

## AUDIT AND ASSURANCE COMMITTEE MEETING MINUTES

<b>Date:</b>	Tuesday 21 <sup>st</sup> May 2019	<b>Time:</b>	2pm to 5pm
<b>Venue:</b>	Trust Meeting Room	<b>Chair:</b>	Barrie Senior, Non-Executive Director
<b>Present:</b>	<b>Non-Executive Directors:</b> <ul style="list-style-type: none"> <li>- Mr Barrie Senior, Non-Executive Director, Chair (BS)</li> <li>- Mr Jon Prashar, Non-Executive Director (JP)</li> <li>- Ms Selina Ullah, Non-Executive Director (SU)</li> </ul>		
<b>In Attendance</b>	<ul style="list-style-type: none"> <li>- Mr Matthew Horner, Director of Finance (MH)</li> <li>- Mr Michael Quinlan, Deputy Director of Finance (MQ)</li> <li>- Ms Tanya Claridge, Director of Governance and Corporate Affairs (TC)</li> <li>- Mrs Sandra Shannon, Chief Operating Officer, for agenda item A.5.19.13 - Patient Safety; National Standards for Cancer Patients</li> <li>- Mr Chris Boyne, Audit Yorkshire (CB)</li> <li>- Ms Karina Rogers, Audit Yorkshire (KR)</li> <li>- Mr Nick Rayner, Deloitte (NR)</li> <li>- Mr Paul Hewitson, Deloitte (PH) (arrived at 4pm)</li> </ul>		

No.	Agenda Item	Action
<b>A.5.19.1</b>	<b>Apologies for Absence</b>	
	Apologies were received from Ms Adele Jowett, Audit Yorkshire (AJ) and Ms Helen Kemp-Taylor, Audit Yorkshire (HKT).	
<b>A.5.19.2</b>	<b>Declarations of Interest</b>	
	There were no declarations of interest made in respect of any items to be considered on the agenda.	
<b>A.5.19.3</b>	<b>Minutes of the Meeting Held on 16 April 2019</b>	
	<p>The minutes were accepted as a correct record, subject to the following two amendments:</p> <p>Page 3 – Financial Transactions – significant assurance was noted, not high.</p> <p>Page 4 – Payroll – This is a standard audit, not a result of management request or changes in data protection regulations.</p> <p>The minutes will be amended to include these changes.</p>	

A.5.19.4	Matters Arising
<p>The following items from the action log were closed:</p> <ol style="list-style-type: none"> <li>1. A.2.19.9 (05.02.19) 2018/113 - Counter Fraud Progress Report.</li> <li>2. A.2.19.16 (05.02.19) 2018/122 - Review Audit Committee Terms of Reference.</li> <li>3. A.12.18.6 (04.12.18) 2018/97 - Security Management Standards for Providers.</li> <li>4. A.2.19.15 (05.02.19) 2018/120 - Annual Review of Internal Audit and External Audit Performance.</li> <li>5. A.4.19.6 (16.04.19) 2019/127 - Internal Audit Progress Report.</li> <li>6. A.4.19.7 (16.04.19) 2019/129 - Annual Internal Audit Plan (TC to let the other committees have sight of the plan once the changes made).</li> <li>7. A.4.19.7 (16.04.19) 2019/130 - Annual Internal Audit Plan (A session about bribery and corruption was suggested for a board development day).</li> <li>8. A.4.19.9 (16.04.19) 2019/131 - Risk Assessment.</li> <li>9. A.4.19.18 (16.04.19) 2019/133 - CAP Report 2017-18.</li> <li>10. A.4.19.19 (16.04.19) 2019/134 - Supplier Assurance Framework.</li> <li>11. A.4.19.24 (16.04.19) 2019/137 - Risk Management Strategy 2019-2025 and Associated Procedures.</li> <li>12. A.4.19.27 (16.04.19) 2019/139 - Board Sub-Committee Exception Reports.</li> <li>13. A.4.19.30 (16.04.19) 2019/140 - Audit Committee Workplan.</li> <li>14. A.4.19.21 (16.04.19) 2019/136 - Cyber Security.</li> </ol>	

Section 2: External Audit	
2a Deloitte	
A.5.19.5	Benchmarking & Sector Developments Report and ISA 260
<p>NR provided an update. There has previously been a clear focus on non-recurrent savings and it was reported that this needs to shift to recurrent savings. The sector benchmarking report was found useful. The Finance and Performance Committee to pick up assurance around the cultural shift required to deliver the Foundation Trust's Cost Improvement Plan. The Board of Directors should then be sighted on the outcome of the work associated with this.</p>	<p><b>Director of Finance 2019/142</b></p>

A.5.19.6	External Audit Report on the Quality Account
<p>NR gave an overview of the three main elements tested: mandatory and local indicators, contents of the Quality Account and consistency of the Quality Account with other documents. All indicator and content review work is finished, but feedback is awaited to complete the consistency work.</p> <p>The mandatory indicators are set by NHSI. AED remains one of the two mandatory indicators and 62 day cancer waits has replaced 18 week RTT. The Council of Governors accepted NHSI's recommendation that the chosen local indicator should be Summary Hospital-level Mortality Indicators (SHMI).</p> <p>As regards the Quality Account, PH pointed out that the main point to note in his opinion is the excessive length of the document. TC stated that the process for producing the Quality Account will be different this coming year and she has linked in with other trusts to identify improvement ideas.</p>	

<p>Indicator testing - AED 4 hour waits. A sample was picked and tested to the underlying documentation. In 3 cases out of the sample 25, when the breaches were sent back to AED for validation, the breach had been altered to a non-breach without sufficient documentation held on the system to evidence this. This has been flagged with Carl Stephenson, Head of Performance and Sandra Shannon, Chief Operating Officer. The main recommendation was for AED staff to bring the correct notes in and ensure clarity around any notes made retrospectively.</p> <p>62 day cancer waits. The design and implementation of the controls around the process were tested and in a sample of 25, no concerns were identified.</p> <p>SHMI. No issues were identified.</p> <p>The appendices to Deloitte's report set out the recommendations around the AED-related findings.</p> <p>Updates have been requested around 18 week RTT for last year, but nothing has been received yet.</p> <p>In terms of the External Audit opinion on the Quality Report, no qualifications were proposed.</p>	
<b>2b Foundation Trust Responses (by Exception)</b>	
<p>There was nothing to consider under this agenda item at this meeting.</p>	
<b>Section 3: Internal Audit and Counter Fraud</b>	
<b>3a Audit Yorkshire</b>	
<b>A.5.19.7</b>	<b>Internal Audit Progress Report</b>
<p>KR provided an overview of all the published reports since the last meeting. 11 reports are now finalised, three of which had limited assurance, four with significant assurance and four without an opinion, most of which are benchmarking pieces of work. This concludes the Internal Audit plan for 2018/19.</p> <p>There was one additional deferred audit, Information Asset Register. This was originally planned to follow the Data Security and Protection Toolkit review, but as a result of the organisational restructure, there will be new information asset owners who will need updating, training and added onto the register. It was therefore felt more beneficial to defer this until the new post holders are in place. The Committee approved the deferral and this is now proposed for Quarter 2 2019/20.</p> <p>The Internal Audit reporting KPIs were each confirmed to be at 100%.</p> <p>506 days have been delivered against an original plan of 611 days, taking the deferrals into consideration.</p> <p><b>Safer Staffing (Ward Rostering and Resource Management):</b> All areas achieved either significant or high assurance. Two minor recommendations were agreed with the Chief Nurse for completion by the end of June 2019.</p> <p><b>Cyber Security:</b> This looked at the 10 steps to cyber security and had overall significant assurance. Many sections had high assurance, with one or two having significant assurance. Two recommendations were made, one moderate and one minor, which were both agreed with the Chief Digital and Information Officer. BS highlighted some points being worded as risks under the control objectives. KR clarified that these are the 10 steps and this report has a slightly different format.</p>	

**Mandatory Training (Benchmarking Report):** This was carried out across Audit Yorkshire's clients and reviewed the types of training, target levels and current positions of each Trust. The Chief Medical Officer will review this in the context of the training provided. BS asked what is going to be done to move the actions forward.

**Benchmarking Reports (General)** The AAC to see and understand the actions being taken regarding these at the next meeting in terms of actions, ownership and deadlines.

**Carriage of Dangerous Goods (COSHH):** This had overall limited assurance. KR has met with TC and the Director of Pharmacy and TC and team have produced an action plan, which is on today's Audit Committee agenda. BS queried why it would take an audit to identify these issues. KR replied that this item was already on the risk register when a full audit was requested by TC to identify the magnitude of the issues. TC added that the audit has provided clarity on points being used as Key Performance Indicators, such as spot checks. There are known system issues to be worked out and other actions that can be done quickly to improve things. TC is working with Hannah Miller, Assistant Director of Pharmacy, around more administration support.

**Patient Safety National Standards for Cancer Patients:** This received limited assurance and several recommendations, which have been agreed with the Chief Operating Officer. The data analysed was collected between April and December 2018. A lot of work has since been done and the figures are now a lot closer to the national targets than at the time the audit was carried out.

**Maternity Improvement Plan:** This was carried out to provide assurance around the effectiveness of the actions identified. Significant assurance was noted with no additional recommendations made. One action related to the timeliness of statements being taken from staff involved in a serious incident. This action has been superseded to date as most investigations are now being undertaken in Maternity by the Healthcare Safety Investigation Bureau and there have been some delays in the investigation process identified, which are beyond the control of the Foundation Trust.

**Asset Management Stocks, Stores and Inventory:** This had overall limited assurance. The relationship between the Operations and Finance teams needs tightening in relation to who is responsible for which aspect. Six recommendations were made, the majority sitting with Finance and one with Operations. BS queried whether receiving goods directly onto wards was the best way or if there should be a central receiving point. MH stated that the current model, whereby the delivery company Bunzl drops off goods at the point of use, is the most cost effective for the Foundation Trust.

The recommendations around the management of stores across the organisation was recognised. MH pointed out that the final action plan could involve more investment and that the implementation of the Scan4Safety system could also transform the model.

BS highlighted the importance of this in terms of patient care and the central role of ward housekeepers was discussed. BS noted that this was challenging function within a complex organisation.

**Payroll Benchmarking:** This report was provided for information and an update will be submitted to the July Audit Committee.

**Workforce Information Benchmarking:** KR to speak to the Director of Human Resources in terms of the next steps.

AAC Chair  
2019/143

**Audit  
Yorkshire  
2019/144**

<p><b>Stakeholder Engagement – Public and Patient Involvement:</b> This had overall significant assurance. The majority of the sections received high assurance, with one moderate recommendation agreed with the Chief Nurse. BS noted a positive report.</p> <p>The Committee noted the above reports.</p>	
<p><b>A.5.19.8      Follow-up of Internal Audit Recommendations</b></p>	
<p>KR provided an overview. Two actions remain from 2016/17, Carbon Reduction and Asset Utilisation, which are progressing. In terms of 2017/18, several outstanding recommendations have been closed and the actions for 2018/19 are progressing.</p> <p>BS queried the speediness of the actions. KR stated that given the rationale and justification Audit Yorkshire are provided with, she is satisfied with the timescales. KR to meet with each Executive Director over the summer months to review each recommendation and ensure the Directors are aware of and satisfied with the timescales for action.</p>	<p><b>Audit Yorkshire 2019/145</b></p>
<p><b>A.5.19.9      Internal Audit Draft Annual Report &amp; HoIA Opinion</b></p>	
<p>CB provided an overview of the draft annual report. BS queried if there was assurance that Audit Yorkshire was in compliance across the Public Sector Internal Audit Standards. KR confirmed that Audit Yorkshire is audited on a cyclical basis. Audit Yorkshire are assessed to confirm compliance with the Public Sector Internal Audit Standards (PSIAS). This is performed in two parts; initially a self-assessment is conducted and then Audit Yorkshire will be assessed by an external Quality Assessment. Both of these are scheduled for 2019.</p> <p>The output of the external Quality Assessment will be provided to the Audit Yorkshire Board.</p> <p>BS asked if the BAF does, as stated, bring together all the relevant evidence to support the Annual Governance Statement requirements. KR stated that in terms of providing the Head of Internal Audit opinion, the BAF is a fundamental source of information.</p> <p>The Committee noted a useful report and agreed that there had been a good year of audit work done. The report was accepted and approved.</p>	
<p><b>A.5.19.10      Internal Audit Draft Plan 2019/20</b></p>	
<p>This was considered at the April Audit Committee and further information was requested around deferrals and cancellations.</p> <p>Given the work done last year to produce, justify and agree the three year Internal Audit strategic plan, BS was not persuaded that deferring these 'Year 2' audits was the right thing to do. MH stated that a few of the cancelled audits were subsumed into another audit and that no audits had been taken off the plan completely. Benchmarking has been carried out, which showed the Foundation Trust to have procured more audit days and spent more on audit services than other trusts. Audit Yorkshire has also carried out local benchmarking, which showed Bradford to be at the higher end in terms of the number of audits carried out when compared to other organisations of a similar size.</p> <p>SU and JP agreed that as long as there is Executive assurance that audits are not being removed from the plan entirely and are being combined with others, they were satisfied and await the outcome of future audits.</p>	

The Committee approved the plan.		
<b>A.5.19.11</b>	<b>Policies and Procedures for All Work Related to Counter Fraud</b>	
This item is on the Committee workplan to discuss and summarise the work and annual report. It was agreed that from a local counter fraud point of view, the Foundation Trust is where it should be.		
<b>3c Foundation Trust Responses (by Exception)</b>		
<b>A.5.19.12</b>	<b>IA Report – Asset Management</b>	
This item was covered under item A.5.19.7 – Internal Audit Progress Report. The Committee noted the progress being made.		

<b>A.5.19.13</b>	<b>IA Report: Patient Safety; National Standards for Cancer Patients</b>	
<p>Sandra Shannon, Chief Operating Officer, was in attendance for this agenda item and stated that the report was a fair reflection of the Foundation Trust's position at the time before the cancer recovery programme.</p> <p>SES described the progress that the Foundation Trust has made in terms of improvements in pathway management and overall cancer waiting time management, as well as a reduction in the backlog of patients. A range of controls, including contemporaneous dashboards, are now in place. A daily huddle regarding all longer waiting patients takes place and the Foundation Trust now undertakes individual patient reviews at 32 days.</p> <p>SES expressed disappointment that some process management recommendations hadn't initially been put in place, but had no disagreement with the recommendations, a number of which have already been implemented. A robust process is in place for the review of patients waiting longer than 62 days to ensure there is no risk of clinical harm and information can now be provided regarding the regular root cause analyses of all breaches.</p> <p>SES stated that performance is improving month on month, despite significant increases in the volume of 2 week wait referrals. The recovery trajectory is also on track.</p> <p>JP queried the capacity to continue the improvement. SES highlighted the Cancer Improvement Programme and a restructure of the Cancer Team, including a dedicated Cancer Performance Manager, meaning a much better daily focus on performance and forecasting.</p> <p>SU queried how much assurance there was that the actions will be achieved within the given timescales. SS reported absolute assurance through weekly tracking and the fact that most have already been implemented.</p> <p>The Committee noted the progress being made.</p>		
<b>A.5.19.14</b>	<b>IA Report: Dangerous Goods COSHH</b>	
The Committee noted this paper, which described the actions being taken to address the recommendations of the limited assurance internal audit report. The Committee was reassured that the Foundation Trust is responding appropriately to the outcome of recent reviews.		



<b>Section 4: Foundation Trust</b>		
<b>4a Is Financial Governance and its Associated Controls Effective?</b>		
<b>A.5.19.15</b>	<b>Exception Reports – Schedule of Losses and Special Payments</b>	
<p>The Committee received this paper, which provided an overview of the schedule of losses and special payments.</p> <p>MQ stated that there has been quite a large increase in bad debts relating to overseas visitors over the last year. The Finance Team has been working closely with the external debt collectors to chase outstanding debts, but a number of patients have been found to have left the country. Border Control has been informed of this and even though the debts have been written off, they are still on the database. Therefore, if the individuals re-enter the country they will be chased again.</p> <p>The Committee noted the report.</p>		
<b>A.5.19.16</b>	<b>CAP Report 2017-18</b>	
<p>The Committee received an update on the action plan as requested. The majority of actions have been completed. The report was noted and the Committee recognised the progress being made.</p>		
<b>A.5.19.17</b>	<b>Suspension of Standing Orders/Standing Financial Instructions</b>	
<p>This is a standing agenda item as per the new Audit and Assurance Committee workplan. Any suspensions of standing orders or standing financial instructions will be brought to the Committee's attention and noted on the front sheet of the Exception Report. There were no suspensions to be noted today.</p>		
<b>A.5.19.18</b>	<b>Appropriateness of Single Source Tenders</b>	
<p>MH asked for clarity in relation to this agenda item and the requirements of the Committee. BS confirmed that the item was in relation to the request for the Head of Procurement to provide an overview of the single tender waiver (STW) process to the Committee, which has already taken place. Confidence was reported around non-Estates and Facilities tenders, but there was more work to do around Estates. BS noted that he derived comfort from all STWs being scrutinised and signed off by the Head of Procurement.</p> <p>MH stated that he signs off all single source tenders under the normal scheme of delegation and will update the Committee on Estates tenders at the July meeting.</p>		<b>Director of Finance 2019/146</b>
<b>A.5.19.19</b>	<b>BTHFT Annual Accounts 2018/19</b>	
<p>BS provided the background to the decisions made by the Board of Directors in relation to the chosen accounting treatments in concluding the annual accounts. After deliberation, the Board is of the opinion that its chosen accounting treatments should stand, recognising that this results in the auditors accepting some significant, but not audit material, unadjusted differences.</p> <p>BS asked if anything significant had changed since the submission of the Foundation Trust's draft accounts to NHSI and External Audit. MH highlighted the Capital Goods Scheme accrual, which was originally £5.6 million, now reduced to £4.6 million.</p>		

<p>The Committee noted that this was not the final Audit Committee for signing off the accounts.</p>	
<p><b>A.5.19.20</b>      <b>ISA 260 – Foundation Trust</b></p>	
<p>NR and PH provided an overview of this report, which sets out the status of the audit and External Audit's indicative conclusion. The audit is well progressed, but there is a list of matters outstanding. The aim is for this to be completed before the final sign-off on the 24<sup>th</sup> of May 2019.</p> <p>Regarding the status of the audit, the agreement of balances work is now complete, but one item from payables testing is outstanding. The PPE (Property, Plant and Equipment) evaluation work is also complete. Some work is still outstanding around Capital Goods Scheme leases, which should be completed this week. The value for money work is now complete, but the financial figures in the annual report will need updating.</p> <p>External Audit quality control needs completing, but the review of events and signed management representation letter will remain open until the Board sign-off. BS requested sight of the wording of the letter in advance of the Audit Committee sign-off meeting on the 23<sup>rd</sup> of May 2019.</p> <p>BS asked if there was satisfactory evidence that a going concern was appropriate. PH confirmed that the green box on Page 5 was for the Foundation Trust to satisfy itself that it is a going concern. PH stated that it would be difficult for the Foundation Trust not to be a going concern considering it is an acute NHS Trust.</p> <p><b>Significant Risks</b></p> <p>The revenue recognition in respect of CQUIN and PSF revenue was discussed. There was evidence of agreement with the counter parties and no significant differences were noted with the agreement of balances exercise with the counter parties from whom the Foundation Trust earns its substantial CQUIN.</p> <p>Property Valuations. PH stated that there were two factors at play; the WOS resulting in a net of VAT valuation and, some amendments to the MEAV assumptions. PH stated that they had Deloitte's valuer review the MEAV assumptions and considered information received from the Trust's valuation advisors. What was proposed by the Trust seemed acceptable and was consistent with experiences elsewhere. With regard to the valuation net of VAT; there was an issue with the application at the start of the year which had a knock on impact into depreciation. At that time they estimated the impact to be £2m of which £500,000 would reverse back into the I&amp;E position as a reversal of impairment and the rest would go against re-evaluation. PH confirmed that they were content with the net of VAT valuation at the year-end as the Trust is substantially through the process at this point.</p> <p>PH added that it was worth highlighting to the AAC that the National Audit Office is particularly interested in their returns and they have a requirement to highlight Trust's that have made adjustments to their valuations net or gross of VAT as it is a particular area of focus for them.</p> <p>Value for money. NR confirmed that nothing had crystallised in this area and no substantial risks were identified requiring a change of approach.</p> <p><b>Risk Management</b></p> <p>It was pointed out that the new International Financial Reporting Standard, IFRS 16, is</p>	



expected to be adopted from 2020/21 and that lots of work will be required to get this right. PH recommended seeking involvement from the Estates and Finance teams, as well as the WYAAT trusts.

BS queried if the adoption of IFRS16 is covered in the 19/20 plan. MH confirmed that the Finance Team is preparing and working with the technical team at the HFMA to understand and raise awareness. The Treasury have not yet given any NHS guidance and clarification is awaited. The reporting framework for the wholly owned subsidiary is key. If IFRS was adopted, they would have to apply it as written, no matter what the NHS says.

The impact on the Foundation Trust accounts isn't yet known. MQ/MH to keep the Committee updated. MQ stated that Quarter 3 may be a reasonable time to share what the possible impact will be.

PH recommended a further review of the nil net book value assets.

BS mentioned Page 17 – charities with a connection to a non-charity and asked if this was being brought to the attention of the Charitable Funds Committee and Board of Directors. PH confirmed that the Charity Commission are advising any organisation with a captive charity to ensure that within their governance arrangements, the trustees are absolutely clear that their only interest while in that position is the affairs of the charity, as opposed to the affairs of the organisation as a whole. TC to discuss with the Trust Chairman.

Schedule of unadjusted misstatements – PH referred to his opinion as regards the understatement of depreciation point and the misstatement of the Capital Goods Scheme debtor. At the moment, because External Audit haven't seen the signed leases, they don't think the threshold for recognition has been met. Once the leases are released, this adjustment will change, possibly mitigating the impact on the income statement. BS asked if the impact of the unadjusted differences on next time's audit has been jointly pursued. PH confirmed that this hasn't yet been modelled forward. BS stated that this is important to be understood, but did not impact on current year accounting treatments.

There are still some disclosure statements to be finalised. Work is ongoing.

Independence. PH confirmed that he and his team are still independent of the Foundation Trust. He is therefore still able under ethical standards to provide an audit opinion. BS asked if the procurement of the well-led review (non-audit services) from earlier this year went through due process. PH confirmed that a full and open dialogue was had between himself and the Audit of Services team to ensure that the services comply with the ethical standards.

PH confirmed that Steve Picken was in attendance at the panel to appoint the new Trust Chairman in an advisory role as a governance expert on aspects of the appointment. The decision was ultimately made by the governors. This reference has been removed from the annual report.

Fees. This confirms the fees for the current year. PH highlighted that the Foundation Trust is a sample component for the whole government accounts this year, which involves work not included in the original scope. Deloitte are therefore proposing an additional fee for that work. MH confirmed that this has been discussed previously and was expected. Every organisation is sampled periodically and no rationale was given for the Foundation Trust being chosen this time.

BS thanked PH and NR for the work already done and noted there was more work to be undertaken. A final answer by 1pm on the 23<sup>rd</sup> of May was requested. The Committee noted a helpful report and discussion around the accounting treatments being used and

**Deputy  
Director of  
Finance  
2019/147**

**Director of  
Governance  
and  
Corporate  
Affairs  
2019/148**

<p>External Audit's views on these. The accounts are due to be concluded on the 23<sup>rd</sup> of May.</p> <p>BS queried the payment of over £1 million for the apprenticeship levy, with £350,000 recovered. MH confirmed that as there has been an agreement across the WYAAT trusts to start supporting non-apprentice levied organisations, the Foundation Trust won't lose any money. MH to share the email about this with BS.</p>	<p><b>Director of Finance 2019/149</b></p>
<b>4b Are Specific Governance Control Systems Effective? (Workplan Items)</b>	
<b>A.5.19.21</b>	<b>Board Assurance Framework and Strategic Risk Register</b>
<p>BS noted the significant improvement over the last year in terms of persuasive assurance around the risks relating to the Foundation Trust's strategic objectives.</p> <p>The Committee noted the report and was assured that the system is appropriately designed.</p>	

<b>A.5.19.22</b>	<b>Board Committee Oversight</b>	
<p>BS noted good progress.</p> <p>The Committees are going to be given further guidance as to what compliance with Appendix 1 of their respective terms of reference looks like and BS is due to liaise with the relevant Committee Chairs and observe the other Committees from an Audit Committee Chair perspective to help ensure that each Committee is compliant.</p> <p>BS stated that it is down to each of the other Committees to ensure that the 11 items in Appendix 1 of their terms of reference are monitored and dealt with. TC to continue to produce the report for each meeting to summarise performance and a statement will be produced by each Committee Chair annually in February.</p>		
<b>A.5.19.23</b>	<b>Trust's Annual Self-Certification As To The Compliance With The NHS Provider Licence</b>	
<p>TC highlighted that the Committee received a paper in October 2018 describing the approach to assurance that could be used in terms of this statement. This has now been completed.</p> <p>The Committee noted the paper.</p>		
<b>A.5.19.24</b>	<b>Clinical Audit High Priority Workplan</b>	
<p>The Committee noted the document previously approved by the Clinical Audit &amp; Effectiveness Committee and the Quality Committee.</p>		
<b>A.5.19.25</b>	<b>Security Management Standards for Providers</b>	
<p>The Committee requested an update six months after the production of the confirmation of compliance paper by the Security Management Team. This is monitored by the Security Group and there is assurance through to the Health and Safety Committee.</p> <p>TC has carried out a piece of work to draw everything together around physical intervention, security management standards for providers and conflict resolution. Latent risks were identified around the monitoring of patients' vital signs during a period of restraint, so additional work was undertaken around this.</p>		

<p>A Task and Finish Group has been set up supported by the Chief Nurse's office and the policy is due to be reviewed. A review of conflict resolution training has also been done to ensure compliance with the relevant framework and training around defusing difficult situations is due to be carried out across the Foundation Trust.</p> <p>BS asked if a full assessment of the implications of the five amber and one red rating had been done. TC clarified that the risk assessment amalgamated all these.</p> <p>The Committee noted the report.</p>	
<b>4c Corporate Governance</b>	
<p><b>A.5.19.26</b>      <b>Draft Annual Report and Quality Report 2018/19 (including AGS)</b></p>	
<p>The Committee noted the extent of reviews of the draft Annual Report.</p> <p>BS stated that the Annual Governance Statement was easier to read than the previous one.</p> <p>BS queried if the role of the Quality Committee in the preparation of the Annual Quality Report should be referenced under section 3.8.10. TC to add a sentence around the Quality Committee having delegated authority on behalf of the Board of Directors.</p> <p>BS noted a good report.</p>	<p><b>Director of Governance and Corporate Affairs 2019/150</b></p>
<p><b>A.5.19.27</b>      <b>Production of the Quality Account Report</b></p>	
<p>TC provided an overview. The Audit Committee discharges its responsibility through the receipt of the timetable for production, which was received in February. The Audit Committee is expected to undertake a review of the conduct and evidence associated with the responsibility of the Quality Committee in their terms of reference around their role in contributing to and overseeing the development of the Foundation Trust's annual Quality Report.</p> <p>This paper summaries the work of the Quality Committee. The initial draft Quality Account was circulated to the Quality Committee on the 20<sup>th</sup> of March, with feedback to be given by close of play on the 27<sup>th</sup> of March. Following comments received, a version of the document was sent to the Council of Governors and external stakeholders on the 11<sup>th</sup> of April. The external stakeholders include the Clinical Commissioning Groups (CCGs), Local Health Watch and Overview and Scrutiny Committee. Comments were requested by the 22<sup>nd</sup> of April. Positive feedback was received from the CCGs and Local Health Watch and these responses were provided to the April Quality Committee.</p> <p>Further revised drafts have since been reviewed by the Executive Directors, the Chief Executive and the External Auditors. The most recent draft was circulated to the Board of Directors on the 15<sup>th</sup> of May and final comments were requested by the 20<sup>th</sup> of May. The final draft of the Quality Report was submitted to the Quality Committee on the 15<sup>th</sup> of May and all members were required to confirm that they were suitably assured that the Quality Committee had fulfilled its duty to contribute to and oversee the development of the Foundation Trust's annual Quality Report.</p> <p>SU and JP confirmed today as members of the Quality Committee that they were suitably assured that the process had been followed appropriately. TC to confirm this with Laura Stroud.</p> <p>The Committee noted the detailed process that has been undertaken.</p>	<p><b>Director of Governance and Corporate Affairs 2019/151</b></p>

<b>A.5.19.28</b>	<b>Anti-Fraud, Bribery and Corruption Policy</b>	
<p>MH confirmed that this has been reviewed by Adele Jowett from the Counter Fraud Team and there are no updates.</p> <p>The Committee approved the policy.</p>		
<b>A.5.19.29</b>	<b>Use of External Audit to Provide Non-audit Services</b>	
<p>There was nothing specific brought to the attention of the Committee under this agenda item.</p>		
<b>Section 5: Audit and Assurance Committee Governance</b>		
<b>A.5.19.30</b>	<b>Any Other Business</b>	
<p>There was no other business raised.</p>		
<b>A.5.19.31</b>	<b>Matters to Share with Other Committees</b>	
<p>TC to email the other Committee Chairs regarding the requirement to produce an Annual Statement relating to Appendix 1 of their Committees' terms of reference.</p> <p>MH suggested that the Finance and Performance Committee should seek robust assurance regarding the CIP governance process given the heavy reliance now required upon recurrent efficiencies/savings.</p> <p>SU to raise the need to ensure maximum benefit is derived by the Foundation Trust from the Apprenticeship Levy at the Workforce Committee.</p> <p>MH to share an email from Pat Campbell, Director of Human Resources.</p>		<p><b>Director of Governance and Corporate Affairs</b> <b>2019/152</b></p> <p><b>SU</b> <b>2019/153</b></p> <p><b>Director of Finance</b> <b>2019/154</b></p>
<b>A.5.19.32</b>	<b>Matters to Escalate to the Strategic Risk Register</b>	
<p>There were no matters to escalate to the Strategic Risk Register.</p>		
<b>A.5.19.33</b>	<b>Matters to Escalate to the Board of Directors</b>	
<p>There were no matters to escalate to the Board of Directors.</p>		
<b>A.5.19.34</b>	<b>Items Deferred to Subsequent Meetings</b>	
<p>Karen Dawber, Chief Nurse, to attend the July meeting to update on Whistleblowing/Freedom to Speak up and Safeguarding - Domestic Violence in A&amp;E.</p>		
<b>A.5.19.35</b>	<b>Attendees for Subsequent Audit Committee Meetings</b>	
<p>Karen Dawber, Chief Nurse, for Whistleblowing/Freedom to Speak Up and Safeguarding - Domestic Violence in A&amp;E updates.</p>		
<b>A.5.19.36</b>	<b>Review of Meeting</b>	
<p>The Committee noted a good meeting with enough time given to each item. BS thanked all for their attendance and contributions.</p>		
<b>A.5.19.37</b>	<b>Date and Time of Next Meetings:</b>	

Thursday 23 May 2019, 1-2pm (accounts sign off), Trust Meeting Room, Chestnut House, BRI. Tuesday 30 July, 2-5pm, Trust Meeting Room, Chestnut House, BRI.	
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Bradford Teaching Hospitals

NHS Foundation Trust

**BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST  
ACTIONS FROM AUDIT AND ASSURANCE COMMITTEE MEETINGS 16 APRIL 2019**

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
05.02.19	<b>A.2.19.9</b>	<b>Counter Fraud Progress Report</b> AJ reported that the Self Review Tool (SRT) is due for submission on the 30 <sup>th</sup> of April and a signature has been requested from the Chair of the Audit and Assurance Committee to complete the declaration.	Audit Yorkshire/ Chair of the AAC 2018/113	21 May 2019	16.04.19 – The draft SRT will be coming through in the next few days for review and then needs to be signed by BS and MH before submission. Action to remain open. 01.05.2019 – Submitted 21.05.19. Action concluded.
05.02.19	<b>A.2.19.16</b>	<b>Review Audit Committee Terms of Reference</b> MH asked what this Committee would expect in terms of committee assurance reports. TC agreed to draft a template.	Director of Governance and Corporate Affairs 2018/122	21 May 2019	Template drafted. Reports included on agenda. 16.04.19 – BS/TC/MH to discuss at the agenda setting meeting next week. HKT mentioned work with the Governance Institute around committee working. HKT to keep BS updated. 21.05.2019 - Action concluded.
04.12.18	<b>A.12.18.6</b>	<b>Security Management Standards for Providers</b> TC advised that she would discuss with the Director of Finance – an update would be provided to the Audit Committee in six months.	Director of Governance and Corporate Affairs 2018/97	21 May 2019	21.05.19 - Item included on the agenda. Action concluded
05.02.19	<b>A.2.19.15</b>	<b>Annual Review of Internal Audit and External Audit Performance</b> In terms of External Audit, the Terms of Reference require the Audit Committee to have a private conversation. It was agreed to hold this formal assessment of external audit Performance in May	Chair of Audit and Assurance Committee. 2018/120	21 May 2019	21.05.2019 - Sessions with External and Internal Audit are scheduled post AAC meeting. Action concluded.



Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
16.04.19	<b>A.4.19.6</b>	<b>Internal Audit Progress Report - BH/37/2019 – Payroll</b> The Committee considered that communication to staff to re-inforce the starter and leaver process would be a useful addition to the actions taken to address the recommendation.	Director of Finance 2019/127	21 May 2019	21.05.19 – Discussed at EMT. Director of HR and Chief Digital and Information Officer to pick up. Action concluded.
16.04.19	<b>A.4.19.7</b>	<b>Annual Internal Audit Plan</b> TC to let the other committees have sight of the plan once the changes made.	Director of Governance and Corporate Affairs 2019/129	21 May 2019	21.5.19 - Emailed out to Board members and to be added to the Committee agendas in June. Action concluded.
16.04.19	<b>A.4.19.7</b>	<b>Annual Internal Audit Plan</b> A session about bribery and corruption was suggested for a board development day.	Director of Governance and Corporate Affairs 2019/130	21 May 2019	21.05.19 - On the schedule for Board development days. Action concluded.
16.04.19	<b>A.4.19.9</b>	<b>Risk Assessment</b> BS questioned whether there is enough said in the Audit Yorkshire opinion about the assurance obtained with regard to fraud. HKT confirmed that this isn't something that has traditionally been done and is something that should be considered.	Audit Yorkshire 2019/131	21 May 2019	21.05.19 - This was considered by Audit Yorkshire and there was no identified requirement to add anything to the Head of Internal Audit opinion. Action concluded.
16.04.18	<b>A.4.19.18</b>	<b>CAP Report 2017-18</b> MH to provide an update to the action plan at the May Committee.	Director of Finance 2019/133	21 May 2019	21.05.19 - Item added to the agenda. Action concluded.
16.04.19	<b>A.4.19.19</b>	<b>Supplier Assurance Framework</b> MH to add references to contracts and Joint Venture agreements under assurance.	Director of Finance 2019/134	21 May 2019	21.05.19 – This has been done and will be on the July AAC agenda. Action concluded.
16.04.19	<b>A.4.19.21</b>	<b>Cyber Security</b> Internal Audit report to be finalised with CF and presented to the May Committee.	Audit Yorkshire 2019/136	21 May 2019	21.05.19 – This report is within the Internal Audit Progress report. Action concluded.

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
16.04.19	<b>A.4.19.24</b>	<b>Risk Management Strategy 2019-2025 and Associated Procedures</b> TC to add an update for the Non-Executive Directors to a Board development day.	Director of Governance and Corporate Affairs 2019/137	21 May 2019	21.05.19 – This is on the Board Development Day schedule. Action concluded.
16.04.19	<b>A.4.19.27</b>	<b>Board Sub-Committee Exception Reports</b> BS and TC to meet to fill in any gaps.	Chair of the AAC/ Director of Governance and Corporate Affairs 2019/139	21 May 2019	21.05.19 – BS and TC have met with the Interim Chief Executive. TC has mapped all high level controls and policies onto Strategic Objective 1 of the BAF. This is a standing agenda item. Action concluded.
16.04.19	<b>A.4.19.30</b>	<b>Audit Committee Workplan</b> BS to request virtual agreement from John Prashar and Selina Ullah.	Chair of the AAC 2019/140	21 May 2019	21.05.19 – This has been circulated to SU and JP. To be discussed under Any Other Business. Action concluded.
16.04.19	<b>A.4.19.34</b>	<b>Matters to Escalate to the Board of Directors</b> BS to submit his annual report to Board regarding the matters dealt with at the Committee.	Chair of the AAC 2019/141	21 May 2019	21.05.19 – Report to come to the July meeting. Action to remain open.

16.04.19	<b>A. 4.19.15</b>	<b>Standing Orders, Standing Financial Instructions, Scheme of Delegation: Compliance</b> MH to discuss with KR what works well elsewhere in terms of assurance of compliance.	Director of Finance/Audit Yorkshire 2019/132	21 May 2019	21.05.19 - MH provided a summary of the internal control framework in relation to this issue. KR described a benchmarking project which would support this. The internal audit plan will cover this issue. Action to remain open.
05.02.19	<b>A.2.19.15</b>	<b>Annual Review of Internal Audit and External Audit Performance</b> MH mentioned that a recent Internal Audit survey hasn't had a good response rate. The Committee agreed that the survey should be circulated again, with the results to be reviewed and collated by MH.	Director of Finance 2018/119	21 May 2019	16.04.19 – MH to request this to be recirculated. Action to remain open. 21.05.19 – MH/TC to check if been recirculated. Action to remain open and pursued for completion by the next meeting.
30.10.18	<b>A.10.18.5</b>	<b>Deloitte Annual Audit Plan</b> “Assess the quality and capacity of the internal team, their incentives and the need for supplementary skill sets” - BS to confer with the Chairman to determine how best to approach this as the Audit and Assurance Committee may not be the appropriate place.	Chair of the AAC 2018/70	21 May 2019	4/12/18: Action to be carried forward as Chair not yet discussed with the Chairman. 05.02.19: BS to pick up with the new Chairman. 16.04.19 – BS to speak to the new Chairman once in post. Action to remain open. 21.05.19 – BS to report back the outcome of discussions in July. Action to remain open.
30.01.18	<b>A.10.18.7</b>	<b>Internal Audit Progress Report</b> Policy proposal regarding the process to follow to formally record any write off or losses will go through TOG and EMT. TC has stated will be escalated to Quality Committee. Operational Plan will link in to this report and what immediate actions need to be taken.	Deputy Director of Finance 2018/78	21 May 2019	05.02.19: The policy has been finalised for write off. To be presented to TOG and EMT, then shared on the intranet. Action to remain open. 16.04.19 – This has now gone through TOG, been amended

					<p>and will go back to TOG. It has also been to EMT and was approved. Once TOG has approved it will be ready to go on the intranet. Action to remain open.</p> <p>21.05.19 – This will be sent back to TOG before going online. Update due at the July meeting. Action to remain open.</p>
30.10.18	<b>A.10.18.19</b>	<b>Any Other Business</b> Business Continuity Planning (BCP) - An internal audit report was received around May 2018 which pointed to the wider issue of deficiencies in BCP within the Foundation Trust. BS requested that this was maintained on the Committee minutes and action log.	Chief Executive 2018/91	21 May 2019	<p>Update provide by Chief Executive at Board of Directors on 8 November.</p> <p>4/12/18: To confirm the update discussed at Jan Board.</p> <p>05.02.19: TC provided an update. To remain on action log until next year's audit plan available.</p> <p>16.04.19 – There is a BCP review on the draft Internal Audit plan regarding systems, but not whole Trust processes. The actions and recommendations will form part of the general follow-up of the Internal Audit recommendations and the report will come to the Committee in May. Closed subject to agreement of the Internal Audit plan.</p> <p>21.05.19 - BS decided that he required a formal paper in relation to the delivery of the</p>

					BCP framework for the July meeting, in addition to the agreed action relating to the approval of the internal audit plan. Action to remain open.
05.02.19	<b>A.2.19.25</b>	<b>Board Assurance Framework</b> It was agreed that TC would organise training on the BAF for the Non-Executive Directors in the new financial year.	Director of Governance and Corporate Affairs 2018/126	21 May 2019	21.05.19 – TC to meet with the Trust Chairman to decide requirements. Action to remain open and progress reviewed at the July meeting.
16.04.19	<b>A.4.19.7</b>	<b>Annual Internal Audit Plan</b>	Audit Yorkshire 2019/128	21 May 2019	21.05.2019 - Report to be updated to include rationale on deferment. Action to remain open.
21.05.19	<b>A.5.19.7</b>	<b>Internal Audit Progress Report (Benchmarking Report)</b> Responses to each benchmarking report will be sought at the relevant meeting of the AAC in terms of actions, ownership and deadlines.	Chair of the AAC 2019/143	22 October 2019	<b>Minute amended at the meeting held 30 July. Should read</b> “The AAC to see and understand the actions being taken regarding these at the next meeting in terms of actions, ownership and deadlines. JM to inform the relevant Executive Directors and add to the agenda of the October meeting.
07.08.18	<b>A.8.18.13</b>	<b>Audit Committee Annual Self-Assessment</b> <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	30 July 2019	07.08.19 - Item included on agenda. Verbal report to be provided. 16.04.19 – Chief Nurse to attend AAC on 30 <sup>th</sup> July. Action to remain open.

04.12.18	<b>A.12.18.5</b>	<b>Internal Audit Progress Report</b> <u>BH/20/2019 Safeguarding - Domestic Violence in A&amp;E.</u> It was noted that The Chief Digital and Information Officer was due to attend the Committee in February and a request would be made for an update on remaining issues with EPR.	Chief Nurse 2018/93	30 July 2019	05.02.19: The Chief Digital and Information Officer has requested that this item be deferred until the meeting in April 2019. 16.04.19 – TC confirmed that this rests with the Chief Nurse. Chief Nurse to attend AAC on 30 July. Action to remain open.
07.08.18	<b>A.8.18.13</b>	<b>Audit Committee Annual Self-Assessment</b> <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	30 July 2019	
21.05.19	<b>A.5.19.5</b>	<b>Benchmarking &amp; Sector Developments Report and ISA 260</b> The Finance and Performance Committee to pick up assurance around the cultural shift required to deliver the Foundation Trust's Cost Improvement Plan.	Director of Finance 2019/142	30 <sup>th</sup> July 2019	
21.05.19	<b>A.5.19.7</b>	<b>Internal Audit Progress Report (Workforce Information Benchmarking)</b> KR to speak to the Director of Human Resources in terms of the next steps.	Audit Yorkshire 2019/144	30 <sup>th</sup> July 2019	



21.05.19	<b>A.5.19.18</b>	<b>Appropriateness of Single Source Tenders</b> MH to update the Committee on Estates tenders at the July meeting.	Director of Finance 2019/146	30 <sup>th</sup> July 2019	
21.05.19	<b>A.5.19.20</b>	<b>ISA 260 – Foundation Trust (charities with a connection to a non-charity)</b> TC to discuss the Charity Commission advice with the Trust Chairman.	Director of Governance and Corporate Affairs 2019/148	30 <sup>th</sup> July 2019	
21.05.19	<b>A.5.19.20</b>	<b>ISA 260 – Foundation Trust (apprenticeship levy)</b> MH to share email with BS.	Director of Finance 2019/149	30 <sup>th</sup> July 2019	
21.05.19	<b>A.5.19.26</b>	<b>Draft Annual Report and Quality Report 2018/19 (including AGS)</b> TC to add a sentence around the Quality Committee having delegated authority on behalf of the Board of Directors.	Director of Governance and Corporate Affairs 2019/150	30 <sup>th</sup> July 2019	
21.05.19	<b>A.5.19.27</b>	<b>Production of the Quality Account Report</b> TC to confirm SU and JP's assurance that the process has been followed appropriately with Laura Stroud.	Director of Governance and Corporate Affairs 2019/151	30 <sup>th</sup> July 2019	
21.05.19	<b>A.5.19.31</b>	<b>Matters to Share with Other Committees</b> TC to email the other Committee Chairs regarding the Annual Statement.	Director of Governance and Corporate Affairs 2019/152	30 <sup>th</sup> July 2019	
21.05.19	<b>A.5.19.31</b>	<b>Matters to Share with Other Committees</b> SU to raise the apprenticeship levy at the Workforce Committee.	SU 2019/153	30 <sup>th</sup> July 2019	
21.05.19	<b>A.5.19.31</b>	<b>Matters to Share with Other Committees</b> MH to share an email from the Director of Human Resources regarding the apprenticeship levy.	Director of Finance 2019/154	30 <sup>th</sup> July 2019	



## Bradford Teaching Hospitals

NHS Foundation Trust

16.04.19	<b>A.4.19.20</b>	<b>Data Quality</b> Chief Digital and Information Officer to provide updates in April/May and October.	Chief Digital and Information Officer 2019/135	1 October 2019	
16.04.19	<b>A.4.19.26</b>	<b>Regulatory Compliance</b> TC to do a run through of the portfolio of policies to explore the gap around audit compliance and feedback at the October Committee.	Director of Governance and Corporate Affairs 2019/138	1 October 2019	
21.05.19	<b>A.5.19.20</b>	<b>ISA 260 – Foundation Trust</b> MQ/MH to keep the Committee updated on the impact of IRFS 16 on the Foundation Trust's accounts.	Deputy Director of Finance 2019/147	1 October 2019	
21.05.19	<b>A.5.19.8</b>	<b>Follow-up of Internal Audit Recommendations</b> KR to meet with each Executive Director over the summer months to review each recommendation and ensure the Directors are aware of and satisfied with the timescales for action.	Audit Yorkshire 2019/145	1 <sup>st</sup> October 2019	