



**Sheffield Health
and Social Care**
NHS Foundation Trust

AUDIT COMMITTEE

**Minutes of the Meeting of the Audit Committee of the
Board of Directors of Sheffield Health & Social Care NHS FT
Tuesday, 31st January 2017 in the Rivelin Board Room, Fulwood House**

Open BoD 11 05 17
Item 16i (a)

Present:

1. Mrs. Ann Stanley Non-Executive Director (Chair)
2. Cllr. Leigh Bramall Non-Executive Director
3. Mr. Mervyn Thomas Non-Executive Director

In Attendance:

4. Mr. Clive Clarke Deputy Chief Executive
5. Mr. Phillip Easthope Executive Director of Finance
6. Ms. Liz Lightbown Executive Director of Nursing, Professions & Care Standards
7. Mr. James Sabin Deputy Director of Finance
8. Ms. Margaret Saunders Director of Corporate Governance/Board Secretary
9. Dr. Helen Crimlisk Deputy Medical Director (obo Dr. Mike Hunter, Executive Medical Director)
10. Mr. Rashpal Khangura Director, KPMG External Audit Service
11. Ms. Lisa Mackenzie Client Manager, 360 Assurance
12. Mr. Robert Purseglove Local Counter Fraud Specialist, 360 Assurance (Part Meeting)
13. Mr. Tim Thomas Director, 360 Assurance
14. Mrs. Jeanine Hall PA (Minutes)

Apologies:

15. Dr. Mike Hunter Executive Medical Director
16. Ms. Lizzie Wharton Manager, KPMG External Audit Service

Minute		Action
01/01/17	Welcome & Apologies for Absence Mrs. Stanley welcomed members to the meeting and apologies were noted.	
02/01/17	Declarations of Interest Cllr. Bramall declared a non-pecuniary interest in items on the agenda which referenced the Local Authority. It was agreed that it would not be necessary for Cllr. Bramall to leave the meeting during this item. No further changes or additions to declarations of interest were reported.	
03/01/17	Minutes of the Audit Committee held on 18th October 2016 Page 2 – Board Assurance Framework (05/10/16 refers; second paragraph) Directors <u>or</u> Board committees as indicated in the report. Page 4 – 360 Assurance Internal Audit 2016/17 Progress Report & 2017/18 Planning Process (07/10/16 refers; third paragraph) work is <u>now</u> progressing at a pace	
	Page 5 – 360 Assurance Internal Audit 2016/17 Progress Report & 2017/18 Planning Process (07/10/16 refers; fifth paragraph) around 70% would be expected. Mr. T.Thomas said the aim is to have all	

	<p><u>recommendations implemented by the date agreed.</u></p> <p>Following these amendments the minutes of the meeting would be signed off for receipt at the February 2017 Open Board of Directors' meeting.</p>	
04/01/17	<p>Matters Arising & Action Log Members reviewed the Committee Action log and actions were confirmed and/or updated accordingly. A copy of the updated action log is attached to these minutes for members' information.</p> <p>a) <u>Risk Management Strategy 2016/17 (AC06ii/10/16 refers)</u> Confirmed that the amendments as agreed had been made to the final document prior to submission to the November 2016 Board Meeting and was subsequently approved.</p> <p>As agreed the Strategy will be received at the April 2017 Audit Committee for review.</p>	
Financial Statements & Annual Report		
05/01/17	<p>Annual Report & Accounts 2016/17 Production Timetable Presented to note and for members' assurance in respect of the processes being put in place to produce the Trust's Annual Report and Accounts for the year 2016/17. Confirmed that changes from last year's process are minimal.</p> <p>Following review, the Committee duly endorsed the schedule.</p>	
06/01/17	<p>Briefing Paper: FT Annual Report Manual Changes 2016/17 Presented to update members on the changes in and compliance with accounting policies and practices in respect of the production of the 2016/17 Annual Report and Accounts.</p> <p>Mr. Sabin confirmed that there had been no significant changes to either the FT Annual Reporting Manual (ARM) 2015/16 or to the Department of Health Manual for Accounts 2015/16, which he advised are now covered by the FT ARM 2016/17 and DH Group Accounting Manual (GAM) 2016/17.</p> <p>Mr. Khangura confirmed that should there have been any significant change in the requirements this would have been considered and, if necessary, highlighted as a significant risk as part of the External Audit year-end planning processes. As it was, he confirmed that there were no significant changes to last year's process.</p> <p>Following review, members noted and acknowledged the actions required by the Trust to implement the confirmed changes to the FT ARM and DH GAM 2016/17 in the completion of the Annual Accounts 2016/17.</p>	
07/01/17	<p>Briefing Paper: Accounting Policies Review 2016/17 Presented to brief the Committee on changes in and compliance with accounting policies and practices in respect of the production of the 2016/17 Annual Report and Accounts.</p> <p>Mr. Sabin noted that, for ease of reference, changes have been highlighted in the report, but confirmed that these were minimal.</p> <p>He confirmed that an early review of these changes by KPMG to ensure that all appropriate changes have been made to the relevant accounting policies would be appreciated. Mr. Khangura confirmed that External Audit would commence</p>	

	<p>their on-site interim audit work during February and would review this as part of that work and highlight any areas of concern as appropriate.</p> <p>The Committee received and endorsed the paper.</p>	
08/01/17	<p>Initial Draft Annual Governance Statement & Self-Certification Statement on General Condition 6 of the Trust’s License</p> <p>Ms. Saunders presented an early draft of the 2016/17 Annual Governance Statement and Self-Certification Statement on General Condition 6 of the Trust’s License, which she explained was based around last year’s submission, noting that whilst a number of amendments had already been made, the statement still require work.</p> <p>Members agreed to provide Ms. Saunders with any comment/amendments via email/outside of the meeting as soon as possible in order that these could be reflected in the next iteration.</p> <p>Specific areas raised in the meeting included:</p> <ul style="list-style-type: none"> • Section 4.8 Equality, Diversity and Human Rights – agreed that this section should be expanded upon to fully reflect the current position within the Trust. • The final document should reflect the outcome of the CQC Inspection following receipt of the final report. • Section 7 Review of Effectiveness – it was suggested that this section should include an indication of the productivity and microsystems work undertaken within the Trust to address effectiveness. • Noted that there is now a clear process for the escalation of significant issues to the Board of Directors from its sub-committees and that this should be reflected in the statement. <p>It was confirmed that the final statement will be presented to the May Audit Committee meeting for agreement prior to receipt at the Extra-Ordinary Board of Directors’ meeting in May for approval.</p>	
09/01/17	<p>Briefing Paper: Preparation of the Financial Accounts 2016/17 – Adoption of “Going Concern”</p> <p>Members received this report for consideration prior to formal presentation to the Board of Directors, who are required to endorse the conclusions reached in this document and recommend when considering the Annual Accounts prepared in 2016/2017, that it is appropriate for the accounts to be prepared on a “going concern” basis.</p> <p>Mr. Easthope advised that under NHS Improvement’s regime, unless the Trust has been deemed a failing Trust and in severe financial difficulties, then the general default is that you are a “going concern”. Having said that, he assured the Committee that the process of determining this status has been taken seriously and the paper duly highlights the clear justification for the “going concern” conclusion.</p> <p>He advised that the Trust has still to receive and sign off its contract with the Sheffield Clinical Commissioning Group. It is anticipated that agreement will be reached on the contract and he reiterated that this is a two-year contract, thus providing that added security in terms of Trust income and additional assurance for members. Mr. Easthope noted that there were no other significant contract</p>	

	<p>issues, the Committee being fully aware of the forthcoming challenges; how these are being managed and the level of risk the Trust is exposing itself to, or otherwise.</p> <p>In response to a query from Mr. M. Thomas regarding potential risk surrounding the CCG's indicated QuIPP savings target and indeed the use of this terminology, it was confirmed that, as agreed at the Board of Directors' meeting, the Trust has requested clarity from the CCG on the nature of this target and whether these are to be considered disinvestments or transformation savings. At the present time the CCG have stated that these are transformation savings and the Trust is working with them on this basis. However, also as agreed at the Board of Directors' meeting, the Trust's CIP/Disinvestment targets and meeting the Trust's Control Total are the priority for achievement.</p> <p>It was confirmed that for the purpose of the paper presented to the Committee today, which is about the adoption of a financial reporting standard that will be used when preparing the Accounts, whilst the point about terminology is well made and will ultimately require clarification, it does not affect the outcome of the going concern report. It was also confirmed that as previously stated, KPMG will review the application of the financial reporting standards as part of their year-end work and raise any concerns as appropriate.</p> <p>Members noted the content of the paper and were in agreement that it provided a good synopsis of the Trust's business.</p> <p>The committee duly approved the paper and its recommendation for presentation to the Board.</p>	
<p>10/01/17</p>	<p>Briefing Paper: Material Estimates 2016/17 Item deferred.</p>	
<p><i>Internal Control & Risk Management</i></p>		
<p>11/01/17</p>	<p>NHS Protect Annual Security Report 2016/17 & Self Review Return Members acknowledged receipt of this paper and Mr. Easthope advised that completion and submission is an annual requirement of the Trust. Whilst this falls under the remit of the Audit Committee, it is acknowledged that this is received here for the first time.</p> <p>The Annual Report and completed self-review return is presented to the Committee for assurance purposes.</p> <p>Noted that work has progressed well over the last year to increase performance against targets, although it is acknowledged that there is still work required to improve the position further.</p> <p>Members noted the agreed Security Management Work Plan at appendix 1 and the proposal that annual updates are received by the committee due to the level of current performance.</p> <p>Mr. T. Thomas noted the recent review work undertaken by 360 Assurance on Trust Assets and suggested that this piece of work could feed into the return for 2016/17 in respect of Standard 3.6 as additional assurance.</p> <p>Members agreed to receive annual updates.</p> <p>The Committee expressed their appreciation on the completion of this report and self-review return be conveyed to Mr. Stephen Price, the Trust's Local Security</p>	

	Management Specialist.	
12/01/17	<p>Board Assurance Framework</p> <p>Members received the current 2016/17 Board Assurance Framework (BAF) which Ms. Saunders advised that this was presented for review and approval in order that the final document can be received at the Board of Directors meeting in February 2017. She confirmed that the BAF had been reviewed and updated since the last meeting in an effort to make it a much more user friendly document for the remainder of this year.</p> <p>Ms. Saunders noted that a summary of changes made is included in the paper, however, she advised that as a result of undertaking this exercise, it has been determined that ultimately the BAF needs a full refresh, however, she hoped that the BAF presented to members today still provides the committee and ultimately the Board with the necessary assurance.</p> <p>Mrs. Stanley acknowledged the work undertaken to further improve the BAF. In terms of the overall summary provided, she felt there was a need to emphasise some of the key changes made, including where the RAG rating of the gaps has changed. She suggested that it would also be useful to cross reference/highlight changes on the overall BAF spreadsheet document for ease of reference.</p> <p>Upon review of the BAF, the following specific comments were made regarding content:</p> <p>Risk 1.1 (Line 7): Collaborative Care Planning – acknowledged the improvement in controls and the reduction in RAG rating.</p> <p>Risk 1.4 (Line 21): Staff Training MCA/MHA – noted that this was currently rated amber and it was questioned whether this reflected the current position in light of the training compliance issues. Mrs. Stanley queried whether this should be rated red?</p> <p>Ms. Lightbown advised that some progress has been made and indeed the BAF was now not up to date in terms of some of the actions and controls now in place. It was also noted that there are a number of items reflected in the 360 Assurance Progress Report to be received later in the meeting which would need to be reflected under this item on the BAF.</p> <p>Following brief discussion regarding the rating of this item, it was agreed that whilst significant assurance was not in place regarding training compliance; in light of the action taken and the process the organisation is going through to address the concerns already identified; it was questioned whether a change in rating to red would be correct (with a possible perception that this equated to “no assurance”). It was acknowledged that the use of RAG rating in this instance limited the ability to score accurately and that there was perhaps “limited assurance” in place at the present time.</p> <p>It was ultimately accepted that whilst this area has not progressed as far as would have been expected, the rating would remain as amber but kept under review.</p> <p>Risk 4.3 (Line 30): Board Committees/Compliance – noted that this was still rated amber and it was questioned whether the revised governance systems were sufficiently robust and whether this should be re-graded to green. It was acknowledged that whilst elements of the overall governance processes have improved there are still areas to address (e.g. levels of assurance being provided by papers received at committee and co-ordinating this back to the</p>	

	<p>BAF).</p> <p>Ms. Lightbown noted that in light of the revision of the Executive Director portfolios and roles and responsibilities there are still some areas that have not fully transitioned and further work is required to address this.</p> <p>Mr. T. Thomas advised that Ms. Saunders was due to meet with 360 Assurance next week as part of their work and will test the information presented in the BAF and that assurances/controls are in place.</p> <p>Mr. T. Thomas also queried the changes in consequence and impact scores on a number of risks and stressed the importance of ensuring consistent and clear rational for score changes. Ms. Saunders agreed to review this element of the BAF.</p> <p>The committee formally noted receipt of the updated BAF and acknowledged the further piece of work to be undertaken with 360 Assurance in respect of testing its content.</p> <p>The Chair acknowledged the effort being made to improve the BAF in an attempt to ensure it is a meaningful document. It was also stressed that the Chairs of each committee need to reflect on the use made of the BAF in each committee. It was confirmed that this was noted in the Risk Management Strategy, although not in the committee terms of reference and this may need to be revisited.</p> <p>The Chair thanked members for their comments, noting the areas for further improvement.</p> <p>The Committee formally agreed the BAF for recommendation to the Board of Directors for approval.</p>	MS
13/01/17	<p>Corporate Risk Register</p> <p>Ms. Saunders presented the Corporate Risk Register for review of those risks scored 12 or above, noting that whilst a number of changes had been made as a result of discussion of the last Board meeting, due to timing issues further updates have been made post circulation of the papers for this meeting, in anticipation of the Board meeting.</p> <p>Upon review of the Register, Mr. Clarke agreed to review risks 3611 and 2310 to ensure that the controls and actions indicated provided an up to date picture on the extent of the potential risk to quality. It was also noted that the risk narrative required refinement/amendment to reflect the current service arrangements. Mr. M. Thomas advised that this risk had also been discussed at a recent Quality Assurance Committee where it was also agreed it should be reviewed.</p> <p>It was agreed that there needs to be absolute clarity on the potential risk being measured on the Register.</p> <p>With respect to risk 2231, the consequence and likelihood scores were noted specifically in terms of the potential reputational risk. It was confirmed that the case was still outstanding, having been postponed to September 2017 now and that the reputational risk had been scored in line with guidance in the Risk Management Strategy.</p> <p>The Committee noted the current Risk Register.</p>	CC
Corporate Governance		

14/01/17	<p>Assurance Reports from Other Board Committees</p> <p>Ms. Saunders advised members that as agreed as part of the revised governance arrangements, each Board committee now receives the appropriate elements of the Board Assurance Framework and Corporate Risk Register in order to review the assurances it receives through its committee papers.</p> <p>This committee is asked to consider how the assurance received at other committees is reported into the Audit Committee to ensure this committee can assure itself that the assurance process is operating effectively, resulting in the desired outcome. There is a need to formalise the understanding of assurance received by the Audit Committee from other committees.</p> <p>Following brief discussion, it was suggested that each committee provide an annual work programme to the Audit Committee covering the assurances it intends to seek/receive in line with its terms of reference. Then at the end of the year each committee, as per the agreed actions from the Committee Governance Review, should undertake to provide an annual report/briefing to confirm the successful completion of its work programme and highlighting any issues.</p> <p>This in turn can then be included as an assurance statement within the Audit Committee's Annual Report to the Board of Directors.</p> <p>Mr. T. Thomas reiterated that the Audit Committee Handbook is clear that the Audit Committee should place reliance on other committees for areas of assurance through the BAF.</p> <p>It was suggested that annual reporting should provide a sufficient basis for the assurance, however, it was acknowledged that if any area of concern is raised which the committee believes should be followed up by another committee, this would be raised in a timely manner with the appropriate committee chair. The production of a significant issues report by each committee following each meeting also adds to the assurance in respect of the timely manner in which issues are being raised.</p> <p>Ms. Saunders thanked members for their comments and agreed to provide an overview of the proposed process.</p>	MS
15/01/17	<p>Audit Committee Self-Assessment Questionnaire</p> <p>Noted that this is an annual process for committee members to complete a self-assessment questionnaire in order to ensure the committee is working effectively and if necessary identify gaps in committee arrangements and propose an appropriate action plan.</p> <p>It was agreed that all committee attendees (not just members) should complete the questionnaire and return to Jeanine Hall by the 17th February 2017.</p> <p>The results of the questionnaire will be received at the next meeting of the committee.</p>	All Agenda
Internal Audit		
16/01/17	<p>Internal Audit Outstanding Actions Follow Up Report</p> <p>Members received the update on outstanding internal audit actions as at the end of 2016.</p> <p>Mr. Clarke confirmed that a process is now operating to ensure that the Executive Directors' Group receive details of all high and medium actions/</p>	

	<p>recommendations and that all outstanding actions are escalated to him for follow up and reporting into this committee.</p> <p>Members acknowledged the information provided and agreed that this report is becoming more informative as the process develops and providing more assurance that the follow up of actions is being taken seriously.</p> <p>A query was raised regarding the status reported in respect of the Follow Up Review on Consent – Mental Capacity Act (MCA), with specific reference to the completion of the revised policies. It was confirmed that the revision of all relevant policies was nearing completion. Ms. Lightbown advised that the Care Standards Team is currently working on a piece of work to identify the status of all policies to determine those completed; those awaiting ratification and those still outstanding. The new Head of Mental Health Act Legislation has also now commenced in post and Ms. Lightbown anticipated being able to provide an up to date position on this matter for inclusion in Mr. Clarke’s report to the April Audit Committee and offered to send a post-meeting note to members prior to April’s meeting for assurance purposes.</p> <p>It was also confirmed that the Policy Governance Group has now been established and its first meeting is due to take place on the 1st March 2017.</p> <p>It was agreed that the status of this recommendation should have been reported as amber rather than green.</p> <p>Following a query from Ms. Lightbown regarding the update on the review of the management of slips, trips and falls, Mr. Clarke agreed to provide clarity on whether the falls risk ratings were accurately assigned.</p> <p>It was reaffirmed that the purpose of this report is to provide assurance to this committee that the recommendations and actions resulting from Internal Audit reports are being implemented.</p> <p>The committee thanked Mr. Clarke for his report and formally noted the progress</p>	<p>LL/CC</p> <p>CC</p>
<p>17/01/17</p>	<p>360 Assurance Internal Audit 2016/17 Progress Report (Including 2017/18 Draft Plan)</p> <p>Ms. Mackenzie presented the 360 Assurance progress report and provided a summary of the key messages. She advised that progress is being made against plan, with four reviews and five follow up reviews being completed in this quarter with a 63% completion rate in respect of recommendations being implemented.</p> <p>She advised that progress against the plan for the overall plan for the year was a little behind, noting that there had been some delays encountered in finalising a number of reviews but that she anticipated good progress to be made during the final quarter of the year in conjunction with Trust officers. It was agreed that if any further delays are encountered these would be raised initially with Mr. Sabin. Ms. Mackenzie also advised that between now and the next scheduled Audit Committee in April, it is proposed to meet with key officers to report back on progress of this plan, which is a crucial factor in the completion and issue of the Head of Internal Audit Opinion Statement.</p> <p>Ms. Lightbown noted that a number of the Executive leads and responsible officers identified in section 4 of the report required revision. Ms. Mackenzie agreed to ensure this element of the report was correct for the next meeting. She was also requested to review and ensure the audit review titles were accurate and reflected discussions with Executive leads.</p>	<p>LM</p>

	<p>It was reiterated that if a change in the scope or area of an audit is proposed at any point in the plan, this should be reported back into the Audit Committee. It was reaffirmed that no material changes had been made to the plan to date.</p> <p>Members noted the outcome of the four reviews completed since the last meeting. It was agreed that where there are areas of interest and potential follow up by the Board committees, reports should be and, in some cases are already, shared with appropriate committees as necessary.</p> <p>Ms. Mackenzie highlighted that following the completion of the five follow up reviews, it was determined that there was only one medium risk that has not been fully implemented and that during the review there was sufficient evidence to determine that progress is being made and this has been passed back to the Trust for on-going management and monitoring.</p> <p>Members noted and approved the proposed changes to the 2016/17 audit plan as noted in section 5 of the report, namely the use of the remaining budget from the cancelled Service Development Review to be transferred to follow up and additional management time; and the time from the deferred Sickness Review to be used to complete a review of Policy Management.</p> <p>Ms. Mackenzie then referred members to the second part of the paper which outlined the 2017-18 draft Internal Audit Plan, noting the proposed total number of days is 244, and confirming that this is based around the Trust's core audit plan and the top potential risks to the sector.</p> <p>It was noted that the table of contents referred to the 2016/17 plan and that this would be amended for issue of the final plan.</p> <p>Mr. Easthope confirmed that the draft plan had been determined following the recent planning meeting with Executive Directors and committee members and further discussions with 360 Assurance and that, as previously agreed, consideration is now being given to moving the core audit cycle onto a three year basis.</p> <p>Ms. Lightbown noted that the lead for audit 8 (Compliance with Legislation – Mental Health and Capacity Legislation) should read herself, than the Medical Director. Mr. Sabin also noted that on page 12 there was reference to United Lincolnshire Hospitals Trust, rather than Sheffield Health & Social Care NHS FT.</p> <p>Subject to the minor changes noted above, and after due consideration, members duly approved the proposed draft 2017/18 Internal Audit Plan.</p>	<p>LM</p> <p>LM</p>
<p>18/01/17</p>	<p>Local Counter Fraud Specialist Progress Report</p> <p>Mr. Purseglove presented his progress report which provided a summary of work undertaken in respect of 2016/17 and provided members with the background to the current open investigations and recent referrals.</p> <p>He noted that NHS Protect have issued a revised deadline of 1st April 2017 for the submission of the fraud, bribery and corruption self-review. This means the self-review will be undertaken as part of this year's plan and he assured members that arrangements are in place to ensure this revised deadline is met.</p> <p>Members noted the report and were duly assured that staff awareness of fraud is continually being addressed and that there is a rigorous process in place for investigating fraud.</p>	

19/01/17	<p>Annual Report from 360 Assurance Consortium Board & Review of Internal Audit Service</p> <p>Members received a brief summary of the internal audit oversight arrangements through the 360 Assurance Consortium Board, identifying the elements of the work undertaken by the Consortium Board and providing the committee with an assurance regarding the Trust's membership of the Consortium and the added value this membership offers.</p> <p>Mr. Easthope confirmed that he felt there was a good level of assurance in respect of the value for money of this service and that membership of the Consortium is conducive with the current needs of the Trust.</p> <p>Members were in agreement with the conclusion reached by Mr. Easthope and confirmed that there was no action required in this timeframe in respect of tendering for such a service.</p> <p>It was noted that a further proposal is that these reports are received on an annual basis, rather than bi-annual, and this was duly accepted. It was confirmed that the Consortium Board are actively considering their reporting processes into the member Trusts.</p>	
External Audit		
20/01/17	<p>KPMG External Audit Plan 2016/17</p> <p>Mr. Khangura presented the external audit plan for 2016/17, which he explained sets out KPMG's risk assessment and audit approach in respect of the year-end cycle.</p> <p>He noted that the report focussed on the three key areas of responsibility within their work, namely the financial statements audit; the use of resources conclusion and the quality report audit. The report (page 6) provided a timeline for the different phases of work.</p> <p>A further important element of the planning stage is setting the materiality level and the report provides an outline of the approach taken in this respect which has resulted in the materiality level remaining at £2m, with a reporting threshold in the general accounts of £100,000. The group reporting pack that we have to feed into for the National Audit Office has set a threshold of £250,000. The report also provides details of where a lower materiality threshold will be applied, namely the Remuneration Report (£2,500) and the Audit fees (£1,000).</p> <p>Mr. Khangura advised that the risk assessment is split into two types; those that are standard/mandated risks plus any potential local risks specific to the Trust. The valuation of land and building assets and the valuation and existence of NHS income and receivables have been identified as specific Trust risks. The report provides an overview of all areas of risk which will be assessed as part of the year-end processes.</p> <p>Further to a question from Mrs. Stanley regarding the risk around NHS income and receivables as a specific Trust risk, Mr. Khangura confirmed that this is seen as a new risk within the section and relates to the introduction of the Sustainability & Transformation Fund (achievement of agreed control totals); how that is going to be delivered and the potential for Trust's to manipulate income or expenditure to achieve targets. Mr. Easthope confirmed that there is a robust process in place for agreement of balances between NHS bodies, however, the same process is not in place with the Local Authority.</p> <p>With regard to the local risk in respect of the valuation of land and buildings, it</p>	

	<p>was confirmed that the Trust is required to consider whether to commission a full valuation each year. Whilst it was confirmed that a review exercise was undertaken of the entire estate last year, the Trust is still going through the process of considering whether a further review needs to be undertaken this year.</p> <p>In terms of the use of resources and value for money element of the audit, the report presents an outline of how that conclusion is reached and this was noted by members. As part of this element, an initial use of resources risk assessment has been undertaken and this has identified the areas of delivery of CIPs and response to the CQC inspection report.</p> <p>The final element of the report provides an outline of the Quality Report audit approach and, whilst it was noted that the official guidance on the content of the Quality Report is still awaited, it is anticipated to be relatively unchanged. It was noted that the paper received under item 5 had indicated that the timetable had been brought forward for the completion of the Quality Report when compared to last year and it was agreed that this would be clarified to ensure the correct timeframe is met both internally and externally.</p> <p>The Chair stressed that it is important that discussions with Trust Governors in respect of the identification of an indicator for this element of the audit is undertaken in a timely manner.</p> <p>Details of the fees are provided in line with previous agreement.</p> <p>Members received and approved the External Audit Plan for 2016/2017 and received assurance from the detail of the plan.</p>	MS
Standing Orders; SFIs; Standards of Business Conduct		
21/01/17	<p>Briefing Paper: Standing Orders; SFIs & Scheme of Delegation breaches Report</p> <p>Mr. Sabin presented this briefing paper which he confirmed was to be received for information at this time. He confirmed that any changes proposed as part of the next review of these documents will be submitted to the Finance & Investment Committee prior to receipt by the Audit Committee for approval and ultimate submission to the Board of Directors for ratification.</p> <p>Members acknowledged receipt of this report for assurance and information; noted the drop in quarter 3 breaches and the on-going work in respect of purchase orders and agency spend.</p>	
Other		
22/01/17	<p>Review of Future Meeting Agenda Planner</p> <p>Members reviewed the Audit Committee agenda planner provided with the meeting papers and the following comments were noted:</p> <ul style="list-style-type: none"> • Material Estimates – deferred from this agenda, agreed to include on April agenda. • Risk Management Strategy – agreed to clarify the agreement reached at Board in respect of the review of this strategy and schedule accordingly. • Draft Annual Governance Statement – to include on April agenda. • Feedback from Audit Committee self-assessment questionnaire – to include on April agenda. • Final 2017/18 Internal Audit Plan – agreement reached at this meeting, so no need for receipt at April meeting. 	<p>JS</p> <p>MS MS PE</p>

	<p>It was confirmed that the planner will be updated to reflect any discussion/agreement at Audit Committee meetings which affect the agenda going forward.</p>	
<p>23/01/17</p>	<p>Evaluation of Meeting Members then went on to review the effectiveness of the meeting and determine what, if any, significant items should be noted as part of the committee's assurance to the Board of Directors.</p> <p>Significant Issues Report It was agreed that the following significant issues would be included in the report to Board:</p> <ul style="list-style-type: none"> • <u>Briefing Paper: Preparation of the Financial Accounts 2016/17 – Adoption of “Going Concern”</u> The receipt and endorsement of the briefing paper prepared to assist in assessing the “going concern” position of the Trust. • <u>NHS Protect Annual Security Report 2015/16 & Self-Review Return</u> The receipt of the NHS Protect Annual Security Report and self-review return. • <u>Board Assurance Framework</u> The receipt of the updated Board Assurance Framework and the on-going improvements being made to this document. • <u>Internal Audit Reports - Progress against Plan for 16/17</u> The high level of outstanding audits due for completion before the year end were noted although assurance was received that completion of the audits would remain a priority in order that the internal audit opinion could be delivered in accordance with the year-end timetable. • <u>Internal Audit Plan 2017/18</u> The committee approved the draft 2017/18 Internal Audit Plan, subject to minor amendment in respect of Executive leads and responsible officers. • <u>External Audit Plan 2016/17</u> The committee received and approved the External Audit Plan 2016/17 in respect of the completion of the Annual Accounts process for this year. • <u>Briefing Paper: Standing Orders; Standing Financial Instructions & Scheme of Delegation Breaches Report</u> The committee received for information and assurance the outcome of the quarter 3 review of breaches against the Trust's approved Standing Orders, Standing Financial Instructions and Scheme of Delegation, noting the reducing level of compliance issues being recorded and the action being taken to reduce these further where appropriate. <p>Changes to Level of Assurance Comments noted regarding the Board Assurance Framework and the improvement work being undertaken in respect of the BAF.</p> <p>Confirmation of Agreed Actions All actions will be incorporated in the Committee's action log and circulated to members as necessary for follow up.</p>	

	<p>Meeting Effectiveness It was agreed that the meeting had been effective and had provided the opportunity for interesting and challenging discussion as necessary.</p>	
24/01/17	<p>Any Other Business</p> <p>a) <u>Scam Email</u> Mr. Purseglove noted receipt of an email regarding a potential email scam involving audit committee members. He agreed to provide details to Jeanine Hall who would follow up to ensure that a recent communication circulated to members was not part of this scam.</p> <p><i>Post meeting note: details checked and confirmation sent to members that the communication circulated by Jeanine to members was a legitimate audit committee communication.</i></p>	
25/01/17	<p>Date, Time & Venue of Next Meeting Tuesday, 18th April 2017 1.00 p.m. Rivelin Board Room, Fulwood House</p>	

AS/jch/March 2017 (Approved AS/Approved AC April 2017)