

## AUDIT AND ASSURANCE COMMITTEE MEETING MINUTES

<b>Date:</b>	Tuesday 30 <sup>th</sup> July 2019	<b>Time:</b>	14:00-17:00
<b>Venue:</b>	Trust Meeting Room, Trust HQ, BRI	<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 (BAS)</li> <li>- Mr Jon Prashar, Non-Executive Director (JP)</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 Sally Scales, Deputy Chief Nurse (for item A.7.19.13 - Internal Audit Follow up reports: BH/20/2019 Safeguarding Domestic Violence in A&amp;E and item A.7.19.24 – Freedom to Speak Up Report)</li> <li>- Ms Jacqui Maurice, Head of Corporate Governance</li> <li>- Ms Adele Jowett, Audit Yorkshire (Counter Fraud Team)</li> </ul>		

No.	Agenda Item	Action
<b>A.7.19.1</b>	<b>Apologies for Absence</b>  Mr Nick Rayner, Deloitte (NR) Mr Paul Hewitson, Deloitte (PH) Ms Tanya Claridge, Director of Governance and Corporate Affairs (TC) Ms Karina Rogers, Audit Yorkshire (KR) Ms Helen Kemp-Taylor, Audit Yorkshire (HKT) Ms Selina Ullah, Non-Executive Director (SU)	
<b>A.7.19.2</b>	<b>Declarations of Interest</b>  There were no declarations of interest noted.	
<b>A.7.19.3</b>	<b>Minutes of the Meeting Held on 21 May 2019</b>  BAS requested the following amends and clarifications: <ul style="list-style-type: none"> <li>• Page 4, and reference to the three benchmarking audit reports. BAS had asked to 'see and understand the actions being taken regarding these at this meeting' rather than opinions being sought at the <i>relevant</i> meeting, the minutes should note 'opinions to be sought at the <i>next</i> meeting' which should have been 30 July 2019. JM to inform the relevant Executive Directors and add to the agenda of the October meeting.</li> <li>• Page 5, the sentence regarding Audit Yorkshire and their 'auditing on a cyclical basis with a self-assessment planned for 2019' and suggested this should be transposed. JM to check with KR.</li> <li>• Page 6. The last full line should read "reassured" rather than "assured".</li> <li>• Page 8. With regard to the paragraph concerning property valuations. BAS was of the opinion that some information was missing. MH clarified that the initial piece of work was to undertake</li> </ul>	Head of Corporate Governance 2019/155          Head of Corporate Governance 2019/156 Head of Corporate Governance 2019/157

No.	Agenda Item	Action
	<p>the modern equivalent asset. The WOS then formed part of the debate. MH to reword this section.</p> <p>JM agreed to amend the minutes as required and liaise with MH regarding the correct wording for the section on page 8. The Committee agreed that virtual approval of the minutes in their final form would be sought outside of the meeting.</p>	<p>Head of Corporate Governance 2019/158</p>
<b>A.7.19.4</b>	<p><b>Minutes of the Meeting Held on 23 May 2019</b></p> <p>The minutes were accepted as a fair record. BAS requested that PH circulate an email response to the Committee regarding his two actions.</p> <p>MQ to put together an email regarding the confirmed changes to the final annual accounts and share with JM to circulate.</p>	<p>External Auditor 2019/159</p> <p>Deputy Director of Finance 2019/160</p>
<b>A.7.19.5</b>	<p><b>Matters Arising</b></p> <p>The following items from the action log were closed:</p> <ol style="list-style-type: none"> <li>1. A.2.19.15 (05.02.19) 2019/119 - Annual Review of Internal Audit and External Audit Performance.</li> <li>2. A.10.18.7 (30.10.18) 2018/78 – Internal Audit Progress Report (write-offs and losses).</li> <li>3. A.10.18.19 (30.10.18) 2018/91 – Any Other Business (BCP).</li> <li>4. A.4.19.7 (16.04.19) 2019/128 – Annual Internal Audit Plan (rationale on deferment).</li> <li>A.8.18.13 (07.08.18) 2018/65 - Audit Committee Annual Self-Assessment (Freedom to Speak Up Arrangements).</li> <li>A.12.18.5 (04.12.18) 2018/93 - Internal Audit Progress Report. (BH/20/2019 Safeguarding - Domestic Violence in A&amp;E).</li> <li>5. A.5.19.7 (21.05.19) 2019/144 - Internal Audit Progress Report (Workforce Information Benchmarking).</li> <li>A.5.19.18 (21.05.19) 2019/146 - Appropriateness of Single Source Tenders.</li> <li>6. A.5.19.20 (21.05.19) 2019/149 - ISA 260 – Foundation Trust (apprenticeship levy).</li> <li>7. A.5.19.26 (21.05.19) 2019/150 - Draft Annual Report and Quality Report 2018/19 (including AGS) (sentence around delegated authority).</li> <li>8. A.5.19.27 (21.05.19) 2019/151 - Production of the Quality Account Report (confirm assurance around process).</li> <li>9. A.5.19.31 (21.05.19) 2019/152 - Matters to Share with Other Committees (Annual Statement).</li> <li>10. A.5.19.31 (21.05.19) 2019/153 - Matters to Share with Other Committees (apprenticeship levy at the Workforce Committee)</li> <li>11. A.5.19.31 (21.05.19) 2019/154 - Matters to Share with Other Committees (apprenticeship levy at Board of Directors).</li> </ol>	
<b>A.7.19.5.1</b>	<p><b>Business Continuity Update – response to AAC Action Log item 2018- 91</b></p> <p>This paper was provided to the Committee by TC and Steve Amos, Emergency Planning Manager.</p> <p>The audit report referred to in this update covered one aspect of business continuity and within its findings pointed to wider business</p>	

No.	Agenda Item	Action
	<p>continuity planning (BCP) deficiencies and the need for action. In terms of consideration today, BAS was concerned about wider BCP and whether there were within the Foundation Trust effective measures to manage business continuity risks overall.</p> <p>This update refers to three key documents; Business Continuity Framework and Guidance, Information Services Business Continuity Management Plan and Electronic Patient Record (EPR) Business Continuity Plan. BS queried if those three documents taken together span the entirety of the BCP risks the Foundation Trust faces.</p> <p>The issue of completeness was discussed. BAS asked if the relevant individuals within the Senior Leadership Team had analysed and developed a full list of business continuity risks. MH stated that there is a plan highlighting where key issues may arise. BAS queried the training and support that the CBU Leads have received in order to identify BCP risks within their domains and assess and devise protection mechanisms against these. MH agreed that confirmation on this is required.</p> <p>The Committee noted a helpful paper, both in terms of the comments and insight provided by the appendix into the segmentation of business continuity and this being considered by the relevant people. JP and BAS agreed that they were assured by the actions taken, but weren't sure that what is specified in the document covers the entirety of the Foundation Trust's business.</p> <p>BAS stated that the acid test for assurance will consist of evidence that exercises have been carried out to ensure all inherent BCP risks have been identified, the controls and mitigations in place have been considered and found to be effective and reliable in their design and that there is protection against all identified risks.</p> <p>The Committee agreed that clarification is needed that a complete analysis of all BCP risks within the Foundation Trust has been carried out and all the appropriate controls and mitigations have been identified to protect against these risks. The final piece will be the testing of the BCP to ensure this works. A verbal update to be provided to the October meeting. EPRR also to be discussed at the October meeting.</p>	<p>Director of Governance and Corporate Affairs 2019/161</p>

## Section 2: External Audit

### 2a Deloitte

<b>A.7.19.6</b>	<b>Benchmarking &amp; Sector Developments Report</b>	
	This item was not discussed as there was no representative from Deloitte present at the meeting.	
<b>A.7.19.7</b>	<b>Annual External Audit Performance Review</b>	
	MQ reported that a review meeting has taken place with External Audit to discuss the annual accounts and what can be improved upon. No concerns were raised by Deloitte in the private meeting following the last AAC.	

### 2b Foundation Trust responses (by Exception)

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<b>A.7.19.10</b>	<b>Annual Internal Audit Performance Review</b>	
<p>An internal questionnaire has been circulated and several have been completed. The final report will be prepared for October. MH to remind the other Executive Directors to complete their questionnaires.</p> <p>BAS requested that Audit Yorkshire provide further information about the external review i.e. who will do this and by when. JM to speak to KR.</p>		<p>Director of Finance 2019/165</p> <p>Head of Corporate Governance 2019/166</p>

<b>3b Counter Fraud</b>		
<b>A.7.19.11</b>	<b>Local Counter Fraud Specialist Communication Strategy</b>	
<p>BAS queried where this report originated. AJ explained that Standards for Providers like to see a strategy, but nothing has ever been formalised. AJ meets regularly with the Communications Manager and has put together this formal strategy.</p> <p>BAS asked if there was anything in the Self Review Tool that could be improved upon. AJ mentioned that staff's understanding was scored as amber. AJ stated that she does get feedback on presentations, but this just shows that staff have understood what she has told them at that time and reported this as a difficult area to measure.</p> <p>AJ stated that she will spend a little longer with MQ before this is submitted next time to try and get things into place sooner. BAS stated that the plan made good sense and nothing stood out as being incomplete.</p> <p>The Committee noted the contents of the document.</p>		
<b>A.7.19.12</b>	<b>Counter Fraud Progress Report 2019/20 – July 2019</b>	
<p>BAS highlighted the National Fraud Initiative on Page 2 and asked for an explanation of the Foundation Trust's data matches. AJ confirmed that the Foundation Trust is joining an initiative to supply payroll data, for example and the Audit Commission matches this with tax records and directorships. Audit Yorkshire have recently employed a Data Analyst to do the data matching. Work is ongoing and a report will be published on completion. AJ stated that this is a lengthy process.</p> <p>AJ has met with MQ regarding attempted fraud within the Foundation Trust. The system in place should prevent this, but in one case this didn't happen. AJ received this as a fraud referral and a separate report was issued to MH. On this occasion, the payroll system hadn't identified a duplicate payment. AJ is due to meet with the Associate Director of Nursing to look at how this occurred and how it can be prevented in future. AJ is working with a number of departments, including Education. This report has been shared with Internal Audit.</p> <p>The issue of staff not checking their payslips was discussed. It was agreed that the most important thing is to identify the root cause of any overpayments and address this if it reflects a weakness in the system. BAS asked if this case study could be built into AJ's induction presentation. AJ confirmed that she does try to use recent cases.</p> <p>The Committee noted the progress report.</p>		

3c Foundation Trust Responses (by Exception)		
A.7.19.13 Internal Audit Follow up reports: BH/20/2019 - Safeguarding Domestic Violence in A&E		
<p>This audit report was initially seen in October 2018. Significant assurance was noted, but five recommendations were made, two moderate and three minor. SS, Deputy Chief Nurse, attended to provide an update.</p> <p>SS stated that the Standard Operating Procedures (SOPs) have been updated and the end to end processes and protocols have been reiterated. Compliance with these is being monitored. The Safeguarding Practitioner role involves screening all the children that come through A&amp;E and as per the SOP, the staff in A&amp;E should identify any safeguarding risks. Lots of work has been done around mandatory training and the practice is audited as a safety net. The audits are now recorded and fed back to the team and then reported to the Children's Safeguarding Subgroup. This is an ongoing process which is monitored through the Safeguarding Committee.</p> <p>BAS mentioned the fourth recommendation around the implementation of EPR. Some audits found that EPR in the main was working well, but to properly accommodate safeguarding activity observations, there was more work to do.</p> <p>SS stated that she now receives a weekly report of all areas of concern (in relation to non-compliance with L3 and L3S children's safeguarding training) and continually updates the teams. Staff are now tracked individually and chased to complete their mandatory training and targets are being met. SS continues to monitor this across all areas.</p> <p>There was concern about the use of acronyms (PLN stood for both Psychiatric Liaison Nurse and Paediatric Liaison Nurse). The Paediatric Liaison Nurse title has since been changed to Specialist Nurse Practitioner, which is consistent with the other staff in the team.</p> <p>JP mentioned cultural interpretations around actions versus safeguarding. SS stated that there are nuances within this and cultural differences are noted, for which there are differing streams of work.</p> <p>BAS stated that it was reassuring to hear the update and that good progress is being made overall.</p>		

Section 4: Foundation Trust		
4a Is Financial Governance and its Associated Controls Effective?		
A.7.19.14	Exception Reports – Schedule of Losses and Special Payments	
<p>MQ reported that there have been some losses and special payments, but no write-offs yet. A quarterly review of write-offs is normally undertaken one month in arrears. During the first quarter there have been 10 cases of special payments.</p> <p>BAS expressed concern about the figures in the overseas data and highlighted that three months into the year, the Foundation Trust already has £150,000 of outstanding fees for overseas visitors. Annualised, this is £600,000, which appears worse than in previous years. BAS queried there being more staff employed to prevent this. MQ clarified that more staff are looking into the issues, meaning more debt identified, hence the larger figures.</p>		



A.7.19.15	Appropriateness of Single Source Tenders	
	<p>SN, Strategic Head of Procurement, attended to provide an update on the single tender waiver process, both as regards the Foundation Trust and Estates. BAS queried whether the Foundation Trust was abiding by the appropriate due process in using single tender waivers for procurement.</p> <p>SN reported that he has reviewed and revised the template to make it clearer that the standard position is that the Foundation Trust follows the Procurement rules and the Standing Financial Instructions (SFIs). The waiver process only applies to SFIs as the procurement rules which are enshrined in law cannot be waived. The SFIs impose additional requirements (in respect of below threshold procurements), which the waiver process seeks to manage/waive. SN reported that in principle, the waiver process is there to provide the Foundation Trust with flexibility where possible and his opinion is that the process is entirely appropriate.</p> <p>SN had previously noted a large reliance on single tender waivers, possibly more than is justified. He has since been responsible for ensuring that the approval process is sufficiently robust to ensure that the waivers strictly meet the criteria set out in the process. MH stated that the review of the process has helped the Foundation Trust to be more sighted on contracts coming up for renewal.</p> <p>BAS pointed out that on the latest list there were two waivers that SN had apparently not seen. SN clarified that this would have been when he was on leave and his deputy would have reviewed these. SN is now asking for all new purchase order (PO) requests to be corroborated with either a tender or a waiver. There are certain things that don't go through the PO process, but it is on the workplan to ensure that all purchases have a PO. This is particularly prevalent in Estates, but not limited to that area.</p> <p>BAS queried how much assurance there is that this report reflects all procurement activity within this period of time that should have been subject to single tender waivers and if the single tender waiver process for each of these has been followed appropriately. SN confirmed that the waiver process has been appropriately enforced and he is now requiring clear reasoning against the waiver criteria set out in the SFI's.</p> <p>SN stated that he cannot provide any assurance as regards a) the spend which, in breach of SFI's, is outside the PO process and b) the procurement and waiver process carried out by Estates as this is currently outside his remit. Estates do their own procurements and sign off on their own waivers.</p> <p>SN said he is looking to set up a "no PO no pay" process, but this will take time and resources. SN reported that the budget for procurement hasn't increased, but the demands from NHSI/E, the Senior Leadership Team and Audit have increased significantly in recent years, especially since the Lord Carter Report in 2016 on operational productivity and performance in the NHS. Different trusts have different levels of procurement resource and capability and the scope for doing more is constrained due to resource constraints and day to day demands.</p> <p>SN stated that currently the Scheme of Delegation isn't quite where it should be and quite a lot of waivers are still passed to MH and the Interim Chief Executive. SN was of the opinion that this shouldn't be the case and responsibility for the scrutinisation of the documents should be carried out by himself or MQ. MH stated that he gains assurance from the fact that SN has usually signed the waiver before it comes to him. JM confirmed that Fiona Barr, Assistant Director of Governance and Corporate Affairs, will be reviewing the standing order and SFI processes over the next few months.</p>	

<p>SN highlighted issues around staff signing off contracts at their own level and stated that he wasn't convinced that all staff were following the Scheme of Delegation accurately. It was agreed that from a governance perspective, staff need to be more conscious regarding whether or not they have the authority to commit the Foundation Trust to expenditure.</p> <p>BAS queried to what extent the Trust Secretary was involved in the procurement and contract review and signature process. JM stated that with regard to ensuring awareness of the Scheme of Delegation this may be something that the Corporate Governance team could promote and she would speak with TC regarding this.</p> <p>BAS noted that some good progress has been made in terms of the procurement function within the Foundation Trust and noted an improved level of assurance. BAS conceded that there is still work to be done, but this will take time.</p>	<p>Director of Finance 2019/167</p> <p>Head of Corporate Governance 2019/168</p>
<p><b>A.7.19.16    Appropriateness of Single Source Tenders: Estates</b></p>	
<p>SN reported that his team support Facilities, but not Estates and was of the opinion that all procurement functions should be centralised. Discussions are being had about whether there should be a reverse Service Level Agreement (SLA), where the Foundation Trust may take on that responsibility. SN stated that he was unable to give more assurance today than six months ago as to how well Estates manage their procurement function and waiver process. It was agreed that the procurement process should be reviewed as part of the Wholly Owned Subsidiary (WOS) implementation.</p> <p>BAS noted that there is more work to be done in terms of Estates waivers as the assurance level is not as high, but there is a clear focus on this, which will increase as part of setting up the WOS.</p>	<p>Director of Finance 2019/169</p>
<p><b>A.7.19.17    Standing Orders Proposed Changes - Standing Item</b></p>	
<p>BAS noted that the changes referred to in this document are mainly cosmetic pending a more formal review of standing orders and SFIs and the setting up of the WOS over the next few months. JM clarified that the review date for the SFIs is October for the AAC and November for Board. BAS queried the path of approval apart from Board and the AAC. JM confirmed that MH's team will review the SFIs and the Scheme of Delegation. JM advised that Fiona Barr, Assistant Director of Governance and Risk (interim) has been tasked with pulling all this together and reviewing, but JM was unaware of the deadline for this. JM confirmed that standing orders are due to go to Board in September.</p> <p>BAS stated that given the structure of the Foundation Trust's Committee meetings, it is impossible to always get such things perfectly sequenced and he would prefer an additional virtual AAC periodically to look at certain documents before they go to Board.</p> <p>MH confirmed that the policy states that SFIs have a review date of the 1<sup>st</sup> of December 2019 at the AAC.</p> <p>The Committee approved the proposed changes to be ratified by the Board in September 2019 noting that a further review would be undertaken with regard to aligning the WOS.</p>	
<p><b>A.7.19.18    Suspension of Standing Orders/Standing Financial Instructions - Standing Item</b></p>	
<p>There have been no suspensions of standing orders or standing financial instructions.</p>	



<b>A.7.19.19</b>	<b>Accounting Standards (Latest Developments) - Standing Item</b>	
<p>This is a standing agenda item in light of IFRS16 to ensure that the Foundation Trust is up to date with developments in and the NHS interpretation and application of accounting standards. MQ reported that progress has been made. The Treasury released guidance on leasing standards two weeks' ago and it was confirmed that the new standards will be implemented from the 1<sup>st</sup> of April 2020, with the new standards being reflected in the annual accounts from 2021.</p> <p>Clarification is still needed from the Treasury in some areas, but MQ reported that the Foundation Trust is around 80-85% sure of what needs to be done.</p> <p>As this change is more complicated than previous ones, Deloitte has recommended that the Foundation Trust be ready for it during this financial year. The plan is to bring a paper to the October AAC reviewing the impact of what has been done so far and what is planned before the 31<sup>st</sup> of March 2020. This will be a numbers impact report, subject to clarification from the Treasury in certain areas.</p> <p>MQ reported that during Quarter 3 this year, the Treasury will most likely want an idea of the impact across all NHS trusts, but it is not clear yet whether the impact of IFRS16 needs to be included in the 5 Year Plan. The work will therefore be done earlier with a view to completion by November to ensure clarity on what needs to be done by the end of March 2020.</p> <p>BAS noted that some progress has been made, but there is still work to do.</p>		
<b>4b Are Specific Governance Control Systems Effective? (Workplan Items)</b>		
<b>A.7.19.20</b>	<b>Board Assurance Framework and Strategic Risk Register</b>	
<p>BAS elected to consider this item together with item A.7.19.21. JM pointed out that the Board Assurance Framework (BAF) and Strategic Risk Register (SRR) have been considered at the last few AAC meetings and asked if there was still a requirement for this to be a standing agenda item. BAS stated that as the individual committees adopt and comply with Appendix 1 and the AAC receives written confirmation of this through to February 2020 when the committees will produce their formal annual reports confirming compliance, this does need to remain as a standing item.</p> <p>BAS stated that the BAF content and process has moved forward quite markedly over the last few months and a lot of good work has been done headed by TC. BAS proposed meeting with TC, JP and SU to take stock of where the BAF and SRR are up to to ensure these are working as they should and identify if there is anything more that needs to be done. Also to decide whether the outstanding action regarding further BAF guidance for committee members is still needed. JP suggested meeting on a Workforce and Quality Committee date as both he and SU sit on each of these meetings.</p> <p>BAS stated that he intends to liaise with the other Board Committee Chairs to attend their meetings in order to gain an understanding of their scrutiny of the BAF. MH was of the opinion that the committees have moved on significantly in terms of discussing the BAF.</p>		<p>Director of Governance and Corporate Affairs 2019/170</p> <p>Chair of the AAC 2019/171</p>
<b>A.7.19.21</b>	<b>Board Committee Oversight</b>	
See Item A.7.19.20.		
<b>A.7.19.22</b>	<b>Clinical Audit Annual Report</b>	
BAS stated that it is good practice for the AAC to receive this report, but to recognise that it has already been approved by both the Clinical Audit and Effectiveness and Quality		

<p>Committees. JP didn't report any major contentions from the Quality Committee and stated that the Committee was assured.</p> <p>BAS stated that it seemed there was assurance as to the activity having taken place and the appropriate actions being specified as a result of that audit activity. BAS queried if the final sentence under key options, issues and risks on the front sheet should state 2019/20 rather than 2018/19. JM to check.</p> <p>Taking on board the previous reviews of this report and BAS's own review in his role as AAC Chair, the Committee was satisfied that the Foundation Trust has sufficient assurance around the progress of clinical audit activity in 2018-19 and the subsequent plans as a result of that activity.</p>		Head of Corporate Governance 2019/172
<b>A.7.19.23</b>	<b>HFMA Audit Committee Annual Self-Assessment Checklist</b>	
<p>BAS stated that he wasn't aware of any better framework to use than this checklist. BAS suggested that as last year, these checklists are used again for the self-assessment and asked for the Committee's opinion.</p> <p>JP stated that he was happy to take BAS's advice and see how this approach works. BAS to check with KR to see if she has any additional self-assessment materials. JP stated that he would prefer to complete this electronically. BAS stated that the process followed last year was to circulate the checklists to Committee members for them to score and add comments. BAS would then consolidated the information, but stated that this was not best practice.</p> <p>JM agreed to arrange for any administrative support required to produce the final document. JM to circulate Word versions of the checklist to SU and JP.</p> <p>It was agreed that this process should be completed in time for the October AAC. BAS to email JP and SU to agree a timescale and inform JM. Scores and comments to be requested within two weeks of the email, then another two weeks to get these consolidated and back out.</p>		<p>Chair of the AAC 2019/173</p> <p>Head of Corporate Governance 2019/174</p> <p>Chair of the AAC 2019/175</p>
<b>A.7.19.24</b>	<b>Freedom to Speak Up Report</b>	
<p>SS provided an update on the freedom to speak up process. This has now been considered at the Quality Committee and Board. SS stated that all the actions have now been completed and the annual report provides evidence of lessons learned.</p> <p>BAS queried potential problems if a particular guardian is very senior in terms of precluding some staff from being prepared to come forward. SS confirmed that there are a range of guardians from different backgrounds. Staff are encouraged to speak up and SS includes a reference to this in her induction presentation. SS stated that her observation has been that once someone uses the service, this encourages others to follow suit.</p> <p>The Committee noted and were assured by the report.</p>		
<b>4c Corporate Governance</b>		
<b>A.7.19.25</b>	<b>Use of External Audit to Provide Non-Audit Services</b>	
<p>This is a standing agenda item to capture any instances of Deloitte being requested to carry out non-audit work. No such instances were reported today.</p>		

<b>A.7.19.26</b>	<b>Business Conduct Policy/Conflicts of Interest Policy</b>	
<p>BAS queried why the AAC's approval was requested for this policy, but was of the opinion that it was entirely appropriate for this to be reviewed on an annual basis. JM confirmed that at the time of the conflicts of interest NHSI/E guidance being released, this should have superseded the policy on business conduct so this item is around ensuring that all the appropriate reporting mechanisms are in place.</p> <p>BAS stated that in terms of fraud awareness and schemes of delegation relating to procurement, standing orders and SFIs, the task of achieving adequate awareness in the relevant range of staff is challenging.</p> <p>The Committee approved the review of the policy and look forward to seeing the results in due course.</p>		
<b>Section 5: Audit and Assurance Committee Governance</b>		
<b>A.7.19.27</b>	<b>Any Other Business</b>	
There was no other business noted.		
<b>A.7.19.28</b>	<b>Matters to Share With Other Committees</b>	
There were no matters to share with other committees.		
<b>A.7.19.29</b>	<b>Matters to Escalate to the Strategic Risk Register</b>	
There were no matters to escalate to the Strategic Risk Register.		
<b>A.7.19.30</b>	<b>Matters to Escalate to the Board of Directors</b>	
BAS stated that the issue of excluding commercially sensitive items both from his reports and the AAC minutes is something which will need to be shared for information/approval at Board. MH stated that operationally sensitive issues would also need to be included under this banner.		
<b>A.7.19.31</b>	<b>Items Deferred to Subsequent Meetings</b>	
A.7.19.9 - Audit Committees – Board Subcommittees Discussion Paper.		
<b>A.7.19.32</b>	<b>Attendees for Subsequent Audit Committee Meetings</b>	
Cindy Fedell, Chief Digital and Information Officer, to update on data quality in October. JM to do a cross check on the workplan for anymore attendees.		Head of Corporate Governance 2019/176
<b>A.7.19.33</b>	<b>Review of Meeting</b>	
JP noted good progress.		
<b>A.7.19.34</b>	<b>Date and Time of Next Meeting:</b> Tuesday 22 <sup>nd</sup> of October 2019, 2-5pm, Trust Meeting Room, Chestnut House, BRI	

**BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST  
ACTIONS FROM AUDIT AND ASSURANCE COMMITTEE MEETINGS 30 JULY 2019**

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
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. 30.07.19 – On today's agenda. Action closed.
04.12.18	<b>A.12.18.5</b>	<b>Internal Audit Progress Report BH/20/2019 Safeguarding - Domestic Violence in A&amp;E.</b> 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. 30.07.19 – On today's agenda. Action closed.
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	30.07.19 – Action 2019/143 now covers this. Action closed.
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	30.07.19 – On today's agenda. Action closed.

21.05.19	<b>A.5.19.20</b>	<b>ISA 260 – Foundation Trust (apprenticeship levy)</b> MH to share email with BAS.	Director of Finance 2019/149	30 <sup>th</sup> July 2019	30.07.19 – MH to recirculate the email for clarity. Action closed.
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	30.07.19 – This has been done. Action closed.
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	30th July 2019	30.07.19 – This has been done. Action closed.
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	30th July 2019	30.07.19 – This has been done. Action closed.
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	Raised at Workforce Committee. Action closed.
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	30.07.19 - MH to recirculate the email for clarity. Action closed.
16.04.19	<b>A.4.19.34</b>	<b>Matters to Escalate to the Board of Directors</b> BAS 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. 30.07.19 – BAS proposed to share with JP and SU virtually, copying to others for comments, with a view to achieving Committee approval

					by 31.08.19. To then go to the September Board. JM to discuss timing with TC. 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. 30.07.19 – MH confirmed this to be covered in 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. 30.07.19 – This remains outstanding. To be referred to under A.7.19.20. 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	Director of Governance and Corporate Affairs 2018/161	22 October 2019	30.07.19 – To be carried forward to the October meeting. JM to clarify with TC in the meantime. Action to remain open.



		assurance statement to the Board and the Audit and Assurance Committee on behalf of Board.			
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	30.07.19 – MH clarified that CIP progress is fed back at each F&P Committee. BAS to email Trudy Feaster-Gee re this point arising at previous AAC meetings, restating his four questions and suggesting the F&P Committee review in greater detail. Action to remain open.
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	30.07.19 – MQ confirmed the Charity Committee have now had sight of this. Action to remain open.
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” - BAS 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	22 October 2019	4/12/18: Action to be carried forward as Chair not yet discussed with the Chairman. 05.02.19: BAS to pick up with the new Chairman. 16.04.19 – BAS to speak to the new Chairman once in post. Action to remain open. 21.05.19 – BAS to report back the outcome of discussions in July. Action to remain open. 30.07.19 – BAS has had some outline discussions with the Trust Chairman. To pick up at next meeting. Action to remain open.
16.04.19	<b>A.4.19.20</b>	<b>Data Quality</b>	Chief Digital and	22 October	

		Chief Digital and Information Officer to provide updates in April/May and October.	Information Officer 2019/135	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	22 October 2019	
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	30.07.19 The minute relating to this action was updated at the meeting held 30 July and is superceded by action 'A.7.19.3 /155'. <u>Committee to confirm this action closed.</u>
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	22 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	22 October 2019	Standing item added to the agenda. <u>Committee to confirm this action closed.</u>
30.07.19	<b>A.7.19.3</b>	<b>Minutes of the Meeting Held on 21 May 2019</b> Page 4, and reference to the three benchmarking audit reports. The minutes to be amended to note 'opinions to be sought at the <i>next</i> meeting'. JM to inform the relevant Executive Directors that their opinion is required on their benchmarking audit reports for the October meeting and add to the next agenda.	Head of Corporate Governance 2019/155	22 October 2019	Verbal item added to the agenda for 3 December regarding the benchmarking audit reports. <u>Committee to confirm this action closed.</u>
30.07.19	<b>A.7.19.3</b>	<b>Minutes of the Meeting Held on 21 May 2019</b> JM to check with KR if the sentence around Audit	Head of Corporate Governance	22 October 2019	KR has confirmed the correct wording for the minute The

		Yorkshire auditing on a cyclical basis with a self-assessment planned for 2019 should be transposed.	2019/156		minute has been amended. <u>Committee to confirm this action closed.</u>
30.07.19	<b>A.7.19.3</b>	<b>Minutes of the Meeting Held on 21 May 2019</b> To alter the last full line on Page 6 to read “reassured” rather than “assured”.	Head of Corporate Governance 2019/157	22 October 2019	Minute has been amended accordingly. <u>Committee to confirm this action closed.</u>
30.07.19	<b>A.7.19.3</b>	<b>Minutes of the Meeting Held on 21 May 2019</b> JM to amend the minutes as required and liaise with MH regarding the correct wording for the section on page 8. Virtual approval of the minutes in their final form would be sought outside of the meeting.	Head of Corporate Governance 2019/158	22 October 2019	Minutes have been amended accordingly following confirmation with MH and circulated for virtual approval. <u>Committee to confirm this action closed.</u>
30.07.19	<b>A.7.19.4</b>	<b>Minutes of the Meeting Held on 23 May 2019</b> BAS requested that PH circulate an email response to the Committee regarding his two actions.	Deloitte 2019/159	22 October 2019	
30.07.19	<b>A.7.19.4</b>	<b>Minutes of the Meeting Held on 23 May 2019</b> MQ to put together an email regarding the confirmed changes to the final annual accounts and share with JM. JM to circulate.	Deputy Director of Finance/Head of Corporate Governance 2019/160	22 October 2019	Email provided by MQ and circulated. <u>Committee to confirm this action closed.</u>
30.07.19	<b>A.7.19.5.1</b>	<b>Business Continuity Update – Response to AAC Action Log Item 2018- 91</b> A verbal update to be provided to the next AAC.	Director of Governance and Corporate Affairs 2019/161	22 October 2019	
30.07.19	<b>A.7.19.8</b>	<b>Internal Audit Progress Report</b> BAS to email KR to seek clarification on timescales for completion and circulate.	Chair of the AAC 2019/162	22 October 2019	BAS contacted KR who advised that; “the number of finalised reports was discussed with MH prior to the AAC to highlight that the number was slightly lower than in previous years. The progress of some of the

					reviews has been impacted by challenges recent faced by the Trust i.e. strike action. However, the actual number of days reported to the July 2019 AAC as being delivered (68) is comparable to the 74 days reported to the AAC in August 2018. <u>Committee to confirm this action closed.</u>
30.07.19	<b>A.7.19.8</b>	<b>Internal Audit Progress Report</b> BAS requested further information on each of the three reports around the amount of time the actions will take to implement, but noted the pressures involved.	Director of Finance 2019/163	22 October 2019	
30.07.19	<b>A.7.19.9</b>	<b>Audit Committees – Board Subcommittees Discussion Paper</b> KR to be present for discussion. Item deferred to the October meeting.	Head of Corporate Governance 2019/164	22 October 2019	
30.07.19	<b>A.7.19.10</b>	<b>Annual Internal Audit Performance Review</b> MH to remind the other Executive Directors to complete their questionnaires.	Director of Finance 2019/165	22 October 2019	
30.07.19	<b>A.7.19.10</b>	<b>Annual Internal Audit Performance Review</b> JM to speak to KR about the external review i.e. who will do this and by when.	Head of Corporate Governance 2019/166	22 October 2019	
30.07.19	<b>A.7.19.10</b>	<b>Appropriateness of Single Source Tenders</b> From a governance perspective, staff need to be more conscious regarding whether or not they have the authority to commit the Foundation Trust to expenditure.	Director of Finance 2019/167	22 October 2019	

30.07.19	<b>A.7.19.15</b>	<b>Appropriateness of Single Source Tenders</b> In ensuring awareness of the Scheme of Delegation this may be something that the Corporate Governance team could promote.	Head of Corporate Governance 2019/168	22 October 2019	
30.07.19	<b>A.7.19.16</b>	<b>Appropriateness of Single Source Tenders – Estates</b> MH to review and improve the Estates procurement process	Director of Finance 2019/169	22 October 2019	
30.07.19	<b>A.7.19.20</b>	<b>Board Assurance Framework and Strategic Risk Register</b> BAS to meet with TC, JP and SU to take stock of where the BAF and SRR are up to to ensure these are working as they should and identify if there is anything more that needs to be done.	Director of Governance and Corporate Affairs 2019/170	22 October 2019	
30.07.19	<b>A.7.19.20</b>	<b>Board Assurance Framework and Strategic Risk Register</b> BAS to liaise with the other Board Committee Chairs to attend their meetings in order to gain an understanding of their scrutiny of the BAF.	Chair of the AAC 2019/171	22 October 2019	
30.07.19	<b>A.7.19.22</b>	<b>Clinical Audit Annual Report</b> JM to check if the final sentence under key options, issues and risks on the front sheet should state 2019/20 rather than 2018/19.	Head of Corporate Governance 2019/172	22 October 2019	
30.07.19	<b>A.7.19.23</b>	<b>HFMA Audit Committee Annual Self-Assessment Checklist</b> BAS to check with KR if she has any additional self-assessment materials	Chair of the AAC 2019/173	22 October 2019	
30.07.19	<b>A.7.19.23</b>	<b>HFMA Audit Committee Annual Self-Assessment Checklist</b> JM agreed to arrange for any administrative support required to produce the final document. JM to circulate Word versions of the checklist to SU and	Head of Corporate Governance 2019/174	22 October 2019	Checklist circulated. BAS confirmed no support required. <u>Committee to confirm this action closed.</u>

		JP.			
30.07.19	<b>A.7.19.23</b>	<b>HFMA Audit Committee Annual Self-Assessment Checklist</b> BAS to email JP and SU to agree a timescale for completion and inform JM.	Chair of the AAC 2019/175	22 October 2019	Timescale agreed. <u>Committee to confirm this action closed.</u>
30.07.19	<b>A.7.19.32</b>	<b>Attendees for Subsequent Audit Committee Meetings</b> JM to do a cross check on the workplan for any future attendees.	Head of Corporate Governance 2019/176	22 October 2019	