

**Minutes of the Audit Committee**  
**Tuesday 16 April 2024 at 10.30am 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 Kieran Betts, Corporate Governance Officer (meeting support)  
Mr Chris Boyne, Deputy Head of Audit Yorkshire (observing the meeting)  
Mrs Clare Edwards, Associate Director for Corporate Governance  
Mr Gerard Enright, Financial Controller  
Mrs Dawn Hanwell, Chief Financial Officer, and Deputy Chief Executive  
Mr Jonathan Hodgson, Internal Audit Manager, NHS Audit Yorkshire  
Mrs Nichola Sanderson, Director of Nursing and Professions (for item 6)  
Mr Lee Swift, Local Counter Fraud Specialist for NHS Audit Yorkshire (for item 8)  
Ms Salma Younis, Audit Director for KPMG

		<b>Action</b>
	<p><b>Welcome and Introduction</b></p> <p>Mr Wright opened the meeting at 10.30am and welcomed everyone.</p>	
<b>24/023</b>	<p><b>Apologies for absence</b> (agenda item 1)</p> <p>No apologies were received from members of the Committee.</p> <p>Apologies were received from: Mr Jonathan Campbell, Associate Director of Estates and Facilities; and Ms Helen Higgs, Managing Director and Head of Internal Audit, NHS Audit Yorkshire. The Committee noted that Mr Boyne was attending the meeting on behalf of Ms Higgs.</p>	
	The Committee was quorate.	
<b>24/024</b>	<p><b>Declarations of any conflict of interest in respect of agenda items</b> (agenda item 2)</p>	
	No one present declared a conflict of interest in respect of agenda items.	
<b>24/025</b>	<p><b>Minutes of the meeting held on the 16 January 2024</b> (agenda item 3)</p> <p>Mr Wright advised the Committee of a typographical error contained within the minutes. He also noted that the minutes stated that the follow up Waiting List Management audit was scheduled to be completed by “the end of the 2023-24 financial year”, however, the Committee had instead agreed that this audit should</p>	

be completed ahead of the submission of the final Head of Internal Audit Opinion in June 2024. The Committee agreed that the minutes were a true record, subject to these corrections being made.

The minutes of the meeting held on 16 January 2024 were **accepted** as a true record, subject to the recommended amendments being completed.

**24/026 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 16 January 2024 were suitable to be uploaded to the Trust’s external website, subject to the suggested amendments being completed.

**24/027 Matters arising** (agenda item 4)

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

**24/028 Cumulative Action Log** (agenda item 5)

The Committee confirmed that actions 188 and 189 were complete and could be closed on the log. It also noted that action 196 had been remitted to the Finance and Performance Committee and could be closed on the Audit Committee’s action log. The Committee then discussed the remaining open actions and received the following updates:

Action 191: The Committee noted that it had received updated data regarding the average times from referral to first contact for the Trust’s Attention Deficit Hyperactivity Disorder (ADHD) service following the January 2024 Audit Committee meeting. The Committee discussed the explanation provided for the wide variation between waiting list times and noted that according to the update that only one new patient had been seen by the ADHD Service in October and November respectively. The Committee requested clarification that its understanding of this update was correct and whether additional activity reports could be generated for each service to demonstrate the number of first contacts it had each month. It was agreed that Mrs Hanwell would raise these questions with Mrs Joanna Forster Adams, Chief Operating Officer, for an update to be provided to the Committee. The Committee agreed that action 191 was complete.

Actions 161 and 162: The Committee agreed to discuss these actions when considering the Health and Safety Quarterly update later in the meeting. It noted that action 161 had been marked as complete, however, the Committee agreed that this action was not complete and should remain open on the action log.

DH

Action 190: The Committee heard that the proposed solution for adding some Audit Committee papers to a private Microsoft Teams channel to reduce the volume of paperwork circulated ahead of Audit Committee meetings was determined not to be a viable solution by the Executive Team. Mrs Edwards explained to the Committee that this was due to concerns over confidentiality and ensuring that correct people had the correct level of access to these papers. She added that alternative solutions, such as the creation of a separate paper pack which excluded papers included for information only, was being explored. The Committee agreed to close this action and noted this ongoing work.

Action 192: The Committee noted that benchmarking data was included in the local counter fraud report on the agenda for the meeting. The Committee agreed this action was complete and that the benchmarking data would be discussed further as part of this agenda item.

Action 193: The Committee noted that work was still ongoing to see if any correlations between work-related staff sickness and RIDDOR reporting could be made.

Action 194: The Committee heard that data on the distinction between staff members who were not compliant with health and safety mandatory training because they had fallen out of compliance versus new staff members who had never completed the training in the first instance would be reported at the Health and Safety Committee. The Committee requested that this data should be regularly shared with the Audit Committee as part of the information included in the Health and Safety Quarterly update reports received by the Committee and noted that this action was complete.

JC / EB

The Committee then considered the following closed actions on the action log and noted the following:

Action 186: Dr Healey informed the Committee that the Quality Committee had started uploading newsletter items which were previously circulated as part of the Quality Committee papers onto Staffnet as part of the Quality Improvement Bookcase. She suggested that a similar solution could be explored to upload newsletter items currently included in Audit Committee paperwork as a means to reduce the amount of paperwork circulated. The Committee noted this update.

Action 182: Mr Wright discussed the closed action relating to the Utilisation of the E-Rostering System audit. He noted that while many of the technical recommendations to improve the functionality of the system had been marked as complete, the internal audit had also identified a number of cultural issues and changes which were anticipated to take longer to implement in the Trust. He questioned how the Audit Committee could be assured that these cultural changes had been embedded. Mrs Hanwell informed the Committee that the robustness of the system would be tested when this area was reaudited and added that this would be discussed further by the Executive Management Team ahead of this follow up audit. The Committee was reassured with this update.

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

**24/029 Quality Account Progress Update 2023-24** (agenda item 6)

Mrs Sanderson presented the Quality Account Progress Update to the Committee. She informed the Committee that work had commenced to simplify the content of the Quality Account and to alter its format so that it served similarly to a prospectus for service users for the care they could expect to receive at the Trust. She added that she was meeting with the authors of the Quality Account frequently as part of its production. The Committee heard that the Quality Committee had been presented with two iterations of the Quality Account so far, with the final version expected to be received at the May 2024 meeting.

The Committee discussed the contents of the update report. Dr Healey endorsed the update which had been provided by Mrs Sanderson and noted that the Audit Committee was responsible on seeking assurance on the process used to produce the Quality Account, and that it was the Quality Committee which had the responsibility on seeking assurance on its content and that it included all statistical information which was required to be presented in a certain manner as set out in primary legislation. Mr Hodgson added that there was previously a requirement for the Quality Account to be audited, however, this requirement was dropped during the COVID pandemic and had not been reimplemented. Mr Wright thanked Mrs Sanderson for the thorough update. The Committee was assured with the progress update.

The Committee **received** the Quality Account Progress Update for 2023-24. It was **assured** by the contents of the report.

**24/030 Draft Annual Internal Audit Plan 2024-25** (agenda item 7.2)

Mr Hodgson introduced the Draft Internal Audit Plan to the Committee. He reported that the plan had been developed through engagement with the Trust's Executive Management Team and its Board Sub-Committees and with reference to the Board Assurance Framework and the Trust's key strategic and operational risks. The Committee heard that this had identified the planned programme for audits in the 2024-25 financial year based on these priorities, with a number of areas also included on a reserve list should there be any deferral requests. Mr Hodgson reassured the Committee that the plan sufficiently covered the key responsibilities and risks of the Trust and that this was also the opinion of the Executive Directors of the Trust.

Mr Wright informed the Committee that Mr Hodgson had produced a matrix of the planned audits and how they covered each risk area. He reported that he had shared this matrix with members of the Committee and Mrs Edwards. He requested that this matrix should be included in future internal audit plans. Mr Hodgson agreed to add this information to future plans.

The Committee next discussed deferred audits from the 2023-24 internal audit plan not appearing as part of the planned audits in the 2024-25 plan, in particular the planned audits on Care Plans and Clinical Risk Assessment, and Out of Area Placements. Mr Hodgson clarified that when an audit area was deferred it would not automatically appear on the subsequent year plan but would instead be equally considered with all other audit areas and prioritised based on the key risks faced by the Trust at the time. The Committee noted this clarification and requested that this information should be explicitly included in future internal audit plans, as well as being reported to the Chairs of each Board Sub-Committee to ensure that they were aware of this process.

Finally, the Committee considered the reserve list for internal audit areas. It questioned Mr Hodgson on whether the reserve list presented in the report was in order of priority. Mr Hodgson clarified that it was not, as each of these areas would be reconsidered should there be a deferral, at which point the area which presented the greatest risk to the Trust at the time would be prioritised. The Committee noted this update. The Committee agreed to approve the internal audit plan and the amended Internal Audit Charter which was included with the plan.

The Committee **received** and **approved** the Draft Internal Audit Plan for 2024-25 and the amended Internal Audit Charter included with the plan.

#### 24/031 **Internal Audit Progress Report** (agenda item 7.3)

Mr Hodgson highlighted the main conclusions of the Internal Audit Progress Report to the Committee. He informed the Committee that two audit reports had been issued in full; the Modern Slavery Act (Follow Up) and the Management of Policies (Follow Up), both of which had received an opinion of significant assurance. He added that since the circulation of the papers, the Emergency Preparedness, Resilience and Response audit had also been finalised with the opinion of significant assurance. He stated that the remaining audit areas would be finalised in advance of the Audit Committee meeting scheduled for June 2024 and highlighted the fact that the “Cyber Security – External Suppliers” audit was on track to receive an overall opinion of limited assurance. He added that the Trust was collaborating with the Internal Audit Team to address these issues.

The Committee noted that there were two management requests to defer planned audit reports, one on Care Plans and Clinical Risk Assessments (Follow Up) and one on Patient Flow. The Committee noted the reasons stated for these deferrals and agreed to support the plan to defer these reports.

The Committee **received** and **considered** the Internal Audit Progress Report. It **noted** that three reports had been completed with an overall opinion of significant assurance. It also **agreed** to support the deferral of two planned reports.

Mrs Sanderson left the meeting.

**24/032 Draft Head of Internal Audit Opinion 2023-24** (agenda item 7.1)

Mr Hodgson presented the Committee with a verbal update of the Draft Head of Internal Audit Opinion for 2023-24. The Committee heard that the opinion was based on three factors of equal importance: the outcomes of individual audit reports; the Trust's response to implement recommended audit actions; and the Trust's system of internal control based on its Board Assurance Framework (BAF), Board and Board Sub-Committee responses, and its risk management framework. He explained that work was still ongoing on assessing the BAF and finalising several audit reports. Mr Hodgson acknowledged the work the Trust was doing to address the limited and low assurance reports received earlier in the year and completing the recommended audit actions. He concluded by stating that he believed that the Trust was moving towards receiving a positive overall Head of Internal Audit Opinion.

The Committee discussed the issue of the outstanding audit recommendations which the Trust had agreed to implement, noting that many had been due to be completed by the end of March 2024. Mrs Hanwell noted that the Trust had received over 700 recommendations in the year, and questioned whether there was a weighted response the internal audit team would be assessing against. Mr Hodgson clarified that this area was a judgement call as opposed to being measured against a specific metric. He noted that this judgement additionally accounted for limited and low assurance reports which were received late in the financial year which the Trust had only a short time to address. The Committee heard from both Mr Hodgson and Mr Boyne that it was recommended that the Trust focused on major and moderate recommendations first to have a better chance of a positive outcome, as opposed to minor recommendations.

The Committee next considered the timings of internal audit reports. It noted that a number of limited assurance reports had been received late in the financial year, and in particular, noted that the "Cyber Security – External Suppliers" was expected to be received with a limited assurance opinion. Mr Hodgson acknowledged this issue, noting that it was the result of multiple deferral requests. He reported that work had been conducted as part of the 2024-25 internal audit plan to ensure a smoother delivery of resource across the year with more internal audits planned for Q1 and Q2. He encouraged the Executive Management Team to support the planned delivery of internal audit reports.

Mr Hodgson thanked the Executive Team for their engagement and their support with the internal audit programme throughout the year. The Committee acknowledged this praise and the updates provided.

The Committee **received** a verbal update on the Draft Head of Internal Audit Opinion for 2023-24. It **noted** that the overall opinion would be finalised at the June 2024 Extraordinary Audit Committee meeting and that as a result of work being conducted by the Trust that this was moving towards a positive outcome.

**24/033 Reports from the Internal Audit Network** (agenda item 7.4)

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

#### 24/034 **Local Counter Fraud Progress Report** (agenda item 8)

Mr Swift reported that it would be possible for members of the Committee to be added to the counter-fraud newsletter distribution list. He explained that by doing so these newsletters would not need to be included as part of the papers received by the Committee for information. The Committee noted this update.

Mr Swift outlined the key points contained within the local counter fraud progress report to the Committee. This included a local proactive exercise to explore the potential risks and produce an awareness report of the use of Artificial Intelligence (AI) to commit fraud, with a focus on the people aspect of this risk. The Committee noted the contents of this report, in particular noting the risk around the utilisation of AI tools for completing job applications. Mr Swift highlighted the importance of checking references as a means of mitigating this risk and stated that this information was included in Masterclass tutorials presented by the team.

Mr Swift next reported on the outcomes of two local counter-fraud investigations which had both been closed since the January 2024 Committee meeting. The Committee heard that both individuals no longer worked for the Trust. The Committee noted that for one case it had been deemed necessary for the former employee's details to be logged onto the NHS Counter Fraud Agencies national database to ensure that the individual did not attempt to perform similar activities with another NHS organisation in the future as a precaution.

Next, Mr Swift presented the benchmarking data which compared the amount, types, and source of referrals made by the Trust to the Counter Fraud Team with all other clients of the Counter Fraud Team, including other mental health Trusts. The Committee heard that in these regards the Trust was operating in-line with other organisations. Mr Swift added that a healthy number of referrals had been received from different sources within the Trust, which was demonstrative that knowledge of counter-fraud operations was well embedded in multiple levels across the Trust. The Committee was reassured by these findings.

The Committee discussed the number of Trust staff who had attended Fraud Prevention Masterclasses in 2023-24. Mr Wright stated that he was pleased that attendance had increased overall but noted that the uptake from staff within the Human Resources Team was low considering that this team was proportionally more likely to be involved in counter-fraud work. Mr Swift noted that he would continue efforts to advertise the opportunity to attend masterclasses to relevant staff within the Trust, in particular through managers. He also reported that the Counter Fraud Team was considering adding a new topic to its Masterclasses under the name "Fraud in the United Kingdom" which would inform attendees on typical fraudulent activities in the UK. He stated this would be especially useful for international recruits who may be unfamiliar with this type of fraud activity. It was agreed that Mrs Edwards and Mrs Hanwell would consider how to increase staff attendance at Masterclasses and whether this new topic would be useful.

CE /  
DH

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

Mr Swift left the meeting.

**24/035 Health and Safety Quarterly Update – Q4 2023-24** (agenda item 9)

Mrs Hanwell presented the Health and Safety Quarterly update to the Committee on behalf of Mr Campbell, who was unable to attend the meeting. The Committee explored how the report could be improved so that it continued to highlight the main actions and incidents which had taken place in the quarter whilst also containing an accumulative report of all incidents, so the Committee could more easily identify trends across the year. The Committee advised that while they were satisfied with the data included in the quarterly update reports, the narrative which provided context for this data could be improved. Mrs Hanwell reminded the Committee that there were plans for the Health and Safety Annual Report to be updated to include improvement trends and plans for the Trust over the course of the year, but due to resource availability within the Health and Safety Team it was uncertain whether this could be delivered this year. The Committee noted this update and suggested whether the Health and Safety Quarterly Report could be amended to become a technical exception report as required by the Committee's Terms of Reference. Mrs Hanwell agreed to discuss these suggestions further with the Health and Safety Team and the Executive Management Team.

DH

Dr Healey next highlighted the "Accident/Health and Safety (Patient)" data included in the report. She questioned whether a more comprehensive breakdown of the roughly 200 incidents of this type could be provided so that the Committee could see what types of incidents these were. The Committee noted that this would help define the scope of Health and Safety in distinguishing it from Clinical Governance which dealt with patient safety incidents, which related to open action 161 on the Committee's action log. Mrs Hanwell agreed to look into the provision of an absolute classification for these incidents in future reports.

DH

The Committee noted that Mrs Hanwell was not in a position to provide detailed answers to questions on data included in the report as she was not the author of the paper. The Committee agreed to supply Mrs Hanwell an email with more specific questions regarding the contents of the report which could be answered ahead of the next meeting. The Committee noted the contents of the report.

The Committee **received** and **discussed** a report which provided an update on health and safety matters within the Trust during Quarter 4 of 2023-24.

**24/036 External Audit Progress Report / Sector Updates** (agenda item 10.1)

Ms Younis drew the Committee's attention to the three key health sector updates included in the report. These highlighted the updates which had been made to the Department of Health and Social Care's Group Accounting Manual, NHS



Foundation Trust Annual Reporting Manual, and Code of Governance for NHS Provider Trusts which amended the reporting requirements of the Trust's draft accounts and annual report respectively. The Committee noted these updates.

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

**24/037 External Audit Plan 2023-24** (agenda item 10.2)

Ms Younis summarised the key elements of the External Audit Plan to the Committee. She explained that the report contained the same audit risks which had been highlighted at the January 2024 Committee meeting, with the report examining these risks in more detail. She next drew the Committee's attention to the Value for Money Risk Assessment which had been completed and included in the report. She reported that this assessed the Trust's controls for achieving value for money in three areas, namely financial sustainability; governance; and improving economy, efficiency, and effectiveness. The Committee noted that no significant risk had been identified in any of these areas. Finally, Ms Younis outlined the contents of the appendices to the Committee, noting in particular the notice of independence of the external audit team, the fees incurred by the Trust for the services of the external audit team, and the revised auditing standards which would be embedded in the external audit process. The Committee noted these updates.

The Committee **received** and **approved** the updated External Audit Plan for 2023-24. It **noted** that the external audit fees had been finalised and agreed. It also **noted** that the Value for Money Risk Assessment had been completed and that this had identified no significant risks.

**24/038 Assurance on Previous Sector Updates** (agenda item 10.3)

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

**24/039 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 six overdue actions as of the 4 March 2024 and reassured the Committee that none of these had been rated as a major priority.

Mrs Hanwell reported to the Committee that a number of additional actions had become overdue as of the end of March 2024, and that the Trust was making good progress to address these. The Committee suggested that overdue actions should be collated in a manner so that the list of overdue actions reported was

up-to-date information. Mrs Edwards confirmed that work was being done in the performance monitoring area to achieve this. Mr Hodgson additionally clarified to the Committee that the system for monitoring internal audit actions had been changed at the end of March 2024 which meant that this information was not available until early April 2024. The Committee noted these updates.

The Committee **received** the Outstanding Audit Actions report and **noted** the number of actions outstanding. It **noted** that a number of additional actions had been identified as being overdue at the end of March 2024, and was **reassured** that the Trust was making good progress to address these.

**24/040 Draft Annual Governance Statement** (agenda item 12)

Mrs Edwards presented the draft Annual Governance Statement to the Committee. She reported that this was the first draft of the document which had been circulated to the Executive Team for approval. She added that the final statement would be reported at the June 2024 Audit Committee meeting. The Committee asked whether the changes made to this year's draft statement compared with the one issued the previous year could be highlighted. Mrs Edwards agreed that a version of the statement which tracked the changes made to it would be supplied to the Committee by Ms Kerry McMann, Head of Corporate Governance. Dr Healey additionally noted that she had spotted a number of minor changes that may need to be made to the statement regarding the work performed by the Quality Committee, and that she would send Mrs Edwards a list of these by email. The Committee noted this update.

KM

The Committee **received** the draft statement, **noted** the content, **agreed** that it presented a consistent view based on internal controls, and recommended no amendments to the statement aside from some minor amendments to be made to the work done by the Quality Committee in the year.

**24/041 Board Assurance Framework** (agenda item 13)

Mrs Edwards outlined the latest Board Assurance Framework (BAF) to the Committee. She reported that the BAF was presented twice a year to the Audit Committee for assurance that it was fit for purpose. She explained that this version of the BAF had emerged following a review of the controls in place at the March 2024 Board of Directors meeting which had added extra mitigations in place for the key strategic risks which had been identified. She added that work would be conducted to review the strategic risks to ensure that they aligned with the Trust's objectives and priorities and that this work was anticipated to be completed in time for the BAF to be reviewed at the July 2024 Board of Directors meeting. The Committee noted this planned review and questioned whether Board Sub-Committee Chairs would be consulted as part of this review. It was agreed that Mrs Edwards should email the Chairs of each Board Sub-Committee so that they could send in feedback regarding the review of the strategic risks.

CE

The Committee considered the BAF in detail. It suggested that the risk around replacing CareDirector as the Trust's electronic patient management system should be added to the BAF. It also suggested that the risk scores relating contributory risks identified for SR4 (financial sustainability) for agency spend and achievement of Customer Identification Program requirements should be reassessed as part of this review. Finally, it noted that SR8 (planning and delivery of services to meet health needs of the population) had been assigned to the Finance and Performance Committee for control but suggested that this was a broad risk which may have a wider remit. Mrs Edwards noted these suggestions.

The Committee **received** the Board Assurance Framework and was **assured** that it was fit for purpose. It **noted** that the strategic risks identified in the BAF was undergoing a review scheduled to be completed in time for the July 2024 Board of Directors meeting and **suggested** some additional changes regarding the strategic risks and the risk scores which had been included in the BAF.

#### 24/042 Tender and Quotation Exception Report (agenda item 14)

Mrs Hanwell advised the Committee that the Tender and Quotation process was currently under review and as such the reports received by the Committee were likely to change. She reported that this was due to new procurement regulations which were to be introduced in Autumn 2024 which would impact the direct awards and instigation of waiver process, in addition to a review of the thresholds and levels which were required to be reported. The Committee noted this update.

The Committee received the Tender and Quotation Exception Report. Mr Enright informed the Committee that there was an overall reduction in the number of transactions in the period covered by the report and that there was nothing in particular to highlight.

Mrs Hanwell questioned whether the Committee required to see the full details of each tender and quotation waiver, the forms for which were presented in full as part of the report. Mr Wright suggested the implementation of a materiality threshold to determine whether a waiver was included in full as part of the report. Mr Henry agreed, adding that a summary for low materiality waivers might be sufficient. The Committee agreed that it was important for the justification included in waivers to be reported to the Committee so they could be reviewed. Mr Enright suggested that as an interim measure while the wider review was being conducted that the report could be amended so that all quotation waivers were summarised on the cover of the report, with only tender waivers reported in full as these had higher materiality associated with them. The Committee agreed with this proposal.

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. It **noted** that a wider review of this process was being conducted and that as an interim measure only tender waivers would need to be included in full in future reports.

**24/043 Losses and Special Payments** (agenda item 15)

Mr Enright presented the Losses and Special Payments report to the Committee for the period from 1 April 2023 to 31 March 2024. He highlighted that a number of bad debts had been formally written off by the Trust as part of this report, noting that these had already been accounted for in previous years. He concluded that the level of activity was relatively normal in this area. The Committee noted this report.

The Committee drew attention to a particular employee liability case. It noted that while the paper was primarily aimed at addressing the financial risk to the Trust that such a legal claim may have a wider impact on the Trust, for example, reputational risks. It also considered the possibility of other liability cases that may carry similar risks, for example, patient liability. It suggested that employee liability cases may need to be considered further by the Workforce Committee. It was agreed that an action would be referred to the Workforce Committee to review what liability information it received. Similarly, it was suggested and that patient liability cases should be highlighted to the Quality Committee, and it was agreed that an action would be referred to the Quality Committee to review what liability information it received.

**WCom**

**QCom**

The Committee **received** the losses and special payments register and **noted** the contents.

**24/044 Going Concern and the Use of Specialist Advisors** (agenda item 16)

The Committee **received** the Going Concern and the Use of Specialist Advisors report and **approved** the approach to key judgements in relation to going concern assessments and the use of specialist advisors for 2023-24.

**24/045 Audit Committee Annual Report 2023-24** (agenda item 17)

The Committee **received** and **reviewed** the Audit Committee's Annual Report for 2023-24. It **agreed** to approve the annual report to be submitted to the June Board of Director's meeting for ratification.

**24/046 Key Messages and Any Matters to be Escalated to the Board** (agenda item 18)

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:** None.

**Issues to advise the Board on:**

- The Committee noted that not all audits which were agreed to be deferred were automatically included in the audit plan for the following financial year. Instead, the process was for the Internal Audit Team to consider all key strategic objectives and priorities of the Trust at the time the internal audit plan was drafted, which may result in deferred plans not being included in the plan as they were considered lower priority than other audit areas. This process had resulted in the planned audit for Care Plans and Clinical Risk Assessments (Follow Up) to not be included at all in the 2024-25 plan, and the Out of Area Placements audit to be included on the reserve list for the 2024-25 plan.
- The Committee was informed of requests to defer two internal audits from 2023-24 to the 2024-25 audit planning (Care Plans and Clinical Risk Assessment (Follow Up), and Patient Flow). The Committee discussed the reasons for this and agreed to support the deferral of these reports.
- The Committee noted that a number of audit actions had been identified as being overdue at the end of March 2024. The Committee was reassured that work was being done to address these outstanding actions and noted that there was a mitigating factor in that the system used for tracking internal audit actions was switched at the end of March 2024 which obfuscated this development.
- The Committee noted that a wider review of the tender and quotation process was currently under review in light of new procurement regulations expected to be introduced in Autumn 2024. The Committee agreed that in the interim only the justification for quotation waivers would be reported to the Committee, while it would continue to receive tender waivers in full.

**Things on which the Board is to be assured:**

- The Committee received the Quality Account Progress Update 2023-24 and was assured by the process by which the Quality Account had been developed.
- The Committee received and approved the Draft Internal Audit Plan for 2024-25 and the amendments made to the Internal Audit Charter.
- The Committee received the Internal Audit Progress Report and was pleased to note that the Modern Slavery Act (Follow Up); the Management of Policies (Follow Up); and the Emergency Preparedness, Resilience, and Response audits had been returned with an overall opinion of significant assurance.
- The Committee received a verbal update on the Head of Internal Audit Opinion. The Committee noted that the Trust was working towards receiving a positive outcome when the Head of Internal Audit Opinion was finalised in June 2024. The Committee also noted the praise the Executive Team received from the Internal Audit Team for its engagement and support with the process.

- The Committee received the Local Counter Fraud Progress Report and discussed its contents.
- The Committee received and discussed the contents of the Health and Safety Quarterly Update report for Q4 2023-24. It suggested several ways in which this report could be improved for future quarterly update reports.
- The Committee received and approved the final external audit plan for 2023-24. It noted that the external audit fees had been finalised and agreed. It also received the Value for Money Risk Assessment conducted by the external audit team and was assured that no significant weaknesses had been identified in any of the three risk areas assessed.
- The Committee received the Draft Annual Governance Statement and agreed that this statement presented a consistent view based on internal controls and recommended no amendments to the statement aside from some minor amendments to be made to the work done by the Quality Committee.
- The Committee received the Board Assurance Framework (BAF) and was assured that it was fit for purpose. It noted that work was being conducted to review the strategic risks included in the BAF. It noted that all Board Sub-Committee Chairs should be consulted so that their feedback could be captured as part of this review.
- The Committee received the Tender and Quotation Exception Report for January – March 2024, the Losses and Special Payments Report for 2023-24, and the Going Concern and Use of Specialist Advisors Report for 2023-24 and was assured by their contents.
- The Committee received and approved the Audit Committee Annual Report for 2023-24, ahead of it being circulated to the Board of Director's meeting in June 2024.

**Items to be referred to other Board Sub-Committees:**

- The Committee discussed an employee liability case which had been included as part of the Losses and Special Payments report received by the Committee. It agreed that such cases may present a reputational risk for the organisation. It agreed to suggest that employee liability cases should be discussed further at Workforce Committee meetings, and that patient liability cases should be discussed further at Quality Committee meetings for additional assurance.

**24/047 Any Other Business** (agenda item 19)

The Committee did not discuss any other business.

Mr Wright thanked everyone for attending and closed the meeting at 12:30pm

**Date and time of next meeting:**

Extraordinary meeting held on 18 June 2024 at 10:30am until 11:30am