

Minutes of the Audit Committee
Tuesday 16 January 2024 at 10.00am until 12.30pm
Via Microsoft Teams

Present:

Mr Martin Wright, Non-executive Director (Chair of the Audit Committee)
Dr Frances Healey, Non-executive Director
Mr Cleveland Henry, Non-executive Director

In Attendance:

Mr Edward Braisher, Interim Health and Safety Consultant (for item 9)
Mr Jonathan Campbell, Associate Director of Estates and Facilities (for item 9)
Mr Mark Dodd, Deputy Director of Operations
Mrs Clare Edwards, Associate Director for Corporate Governance
Mr Gerard Enright, Financial Controller
Mrs Dawn Hanwell, Chief Financial Officer
Ms Helen Higgs, Managing Director and Head of Internal Audit, NHS Audit Yorkshire
Mr Jonathan Hodgson, Internal Audit Manager, NHS Audit Yorkshire
Ms Rosie Kelly, External Audit Manager, KMPG
Ms Kerry McMann, Head of Corporate Governance (Meeting Support)
Dr Sara Munro, Chief Executive (for item 7.2)
Mr Lee Swift, Local Counter Fraud Specialist for NHS Audit Yorkshire (for item 8)
Ms Salma Younis, Director, KPMG

		Action
	<p>Welcome and Introduction</p> <p>Mr Wright opened the meeting at 10.00am and welcomed everyone.</p>	
24/001	<p>Apologies for absence (agenda item 1)</p> <p>No apologies were received from members of the committee.</p> <p>Apologies were received from Mrs Joanna Forster Adams, Chief Operating Officer. The committee noted that Mr Dodd was deputising on behalf of Mrs Forster Adams.</p>	
	The committee was quorate.	
24/002	<p>Declarations of any conflict of interest in respect of agenda items (agenda item 2)</p>	
	No one present declared a conflict of interest in respect of agenda items.	
24/003	<p>Minutes of the meeting held on the 17 October 2023 (agenda item 3)</p>	

The minutes of the meeting held on 17 October 2023 were **accepted** as a true record.

24/004 Approval for the minutes above to be uploaded to the Trust's external website (agenda item 3.1)

The committee **agreed** that the minutes of the Audit Committee meeting held on 17 October 2023 were suitable to be uploaded to the Trust's external website.

24/005 Minutes of the meeting held on the 17 November 2023 (agenda item 4)

The minutes of the meeting held on 17 November 2023 were **accepted** as a true record.

24/006 Approval for the minutes above to be uploaded to the Trust's external website (agenda item 4.1)

The committee **agreed** that the minutes of the Audit Committee meeting held on 17 November 2023 were suitable to be uploaded to the Trust's external website.

24/007 Matters arising (agenda item 5)

The committee **noted** that there were no matters arising that were not either on the agenda or on the action log.

24/008 Cumulative Action Log (agenda item 6)

The committee reviewed the action log and agreed to close the actions that had been completed. It noted that the actions relating to health and safety would be reviewed later in the meeting when discussing the Health and Safety Quarterly Report.

The committee went on to discuss action 182 which related to the Trust's response to the issues highlighted by the 'Utilisation of the E-Rostering System' internal audit report. Mrs Hanwell reassured the committee that of the 18 actions, 13 had been completed. She added that the other actions required operational input and work was ongoing to address these. She confirmed that there were no concerns as to whether this work would be completed. The committee noted that a follow up on all limited assurance reports from 2023/24 would be completed in advance of the year-end Head of Internal Audit Opinion.

The committee next discussed action 183 which related to the provision of telephone interpretation services provided by DA Languages Ltd and the rate at which these were procured. Mr Enright confirmed that it had been procured at the same rate as specified in the framework.

The committee discussed action 186 which was a request for Mrs Hanwell to explore the possibility of a Microsoft Teams channel being created for the Audit Committee. Mrs Hanwell confirmed that the IT Team would be able to set this up. It was agreed that Mrs Edwards would lead on this and a discussion would take place at an Executive Team Meeting to consider whether Microsoft Teams channels should be implemented for other committees in the Trust's governance structure.

CE

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

24/009 Limited Assurance Report – Waiting List Management (agenda item 7.1)

Mr Hodgson introduced the limited assurance report to the Committee. He informed the committee that since the report had been issued, all of the recommendations had been completed. He noted that this would now be subject to a re-audit to verify the implementation of those recommendations. The Committee welcomed the timely response to the recommendations. It went on to discuss the report in detail.

The committee noted that during the course of the audit, there was some uncertainty as to whether some of the Trust's services were 'consultant led services' and were therefore required to comply with the NHS Referral to Treatment Times (RTT). Mr Dodd outlined that the only consultant led service in the Trust was the Gender Identity Service and noted that the NHS RTT was an unachievable target for this service. He reassured the committee that NHS England had clarified that the Trust would not be held to account for this.

The committee reviewed a table which showed the average times from referral to first contact for the Trust's services and acknowledged the challenging situation being faced. Mr Henry queried the data provided for the Attention Deficit Hyperactivity Disorder (ADHD) service, which showed an increase of 2,141 days between December 2022 and January 2023. Dr Healey pointed out that the data also showed an increase of 486 days between October 2022 and November 2022. Mr Dodd explained that services defined 'first contact' differently and agreed to provide the correct figures outside of the meeting.

MD

It was agreed that a follow up audit should be completed before the Head of Internal Audit Opinion for 2023/24 was submitted. Mr Dodd suggested that an additional audit could be carried out to focus on the management of waiting lists at service level, noting that work was being undertaken to develop standard operating procedures for this. Mr Hodgson noted that he would raise this with Mrs Forster Adams when discussing the audit topics for 2024/25.

The committee thanked Mr Dodd for his attendance and agreed that it was reassured by the steps taken to address the issues identified in the report.

The Committee **received** and **discussed** the limited assurance report on Waiting List Management. It was **reassured** by the steps taken to address the issues identified in the report and **noted** that a follow up audit to verify the implementation of those recommendations would be completed before the Head of Internal Audit Opinion for 2023/24 was submitted in June 2024.

24/010 Limited Assurance Report – Management of Policies (agenda item 7.2)

Mr Hodgson introduced the limited assurance report to the Committee. He informed the committee that this audit had been requested by Dr Munro to review the consistency of controls and governance around policies across the Trust. He noted that the audit had identified significant weaknesses in the overarching governance processes in place for policy development. The committee discussed the report. It welcomed the comparative benchmarking against other Trusts on policy approval processes.

Dr Munro outlined that the audit had identified that, although the correct processes were being followed when reviewing policies, there was a lack of overarching guidance around the development of policies across the Trust. She reassured the committee that Mrs Edwards was developing a policy on this. She went on to confirm that the Executive Risk Management Group, which was the parent group for the Policies and Procedures Group, reviewed a list of policies and procedures at each of its meetings and was assured on approval routes for policies. She confirmed that the Group had also seen a reduction in the number of policies that had passed their review dates.

Dr Healey welcomed the plan to write a policy on the development of policies. She noted the importance of this being embedded across the Trust so that staff knew when a document should become a formal policy, as opposed to local guidance, and follow the relevant governance processes. Mrs Edwards informed the committee of work that was due to be undertaken to define the governance processes for policies within each of the Executive Directors' portfolios.

The committee thanked Dr Munro for her attendance and for requesting this audit. It agreed that it was reassured following a discussion on the actions that would be taken to address the issues identified in the report. It was agreed that a follow up audit should be completed in early 2024/25.

The Committee **received** and **discussed** the limited assurance report on the Management of Policies. It was **reassured** following a discussion on the actions that would be taken to address the issues raised in the report and **noted** that a follow-up audit was scheduled for 2024/25.

Dr Munro left the meeting.

24/011 Internal Audit Progress Report (agenda item 7.3)

Mr Hodgson presented the Internal Audit Progress Report. He informed the Committee that five final audit reports had been issued, two of which were the limited assurance opinion reports which had already been discussed at the meeting. He added that the Medicines Management audit and Fire Safety follow-up audit had been returned with an overall opinion of significant assurance, and the Digital Strategy audit had been returned with an overall opinion of high assurance. The committee congratulated the teams responsible for this outcome.

Mr Hodgson went on to inform the committee of four audits that had been deferred to 2024/25, which were:

- Environmental Sustainability: Green Plan
- Provider Collaboratives – Perinatal
- Children and Young Peoples Services (CYPMHS)
- Contract Management

Mrs Hanwell outlined that the reason for deferring the Environmental Sustainability: Green Plan audit was due to both personnel issues, and improvement work that the Sustainability Team was due to undertake. She outlined that the reason for deferring the Contract Management audit was due to personnel issues in the Procurement and Contracts Management Team. The committee noted that the Provider Collaboratives – Perinatal audit had been deferred due to disruption at the Mother and Baby Unit, and the CYPMHS audit had been deferred as the Trust was awaiting the outcome of an ICB wide learning review. The committee agreed to support the deferral of these reports.

The committee noted that, in light of the deferred audits, a new audit had been requested to follow up on the limited assurance reports from 2023/24. He advised the committee that the first draft Head of Internal Audit Opinion would likely be of limited assurance until the outcomes of the follow up audits were published. Mrs Hanwell outlined plans to update Mr Hodgson periodically on the work being undertaken in response to the low assurance Security Management audit report. Mr Hodgson explained that this would allow Mrs Hanwell to reassure the auditors that significant improvements were being made, which would impact the Head of Internal Audit Opinion.

Dr Healey drew attention to page 10 of the report which stated that the Quality Committee received copies of the minutes from Health and Safety Committee meetings. It was noted that this was incorrect and should list the Audit Committee.

The Committee **received** and **discussed** the Internal Audit Progress Report. It **noted** that five reports had been completed. It also **agreed** to support the deferral of four planned reports and the addition of one extra audit report to the Audit Plan for 2023/24.

24/012 Reports from the Internal Audit Network (agenda item 7.4)

The committee reviewed the Internal Audit Network newsletters. Mr Hodgeson highlighted the Audit Yorkshire events that had been planned for 2024. Mr Wright noted that he had signed up to attend the event in March 2024 which would focus on hearing the patient voice.

The Committee **received** the Internal Audit Network Reports and **noted** their contents.

24/013 Local Counter Fraud Progress Report (agenda item 8)

Mr Swift presented the Local Counter Fraud Progress Report and highlighted the key points. The committee noted the information provided. The committee was pleased to see an increased number of bookings for the 2023/24 masterclasses compared to the 2022/23 masterclasses. It noted that the NHS Counter Fraud Authority would be publishing a benchmarking report to compare the proactive and reactive work undertaken nationally and amongst peers. The committee queried whether Mr Swift could provide any benchmarking data from within his client base. Mr Swift agreed to review clients of a similar size and include this information in the Local Counter Fraud Annual Report.

LS

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

Mr Swift left the meeting. Mr Campbell and Mr Braisher joined the meeting.

24/014 Health and Safety Quarterly Update – Q3 2023-24 (agenda item 9)

Mr Campbell presented a report which provided an update on health and safety matters within the Trust during quarter 3. He first introduced Mr Braisher and informed the committee that one area that Mr Braisher would be focusing on was how health and safety reporting to the Audit Committee and Board could be improved. He added that Mr Braisher would support the Trust in reviewing the Terms of Reference (ToR) for the Health and Safety Committee. Mr Braisher outlined that he would also be reviewing the Trust's RIDDOR reporting, health and safety inspections, training compliance and compliance with the NHS Workplace Standards. He added that he was a member of a West Yorkshire NHS Health and Safety Group and would be benchmarking the Trust against other organisations.

Dr Healey drew attention to page 19 of the report which included a graph showing Datix incidents by type, including a category titled 'Accident/Health and Safety (Patient)'. She informed Mr Braisher of previous discussions in the Audit Committee and Quality Committee and difficulties in defining which patient safety incidents were categorised as health and safety incidents. She suggested that the

data from this report could be analysed to review what types of incidents were being classed as health and safety incidents affecting patients.

The committee queried whether there could be an opportunity to identify correlations between work-related staff sickness and RIDDOR reporting. Mr Braisher and Mr Campbell agreed to look into this. Mr Campbell informed the committee of guidance shared with staff in December 2023 advising them how to make a RIDDOR report. Mrs Hanwell informed the committee of a discussion that had taken place at a recent Executive Risk Management Group meeting regarding Datix and the need to encourage staff to choose the correct categories when reporting on Datix and to avoid the use of the 'other' option. Mr Braisher confirmed that he was meeting with Ms Cath Wardle, Head of Clinical Governance and Patient Safety, to review the reporting criteria on DATIX and define categories better.

EB/JC

The committee next received an update on recruitment into the Health and Safety Team. Mr Campbell explained that the previous recruitment process for a Head of Health and Safety was unsuccessful and the Trust was now advertising for this post again. He added that interviews were scheduled for a Health and Safety Advisor role. Mrs Hanwell expressed concern relating to capacity within both the Health and Safety Team and the Estates Team, noting that the ban on non-clinical agency spend had created a potential risk for the organisation.

The committee went on to discuss health and safety related mandatory training, noting that the Trust was failing to meet its 85% compulsory training target. Mr Campbell confirmed that he had raised the lack of compliance with the Learning Development Team and would be sending out communications to remind staff of the importance of completing this training. Mr Dodd reassured the committee that this was being addressed across care services but advised that he could not comment on compliance within corporate services. The committee acknowledged the risks this could pose, noting the risk would be higher for those who had not completed training at all, as opposed to those who were behind on refresher training. The committee queried whether the data could be split to show how many staff had not started the training and for how many staff the training had expired. It was agreed that this would be explored and added to the report if possible.

EB/JC

The committee thanked Mr Campbell and Mr Brashier for the report.

The committee **received** and **discussed** a report which provided an update on health and safety matters within the Trust during quarter 3.

24/015 Cumulative Action Log (agenda item 6)

Mr Campbell provided an update on the actions relating to health and safety. He first drew attention to action 161 and confirmed that Mr Braisher had a meeting scheduled with Ms Wardle in January 2024.

He next provided an update on action 162, which was for Mr Campbell to consider which items in the Health and Safety Quarterly Report should be shared with other

Board sub-committees. He advised that this would be considered as part of the review of the ToR for the Health and Safety Committee. Mrs Hanwell advised that this should be in line with the NHS Workplace Standards and which group the Standards list as accountable for specific information.

Mr Campbell confirmed that actions 175, 176 and 181 had been completed. He also noted that action 187 had been completed and confirmed that he would also add descriptions of specific violence and aggression incidents to the quarterly reports. He next drew attention to action 188 which related to the need for additional narrative explaining the reduction of reported RIDDOR and Lost Time Incidents in the 2023-24, confirming that this would be included in the annual report for 2023-24.

Mr Campbell went on to provide an update on action 189 which related to amendments required to the 'Datix Incidents by Type' chart. He confirmed that Mr Braisher would be discussing this in his upcoming meeting with Ms Wardle, confirming that this would be included in the annual report for 2023-24 and in quarterly reports from then.

The committee **noted** the updates provided.

Mr Campbell and Mr Braisher left the meeting.

24/016 External Audit Progress Report / Sector Updates (agenda item 10.1)

Ms Kelly presented the external audit progress report. She informed the committee that the September 2023 report had been included in the paperwork instead of the December 2023 report, noting that the correct report had since been shared with committee members via email. The committee reviewed the report.

Mrs Hanwell drew attention to the update on applying IFRS 16 to the measurement of PFI liabilities, explaining that this was now listed as 'for information only' due to the actions completed by the Finance Team. She informed the committee that this had financial consequences and agreed to update the Finance and Performance Committee on this.

The committee thanked Ms Kelly for the report.

The Committee **received** and **noted** the contents of the External Audit Progress Report.

24/017 External Audit Risks Early Reflections 2023-24 (agenda item 10.2)

Ms Younis outlined that KPMG's planning and risk assessment work was ongoing and therefore the final audit plan, along with the value for money risk assessment, would be presented to the committee in April 2024. She went on to present a report which outlined the significant audit risks that had been identified so far for

DH

2023-24, noting the application of IFRS16 to PFI liabilities would be fully adopted for the first time in 2023/24. The Committee noted that the other audit risks identified were similar to those identified in previous years.

Mrs Hanwell reminded the committee that the Trust and KPMG had come to an agreement regarding the unwinding of the redundancy provision. The committee noted that this decision had been supported by the Board of Directors. The committee thanked Ms Younis for the report.

The committee **received** an update on the significant audit risks that had been identified so far for 2023-24 and **noted** that the final audit plan and value for money risk assessment would be presented to the committee in April 2024.

24/018 Assurance on Previous Sector Updates (agenda item 10.3)

Mrs Edwards presented a report which showed the responses from management to the sector updates that had been presented at the last meeting in October 2023. She pointed out that everyone had noted, taken account of, and suitably acted on the previous sector updates. The Committee was assured that the sector updates had been responded to appropriately.

The Committee was **assured** on the actions taken in relation to the sector updates.

24/019 Outstanding Audit Actions (agenda item 11)

Mrs Edwards presented a paper which summarised the Trust's performance relating to the completion of internal audit actions by the agreed deadline. She outlined that there were eight overdue actions and reassured the committee that none of these had been rated as a major priority. Mrs Hanwell noted that six of the eight overdue actions related to an internal audit on Provider Collaboratives. She reassured the committee that five of these actions had been completed but the system hadn't been updated due to technical issues, which had since been resolved. The committee was reassured by the update provided.

The Committee **received** the Outstanding Audit Actions Report and **noted** the progress made with the overdue internal audit actions.

24/020 Tender and Quotation Exception Report (agenda item 12)

Mr Enright presented the Tender and Quotation Exception Report, noting that there had been seven tender waivers and 15 quotation waivers completed in the period between 1 October 2023 to 31 December 2023.

Dr Healey queried the tender waiver submitted by the Research and Development Team. Mr Enright explained that although this was considered to be a collaborative between the Trust and the university and therefore would not require a tender waiver, the Team reported this anyway. He reported that new guidance was due to be issued that would clarify when a tender waiver was or wasn't required.

The Committee **received** the Tender and Quotation Exception Report and was **assured** that the tender and quotation waivers had been adequately explained and signed off.

24/021 Key Messages and Any Matters to be Escalated to the Board (agenda item 13)

The committee **agreed** that the following areas of discussion should be shared with the Board of Directors:

Issues to which the Board needs to be alerted:

- The committee was informed of capacity issues within the Health and Safety Team and the Estates Team. It noted there was a ban on non-clinical agency spend and identified that this was a potential risk for the organisation.

Issues to advise the Board on:

- The Committee was informed of requests to defer four internal audits from 2023/24 to 2024/25 (Environmental Sustainability: Green Plan; Provider Collaboratives – Perinatal; Children and Young Peoples Services; and Contract Management). The committee discussed the reasons for this and agreed to support the deferral of these reports.
- The committee discussed the Management of Policies audit report which had been returned with an overall opinion of limited assurance. It agreed that it was reassured following discussion on the steps that would be taken to address the issues identified in the report and noted that a follow up audit should be completed in early 2024/25. The committee welcomed the plan to write a policy on the development of policies. It noted the importance of this being embedded across the Trust so that staff knew when a document should become a formal policy, as opposed to local guidance, and follow the relevant governance processes.
- The Committee discussed the Waiting List Management audit report which had been returned with an overall opinion of limited assurance. The Committee was reassured that the recommendations in the report had been implemented and that a follow up audit to verify the implementation of those recommendations would be completed before Head of Internal Audit Opinion for 2023/24 was submitted in June 2024.

- The committee received and discussed a report which provided an update on health and safety matters within the Trust during quarter 3. It noted a significant reduction of reported RIDDOR and Lost Time Incidents in 2023/24 but was reassured that this was being reviewed.

Things on which the Board is to be assured:

- The Committee received the Internal Audit Progress Report and was pleased to note that the Medicines Management audit and Fire Safety follow-up audit had been returned with an overall opinion of significant assurance, and the Digital Strategy audit had been returned with an overall opinion of high assurance. It congratulated the Teams responsible for this outcome. It also noted that a follow-up of additional limited assurance reports had been added to the internal audit plan in advance of the year-end Head of Internal Audit Opinion.
- The Committee received the Local Counter Fraud Progress Report and discussed its content.
- The committee received and discussed a report which provided an update on health and safety matters within the Trust during quarter 3. It was introduced to Mr Edward Braisher, who had been appointed as an Interim Health and Safety Consultant, and noted his plans to review and make improvements to the terms of reference for the Health and Safety Committee, health and safety inspections, training compliance and compliance with the NHS Workplace Standards. It also noted that Mr Braisher would be focusing on how health and safety reporting to the Audit Committee and Board could be improved.
- The committee received an update on the significant audit risks that had been identified by KPMG for 2023-24 and noted that the final audit plan, fee and value for money risk assessment would be presented to the committee in April 2024. It was informed that, although the application of IFRS16 to PFI liabilities would be fully adopted for the first time in 2023/24, the other audit risks identified were similar to those identified in previous years.

24/022 Any Other Business (agenda item 14)

Mr Wright thanked Ms Higgs for observing the meeting and asked for her reflections. Ms Higgs advised the committee that, when finalising the Head of Internal Audit Opinion for 2023/24, Audit Yorkshire would take a pragmatic approach and take into account the progress made with recommendations and a genuine intent to resolve issues as significant measures of the Trust's systems of governance.

The Committee **noted** the feedback provided from Ms Higgs.

Mr Wright thanked everyone for attending and closed the meeting at 11.50am

Date and time of next meeting:

Tuesday 16 April 2024 at 9.30am until 12.30pm