



**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
Monday, 23 April 2018 in the Tudor Board Room, Fulwood House**

Open BoD 11.07.18
Item 19ii (a)

Present:

- 1. Ms. Ann Stanley Non-Executive Director (Chair)
- 2. Ms. Olivia Blake Non-Executive Director
- 3. Ms. Sandie Keene Non-Executive Director

In Attendance:

- 4. Mr. Phillip Easthope Executive Director of Finance
- 5. Mr. Clive Clarke Deputy Chief Executive
- 6. Mr. James Sabin Deputy Director of Finance
- 7. Ms. Margaret Saunders Director of Corporate Governance/Board Secretary
- 8. Mr. Rashpal Khangura Director, KPMG External Audit Service
- 9. Ms. Lisa Mackenzie Client Manager, 360 Assurance
- 10. Mr. Tim Thomas Director, 360 Assurance
- 11. Dr. Mike Hunter Executive Medical Director
- 12. Ms. Tania Baxter Head of Clinical Governance
- 13. Mrs. Jeanine Hall PA (Minutes)

Apologies:

- 14. Ms. Harriet Fisher Manager, KPMG External Audit Service
- 15. Mr. Robert Purselove Local Counter Fraud Specialist, 360 Assurance

Minute		Action
01/04/18	<p>Welcome & Apologies for Absence The Chair welcomed members to the meeting and introduced Ms. Sandie Keene, a newly appointed Non-Executive Director of the Trust.</p> <p>Ms. Stanley confirmed that the membership of this committee, following recent Non-Executive Director changes, is herself as Chair, Cllr Olivia Blake and Ms. Sandie Keene.</p> <p>Apologies were noted.</p>	
02/04/18	<p>Declarations of Interest Cllr Blake declared an interest in any issues relating to the Trust's Partnership Agreement with the Local Authority, however, it was determined that these were non-pecuniary and would not require her to leave the meeting during any discussion relating to this item.</p> <p>No further declarations of interest were noted.</p>	
03/04/18	<p>Minutes of the Audit Committee held on 23 January 2018 The minutes of the meeting held on 23 January 2018 were approved for receipt at the Board of Directors' meeting (open session).</p>	

<p>04/04/18</p>	<p>Matters Arising & Action Log</p> <p>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> <ul style="list-style-type: none"> i. <u>360 Assurance Internal Audit 2017/18 Progress Report – Electronic Working Paper System (AC04/10/17iii refers)</u> Confirmed that arrangements were being made for a demonstration of this system as soon as the year-end processes are complete and revised committee membership is embedded. ii. <u>Board Assurance Framework (AC12/10/17; 04/01/18v refers)</u> Members were advised that the issue of whether the use of exit interviews should be used as a means of control measure within the BAF would be picked up by the risk owner and the Workforce & OD Committee. The action would be removed from this committee's action log. iii. <u>360 Assurance Internal Audit 2017/18 Progress Report: GDPR (AC06/01/18 refers)</u> Further to a query from the Chair regarding the intention to provide the Board with an assurance report to the Board of Directors regarding the introduction of GDPR, it was agreed that this would be followed up and clarified. iv. <u>Assurance Reports from Other Committees (AC17/01/18 refers)</u> Confirmed that this item was scheduled for May's meeting of the Audit Committee. Ms. Saunders confirmed that she had circulated the pro-forma for these assurance reports to the relevant Executive Directors/Chairs of Board committees. v. <u>Board Committee Terms of Reference – Revision (AC 20/01/18 refers)</u> Ms. Saunders confirmed that the Audit Committee terms of reference were duly updated following comments received at the last meeting and that all other respective Board committees have subsequently agreed their terms of reference. The Chair requested that the Audit Committee formally review its terms of reference at the July meeting. vi. <u>Board Assurance Framework – Safety Risks (A102) AC 22/01/18 refers)</u> Confirmed that Ms. Mackenzie and Ms. Saunders would follow up this action and ensure completion as appropriate. 	<p>PE/MS</p>
<p>Internal Audit</p>		
<p>05/04/18</p>	<p>Internal Audit Reports – Internal Monitoring Tracker</p> <p>Members received the updated internal monitoring tracker in respect of 360 Assurance Internal Audit Reports. It was noted that although at the time of writing this document was up to date, it is acknowledged that there were still a number of audits being completed and received which would not be reflected in this paper.</p> <p>Mr. Easthope was pleased to advised members that there has been improved performance in the completion of high and medium actions, although performance against all actions is not to the level that would have been desired. He reaffirmed that efforts will continue to monitor the position and continue the improvements into next year and indeed that this be identified as a key objective</p>	

	<p>for the committee for 2018/19.</p> <p>It was noted that this position represents a significant improvement on 2016/17.</p> <p>The Chair acknowledged the work that has been undertaken during the final quarter of the year to reach this improved position. She also reiterated that once 360 Assurance handed audit actions back to the Trust for completion that these continue to be managed through the Executive Directors' Group and Audit Committee to implementation.</p>	
<p>06/04/18</p>	<p>360 Assurance Internal Audit 2017/18 Progress Report</p> <p>Ms. Mackenzie presented the 360 Assurance progress report confirming the work undertaken during the last quarter as part of the 2017/18 audit plan. She noted that five reviews have been completed during the period, namely:</p> <p>MHA & MCA Part 2 (MHA Audits) - Significant Assurance Service User Engagement – Significant Assurance Workforce Planning – Limited Assurance Information Governance Toolkit – Significant Assurance Integrity of the General Ledger & Financial Reporting – Significant Assurance</p> <p>Ms. Mackenzie acknowledged the improved position in terms of completion of actions on follow up but noted that their final analysis of this position will be complete once all audit finalised and the final position will be incorporated into the 360 Assurance Annual Report.</p> <p>In terms of performance against contract, she reported that 97% of the programme was now complete with just a couple of audits in progress and awaiting finalisation. It is planned that these outstanding audits will be completed prior to issuing their final progress report for this year in May.</p> <p>With particular reference to the limited assurance given to the recent Workforce Planning audit, Ms. Mackenzie explained that the report attempted to reflect the amount of work that has already been completed in terms of compiling the strategy; however, the basis of the audit was the Trust's workforce plan. It is acknowledged that the Board of Directors have signed off the Workforce Planning Strategy, however, the limited assurance rating reflects that it is considered there is still further progress to be made in terms of:</p> <ul style="list-style-type: none"> • Ensuring an integrated approach to workforce planning aligned with the Trust's organisational strategy and business planning processes; • Appropriate mechanisms in place to deliver the workforce plan; • Robust workforce data is used to support workforce planning. <p>In response to a question from Mr. Easthope regarding the missing elements between the Trust's Health Education England workforce plan return and the Trust's workforce plan, Ms. Mackenzie advised that the future workforce planning is a key area for focus.</p> <p>Mr. Sabin advised that a part of the finance return to NHSi incorporates a two year workforce plan and whilst this may go some way to addressing some of the issues raised by 360 Assurance during this audit regarding future planning, it was agreed this highlighted a potential disconnect within the Trust's internal processes.</p> <p>It was agreed that the outcome of this particular audit and the issues it highlights will be followed up by the Workforce & OD Committee.</p>	

	The Committee thanked members of 360 Assurance for their input.	
07/04/18	<p>360 Assurance Interim Head of Internal Audit Opinion Statement</p> <p>The committee received the interim Head of Internal Audit Opinion Statement and noted that as of today, a Moderate Assurance opinion for 2017/18 is anticipated. Mr. Thomas advised members that this was an improved position on last year's Moderate Assurance opinion, acknowledging the progress that has been made over the last year, particularly in developing the Trust Risk Strategy and Board Assurance Framework and the improvement in the completion of agreed actions on follow up.</p> <p>It was now important for the Trust to continue to embed the BAF and its use across the Board and Sub Committees.</p> <p>With respect to particular 2017/18 Internal Audit reports which identified high risk areas, it is acknowledged that whilst the operational risk management audit highlighted some weaknesses, an action plan was produced and the high risk actions have subsequently been implemented. Likewise, the GDPR audit indicated a number of high risk actions and on follow up it is noted that good progress has been made towards addressing these risks.</p> <p>The report reiterates the significant improvement overall in the rate of completion of recommended actions on follow up.</p> <p>Mr. Thomas confirmed that 360 Assurance had recently been reviewed by CIPFA against the Public Sector Internal Audit Standards and all requirements have been made, with just one area requiring action.</p> <p>He reaffirmed to members that this is an improved Moderate Opinion statement on last year's position.</p> <p>The Chair thanked Mr. Thomas for the Interim Statement, and whilst acknowledging that the opinion falls short of the Committee's objective of a Significant Assurance opinion, the good progress made during the year is noted. It was agreed that the identification of key areas for improvement was helpful and would be areas of focus for the Trust during the coming year.</p>	
08/04/18	<p>360 Assurance Final Internal Audit Plan 2018/19</p> <p>The committee received the final version of 2018/19 Internal Audit Plan, noting that this had been updated to reflect discussion at the Committee's January meeting.</p> <p>Ms. Mackenzie advised that, per previous agreement, the Culture Audit currently remains in the plan and it is intended to scope out this audit and present this at a later date for the committee's consideration.</p> <p>Following brief discussion it was agreed that this audit would remain in the 2018/19 plan and that the committee looked forward to receiving the potential audit scope for consideration at a later date.</p> <p>The committee formally approved the Internal Audit Plan 2018/19.</p>	
09/04/18	<p>Counter Fraud, Bribery & Corruption Progress Report</p> <p>Members received and noted the progress report from the Local Counter Fraud Specialist.</p> <p>In Mr. Purseglove's absence, Mr. Thomas advised that the report incorporates</p>	

	<p>the outcome of the Self Review Tool (SRT) and members were pleased to note the continued overall “green” rating. It was confirmed that this outcome has been submitted to the NHS Counter Fraud Agency. The two areas rated “amber” within the self-assessment are in progress and it is anticipated these would be reported as “green” for next year’s exercise.</p> <p>Members noted the progress report and self-assessment review, and were duly assured regarding the rigour of the Trust’s counter fraud arrangements.</p>	
<p>10/04/18 11/04/18</p>	<p>Counter Fraud, Bribery & Corruption Work Plan 2018/19 Counter Fraud, Bribery & Corruption Draft Fraud Risk Assessment</p> <p>It was agreed that these two items would be taken together.</p> <p>The committee received the proposed Counter Fraud, Bribery & Corruption work plan for 2018/19 and it was confirmed that the plan is based on a risk assessment undertaken by Mr. Purseglove, as well as discussion with the Director and Deputy Director of Finance, and incorporates both locally identified areas of risk as well as those identified nationally.</p> <p>It was noted that the proposed plan is based on the same resources as last year, with agreement that should additional resources be required for “hold to account” investigations then this will be raised in the appropriate manner and agreement reached on the way forward.</p> <p>It was agreed that the continued pro-active work counter fraud within the Trust is key to ensuring that the message is received by staff and that consideration will be given to sharing key outcomes of recent fraud investigations (albeit in summary/abridged format) to reinforce and emphasise potential areas of fraud.</p> <p>On behalf of the committee, the Chair confirmed the high level of assurance in respect of the Trust’s counter fraud arrangements and awareness of counter fraud within the Trust.</p> <p>Noting discussion regarding the recent risk assessment process, the outcome of which is accurately reflected in the plan, members were pleased to approve the 2018/19 plan.</p>	
External Audit		
<p>12/04/18</p>	<p>KPMG External Audit Progress Report</p> <p>Members noted receipt of the KPMG External Audit progress report which Mr. Khangura explained provides an overview of their work to date in respect of the 2017/18 external audit process.</p> <p>It was confirmed that the interim work in respect of the financial statements has been completed and Mr. Khangura confirmed that the external audit team received strong assurance in respect of the necessary controls. It was noted that two control deficiencies had been identified as part of the testing and, whilst not significant, these will be addressed in further detail as part of the final report. These related to General Ledger password complexity and the presence of signed contracts with key commissioners.</p> <p>The external audit team are in the process of obtaining data in order to undertake the testing for the Quality Accounts work and the report confirms that the key indicators are:</p> <ul style="list-style-type: none"> • Early Intervention in Psychosis • Improving Access to Psychological Therapies (IAPT) 	

	<ul style="list-style-type: none"> • Mortality <p>With regard to the value for money audit conclusion, Mr. Khangura confirmed that this work centres on the financial position, with the key risk area for review being the delivery of CIPs, which he confirmed has once again been identified as a sector wide risk.</p> <p>Mr. Khangura advised the committee that he was pleased with progress to date and that the work was on schedule to deliver their opinion and conclusion at the next Audit Committee meeting in May.</p> <p>In response to a query from Ms. Blake regarding the control deficiencies identified, Mr. Sabin confirmed that the password complexity issue is being followed up to ensure that the internal system password rules comply with external audit requirements. He also advised that, following internal action, there has been a vast improvement in the sign off processes for 2018/19 contracts with key commissioners, noting that this was also a key area identified during last year's audit processes, and the majority of contracts now signed (or signed letters of intent on file) and logged with the Contracting Department.</p> <p>Mr. Easthope acknowledged the work that had been undertaken during the last year to improve the position in respect of the availability of signed contracts with key commissioners, and advised that it is highly unlikely that the Trust will ever be in a position to have everything signed off at the start of any financial year due to the nature of the process. However, he accepted that it is about ensuring that the majority of contracts are signed off and then managing any risk and ensuring over-riding controls are in place.</p> <p>The Chair acknowledged the level of assurance provided to the committee in respect of the action taken to address these two control deficiencies and the improved position regarding signed contracts.</p> <p>Members noted receipt of the KPMG Technical Update.</p>	
Financial Statements & Annual Report		
<p>Dr. Mike Hunter, Executive Medical Director, and Ms. Tania Baxter, Head of Clinical Governance joined the meeting and it was agreed that the agenda would be taken out of sequence and item 15 taken at this point.</p>		
<p>15/04/18</p>	<p>Draft Quality Account</p> <p>Members noted receipt of the current draft of the 2017/18 Quality Account which it was confirmed had been received at the most recent meeting of the Quality Assurance Committee for review.</p> <p>Dr. Hunter noted that the draft is still subject to the receipt of further end of year updates and to consultation with Healthwatch, the NHS Sheffield Clinical Commissioning Group and the Local Authority for comment.</p> <p>The committee were advised that, in accordance with the planned timetable, it was intended for the final Quality Account to be received at the Quality Assurance Committee on the 22nd May; Audit Committee on the 24th May and then for formal approval at the extra ordinary Board of Directors' meeting also on the 24th May.</p> <p>Ms Keene noted the good discussion held at Quality Assurance Committee earlier today regarding the current draft Quality Account, where substantive items were raised for further work, including raising the profile of service user</p>	

	<p>experience within the document; ensuring a clearer presentation of next year's quality objectives with the CCG and reinforcing the social care dimensions of the work undertaken by the Trust.</p> <p>In response to a suggestion from the Chair regarding the inclusion of a commitment to continue monitoring the recent CMHT service reconfiguration changes within the section outlining quality objective 1 and "How will we keep moving forward?", where reference to access to services is made, Dr. Hunter confirmed that at this morning's Quality Assurance Committee it was agreed that a whole refresh of the Quality & Safety Dashboard would be undertaken by the end of Quarter 2 of the year and that this refresh will look to build on some of the areas which reflect on the safety domain, including access etc.</p> <p>It was also suggested that the heading in the Primary Care Services section on page 36 be amended to reflect the full scope of Primary Care Services, rather than just the Clover Group.</p> <p>Dr. Hunter confirmed that comments would be welcome from committee members on the current draft through email. He advised that comments at Quality Assurance Committee and Audit Committee would be incorporated into the final version. It was noted that External Audit had commenced their work on the audit of quality indicators and that the results of this work and final comments will be incorporated into the final version received at the May meeting.</p> <p>The Chair thanked all those involved in drawing up the draft Quality Account to date.</p> <p>Ms. Baxter left the meeting at this point.</p>	
<p>13/04/18</p>	<p>Draft Annual Report 2017/18 & Related Issues</p> <p>Ms. Saunders presented the current draft 2017/18 Annual Report, noting that feedback received to date had been incorporated into this version. She also confirmed that a further draft would be received at the Board of Directors' meeting on the 9th May.</p> <p>She confirmed that comments would be welcome from committee members on the current draft through email and Mr. Thomas noted that he had a number of comments to make on the current draft and that he would email detail of these to Ms. Saunders.</p> <p>Members agreed to provide any comment through email to Ms. Saunders.</p> <p>The Chair thanked everyone for their work on this document to date.</p>	
<p>14/04/18</p>	<p>Draft Annual Accounts 2017/18; Remuneration Report; Financial Disclosures & Analytical Review</p> <p>Members received the draft 2017/18 Annual Accounts, Remuneration Report; Financial Disclosures and Analytical Review which had been tabled at the meeting. Mr. Sabin confirmed that these documents had all been drawn up pre-confirmation of the NHSi £ for £ and bonus payment.</p> <p>Mr. Sabin advised that these documents have subsequently been revised following confirmation from NHSi of the £ for £ and bonus payment late on Friday evening. These revised documents have been placed in the committee's shared google drive in a separate folder to avoid confusion.</p> <p>The presentation of the draft Accounts follows the NHSi standard accounts template with the inclusion of a number of Trust specific issues which it is felt are</p>	

	<p>a helpful addition to the Accounts. He also advised that there has been a change to the mapping and classification of the Trust's expense under the services received note to reflect the expenditure type rather than the provider.</p> <p>Members were informed that the biggest impact has been in terms of the full estate revaluation which has resulted in a big difference to the over-arching numbers.</p> <p>The committee noted the presentational changes still to make to the draft Accounts and that a final audited version would be received at the Audit Committee meeting in May.</p> <p>At the suggestion of the Chair, the meeting reviewed the high level analytical review in detail particularly the changes resulting from the recent asset revaluation exercise.</p> <p>Mr. Easthope confirmed that other operating income variances are largely the result of disinvestments; the impairment which has been discussed previously as a result of the recent asset revaluation exercise which is linked to the material estimates paper; and the other recognised gains and losses are in respect of the South Yorkshire Pension Scheme.</p> <p>It was acknowledged that a key piece of information is the bridging analysis between forecast out-turn position and actual position. This will enable sense to be made of the changes against plan and ensure there is an understanding for assurances purposes. It is anticipated that this will be available in the next few weeks and will form part of the final March finance report.</p> <p>It was confirmed that in terms of the revised figures post-confirmation of £ for £ and NHSi bonus payments will be incorporated into the final set of Accounts received by the committee in May.</p> <p>The Chair acknowledged that it is ultimately about Board members understanding the bottom line figure and what that comprises; the movements throughout the year and how that compares to plan. Mr. Easthope confirmed that work is being undertaken to provide that understanding and assurance and it is anticipated that this will be taken back through the Finance & Investment Committee. Non-Executive Director members welcomed this approach to reviewing the forecasting since December.</p> <p>Members received and noted the draft Annual Accounts; Remuneration Report; Financial Disclosures and Analytical Review noting the comments made by both Mr. Sabin and Mr. Easthope in respect of the availability of revised documents post-confirmation of the NHSi £ for £ and bonus payments.</p> <p>Noting the tight deadlines associated with for the production of these documents, the Chair acknowledged the level of work and effort required to ensure these deadlines are met and thanked everyone for their input to date.</p>	
<p>16/04/18</p>	<p>Draft Annual Governance Statement</p> <p>Members received a further draft of the 2017/18 Annual Governance Statement and were assured that completion of the statement is on track.</p> <p>Ms. Saunders advised that the second section currently highlighted in yellow on the copy received by members has been added to reflect the recent Internal Audit report on Operational Risk Management.</p> <p>She invited members to comment on the current draft. It was confirmed that</p>	

	<p>once the final Head of Internal Audit Opinion Statement is received this will be incorporated into the final Annual Governance Statement.</p> <p>The Chair suggested that within Section 7 (Review of Effectiveness) further clarity could be provided in respect of the significant issues highlighted by Board committees and that these are in fact made through the production of a Significant Issues report to the Board of Directors.</p> <p>The final version of the statement will be received at the May meeting of the Audit Committee and Ms. Saunders advised members to email her any further comment prior to that meeting.</p>	
<p>17/04/18</p>	<p>Losses & Special Payments Full Year Report 2017/18</p> <p>Mr. Sabin presented this annual briefing paper on the losses and special payments made during the year 2017/18. He noted that this was provided for the Committee's attention and assurance in respect of internal controls and to ratify the level of losses and special payments made by the Trust during the period.</p> <p>Members were pleased to note the drop in the level of payments over recent years.</p> <p>A request was made to amend the presentation of the information within the graph on page 4, specifically the colours used, to ensure this information is clear in terms of what it is reflecting.</p> <p>In response to a query from Ms. Keene regarding potential litigation risk, Dr. Hunter confirmed that the Quality Assurance Committee have recently agreed to a piece of work being undertaken to consider the Trust's exposure to litigation risk and determine whether there is any correlation onto either patient or staff safety issues.</p> <p>It was confirmed that upon review there were no areas of concern regarding internal controls or trends identified.</p> <p>Members duly ratified this paper and agreed to continue receiving it on an annual basis.</p>	
<p>18/04/18</p>	<p>Material Estimates Paper (Property, Plant & Equipment) 2017/18</p> <p>Audit Committee members were asked to note and endorse the methodology utilised by the Trust in determining the carrying value of property, plant and equipment as at the 31st March 2018 and the valuation methodology adopted for provisions and other material estimates.</p> <p>Mr. Sabin confirmed that there had been no change to the valuation methodology adopted and as previously reported a full revaluation and asset life review of the estate has been undertaken during the year. He advised that the majority of the detail is contained within the primary draft accounts.</p> <p>Overall he confirmed that the bulk of the risk and material estimates have been assured via the full estate revaluation process and that there are no new material estimates that have been required within the 2017/18 Annual Accounts other than those of the on-going annual issue linked to the South Yorkshire Pension Scheme and the continued resolution of existing provisions.</p> <p>It was confirmed that this paper is reviewed as part of the year-end audit by KPMG to ensure that the assumptions made are correct.</p>	

	<p>Mr. Easthope stressed the importance and function of this document and the fact that should a change in any of the methodology be indicated then this is a key issue for members to follow up. This document by its nature provides a high level of assurance and any proposed change would have to be followed up to ensure the level of assurance provided has not been adversely affected. Omissions from the report subsequently identified at Audit would also be a significant source of negative assurance, as the items covered are significant by nature and where senior finance exercise professional judgement; omissions from the document could identify where senior finance staff are perhaps not been transparent and potentially manipulating the overall position.</p> <p>Following a query from the Chair, Mr. Sabin confirmed that despite the intention to dispose of Fulwood House in the near future, the property was included in the recent estates revaluation although the asset life has been shortened.</p> <p>Following consideration of the paper, members were happy to endorse the methodology utilised by the Trust in determining the carrying value of property, plant and equipment as at the 31st March 2018 and the valuation methodology adopted for provisions and other material estimates.</p>	
Whistleblowing		
<p>19/04/18</p>	<p>Whistleblowing Annual Report</p> <p>Members noted receipt of the Whistleblowing Annual Report from Mr. Clarke, which was presented for information and update.</p> <p>Mr. Clarke explained that the report provides an overview of the concerns raised through the Freedom to Speak Up Guardian (FTSUG), including themes, actions and learning. It was noted that whilst the role of the FTSUG is relatively new, it is continuing to develop both from a national and local perspective. In light of this developing role, Mr. Clarke advised that one of the requests is that the report continues to be developed in terms of content. At the present time there is no standard format and the Trust's FTSUG, Wendy Fowler, is currently talking with her counterparts around the region regarding report content and format.</p> <p>The report included a summary of the types of concerns raised to the FTSUG, together with an indication of the action taken.</p> <p>Mr. Clarke advised that the Trust Chair, Jayne Brown, had expressed an interest in being the FTSU Champion on the Board of Directors. It was agreed that this would be discussed outside of the meeting to determine whether there is any potential conflict of interest.</p> <p>The FTSUG has also been linked into the Trust's patient safety portfolio and she meets with the Director of Patient Safety, Anita Winter, on a regular basis. Arrangements have also been made for her to have regular meetings with the Chief Executive.</p> <p>It was confirmed that a recommendation to Council of Governors has been made for the replacement Senior Independent Director (SID) following Mervyn Thomas' departure. It is proposed that this role is undertaken by Richard Mills.</p> <p>Some confusion was expressed regarding the title and content of the report, as the focus appeared to be on FTSU issues, and it was questioned whether there were other whistleblowing avenues within the organisation which should be reflected within this report.</p> <p>Mr. Clarke acknowledged that there were other whistleblowing mechanisms</p>	<p>CC</p>

	<p>within the Trust as well as Trust policies and procedures which this report should compliment.</p> <p>Following discussion regarding the content of the report, it was agreed that the title of the paper in that it needed to reflect the fact that the report was an overview of the work of the FTSUG and is not a reflection of all the whistleblowing mechanisms within the Trust.</p> <p>It was agreed that the purpose of the report coming the Audit Committee is to provide assurance on the independence of any review in the process. Therefore, whilst it isn't expected to highlight all "normal business" events that have been escalated but anything that has resulted in an investigation and/or action and be assured that there was some independence in the process.</p> <p>In terms of the content of the report, members felt it was a positive step forward and particularly welcomed the 6 monthly follow ups that have been introduced. In terms of general comment, it was suggested that consideration be given to providing a further breakdown of concerns raised as it was felt that 18 concerns in respect of patient safety/quality could cover a multitude of events and that perhaps further analysis of this would be helpful and provide a much better basis to ensure that appropriate action has been taken and followed through. It is also important to ensure an assurance can be given that the correct links are being made for any patient safety or quality issue to be referred through the appropriate channels.</p> <p>Mr. Clarke noted that as part of the initial revision of the processes following the first few months of this post, consideration has been given to ensuring that assurance is received by the Executive Directors' Group regarding the appropriate consideration of any issue raised and that EDG can give that assurance into Board. It is also the intention to report back on a more frequent basis (perhaps 6 monthly) on the issues raised and the response/action taken.</p> <p>On behalf of the committee, the Chair noted receipt of the report of the FTSUG, rather than the Whistleblowing Annual Report. She reiterated that this committee's remit is to ensure that the Trust has adequate processes (including an element of independent review) in place in respect of whistleblowing, as well as promoting a culture which supports people and encourages them to speak out.</p> <p>It was agreed that the report received at today's meeting should be retitled to accurately reflect its content and reflect some of the other comments made today, and then received at the Board of Directors' meeting in due course.</p> <p>It was agreed that the role of the FTSUG needs to be considered within the overall whistleblowing process within the Trust and ensure that there is clear triangulation between all such processes.</p> <p>Agreed that in terms of next steps, an amended report would be received at the Board of Directors meeting in due course and that a further paper should be received at Audit Committee (date to be determined) as we develop the whistleblowing approaches to the policy.</p> <p>The Chair expressed her thanks to Wendy Fowler for the report.</p>	<p>CC Agenda</p>
Corporate Governance		
<p>20/04/18</p>	<p>Audit Committee Self-Assessment Questionnaire Outcome Members acknowledged receipt of the recent Audit Committee self-assessment</p>	

	<p>process, noting that key objective areas have been identified for the coming year.</p> <p>Following brief discussion it was agreed that this item would be received again at the committee in July for further consideration regarding the outcome and any areas for further attention.</p> <p>The Chair thanked everyone for completing the questionnaire.</p>	July
21/04/18	<p>Draft Audit Committee Annual Report Members noted receipt of the draft Audit Committee Annual Report and Ms. Saunders confirmed that she would be pleased to receive any comments and/or amendments.</p> <p>Following the earlier discussion regarding whistleblowing, Mr. Easthope suggested that it may be worth considering whether that discussion should be reflected in the report regarding the committee's whistleblowing remit and whether that discussion has enabled that remit to be met for this year.</p> <p>In response to a question from Dr. Hunter, the Chair confirmed that it is the expectation that all Board committees will provide an annual report into the May Audit Committee meeting in order that this committee can provide the relevant assurance into Board that it has fulfilled its remit.</p> <p>It was noted that minor amendments were required in respect of the membership tables within the document and Ms. Saunders confirmed that these were an element that still required updating.</p> <p>It was confirmed that the final version of the Audit Committee Annual Report would be received at the May Audit Committee meeting.</p>	MS
22/04/18	<p>360 Assurance Internal Audit Report – Conflict of Interests (Update on Actions) Members acknowledged receipt of and were duly assured by the update provided on the progress against actions agreed following the recent 360 Assurance internal audit on the Trust's conflict of interests process. Ms. Saunders reaffirmed that all agreed actions have been completed.</p>	
23/04/18	<p>360 Assurance Internal Audit Report – Operational Risk Management Members acknowledged receipt of the update provided on the progress against actions agreed following the recent 360 Assurance internal audit on the Trust's operational risk management process. It was noted that this audit provided a limited assurance.</p> <p>Ms. Saunders confirmed that the two high risks identified as a result of the audit have now been completed and it is anticipated that all outstanding action on the remaining medium risks will be complete by 30th June.</p> <p>Ms. Mackenzie confirmed that a follow up audit would be undertaken early July.</p>	
24/04/18	<p>Register of Interests and Register of Hospitality, Sponsorship & Gifts – Confirmation Members noted, for assurance, receipt of the completed Register of Interests and Register of Hospitality, Sponsorship and Gifts.</p> <p>The Chair requested that future iterations of the register clearly identifies where an officer has left the Trust.</p>	

Internal Control & Risk Management

<p>26/04/18</p>	<p>Corporate Risk Register Members acknowledged receipt of the Corporate Risk Register, which was reviewed. It was noted that four new risks had been added to the Register.</p> <p>There was general discussion regarding the static nature of the rating of some of the risks and questions raised regarding the potential that this could be an indication that some of the controls were not providing adequate mitigation. Of particular concern were those risks relating to safety. Ms. Saunders confirmed that these risks were discussed at a recent EDG meeting where consideration was given to reducing the risk rating and consequently returning them to the Directorate level registers. Ultimately it was determined that the rating should not be de-escalated at this point in time.</p> <p>Ms. Saunders also noted that following discussion at the Quality Assurance Committee, particularly in respect of risk 3322 (Risk to quality of care and patient safety during anticipated major service change throughout 2017/18), it is suggested that this risk now be reviewed and potentially redefined given that the reconfiguration is complete and that there may be the potential for elements of this risk to be consumed within the new risks on the registers. It is important that the register accurately reflects the actual risk. Quality Assurance Committee have also requested that risk 3788 (Breach of EMSA) be reviewed.</p> <p>It was noted that further discussion, including risk appetite, should take place in a future Risk/BAF refresh Board development session which was being scheduled for the coming months.</p>	<p>MS/ CC</p>
<p>25/04/18</p>	<p>Board Assurance Framework Members acknowledged receipt of the Board Assurance Framework for review.</p> <p>NED members noted that a number of risks on the BAF have been closed and questioned the process for agreeing removal of risks from the BAF. Discussion followed regarding this process. An assurance was given that this action was taken following the receipt of evidence at EDG to enable the removal, the justification for which is provided within the executive summary to this paper. However, it was noted that due to timing delays in the receipt of information at Board, this evidence had not yet been received at Board and it was requested that risks removed should be re-instated until such time as this evidence and agreement for removal is reached at the Board of Directors. Alternatively, it was acknowledged that Board members may decide that certain of these items are such that they wish them to remain on the BAF and continue to receive reassurance regarding their management.</p> <p>It was agreed that items A104i and A303 should be reinstated on the current BAF until such time that Board have received sufficient evidence and reassurance regarding these items.</p> <p>Ms. Saunders suggested that in terms of providing the assurance to Board regarding the removal of items, that the executive summary is amended to accurately reflect the basis for removing any item from the BAF and that an additional piece of information is linked into the BAF to reflect the evidence used to make the decision to remove.</p> <p>It was also suggested that in future, the summary of all changes should include the risk rating for the risks concerned to aid members' consideration of the paper.</p>	<p>MS</p>

	<p>A query was raised regarding item A304, which has been removed from the BAF. Mr. Clarke advised that he believed that this item related specifically to the Crisis House provision and following the recent successful award of the Crisis House contract, it was agreed that this item was appropriate to be removed.</p> <p>The Committee were assured regarding the improving level of engagement and interrogation of the Board Assurance Framework at sub-committee level.</p>	MS
Other		
27/04/18	<p>i. Evaluation of Meeting The Committee reviewed the meeting, providing confirmation of:</p> <p>a. <u>Significant Issues to report to the Board of Directors</u></p> <ul style="list-style-type: none"> • Head of Internal Audit Interim Opinion Report • 360 Assurance Final Audit Plan 2018/19 • Counter Fraud, Bribery & Corruption Work Plan 2018/19 • Counter Fraud, Bribery & Corruption Self-Assessment Outcome (green rating overall) • Internal Audit Reports – Internal Monitoring Tracker (improvement on completion of follow up actions) • Draft 2017/18 Quality Account • Draft 2017/18 Annual Governance Statement • Review of the BAF & Corporate Risk Register • Register of Interests and Register of Hospitality, Sponsorship & Gifts – Confirmation of Exercise <p>b. <u>Changes in Level of Assurance</u> Bearing in mind the above discussion, it was agreed that there should be no changes to the level of assurance or risk.</p> <p>c. <u>Agreed Actions</u> To be confirmed via Action Log.</p> <p>ii. Review of Future Meeting Agenda To be undertaken by the Chair and Mr. Easthope outside of the meeting.</p>	
28/04/18	<p>Any Other Business None.</p>	
29/04/18	<p>Date, Time & Venue of Next Meeting Thursday, 24 May 2018 1.00 p.m. Rivelin Board Room, Fulwood House</p>	

AS/jch/April 2018 (Approved AS/PE)
Approved AC May 2018