – Internal Audit Progress Report.</p> <p>A.4.18.8 (03.04.18) – 2018/16 – Internal Audit Progress Report.</p> <p>A.4.18.9 (03.04.18) – 2018/18 – Annual Report and Quality Report 2017/18: Draft for comment.</p>	
A.5.18.5	<p>Benchmarking and Sector Developments Report (from External Audit)</p> <p>The Benchmarking and Sector Development report was included within the ISA 260 report. PH apologised to the Committee for the lateness of the papers. Benchmarking and sector updates were not currently available, however, there was nothing to bring to the Committee’s attention and the matters listed as outstanding had been resolved satisfactorily. PH tabled an updated version of the paper.</p> <p>TH was pleased that the work was all on track, however, noted the lateness of the papers which he described as unacceptable. PH responded that this issue had been flagged, as a risk, when the Committee meeting was set for this particular date. Agreement of balances had not been released until 15 May 2018 and with the absence of other required information, the report would have lacked the appropriate assurances. It was agreed that future planning would take account of when information was available. It was agreed that an audit de-brief be undertaken to which should include discussion with regard to the presentation of papers.</p> <p>The report was noted by the Committee.</p>	
A.5.18.6	<p>ISA 260 Report</p> <p>The ISA 260 report was circulated to the Committee on 17 May 2018. PH reported on the audit status and Deloitte’s confidence in being able to sign-off and meet deadlines. The Committee noted that the audit was substantially complete however, the following outstanding items were</p>	

	<p>noted:</p> <ul style="list-style-type: none"> • The review of the updated accounts following requested adjustments was still being completed. Testing of the remuneration report is complete with one query to be resolved. • Agreement of balances testing: There are some mismatches which the team was following up. The exposure is not material however there is a need to understand the positions. MQ confirmed the Trust's confidence with the numbers and he informed the Committee that the counter-parties have also confirmed that the Trust's numbers were correct. • CQUINS: In response to a query raised by BS, MH confirmed that there was agreement in place on the amounts payable. • Finalisation of property, plant and equipment valuation work: PH confirmed that external audit had all the information required and the risk was not significant. • Completion of Value for Money work: PH stated that his team was in receipt of the modelling and downside scenario from MQ. A risk had been raised at the beginning of the year with regard to the delivery of the CIP however; throughout the year delivery had been good. Reports from Internal Audit had provided the Trust with some areas to focus on and it was clear that the Trust had a clear trajectory towards improvement. • Completion of Internal Quality Control Review Procedures: PH advised that there was work to be completed with MQ to finish the review. • Review of events since 31 March 2018: PH stated that this needed to remain on the list of things to complete until the opinion was physically signed. • Receipt of signed Management Representation Letter: The letter would confirm the usual things that management is expected to confirm. <p>PH discussed the conclusions from audit testing and the key judgements in the audit process:</p> <ul style="list-style-type: none"> • No concerns were highlighted regarding revenue recognition testing. • Concern due to the level of forecast losses for 2018/19, the significant Cost Improvement Programme required to deliver the plan and the Foundation Trust's (FT) dependence upon non-recurrent funding sources. • The FT's progress in implementing actions to address Accident and Emergency performance and respond to concerns raised by the Care Quality Commission (CQC). • Based on work to date, Deloitte had not identified any significant audit adjustments or disclosure differences. • Based on the current status of audit work, it was envisaged an unmodified audit opinion would be issued. • No inconsistencies had been identified between draft financial statement and draft FT Accounts Consolidation Schedules had been identified. <p>PH asked the Committee to note the following key points.</p> <ul style="list-style-type: none"> • Financial sustainability and Value for Money: This had been covered in detail previously and there was nothing further to add. There were some minor corrections required however these were not significant. • The Annual Report and Annual Governance Statement: The annual governance statement had not yet been reviewed. The Annual report 	
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	<p>had been reviewed. This would be kept in view however, all was looking fine.</p> <ul style="list-style-type: none"> • The Quality Report: Three indicators had been audited: <ul style="list-style-type: none"> ○ Referral to Treatment: A modified opinion would be given due to issues with the reliability of data. This had been discussed with MH and SS and this was clear and consistent with their understanding. ○ Accident and Emergency four hour wait: There were no issues identified. A clean opinion would be given. ○ Ambulance Handovers: Further information on the items sampled was awaited. No opinion was required as this was a private, local report to the Governors however, if an opinion was provided it would be modified. It was recommended that the Trust undertakes a further in depth review of process/systems. <p>NR asked that the Committee note the following :</p> <ul style="list-style-type: none"> • Confirmation of the Audit and Assurance Committee's responsibilities. • Materiality determined – Small change noted to figures as based on final figures rather than projected figures • Significant Risks Dashboard • Revenue recognition in respect of CQUIN and Sustainability and Transformation Fund (STF) income. Position agreed and judgement accepted as reasonable. <p>The following significant risks were discussed:</p> <ul style="list-style-type: none"> • Accounting for the impairment to the Electronic Patient Record (EPR) system • Costs associated with implementation due to value and use • Calculations were in line with requirements of the Department of Health and Social Care Group Accounting Manual. Further disclosure would be provided. No significant bias noted in key judgements made by management or errors in calculations • Override of controls – No significant bias in key judgements made by management identified. Control environment noted as reasonable • Value for Money – Specific risk identified in respect of delivery of Cost Improvement Programme (CIP) • Financial sustainability was discussed. Work is on-going - to date no concerns have been identified. <p>Internal control and risk management were discussed as significant findings and the following raised for information:</p> <ul style="list-style-type: none"> • Donated fixed asset additions: The FT must ensure all donated equipment is registered on the asset register to avoid misappropriation of assets • The FT must ensure access to view online bank account information, independent of Shared Business Services, with the appropriate controls being in place. <p>NR referred to the end of the report and the inclusion of disclosures and unadjusted misstatements, independence and fees. NR explained that the understanding was that management has included all it needs to and so there wasn't, at this point, anything to include in this section.</p> <p>As regards non-audit work undertaken by Deloitte, NR asked the</p>	
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	<p>Committee to note that the Well-Led review was undertaken in the last year by Deloitte. The Committee was aware of this. PH confirmed that there had been no contact between the audit team and the team that had undertaken the Well Led Review.</p> <p>The Committee noted the report and the assurances received. An updated version would be provided for the meeting scheduled on 23 May 2018.</p>	Deloitte 2018/22
A.5.18.7	<p>Quality Report</p> <p>The Quality Report was shared with management on 17 May 2018. Comments were awaited from Deloitte.</p>	Deloitte 2018/23
A.5.18.8	<p>Counter Fraud Progress Report 2018/19</p> <p>The report was received by the Committee. The following items were highlighted:</p> <ul style="list-style-type: none"> • The number of days used compared to the planned days was low due to plan approval only having been made in April 2018 • The self-review tool that is submitted to the NHS Counter Fraud Authority may be inspected under the quality standards. A review was noted to potentially be imminent. <p>The Committee noted the report.</p>	
A.5.18.9	<p>Counter Fraud Annual Report 2017/18</p> <p>TH noted the amber status for 'Inform and Involve' under compliance against the standards. AJ noted the difficulties of capturing this information. The Local Counter Fraud Service (LCFS) will work with the FT to improve compliance levels prior to the submission of the 2018/19 self-review tool.</p> <p>Forthcoming fraud prevention training for managers and budget holders was noted. Ramifications for supervisors/managers would be further discussed.</p> <p>AJ explained the robust process and actions taken regarding over payments of staff salaries and the involvement of the Police where appropriate.</p> <p>A typographical error, on page 7, under 'Timesheet authorisation issue' was noted. This should read, 'The LCFS was notified about an agency worker's... '.</p> <p>The Committee noted the report and plan.</p>	
A.5.18.10	<p>Local Counter Fraud Specialist Risk Assessment 2018/19</p> <p>AJ discussed the Local Counter Fraud Specialist Risk Assessment for 2018/19 supporting the work plan discussed at the April meeting, looking at local, national and emerging risks based on the risk assessment. AJ noted no change to the work plan.</p> <p>This was the first time the assessment had been produced as a separate report.</p> <p>The assessment was noted by the Committee.</p>	

A.5.18.11	<p>Internal Audit Progress Report</p> <p>The Internal Audit Progress Report was introduced by KR detailing the progress made towards delivery of the 2017/18 Internal Audit plan.</p> <p>The Committee considered and noted each of the nine audit reports that had been issued as final since the last Audit and Assurance Committee meeting, with six reports carrying a significant assurance opinion and one report carrying a limited assurance opinion. It was not applicable to provide an opinion on two reports.</p> <p>Three reports remained in draft, however, two had been finalised with significant assurance and the third, also significant assurance, was due to be signed off imminently. In order for the work plan to be complete KR requested these reports be brought to the meeting on 23 May 2018 for sign-off. Accepted.</p> <table><tr><th>Audit</th><th>Opinion</th></tr><tr><td>BH/38/2018 – Board Assurance Framework</td><td>Not applicable</td></tr><tr><td>BH/39/2018 – Clinical Strategy</td><td>Significant Assurance</td></tr><tr><td>BH/40/2018 – Patient Safety – Prescription Handling and Dispensing</td><td>Significant Assurance</td></tr><tr><td>BH/41/2018 – Centralised Patient Booking Service</td><td>Significant Assurance</td></tr><tr><td>BH/42/2018 – Follow Up</td><td>Not Applicable</td></tr><tr><td>BH/43/2018 – Patient Level Information Costing Systems (PLICS)</td><td>Significant Assurance</td></tr><tr><td>BH/44/2018 – Waste Management Follow Up</td><td>Limited Assurance</td></tr><tr><td>BH/45/2018 – Data Warehouse</td><td>Significant Assurance</td></tr><tr><td>BH/46/2018 – Financial Transactions</td><td>Significant Assurance</td></tr><tr><td>Staffing Utilisation – Draft Report</td><td></td></tr><tr><td>Clinical Coding – Draft Report</td><td></td></tr><tr><td>Patient Readiness for Theatre – Draft Report</td><td></td></tr></table> <p>HKT/KR confirmed that these three final reports would not impact on the Head of Internal Audit Opinion.</p> <p>The list of deferred audits was included in the report. Attention was drawn to page 3 and the new entry regarding the Patient Strategic Work Plan. The Committee was asked to approve deferral into 2018/19 as work was currently underway however due to constraints within the Patient Experience Team documentation required would not be available before year end. It was anticipated that that the work would be complete over the next few weeks. The Committee approved the deferral.</p> <p>Key Performance Indicators were noted. KR was working with management to increase the percentage of management responses</p>	Audit	Opinion	BH/38/2018 – Board Assurance Framework	Not applicable	BH/39/2018 – Clinical Strategy	Significant Assurance	BH/40/2018 – Patient Safety – Prescription Handling and Dispensing	Significant Assurance	BH/41/2018 – Centralised Patient Booking Service	Significant Assurance	BH/42/2018 – Follow Up	Not Applicable	BH/43/2018 – Patient Level Information Costing Systems (PLICS)	Significant Assurance	BH/44/2018 – Waste Management Follow Up	Limited Assurance	BH/45/2018 – Data Warehouse	Significant Assurance	BH/46/2018 – Financial Transactions	Significant Assurance	Staffing Utilisation – Draft Report		Clinical Coding – Draft Report		Patient Readiness for Theatre – Draft Report		<p>Audit Yorkshire (KR) 2018/24</p>
Audit	Opinion																											
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BH/41/2018 – Centralised Patient Booking Service	Significant Assurance																											
BH/42/2018 – Follow Up	Not Applicable																											
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Staffing Utilisation – Draft Report																												
Clinical Coding – Draft Report																												
Patient Readiness for Theatre – Draft Report																												

	<p>received within 15 working days of the issue of the draft report.</p> <p>KR asked the committee to note the following summary of performance against the 2017/18 plan.</p> <ul style="list-style-type: none"> • <u>BH/38/2018 – Board Assurance Framework:</u> This was a standard review undertaken every year and forms part of the Head of Internal Audit Opinion. Internal Audit does not give an opinion however, there were seven recommendations presented and all were minor. • <u>BH/39/2018 – Clinical Strategy:</u> There was just one recommendation. Overall the strategy was well designed however it was still in the early stages and the operational plans were still to feed through. It was noted that the delivery of the plan was dependent upon the amount of funding available for the Trust to do what it would like to do over the next few years. • <u>BH/40/2018 – Prescription Handling and Dispensing.</u> The Committee noted a Controlled Drugs Audit was included in the 2018/21 Internal Audit Plan. • <u>BH/41/2018 – Centralised Patient Booking Service.</u> The Committee noted the target date of 30 September 2018 for checks on the accuracy of referrals to the system was due to imminent system changes, as going forward only electronic referrals would be accepted. • <u>BH/43/2018 – PLICS.</u> MH noted the significant benefits of the system and the work underway in developing this tool. • <u>BH/44/2018 – Waste Management Follow-Up.</u> SS and CD updated the Committee on this challenging issue. Significant improvement had been made around processes and governance issues in order to achieve compliance. A Waste Producers Group had been formed, chaired by the Nurse Consultant for Infection Control. A paper would be submitted to the Executive Management Team meeting in June 2018 which would detail essential training interventions. A Waste Audit Officer post had been advertised. <p>TC noted a working group is looking at the transportation of waste goods. The action plan and uncompleted deadline dates were noted due to changes in lead personnel, a new policy having been compiled and training/learning packages which need to be produced. Good progress with this difficult issue was, however, being made. A follow-up audit was included in the 2018/19 work plan.</p> <ul style="list-style-type: none"> • <u>BH/45/2018 – Data Warehouse; Benefits Realisation.</u> New systems are now in place in the FT but are not yet fully embedded. • <u>BH/46/2018 – Financial Transactions.</u> MQ noted this was a one to two year project and a purchase ordering system was now in place. The new Strategic Head of Procurement would commence in August when the transformation plan would be considered. 	
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	<p>The Committee was assured of the work by Internal Audit and the report was noted and approved with no concerns expressed in relation to the three outstanding reports to be presented in due course. The Committee noted that an updated progress report will be presented to the Committee on 23 May 2018.</p> <p>BS commented on the formatting issues with Internal Audit documents within Board Pad. JM agreed to undertake a review and rectify if possible.</p>	<p>Audit Yorkshire (KR) 2018/25</p> <p>Head of Corporate Governance 2018/26</p>
A.5.18.12	<p>Follow-up of Internal Audit Recommendations</p> <p>KR discussed the report and the progress against all agreed recommendations in the internal audit reports issued in 2017/18 and 2016/17 with any outstanding from 2015/16.</p> <p>All reports had been discussed at the Executive Management Team meeting and KR noted no further comments had been received following discussions. HKT noted that after the year-end any outstanding issues from 2015/16 and 2016/17 would be followed up.</p> <p>The Committee recognised the assurance provided by the report.</p>	
A.5.18.13	<p>Internal Audit Annual Report and Head of Internal Audit Opinion</p> <p>HKT provided a brief overview of the report. Public Sector Internal Audit Standards require provision of the annual formal opinion based upon and limited to the work performed on the overall adequacy and effectiveness of the organisation's risk management, internal control and governance processes in place.</p> <p>The information contained within the report had been discussed at earlier Audit and Assurance Committee meetings. HKT stated that the Committee had discussed matters in detail where Internal Audit had expressed concerns – particularly with regard to waste segregation. This had been re-audited and the position has improved. HKT stated that the Trust was completing the year with no 'no assurance reports'. There were however, some limited assurance reports but these had all been actioned and part of the Head of Internal Audit Opinion is the organisations response to those audit recommendations. HKT confirmed that Internal Audit is satisfied that the Trust has taken the recommendations seriously and has actioned them. Where concerns have arisen then Internal Audit has brought these through to the Audit Committee and there are no outstanding concerns. All recommendations were being acted upon.</p> <p>HKT stated that the report provided overall significant assurance based on the Board Assurance framework, risk management and majority of the formal opinions that have come through.</p> <p>In response to a question raised by CLK; HKT stated that the report was on a par with the previous year. Internal Audit was still seeing areas of concern and risk put on the work programme which indicated that management was not afraid to put those issues on the table. HKT stated that she thought it was positive that the organisation did not see Internal Audit in a punitive way and worked well with Internal Audit by highlighting</p>	

	<p>areas of concern and addressing them. This, stated HKT, fitted with the ethos of Internal Audit in terms of supporting management to improve. HKT added that she thought there will always be areas of risk and concern. There is a lot of transformation going on and so systems and processes will change and the trust needed to be mindful of that. This was an engaged organisation that wanted to get things right. TC added that the Trust was working hard to dovetail Internal Audit with the Trust's own internal assurance processes and to this end has undertaken joint audits.</p> <p>BS commented on the internal audit standards and asked how the Committee should gain assurance that it was in compliance with those standards. HKT stated that on an ongoing basis external audit had not raised concerns. She added that Internal Audit was also required, as part of the standards, to be subject to an external review every five years. A review was expected to take place this year (2018/19). HKT advised that the Audit Yorkshire Board will be discussing this potential review at its September meeting with a report to be provided to this Committee in due course.</p> <p>BS queried page 10, paragraph 6, should this read 10 'Limited Assurance' reports and not 11. HKT to confirm.</p> <p>The Committee received the annual report and derived assurance from the year's work of Internal Audit.</p>	<p>Audit Yorkshire (HKT) 2018/27</p>
A.5.18.14	<p>Annual Governance Statement</p> <p>CLK thanked TC and her team for the thorough statement provided to the Committee on the mandated statements related to the scope of the Chief Executive's responsibility with regards to internal controls, compliance with regulation requirements, employer obligations and statements in relation to plans in delivering carbon reduction. The Committee noted a series of comprehensive statements included in the paper providing detailed references to a number of processes in place for provision of assurance in relation to a number of areas which included:</p> <ul style="list-style-type: none"> • Capacity to handle risk • Staff training • Mitigation, control and learning lessons • Risk and control framework • Data security • Review of economy, efficiency and effectiveness of use of resources • Governance and leadership, and • Production of our Annual Quality Report <p>BS noted that NHS Improvement expected the Annual Governance Statement to include information on the Board Committee structure, changes to Directors in year, Board performance and assessment and, elective waiting time data. The Committee agreed that the Annual Governance Statement should be updated prior to its approval of the Annual Report on 23 May 2018.</p>	<p>Chief Executive 2018/28</p>
A.5.18.15	Draft Annual Accounts 2017/18	

	<p>MH apologised for the lateness in the circulation of this paper and thanked MQ and his team for their input into the document and Deloitte, as external auditors. There were no key issues to draw to the Committee's attention. MH reported a deficit of £7.6 million. When exclude the impairment produces a surplus of around £6.8 million, which is the figure used by NHS Improvement when quantifying the Trust's position compared to the control total.</p> <p>The Statements of Financial Position and Cash Flow were noted. MH highlighted the underlying income and expenditure and cash positions and noted the discussions that had taken place throughout the year at the Finance and Performance Committee and Board of Directors recognising the movement in year of balances and the treatment of non-recurrent measures to support the position.</p> <p>The FT's position at the beginning of the year commenced with over £50 million in cash. This now stands at just over £25.6 million.</p> <p>Deloitte have highlighted key issues and areas of risk they have identified throughout their audit.</p> <p>MH drew the Committee's attention to the scale of the fixed assets revaluation. Land and buildings had increased by £36 million.</p> <p>The Committee noted the very comprehensive set of accounts, with BS referring to the satisfactory outcome of his review of the draft accounts and discussion with MH and MQ.</p> <p>It was expected that, following its 23 May meeting, the Committee would be recommending to the Board approval of the accounts. BS requested that a one or two page high level summary for the Board to accompany the Accounts. MH agreed to provide this.</p>	<p>Director of Finance 2018/29</p>
A.5.18.16	<p>Draft Annual Report and Quality Report 2017/18</p> <p>AS was welcomed to the meeting to discuss the two reports. Both draft reports were noted to have been reviewed by the Board. BS requested any final comments be submitted via email, directly to AS and JM by close of play on 18 May 2018, in order that the documents could be finalised on 21 May 2018. The report would be recirculated for final approval to the Audit and Assurance Committee meeting on 23 May 2018, prior to submission to the Board of Directors.</p> <p>The Annual Report was noted to be a very comprehensive report. Regarding the Quality Report, a statement was expected to be received from the Quality Committee on 23 May 2018 to confirm that it had fulfilled its duty to contribute to and oversee the development of the Foundation Trust's Annual Quality Report AS described the final additions and items outstanding. The Audit and Assurance Committee noted that, for final sign-off the documents would be combined. AS asked the Committee to note that; due to the CQC report not having been received, the report indicates that the FT is awaiting this. TC advised the Committee that a debrief covering the timetable and production of the Annual Report and Quality Report would be undertaken. The Committee also noted that an</p>	<p>Head of Corporate Governance 2018/30</p> <p>Director of Governance and Corporate Affairs 2018/31</p>

	<p>abbreviated version of the document would be produced. The possibility of tabs for each separate section of the report was raised when the document is available on the website. PH requested prior discussion with Deloitte if this was to be undertaken due to the separation of audit information. TC and AS will seek further advice.</p> <p>The Committee noted the two reports, anticipating its ability to recommend Board approval following the 23 May meeting.</p>	
A.5.18.17	<p>Exception Reports</p> <p>The final 2017/18 exception report was discussed. BS noted a significant reduction in the losses compared to the previous year. MQ highlighted that this related to improved data collection facilities and the previous year accounted for a number of high value overseas visitors where it was determined debts had not been recoverable.</p> <p>The report was noted by the Committee.</p>	
A.5.18.18	<p>Clinical Audit Annual Report</p> <p>This report was deferred for discussion at the meeting scheduled for 7 August 2018 so as to allow time for it first to be considered and approved by the Quality Committee.</p>	<p>Director of Governance and Corporate Affairs 2018/32</p>
A.5.18.19	<p>High Priority Clinical Audit Plan 2018-19</p> <p>TC discussed the paper previously presented at the Divisional Quality and Safety Governance Committee, the Clinical Audit and Effectiveness Committee, the Executive Management Team and the Quality Committee. The paper was presented for information to signal areas of work in relation to clinical audit.</p> <p>The Annual Report described concerns regarding capacity within the organisation to deliver on the number of national audits that are growing year on year without additional resource. TC noted that the FT focusses on the mandated audits. The FT endeavours to participate in other audits. However, if participation is not possible the organising body is informed. The conduct and assurance of the programme is monitored through the Clinical and Effectiveness Committee.</p> <p>TC informed the Committee that a paper would be presented to the Executive Management Team describing some proposed changes around the centralisation of clinical audit in order to facilitate improved and more efficient ways of working. SU noted some audits undertaken have been noted to be of high benefit to the FT. TC stated that audits require rationalisation with priorities considered. TC noted each audit would be risk assessed with Divisions required to plan for key audits within the year.</p> <p>The plan was noted by the Committee.</p>	
A.5.18.20	<p>Security Management Standards for Providers</p> <p>MH presented the paper previously considered by the Executive Management Team and the Quality Committee. The Quality Committee have requested a follow-up in October 2018 on progress against actions.</p>	

	<p>The Security Management Standards for Providers were assessed annually using the NHS Protect self-review tool (SRT), enabling the FT to produce a summary of the anti-crime work conducted over the previous 12 months.</p> <p>MH noted Action 3.2 concerning clinically related challenging behaviour was being addressed by the FT. MH would report back to the Committee in December 2018.</p> <p>SU noted 3.13 and 3.15 relating to business continuity work. BS reported the Major Projects Committee is overseeing work around these matters.</p> <p>Progress reports would be made available in due course.</p> <p>The Committee noted the report.</p>	Director of Finance 2018/33
A.5.18.21	<p>Any Other Business</p> <p>There was no other business but all members of the Committee and attendees were thanked for their input and participation.</p>	
A.5.18.22	<p>Matters to share with other Committees</p> <p>There were no matters to share with other Committees.</p>	
A.5.18.23	<p>Matters to escalate to Corporate Risk Register</p> <p>There were no items to escalate to the Corporate Risk Register.</p>	
A.5.18.24	<p>Matters to escalate to the Board of Directors</p> <p>There were no items to escalate to the Board of Directors.</p>	
A.5.18.25	<p>Attendees for subsequent Audit Committee meetings</p> <p>None identified.</p>	
A.5.18.26	<p>Review of meeting</p> <p>TH noted the meeting to have been well led and well-focused.</p>	
A.5.18.27	<p>Items deferred to subsequent meetings</p> <ul style="list-style-type: none"> Way Forward – Governance and Assurance – Director of Governance and Corporate Affairs to 23 May 2018 meeting Review of Audit and Assurance Committee Terms of Reference and Work Plan 2018/19. Deferred to 7 August 2018 meeting, following Committee Annual Self-Assessment to be concluded on 23 May 2018 and opportunity for Chair and /or the Committee to discuss with the new Trust Secretary. Internal Audit Progress Report, Internal Audit Annual Report and, Head of Internal Audit Opinion to be re-presented following minor amendments 	Chair/Trust Secretary 2018/34
A.5.18.28	<p>Dates and times of next meetings</p> <p>Wednesday, 23 May 2018, 10 am to 12 noon</p> <p>Tuesday, 7 August 2018 – 2 pm to 5 pm</p>	

BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST
ACTIONS FROM AUDIT AND ASSURANCE COMMITTEE MEETINGS 18 MAY 2018

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
06/02/18	A.2.18.6	Benchmarking and Sector Development Report A report will present to a future Board of Directors' meeting regarding the apprenticeship levy in order to detail where the opportunities are.	Trust Secretary 2018/03	7 August 2018	Item noted. To be added to future Board of Directors agenda. Date TBC by JM. MH noted a paper has been discussed at the Executive Management Team meeting. 18.05.18: JM to organise with new Trust Secretary upon commencement.
03.04.18	A.4.18.6	Counter Fraud Work Plan TC to consider integrating this into the plans to develop a Trust-wide assurance map.	Director of Governance and Corporate Affairs 2018/10	7 August 2018	18.05.18: BS will speak to TC outside of the meeting.
03.04.18	A.4.18.7	Draft Internal Audit Plan 2018-19 The internal audit plans will be shared with other Non-Executive Directors, particularly the other Board Sub-Committee Chairs both for their information and in case there are any areas of concern to them not currently reflected in the plans.	Head of Corporate Governance 2018/13	7 August 2018	18.05.18: JM – Documents circulated. Action log update provided on the minutes from the meeting held 23 May
03.04.18	A.4.18.8	Internal Audit Progress Report MH to encourage Executive Directors to comply with the agreed turnaround times.	Director of Finance 2018/14	7 August 2018	18.05.18: MH to discuss at an Executive Management Team meeting.
03.04.18	A.4.18.8	Internal Audit Progress Report Assurance regarding controls to prevent or detect staff being paid for work not done: BS asked that this be factored into future audit work.	Audit Yorkshire (KR) 2018/15	7 August 2018	18.05.18: HKT to ensure that brief for this year's Payroll review is very explicit and will share with BS in advance in the event clarification is required.

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
03.04.18	A.4.18.8	Internal Audit Progress Report Assurance regarding payroll system access controls: HKT undertook to follow up on this.	Audit Yorkshire (HKT) 2018/17	7 August 2018	18.05.18: Concern over audit undertaken with regards access controls present. Discussed this would form part of an IT systems access audit. HKT: The audit would test the input and output but will look at IT controls on that system going forward. MH and HKT to discuss regarding review as part of next payroll review.
03.04.18	A.4.18.9	Annual Report and Quality Report 2017/18: Draft for Comment An abridged version of the report will be produced, following discussion with TC on how to present key messages.	Head of Corporate Governance 2018/21	7 August 2018	18.05.18: Document to be published by the BTH Annual General Meeting.
18.05.18	A.5.18.6	ISA 260 Report The committee noted the report and the assurances received. An updated version will be provided for the meeting scheduled on 23 May 2018.	Deloitte 2018/22	7 August 2018	
18.05.18	A.5.18.6	ISA 260 Report Year-end documents will be circulated to the Committee on 21 May 2018 for sign-off by the Board of Directors after the meeting on 23 May 2018.	Deloitte 2018/23	7 August 2018	
18.05.18	A.5.18.7	Quality Report The Quality Report was shared with management on 17 May 2018. Comments are awaited from Deloitte.	Deloitte 2018/23	7 August 2018	
18.05.18	A.5.18.11	Internal Audit Progress Report Attention was drawn to page 3 and the new entry regarding the Patient Strategic Work Plan. The Committee was asked to approve deferral into 2018/19 as work was currently underway however due to constraints within the Patient Experience	Audit Yorkshire (KR) 2018/24	7 August 2018	

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
		Team documentation required would not be available before year end. It was anticipated that that the work would be complete over the next few weeks. The Committee approved the deferral.			
18.05.18	A.5.18.11	Internal Audit Progress Report An updated progress report will be presented to the Committee on 23 May 2018.	Audit Yorkshire (KR) 2018/25	7 August 2018	
18.05.18	A.5.18.11	Internal Audit Progress Report Formatting issues within Board Pad were noted. JM will review.	Head of Corporate Governance 2018/26	7 August 2018	
18.05.18	A.5.18.13	Internal Audit Annual Report and Head of Internal Audit Opinion BS queried page 10, paragraph 6, which should read 10 'Limited Assurance' reports and not 11. HKT to confirm.	Audit Yorkshire (HKT) 2018/27	7 August 2018	
18.05.18	A.5.18.14	Annual Governance Statement BS noted that NHS Improvement expected the Annual Governance Statement to include information on the Board Committee structure, changes to Directors in year, Board performance and assessment and, elective waiting time data. The Committee agreed that the Annual Governance Statement should be updated prior to its approval of the Annual Report on 23 May 2018.	Chief Executive 2018/28	7 August 2018	
18.05.18	A.5.18.15	It was expected that, following its 23 May meeting, the Committee would be recommending to the Board approval of the accounts. BS requested that a one or two page high level summary for the Board to accompany the Accounts. MH agreed to provide this.	Director of Finance 2018/29		

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
18.05.18	A.5.18.16	Draft Annual Report and Quality Report 2017/18 The report will be recirculated for final approval at the Audit and Assurance Committee meeting on 23 May 2018, prior to submission to the Board of Directors.	Head of Corporate Governance 2018/30	7 August 2018	
18.05.18	A.5.18.16	Draft Annual Report and Quality Report 2017/18 TC noted a debrief will be undertaken and an abbreviated version of the document will be produced. The possibility of tabs for each separate section of the report was raised when the document is available on the website. PH requested prior discussion with Deloitte if this was to be undertaken due to the separation of audit information. TC and AS will seek further advice.	Director of Governance and Corporate Affairs 2018/31	7 August 2018	
18.05.18	A.5.18.18	Clinical Audit Annual Report This report was deferred for discussion at the meeting scheduled for 7 August 2018 to allow time for it to first be considered and approved by the Quality Committee.	Director of Governance and Corporate Affairs 2018/32	7 August 2018	
18.05.18	A.5.18.27	Items deferred to subsequent meetings: Review of Audit and Assurance Committee Terms of Reference and Work Plan 2018/19. Deferred to 7 August 2018 meeting, following Committee Annual Self-Assessment to be concluded on 23 May 2018 and opportunity for Chair and /or the Committee to discuss with the new Trust Secretary.	Chair / Trust Secretary 2018/35	7 August 2018	
18.05.18	A.5.18.20	MH noted Action 3.2 concerning clinically related challenging behaviour was being addressed by the FT. MH would report back to the Committee in December 2018.	Director of Finance 2018/34	December	

AUDIT AND ASSURANCE COMMITTEE MEETING MINUTES, ACTIONS & DECISIONS

Date:	Wednesday, 23 May 2018	Time:	10:00-12:00
Venue:	Trust Meeting Room	Chair:	Mr Barrie Senior Non-Executive Director
Present:	Non-Executive Directors: <ul style="list-style-type: none"> - Mr Barrie Senior, Non-Executive Director (BS) - Dr Trevor Higgins, Non-Executive Director (TH) via conference phone - Ms Selina Ullah, Non-Executive Director (SU) 		
In Attendance:	<ul style="list-style-type: none"> - Mr Matthew Horner, Director of Finance (MH) - Mr Michael Quinlan, Deputy Director of Finance (MQ) - Ms Karina Rogers, Audit Yorkshire (KR) - Mr Paul Hewitson, Deloitte (PH) - Ms Tanya Claridge, Director of Governance and Corporate Affairs (TC) for agenda items A.5(2).18.7 and A.5(2).18.8 - Ms Jacqui Maurice, Head of Corporate Governance (JM) - Ms Juliet Kitching, Minute Taker (JK) 		

No.	Agenda Item	Action
A.5(2).18.1	Apologies for Absence There were no apologies.	
A.5(2).18.2	Declaration of Interests There were no declarations of interest reported.	
A.5(2).18.3	External Audit Report 2017/18 PH referred the Committee to the updated ISA 260. The audit had progressed significantly since the 18 May meeting and was on track for sign off on 24 May 2018. Testing has taken place on all areas of the accounts and the Annual Report has been reviewed. PH confirmed that he fully anticipated: <ul style="list-style-type: none"> • Delivering an unmodified opinion in respect of the Annual Accounts, with no reference to any matters in respect of the Trust's arrangements to secure economy, efficiency and effectiveness in the use of resources, or in respect of the Annual Governance Statement • With regard to the Quality Report: <ul style="list-style-type: none"> ○ Reporting no issues with regard to content and consistency of the report ○ Providing a clean opinion regarding 4 hour wait ○ Providing a qualified opinion regarding RTT, due to data quality issues Documents would be signed off at the Board of Directors' meeting on 24 May 2018. Deloitte requested a copy of the document be scanned through	

	<p>to them once signed with the hard copy posted. Deloitte would return the signed document by 25 May 2018 so that the Foundation Trust (FT) could submit as necessary, prior to the deadline.</p> <p>BS will report to the Board confirming External Audit have provided a clean opinion.</p>	
A.5(2).18.4	<p>Final Annual Accounts 2017/18</p> <p>BS stated that, following his review of the draft accounts, he had discussed the accounts in detail with the Finance Director and Deputy Director of Finance on 10 May 2018. MQ noted no significant changes had been made to the document since this date with neither the underlying position nor the statement of the financial position having changed. There had been a couple of presentational changes but there had been no change in the operating income and expenditure bottom line position. BS noted the rigorous and robust processes undertaken to achieve approval of the accounts with no fundamental changes or significant audit adjustments having taken place.</p> <p>BS would reference the process and inform the Board of Directors that the Audit and Assurance Committee recommended approval of the final accounts.</p>	
A.5(2).18.5	<p>Draft Annual Report/Quality Report 2017/18</p> <p>TC thanked AS and JM for the production of the final draft of this document following amendments requested at the meeting held on 18 May 2018.</p> <p>BS noted consultation had taken place with the Quality Committee in line with the Quality Committee's Terms of Reference. The Quality Committee Chair, Professor Laura Stroud, had consulted with members and confirmed that the Quality Committee has been suitably assured that the Committee has fulfilled its duty to contribute to, and oversee the development of, the Foundation Trust's Annual Quality Report.</p> <p>BS noted reference on page 36 to section '3.1.3.1' which AS confirmed has been amended - as there was now no section 3.1.3.1.</p> <p>PH confirmed that in respect of the Quality Account, the work of Deloitte is now concluded. NR noted the report complies with requirements and is consistent with the information and testing required. The qualified Referral to Treatment (RTT) indicator was discussed at length. NR anticipated a modified opinion for RTT; with the remainder being unmodified.</p> <p>Considerable discussion took place and the following was noted:</p> <ul style="list-style-type: none"> • Length of the reports: A Steering Group will meet in order to discuss the compilation of next year's reports • Amendments to be made to the direction of arrows on page 9 • Discussion on Accident and Emergency processes: National data compared to results of FT benchmarking work undertaken. • The missing months of data relating to 18 week RTT times, due to information not being available at the time of the audit as a result of the transfer and validation of data from the old to new system for which 	

	<p>there was a lack of assurance. Deloitte were aware however, that the Trust had a plan in place to resolve this.</p> <ul style="list-style-type: none"> Local Indicator for Ambulance Handover Audit: The overall rating provided from the audit was 'red'. As this was a locally chosen indicator there was no requirement to report on this publicly. The Committee noted however, that if it was to be reported on then the opinion would be 'qualified' as much of the information reviewed was based on reports provided by Yorkshire Ambulance Service (YAS) - the records were not complete and the Trust did not have the necessary information in the old system to allow them to link to the reports provided by YAS. This has made it difficult for the Trust to engage in and effectively challenge in relation to this indicator. The findings will be included in the final submitted document. TC asked the Committee to note that it should expect a response with regard to recommendations from the External Auditor and the indicators audited as part of the Quality Report within the next two to three months. The document will be submitted to the Board of Directors on 24 May 2018 as a part of the report to the Board on the Trust's Quality Report. <p>The reports were noted and approved by the Audit and Assurance Committee subject to the amendments discussed.</p> <p>The Committee resolved to recommend Board approval of the reports.</p>	<p style="text-align: right;">Chief Operating Officer 2018/36</p>
<p>A.5(2).18.6</p>	<p>Draft Letter of Representation 2017/18</p> <p>MH had referenced at the 18 May 2018 meeting this standard letter covering both the Financial Statements and Quality Report, and noted only one specific representation around CQUIN in Quarter 4 which has not been agreed.</p> <p>BS requested that PH explain the purpose of the Letter of Representation. PH stated that it was to confirm the things that only management would know and which no amount of audit testing would provide confidence to the auditor. PH added that there are things included within the letter that the Board should be aware of. He explained that where the management of an organisation had wilfully held something from the auditor and the auditor had not stumbled across it or it had occurred during for example the last 48 hours then the letter is about the management effectively declaring that they have been honest with the auditor and have told the auditor everything the external auditor needs to know and the management are confirming the statement included in the letter that states 'we confirm that there are no material outstanding frauds or litigation' and other disclosures they are required to make. BS thanked PH for the provision of clarity and highlighted the following:</p> <ul style="list-style-type: none"> Page 2 of the letter, point 6, BS noted reference to 'company' rather than Trust/Corporation. PH confirmed this would be amended Page 3, point 17, the spelling of 'reasonable' will be corrected. Page 4, point 31, regarding claims: This had been added for completeness of provision and claims. PH will update the wording to the effect that 'all known actual or possible litigation and claims have been disclosed, and will state no other claims in connection with litigation have been or are expected to be received'. 	

	<p>Subject to the above minor changes, the Audit and Assurance Committee agreed to recommend to the Board of Directors the letter is signed and provided to External Audit.</p>	
A.5(2).18.7	<p>Way Forward – Governance and Assurance Report</p> <p>TC tabled a document, 'Assurance: the way forward'. TC stated that a key objective is to optimise the assurance that underpins the annual governance statement. The Committee noted that the assurance base was comprised from:</p> <ul style="list-style-type: none"> • An established governance framework • Clearly defined strategic objectives • Effective internal controls • Maturing risk management culture, with the end point for reasonable assurance being a balance between strategy, risk, and control. <p>The achievement of developing a system that creates and maintains a portfolio of evidence-based assurance was discussed. The system and evidence base will consist of:</p> <ul style="list-style-type: none"> • Understanding the nature of assurance which is critical. This includes consideration of where it comes from, its age, who provides it and its type. • Evaluation of the value of that assurance and the level of confidence it provides • Identifying complementary and interdependent assurance tools which we make use of within the organisation. <p>TC referred to the development of an assurance directory and an assurance map and envisaged this work would be completed by the end of March 2019. She advised that current work is focused on areas of remediation (clinical audit), initiation (development of an assurance map and an assurance directory) and development which will include looking at the relationship with stakeholders to ensure more meaningful feedback. She further asked the Committee to note that regulatory systems are starting to be rolled out in renal, stroke services and orthopaedics.</p> <p>BS thanked TC for this helpful presentation in terms of progress to date noting much of the work relates to assurance provided by individual Committees.</p> <p>TC informed the Committee that a framework document, an assurance strategy that will underpin and sit alongside the risk strategy, will be produced by the end of the year.</p>	
A.5(2).18.8	<p>Annual Governance Statement</p> <p>BS noted the changes documented following discussion at the meeting on 18 May 2018. BS noted, as previously discussed '3.1.3.1', page 36, to be removed.</p> <p>The Audit and Assurance Committee approved the document and would</p>	

	recommend approval to the Board of Directors at the meeting on 24 May 2018.	
A.5(2).18.9	<p>Internal Audit Progress Report</p> <p>KR presented the final year-end Internal Audit Progress Report demonstrating completion of the amended 17/18 plan. Three finalised reports noted as being in draft at the meeting on 18 May 2018 had now been issued, BH/47/2018, BH/48/2018 and BH/49/2018, all providing 'significant assurance'.</p> <p>The summary of performance against the 2017/18 planned days was noted, with 504 days of audit work carried out.</p> <p>The three final reports were discussed: BH/47/2018 – Clinical Coding – Management were aware of issues with data quality, however, noted some information was currently available. Internal mechanisms and improvements were being worked through which would improve the situation in the coming months.</p> <p>BH/48/2018 – Patient readiness for theatre – The report concerned correspondence sent to patients. Overall this was noted as a good report with three (one moderate and two minor) recommendations.</p> <p>BH/49/2018 – Staffing utilisation (around junior doctors) – The report considered contracts to ensure mechanisms were in place to fulfil requirements. The main issue concerned the system which is currently manual, however, the FT was looking at developing an electronic rota which would ensure junior doctor hours worked are in line with new contracts. Two recommendations were identified for the Chief Operating Officer due by 1 August 2018 to correspond with the new junior doctor rotation. An update on the target date had been confirmed.</p> <p>The report was noted and accepted by the Audit and Assurance Committee.</p>	
A.5(2).18.10	<p>Internal Audit Annual Report and Head of Internal Audit Opinion – 23 May 2018</p> <p>Since the last meeting, KR reported the number of audit days had increased from 486 to 504 days. The total number of limited assurance reports had been corrected from 11 to 10 and the report updated to reflect the three finalised reports.</p> <p>The assessment was noted by the Committee. BS would provide approval to the Board of Directors following the Audit and Assurance Committee's approval.</p>	
A.5(2).18.11	<p>Any Other Business</p> <p>There was no other business.</p>	
A.5(2).18.12	<p>Matters to escalate to Corporate Risk Register</p> <p>There were no items to escalate to the Corporate Risk Register.</p>	

A.5(2).18.13	Matters to escalate to the Board of Directors <ul style="list-style-type: none"> • The results of external audit work with regard to the Annual Report and Accounts for the year ended 31 March 2018, including the ISA260 Report • The results of external audit work with regard to the Quality Report 2017/18 • The results of external audit work with regard to the Annual Governance Statement • The Head of Internal Audit Opinion of 2017/18 • Recommendations regarding: <ul style="list-style-type: none"> ○ Approval of the annual accounts ○ Approval of the Annual Report ○ Approval of the Quality Report ○ Approval of the Annual Governance Statement ○ Approval of the letter of representation ○ 	
A.5(2).18.14	Dates and times of next meetings Tuesday, 7 August 2018 – 2 pm to 5 pm	

BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST
ACTIONS FROM AUDIT AND ASSURANCE COMMITTEE MEETINGS 23 MAY 2018

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
06/02/18	A.2.18.6	Benchmarking and Sector Development Report A report will present to a future Board of Directors' meeting regarding the apprenticeship levy in order to detail where the opportunities are.	Trust Secretary 2018/03	7 August 2018	Item noted. To be added to future Board of Director agenda. Date TBC by JM. MH noted a paper had been discussed at the Executive Management Team meeting. 18.05.18: JM to organise with new Trust Secretary upon commencement. Item was discussed at the Workforce Committee on 30 May 2018 and subsequently presented in the Highlight report from the Chair of the Committee to the Board Meeting on 12 July 2018. <u>Action concluded.</u>
03.04.18	A.4.18.6	Counter Fraud Work Plan TC to consider integrating this into the plans to develop a Trust-wide assurance map.	Director of Governance and Corporate Affairs 2018/10	7 August 2018	18.05.18: BS will speak to TC outside of the meeting.
03.04.18	A.4.18.7	Draft Internal Audit Plan 2018-19 The internal audit plans will be shared with other Non-Executive Directors, particularly the other Board Sub-Committee Chairs both for their information and in case there are any areas of concern to them not currently reflected in the plans.	Head of Corporate Governance 2018/13	7 August 2018	18.05.18: Document circulated to the NEDs via the Committees' where it was discussed and noted. The action common to the Committees' was that if any area of concern arose that was not covered then an audit would be requested. <u>Action concluded.</u>
03.04.18	A.4.18.8	Internal Audit Progress Report	Director of	7 August	18.05.18: MH to discuss at an

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
		MH to encourage Executive Directors to comply with the agreed turnaround times.	Finance 2018/14	2018	Executive Management Team meeting.
03.04.18	A.4.18.8	Internal Audit Progress Report Assurance regarding controls to prevent or detect staff being paid for work not done: BS asked that this be factored into future audit work.	Audit Yorkshire (KR) 2018/15	7 August 2018	18.05.18: This will be factored into the 2018/19 Payroll review. <u>Action concluded.</u>
03.04.18	A.4.18.8	Internal Audit Progress Report Assurance regarding payroll system access controls: HKT undertook to follow up on this.	Audit Yorkshire (HKT) 2018/17	7 August 2018	18.05.18: Concern over audit undertaken with regards access controls present. Discussed this would form part of an IT systems access audit. HKT: The audit would test the input and output but will look at IT controls on that system going forward. MH and HKT to discuss regarding review as part of next payroll review. KR has advised that this will form part of the planning process in Q3/Q4. <u>Action concluded.</u>
03.04.18	A.4.18.9	Annual Report and Quality Report 2017/18: Draft for Comment An abridged version of the report will be produced, following discussion with TC on how to present key messages.	Head of Corporate Governance 2018/21	7 August 2018	18.05.18: Document to be published by the BTH Annual General Meeting. Document published and distributed at the AGM/AMM held 5 July 2018. An 8 page summary of the Annual Report and Accounts was produced and distributed. <u>Action concluded.</u>
18.05.18	A.5.18.6	ISA 260 Report	Deloitte	7 August	Documents circulated.

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
		The committee noted the report and the assurances received. An updated version will be provided for the meeting scheduled on 23 May 2018.	2018/22	2018	<u>Action concluded.</u>
18.05.18	A.5.18.6	ISA 260 Report Year-end documents will be circulated to the Committee on 21 May 2018 for sign-off by the Board of Directors after the meeting on 23 May 2018.	Deloitte 2018/23	7 August 2018	Updated version received and circulated. <u>Action concluded.</u>
18.05.18	A.5.18.7	Quality Report The Quality Report was shared with management on 17 May 2018. Comments are awaited from Deloitte.	Deloitte 2018/23	7 August 2018	Comments received. <u>Action concluded.</u>
18.05.18	A.5.18.11	Internal Audit Progress Report Attention was drawn to page 3 and the new entry regarding the Patient Strategic Work Plan. The Committee was asked to approve deferral into 2018/19 as work was currently underway however due to constraints within the Patient Experience Team documentation required would not be available before year end. It was anticipated that the work would be complete over the next few weeks. The Committee approved the deferral.	Audit Yorkshire (KR) 2018/24	7 August 2018	Progress report received and discussed by the Committee.
18.05.18	A.5.18.11	Internal Audit Progress Report An updated progress report will be presented to the Committee on 23 May 2018.	Audit Yorkshire (KR) 2018/25	7 August 2018	Progress report received. <u>Action concluded.</u>
18.05.18	A.5.18.11	Internal Audit Progress Report Formatting issues within Board Pad were noted. JM will review.	Head of Corporate Governance 2018/26	7 August 2018	
18.05.18	A.5.18.13	Internal Audit Annual Report and Head of Internal Audit Opinion BS queried page 10, paragraph 6, which should read 10 'Limited Assurance' reports and not 11. HKT to	Audit Yorkshire (HKT) 2018/27	7 August 2018	KR has reported this has now been changed in A.5 (2).18.10. <u>Action concluded.</u>

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
		confirm.			
18.05.18	A.5.18.14	Annual Governance Statement BS noted that NHS Improvement expected the Annual Governance Statement to include information on the Board Committee structure, changes to Directors in year, Board performance and assessment and, elective waiting time data. The Committee agreed that the Annual Governance Statement should be updated prior to its approval of the Annual Report on 23 May 2018.	Chief Executive 2018/28	7 August 2018	Document amended and considered by the AAC as part of final review and sign off of the Annual Report on 23 May. <u>Action concluded.</u>
18.05.18	A.5.18.15	Draft Annual Accounts 2017/18 It was expected that, following its 23 May meeting, the Committee would be recommending to the Board approval of the accounts. BS requested that a one or two page high level summary for the Board to accompany the Accounts. MH agreed to provide this.	Director of Finance 2018/29		Executive Summary provided. <u>Action concluded.</u>
18.05.18	A.5.18.16	Draft Annual Report and Quality Report 2017/18 The report will be recirculated for final approval at the Audit and Assurance Committee meeting on 23 May 2018, prior to submission to the Board of Directors.	Head of Corporate Governance 2018/30	7 August 2018	Document circulated. Document approved at AAC on 23 May 2018. <u>Action concluded.</u>
18.05.18	A.5.18.16	Draft Annual Report and Quality Report 2017/18 TC noted a debrief will be undertaken and an abbreviated version of the document will be produced. The possibility of tabs for each separate section of the report was raised when the document is available on the website. PH requested prior discussion with Deloitte if this was to be undertaken due to the separation of audit information. TC and AS will seek further advice.	Director of Governance and Corporate Affairs 2018/31	7 August 2018	As recorded for A.4.18.9 above, a summary document has been produced. The Annual Report has been uploaded to the website as a PDF. The version published is that which has been sent to NHS Improvement. No tabs have been added as this is not in keeping with current practice across NHS Foundation

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
					Trusts. <u>Action concluded.</u>
18.05.18	A.5.18.18	Clinical Audit Annual Report This report was deferred for discussion at the meeting scheduled for 7 August 2018 to allow time for it to first be considered and approved by the Quality Committee.	Director of Governance and Corporate Affairs 2018/32	7 August 2018	Added to the AAC agenda for 7 August 2018. <u>Action concluded.</u>
18.05.18	A.5.18.27	Items deferred to subsequent meetings Review of Audit and Assurance Committee Terms of Reference and Work Plan 2018/19. Deferred to 7 August 2018 meeting, following Committee Annual Self-Assessment to be concluded on 23 May 2018 and opportunity for Chair and /or the Committee to discuss with the new Trust Secretary.	Chair / Trust Secretary 2018/35	7 August 2018	Items added to the AAC agenda for 7 August 2018.
23.05.18	A.5(2).18.5	Draft Annual Report/Quality Report 2017/18 TC noted the Committee should expect a response with regard to recommendations from the External Auditor and the indicators audited as part of the Quality Report within the next two to three months.	Chief Operating Officer 2018/36	7 August 2018	Added to the AAC agenda for 7 August 2018. <u>Action concluded.</u>
18.05.18	A.5.18.20	Security Management Standards for Providers MH noted Action 3.2 concerning clinically related challenging behaviour was being addressed by the FT. MH would report back to the Committee in December 2018.	Director of Finance 2018/34	4 December 2018	