

Meeting Title	Board of Directors		
Date	8.11.18	Agenda item	Bo.11.18.36

CONFIRMED MINUTES OF AUDIT COMMITTEE MEETING 7 AUGUST 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 7 August 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	30 October 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:	Tuesday 7 th August 2018	Time:	14:00-17:00
Venue:	Trust Meeting Room, Chestnut House, BRI	Chair:	Barrie Senior, Non-Executive Director
Present:	Non-Executive Directors: <ul style="list-style-type: none"> - Mr Barrie Senior, Non-Executive Director (BS) - Ms Selina Ullah, Non-Executive Director (SU) 		
In Attendance	<ul style="list-style-type: none"> - Mr Michael Quinlan, Deputy Director of Finance (MQ) - Ms Helen Kemp-Taylor, Audit Yorkshire (HKT) - 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.8.18.10 and A.8.18.13 - Sandra Shannon, Chief Operating Officer (Terri Saunderson, Deputy Director of Operations representing) - Ms Jacqui Maurice, Head of Corporate Governance (JM) - Ms Mel Lomas, Minute Taker (ML) 		

No.	Agenda Item	Action
A.8.18.1	Apologies for Absence <ul style="list-style-type: none"> - Trevor Higgins, Non-Executive Director - Matthew Horner, Director of Finance (represented by Michael Quinlan, Deputy Director of Finance) 	
A.8.18.2	Declarations of Interest There were no declarations of interest noted.	
A.8.18.3	Minutes of the Meeting Held on the 18th of May 2018 These were accepted and signed off.	
A.8.18.4	Minutes of the Meeting Held on the 23rd of May 2018 These were accepted and signed off.	
A.8.18.5	Matters Arising The Committee agreed that going forward Committee meetings would not be scheduled during the month of August. The following actions from the action log were closed. <ul style="list-style-type: none"> - A.2.18.6 (06.02.18) - 2018/03 - Benchmarking and Sector Developments Report - A.4.18.7 (03.04.18) - 2018/13 - Draft Internal Audit Plan 2018-19 - A.4.18.8 (03.04.18) – 2018/14 - Internal Audit Progress Report - A.4.18.9 (03.04.18) – 2018/21 - Annual Report and Quality Report 2017/18: 	Head of Corporate Governance 2018/37

	<ul style="list-style-type: none"> - Draft for Comment - A.5.18.6 (18.05.18) – 2018/22 & 23 - ISA 260 Report - A.5.18.7 (18.05.18) – 2018/23 - Quality Report - A.5.18.11 (18.05.18) – 2018/25 - Internal Audit Progress Report - A.5.18.13 (18.05.18) – 2018/27 - Internal Audit Annual Report and Head of Internal Audit Opinion - A.5.18.14 (18.05.18) – 2018/28 - Annual Governance Statement - A.5.18.15 (18.05.18) – 2018/29 - Draft Annual Accounts 2017/18 - A.5.18.16 (18.05.18) – 2018/30 & 31 - Draft Annual Report and Quality Report 2017/18 - A.5.18.18 (18.05.18) – 2018/32 - Clinical Audit Annual Report - A.5.18.27 (18.05.18) – 2018/35 - Items deferred to subsequent meetings - A.5(2).18.5 (23.05.18) – 2018/36 - Draft Annual Report/Quality Report 2017/18 <p>The Committee agreed that, going forwards, all closed actions would remain on the action log for the following meeting.</p>	
A.8.18.6	<p>Benchmarking & Sector Developments Report</p> <p>PH asked the Committee to note that the report focussed purely on sector developments.</p> <p>PH advised that on the DHSC had issued the updated Group Accounting Manual for 2018/19. The main changes were the adoption of IFRS 9 (financial instruments) and IFRS 15 (revenue standards). PH advised that IFRS 15 has the potential to be awkward, but the bulk of the revenue should be fine, depending on any multi-year settlements. A discussion was held about changes to accounting policies. PH stated that further guidance was expected and requested that where areas of significant judgement were identified then a discussion should be held with the external auditor. MQ confirmed that the HFMA Technical Accounting Team has been contacted to get a flavour of what this will mean for the NHS and until guidance was available, the impact was unknown.</p> <p>Integration barriers between health and social care were discussed. BS stated that it would be helpful to direct the Partnerships Committee towards pages 4 and 6 of the Sector Developments Report and the Finance and Performance Committee to page 5 of the report. He further requested that the full report is circulated to the Executive Directors for information.</p> <p>MQ stated that a paper would be produced in January/February 2019 regarding the accounting changes and the Finance Team would work with the Executive Management Team on the proposed approach to be taken regarding assurance.</p> <p>MQ confirmed that a post-2018 audit discussion was planned for the following week. An update would be provided to the Committee at the next meeting.</p>	<p>Head of Corporate Governance 2018/38</p> <p>Director of Finance 2018/39</p> <p>Director of Finance 2018/40</p>
A.8.18.7	<p>Internal Audit Progress Report</p> <p>KR presented the first progress report of the 2018/19 plan. She asked the Committee to note that five of the seven reports presented had significant assurance and that Internal Audit was not required to provide an opinion on the other two reports. KR asked the Committee to note that Capital Projects and Consent; Human Tissue shown as draft in progress report were now final reports.</p> <p>KR advised that management had requested the following changes to the 2018/19 plan presented on page 1:</p>	

	<ul style="list-style-type: none"> - Quality Accounts. KR stated that this was a piece of work originally scheduled for Q1 however it would not be appropriate for Internal Audit to undertake this work at present as Management have advised that an external organisation may undertake the work in response to a request from NHSI. - Stakeholder Engagement; Public/Patient Engagement. The Chief Nurse had requested this to be moved from Q2 to Q4 to enable more time to undertake the work due to changes in staffing which had affected delivery of the planned programme. <p>BS stated that regarding stakeholder engagement, concerns had been raised at the Quality Committee and different approaches were now being taken. The Committee confirmed its support of the changes to the plan.</p> <p>KR directed attention to the following;</p> <ul style="list-style-type: none"> - Key Performance Indicators. These are doing well at the present time. - Summary of Performance against 2018/2019 Plan. 74 days have been delivered against the 611 day plan, which is in line for this point in the year. - The Summary Progress Reports on the different reviews included in the 2018/19 plan. <p>SU directed attention to page 5 report on Capital Projects and the "adequate" status reported and asked what would be needed for this to be rated "good". KR stated that the majority of systems in place are working well and the two recommendations were unusual, however they could be improved upon. She added that the system itself did not need any improvement - just the one instance cited. BS enquired about post-investment returns analysis. KR confirmed that a business case was not produced for all aspects and there were different thresholds depending on the level of expenditure. She added that there was a Business Case Review planned which would consider pre and post implementation.</p> <p>KR drew attention to:</p> <ul style="list-style-type: none"> - Risk Register Benchmarking Review. This had taken place with six Trusts and considered the types of risks, numbers of risks and the ratings applied to provide an indication of where each trust was positioned. There were no specific recommendations and the outcomes were shared with the Integrated Governance and Risk Committee. BS referred to page 18 and asked if the medium/high split point should be at 11, on the basis that anything at 12 or greater is a combination of least a 3 and a 4 which is high. KR confirmed that each organisation has different categories. She agreed to provide confirmation to the Committee what the X axis on the bar chart is measuring as it was not clear. BS asked if the benchmarking audit provided any assurance. KR confirmed that this was not an assurance review; rather the report was presented for information to support an assessment of where BTHFT was positioned compared to other Trusts and it was agreed that this could be used as a learning tool and to support the identification of any outliers. BS queried what the four gaps in the table meant - KR agreed to go back to the relevant auditor to check this. It was also agreed that an enquiry would be made to see if there were any actions arising for the Audit and Assurance Committee from the Integrated Governance and Risk Committee in response to their review of the Risk Register Benchmarking findings. - Cash Handling Follow-Up Report. An audit of Cash Handling in 2017/18 had provided limited assurance. The detailed follow-up planned for 2018/19 has 	<p>Internal Audit Manager 2018/41</p> <p>Internal Audit Manager 2018/42</p> <p>Head of Corporate Governance 2018/43</p>
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	<p>shown that the majority of the recommendations have now been implemented apart from the car parking strategy. There are no additional recommendations. MQ commented that the car parking issues are quite complex and not easy to resolve.</p> <ul style="list-style-type: none"> - Patient Experience; Strategic Work plan. There was significant assurance overall and some areas of good practice had been identified. There were 5 recommendations, 4 minor and 1 moderate. It has been agreed with the Chief Nurse that these will be completed by September 2018. - Infection Control; Sharps. There was significant assurance overall and, there are generally satisfactory controls in place. This has changed slightly over the last 12 to 18 months and there is now an emphasis back on Sharps. Fifteen staff were consulted with two describing an incorrect process. The recommendations have been presented to the Chief Nurse for implementation. BS sought clarity regarding the four exclamation marks in the second area on the table (pages 29-30), but only three recommendations. KR confirmed that two of the exclamation marks covered one recommendation in relation to sharps containers being accurately labelled and secure. - Capital Projects. There was significant assurance overall with one limited area. There were three recommendations, one in relation to single source tender documentation being authorised, one in relation to single source tenders that come through to the exception report, and one regarding administration in terms of the Estates Team liaising with the Finance Team to ensure credit checks are done. KR has spoken to Matthew Horner regarding the Finance Team looking at single tender waiver documentation to ensure these have been signed off appropriately. <p>BS requested that, at the next meeting only, the Committee was provided with completed tender waiver forms (as part of the Exceptions Report) to see how they were completed.</p> <ul style="list-style-type: none"> - Consent; Human Tissue Follow-Up. The audit had provided limited assurance in 2017/18, predominantly due to the Trust holding tissue on behalf of the Coroner in relation to an expired Service Level agreement. Work has been ongoing and there are now five items legitimately being held until confirmation has been received from the Coroner. The majority of recommendations have now been completed and significant assurance is now provided. <p>BS thanked KR for the comprehensive report.</p>	<p>Deputy Director of Finance 2018/44</p>
<p>A.8.18.8</p>	<p>Internal Audit Follow Up Report</p> <p>KR commented that the Trust was in a good overall position. She advised that one recommendation was outstanding from 2015 regarding contracts, which the Finance Team was working on with WYAAT (West Yorkshire Association of Acute Trusts). KR added that there is now a greater awareness by management of the new recommendations and ensuring they are being implemented and closed down within the agreed timescales.</p> <p>BS mentioned that there are no reds on the RAG assessment. KR stated that, from the management responses received, there are justified reasons as to why they have not yet been implemented. KR asked the Committee to note that the Director of Governance and Corporate Affairs was introducing a new process for the central collection of responses.</p>	

	<p>BS referred to the deferred IT actions. KR stated that the Director of Informatics had identified these as a priority and had held discussions with the Chief Executive regarding the Strategy.</p> <p>The Committee confirmed that it was reasonably satisfied with the progress made however it agreed that, whilst accepting that some things take time, pressure needed to be maintained in order to move forward.</p>	
A.8.18.9	<p>Internal Audit Charter</p> <p>HKT stated that the internal audit charter sets out the formal basis on which Internal Audit Services are provided to the Trust, what Audit Yorkshire will do and why. BS stated that assurance could be derived from the Charter and it sets the tone for how Audit Yorkshire operates and provides services; however, the Charter should be presented to the Executive Management Team meeting for the Executive's review and acceptance prior to its consideration for approval by the Audit and Assurance Committee at its next meeting.</p>	<p>Head of Corporate Governance 2018/45</p>
A.8.18.10	<p>Clinical Audit Annual Report</p> <p>TC reported that as part of the HQIP best practice guide to clinical audit, an annual report is produced and published on the Trust's website. The report provides both a useful point of reference as well as highlighting key issues - historically this has been devolved into divisions, but is now moving towards a centrally managed hub. The context of the report is to provide a profile of Trust-wide activity. There is no prescribed format or content, just good practice. There are a number of assurance mechanisms in place around audit, such as outlier alerts. A quarterly report is submitted to the Quality Committee to describe in-year progress. The annual report is provided for information and as a summing up as the assurance work happens contemporaneously. TC asked the Committee to note that the annual report has been considered by the Executive Management Team and the Quality Committee.</p> <p>TC informed the Committee that the CQC was now using national audit to support judgements about effectiveness and the Trust has declined in its overall effectiveness rating. The quarterly reports detail which audits the CQC use as part of their intelligence. TC advised that the focus for 2018/19 was on national audit and an extensive piece of work was ongoing around staffing and changing work practices.</p> <p>BS asked if there was confidence that the resources utilised would achieve an acceptable balance. TC stated that the Trust is currently around 60-70% of the way towards understanding if this can be delivered. She added that EPR has helped to support faster access to data and, with the savings made within her own directorate, more support resources would be available. It was expected that by the year end there should be a complete understanding of the resources needed. TC cautioned that there were a number of 'fragile' audits such as TARN, which were under close focus. There is consensus amongst the Executive Directors that this is a priority and a proposal for centralisation has been accepted. The aspiration is 100% case attainment for every national audit next year.</p> <p>SU stated that the Quality Committee had been sighted on the historic problems and intended mitigations and recognise this is an ongoing issue and a work in progress.</p>	

	<p>The Committee concurred that focus should be placed on those audits that the CQC was sighted on. TC confirmed that the outcomes from these audits were being reported to the Quality Committee. She added that a good plan was in place and a summary document would be provided to the Clinical Effectiveness Committee in September, with a final proposal in December. Centralising support for the audits would then begin urgently. BS requested that the detailed report, once submitted to the Clinical Effectiveness Committee and the Quality Committee, is provided to the Audit and Assurance Committee.</p> <p>TC agreed to circulate an exemplar of the report received by the Clinical Audit and Effectiveness Group to the Committee outside of the meeting.</p> <p>It was noted that the Clinical Audit Annual Report would be presented to the Board of Directors for approval in September.</p> <p>BS thanked TC for her report.</p>	<p>Director of Governance and Corporate Affairs 2018/46</p> <p>Director of Governance and Corporate Affairs 2018/47</p>
A.8.18.11	<p>Exception Reports</p> <p>MQ asked the Committee to note the contents of the report. He advised that a validation exercise was being carried out to ensure all tender waivers had been captured. He drew attention to the Procurement and Estates data which had been combined within this report and advised that for the next report the data would be provided separately.</p> <p>MQ informed the Committee that a new Head of Procurement would start in post during the following week. BS stated that at some point it would be useful for the appointee to attend the Audit and Assurance Committee to provide assurance that the appropriate processes are all in place and have been followed and that no single tenders are issued inappropriately.</p> <p>BS commented on the relatively high number of single tenders included within the report and MQ agreed to check and confirm the dates with regard to these.</p> <p>SU added that it was good to see that the lowest bid was not always the most successful and that quality remained a factor within the decision making.</p> <p>BS referred to the additional materials requested (under agenda item A.8.18.7 Internal progress report) with respect to the tenders. He added that some assurance could then be gathered with respect to the single tender waivers and this, with the actions agreed, would raise assurance to a higher level in due course.</p> <p>BS referred to the losses and special payments, and the Committee concurred that the figures appeared quite low for the first quarter. MQ confirmed that no losses were written off and that there was nothing out of the ordinary regarding special payments to date. MQ agreed to email PH with details of the special severance payment noted in the report.</p> <p>BS asked how the Committee could be assured that the report was accurate and complete. MQ advised that a ledger is kept with a unique code allocated to all transactions. Further, consultations took place with the Legal Team to cross reference with information they hold.</p> <p>The Committee noted the report and agreed that it would be useful to monitor the level of spending in the Trust, which at this stage was noted to be lower than</p>	<p>Deputy Director of Finance 2018/48</p> <p>Deputy Director of Finance 2018/49</p> <p>Deputy Director of Finance 2018/50</p> <p>Deputy Director of Finance 2018/51</p> <p>Chair AAC 2018/52</p>

	average.	
A.8.18.12	<p>Audit Committee Annual Report to Board</p> <p>BS stated that as there is currently no Trust Secretary in post, the annual report would be presented to the next Audit and Assurance Committee, which was later than planned.</p> <p>BS commented on the guidance available in the HFMA handbook which recommended that an Audit Committee Annual Report should be produced prior to the end of the financial year. BS stated that if this guidance was followed then it would in effect mean that the annual report would be out of date as the end of year work of the Audit and Assurance Committee included the receipt of the annual report and annual financial accounts. It was agreed that the Committee would continue to produce and approve its annual reports at the meeting following the May meetings to approve the annual accounts and year end reports.</p>	Chair of the AAC/Head of Corporate Governance 2018/53
A.8.18.13	<p>Audit Committee Annual Self-Assessment</p> <p>TC was present for this item.</p> <p>BS presented the paper. He advised that it had been prepared in consultation with both SU and TH. In undertaking the self-assessment the Committee had utilised the advice and guidance available within the HFMA handbook. The Committee noted that BS had also held further discussions with regard to the outcomes of the self-assessment with Bill McCarthy, Trust Chairman. The Committee discussed and noted the following items which had been identified through the use of the audit and assurance committee checklists from the HFMA Audit Committee handbook and where action was required;</p> <ul style="list-style-type: none"> - <u>Interaction with other Board Committees.</u> BS reported that the Committee does not, but should to comply with good practice, receive assurance reports from the other Board Committees. It is good practice for an Audit Committee to aggregate and assess assurance obtained and reported by other Board Committees, on behalf of the Board. This was to be pursued as part of the upcoming review of Committee terms of reference. - <u>Membership of the Committee.</u> At present there would be no changes to the current membership. However, BS advised that the Chairman had agreed to consider expanding membership with the addition of a clinician. It was clear that this could not be the Chair of the Quality Committee. - <u>Assurance Framework.</u> BS advised that he had communicated with TC setting out the additional assurance regarding the framework that should be presented to the Committee. It was noted that this communication had been shared with other Committee members who had concurred. A discussion was held about how the AAC would handle assurance around the REAF. It was agreed that action was for Internal Audit to share a copy of the audit brief with the AAC. <p>TC advised that she was meeting with the Divisional General Managers to review all risks on the registers. She agreed to present a report to the Committee regarding the Assurance Framework in April 2019. TC added that the Clinical Divisions would be the focus for 2018/19 and the Corporate Divisions would be the focus for 2019/20.</p>	<p>Chair of the AAC 2018/54</p> <p>Chair of the AAC 2018/55</p> <p>Internal Audit 2018/56</p> <p>Director of Governance and Corporate Affairs 2018/57</p>

	<ul style="list-style-type: none"> - <u>Regulatory Requirements.</u> BS reported that the Committee should receive evidence and assurance that the Trust complies with all relevant regulatory requirements. TC advised that she had led a gap analysis based on all health and safety regulations and actions. The Health and Safety Committee are due to agree a work plan based on the recommendations. TC agreed to work with KR on a proposal listing all regulations and assurance functions. The proposal will be presented to the Committee in October. - <u>Data Quality.</u> BS reported that the Committee has to date not received assurance regarding Trust-wide data quality. The Committee noted that this related to assurance provided that all key data within the Trust is accurate, complete and timely. A new policy had recently been issued and the Committee recognised that time was required for this to be embedded within the Trust. The Director of Informatics would be invited to the Committee to provide an update on the embedding of the policy. Further, the Committee would require an annual data quality report to be presented with a particular focus on in-year changes. - <u>Clinical Audit Assurance.</u> BS reported that the Committee had concluded that its role (and possibly that of the Quality Committee) with regard to clinical audit requires clarification. A detailed discussion took place regarding the output and implementation of clinical audits in contrast to the control mechanisms and, which Committees should have overall responsibility for which. It was agreed that the Audit and Assurance Committee should review audit conduct (such as data quality), and the Quality Committee should focus on risks and areas for improvement. It was agreed that the Quality Committee should, adhering to its terms of reference, take the first step to consider the processes and outputs and confirm these in an assurance statement to the Board and the Audit and Assurance Committee on behalf of Board. - <u>Third Parties.</u> BS reported that the Committee should receive assurance from all third party suppliers that deliver key functions to the Trust, for example assurance is provided annually by the payroll processing provider but this needs to be extended as appropriate. BS added that the challenge would be to gain assurance from all relevant third party providers of services to the Trust. HKT advised that another Trust had undertaken a large piece of work on this which might provide a useful steer. It was requested that the Director of Finance and the Chief Operating Officer should discuss this further and feed back to the Committee in October. <p>BS stated that he had reviewed the HFMA Audit Committee Handbook for any items that he believed should have been included within the self-assessment checklists but were absent. There were three items identified.</p> <ol style="list-style-type: none"> 1. Receiving ongoing assurance regarding clinical risks arising from financial pressures. BS stated that the responsibility for this spans both the Quality Committee and the Finance & Performance Committee and it was important that it did not fall down the gap between the two. It was agreed that this should be picked up and considered (<i>by the Board</i>) as part of the review of the Committees and their Terms of Reference. 2. <u>Evidence relating to the Trust's Continuing Fitness to Function.</u> The Committee agreed that TC would present a paper to the Committee at the beginning of Q4 	<p>Director of Governance and Corporate Affairs 2018/58</p> <p>Director of Informatics 2018/59</p> <p>Director of Informatics 2018/60</p> <p>Director of Governance and Corporate Affairs 2018/61</p> <p>Director of Finance 2018/62</p> <p>Chair of Audit and Assurance Committee 2018/63</p> <p>Director of Governance and Corporate</p>
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	<p>regarding the Provider Licence.</p> <p>3. <u>Freedom to Speak Up Arrangements.</u> The Committee noted that an annual report would be submitted to the Quality Committee and the Board. It was agreed that the report should also be submitted to the Audit and Assurance Committee.</p>	<p>Affairs 2018/64 Chief Nurse 2018/65</p>
A.8.18.14	<p>Review of Audit and Assurance Committee Terms of Reference</p> <p>BS reminded the Committee of the review of the Committees that was currently underway during the autumn. Part of the review would include a reauthorisation of the Committee Terms of Reference. BS stated that the Audit and Assurance Committee Terms of Reference require significant improvement with a clear explanation of how the Committee would interact with other Committees of the Board.</p> <p>BS advised the Committee that he has agreed with the Chairman to draft the Audit and Assurance Committee Terms of Reference with regard to the outcomes from the self assessment and with reference to the guidance provided in the HMFA handbook. He would also produce a suggested form of narrative that he believed would be broadly ready to fit into the other Committees' Terms of Reference on how they should interact with the Audit and Assurance Committee. A draft of the Audit and Assurance Committee Terms of Reference would be available for review at the next Committee meeting along with the proposed form of words to be included within the Terms of Reference for the other Committees of the Board.</p>	<p>Chair of Audit and Assurance Committee 2018/66</p>
A.8.18.15	<p>Audit and Assurance Committee Work plan 2018-19</p> <p>BS stated that the work plan needs to reflect the Audit and Assurance Committee Terms of Reference. Once the Terms of Reference have been refined and agreed the work plan would be updated.</p> <p>The Committee agreed that the work plan would include assurance reports to be provided by each of the Committees. The schedule for receipt would need to be considered as each would first come to the Audit and Assurance Committee prior to receipt by the Board.</p>	<p>Chair of Audit and Assurance Committee/ Head of Corporate Governance 2018/67</p>
A.8.18.16	<p>RTT and Ambulance Handovers: Progress with Remedial Actions Following Deloitte 17/18 Quality Report Work</p> <p>TS reminded the Committee of the conclusions of the External Auditor with regard to the Indicators audited from the Trust's 2017/18 Quality Report. With regard to RTT, the audit covered the accuracy of the start and stop dates and duplicate entries. With regard to Ambulance Handovers the audit covered the recording and verification of clock starts and stops.</p> <p>TS stated that the external audit report raised concerns around RTT related to EPR and the difficulties experienced with regard to reporting. They had recommended work to be undertaken in three areas.</p> <ul style="list-style-type: none"> - Documentation of Clock Starts. TS advised that this information was not previously recorded in patient notes. The date was taken from the referral letter. New patient notes are now not being generated and all patient encounters are recorded in EPR. The referral system is now also electronic. This data is validated with the Corporate Access Team. Where patients reach over 40 weeks, a complete validation is undertaken using supporting documentation, such as the referral letter, written correspondence from the 	

	<p>clinician and test results.</p> <ul style="list-style-type: none"> - Insufficient information in patient notes. TS stated that paper notes were no longer in use and this information was now held in EPR. - Data transfer. Concerns were raised that there should be full validation of all data transferred over. TS stated that there was confidence that the checking mechanisms in place prior to the launch of EPR had covered 99% of the data transferred. She advised that going forward, waiting list validation would also support identification of any patients over 40 weeks. <p>TS stated that with regard to Ambulance Handovers; between 108 and 140 patients are conveyed inward by ambulance daily. She asked the Committee to note that the following actions had been taken in response to the recommendations from the external auditor:</p> <ul style="list-style-type: none"> - The Emergency Care Team had put in place a departmental SOP which clearly identified the actions required in relation to notification, arrival and handover. Work has also been undertaken with YAS (Yorkshire Ambulance Service) to put in place a Hospital Ambulance Liaison Officer. This member of staff would begin work with BTHFT on 13 August 2018. - With regard to Call Sign Recording; reception staff have all undertaken training in EPR and the registration system. TS advised that an audit would be undertaken to see if this was being adhered to. - Daily Validation of ambulance handover data was now underway and had been embedded and weekly information received from YAS was routinely reviewed. TS stated that there is confidence that all relevant data is available and this was recorded centrally. <p>BS thanked TS for the report.</p>	
A.8.18.17	<p>Charitable Funds Accounts 2017/18</p> <p>MQ informed the Committee that the draft accounts were currently being prepared. The External Auditor would be undertaking its audit at the end of August 2018. This update had been shared with the Charity Committee. MQ expected that the final accounts would be presented to the AAC for receipt in October 2018.</p>	
A.8.18.18	<p>Any Other Business</p> <p>There was no other business discussed</p>	
A.8.18.19	<p>Matters to Share With Other Committees</p> <p>BS stated that cooperation is required to review and revise all committee terms of reference.</p>	
A.8.18.20	<p>Matters to Escalate to Corporate Risk Register</p> <p>There were no matters to escalate to the corporate risk register.</p>	
A.8.18.21	<p>Matters to escalate to the Board of Directors</p> <p>BS stated that the report from the Chair of the Audit and Assurance Committee to the Board would be circulated to SU and TH for review prior to circulation to the Board.</p>	
A.8.18.22	<p>Attendees for subsequent Audit Committee meetings</p> <p>Director of Governance and Operations (A.18.13) – October 2018 and April 2019</p>	

	Director of Informatics (A.18.13) – October 2018 and April 2019 Chief Nurse - (A.18.13) – April 2019	
A.8.18.23	Review of Meeting The Committee agreed that the key items discussed involved setting the groundwork for how the Committee would operate and function in seeking assurance in the future.	
A.8.18.24	Items Deferred to Subsequent Meetings There were no items deferred.	
A.8.18.25	Dates and Times of Next Meetings Tuesday 30 October 2018, 2pm to 5pm Tuesday 4 th of December 2018, 2pm to 5pm	

BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST
ACTIONS FROM AUDIT AND ASSURANCE COMMITTEE MEETINGS 7 AUGUST 2018
(those actions closed at the meeting held on 7 August 2018 are highlighted in grey)

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

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
					be requested. <u>Action concluded.</u>
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. <u>Action concluded.</u>
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

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
					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 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	Documents circulated. <u>Action concluded.</u> <u>To be deleted.</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. This has been finalised and is included in the progress report on the agenda for 07.08.18. <u>Action Concluded.</u>
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>

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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	KR has reported this has now been changed in A.5 (2).18.10. <u>Action concluded.</u>
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	Director of Governance and Corporate Affairs	7 August 2018	As recorded for A.4.18.9 above, a summary document has been produced.

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
		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.	2018/31		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 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. <u>Action concluded.</u>
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.5.18.11	Internal Audit Progress Report Formatting issues within Board Pad were noted. JM will review.	Head of Corporate Governance	30 October 2018	JM to consider Sheridan Osbourne to look at.

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
			2018/26		
07.08.18	A.8.18.5	Matters Arising The Committee agreed that going forward Committee meetings would not be scheduled during the month of August.	Head of Corporate Governance 2018/37	30 October 2018	
07.08.18	A.8.18.6	Benchmarking & Sector Developments Report BS stated that it would be helpful to direct the Partnerships Committee towards pages 4 and 6 of the Sector Developments Report and the Finance and Performance Committee to page 5 of the report. He further requested that the full report is circulated to the Executive Directors for information.	Head of Corporate Governance 2018/38	30 October 2018	
07.08.18	A.8.18.6	Benchmarking & Sector Developments Report MQ confirmed that a post-audit discussion was planned for the following week. An update would be provided to the Committee at the next meeting.	Director of Finance 2018/40	30 October 2018	
07.08.18	A.8.18.7	Internal Audit Progress Report Risk Register Benchmarking Review - KR agreed to provide confirmation to the Committee what the X axis on the bar chart is measuring as it was not clear	Internal Audit Manager 2018/41	30 October 2018	
07.08.18	A.8.18.7	Internal Audit Progress Report Risk Register Benchmarking Review - BS queried what the four gaps in the table meant - KR agreed to go back to the relevant auditor to check this.	Internal Audit Manager 2018/42	30 October 2018	
07.08.18	A.8.18.7	Internal Audit Progress Report It was agreed that an enquiry would be made to see if there were any actions arising for the Audit and Assurance Committee from the Integrated	Head of Corporate Governance 2018/43	30 October 2018	

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
		Governance and Risk Committee in response to their review of the Risk Register Benchmarking findings.			
07.08.18	A.8.18.7	Internal Audit Progress Report Capital Projects - BS requested that, at the next meeting only, the committee was provided with completed tender waiver forms (as part of the Exceptions Report) to see how they were completed.	Deputy Director of Finance 2018/44	30 October 2018	
07.08.18	A.8.18.9	Internal Audit Charter The Charter should be presented to the Executive Management Team meeting for the Executives' review and acceptance prior to its consideration for approval by the Audit and Assurance Committee.	Head of Corporate Governance 2018/45	30 October 2018	
07.08.18	A.8.18.10	Clinical Audit Annual Report BS requested that the detailed report submitted to the Clinical Effectiveness Committee and the Quality Committee is provided to the Audit and Assurance Committee.	Director of Governance and Corporate Affairs 2018/46	30 October 2018	
07.08.18	A.8.18.10	Clinical Audit Annual Report TC agreed to circulate an exemplar of the report received by the Clinical Audit and Effectiveness Group to the Committee outside of the meeting.	Director of Governance and Corporate Affairs 2018/47	30 October 2018	
07.08.18	A.8.18.11	Exception Reports MQ asked the Committee to note the contents of the report. He advised that a validation exercise was being carried out to ensure all tender waivers had been captured. He drew attention to the Procurement and Estates data which had been combined within this report and advised that for the	Deputy Director of Finance 2018/48	30 October 2018	

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
		next report the data would be provided separately.			
07.08.18	A.8.18.11	Exception Reports MQ informed the Committee that a new Head of Procurement would start in post during the following week. BS stated that at some point it would be useful for the appointee to attend the Audit and Assurance Committee to provide assurance that the appropriate processes have been followed and no single tenders have been issued inappropriately.	Deputy Director of Finance 2018/49	30 October 2018	
07.08.18	A.8.18.11	Exception Reports BS commented on the relatively high number of single tenders included within the report and MQ agreed to check and confirm the dates with regard to these	Deputy Director of Finance 2018/50	30 October 2018	
07.08.18	A.8.18.11	Exception Reports MQ agreed to email PH with details of the special severance payment noted in the report.	Deputy Director of Finance 2018/51	30 October 2018	
07.08.18	A.8.18.11	Exception Reports The Committee agreed that it would be useful to monitor the level of spending in the Trust, which at this stage was noted to be lower than average.	Chair of the AAC 2018/52		
07.08.18	A.8.18.12	Audit Committee Annual Report to Board The Committee agreed that the Annual Report which would be received at the next Committee meeting would refer to information from April 2017 and the reporting period would be extended to after the meetings held in May 2018.	Chair of the AAC/Head of Corporate Governance 2018/53	30 October 2018	
07.08.18	A.8.18.13	Audit Committee Annual Self-Assessment	Director of	30 October	

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
		<u>Risk Escalation Assurance Framework</u> A discussion was had about how the AAC would handle assurance around the REAF. It was agreed that action was for Internal Audit to share a copy of the audit brief with the AAC. JM to amend minutes to this effect.	Governance and Corporate Affairs 2018/56	2018	
07.08.18	A.8.18.13	Audit Committee Annual Self-Assessment <u>Third Parties</u> - It was requested that the Director of Finance and the Chief Operating Officer should discuss this further and feedback to the Committee in October.	Director of Finance 2018/62	30 October 2018	
07.08.18	A.8.18.14	Review of Audit and Assurance Committee Terms of Reference BS advised the Committee that he has agreed with the Chairman to draft the Audit and Assurance Committee Terms of Reference with regard to the outcomes from the self-assessment and with reference to the guidance provided in the HMFA handbook. He will also produce a form of narrative that will be broadly ready to fit into the other Committees' Terms of Reference on how they should interact with the Audit and Assurance Committee. A draft of the Audit and Assurance Committee Terms of Reference will be available for review at the next Committee meeting along with the proposed form of words to be included within the Terms of Reference for the other Committees of the Board.	Chair of the AAC 2018/66	30 October 2018	
07.08.18	A.8.18.15	Audit and Assurance Committee Workplan 2018-19 BS stated that the workplan needs to reflect the	Chair of the AAC/ Head of Corporate	30 October 2018	

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
		Audit and Assurance Committee Terms of Reference. Once the Terms of Reference have been refined and agreed the workplan will be updated. The Committee agreed that the workplan would include assurance reports to be provided by each of the Committees. The schedule for receipt will need to be considered as each would first come to the Audit and Assurance Committee prior to receipt by the Board.	Governance 2018/67		
07.08.18	A.8.18.13	Audit Committee Annual Self-Assessment <u>Regulatory Requirements</u> - TC agreed to work with KR on a proposal listing all regulations and assurance functions. The proposal will be presented to the Committee in December.	Director of Governance and Corporate Affairs 2018/58	4 December 2018	
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	
07.08.18	A.8.18.13	Audit Committee Annual Self-Assessment <u>Interaction with other Board Committees</u> – BS reported that the Committee does not, but should to comply with good practice, receive assurance reports from the other Board Committees. It is good practice for an Audit Committee to aggregate and assess assurance obtained and reported by other Board Committees, on behalf of the Board. This was to be pursued as part of the upcoming review of Committee terms of reference.	Chair of the AAC 2018/54	4 December 2018	

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07.08.18	A.8.18.13	Audit Committee Annual Self-Assessment <u>Membership of the Committee</u> - BS advised that the Chairman had agreed to consider expanding membership with the addition of a clinician. It was clear that this could not be the Chair of the Quality Committee.	Chair of the AAC 2018/55	4 December 2018	
07.08.18	A.8.18.13	Audit Committee Annual Self-Assessment <u>Data Quality</u> - the Director of Informatics will be invited to the Committee to provide an update on the new policy.	Director of Informatics 2018/59	4 December 2018	
07.08.18	A.8.18.13	Audit Committee Annual Self-Assessment <u>Receiving ongoing assurance regarding clinical risks arising from financial pressures</u> - It was agreed that this should be picked up and considered (<i>by the Board</i>) as part of the review of the Committees and their Terms of Reference.	Chairman 2018/63	4 December 2018	
07.08.18	A.8.18.6	Benchmarking & Sector Developments Report MQ stated that a paper would be produced in January/February regarding the accounting changes and the Finance Team would work with the Executive Management Team on the proposed approach to be taken regarding assurance.	Director of Finance 2018/39	February 2019	
07.08.18	A.8.18.13	Audit Committee Annual Self-Assessment <u>Evidence relating to the Trust's Continuing Fitness to Function</u> . The Committee agreed that TC would present a paper to the Committee at the beginning of Q4 regarding the Provider Licence.	Director of Governance and Corporate Affairs 2018/64	February 2019	
07.08.18	A.8.18.13	Audit Committee Annual Self-Assessment TC agreed to present a report to the Committee regarding the Assurance Framework in April 2019.	Director of Governance and Corporate Affairs	April 2019	

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			2018/57		
07.08.19	A.8.18.13	Audit Committee Annual Self-Assessment <u>Data Quality</u> - and an annual data quality report will be expected, with a particular focus on in-year changes.	Director of Informatics 2018/60	July 2019	
07.08.18	A.8.18.13	Audit Committee Annual Self-Assessment <u>Clinical Audit Assurance</u> - It was agreed that the Audit and Assurance Committee should review audit conduct (such as data quality), and the Quality Committee should focus on risks and areas for improvement. It was agreed that the Quality Committee should, adhering to the terms of reference, take the first step to consider the processes and outputs and confirm these in an assurance statement to the Board and the Audit and Assurance Committee on behalf of Board.	Director of Governance and Corporate Affairs 2018/61	July 2019	
07.08.18	A.8.18.13	Audit Committee Annual Self-Assessment <u>Freedom to Speak Up Arrangements</u> - the Committee noted that an annual report would be submitted to the Quality Committee and the Board. It was agreed that the report should also be submitted to the Audit and Assurance Committee.	Chief Nurse 2018/65	July 2019	