

AUDIT AND ASSURANCE COMMITTEE MEETING MINUTES

Date:	Wednesday 10 June 2020	Time:	13:00-16:00
Venue:	Virtual Meeting	Chair:	Barrie Senior, Non-Executive Director
Present:	Non-Executive Directors: <ul style="list-style-type: none"> - Mr Barrie Senior, Non-Executive Director, Chair (BAS) - Ms Selina Ullah, Non-Executive Director (SU) - Mr John Prashar, Non-Executive Director (JP) 		
In Attendance:	<ul style="list-style-type: none"> - Mr Matthew Horner, Director of Finance (MH) - Ms Tanya Claridge, Director of Governance and Corporate Affairs (TC) - Mr Michael Quinlan, Deputy Director of Finance (MQ) - Mr Nick Rayner, Deloitte (NR) - Ms Helen Kemp-Taylor, Audit Yorkshire (HKT) - Mr Jonathan Hodgson, Audit Yorkshire (JH) (deputising for Karina Rogers) - Mr Steven Moss (SM) – CFS, Audit Yorkshire - Mr Richard Maw (RM) – CFS, Audit Yorkshire - Ms Mel Pickup, Chief Executive (MP) (in attendance for item A.6.20.28) - Mr Aubrey Sitch, Corporate Compliance Manager (AS) - Ms Jacqui Maurice, Head of Corporate Governance (JM) 		

No.	Agenda Item	Action
A.6.20.1	Apologies for Absence No apologies were received.	
A.6.20.2	Declarations of Interest There were no declarations of interest noted.	
A.6.20.3	Minutes of the Meeting Held 4 February 2020 Accepted as a true record.	
A.6.20.4	Matters Arising <ul style="list-style-type: none"> • Appointment of External Auditor BAS congratulated NR on the reappointment of Deloitte on the 23 rd of April. <ul style="list-style-type: none"> • Change in Requirements Regarding Quality Reports The deadline for the Quality Report submission has been put back to mid-December. This therefore will not be considered at either today's meeting or the meeting on the 16 th of June. TC reported that the Quality Report was almost complete when the work halted in March and the changes in relation to Covid-19 need to be worked through. This should be going through the Foundation Trust governance process in July and to the external stakeholders in October.	

	<p>The following items from the action log were closed:</p> <ul style="list-style-type: none"> - - 2020/189 (A.2.20.7) External Audit Draft Audit Plan 2019/20 - 2020/192 (A.2.20.9) Internal Audit follow up Reports - 2020/193 (A.2.20.9) Internal Audit follow up Reports - 2020/194 (A.2.20.10) Internal Audit Draft Plan 2020/21 - 2020/196 (A.2.20.15) Business Continuity Update - 2020/203 (A.2.20.37) Date and time of next meeting 	
Section 2: External Audit		
2a Deloitte		
A.6.20.5	<p>Benchmarking & Sector Developments Report</p> <p>BAS recognised that Deloitte would present their findings at the 16th of June meeting, but asked for a verbal progress report.</p> <p>NR reported that there are a few final queries around the External Audit report. The main area being the going concern resulting from changes to the planning process for next year and the affect this has had on the work needed. NR has been in discussion with MH and MQ to look at different scenarios and this work is nearly complete. In addition, this has been a remote audit, which is very different to what would normally be done. The aim is to get this finished over the next few days. The draft ISA 260 is currently with management for comments. There are only trivial unadjusted mis-statements and a few small control points. NR noted a good process.</p> <p>There were two significant risks in the audit plan; one around the reversal of the accounting for the subsidiary and one around the management override of control, which is always present. Due to the impact of Covid-19 on the property valuation, an extra significant risk has been added around the material uncertainty included in the valuer's report, which needs to be pulled out as a key audit matter within the audit report. This does not impact on the opinion given, which is still unmodified, but it does need to draw attention to the disclosures that management have included within the accounts. NR stated that there hasn't been any issues identified from the testing, but it is an additional risk that has been identified. The Committee await sight of the ISA 260 and this will be discussed again at the meeting on the 16th of June.</p>	
A.6.20.6	<p>Use of External Audit to Provide Non-Audit Services (Standing Item)</p> <p>There was nothing to report under this item.</p>	
Section 3: Internal Audit and Counter Fraud		
3a Audit Yorkshire		
A.6.20.7	<p>Internal Audit Progress Report 2019/20</p> <p>This is an amended consolidated version of the report that was produced in April for the meeting that was cancelled and reflects activity since the February meeting.</p> <p>BAS highlighted the summary of progress and asked if the draft reports are still in draft and if so, can anything further be done to finalise them before the Annual Governance Statement and final Annual Report are signed off.</p>	

	<p>JH confirmed that he has chased the eight draft reports today with a plan to get the final reports back by the 12th of June.</p> <p>The Committee was satisfied with the reasons provided for deferred audits and all deferrals were approved.</p> <p>BAS enquired regarding the results of the audit related to the BAF and Risk Management Framework. JH clarified that this is currently in draft with likely significant assurance. BAS asked if this audit looked at the BAF and risk management process or particular instances of the BAF document and Risk Register. JH confirmed that design and operation were both the elements covered in the audit.</p> <p>BAS stated that he was keen to see the completion of the outstanding audits. The Committee noted the report and derived assurance from the progress that has been provided.</p>	
A.6.20.8	<p>Follow-up of Internal Audit Recommendations</p> <p>BAS noted that the Foundation Trust remains in an up-to-date position compared to other trackers he has seen. BAS queried the progress of action item 2020/192 – for JH to chase the longer-standing follow up actions. Due to the Covid-19 situation, JH has been unable to meet with the responsible officers, but has written to all the individuals and quite a few recommendations have now been actioned.</p> <p>JH reported that a discussion was held at the Executive Team Meeting (ETM) on the 1st of June where it was decided that quite a few recommendations wouldn't be able to be progressed due to Covid-19 situation. A suggestion was made to extend the completion date of these by three months to provide the Executive Directors with more time to implement the changes. The Committee was supportive of this suggestion and requested JH to oversee the process to ensure there are no blanket deferrals when certain recommendations could be progressed. JH to liaise with MH to pick up any key risks.</p> <p>The Committee recognised the good progress made in addressing these internal audit recommendations and awaited further information.</p>	<p>Audit Yorkshire/ Director of Finance 2020/204</p>
A.6.20.9	<p>Draft Internal Audit Operational Plan for 2020/21</p> <p>BAS noted that consideration of this plan has been somewhat protracted compared with previous years and things have changed in terms of agreed deferrals and Covid-19. The plan was approved at the February meeting subject to a few final alterations, such as updating the rationale as to why some audits were deferred or removed.</p> <p>JH shared that following feedback from the February meeting, MH took the plan to the Executive Team Meeting and a reserve list was produced. This detailed audits, that if others were to be cancelled or postponed, could be replaced with another so the planned days weren't carried forward to future years. Due to the impact of Covid-19, some potential audit areas for Q1 and Q2 would have been difficult to undertake as they were associated with clinical areas/activities and the availability of key staff.</p>	

	<p>The critical areas in terms of risks and assurance and that support the Head of Internal Audit opinion were highlighted. The proposal is to focus on these for the plan. Another three year strategic plan will be developed for the period starting December 2020, which will look at the entire audit spectrum, strategic risks and Foundation Trust risk and assurance requirements.</p> <p>Given a month has been lost from the Audit plan a review was undertaken to cancel a number of low risk audits in 20/21. This equated to 63 days being released. The average audit days in a month equates to around 48, as such the balance of 15 days will be added to management requests/contingency.</p> <p>MH has suggested to the other Executive Directors asking Audit Yorkshire to consider undertaking some work in relation to the Covid-19 governance checklist and cost reporting. As a form of assurance, Audit Yorkshire would be able to audit this checklist to provide the Committee and the Board of Directors with further assurance in terms of the Foundation Trust's response to Covid-19 and the fact that this hasn't had a detrimental impact on either financial or governance considerations.</p> <p>BAS asked if items are deferred into another year, would they in turn displace another or should there be an increased level of audit activity to handle the deferred items plus what was already planned for the subsequent year. MH has discussed this with HKT and JH. Some audits that were planned for Quarter four in 2021/22 have been deferred. A lot of the amber audits are reflective of the new financial regime for this year, for example, working on block payments and informally, it looks like this will continue for the remainder of the year, so only very limited CIPs will be undertaken. When the planning phase begins in December, all the additions will be taken into account to plan for the next 18 months.</p> <p>The Committee formally approved the plan whilst accepting that there will be changes in the months ahead.</p>	
A.6.20.10	<p>Draft Internal Audit Annual Report and Draft Head of Internal Audit Opinion</p> <p>HKT confirmed that the final version of these documents will be available for the meeting on the 16th of June and there is a plan to finalise as many of the reports as possible. The work programme leading into the report was approved by this Committee in April 2019. The majority of the work was substantially completed before March and the impact of Covid-19.</p> <p>The recommendations made in year have all been agreed. Regarding the background to the Internal Audit service, the main point to note is their compliance with the public sector internal audit standards. An external review was carried out this year and no recommendations were made to change any working practices. The KPIs to date have been largely met at 100%, with the only minor problem being management responses within 15 working days.</p> <p>The Head of Internal Audit opinion is based on the work done in year with the three key elements being the BAF and underpinning risk management arrangements, individual assignment results and the Foundation Trust's response to recommendations and the follow-up of these.</p>	

	<p>This enables Audit Yorkshire to provide an overall opinion on the Foundation Trust's internal control systems. 'Significant Assurance' is noted, with the Foundation Trust demonstrating a good system of internal control, which is designed and operated to ensure objectives are met. Two limited assurance reports have been identified, on waste management and the information asset register, both of which have been discussed by this Committee and were management requests. The nursing assessments and care plans report should be finalised by next week, followed by a definitive assurance statement.</p> <p>SU queried how the standards have been applied throughout. HKT replied that Audit Yorkshire have a quality assurance manual and scheme that includes escalations and appropriate checks and balances when producing reports and recommendations.</p> <p>The Committee noted the report and the good work done.</p>	
3b Counter Fraud		
A.6.20.11	<p>Counter Fraud Self Review Tool</p> <p>Steve Moss explained that this document is a summary of activity during the year and a review of compliance against the Counter Fraud Authority standards for providers and where the Foundation Trust sits against these standards. Responses were obtained from a number of staff within the Foundation Trust.</p> <p>SU asked if there was any mechanism to benchmark the Foundation Trust later in terms of performance against similar trusts. SM replied that the Counter Fraud Authority is keen on this and looking at benchmarking against investigative work at comparable organisations. They are planning to put out some similar self-review tools to other providers of a similar size in terms of personnel and budget within the next 12 months. If this doesn't happen, looking at a comparable organisation across Audit Yorkshire's scope could be considered. SM to keep the Committee apprised of developments from the CFA.</p> <p>The Committee noted the document.</p>	Counter Fraud 2020/205
A.6.20.12	<p>Draft Counter Fraud Work Plan 2020/21</p> <p>RM presented the workplan. BAS asked if a Counter Fraud Champion had been identified as discussed at the February meeting. SM responded that this has been on hold and he will feedback on progress when available.</p> <p>The Committee approved the plan.</p>	Counter Fraud 2020/206
A.6.20.13	<p>Counter Fraud Progress Report</p> <p>RM highlighted</p> <ul style="list-style-type: none"> • Changes to the Counter Fraud Team at the Trust • A summary of the Counter Fraud Team's response to the Covid-19 pandemic, with a newsletter highlighting the current threat 	

	<ul style="list-style-type: none"> An update on the National Fraud Initiative <p>The Committee noted the report.</p>	
A.6.20.14	<p>Annual Counter Fraud Report 2019/20</p> <p>The National Fraud Initiative (NFI) is due to run in October. The timetable for data submission has been issued and Audit Yorkshire will be assisting the Foundation Trust in terms of complying with the data matching process and the cycle of reviewing the matches from the end of January 2021.</p> <p>The Committee noted the report.</p>	
Section 4: Foundation Trust		
4a Is Financial Governance and its Associated Controls Effective?		
A.6.20.15	<p>BHTFT Annual Accounts 2019/20</p> <p>BAS, SU, JP and Julie Lawreniuk reviewed the Foundation Trust's annual accounts on the 14th of May with MH and MQ. MQ circulated an email response to the questions raised. BAS asked if there had been any subsequent changes to the accounts since that review. MH confirmed there have been no changes.</p> <p>The Committee noted the draft accounts and will revisit these in the context of the External Audit findings at the meeting on the 16th of June.</p>	
A.6.20.16	<p>Exception Reports: Schedule of Losses and Special Payments</p> <p>BAS mentioned overseas debt. He noted that the Foundation Trust seems to have had a high value of invoicing and low level of cash recovery and asked what view management are taking on this and what action they are taking to address the recovery rate. MH stated that the high value of invoicing will be a reflection of having had Overseas Officers in post for 12 months.</p> <p>In terms of write-offs, MQ clarified that the Foundation Trust has written off a few overseas visitors debts, some of which were high value. The Foundation Trust has been working closely with the Debt Recovery Agency, CCI, but found no trace of the individuals in the UK, so these were written off. MQ pointed out that even though these debts were written off, they remain outstanding and will continue to be chased. JP queried the reality of these debts ever being recovered and MQ confirmed that the likelihood of this is low. National protocols are followed in an attempt to recover losses, but in the past the Foundation Trust hasn't been very successful in this.</p> <p>The Committee noted the appendices to this report.</p>	
A.6.20.17	<p>Standing Orders Proposed Changes (Standing Item)</p> <p>Nothing was noted under this item.</p>	

A.6.20.18	Suspension of Standing Orders/Standing Financial Instructions (Standing Item) Nothing was noted under this item.	
A.6.20.19	Other Assurance Functions (Standing Item) Nothing was noted under this item.	
4b Are Specific Governance Control Systems Effective? (Workplan Items)		
A.6.20.20	Board Assurance Framework and Strategic Risk Register <p>BAS stated that the other Board Committees had scrutinised their respective elements of an earlier version of the BAF in February and in the case of the Partnerships Committee in January, but not the version included in the papers for today's meeting. All Committees were then suspended towards the end of March, hence there has been no scrutiny by the Committees of the year end BAF. The Board did however review this on the 27th of May, providing evidence that the year-end BAF is accurate and complete. In the absence of the other Board Committee annual assurance reports, BAS stated that this Committee would be unable to further scrutinise the year end BAF.</p> <p>In terms of the Internal Audit draft report, BAS asked what this added to the overall level of assurance. TC clarified that it took a while to get to the current BAF position due to challenges around internal controls, which TC advised Internal Audit on. The part that hasn't been progressed since last year was around improving links and compiling a portfolio of evidence through linking assurances. The Chief Operating Officer has provided links to her evidence in the document, but some Executive Directors don't and it was agreed that it is important to have a consistent approach. TC suggested having a discussion about this at the Board development session on the 1st of July. Apart from this, TC was assured that the rest of the recommendations from last year's report have been addressed.</p> <p>BAS questioned whether the 'gaps in assurance' and 'gaps in controls' boxes within the BAF were fully populated. He queried the assurance that these are complete in their content and if this had been addressed further. TC spoke about controls around quality, what assurance had been received and what would this look like. The auditor was pointed in the direction of a range of reports received by the Quality Committee. Each Executive Director signs off their BAF and is aware of which controls are relevant.</p> <p>TC stated that the Foundation Trust's strategic objectives are very broad, so by quantifying in a qualitative and quantitative way, controls are in place for an area such as providing outstanding care. Also, Covid-19 has changed things in terms of organisational planning around the clinical strategy. One recommendation to make is to be smart with an objective to identify key controls and gaps more easily.</p> <p>JP stated that the ongoing work TC has supported throughout the year has meant that he is assured the Foundation Trust is in a good place at the end of the year.</p>	

	<p>BAS referred to the Board meeting in March and stated that the content of the meeting firmly linked to the BAF, demonstrated where the Foundation Trust is at and a substantial level of assurance is justifiable.</p> <p>JP mentioned potential training for the Non-Executive Directors on the BAF. This is an item on the Committee action log and will be pursued in the lead up to the next Board development session.</p> <p>A discussion took place around the risk appetite statement. BAS was of the opinion that the Foundation Trust does have a level of current scrutiny and assurance regarding this. BAS queried whether, as Covid-19 progresses, a further look at the statement is required to decide if the circumstances suggest any change. The Committee agreed that the pandemic has changed ways of working, particularly around performance standards and in terms of workforce management. TC confirmed that this will be part of the discussions at the Board development session on the 1st of July.</p> <p>The Committee noted this version of the BAF and the governance process for completing this during the Covid-19 pandemic. BAS noted the need for pragmatism and to acknowledge that things cannot stay the same. In terms of the overall governance, Board assurance and risk management processes that are embedded, there is a source of ongoing assurance, bearing in mind the need to take stock of what things will look like going forward.</p> <p>The Committee noted the documents and will revisit them in due course.</p>	<p>Director of Governance and Corporate Affairs 2020/207</p>
<p>A.6.20.21</p>	<p>Board Committee Oversight: Governance and Process</p> <p>BAS raised concern that as all Board Committees, other than this Committee, were suspended/cancelled prior to their March meetings, this has delayed the delivery of assurance according to their revised TOR both to this Committee and the Board. In terms of the timing sequence, the next Board meeting is scheduled for the 9th of July, this Committee for the 28th of July and the other Committees are provisionally planned for the 29th of July. BAS asked how the Committee annual assurance reports will be available for the Board meeting earlier in the month.</p> <p>TC confirmed that these are going to be compiled virtually. They are currently in draft and TC will start circulating them to the Non-Executive Directors soon. They will be available to this Committee at the July meeting.</p> <p>JP mentioned the BAME staff meeting on the 8th of June, where there was quite an in-depth discussion regarding the level of Covid-19 risk and PPE usage. Staff asked if the Foundation Trust was going to provide supplementary and different PPE for them given the increased risk. JP has since spoken to the Chief Nurse about the importance of all staff having access to the appropriate PPE and this will be discussed further at the Executive and Non-Executive Regulation Committee on the 18th of June.</p> <p>The Committee noted the proposals and agreed that a pragmatic way forward is needed in terms of this Committee, Board and the other Committee meetings in July.</p>	

A.6.20.22	<p>April 2020 Care Quality Commission (CQC) Good Rating</p> <p>The Committee noted the good outcome. BAS asked for an outline of the arrangements regarding the must do's and should do's. TC clarified that this is dependent on the outcome of the Board development session on the 1st of July. The Chief Executive is due to establish a specific committee, which she will chair, to look at getting to outstanding and TC asked the Committee what it wanted to see from this meeting in terms of assurance.</p> <p>BAS mentioned the use of resources report and asked if the commentary and suggestions in this, plus ongoing insight into model hospital data, would be used to look at ways of achieving increased efficiencies. MH stated that this will be complemented by a lot of the innovative and modernisation pieces of work that have been carried out during the Covid-19 pandemic.</p> <p>The Committee noted the papers.</p>	
4c Corporate Governance		
A.6.20.23	<p>BTHFT Draft Annual Report 2019/20</p> <p>The Committee recognised that the production of this report has been delayed, but progress has been made. In terms of the remainder of the Annual Report, there has been a process of review and obtaining comments.</p> <p>The Executive Directors reviewed all the drafts and the Non-Executive Directors have had the opportunity to look at Draft 3. BAS queried progress in terms of obtaining and responding to comments and heading towards a final version. TC clarified that there is some feedback coming through, but nothing has substantially changed in the content.</p> <p>The Committee noted the report.</p>	
A.6.20.24	<p>Quality Oversight During Covid-19</p> <p>TC explained that this document details the way the Foundation Trust is managing oversight during the response to Covid-19. QUOC (Quality of Care) and the clinical reference groups are being utilised together with the command and control infrastructure. The document is to assure the Committee that the Foundation Trust's quality oversight system is operational with a strong focus on identifying exceptions quickly.</p> <p>SU mentioned the use of multiple abbreviations in the mortality information. TC stated that a technical tool is going to be used for routine reporting and this shows an example of what this looks like. There is now a very targeted approach to the Structured Judgement Reviews (SJR) and there have been no escalations from any of these. A reverse SJR was also carried out looking at discharged patients that had been expected to die to increase learning around the DNA and CPR process and end of life care. This will be reported to the Quality Committee in due course.</p> <p>There have been some unexpected blips in the mortality rate under specific conditions and the Foundation Trust's HSMR (Hospital Standards and Mortality Rate) is currently at 19. TC has reported nothing of concern to the panel.</p>	

	The Committee noted the document and look forward to an update in the coming weeks.	
A.6.20.25	<p>The High Priority Audit Programme Plan - 2020/21: Responding to National Mandated HQIP Audit Programme</p> <p>This document has already been approved by the Clinical Audit and Effectiveness Committee and Quality Committee. BAS mentioned the total of 82 audits and asked if the Foundation Trust was suitably prepared to handle this level of audit load. TC confirmed that all national audits are currently suspended. The national audit has resulted in long-term conversations within the organisation and is something that the Chief Medical Officer has specific views about. Once the Covid-19 response is different to now, the audits should restart.</p> <p>BAS mentioned that an audit on VTE assessments has recently been completed, but relatively few internal audits look at medical treatment items. BAS asked if this wholly justified given the level of clinical audit activity that takes place. HKT clarified that the key difference is that Internal Audit look at systems and processes, as well as compliance with protocols. Clinical audits look at outcomes then re-audit these over time.</p> <p>BAS referred to the approved 2020-21 Internal Audit plan and asked if Audit Yorkshire were to look down the list of clinical audits, would this provoke thought to other processes that should be subject to Internal Audit review. HKT stated that the difference is that the national HQIP clinical audits are a requirement. Audit Yorkshire may be able to help with some local audits, but a lot involve data collection and submission to elsewhere. JH & TC to discuss to see if Audit Yorkshire can help.</p> <p>The Committee noted the contents of the plan.</p>	Audit Yorkshire/ Director of Governance and Corporate Affairs 2020/208
A.6.20.26	<p>Self-certification With Regard to the Provider Licence</p> <p>The Committee noted the document.</p>	
A.6.20.27	<p>Business Continuity Update</p> <p>This paper is focused around Covid-19. In December there were three key strands of activity planned or in progress; the Business Continuity Framework and guidance, Trust-wide Information Systems, Business Continuity Planning (BCP) and Trust-wide BCP. BAS asked when business continuity planning for situations other than Covid-19 could be re-commenced. TC has spoken to the Chief Operating Officer about opportunities and how the Foundation Trust can work at speciality level as each Clinical Business Unit (CBU) works on its restarts. Steve Amos, Emergency Planning Manager, is now doing less Covid-19 emergency response work and working alongside the teams as they develop their services. Work is also ongoing around the impact of Track and Trace and potential staff shortages.</p> <p>SU asked how the method of stopping and starting/flexing certain parts of organisation due to Covid-19 is built into this plan and what has been learned from the pandemic.</p> <p>TC confirmed that the Silver Clinical Reference Group is supporting local decision making, particularly around clinical services and has been charged with a detailed piece of work around learning. In every part of the Command</p>	

	<p>and Control infrastructure there is a detailed action log and assurance work been done to ensure loops have been closed around some requests.</p> <p>The Committee noted the report.</p>	
A.6.20.28	<p>Draft Annual Governance Statement</p> <p>Mel Pickup, Chief Executive, joined the meeting to discuss the draft Annual Governance Statement. BAS was of the opinion that this is an improvement on last year's statement.</p> <p>MP's overall opinion was that this document represents significant progress in terms of the maturity of the approach to and strengthening of governance that has occurred over substantial time in the organisation. MP noted her responsibilities as Accountable Officer for the system of internal control and the overall capacity to handle and mitigate risk through the Risk and Control Framework.</p> <p>MP noted that the statement detailed the Foundation Trust's continued development with regard to dispensing governance across all areas, including the care groups, quality, workforce, finance, performance committees and through the proactive use of the strategic risk register and BAF. Oversight and assurance is provided to and by the Audit and Assurance Committee.</p> <p>For the other key areas of focus on specific controls and assurance, this includes the CQC regulatory framework. MP noted that an amendment was required under section 7.2: Management of Risks to Compliance With the NHS Foundation Trust Licence Condition whereby the following was now confirmed; that "the review was approved by the Executive Management Team on the 18th of May prior to the Board of Directors approving compliance for all areas on the 27th of May.</p> <p>The Annual Governance Statement includes a comprehensive section on economy efficiency and effectiveness under 'use of resources'. A recent CQC inspection with regard to 'use of resources' performance gave the Foundation Trust a 'Good' rating. The Audit and Assurance Committee was asked to review a section within the Annual Governance Statement regarding high risk information governance incidents which have been reported to the Information Commissioner's Office (ICO) and to note that no action has been taken against the Foundation Trust in those instances.</p> <p>The Annual Governance Statement also includes reference to the personal data incidents that occurred in this specific financial year.</p> <p>With regard to data quality and governance, the Audit and Assurance Committee was asked to note the requirements set out by NHS Improvement (NHSI), so whilst there is no longer a requirement to include the Quality Report with the Annual Report, the Foundation Trust will still be required to produce a Quality Account, which will be published in December 2020.</p> <p>To note were the details of governance and leadership in place with regard to the delivery of the Foundation Trust's strategic objective to provide outstanding care for patients, including delivery of the Foundation Trust's Quality Plan and quality planning goals. In comparison to the Quality Account of 2019-20, this will demonstrate that significant improvements continue to be</p>	

	<p>seen in the care provided to patients.</p> <p>In terms of external assurance, the CQC report highlights the Foundation Trust's Maternity Service and there are plans in place to address the areas of improvement.</p> <p>In terms of Section 11 regarding effectiveness, the Audit and Assurance Committee was asked to note the statement that MP is required to sign, in particular the conclusion that she has drawn, as included within the statement; that is 'no significant internal control issues have been identified which have made an impact on the completion of the Annual Governance Statement' and in coming to that conclusion, consideration was given to the specific items MP draws the Committee's attention to, which were in Quarter 2 of 2019-20, regarding the Foundation Trust's ability to effectively manage the risk afforded by the Wholly Owned Subsidiary and the anticipated impact of Covid-19.</p> <p>MP stated that the Foundation Trust was clearly alert to the responsibilities of internal controls, not just in specific areas, but in general terms and did have processes to identify and manage risks on an ongoing basis.</p> <p>BAS was satisfied that the document was a suitably complete and appropriate summary of governance matters. The work done to format this version of the document builds on from last year, an already substantially improved document.</p> <p>The Committee approved the Annual Governance Statement.</p>	
Section 5: Audit and Assurance Committee Governance		
A.6.20.29	<p>Audit Committee Workplan 2020-21</p> <p>BAS stated that he has looked through 2019-20 plan, which was reviewed and cross checked against the Committee Terms of Reference and was satisfied that if the dates were changed, last year's plan would be suitable for the current year.</p> <p>The Committee approved the workplan.</p>	
A.6.20.30	<p>Any Other Business</p> <p>MH confirmed that the Executive Directors and TC have reviewed the Covid-19 governance checklists and provided responses to each of the key lines of enquiry in the documents. MH to circulate to Committee members before taking to Board on the 9th of July.</p>	Director of Finance 2020/209
A.6.20.31	<p>Matters to Share with Other Committees</p> <p>BAS stated that he was keen to receive the assurance reports referred to earlier in the meeting.</p>	
A.6.20.32	<p>Matters to Escalate to the Strategic Risk Register</p> <p>JP suggested closing off the BAME PPE discussion. TC stated that there are new risks to be placed on the Strategic Risk Register relating to workforce which will be shared at the Executive and Non-Executive Regulation</p>	Director of Governance and

	Committee on the 18th of June. TC to make that Committee aware of the comments received today.	Corporate Affairs 2020/210
A.6.20.33	Matters to Escalate to the Board of Directors BAS to produce a summary of the key matters covered in this meeting for the Board meeting on the 1 st of July.	Chair of the AAC 2020/211
A.6.20.34	Items deferred to subsequent meetings <ul style="list-style-type: none"> - Private meetings with Internal and External Audit (workplan May) – IA/AAC* (BAS, SU and JP met with both Internal and External Audit on the 16th of June). - Cyber Security (workplan April) - DCD&IO - Security Management Standards for Providers (workplan May) - COO - Effectiveness of Whistleblowing/FTSU arrangements (workplan April) -CN - Assurance Framework (workplan April) - DGCA - Regulatory Compliance Policy (action log A.12.19.31) - DGCA - Quality Account Assurance (workplan April) - DGCA <p>BAS stated that an appropriate date needs to be agreed for the above items to be included on the Committee agenda. This will be discussed at the next agenda planning meeting based on updated information regarding Covid-19.</p>	AAC Agenda Planning Meeting Attendees 2020/212
A.6.20.35	Attendees for Subsequent Audit Committee Meetings The responsible individuals for the deferred items above.	
A.6.20.36	Review of meeting No comments made.	
A.6.20.37	Date and time of next meeting: Tuesday 16 June 2020, 2-3pm (to approve Annual Report and accounts) Tuesday 28 July 2020, 2-5pm	

BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST
ACTIONS FROM AUDIT AND ASSURANCE COMMITTEE MEETING Held 04 February 2020

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
16.04.19	A. 4.19.15	Standing Orders, Standing Financial Instructions, Scheme of Delegation: Compliance 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. Internal Audit Plan added to the 4 Feb Agenda. <u>Action closed</u> 04.02.20: MH confirmed Items captured in internal audit plan. <u>Action closed</u>
16.04.19	A.4.19.34	Matters to Escalate to the Board of Directors 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. 03.12.10 Item on agenda for

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					AAC. 09.01.20 - AAC Annual Report submitted to Board in January 2020. <u>Action closed.</u>
21.05.19	A.5.19.20	ISA 260 – Foundation Trust (charities with a connection to a non-charity) TC to discuss the Charity Commission advice with the Trust Chairman.	Director of Governance and Corporate Affairs 2019/148	30 July 2019	30.07.19 – MQ confirmed the Charity Committee have now had sight of this. 03.12.19 – Conversation took place at Charitables Committee. 04.02.20: Chair present at Charitables Committee for discussion. <u>Action closed.</u>
30.07.19	A.7.19.5.1	Business Continuity Update – Response to AAC Action Log Item 2018- 91 A verbal update to be provided to the next AAC.	Director of Governance and Corporate Affairs 2019/161	22 October 2019	03/12/19 Action deferred. Paper added to February agenda A.2.20.15. <u>Action closed.</u>
30.07.19	A.7.19.15	Appropriateness of Single Source Tenders 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	3/12/19 JM and TC developing a corporate governance booklet. 04.02.20: The booklet is being developed and reference to this will be included. <u>Action closed.</u>
30.07.19	A.7.19.16	Appropriateness of Single Source Tenders – Estates MH to review and improve the Estates procurement process	Director of Finance 2019/169	22 October 2019	3/12/19 Needs a timescale for review. MH to bring the plan to the next meeting with intended implementation in the new financial year. 4.2.20: Added to February agenda A.2.20.19. <u>Action closed.</u>

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30.07.19	A.7.19.20	Board Assurance Framework and Strategic Risk Register BAS to meet with TC, JP and SU to review use of the BAF and SRR across committees.	Director of Governance and Corporate Affairs 2019/170	22 October 2019	Committee self-assessment process now initiated and includes review of the operation of the BAF and SRR through committees. The use of BAF and SRR will be assessed through this process. <u>Action closed.</u> <u>4.2.20: Self-Assessments, CQC report will feed into April meeting</u> <u>10/06/20</u> - BAS to have a call with TC when the agenda being put together for the Board Development Session in July to discuss to what extent the agenda covers these items.
03.12.19	A.12.19.4	Matters Arising A.10.18.5 (30/10/18) 2018/70 Deloitte Annual Audit Plan, JM to add a standing item to AAC agenda in February and July	Head of Corporate Governance 2019/177	4 February 2020 and 28 July 2020	4.2.20: Added to February Agenda A.12.19.7. <u>Action Closed</u>
03.12.19	A.12.19.5	External Audit Annual Plan 2019/20 PH would present the report to the 4 February 2020 meeting with a revised view on the Wholly Owned Subsidiary.	Paul Hewitson, Deloitte 2019/178	4 February 2020	Added to February agenda as per the above action. <u>Action closed.</u>
03.12.19	A.12.19.10	Internal Audit Charter HKT to confirm what the fourth Key Performance Indicator was on page five of the protocol.	Helen Kemp-Taylor, Audit Yorkshire 2019/179	4 February 2020	04.02.20: Document altered as required. <u>Action closed.</u>
03.12.19	A.12.19.13	Exception reports: Schedules of Losses and Special Payments	Director of Finance 2019/180	4 February 2020	4.2.20: MQ confirmed this was a nationally funded service and

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		MH would find out what WT44-19 referred to and add more detail into the descriptions.			there was only one supplier. <u>Action Closed</u>
03.12.19	A.12.19.18	Standing Financial Instructions MQ will return the revised Standing Financial Instructions for review and approval in February, keeping all tracked changes.	Deputy Director of Finance, 2019/181	4 February 2020	4.2.20: Added to February agenda A.12.19.21. <u>Action closed.</u>
03.12.19	A.12.19.23	Charitable Funds Annual Report and Accounts MH to amend the entry of Mr Andrew McConnell's name on page 1 of the report to have an end date.	Director of Finance, 2019/182	4 February 2020	4.2.20: Completed. <u>Action closed.</u>
03.12.19	A.12.19.25	Oversight of Board Committees The Committee noted the contents of the report and the work required to ensure an accurate reflection of gaps in controls and assurance.	Director of Governance and Corporate Affairs 2019/183	4 February 2020	4.2.20: Work has been done to strengthen the identification and management of gaps in controls and assurance with the Executive Directors and Committees through use of the BAF. <u>Action Closed.</u>
03.12.19	A.12.19.26	CQC Compliance TC to provide additional information in relation to the interaction between Progress and CQC compliance.	Director of Governance and Corporate Affairs, 2019/184	4 February 2020	4.2.20: Progress reviews are used on a reactive and proactive basis as scheduled to explore potential non-compliance. <u>Action closed.</u>
03.12.19	A.12.19.27	Draft Audit Committee Annual Report to Board A virtual review by JP and SU to be completed before the draft report is submitted to the January 2020 Board meeting.	Head of Corporate Governance, 2019/185	4 February 2020	4.2.20: Review completed. <u>Action closed.</u>
03.12.19	A.12.19.29	Data Quality (DQ) Assurance TC to consider whether Finance & Performance should also have insight into the maturity model demonstrated in the Data Quality Assurance Report.	Director of Governance and Corporate Affairs 2019/186	4 February 2020	Paper to be shared with the Finance and Performance Committee in February 2020. <u>Action closed.</u>

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03.12.19	A.12.19.33	EPRR Core Standards The Committee concluded that the report should go back to the Quality Committee for further review	Director of Governance and Corporate Affairs 2019/188	4 February 2020	4.2.20: Item added to the Quality Committee In January 2020. <u>Action closed.</u>
05.02.19	A.2.19.25	Board Assurance Framework 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. 03.12.19 - Action to remain open. 04.02.20 - Scheduled for April 2020. <u>Action closed.</u> 10/06/20 - BAS to have a call with TC when the agenda being put together for the Board Development Session in July to discuss to what extent the agenda covers these items –
30.07.19	A.7.19.10	Annual Internal Audit Performance Review MH to remind the other Executive Directors to complete their questionnaires.	Director of Finance 2019/165	22 October 2019	3/12/19 All Directors reminded. Feedback received. Update to be provided at February meeting. <u>Action complete.</u> 04/02/20 MH confirmed there is nothing of any concern identified. BAS identified he had not completed the questionnaire. MH to circulate final report. Reports

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					circulated to members of AAC. <u>Action complete.</u> 10/06/20 – BS asked how output from the survey will be used. JH has agreed to look at the development of an improvement plan. MH and JH agreed to review the survey results to see if anything specific needs actioning and produce a short, reflective report for the July meeting –
30.07.19	A.7.19.10	Annual Internal Audit Performance Review JM to speak to KR about the external review i.e. who will do this and by when. This row looks like a duplicate of the above - ? Delete?	Head of Corporate Governance 2019/166	22 October 2019	3/12/19 – BAS confirmed this had been dealt with but should remain open. 10/06/20 – BS asked how output from the survey will be used. JH has agreed to look at the development of an improvement plan. MH and JH agreed to review the survey results to see if anything specific needs actioning and produce a short, reflective report for the July meeting. – closed?
03.12.19	A.12.19.31	Regulatory Compliance The Committee noted that this paper assesses whether Policies are compliant rather than are staff complying with Policies but required further clarification from TC.	Director of Governance and Corporate Affairs 2019/187	4 February 2020	4.2.20: AAC to await results of IA in relation to policy compliance and subsequent SLT discussion. To be added to agenda of April meeting on AAC.

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					Results of IA to be presented to the meeting in June and further action agreed. 10/06/20 – Item to remain open until final report received,
4.2.20	A.2.20.7	External Audit Draft Audit Plan 2019/20 PH to amend 2019/20 CIP figure on page 15 to £16.7m	Paul Hewitson, Deloitte 2020/189	7 April 2020	10/06/20 – this has been completed. Action closed.
4.2.20	A.2.20.8	Internal Audit Progress Report BAS requested a progress report be submitted to Quality Committee asap with regards to the BH/29/2020 report on Patient Safety – Sepsis.	Director of Governance and Corporate Affairs 2020/190	7 April 2020	It was agreed at the Agenda planning meeting to defer this to a later Committee meeting. The Patient Safety Committee and Quality Committee have both received additional assurance in relation to this issue. 10/06/20 – TC confirmed that the Patient Safety Committee and Quality Committee have received an update and a discussion has been had about additional assurances. Closed?
4.2.20	A.2.20.8	Internal Audit Progress Report SU suggested that Communications celebrate the work done on Duty of Candour and the praise received by JH	Director of Governance and Corporate Affairs 2020/191	7 April 2020	This action has been deferred until later in the year. The Policy is currently being reviewed and the launch of any revisions would allow this celebration of the good work done by the Trust. 10/06/20 – Item to remain open

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					and be revisited at a subsequent meeting.
4.2.20	A.2.20.9	Internal Audit follow up Reports BAS requested a written justification to the Audit Committee on some of the longer standing follow up actions including what actions are being taken. JH recommended that this could be led on by himself having conversations with each of the action owners.	Mr Jonathon Hodgson, Audit Yorkshire 2020/192	7 April 2020	10/06/20 – Discussed under agenda item A.6.20.8. Action closed.
4.2.20	A.2.20.9	Internal Audit follow up Reports BAS queried whether BH/11/2019 from page 23 should be on the front report. JH agreed to check and confirm	Mr Jonathon Hodgson, Audit Yorkshire 2020/193	7 April 2020	10/06/20 – This has been amended. The outstanding recommendation has now been implemented. Action closed.
4.2.20	A.2.20.10	Internal Audit Draft Plan 2020/21 BAS asked for a summary report on the rationale behind why the audits that didn't make it into the plan didn't make it. HKT agreed to provide further detail. MH agreed to give an update on the discussion with ETM to the next AAC	Ms Helen Kemp-Taylor, Audit Yorkshire & Director of Finance 2020/194	7 April 2020	In light of curtailed timeframe due to the delay in the 19/20 accounts process the Audit plan was discussed with ETM on 1.6.20 and recommendations made to remove a number of audits (with a rationale) to release capacity to deliver revised plan in 11 months. Revised plan submitted to AAC 10.6.20. 10/06/20 – Covered under agenda item A.6.20.9. Item closed subject to this discussion.

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4.2.20	A.2.20.11	Internal Audit Benchmarking Report BAS asked what the management response had been to the three reports and if JH could provide future benchmarking reports with the responses. MH stated that he could ask for a response from the Chief Digital and Informatics Officer with regard to the Phishing. TC agreed to respond with regard to the BAF. MH would form response to the Use of Resources report with the Chief Operating Officer.	Mr Jonathon Hodgson, Audit Yorkshire Director of Finance Director of Governance and Corporate Affairs 2020/195	7 April 2020	The benchmarking report has been reviewed in the context of the IA relating to the BAF (significant assurance). Recommendations will be made in relation to the BAF as the revised governance structure of the Trust is agreed. 10/06/20 – The recommendations will be incorporated into the revised governance structure of the Foundation Trust. MH action to be carried forward.
4.2.20	A.2.20.15	Business Continuity Update TC to provide 6 monthly progress reports to the AAC	Director of Governance and Corporate Affairs 2020/196	7 April 2020	It was agreed at the agenda planning meeting that this would focus on the operational response and BCP process in relation to COVID 19. 10/06/20 – Progress reports have been added to the workplan. Item closed.
4.2.20	A.2.20.23	2019/20 Annual Accounts Progress Update MH to schedule a meeting with BAS and other Committee members if they wish.	Director of Finance 2020/197	7 April 2020	27.02.20: Meeting arranged for 11/05/2020. <u>Action complete.</u>
4.2.20	A.2.20.25	Board Assurance Framework and Strategic Risk Register TC to explore further development using the BAF and SRR would be possible at a board development day on 7 April (ref A.2.20.37).	Director of Governance and Corporate Affairs 2020/198	7 April 2020	This item has been deferred due to the response to the COVID19 pandemic. 10/06/20 - BAS to have a call with TC when the agenda being

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					put together for the Board Development Session in July to discuss to what extent the agenda covers these items –
4.2.20	A.2.20.27	Draft Annual Assurance Reports from Committees BAS would liaise with SU and Jon Prashar, Non-Executive Director, to consolidate questions and comments that would be fed-back to TC for inputting into the final version of the reports.	Chair of the Audit Committee 2020/199	7 April 2020	10/06/20 – The AAC hasn't received the reports as the Committees were stood down due to Covid-19. To be discussed under agenda item A.6.20.21. Action to remain open.
4.2.20	A.2.20.29	Review Audit Committee Terms of Reference BAS will review TC's document and have further discussions with the Chief Operating Officer and the Chief Digital and Informatics Officer before reporting back to the Committee	Chair of the Audit Committee 2020/200	7 April 2020	10/06/20 – BAS has reviewed with TC and the Chief Operating Officer provided an explanation of how the Foundation Trust can be assured that the KPI's are being accurately calculated and reported. BAS to have a discussion with CF to see if any further assurance is required and available with regard to data quality. A report to be submitted to the July AAC.
4.2.20	A.2.20.29	Review Audit Committee Terms of Reference TC will circulate 'External Reporting Assurance' document	Director of Governance and Corporate Affairs 2020/201	7 April 2020	Document circulated. <u>Action completed</u>

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4.2.20	A.2.20.34	Items deferred to subsequent meetings Draft Annual Governance Statement to be shared at the next meeting	Director of Governance and Corporate Affairs 2020/202	7 April 2020	Added to June agenda. <u>Action completed</u>
4.2.20	A.2.20.37	Date and time of next meeting: There had been some discussion of moving the date to the 21 April but as everyone could make 7 April and not 21 April it was decided to keep the original date. It was suggested that the Board Development day could be on the same day. TC would investigate whether this was possible.	Director of Governance and Corporate Affairs 2002/203	7 April 2020	10/06/20 – Issue resolved. Item closed.
10.06.20	A.6.20.8	Follow-up of Internal Audit Recommendations A suggestion was made to extend the completion date of outstanding actions that couldn't be progressed due to Covid-19 by three months. JH to liaise with MH to pick up any key risks.	Audit Yorkshire/Director of Finance 2020/204	29 July 2020	
10.06.20	A.6.20.11	Counter Fraud Self-Review Tool SM to keep the Committee apprised of developments from the CFA regarding benchmarking the Foundation Trust in terms of performance against similar trusts.	Counter Fraud 2020/205	29 July 2020	
10.06.20	A.6.20.12	Draft Counter Fraud Workplan 2020/21 SM to update the Committee on the appointment of a Counter Fraud Champion when this happens.	Counter Fraud 2020/206	29 July 2020	
10.06.20	A.6.20.20	Board Assurance Framework and Strategic Risk Register TC to add the impact of Covid-19 onto the agenda of the Board development session on the 1st of	TC 2020/207	29 July 2020	

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		July.			
10.06.20	A.6.20.25	The High Priority Audit Programme Plan - 2020/21: Responding to National Mandated HQIP Audit Programme JH & TC to discuss whether Audit Yorkshire can help with clinical audit processes.	JH & TC 2020/208	29 July 2020	
10.06.20	A.6.20.30	Any Other Business MH to circulate completed Covid-19 governance checklists.	MH 2020/209	16 June 2020	
10.06.20	A.6.20.32	Matters to Escalate to the Strategic Risk Register TC to feedback AAC comments regarding the strategic risk register to the Executive and Non-Executive Regulation Committee on the 18 th of June.	TC 2020/210	29 July 2020	

10.06.20	A.6.20.33	Matters to Escalate to the Board of Directors BAS to produce a summary of the key matters covered in the AAC on the 10 th of June for the Board meeting on the 1st of July.	BAS 2020/211	29 July 2020	
10.06.20	A.6.20.34	Items Deferred to Subsequent Meeting AAC agenda planning meeting attendees to discuss inclusion of deferred items under item A.6.20.34 at the next meeting.	BAS/TC/MH/MQ/JM 2020/212	29 July 2020	