

**Minutes of the Audit Committee meeting  
held on the 21 April 2020 at 10.30am via telephone dial-in**

**Members present:**

Mr M Wright, Non-executive Director (Chair of the Audit Committee)  
Miss H Grantham, Non-executive Director  
Mr C Henry, Non-executive Director

**In Attendance:**

Mrs S Blackburn, Deputy Head of Internal Audit, NHS Audit Yorkshire  
Mrs D Hanwell, Chief Financial Officer and Deputy Chief Executive  
Mrs C Hill, Associate Director for Corporate Governance  
Mr R Khangura, Director – Public Sector Audit, KPMG  
Mr C Marston, Corporate Governance Assistant (Committee Secretariat)  
Miss K McMann, Corporate Governance Team Leader  
Mrs J Motala, Audit Manager

		<b>Action</b>
<b>20/020</b>	<p><b>Apologies for absence (agenda item 1)</b></p> <p>Mr Wright opened the meeting and welcomed everyone.</p> <p>No apologies were received by any members of the committee. In terms of attendees, Miss K McMann, Corporate Governance Team Leader, sent her apologies.</p>	
<b>20/021</b>	<p><b>Declaration of any conflicts of interest in respect of agenda items (agenda item 2)</b></p> <p>No member or attendee of the Committee declared a conflict of interest in respect of any item on the agenda.</p>	
<b>20/022</b>	<p><b>Minutes of the meeting held on the 23 January 2020 (agenda item 3)</b></p> <p>The minutes of the meeting held 23 January 2020 were <b>accepted</b> as a true record.</p>	
<b>20/023</b>	<p><b>Matters Arising (agenda item 4)</b></p> <p>There were <b>no</b> matters arising.</p>	
<b>20/024</b>	<p><b>Cumulative Action Log (agenda item 5)</b></p>	

The Committee was **assured** on the progress made on the actions within the cumulative log and **agreed** on which actions should be closed.

**20/025 Internal Audit Report** (agenda item 6.1)

Mrs Blackburn presented the Internal Audit Report. She informed the Committee that the final External Quality Assessment report would be circulated once it had been returned from the assessor. She explained that there were six final audit reports that had been agreed with management since the last Audit Committee meeting on 23 January 2020, and informed that the 2019/20 work plan was almost complete.

She asked for the Committee's views on which audits were able to be advanced to the finalisation stage. The Committee agreed the audits that had no need for urgency at the present time and which would be paused in terms of completion, but it agreed that this would be kept under constant review.

Mrs Hanwell proposed that she spoke with Mrs Blackburn to progress the audit reports for both the management of the capital program and the health and safety action plan.

**DH/SB**

Mr Wright raised concern around clinical supervision not being mandatory in the report. Mrs Blackburn explained that this audit was for supervisors, and that it was not mandatory when the audit was first made. Miss Grantham agreed to pick this up with Mrs Holmes at the Workforce Committee.

**HG/CH**

Regarding the freedom to speak up guardian audit report, Mr Wright noted the comments about references to the FTSuG undertaking investigations and whether there was evidence of any confusion taking place within a real investigation. Mrs Blackburn informed that there had not been any confusion, and that the issues were more theoretical.

**SB**

Mr Khangura requested to see the findings of the management of capital programme in more detail, and it was agreed that Mrs Blackburn would share the full report with him.

Mrs Blackburn asked for the Audit Committee's views on the priority for audits on the plan. Mrs Grantham explained that she did not think the managing wellbeing in the workplace audit should be cancelled, and should instead be postponed and rescheduled.

The Committee accepted the plan as draft in current form. It agreed to revisit this as an agenda item in a future Audit Committee meeting when it was able to reassess what could be completed in the next financial year.

Mrs Blackburn noted that she had received a request to suspend MKI (internal audit actions tracker) in terms of emails going out on an automatic basis. She asked for the views of the Committee with regards to this. Mrs Hanwell advised suggested that MKI reminders should not be suspended, to give people the choice as to whether to change the date based on the priority and their ability to complete it. It was agreed that Mrs Hill, Mrs Blackburn and Miss Cooper would review this outside of the meeting and agree what wording should be sent out to action owners to support the MKI action tracking emails which would be generated by the system.

CH/SB

It was noted that Audit Committee was pleased that a number of reports had been finalised and that these related to providing significant assurance.

The Committee **received** the report and was **assured** on the progress made.

**20/026 Draft Head of Internal Audit Opinion 2019/20** (agenda item 6.2)

Mrs Blackburn presented the Draft Head of Internal Audit Opinion 2019/20. She explained that overall they had given an opinion of significant assurance. She noted that there was a draft statement included around the impact of the virus, work was ongoing to look at whether there could be a consistent statement around this.

It was agreed that Mrs Hanwell would work with Mrs Blackburn outside of the meeting to ensure that the management of capital audit and the health and safety action plan are finalised so these can be included in the Head of Internal Audit Opinion.

DH/SB

The Committee **received** the draft Head of Internal Audit Opinion and noted the content, including the early indication that this would state significant assurance

**20/027 Draft Strategic Internal Audit Plan 2020/21-2022/23 and Annual Audit Plan 2020/21** (agenda item 6.3)

The Committee **received** the Draft Strategic Internal Audit Plan 2020/21-2022/23 and Annual Audit Plan 2020/21 and **noted** its content.

**20/028 External Audit Progress Report** (agenda item 7.1)

Mrs Motala presented the Technical Update report and informed the Committee of a number of updates. She explained that due to the impact of COVID-19, NHSE/I had worked with the Department of Health and Social

Care to amend arrangements for year-end accounts for 2019/20. It was noted that the implementation of IFRS16 had been deferred until 2021/22, that the deadline for full draft accounts was now 11 May 2020, and that the new thresholds for agreement for 2019/20 month 12 were as follows: Receivables statements above £500,000, and Income statements above £5 million. She informed the Committee that audited accounts were now due on 25 June. The committee noted the progress that was being made with the preparations for the audit of the accounts.

In terms of Quality Accounts 2019/20, Mrs Motala explained to the Committee that there would no longer be a requirement for a quality report to be included in the annual report, that assurance work on quality accounts and quality reports would cease, and that no limited assurance opinions would be issued for 2019/20.

Mr Wright asked whether the change in dates and requirements would impact any of the internal timetables. The Committee discussed the timing of the year-end Audit Committee meeting and whether this should be scheduled closer to the 25 June deadline for audited accounts. It was agreed that Mrs Hill would speak with Prof Proctor about a date for the Board in mid-June with an Audit Committee meeting taking place prior to this and would then ensure the meetings were scheduled..

CH

Mr Khangura presented the future of audit paper to the Committee and gave information on the external audit landscape.

The Committee **noted** the External Audit report and the actions that had arisen.

**20/029 Board Assurance Framework** (agenda item 8)

Mrs Hill gave a verbal update to the Committee and noted the position with regard to the framework. She reminded the Committee that the framework had been updated in order to reflect the impacts of COVID-19.

The Committee was reminded that there had been a suggestion to review timeframes where possible, and that this would take place once it was possible to give more realistic dates.

The Committee was **assured** on the work underway to mitigate the strategic risks.

**20/030 Audit Committee annual report 19/20** (agenda item 9)

Mrs Hill presented the Audit Committee annual report on Miss McMann's behalf and asked for the Committee's approval before it was presented to

the Board at the year-end meeting.

Mr Wright noted that one of the appendices needed amending to include the Workforce Committee, and it was also requested that the report should reference fire safety as well as the health and safety work.

KM

The Committee **received** and **agreed** the Audit Committee Annual Report.

**20/031 Key Messages and Any Matters to be Escalated to the Board** (agenda item 10)

Mr Wright noted he would be reporting:

- The majority of the items on the Cumulative Action Log have been hibernated.
- Positive independent review of Audit Yorkshire from Mrs Blackburn.
- Positive significant assurance reports on all issues in final version. For the remaining items in draft, there is an agreed action that the management of capital program and the health and safety action plan will be finalised. The remaining actions will be hibernated for now.
- Acknowledge the significant assurance of the Draft Head of Internal Audit Opinion.
- Accepted the Internal audit work plan for the following 3 years, subject to a review.
- Acknowledge timings change with regards to External Audit.
- Board Assurance Framework had been agreed subject to minor changes.
- Recognise the work of our finance team and colleagues.

**20/032 Any Other Business** (agenda item 11)

Mrs Blackburn noted to the Committee about a checklist tool for the organisation to use which links back to the HFMA guide.

The Committee did not discuss any other business.

The Chair of the Committee thanked everyone for attending and closed the meeting at 12.00pm.

**Date and time of next meeting:**

Monday 15<sup>th</sup> June 2020 at 10.30am until 12.00pm via Zoom.