

AUDIT COMMITTEE

**Minutes of the Meeting of the Audit Committee of the
Board of Directors of Sheffield Health & Social Care NHS FT
Tuesday, 11 July 2017 in the Tudor Board Room, Fulwood House**

Open BoD 08.11.17 Item 19(a)i

Present:

- | | |
|--------------------|--------------------------------|
| 1. Ms. Ann Stanley | Non-Executive Director (Chair) |
| 2. Mrs. Sue Rogers | Non-Executive Director |

In Attendance:

- | | |
|--------------------------|----------------------------------------------------------------------------|
| 3. Mr. Clive Clarke | Deputy Chief Executive |
| 4. Mr. Phillip Easthope | Executive Director of Finance |
| 5. Ms. Margaret Saunders | Director of Corporate Governance/Board Secretary |
| 6. Mr. Rashpal Khangura | Director, KPMG External Audit Service |
| 7. Ms. Lisa Mackenzie | Client Manager, 360 Assurance |
| 8. Mr. Tim Thomas | Director, 360 Assurance |
| 9. Ms. Claire Croft | Local Counter Fraud Specialist (obo Robert Purseglove) (Part meeting only) |
| 10. Mrs. Jeanine Hall | PA (Minutes) |

Apologies:

- | | |
|---------------------------|-------------------------------------------------------------|
| 11. Mr. Mervyn Thomas | Non-Executive Director |
| 12. Dr. Mike Hunter | Executive Medical Director |
| 13. Ms. Liz Lightbown | Executive Director of Nursing, Professions & Care Standards |
| 14. Mr. James Sabin | Deputy Director of Finance |
| 15. Mr. Robert Purseglove | Local Counter Fraud Specialist, 360 Assurance |

Minute		Action
01/07/17	<p>Welcome & Apologies for Absence Ms. Stanley welcomed members to the meeting and apologies were noted.</p> <p>Prior to the commencement of the formal agenda, Ms. Stanley confirmed that Mrs. Sue Rogers, Non-Executive Director, had been confirmed as an interim member of the Audit Committee, until such time as a formal replacement Non-Executive Director is confirmed in post to replace Cllr. Leigh Bramall.</p>	
02/07/17	<p>Declarations of Interest No changes or additions to declarations of interest were reported.</p>	
03/07/17	<p>Minutes of the Audit Committee held on 26 May 2017 The minutes of the meeting held on the 26 May were approved for receipt at the Board of Directors' meeting (open session).</p>	
04/07/17	<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>i. <u>Annual Reporting Documents – Year-End Processes (AC33/04/17 refers)</u> Noted that the scheduling of year-end process and receipt of associated papers has not yet been discussed at EDG. Mr. Easthope and Ms. Saunders agreed to follow up with EDG and provide an update at the</p>	PE/MS

	<p>next meeting. Acknowledged that it is important that as much preparatory work is completed as early as possible to facilitate these processes.</p> <p>In line with its role and responsibilities, the Chair noted that this Committee receives a schedule/timeframe for the completion of the year-end processes and it is important that members are appraised at an early opportunity of any potential delays being incurred.</p> <p>ii. <u>Self-Certification Against Provider Licence Conditions (AC06/05/17 refers)</u> Ms. Saunders confirmed that the self-certification had been submitted and published in accordance with NHSi guidance. She further advised that work was currently being undertaken to scope the level of non-statutory requirements and it is anticipated that this exercise will be complete in draft by the end of July. Agreed to include a paper on the comparison between best practice and regulatory requirements on agenda for next Audit Committee meeting in October 2017.</p>	MS
Internal Control & Risk Management		
05/07/17	<p>Final Analysis & Analytical Review 2016/17 Final Audited Accounts This paper was provided to update the committee of the final analysis and analytical review of the key movements within the 2016/17 final audit annual accounts. It provided an understanding of the primary statements (Statement of Comprehensive Income SOCI) in respect of the presentation of the discontinued operations and the fact that the sum in the breakdown of the notes is greater than that on the primary statements.</p> <p>Noted that a number of the changes related to income profiling changes, all of which members were already aware of, in respect of decommissioning or primary commissioned service reductions and other known changes where we have been actively trying to tackle some of the historical non pay issues.</p> <p>Mr. Easthope advised that reflecting on the comments made at previous meetings, he believed there was further room for improvement in the presentation and transparency of this report and he would be following this up with Mr. Sabin. Whilst he acknowledged that the report could provide better clarity on the key movements, Mr. Easthope assured members that the income and expenditure note movements are understood.</p> <p>Mr. Easthope further suggested that he agree an earlier format for next year outside of committee, to ensure expectations are met.</p> <p>Mrs. Rogers noted the use of acronyms within the paper and requested that an explanation is provided of any acronym used in any future papers received.</p> <p>In response to a query from Mrs. Rogers, Mr. Easthope provided a brief update on the progress of the Trust's Capital Plan during 2016/17. He gave an assurance that this element is monitored in-year through the Finance & Investment Committee (FIC), which has already acknowledged that there is scope for development and improvement of the capital planning processes both within the Trust and generally NHS wide.</p> <p>The Chair confirmed that whilst the year-end processes have now been fully signed off, the detail in this paper is gratefully received and she noted the intention to review how this paper is presented in the future.</p>	
06/07/17	<p>Board Assurance Framework (BAF) Ms. Saunders presented the revised 2017/18 Board Assurance Framework,</p>	

following a collaborative revision process undertaken with Non-Executive Directors and Executive Directors and thanked everyone for their engagement in this process.

She confirmed that the BAF is based around the Trust's Strategic Planning Framework and is reflective of those strategic aims and objectives, capturing the associated high level risks. A cross reference exercise has been undertaken between the 2016/17 BAF and also the Corporate Risk Register to ensure it is as accurate as possible.

Mr. Easthope felt it was key to note the planning process undertaken in conjunction with Internal Audit colleagues from an assurance perspective and that it is important to acknowledge the development of the BAF so far, the fact that it is now more strategically focussed, but that there is still further improvement to be made, specifically around continuing to refine and improve the controls, assurances and gaps in assurance.

The Chair acknowledged the amount of work undertaken to develop the BAF and the key inclusion of the strategic risks following the recent Board Development Session.

Ms. Saunders confirmed that the aspiration is to ultimately automate the update and presentation of the BAF.

The Chair noted that it is the role of this committee to scrutinise the content of the BAF and the assurances (or otherwise) that it is providing. In addition, it is key that other Board committees provide this high level of scrutiny on the content, providing an understanding to this committee on how the assurances are being challenged and an assurance that the BAF is receiving appropriate scrutiny. Ms. Stanley noted that at the present time there are still elements of the BAF to be assigned to the relevant Board committee and she requested that this be completed for future iterations.

Ms. Stanley requested, as this is the first iteration of the 2017/18 BAF to be received at Committee, consideration is given to each page of the BAF, with a focus is on assurances provided and gaps identified.

Mrs. Rogers noted the improvement to the BAF but questioned whether the right risks and controls have been captured. Mr. Easthope confirmed that the Board had been through a significant process to determine and sign off identified key risks and, whilst acknowledging that these are always subject to on-going change, from an assurance perspective the Committee needs to know that the right risks are being captured and be assured of the process undertaken to identify those risks.

Noted the BAF needs to provide assurance regarding the management of identified risks, however, if there is a belief that an additional risk needs reflecting, then the Risk Register processes should be engaged as appropriate.

The committee needs to consider the robustness of the assurances being given through the BAF.

The committee then went on to consider the BAF in greater detail with particular focus on the assurances being provided; the gaps being identified and the assurance rating, and the following comments/observations were made:

Strategic Objective: Effective quality assurance and Improvement will underpin all we do – Risk Ref A101: Potential gap in assurance in terms of EMSA which has not been identified on the BAF (although this could relate to Risk Ref A102).

Noted that the assurance rating was limited and the Chair felt it would be helpful to have an indication of what this rating equates to (as well as other possible ratings). This will be especially important given the new intake of Non-Executive Directors anticipated later in the year. Mr. Thomas stressed the importance of there being a clear indication of the relationship between the current score and the assurances being provided. It is also important that the control environment is understood to ensure risks are managed appropriately.

Strategic Objective: Timely access to effective care – Risk Ref A104i: noted that the “likelihood” score in the target risk element had increased and it was confirmed that this should read 3 not 4. Ms. Saunders to amend.

Risk Ref A104ii: Ms. Stanley requested that further consideration is given to the content and validation of the external assurances, acknowledging that external validation may not always be available. It was also questioned whether all of the Sustainability & Transformation Partnership (STP) interventions had been identified.

Strategic Objective: We will manage change positively and effectively ensuring support for staff - Risk Ref A201; 202; 203 & 204: This section was considered weak and Ms. Stanley requested that the Chair of the Trust’s Workforce & OD Committee to consider this at their next meeting. It was noted that all elements were rated “significant” and questioned whether this should in fact be “limited” given that work was still in progress.

Specifically in respect of Risk Ref 203, Ms. Rogers felt there were too many gaps in the controls provided.

Agreed that this section of the BAF would be interrogated by the WODC.

Strategic Objective: Deliver interventions and support closer to general practice, neighbourhoods and embedded within our services – Risk Ref No A301: Agreed that the strategic element of this risk required further interrogation by the Finance & Investment Committee, noting the current issues around quality in primary care as well as the strategic direction discussions taking place.

It was noted that there were gaps in the narrative surrounding this risk and that this needed to be addressed before a rating of “significant” can be considered.

It was noted that the column heading “Assurance Rating” changed half way through the document to “RAG Rating of Gaps” and the Chair asked that the term “Assurance Rating” be used consistently for this element.

Ms. Stanley felt it would be beneficial to include more detail in respect of the assurances provided from the narrative of the Internal Audit reports. There needs to be a clear cross-reference to the reports.

Mr. Khangura applauded the level of challenge and interrogation being given to the BAF. He made an observation in respect of the value for money section (*Risk No A401ii*) in that it was rated as “limited”, however, the target action date is not until March 2018. He questioned with the level of gaps being identified whether that target date should be reconsidered and a clear indication of the series of actions being put in place to address the gaps.

It was also agreed that there needed to be a clear indication of the changes made and updates provided on future iterations of the BAF.

Mr. Thomas acknowledged the progress which has been made in terms of the content and input into the production of the BAF. He noted that an important issue to address is the use of the BAF by the other Board committees in

SR

	<p>providing assurances through to this committee. It is important that all committees understand their role in terms of developing the BAF and that there is a clear indication through to this committee of the work undertaken by other committees in respect of the BAF.</p> <p>Mr. Thomas also suggested that the 360 Assurance programme of work should be included as a source of external assurance and the assurances to be received.</p> <p>He also advised that the new well led regime recommends the BAF is received at Board level on a quarterly basis. Whilst this is not a statutory requirement, it was agreed that the current proposal for receipt on a six-monthly basis at SHSC Board would be reviewed.</p> <p>The Chair thanked all members for their contribution to the debate at today's meeting and once again acknowledged the level of work and engagement that has been undertaken to improve the BAF. She acknowledged the challenge going forward to maintain this level of engagement and input, but stressed that it does need to be maintained. She also reiterated the importance of devolving the use and ownership of the BAF through the management layers.</p> <p>It was noted that whilst the majority of BAF items had been allocated to one of the Board committees, there were a number which had this element outstanding and Ms. Saunders advised that this would be completed for the next iteration. Mr. Easthope advised that in terms of A301 – Lack of a Primary Care Strategy, this should be assigned to the Board as at the present time this is the forum holding Mr. Easthope, as lead Executive, to account for delivery.</p> <p>The Chair welcomed the regular engagement with the Executive Directors' Group regarding the BAF and welcomed the move to automate the production and population of the BAF. It was agreed that the successful automation would also assist in the engagement of key officers in a timely manner.</p> <p>The committee formally recommended the BAF for receipt at the July Board of Directors meeting for approval, noting the comments made and the further work to be undertaken.</p>	MS
07/07/17	<p>Corporate Risk Register</p> <p>Ms. Saunders presented the Trust's Corporate Risk Register for review. She noted that the changes since last received by the committee are indicated in the paper, including details of the de-escalation of a number of risks and the inclusion of new risks. She confirmed that the register is received by the Executive Directors' Group for review, as well as the Board receiving details of the high level (scored 12 and above) risks at each meeting. All risks are monitored on a regular basis at Directorate level.</p> <p>Ms. Stanley raised a query regarding risk 2175 – failure to deliver required levels of CIP and disinvestments recurrently and the fact that this specific risk is no longer on the BAF. In response Mr. Easthope advised that he believed this position needed to be monitored through the corporate risk register at the present time. Current assessment is that this feeds into the strategic risk A401i on the BAF, i.e. being able to identify where efficiencies can be made.</p> <p>Ms. Stanley also highlighted risk 3659 in respect of risk of cyber security attacks and questioned whether thought needed to be given to the potential strategic risk posed. Agreed that this would be considered further.</p> <p>She also raised a similar query in respect of risk 3768 in respect of agency staff and it was agreed this would also be considered further in terms of potential strategic risk.</p>	MS MS

	<p>In respect of risk 3736 which was specific to the issue of an enforcement notice from South Yorkshire Fire & Rescue Services following a number of fire related incidents on Burbage Ward, it was confirmed that post production of this paper, the enforcement notice has been withdrawn, following confirmation that the Trust has complied with all appropriate action. Mr. Easthope further advised that following the recent fire incident in London, the Trust has undertaken a review of all its buildings which has identified no cause for concern and no reason to escalate to the corporate risk register.</p> <p>The Chair requested that future iterations of this paper include an indication of when a score is changing whether this is escalating or diminishing.</p>	MS
08/07/17	<p>Annual Letter from Chair of Audit Committee – Draft Members received the draft annual letter from the Chair of Audit Committee to all staff and recommended this for approval by the Board of Directors following minor amendment.</p> <p>It was agreed that the future format of this letter and its content would be reviewed prior to the completion of next year's letter.</p>	
Corporate Governance		
09/07/17	<p>Outcome of Declaration of Interests Exercise/Register of Interests & Hospitality; Sponsorship & Gifts Members noted receipt of the outcome of the Register of Interests and Hospitality Sponsorship & Gifts which provided confirmation and assurance that the Registers are being maintained in accordance with the Declaration of Interests & Standards of Business Conduct Policy.</p> <p>Ms. Saunders confirmed that following the publication of revised guidance from NHS England, the Trust will be reviewing its Standards of Business Conduct Policy in collaboration with another NHS FT. Discussions are also taking place regarding the potential to create an e-register in respect of this exercise.</p> <p>The committee received and acknowledged the information provided, noting that it would be received by the Board at its July meeting.</p>	
10/07/17	<p>Review Audit Committee Terms of Reference Mr. Easthope confirmed that a review of the committee's terms of reference had been undertaken and the paper presented highlights the main areas of change proposed, which are largely cosmetic. Minor changes have been made to address the committee's concerns via the recent self-assessment questionnaire that equal prominence is given to both quality and financial assurance and that the full spectrum of internal controls is covered.</p> <p>Clarity has been included regarding Executive and Non-Executive Membership to reflect that all Executive and Non-Executive Directors can attend the meeting at any point.</p> <p>Mrs. Rogers noted that the terms of reference, under Membership, state that "the chair of the committee should not be the vice chair of the Trust" and questioned this statement. Brief discussion took place regarding this statement, noting the fact that this was not a change to the current terms of reference, and it was ultimately agreed that the statement would remain but that discussion regarding its inclusion would take place when the review of the terms of reference for the full committee structure takes place.</p> <p>Mr. Clarke confirmed that the Executive Directors' Group had discussed the issue of EDG membership on Board committees and it was agreed that whilst</p>	

	<p>not all Executive Directors will attend all committees, attendance for relevant items will have to be discussed and timetabled accordingly. The Chair confirmed her preference to have clinical and/or medical representation at the committee on a regular basis. Agreed that this was a further issue which could be picked up as part of the review of the terms of reference for the full committee structure.</p> <p>For the purpose of this paper at today's meeting, members formally approved the minor changes to the committee's terms of reference for submission to the Board of Directors for ratification.</p>	
11/07/17	<p>Audit Committee Self-Assessment Outcome – Follow Up Action Plan Agreed that this item would be taken in conjunction with agenda item 18 – Audit Committee Objectives.</p>	
12/07/17	<p>Revised Constitution Documents Ms. Saunders presented this summary paper, which provided over-arching details of the annual review of the Trust's Constitution and supporting documents. She advised that appendix A of the paper had been developed to present an overview of the authorisation requirements for the approval of changes to governance documents and the changes made to the documents during this review period were outlined in appendix B.</p> <p>Ms. Saunders confirmed that it was recommended to the committee to approve the changes and recommend for approval to the Board of Directors and Council of Governors.</p> <p>It was noted that a number of the changes relate to revised guidance from NHS England and NHS Improvement regarding managing conflict of interests in the NHS and that the Board had previously delegated policy approval to the Executive Directors' Group with the exception of those policies which had a strategic impact. It was confirmed that the proposed changes to the Constitution and supporting documents would be received at Board in line with this agreement.</p> <p>The Chair thanked Ms. Saunders and the author of this paper for the helpful and clear presentation and confirmed the committee's agreement for presentation to Board and Council of Governors for approval.</p>	
Internal Audit		
	<p>It was agreed that the items under this section of the agenda would be taken out of sequence.</p>	
13/07/17	<p>Local Counter Fraud Specialist Progress Report Ms. Croft presented the LCFS progress report on behalf of Mr. Purseglove. She noted that this was the first report for the year 2017/18. In terms of the committee's action log, she confirmed that the agreed action in respect of recording scam alerts and any impact on the Trust was now included in the report as requested.</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> <p>Ms. Croft left the meeting at this point.</p>	
14/07/17	<p>Internal Audit Outstanding Actions Follow Up Report Members received the update on outstanding internal audit actions as at July 2017. These are the actions which have been escalated to him for follow up by 360 Assurance post completion of their follow up review.</p>	

	<p>The connectivity of this report with that under the following agenda item was noted.</p> <p>Mr. Clarke noted that the three outstanding historic follow up actions were now considered complete.</p> <p>In terms of the July 2017 update provided in respect of the outstanding action from the follow up review of waiting times, the Chair questioned whether this confirmed that the action was complete. Mr. Clarke clarified that whilst the action has been completed, the Trust continues to submit MHSDS EIS submissions for the access and waiting time standard without the requirement of SNOWMED coding on the system.</p> <p>The committee agreed that the actions as presented were complete.</p>	
<p>15/07/17</p>	<p>360 Assurance Audit Reports – Internal Monitoring Arrangements</p> <p>Mr. Easthope advised that this paper highlights the refreshed audit report internal monitoring arrangements, confirming that this has also been received by all other Trust Board committees in terms of highlighting their role and responsibility in this process.</p> <p>Also attached to this paper is the initial draft of a new internal audit report tracker, which Mr. Easthope advised required further development including expansion on follow up actions post receipt by Executive Directors’ Group. Mr. Easthope talked members through the internal monitoring processes as noted on the tracker, including initial receipt of completed report at EDG and relevant Board committee and confirming a view on any potential impact on the BAF. EDG will then, depending on the outcome of this initial review, determine whether an update report or feedback is required and by when, in order to provide assurance to EDG that actions will be completed prior to 360 Assurance undertaking their follow up. There also needs to be a concise evidence base for any closed off actions in anticipation of follow up by 360 Assurance, as well as supporting evidence in respect of any deferred actions.</p> <p>Further development will also be made on the presentation of the information regarding follow up audits and the inclusion of this information within the main body of the tracker, rather than as an addition.</p> <p>Acknowledged that the document is not fully populated at the present time and is very much a work in progress, however, Mr. Easthope wanted to share with the committee to provide some assurance that internal processes were being put in place to address some of the concerns raised previously regarding the timely compliance with audit recommendations/agreed actions.</p> <p>It was acknowledged that there is a clear requirement for the Trust to respond to and implement agreed actions in accordance with agreed timescales.</p> <p>It was confirmed that it is intended that the tracker will be used by the Executive Directors’ Group to monitor the receipt of internal audit reports and track the implementation of agreed actions and that it will be received by the Audit Committee as a source of assurance on the action being taken following receipt of internal audit reports. Mr. Easthope advised that the tracker will have ownership across the Executive Team and it is ultimately envisaged that this will negate the need for the internal audit follow up report prepared by Mr. Clarke for this committee.</p> <p>Members welcomed the tracker and looked forward to its further development. The Chair confirmed that the committee received assurance regarding the priority being given to the timely implementation of internal audit agreed actions.</p>	

16/07/17

360 Assurance Internal Audit 2017/18 Progress Report

Ms. Mackenzie presented the 360 Assurance progress report and provided a summary of the key messages. She advised that whilst she had reported some reviews outstanding from the 2016/17 audit plan, one of these had now been reported as complete within the last quarter, namely Financial Management & Reporting which was issued with a significant assurance. The remaining outstanding review relates to Policy Management, which is now awaiting final sign off and will be received at the next Audit Committee meeting.

Ms. Mackenzie noted that since issuing the report she had omitted to include the work in respect of the IT Strategy, which was a consultancy piece of work. She confirmed that this work is complete and at final draft report stage and will be included in the next progress report.

In terms of the work around the 2017/18 plan, Ms. Mackenzie confirmed that all reviews scheduled for quarter 1 and 2 are now in progress or being scoped.

Ms. Mackenzie noted that, following discussion with Executive officers, two amendments to the current 2017/18 plan are requested, namely to delay the Mortality Review from quarter 1 to quarter 3; and delay the Risk Management Review from quarter 1 to quarter 2. This delay will enable further preparation work to be undertaken and add further value to these reviews.

Four follow up pieces of work were completed during quarter 4 of last year. In particular the review of the Trust's Committee Governance Arrangements has confirmed that overall good progress against the recommended actions has been made and a lot of work undertaken to address the findings of the initial report. The other three pieces of follow up work indicated that good progress has been made in terms of follow up of actions and at present an implementation rate of 71% is being noted.

The committee acknowledged and welcomed the improvement in the implementation of agreed actions.

Ms. Mackenzie advised that moving forward she felt it would be useful to liaise with the Trust on the future presentation of the follow up tracker in her report to ensure consistency with the Trust's report. There is also an opportunity to expand the use of their electronic working paper system and Ms. Mackenzie offered to give the committee a presentation of the new system, which is currently in development. The committee welcomed this opportunity and Ms. Mackenzie agreed to liaise with Trust officers to arrange as soon as the system was available for demonstration.

It was confirmed that for 2017/18 360 Assurance have slightly changed the wording of their audit engagement opinions following publication of the revised Public Sector Internal Audit Standards, details of which were included in the progress report.

Head of Internal Audit opinion work has already commenced for next year, with time being confirmed in diaries and a work programme determined in four quarters. It is hoped by commencing this process early, any appropriate recommendations arising from each quarter's work can be made as early as possible.

Members noted with interest the comments regarding the Cyber Security audit which was now in progress and looked forward to receiving the completed audit.

Mr. Easthope noted the inclusion of the new KPIs and he felt it important, particularly in respect of the management responses, that there is clear

	<p>communication with Trust officers to confirm the presence of this KPI.</p> <p>Following discussion, the committee formally approved the two amendments to the plan in the timing of the audits in respect of Mortality and Risk Management.</p>	
External Audit		
17/07/17	<p>KPMG External Audit Progress Report</p> <p>Mr. Khangura updated the committee, reflecting the completion of the 2016/17 audit cycle and moving into the 2017/18 work plan. He confirmed that as advised at the last Audit Committee meeting, KPMG were able to issue a clean audit opinion on the Accounts and value for money conclusion in terms of 2016/17.</p> <p>In terms of 2017/18 KPMG are currently in the pre-planning stages and Mr. Khangura advised that within the value for money conclusion, financial resilience will be a key area of risk. The auditing regulators and auditing standards expect KPMG to ensure the design of their auditing procedures are planned carefully to address the potential for manipulation of financial statements as financial constraints get tighter within Trusts. Mr. Khangura will be presenting the audit plan to a future meeting at which point he will fully explain the procedures put in place.</p> <p>The committee acknowledged this brief update.</p>	
Other		
18/07/17	<p>Audit Committee Objectives Audit Committee Self-Assessment Outcome – Follow Up Action Plan</p> <p>The committee agreed that these two agenda items would be taken together.</p> <p>Mr. Easthope advised that building on the self-assessment questionnaire completed by members earlier in the year and the agreed action plan from the results, a number of key areas have been identified which link into the committee's revised terms of reference, committee objectives and a review of the committee's cycle of business.</p> <p>He also noted that there is a significant piece of work on ensuring the significant issues reports from other Board committees are able to provide assurance to the Audit Committee and make sure that where a committee has scrutinised the BAF and where there has been specific recommendations or decisions, that this is effectively recorded in order that the Board can receive that assurance and that the Audit Committee are assured that the process has taken place and the relevant outcome. This will also provide additional assurance to the Internal Audit Service regarding the use of the BAF. There is a need to ensure a consistent standard of reporting from each of the committees.</p> <p>Members considered the action plan update, and acknowledged that this addressed the gaps identified as a result of the self-assessment process.</p> <p>A further piece of work, which was outstanding from the previous year's exercise related to the setting of specific objectives for the Audit Committee.</p> <p>Mr. Easthope advised that following feedback from the review of the self-assessment process and the committee's annual report concentrated on the Head of Internal Audit Opinion Statement, focussed primarily around the BAF; related governance systems and processes and the follow up and implementation of audit report recommendation, as well as the information flow from other committees in terms of strengthening the significant issues and annual reports and assurance provided. All these things combined will improve the Framework. As a result three key objectives have been proposed, with clear</p>	

	<p>milestones identified and appropriate KPIs.</p> <p>Whilst the committee has clear objectives within its terms of reference, the Chair advised it was felt to be good practice for the committee to agree additional objectives which will also address the over-arching objective of improving the Head of Internal Audit Opinion statement for this year. She acknowledged the need to consider further the assurances required from other committees and felt this was best achieved through the standardisation of the significant issues reports and ensure that wherever there has been challenge to the BAF and Risk Register that this is appropriately referenced.</p> <p>The committee formally approved the objectives for the year.</p>	
19/07/17	<p>Review Future Meeting Agenda Planner</p> <p>The meeting reviewed the agenda planner for the coming meetings.</p> <p>The Chair requested that future iterations of the planner are aligned to the agreed business cycle of the meeting (July – May).</p> <p>Noted that the reference to financial years required updating.</p>	PE
20/07/17	<p>Any Other Business</p> <p>i. <u>Single Tender Waiver Approval</u></p> <p>The committee received details of a single tender waiver which has recently been approved, in respect of the engagement of a consultant on behalf of the STP to deliver a Workforce Strategy Plan. Mr. Easthope advised that this tender was dealt with on behalf of the Health Education England/SY&B STP, with the chosen supplier already being confirmed.</p> <p>Questions were raised as to whether the relevant procurement processes had been undertaken by the originating body.</p> <p>The Committee noted the approval of this single tender waiver.</p>	
21/07/17	<p>Evaluation of Meeting</p> <p>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' meeting in September (there being no meeting in August). Due to the timing of the next Board meeting, the Chair agreed to undertake a verbal update at the July Board meeting of key items.</p> <p>In terms of significant issues and assurances received, it was agreed that the following items would be highlighted:</p> <ul style="list-style-type: none"> • Board Assurance Framework (agreed that this would also be picked up as a verbal update at July's Board meeting) • Corporate Risk Register (agreed that this would also be picked up as a verbal update at July's Board meeting) • Outcome of the Declaration of Interests Exercise • Revised Constitution Documents (agreed that this would also be picked up as a verbal update at July's Board meeting) • Approval of the Annual Chair's Letter to all staff • Internal Audit Recommendation Revised Tracker • Internal Audit Progress Report – specifically close down of Committee Governance Review and improvement in the completion of recommendations on follow up (agreed that this would also be picked up as a verbal update at July's Board meeting) • Committee objectives, underpinned by revised terms of reference and self- 	

	<p>assessment exercise.</p> <p>Mr. Thomas stressed the importance of each of the committees have a clear understanding of what is expected of them in respect of the challenge to the BAF.</p>	
22/07/17	<p>Date, Time & Venue of Next Meeting Tuesday, 17 October 2017 1.00 p.m. Tudor Board Room, Fulwood</p>	

AS/jch/July 2017 (Approved AS)
Approved/amend AC Oct 2017 Final