

**Minutes of the Audit Committee
held on 20 July 2021 at 9.30am via Zoom**

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 A Hugill, Health and Safety Manager (for agenda item 16)
Mr R Khangura, Director – Public Sector Audit, KPMG
Miss B King, Corporate Governance Assistant (Secretariat of the Committee)
Mr L Swift, Local Counter Fraud Specialist – NHS Audit Yorkshire
Mrs C Wardle, Head of Clinical Governance and Patient Safety (for agenda item 11)

		Action
	Mr Wright opened the meeting at 10.30am and welcomed everyone.	
21/060	Apologies for absence (agenda item 1)	
	There were no apologies for absence.	
	The meeting was quorate.	
21/061	Declaration of any conflict of interest in respect of agenda items (agenda item 2)	
	No member or attendee of the Committee declared a conflict of interest in respect of any item on the agenda.	
21/062	Minutes of the meeting held on the 20 April 2021 (agenda item 3.1)	
	The Committee drew attention to the second paragraph in minute number 21/031. It was agreed that the narrative should refer to ISA 260 instead of ISA 202. Additionally, the Committee clarified that the wording at the end of the paragraph should state 'under statement of expenditure' rather than over statement of expenditure.	
	It was also noted that there was some wording in red font which should be returned to black. Miss King agreed to make all the necessary changes to the minutes, as requested by the Committee, before uploading to the website.	BK

The minutes of the meeting held on the **20 April 2021**, subject to the changes were accepted as a true record.

21/063 Minutes of the meeting held on the 8 June 2021 (agenda item 3.2)

The minutes of the meeting held on the **8 June 2021** were accepted as a true record.

21/064 Approval for the minutes above to be uploaded to the Trust's external website (agenda item 3.3)

The Committee **agreed** that the minutes of the Audit Committee meeting held on the 20 April 2021 and 8 June 2021 were suitable to be uploaded to the Trust's external website

21/065 Matters Arising (agenda item 4)

With regard to minute 21/043 and the Board Assurance Framework, Miss Grantham confirmed that it had been agreed by the Workforce Committee that strategic risk three, in respect of workforce, would be received at the Workforce Committee meeting on 5 August 2021 and that this was being reviewed by Mr Skinner in light of the Board's strategic priorities for workforce.

Miss Grantham also referred to minute 21/045 and the Health and Safety update, noting that she had met with the new Health and Safety Manager and she looked forward to him attending the Audit Committee.

The Committee **noted** the matters arising that were on the minutes.

21/066 Cumulative Action Log (agenda item 5)

The Committee agreed to close the actions on the cumulative action log that had been completed.

The Committee asked Mrs Hanwell to provide an update on log number 84 regarding the learning offered by the benchmarking report for health and safety. Mrs Hanwell felt assured with the Trust's position against the points raised within the benchmarking report and explained that she was also assured with the progress in revising the Trust's governance processes which she noted were currently being worked on and there was further work to ensure they were embedded. Miss Grantham clarified that the governance for health and safety should be overseen by the Audit Committee.

Mr Wright asked Mrs Hanwell to provide an update on log number 53. Mrs

DH

Hanwell agreed to liaise with Mr Bill Fawcett, Chief Information Officer, regarding penetration testing, and provide an update to Mr Wright outside of the Audit Committee meeting.

Mr Wright drew the Committee's attention to log number 72. Mrs Blackburn agreed to look at including any further benchmarking work within the Audit Plan where possible and where the Trust would find this work of use. She explained that Internal Audit was carrying out a number of cross-cutting audits in 2021/22 which sat across the Internal Audit Consortium and agreed to share any learning from these Audits with the Trust.

It was agreed that log number 18, 77, 78 and 79 would be addressed later on in the agenda.

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

Mr Hugill joined the meeting.

21/067 Risk Management Annual Report (agenda item 11)

Mrs Wardle presented the Risk Management Annual Report and highlighted the main areas of the report. In particular, she explained that the Executive Risk Management Group (ERMG) had been stood down for part of the year due to demands of the pandemic but assured the Committee that the risk registers had been reviewed and taken to the weekly Gold Command Group.

The Committee noted the main items in the report.

Mrs Wardle added that there had been three internal audits in 2020/21 relating to areas of risk management which had provided significant assurance. She then outlined the changes in staff with regard to the clinical governance structure.

Miss Grantham assured the Committee that the Quality Committee had received reports on the new arrangements to the clinical governance and leadership structure. Mr Henry questioned whether the Datix User Group was resuming. Mrs Wardle confirmed that the group would resume in August 2021.

Mr Wright drew attention to paragraph 3.1 on page two of the report, which included a typing error. Mr Wright also pointed out the 'incident by severity' graph on page seven and questioned whether the number of deaths could be identified on the scale and further detail included. Mrs Wardle agreed to make all the necessary changes after the meeting.

CW

The Committee **received** and **noted** the progress of the Risk Management Annual Report.

Mrs Wardle left the meeting.

21/068 Any Other Business (agenda item 16)

Mr Hugill introduced himself to the Committee and provided a presentation outlining the plans and priorities in place to address the challenges within his role of the new Health and Safety Manager. The key priorities were: NHS Workplace Standards Implementation, Project Manager Job Implementation, Health and Safety Inspections (Clinical), Health and Safety Audits (Buildings), Risk Assessment Template, Risk Assessment Implementation and Working Group, Reviewing of current standards and policies, Board Report Implementation, Cultural Development and Change, Supporting clinical ward areas with heatwave plan (Thermometers etc), Supporting the mobilisation of Red Kite View and Security Management Review Audit.

Mrs Hanwell asked about the structural changes in relation to health and safety and the new staffing structure. Mrs Hanwell questioned whether the health and safety department would need different or more resource on a recurrent basis. Mr Hugill confirmed that Health and Safety would need more resource in order to meet the agenda set out for the future.

Miss Grantham suggested that the non-executive director / governor service visits could help to support the health and safety agenda at a local level. She added that this would not form part of any formal audit of working areas but could encompass helpful discussions with staff. Mr Hugill assured the Committee that he had been developing a piece of work to address the safety conversations needed and that this could include the non-executive directors. He agreed to feed back at the next meeting.

Mr Hugill agreed to present the updates and progress from health and safety at each Audit Committee meeting until the end of 2022. Ms King agreed to add 'Health and Safety updates' onto the cycle of business.

BK

The Committee **suggested** the plans and priorities discussed by the Health and Safety Manager and **agreed** to receive updates on the progress at every Audit Committee Meeting until the end of 2022.

Mr Hugill left the meeting

21/069 Local Counter Fraud Annual Report (item 6.2)

Mr Swift presented the Local Counter Fraud Annual Report and summarised the key points from the report. He highlighted that the Trust's overall rating for the Counter Fraud Functional Standards was "amber". Mr Swift went on to talk about the standards that had been rated as "red" which were: strategy, risk assessment, and metrics. He explained that the strategy and metric standards were addressed in the Counter Fraud Annual Work Plan. In relation to risk assessment, Mr Swift went on to add that the standards were specific and had to use a risk assessment methodology which was only available to members of the Government Counter Fraud profession. He noted that nationally currently no Counter Fraud Specialist was qualified in relation to this, but that it was a technical matter which was being

addressed at a national level through a number of targeted workshops which would be run by the Counter Fraud Authority. He assured the Committee that this matter would be rectified by the end of the year.

Mr Swift then explained that Audit Yorkshire were arranging a number of fraud awareness masterclasses which would address the “amber” rated areas in the return.

Miss Grantham questioned whether the Trust or Audit Committee could help push the case for the Counter Fraud Authority to ensure the national training workshops took place. Mr Swift assured the Committee that the Counter Fraud Authority were setting up the workshops and confirmed that they were also arranging stakeholder engagement sessions for Audit Committee Chairs.

The Committee drew attention to the proposed survey to establish the level of fraud awareness amongst staff. The Committee was concerned about the effectiveness of this method of collecting feedback. Mr Swift assured the Committee that the use of surveys following training sessions had resulted in a larger response rate than using a general Trustwide email approach. Mr Swift suggested providing a quarterly update on the progress of the completion of surveys with a review should uptake be low. The Committee supported this suggestion on the basis that it was a follow-up with the people who had attended the Master Class.

LS / BK

Miss Grantham proposed that the target audience of the surveys should be extended to include those who had been the subject of phishing emails. She went on to suggest that it would be beneficial for the Committee to see how many staff members had undertaken the training and the areas they were from.

LS

Miss Grantham clarified to the Committee that the Quality Committee had been looking into the Disclosure and Barring Service (DBS) and the referrals to the general medical council. She explained that the Workforce Committee had agreed a number of actions around looking into the DBS process.

The Committee **received** and **noted** the contents on the Local Counter Fraud Annual Report.

21/070

Local Counter Fraud Annual Work Plan (agenda item 6.1)

Mr Swift presented the Local Counter Fraud Annual Work Plan and highlighted that the plan for 2021/22 was based on 55 days. He detailed the key aspects of the plan in accordance with the Local Counter Fraud Annual Report.

The Committee **received** and **approved** the Local Counter Fraud Annual Work Plan.

21/071

Local Counter Fraud Progress Report (agenda item 6.3)

Mr Swift presented the Local Counter Fraud Progress Report. He outlined the details of a case which had involved the declaration of information in relation to a job application. He assured the Committee of the progress of the case and some of the specific information already confirmed. Given the nature of the matter, Mr Swift agreed to circulate an update to the Committee before the Audit Committee meeting on 19 October 2021.

LS

Miss Grantham questioned whether the Committee could be assured with the Trust's DBS check processes, and whether there were any gaps in the processes and systems. Mr Swift assured the Committee that there were no issues with the DBS check. Miss Grantham suggested broadening the DBS actions for the Workforce Committee by looking at the Trust's employment checks in general.

HG

The Committee **received** and **noted** the contents of the Local Counter Fraud Progress Report.

Mr Swift left the meeting.

21/072 Internal Audit Progress Report (agenda item 7)

Mr Wright informed the Committee that the non-executive directors on the Committee had met with Mrs Blackburn prior to the meeting and they were assured that there were no areas of concern that were required to be raised by Internal Audit with the Committee.

Mrs Blackburn presented the Internal Audit Progress Report and explained that there had been a delay in starting the plan. She went on to explain that some of the work in quarter one had been deferred, but that she anticipated that the plan would be back on track by quarter two. Mrs Blackburn highlighted that there had been an additional audit on Physical Health monitoring which had been suggested by the Quality Committee.

She informed the Committee that they had issued eight final reports outside of the meeting. Mrs Blackburn questioned whether the members of the Audit Committee wanted to continue to receive the Internal Audit Progress Report outside the meeting via email. The Committee agreed to return to the normal routine of reporting through the Committee and look at whether reports should be provided to the Committee members outside the meetings at the end of 2021/22.

Mrs Blackburn outlined that there had been two new reports which were: the data security toolkit, and the implementation of the new job planning system. She added that Mr Darren Skinner, Interim Director of Human Resources (HR), had confirmed that the timing of the HR audits were acceptable and had seen the Internal Audit Plan. Mrs Blackburn informed the Committee that it was agreed that the audit of the workforce governance arrangements would be deferred to allow these to be implemented fully.

Mrs Hanwell highlighted the quality of the care planning function within CareDirector as an area which was being looked at in the data quality audit. She added that there was a separate piece of work being led by Dr Eli Joubert, Clinical

Director, to collect demographics data to feed into CareDirector and that internal audit should be aware of that work. With regard to the scope of the audit, Mrs Blackburn informed the Committee that she had agreed with Cathy Woffendin, Director of Nursing, Quality and Professions, that the service user engagement work would be deferred until later and that the audit would focus on the care planning.

Mrs Hanwell also pointed out that the data protection toolkit compliance had been submitted to NHS Digital and that one of the standards had not been met. She assured the Committee that there was an action plan to address this which included a penetration test in August 2021 and that oversight of the action plan would be carried out through the Finance and Performance Committee.

Miss Grantham requested that the sponsor for the audits in relation to workforce should be changed to Mr Darren Skinner. Mrs Blackburn agreed to make the amendment.

SB

The Committee **received** the Internal Audit Progress Report and were **assured** with the findings.

21/073

Update on External Audit Progress Report / Sector Updates (agenda item 8.1)

Mr Khangura provided an update on External Audit Progress Report / sector updates. He noted that there were no sector updates included in the report and agreed to forward these to Miss King outside of the meeting when these were available.

RK

With regard to 2021/22 he noted that some horizon planning had taken place and that the NHS sector were waiting for the H2 guidance in order to understand the impact on the audit of next year's accounts. Mrs Hanwell confirmed that the H2 guidance was expected in September 2021 and that planning meetings with KPMG would take place once the guidance had been issued.

Mrs Blackburn highlighted that The Internal Audit Network (TIAN) reports had been discussed in the private meeting. She noted that these were normally circulated to the members of the Audit Committee outside of the meeting. The Committee agreed that these reports should be dealt with in a similar manner to the KPMG sector updates and that Mrs Blackburn would highlight any applicable reports from TIAN as an attachment to the Internal Audit Progress Report and brought to future Audit Committee meetings. Mrs Hill agreed to ensure assurance that the updates in the TIAN reports would be provided to the Committee.

SB/
BK
CHill

The Committee **received** and **noted** the Update on the External Audit Progress Report / Sector Updates.

21/074

Assurance on Previous Sector Updates (agenda item 8.2)

	Miss Grantham highlighted that there had been an update on NHS Board Diversity. Mrs Hill agreed to share the information with Mr Darren Skinner.	CHill
	The Committee received the Assurance on Previous Sector Updates and noted its content.	
21/075	Outstanding Audit Actions (agenda item 9)	
	The Committee noted that since the last report in April 2021 there were four outstanding audit actions. Mrs Hill informed the Committee that the details of the actions had been to the ERMG and they were assured with the progress.	
	The Committee received the outstanding audit actions report and was assured that progress was being made with the actions.	
21/076	Annual Checklist for Managers (agenda item 10)	
	Mrs Hill presented the Annual Checklist for Managers. She informed the Committee that she had met with Mr Darren Skinner, and it was agreed that the checklist should be linked through the Trust's appraisal system. The Committee asked for an update to be brought to the next meeting.	CHill
	The Committee received and approved the Annual Checklist for Managers.	
21/077	Tender and Quotation Exception Report (agenda item 12)	
	Mrs Grantham drew the Committee's attention to the issues outlined around Microsoft Licensing and increasing cost in licenses and questioned whether anything was being done nationally to address this extra cost. Mrs Hanwell assured the Committee that Mr Bill Fawcett had escalated the issue through various digital forums, adding that she would raise the issue to the Finance and Performance Committee.	DH
	The Committee received the Tender and Quotation Exception Report and noted the content.	
21/078	HFMA Committee Processes (agenda item 13)	
	The Committee noted and agreed with the results of the HFMA Committee Processes questionnaire.	
21/079	HFMA Committee Effectiveness (agenda item 14)	

The Committee received a report on the outcome of the effectiveness questionnaire and the comments that had been offered by the members and those who attend meetings. Mr Wright drew the Committee's attention to page one of the report concerning assurance from third parties who deliver key functions to the organisation. The Committee discussed the item and agreed that the yearly External Audit Report comments on the assurances received from third parties provided assurance to the Committee. Mr Khangura confirmed that he would draw out these assurances in future ISA260 reports.

RK

The Committee considered the scores and comments and concluded that there were no changes to be made to the way in which the Committee operates.

The Committee **noted** and **agreed** with the outcome of the Committee Effectiveness Questionnaire.

21/080 Key Messages and Any Matters to be Escalated to the Board (agenda item 15)

Mr Wright noted that he would be raising the following points to the next Board meeting:

- **Local Counter Fraud Report** – the Committee reviewed the report and were assured with the support.
- **Internal Audit Meeting** – the Committee outlined that no issues had been raised in the private meeting between the members of the Audit Committee and the Internal Auditors.
- **Internal Audit Programme** – there had been a slow start to the programme but there was planning in place for the work to be picked up in quarter two.
- **Annual Checklist for Managers** – the Committee were assured with the progress of the checklist and reported that they would wait for the outcome of the appraisal process.
- **Risk Management Annual Report** – the Committee reviewed the report and the processes for producing it were agreed.
- **HFMA Committee Processes / HFMA Committee Effectiveness** – the Committee were assured with their processes and effectiveness and agreed that the role of the Committee was still appropriate.
- **Health and Safety Update** – the Committee noted that Mr Hugill had reported his key plans and priorities within his role. The Committee were assured with the progress and noted that they would receive quarterly updates from Mr Hugill. The Committee also highlighted that Mr Hugill would work on guidance for non-executive directors concerning the conversations to be had during service visits.

- **Data Quality** – the Committee were assured that Dr Eli Joubert had recruited a number of colleagues to work on the data quality items.

The Committee **agreed** the key messages and any matters to be escalated to the Board.

21/081

Any Other Business: Proposals about Future Meeting Arrangements
(agenda item 16.1)

The Committee discussed the proposals around whether to meet in person or virtually for future meetings. Mrs Hill informed the Committee that the Trust would have to book an external venue if the Committee wanted to meeting in person, in alignment with the NHS guidance around Covid-19 safety. The Committee considered the possibility of hybrid meetings. It was agreed that the Committee would escalate the proposals about future meeting arrangements for all Board sub-committees to the Board so there was a consistent approach. Mr Wright agreed to raise this with the Board, as the Chair of the Audit Committee, to suggest that the proposals about future meeting arrangements should be decided upon by the Board.

MW

The Committee **discussed** the proposals about future meeting arrangements and **agreed** to escalate the issue to the Board.

The Chair of the Committee thanked everyone for attending and closed the meeting at 12.40pm

Date and time of next meeting:

Tuesday 19 October 2021 at 9.30am until 12.30pm