

**Minutes of the Audit Committee  
held on 24 October 2019 at 10.00am in Meeting Room 1&2,  
2150 Century Way, Thorpe Park, Leeds LS15 8ZB**

**Present:**

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

**In Attendance:**

Mrs S Blackburn, Deputy Head of Internal Audit, NHS Audit Yorkshire  
Mrs D Hanwell, Chief Financial Officer and Deputy Chief Executive  
Mrs C Hill, Associate Director for Corporate Governance  
Mr R Khangura, Director – Public Sector Audit, KPMG  
Miss K McMann, Corporate Governance Team Leader (Secretariat of the Committee)  
Mr L Swift, Local Counter Fraud Specialist, NHS Audit Yorkshire (for agenda item 6.1)  
Mrs J Forster Adams, Chief Operating Officer (via teleconference - for agenda items 6 and 20.3)  
Ms M Cushley, In-patient Services Manager (for agenda item 20.3)  
Ms S Layton, Mental Health Legislation Team Leader (for agenda item 10)  
Professor S Proctor, Chair of the Trust (observing the meeting)

		<b>Action</b>
	Mr Wright opened the meeting at 10:00 and welcomed everyone.	
<b>19/078</b>	<b>Apologies for absence</b> (agenda item 1)	
	There were no apologies from any member of the Committee. The Committee welcomed Professor Proctor who was attending to observe the meeting.	
	The meeting was quorate.	
<b>19/079</b>	<b>Declaration of any conflict of interest in respect of agenda items</b> (agenda item 2)	
	No one present at the meeting declared a conflict of interest in any of the items to be discussed.	
<b>19/080</b>	<b>Minutes of the meeting held on the 18 July 2019</b> (agenda item 3)	
	The minutes of the meeting held on the 18 July 2019 were <b>accepted</b> as a true record.	
<b>19/082</b>	<b>Matters arising</b> (agenda item 4)	
	There were no matters arising.	

**19/083 Cumulative Action Log (agenda item 5)**

The Committee discussed the cumulative action log. It noted the actions that had been closed since the last meeting and those that were still open.

The Committee discussed log number four, for Mr Swift to speak with Mrs Holmes, Director of Organisational Development and Workforce, about the potential to add a question to the appraisals process for staff members to confirm they are aware of the Trust's Code of Conduct. Mr Swift explained that he had spoken with Mrs Holmes about this and that it had been agreed that the appraisals process was not the correct platform for this; the Committee agreed and discussed alternative options. It was agreed that an annual checklist for managers would be devised which would contain a number of annual obligations including vehicle checks and the code of conduct. Miss Grantham agreed to share her suggestions with Mrs Hanwell and Mrs Hill outside of the meeting. The Committee agreed that this action would supersede log number four.

CH /  
DH  
HG

The Committee next discussed log number 14, for Mrs Hill to share the Local Counter Fraud Risk Assessment with the Executive Directors to cross-check that any identified risks had been picked up on the Trust's risk registers, Mrs Hill confirmed that this had been completed. The Committee agreed to close the action, but asked Mrs Hill to get confirmation from the Executive Directors that the risk assessment had been considered.

CH

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

**19/084 Local Counter Fraud Progress Report (agenda item 6.1)**

Mr Swift presented the Local Counter Fraud Progress Report. He provided a detailed account of the work that had been undertaken since the 18 July 2019. The Committee discussed an anonymous complaint that had been received, which referred to a member of staff. It asked Mr Swift to contact the line manager of the person and report back to the next Committee meeting with his findings.

LS

The Committee discussed cyber fraud. Mr Swift suggested that the Trust carry out a penetration test exercise. He agreed to speak to Mr Hergy Galsinh, Head of ICT Network Services, to arrange this. The Committee next discussed agency worker fraud, regarding paper timesheets. It agreed that further assurance was required that the agencies that the Trust had frameworks and contracts with were using electronic systems over paper systems.

LS

DH

Mr Swift **presented** the Local Counter Fraud Progress Report. The Committee **considered** the work that had been undertaken and **noted** the key points of learning in relation to the Counter Fraud work.

**19/085 Internal audit progress report** (agenda item 6.2)

The Committee received the Internal Audit Progress Report. The Committee acknowledged that two audits had provided significant assurance; it noted the responses from management and agreed that the timescales that had been put in place were appropriate. The Committee noted that the audit that had provided limited assurance would be discussed later in the meeting, when Mrs Forster Adams, Chief Operating Officer, was in attendance (see minute 19/098).

Mrs Blackburn presented the progress report. The Committee discussed the Race Equality System audit which had changed from an assurance audit to an advisory audit in preparation for 2020/21 when the Race Equality Standards would become mandatory. The Committee agreed that a lot of work was being carried out around this and suggested that the audit be put on hold until a more appropriate time. The Committee asked Mrs Blackburn and Mrs Hanwell to speak to Mrs Claire Holmes, Director of Organisational Development and Workforce, about postponing the audit and to bring back a conclusion on the plans for this.

**SB /  
DH /  
CH**

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

**19/086 Outstanding audit actions** (agenda item 7)

The Committee **received** the outstanding audit actions report and was **assured** that progress was being made with audit actions.

Ms Layton joined the meeting.

**19/087 CQC Mental Health Act Code of Practice Evaluation Report** (agenda item 10)

Ms Layton presented the evaluation report and explained that the intention of the report was to evaluate how well the Mental Health Act Code of Practice 2015 (code) was being used across mental health services. She highlighted the key findings in the report and the recommendations that had been made to the Department of Health and Social Care. Mrs Sentamu, Chair of the Mental Health Legislation Committee (MHLC), informed the Committee that the MHLC had reviewed the report in detail, and was significantly assured of the controls that the Trust had in place to mitigate the risks identified in the report.

The Committee acknowledged that the code was a significant piece of legislation for the Trust and that where changes were made to the code, it would have a substantial impact not only on the Trust and its practice, but also on the wider system. Professor Proctor proposed that the Board of Directors focus one of its upcoming strategic discussion sessions around the legislation; the Committee agreed. The Committee emphasised the importance of having a consistent understanding of the code across West Yorkshire and Harrogate and, for this reason, agreed to escalate this matter to the Board of Directors for Dr Munro, as part of her Senior Responsible Officer role, to raise this at the Mental Health Collaborative.

**CH**

**MW**

The Committee **received** the CQC Mental Health Act Code of Practice Evaluation Report, noted its content and was **assured** that the Mental Health Legislation Team would continue to monitor this.

Ms Layton and Mr Swift left the meeting.

**19/088 External Audit progress report / sector updates** (agenda item 8.1)

Mr Khangura presented the health sector updates. He focused on two updates in particular: the release of the IFRS 16 implementation guide by NHS Improvement; and the consultation of the draft text for the new Code of Audit Practice by the National Audit Office. He outlined some of the changes that had been proposed to the Code of Audit Practice. Mr Khangura then provided a progress update on the 2019/20 external audit. The Committee noted the updates provided.

The Committee **received** and **noted** the external audit progress report and sector updates.

**19/089 Assurance on previous sector updates** (agenda item 8.2)

Mrs Hill presented the report which showed the responses from directors to the sector updates that had been presented to the July Committee meeting. The Committee was assured that the directors had taken action or provided sufficient evidence against the technical updates provided by KPMG.

The Committee **received** the update and was **assured** that action had been taken against the updates provided by KPMG.

**19/090 Health and Safety Committee Annual Report** (agenda item 9)

Mrs Hanwell presented the Health and Safety Committee Annual Report. The Committee noted the content of the report. It questioned the reasoning behind a Health and Safety Committee Annual Report; specifically what assurances were being reported on. The Committee agreed that the report lacked cultural and behavioural content. It questioned whether the data in the report was relevant and meaningful and outlined that there was a lack of trends identified from the data.

Miss Grantham pointed out an error in the report around the governance arrangements for the Health and Safety Committee; she suggested that the governance arrangements be reviewed. Mrs Hanwell explained to the Committee that a piece of work was being carried out to map what areas assurance was required on, and to which Committees the assurance would be provided. She proposed that the Workforce Committee would receive assurance on health and safety matters in relation to the workforce, and proposed that this could be done through the new Health and Wellbeing Manager role. She went on to propose that the Finance and Performance Committee would receive assurance around the environmental health and safety issues. The Committee asked Mrs Hanwell to

bring a report back to the Committee with a formal proposal of the future governance arrangements for the Health and Safety Committee.

DH

The Committee discussed fire safety; it drew attention to Appendix B (Fire Safety) and Appendix C (Fire Risk Action Plan). Mrs Hanwell assured the Committee that the Fire Risk Action Plan was monitored by the Executive Risk Management Group and that progress updates were provided for each action at each meeting. She informed the Committee that the West Yorkshire Fire and Rescue Service were going to carry out unannounced spot checks of the acute services in order to test compliance with the action plan and the impact of the actions implemented.

The Committee **received** the Health and Safety Committee Annual Report and **noted** its content. The Committee **agreed** that overall, the report provided a limited amount of assurance and that there was further work to be carried out in this area.

**19/091 Health and Safety Action Plan** (agenda item 9.1)

Mrs Hanwell **presented** the Health and Safety Action Plan. The Committee **noted** the progress that had been made with the action plan. It was **agreed** that the Health and Safety Action Plan would be brought back to the Committee in January 2020.

DH

**19/092 Annual declarations of interest process – update** (agenda item 11)

Mrs Hill informed the Committee that the annual declarations of interest process was outlined in the Trust's Declarations of Interests and Potential Conflicts of Interests Procedure which had been in place for a number of years. She outlined that the update report had been written to provide assurance on the process that had been undertaken to ensure that all those required to make a declaration had done so.

Mrs Hill informed the Committee that in May 2019, a new electronic system had been implemented to staff across the organisation. She outlined that of the 434 individuals, who had been identified as 'decision making staff' as defined by the procedure, there was only one individual who had not made their annual declaration. She outlined that this figure did not include those staff members on long term sick leave, maternity leave or other types of long term leave. The Committee asked that Mrs Hill follow this up and report back to the Committee to provide assurance that the individual had made their declaration.

CH

The Committee **received** the update on the annual declarations of interest process and was **assured** on the process undertaken.

**19/093 Board Assurance Framework** (agenda item 12)

Mrs Hill presented the Board Assurance Framework (BAF). She outlined that the strategic risk in relation to partnership working, which had previously been identified by the Board, was not included in this version of the BAF, and confirmed that it would be included in the next iteration of the BAF.

The Committee **received** the Board Assurance Framework and was **assured** on the work underway to mitigate the strategic risks.

**19/094 Tender and Quotation Exception Report** (agenda item 13)

The Committee **received** the Tender and Quotation Exception Report and **noted** the content.

**19/095 Losses and Special Payments Register** (agenda item 14)

The Committee **received** the Losses and Special Payments Register and **noted** the content.

**19/096 Management Consultant Register** (agenda item 15)

The Committee **received** the Management Consultancy Register and **noted** the content. The Committee **discussed** the proposal for the Trust to adopt the NHS Improvement approval process for expenditure on management consultancy above £50k. It **agreed** to adopt this process.

Mrs Forster Adams joined the meeting via teleconference. Ms Cushley joined the meeting.

**19/097 Any Other Business – Cultural barriers to the setting and recording of estimated discharge dates** (agenda item 20.3)

The Committee was reminded that at its last meeting on the 18 July 2019, it received the Delayed Transfer of Care (DTC) Follow Up audit report and discussed an action within the report which was to write a local procedure which would clearly outline the requirements for the setting and recording of estimated discharge dates (EDD's). The Committee noted that the response for this was unclear, and had asked Mrs Blackburn to look into the progress of the action. Since the meeting, Mrs Blackburn had responded to this action and informed the Committee that, whilst a local procedure was in place, a wider cultural issue had been recognised around the setting and recording of EDD's.

Mrs Forster Adams informed the Committee that since cultural barriers had been

identified, a number of processes had been put into place and that performance data had shown a significant improvement in the setting and recording of EDD's within the acute inpatient services. Mrs Cushley outlined the processes that had been put into place, which included: EDD's being recorded on the PARIS system; and the recording of EDD's as part of the checklist for the 72 hour response rate. Mrs Cushley informed the Committee that since these changes had been implemented, many acute wards had achieved 100% compliance, and that the lowest compliance level was 75%, where this was due to glitches on the PARIS system. She added that the compliance levels would be reviewed weekly, and that a compliance report would be sent to all service managers on a weekly basis. The Committee agreed that routine performance measures around estimated discharge dates were required. Mrs Forster Adams agreed to provide an update to the Committee, at its next meeting on the 23 January 2020, on the performance measures that had been put into place and how they were being monitored.

JFA

The Committee discussed the requirement and the relevance of EDD's within the Trust's non-acute services. It suggested that Mrs Forster Adams consult with other Trusts to gain an understanding on their approach to EDD's within a non-acute setting, specifically those Trusts in the West Yorkshire Mental Health Services Collaborative. It asked Mrs Forster Adams to return to the next Audit Committee meeting on the 23 January 2020 with a view of what the Trust's approach/policy should be around compliance with regard to EDD.

JFA

The Committee **received** a verbal update on the cultural barriers that had been identified around the setting and recording of estimated discharge dates and **discussed** the Trust's approach to this going forward.

**19/098 Internal audit progress report** (agenda item 6.2)

The Committee received the Liaison Psychiatry audit report which had provided limited assurance. It noted the reasons that a limited assurance opinion had been given. The Committee first discussed the recommendations given in the audit report around policies and procedures. Mrs Forster Adams confirmed that Laura Mcdonagh, Service Manager, was working with Leeds Teaching Hospitals Trust (LTHT) to improve and define the procedures and ensure that they were easily accessible for LTHT staff.

The Committee next discussed the gaps that had been found in the joint governance structure between the Trust and LTHT. Mrs Forster Adams informed the Committee that a collective review of the joint governance structure was being carried out by Mr Andy Weir, deputy Chief Operating Officer, and Ms Helen Christdoulides, Director of Nursing at LTHT.

The Committee questioned whether the recommendations made in the audit report would be completed within the target dates that had been set. Mrs Forster Adams confirmed that the timescales that had been set were appropriate. The Committee next drew attention to one recommendation that had not been accepted by the team. This was around a lack of evidence on electronic patient records that Liaison Psychiatry patient information leaflets were being distributed to service users. Mrs Forster Adams informed the Committee that this may have been an accuracy issue, as an audit that was carried out by the Royal College of Psychiatrists had found clear evidence that the leaflets were being distributed. Mrs Blackburn agreed to look into this further and report back to the Audit Committee on the 23 January 2020.

**SB**

The Committee **discussed** the Liaison Psychiatry audit report which had provided limited assurance. It was **assured** that the recommendations made in the audit report would be completed within the target dates that had been set.

Mrs Hanwell and Mrs Forster Adams left the meeting.

**19/099 Terms of Reference** (agenda item 16)

The Committee **reviewed** the Terms of Reference and **approved** the minor amendments that had been made. It **noted** that the Terms of Reference would be presented to the Board of Directors for ratification at its next meeting on the 28 November 2019.

**19/100 Meeting dates 2020** (agenda item 17)

The Committee **noted** the meetings that had been scheduled for 2020.

**19/101 Cycle of business for 2020** (agenda item 18)

The Committee **reviewed** the cycle of business for 2020 and **approved** the content.

**19/102 Key Messages and Any Matters to be Escalated to the Board** (agenda item 19)

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

- The Internal Audit Progress Report had detailed the Key Performance Indicators relating to management responses and the timescale within which the responses had been received. The committee had noted that there had been a significant improvement in the timeliness of the responses.
- The Internal Audit Progress Report had presented three completed reports; those in respect of the Implementation of NICE Guidance (significant assurance), Medical Revalidation (significant assurance), and Liaison Psychiatry (limited assurance). In regard to the Liaison Psychiatry audit report, the committee had received assurance from the Chief Operating Officer about the findings of the report and how the actions were being taken forward.
- The committee had received the Counter Fraud Update Report and had noted the work undertaken since the last meeting. The committee also asked for an update to come back to the January Committee meeting in regard to issues that had been identified by the team once further investigations had taken place.
- With regard to the Health and Safety Annual Report, the committee had been assured on the progress that had been made. It had noted that there was still more work to be done including the governance and reporting arrangements for Health and Safety to ensure this was being considered at the right committees and groups and it asked for a progress report to come back to the January Committee meeting.
- The committee received a report on key findings from the CQC's evaluation of how well the Mental Health Act Code of Practice 2015 was being used across mental health services nationally. The committee noted the global recommendations made by the CQC, and noted the potential legislative changes that were likely to be brought about following this evaluation. The committee had received assurance on the arrangements the Trust has in place in relation to the guiding principles and recommendations in the report, noting that the Mental Health Legislation Committee was also assured of the arrangements in place.

The committee noted the importance of understanding the potential impact for the Trust of any legislative changes and that the Board was to schedule a Board Strategic Discussion session in 2020 in relation to this. It also noted the importance of ensuring there was a consistent understanding across local mental health providers and that this was something that should be

discussed at the West Yorkshire Mental Health, Learning Disability and Autism Collaborative Committees in Common.

- Regarding the Trust’s digital agenda the committee identified three areas of focus which were: the implementation of Care Director, the connectivity and interoperability of the Trust’s systems in place, and the mobility of staff and their ability to work in the community rather than having to return to their base and to assist staff to work in an agile way. It also noted the importance of the arrangements for cyber security and that this was something that the committee would be looking at in the future.

**19/103 Any Other Business – Audit Committee Maturity Matrix** (agenda item 20.1)

The Committee **recalled** that it had attended an Effective Audit Committee event ran by Audit Yorkshire in April 2019, where the ‘Audit Committee Maturity Matrix’ had been developed. The Committee was **satisfied** that it was “mature” as defined by the matrix.

**19/104 Any Other Business – Digital agenda** (agenda item 20.2)

It was **agreed** that Mr Wright would circulate his comments on the digital agenda to all members of the Committee and to Professor Proctor.

**MW**

**19/105 Any Other Business** (agenda item 20)

The Committee did not discuss any other business.

The Chair of the Committee thanked everyone for attending and closed the meeting at 12.20pm.

**Date and time of next meeting:**

Thursday 23 January 2020 at 9.30am until 12.30pm in Project Room 2 at Co>Space North, 5th Floor, Platform, New Station St, Leeds LS1 4JB