

**Minutes of the Audit Committee  
held on 8 June 2021 at 2.30pm via Zoom**

**Present:**

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

**In Attendance:**

Mrs S Blackburn, Deputy Head of Internal Audit, NHS Audit Yorkshire  
Mr G Enright, Financial Controller  
Mrs D Hanwell, Chief Financial Officer and Deputy Chief Executive  
Mr R Khangura, Director – Public Sector Audit, KPMG  
Miss B King, Corporate Governance Assistant (Secretariat of the Committee)  
Mrs S Marshall, Legal Services & Complaints Lead (for item 10)  
Miss K McMann, Acting Head of Corporate Governance (for item 10)  
Mr A Mulla, Assistant Manager, KPMG  
Mrs S Munro, Chief Executive  
Mrs C Woffendin, Director of Nursing, Quality and Professions

|               |  | <b>Action</b> |
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|               | Mr Wright opened the meeting at 2.30pm and welcomed everyone.  |               |
| <b>21/047</b> | <b>Apologies for absence</b> (agenda item 1)   |               |
|               | Apologies were received from Miss H Grantham, Non-Executive Director, who is a member of the Committee.  |               |
|               | No apologies were received by any attendees of the committee.  |               |
|               | The meeting was quorate.   |               |
| <b>21/048</b> | <b>Declaration of any conflict of interest in respect of agenda items</b> (agenda item 2)  |               |
|               | No member or attendee of the Committee <b>declared</b> a conflict of interest in respect of any item on the agenda.  |               |
| <b>21/049</b> | <b>Quality Report 2020/21</b> (agenda item 10)   |               |
|               | Mrs Woffendin and Mrs Marshall presented the Quality Report and Account for 2020/21. Mrs Woffendin informed the Committee that the Quality Report and Account had been presented to Quality Committee on a number of occasions during its production, and confirmed that the Quality Committee had received significant assurance on the production of the document. |               |

The Committee **received** the Quality Report and Account for 2020/21 and was **assured** with the production of the Quality Report and Account for 2020/21.

Mrs Woffendin and Mrs Marshall left the meeting.

**21/050 Annual Accounts 2020/21** (agenda item 3)

The Committee **received** the Annual Accounts 2020/21 and scrutinised these in detail. It **agreed** to recommend that the Board adopts the Annual Accounts.

**21/051 ISA 260 Report including the letter of representation** (agenda item 4)

Mr Khangura presented the ISA 260 report and assured the Committee that there had been no significant issues. He provided a detailed report on each of the significant risks which the External Auditors had reviewed including the work that was carried out, the findings and the overall assessment of the significant risks. The key risks were: valuation of land of buildings, fraudulent expenditure recognition, revenue recognition, and management override of control. In relation to the fraudulent expenditure recognition, Mr Khangura explained that the risk was related to the existence of expenditure in association with the increased amount of funding available during 2020/21.

Mr Khangura next confirmed that the External Auditors were assured regarding the Trust's key estimates within the accounts. With regard to the audit of the Annual Report, he reported that it was consistent with what was required as per the Annual Reporting Manual, and that the Remuneration Report had been audited in detail and was found to be accurate. Mr Khangura informed the Committee that the risk assessment carried out on the Value for Money arrangements found no significant risks.

Mr Khangura went on to outline the recommendations from the other sections in the report and noted that there were no significant issues to report to the Committee.

The Audit Committee **received** the ISA 260 Report and **noted** the main points and assurance by external audit.

**21/052 Auditor's Annual Report** (agenda item 4.1)

Mr Khangura presented the External Auditor's Annual Report and outlined the main areas of the Report. He informed the Committee that no significant weaknesses had been identified.

Mr Wright thanked the External Auditors on behalf of the Committee for the work carried out in 2020/21.

The Committee **received** the External Auditor's Annual Report and noted the content of the Report.

21/053

**Internal Audit Annual Report 2020/21 and Head of Internal Audit Opinion 2020/21** (agenda item 5)

Mrs Blackburn explained that the Internal Audit Annual Report 2020/21 summarised the outcome of the audit work completed against the internal audit plan for 2020/21 and included the final Head of Audit Opinion for the year. She reiterated that the Internal Audit team had given an overall opinion of 'significant assurance'. Mrs Blackburn informed the Committee that the 'must-do' work highlighted at the April 2021 Audit Committee meeting had been completed, and the Internal Auditors had carried forward 18 days into the 2021/22 audit plan. Mrs Blackburn went on to explain that two high opinion reports and four significant assurance reports had been issued since the last meeting in April 2021. She highlighted that the performance measure for 2020/21 had also been met. The Committee noted this.

Mr Wright informed the Committee prior to the meeting that Miss Grantham had shared a number of comments on the Internal Audit Annual Report 2020/21. The Committee noted that the Workforce Committee would review the findings of the Workforce Committee benchmarking work at its meeting on the 5 August 2021. Mr Wright drew the Committee's attention to appendix two of the report which outlined the results of all internal audits issued during 2020/21. The Committee noted that there were no reports of limited assurance.

Mr Wright thanked the Internal Audit Team on behalf of the Committee for the work carried out in 2020/21. The Committee acknowledged that Audit Yorkshire had recently won an award and congratulated Mrs Blackburn.

The Committee **received** and **considered** the assurance provided by the Internal Audit Annual Report and Head of Internal Audit Opinion.

21/054

**Annual Governance Statement 2020/21** (agenda item 6)

Dr Munro presented the Annual Governance Statement; the Committee noted that a draft of this document had been presented to the last meeting on the 20 April 2021. She asked the Committee to be assured of the process for compiling this statement; noting that it would be presented to the Board of Directors on the 10 June 2021 and that once adopted it would be signed on behalf of the Board and incorporated into the Annual Report.

On behalf of Miss Grantham, Mr Wright questioned whether Mr Darren Skinner, Interim Director of Human Resources, had been given the opportunity to input into the Workforce section of the Statement. Mrs Hill assured the Committee that Mrs Angela Earnshaw, Interim Deputy Director of Workforce and Organisational Development, had oversight of the work prior to Mr Skinner joining the Trust. Mrs Hill agreed to email Miss Grantham to inform her of this.

CHill

The Committee **received** the Annual Governance Statement for 2020/21 and was **assured** that it presented a correct view of the governance systems in place for the control of risk, and was consistent with the Head of Internal Audit Opinion. The Committee **agreed** to recommend that this is signed on behalf of the Board.

**21/055 Annual Report 2020/21** (agenda item 7)

Dr Munro presented the Annual Report for 2020/21 and outlined some of the key aspects of the document. Mrs Hill thanked Miss McMann for her efforts in producing the report.

On behalf of Miss Grantham, Mr Wright suggested that the appointment of the Health & Safety Manager could be included in the report. Mrs Hanwell confirmed that his appointment took place in 2021/22 and confirmed that it would be included in the 2021/22 Annual Report. Mr Wright went on to share another comment from Miss Grantham regarding benchmarking data provided by the Internal Audit Team. Miss McMann agreed to add this to the report.

**KM**

The Committee **received** the narrative for the Annual Report and agreed to recommend that it was adopted by the Board, subject to the minor amendment listed above.

**21/056 Compliance with NHS Improvement's NHS Foundation Trust Code of Governance** (agenda item 8)

Miss McMann presented a report which assured the Committee on the process for compiling the statement of compliance with the Code of Governance. She explained the comply or explain element of the Code and noted that having considered each of these principles she was recommending that the Board state that it is complying with all the principles with the exception of D.2.2 and in relation to the role of the Remuneration Committee for determining pension rights for Board members and those senior managers who were in the next level down which were on the Agenda for Change. The Committee noted that the exception of D.2.2 was consistent with previous years.

Mr Wright drew attention to C3.8 in the report which was incomplete. Miss McMann agreed to amend this section and share the updated document with the Committee members via email before the Board of Directors meeting on 10 June 2021.

**KM**

The Committee **considered** the statement of compliance with the Code of Governance and **agreed** to recommend to the Board that it states compliance with the principles with the exception of D.2.2.

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| 21/057 | <p><b>Assurance on the process for the declarations required by the NHS Improvement Provider Licence Conditions</b> (agenda item 9)</p> <p>The Committee <b>received</b> and <b>noted</b> the processes to obtain the confirmation of compliance and <b>approved</b> the positive confirmation for each of the licence conditions for onward ratification by the Board of Directors.</p>  |
| 21/058 | <p><b>Key messages and any matters to be escalated to the Board</b> (agenda item 11)</p> <p>Mr Wright noted that he would be raising the following points to the next Board meeting:</p> <ul style="list-style-type: none"> <li>• <b>Annual Accounts 2020/21</b> – the Committee received the Annual Accounts 2020/21 and noted that they had been given clearance by the Auditors, and that there were no significant issues to report, other than those that had been declared.</li> <li>• <b>Head of Internal Audit Opinion 2020/21</b> – the Committee received the Head of Internal Audit Opinion 2020/21 and were assured that it supported the governance arrangements in place.</li> <li>• <b>Annual Governance Statement 2020/21, Annual Report 2020/21, Compliance with NHS Improvement’s NHS Foundation Trust Code of Governance, and the Assurance on the process for the declarations required by the NHS Improvement Provider Licence Conditions</b> – the Committee received the reports and were assured that they had dealt with regulatory requirements.</li> </ul> <p>The Committee <b>agreed</b> the key messages and any matters to be escalated to the Board.</p> |
| 21/059 | <p><b>Any Other Business</b> (agenda item 12)</p> <p>The Committee did not discuss any other business.</p>  |

The Chair of the Committee thanked everyone for attending and closed the meeting at 3.10pm.

**Date and time of next meeting:**

Tuesday 20 July 2021 at 9.30am until 12.30pm