

## Annual Report of the Audit Committee

### Board Meeting 26 May 2022

<b>Presented for:</b>	Assurance
<b>Presented by:</b>	Suzanne Clark, Audit Committee Chair
<b>Author:</b>	Suzanne Clark, Audit Committee Chair Jo Bray, Company Secretary
<b>Previous Committees:</b>	Audit Committee 5 May 2022

<b>Trust Goals</b>	
The best for patient safety, quality and experience	✓
The best place to work	✓
A centre for excellence for research, education and innovation	✓
Seamless integrated care across organisational boundaries	✓
Financial sustainability	✓

<b>Trust Risks (Type &amp; Category)</b> <a href="http://flipbooks.leedsth.nhs.uk/20210225001/">http://flipbooks.leedsth.nhs.uk/20210225001/</a>				
<b>Level 1 Risk</b>	<b>(✓)</b>	<b>Level 2 Risks</b>	<b>(Risk Appetite Scale)</b>	<b>Risk</b>
Workforce Risk	✓	Workforce Supply	Cautious	↔ (same)
		Workforce Deployment	Cautious	↔ (same)
		Workforce Retention	Cautious	↔ (same)
		Workforce Performance	Cautious	↔ (same)
Operational Risk	✓	Business Continuity	Cautious	↔ (same)
		Change Risk	Cautious	↔ (same)
		Health & Safety	Minimal	↔ (same)
		Information Governance	Cautious	↔ (same)
		Information Security	Cautious	↔ (same)
		Information Technology	Cautious	↔ (same)
		Physical Asset	Cautious	↔ (same)
Clinical Risk	✓	Capacity Planning	Cautious	↔ (same)
		Infection Prevention & Control	Minimal	↔ (same)
		Patient Experience	Minimal	↔ (same)
		Patient Safety & Outcome	Minimal	↔ (same)
		Research, Innovation & Development	Cautious	↔ (same)
Financial Risk	✓	Counter-Fraud	Averse	↔ (same)
		Financial Management & Waste Reduction	Cautious	↔ (same)
		Financial Reporting	Minimal	↔ (same)
		Revenue Funding & Liquidity	Cautious	↔ (same)
		Supply Chain	Open	↔ (same)
External Risk	✓	Legal & Governance	Averse	↔ (same)
		Partnership working	Open	↔ (same)
		Regulatory	Averse	↔ (same)
		Strategic Planning	Cautious	↔ (same)

<b>Key points;</b>	
<p><b>Terms of Reference</b> The Committee Chair, along with the Committee has reviewed the Terms of Reference (ToR) on a line by line basis, to ensure that the Committee is fit for purpose and carries out its duties as delegated by the Board of Directors.</p> <p>The Committee has discharged its duties in line with the ToR subject to the following amendments set out in Appendix 6 (shown in track changes).</p>	Assurance
<p><b>Reporting Requirements</b> The Terms of Reference for the Audit Committee state will report annually on the delivery of its work programme to support the Annual Governance Statement and financial reporting. The Committee is required to specifically report on:</p> <ul style="list-style-type: none"> <li>• The adequacy and effectiveness of the Trust’s framework of governance, risk management and control (i.e. the Trust’s system of internal controls). Including the Board Assurance Framework and Corporate Risk Register (CRR);</li> <li>• Oversight of the External Auditor and financial reporting process including disclosures; and</li> <li>• Oversight of the Internal Audit function.</li> <li>• Oversight of Counter Fraud, Bribery and Corruption.</li> </ul> <p>We have reported against the reporting requirements in the amended Terms of Reference.</p>	Assurance
<p><b>Work Plans</b> The Board of Directors approved the Committees Work Plan for 2021/22, Appendix 5 and reports assurance against items received during the year, (or stating where it cannot provide assurance).</p> <p>The Committee sets out its draft Work Plan for the coming year in Appendix 4, seeking approval from the Board.</p>	Assurance

## 1. Purpose

The purpose of this paper is to provide assurance to the Board that the Audit Committee has discharged its duties in accordance with its Terms of Reference, completed its Work Plan for 2021/22 and delivered against the defined objectives, and sets out the proposed Work Plan for 2022/23.

## 2. Committee Membership

Suzanne Clark was the Audit Committee Chair throughout the period. During 2021/22, the Audit Committee met formally on five occasions. All meetings were quorate.

Tricia Storey-Hart stepped down as a Non-Executive Director (NED) to the Trust in April 2021. She was replaced on the Audit Committee by Professor Laura Stroud, in her role as Chair of the Quality Assurance Committee, who attended her first meeting on 6 May

2021. John Williams also stepped down as an Associate Non-Executive Director (NED) to the Trust in November 2021.

Georgina Mitchell attended her first meeting on the 9 September 2021. All members attended in excess of 75% of the meetings. When Committee members were unable to attend the full meeting, the Chair of the Committee accommodated the agenda to ensure that the Committee was quorate for all decisions and scrutiny. Given that the meeting on 9 September 2021 was Georgina Mitchell's first meeting the Chair of the Committee invited Chris Schofield, NED, Senior Independent Director and former Chair of the Audit Committee to attend the meeting to ensure that continuity was retained throughout the discussion. The Chair of the Committee also asked Chris Schofield to attend the meeting on 3 March 2022 to ensure that continuity was retained throughout the discussion as Jas Narang had to leave the meetings intermittently to address matters in his substantive role.

The Chair of the Audit Committee observed the monthly Risk Management Committee for assurance, and triangulation but also to prevent duplication within the Committee.

### **3. Committee Effectiveness**

The Committee has been effective during the year, with assurance and information from the Committee flowing to the Board via verbal and a written Chairs report. Full minutes are received in the Blue Box at the Board Workshop.

At the 2 December 2021 meeting, the results of the Committee's self-assessment were reviewed and an action plan developed. The assessment covered five aspects: Creating an Effective Audit Committee, Running an Effective Audit Committee, Overseeing Financial Reporting, Overseeing Governance, Risk Management, Internal Control and Value for Money, and Overseeing External Audit and Internal Audit. The results were positive with respondents believing the Audit Committee had the necessary skills to execute its role, an appropriate understanding of the Trust and had also benchmarked the Committee's performance against its peers. Respondents were satisfied with the Committee's annual report and its Work Plan. The respondents were also satisfied with the mechanisms for overseeing the financial statements (including External Audit), the Annual Governance Statement and Internal Audit.

Areas for improvement were highlighted as:

- The ongoing training and development for Committee meeting particularly given the changes to the membership during the year;
- Improving the quality of certain papers, which has been communicated to authors; and
- Maturing and embedding the risk appetite work.

In addition, AQUA's review of the Committee found the Committee to have an appropriate standing in the Trust, to be supportive of the work across the Trust on risk appetite, stating the deep dives to be "impressive" and noted the strong connectivity with the Trust's other committees. The review suggested:

- Ensuring the deep dives were focussed controls and mitigations,
- Soliciting a greater participation from the auditors,
- Ensuring Internal Audit work does not fall behind plan; and
- Encouraging more challenge from the Committee members in addition to the Chair.

During 2021/22 the Committee Chair attended Audit Committee meeting at Surrey Heathland CCG, Imperial College and Newcastle upon Tyne Hospitals NHS Foundation Trust to learn from others. As a result, the following improvements were implemented.

- The WYAAT risk register was expanded to include risks facing WYAAT as a result of the ICS introduction.
- The documentation of changes to the Internal Audit plan was enhanced, a contingency allowance was added to Internal Audit's budget and thought leadership was added to Internal Audit's report.
- The formats of the revised CRR and the BAF applied aspects of best practice observed at other Trusts.
- New reporting of Single Tender Waivers which provided a more depth analysis of their use was adopted.

In addition, strong relationships were built with these other organisations, particularly with Imperial College.

Based on these pieces of work the Chair of the Committee believes the Committee has operated effectively during the period and areas for improvements have been included in the Committee's 2022/23 objectives shown in Appendix 3.

#### **4. Delivery Against Terms of Reference**

The Committee has complied with its Terms of References. See Appendix 1 for the line by line assessment.

#### **5. Amendments to Terms of Reference**

A number of minor changes to the Terms of Reference and the rationale for these are shown in Appendix 6. These are to recognise the Innovation District Committee and to correct typographical errors, and moving forward to reflect the membership of the newly appointed Associate NED Mark Burton.

#### **6. Committee Objectives**

The Committee's delivered all its 2021/22 objectives shown in Appendix 2 with the exception of finalising the new BAF with the Board (which was planned for the 10 March 2022 Board time out but was deferred due to illness and Covid). In the December 2021 survey of Audit Committee members all NED were satisfied with the progress made with the Committee's objectives.

The Committee has also identified a number of areas of improvement and specific tasks for 2022/23 and these are detailed in the Committee's proposed objectives for 2022/23 shown in Appendix 3.

#### **7. Work Plan 2021/22**

##### **Assurance of delivery of work plan**

The Audit Committee has a well-established 'Work Plan & Calendar of Key Events' which sets out its annual cycle of work and reporting. This is kept under regular review and often updated. Prior to each meeting the Chair formally reviews the planned agenda separately with both the Director of Finance and Chief Internal Auditor. The Committee has a standing agenda item to ask all members towards closing the meeting if there are any issues they wish to escalate to the Board, other Committees (including Risk Management Committee) or CRR from any information they have received and discussed during the meeting. The approach to assurance for each of the key areas is laid out below.

**I. The adequacy and effectiveness of the Trust’s framework of governance, risk management and control (i.e. the Trust’s system of internal controls). Including the Board Assurance Framework and Corporate Risk Register.**

Governance - The Audit Committee has invited the other Board assurance and management Committees to provide their Annual Reports for 2021/22 and their Chairs to attend its meeting on 5 May 2021 to discuss these. Reports will be received from:

Finance & Performance Committee	Gillian Taylor
Quality Assurance Committee	Laura Stroud
DIT Committee	Jas Narang
Workforce Committee	Tom Keeney
Building Development Committee	Bob Simpson
Risk Management Committee (management)	Julian Hartley
Research & Innovation Committee (management)	Dr Phil Wood
Business Innovation District	Linda Pollard

These reports were deferred from the planned 3 March 2022 due to operational pressures.

In addition, the Trust Chair holds regular meetings of the Chairs of all Trust Board Committees to discuss governance arrangements and their implementation and efficiency.

The members of the Committee also report back on their other sources of assurance; membership of other Board Committees, Chairing consultant interviews, attendance at other Board Committees and attending NHS leadership events for briefings. The programme of virtual ward visits that enables the triangulation of “ward to Board”. Committee members have also attended other virtual meetings (formal, informal, coffee morning style) such as HR lead Health and Wellbeing, BAME networks, weekly tactical operational update, Report Outs, Staff thank you’s and awards to name a few) to ensure that contact with hospital was retained despite COVID restrictions.

The BAF was updated during the year to set out the key strategic risks to achieving the Trust’s objectives and linking this to the refreshed Risk Management Framework and supporting risk categories. The Corporate Risk Register (CRR) is a blue box item for all meetings and is referred to as required.

During December 2021 NHSE issued guidance for Trusts to ‘ease the burden of management’ in keeping with previous directives for Trusts to consider Board and Committee reporting in preparation for the operational pressures of the Omicron variant of Covid-19. The Trust maintained all Board and Committee meetings with the exception of streamlining the performance activities reports to the January meeting and revising the focus for reset and recovery for future meetings through to Q1 of 2022/23.

The Committee will review the PwC “Managing Risk in the NHS” report to assess if there were any potential omissions from the BAF or Corporate Risk Register and will consider the reasonableness of the Trust’s risk scores in comparison to the report.

Following the refreshed Risk Management Framework and supporting risk categories we have encouraged Board and all Committee papers to adopt the revised format articulating the risks being considered and how the information in the paper indicates any move towards

or away from operating within risk appetite. We have also reviewed the BAF to align this to the new Risk Management Framework.

The Committee reviewed the draft Annual Governance Statement (AGS) at its meeting on 28 May 2021, which incorporated the Committee's feedback and was presented to the Board for endorsement as the statement of internal control and was published within in the Annual Report and Accounts. The 2021/22 AGS is planned to be reviewed on 3 May 2022.

Risk Management – See section 9.

Internal Controls – See section 10.

## **II. Oversight of the external auditor and financial reporting process including disclosures**

Due to COVID the external auditor completed a significant part of their yearend work remotely. Mazars presented their Audit Completion report for 2020/21 to 28 May 2021, Audit Committee, meeting. Their work over the significant risks of management override of controls, revenue recognition, the valuation of land and buildings and the Building the Leeds Way Capital project concluded that there were no material issues to bring to the Committee's attention. Their report indicated a material valuation uncertainty in respect of stock which was reflected in an emphasis of matter paragraph in the Auditor's report.

The Committee reviewed the draft accounts and annual report at the 28 May 2021, Audit Committee meeting and with the agreement of members, made a recommendation to the Board meeting.

In respect of the 2021/22 accounts, the Committee reviewed a management's assessment that no changes were required to the accounting policies and practices at its 2 December 2021 meeting.

At the 3 March 2022 meeting, the Committee reviewed the External Auditor's 2021/22 work plan outlined in the Strategy Memorandum. This included discussion of the key risk and judgments associated with Management override of controls, the recognition of revenue and expenditure (noting the focus on expenditure of the first time), the valuation of land and buildings, preparations for IFRS 16 leases (note its focus for the first time) and the Building the Leeds Way Capital project.

The Committee reviewed the ongoing appropriateness of the adoption of St. James's as the single site for estate valuation purposes on 3 March 2022 which was attended by Cushman and Wakefield (the Trust's external valuers). Any emerging issues will be considered prior to approval of the 2021/22 accounts. The Committee made a recommendation to the Board which was supported at the 31 March 2022 meeting to retain the same approach for the single site valuation.

The Committee received training on the implementation of IFRS16 for Leases across the NHS at its meeting on the 2 December 2021 to assist members in their oversight of the required disclosures for the 2021/22 accounts.

The Committee will consider the draft Annual Report and Accounts for 2021/22 in May 2022.

The Audit Committee reviewed the performance of the External Auditors at its meeting on 9 September 2021 and considers it to be satisfactory. The Financial Reporting Council (FRC) is undertaking a review of Mazar's audit of the Trust as part of their major local audit quality inspection review.

The Committee reviewed the External Auditor's arrangements to ensure their independence and confirmed this to be the case.

### **III. Oversight of Internal Audit function.**

The Internal Audit function is governed by a Charter which was last reviewed in May 2021. The function is co-sourced with PwC and lead by the Chief Internal Auditor. The Chief Internal Auditor reports functionally to the Audit Committee and administratively to the Director of Finance. The Chief Internal Auditor is well respected and has appropriate standing in the Trust.

The Audit Committee reviewed the performance of the Internal Auditors in 2021/22 and considers it to be satisfactory. The Committee approved the reappointment of PwC as the Internal Audit co-source partner following a competitive tender process.

In addition to reviewing the outcomes of reports, mentioned above the Committee receives regular report progress with the agreed plan of work. The Internal Audit function sets out its plan of work at the start of the year. There were a number of changes to the agreed plan which were discussed at the Committee. These were: the replacement of the Stakeholder Engagements and Partnership audit by the Sustainability review audit, the replacement of the Incident Reporting – Datix system audit by the Five Year Financial Plan audit and the replacement of the 2<sup>nd</sup> CSU Ward visits audit with the High-Level no-pay cost inflation audit. The 2021/22 plan indicated that there were sufficient resources to complete the planned work. The Chief Internal Auditor confirmed that audit work was subject to PwC's quality assurance procedures which had not identified any concerns.

### **IV. Oversight of Counter Fraud, Bribery and Corruption controls**

The Audit Committee received and considered the annual Counter Fraud, Bribery and Corruption work plan and regular progress reports. These reports were discussed with the Counter Fraud Specialist in attendance.

The annual Counter Fraud, Bribery and Corruption report was reviewed at the 6 May 2021 meeting which included an annual presentation on "Fraud Risk Areas" and general discussion on the prevention of Fraud, Bribery and Corruption across the Trust.

### **8. Other Issues Addressed by the Committee in Year**

The Audit Committee reviewed the arrangements for ensuring that the Trust's policies are regularly reviewed and we pleased to note the establishment of the Policy and Procedure Review Group to strengthen controls in this area.

The Audit Committee has reviewed the use of Single Tender Waivers and is satisfied that their use is appropriate. The Committee also reviewed the use of Chairs Action where for

urgent actions, given the Chair's role in the approval process this discussion was led by another member of the Committee and their use was found to be appropriate.

## 9. Risk Management

The Chair of the Audit Committee regularly observed the Trust's monthly Risk Management Committee (RMC) where strategic and operational risks are considered by the Trust's Senior Management, together with Clinical and Corporate Service Unit leaders. This enabled me to observe, test and report back to the Committee on the Trust's approach to risk management and the culture around risk in the Trust.

During 2021/22, the Committee commenced its programme of deep dives into each of Level 2 Risks <http://flipbooks.leedsth.nhs.uk/20210225001/>. A summary of key observations on each Level 2 risks are shown in Appendix 7. Due to operational pressures the reviews of four risks were deferred to May 2022. The Committee also continued to monitor closely the evolution of risks in relation to the pandemic (including in relation to NHS Nightingale Hospital Yorkshire and the Humber, the regional Nightingale Surge Hub and the Vaccination programme) and the Building the Leeds Way project.

## 10. Internal Control Environment

The Committee reviewed the Internal Audit strategy, annual plan and detailed programme of work for 2021/22 on 6 May 2021. The Internal Audit plan embraced operational as well as financial and business areas.

The Committee has reviewed progress against the plan throughout the year. Where Internal Audit identified reports of particular importance between meetings the Chair has been made aware. The Committee reviewed in detail findings of all High Risk reports and, in each case, management were asked for a specific written response to Internal Audit reports. Responsible managers were also asked to attend the Audit Committee to review their intended actions to address High Risk reports. The Committee has tracked the implementation of agreed Internal Audit recommendations. The Committee receives updates at each meeting and reviews actions that have expired past their planned completion date. Where appropriate respective Executive Directors have attended to report explain mitigating circumstances.

Internal Audit's 2020/21 programme of audit work supported the Audit Committee's assessment of the Trust's internal controls. The Committee reviewed the Chief Internal Auditor's statement on the adequacy and effectiveness of governance, risk management and control at the May 2021, Audit Committee meeting. This stated that the Trust was "*generally satisfactory with some improvements required*". This statement was included as required in the AGS.

Internal Audit's 2021/22 programme of audit work has been completed in line with the plan. Changes to the plan, primarily due to COVID have been approved by the Committee.

There were 25 reviews agreed in the Annual Plan for 2021/22. At the time of writing this report, there were still six reviews yet to be finalised. The Waiting List Management audit and Staff Wellbeing will be completed in 2022/23. Of the 17 Internal Audit reports reported to the Audit Committee to date, one of these were categorised as High Risk. The indicative audit of Cyber Security which is currently in progress has an indicative High Risk rating.

Eight audits of the “Building the Leeds Way” were completed in 2021/212, none of which were rated as High Risk. The Committee will consider the outputs of this work when endorsing the 2021/22 AGS.

## **11. Proposed Work Plan for 2022/23**

The proposed work plan for 2022/23 continues to provide assurance over the adequacy and effectiveness of the Trust’s framework of governance, risk management and control, the oversight of the external auditor and financial reporting process including disclosures, the oversight of the Internal Audit function and the oversight of Counter Fraud, Bribery and Corruption.

## **12. Publication Under Freedom of Information Act**

This paper is made available under the Freedom of Information Act 2000.

### **13. Recommendation**

The Audit Committee confirms that it has fulfilled its role of providing assurance to the Board. As described above, the Audit Committee has received assurance through the course of the year (2021/22) from management, other assurance Committees, the risk management processes and progress reports from Counter Fraud, External and Internal Audit.

This was further supported by the receipt of Annual Reports, including the AGS, the Chief Internal Auditors Opinion Statement and the External Auditor’s report on the Annual Accounts. Based on this, the Committee is satisfied that the Trust’s system of internal control, risk management and governance arrangements are adequate and satisfactory.

The Board is asked to:

- note that the Audit Committee has delivered the agreed delegated activities by the Board as set out in its Work Plan for 2021/22, and gained assurance as defined by the Committee’s Terms of Reference;
- approve the proposed changes to the Committee’s Terms of Reference; and
- approve the Audit Committee’s Work Plan for 2022/23 and objectives.

## **14. Supporting Information**

The following papers make up this report:

Appendix 1 – Line by line assessment of compliance with the Terms of Reference.

Appendix 2 – Assessment of progress against 2021/22 Audit Committee Objectives.

Appendix 3 – Proposed 2022/23 Audit Committee Objectives.

Appendix 4 – Proposed 2022/23 Work Plan.

Appendix 5 – Work Plan for 2021/22 (delivered)

Appendix 6 – Changes to ToR with rationale

Appendix 7 – Summary of key controls and gaps arising from Risk Deep Dives

Suzanne Clark  
**Audit Committee Chair**  
15 May 2022

Jo Bray  
**Company Secretary**

**Appendix 1 – Line by line assessment of compliance with the Terms of Reference**

	Assessment	Amendments required
<b>1. Main Authority / Limitations</b>		
1.1 The Board has resolved to establish a Committee of the Board to be known as the Audit Committee ('the Committee'). The Committee is comprised of Non-Executive Directors, accounts to the Board and shall have Non-Executive responsibilities, powers, authorities and discretion as set out in these terms of reference. The purpose of the Audit Committee is to: (†) lead on behalf of the Board of Directors the acquisition and scrutiny of assurances concerning the effective design and operation of internal control; and financial reporting and disclosure.	<p>The Committee has been in place throughout the year, is comprised of Non-Executive Directors and is accountable to the Board.</p> <p>The Committee has scrutinised the assurances over the effective design and operation of internal controls through its review of the annual reports from the Quality Assurance Committee, the Finance and Performance Committee, Digital and Informatics Committee, Workforce Committee Research and Innovation Committee, Building Development Committee, Innovation District Committee and its own work programme.</p>	Correction of typographical error.
1.2 The Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee may invite any Director, Executive, external or internal auditor, or other person to attend any meetings(s) of the Committee as it may from time to time consider desirable to assist the Committee in the attainment of its objectives. The Committee may appoint, employ or retain such professional or legal advisors the Committee consider appropriate. Any such appointment shall be made through the Company Secretary, who shall be responsible for the contractual arrangements and payment of fees by the Trust on behalf of the Committee. All Board members shall be entitled, should they wish to do so, to see the advice from the Committee's advisors.	<p>The Committee has not been restricted in its ability to investigate any activity within its terms of reference.</p> <p>The Committee has invited others to attend meetings as necessary.</p> <p>The Committee has been restricted in its ability to appoint, employ or retain professional or legal advisors.</p>	
1.3 The Committee will report annually on its work in support of the Annual Governance Statement and financial reporting. Reports will specifically report on (i) the adequacy and effectiveness of the Trust's framework of governance, risk management and control (i.e. the Trust's system of internal controls). Including the Board Assurance Framework and Corporate Risk Register, (ii) oversight of the external auditor and financial reporting process including disclosures and (iii) oversight of internal audit and (iv) oversight of Counter Fraud, Bribery and Corruption.	Discharged for 2019/20 through its annual report to the Board on 20 May 2021. Plans are in place to review the 2021/22 Annual Report at the 5 May 2022 Audit Committee meeting.	Correction of missing word.
1.4 Approved minutes of the Committee are circulated to the Board for information at the first formal	Minutes, reporting and escalation have been in line with the Terms of Reference.	

<p>meetings of the Board after approval, except in relation to reserved business. The minutes are also circulated to those regularly in attendance. The Committee Chair will provide the Board with a brief summary of the Committee's work at the first available Board meeting opportunity after each Committee meeting. The Chair of the Committee will escalate matters to the Board as they deem appropriate.</p>		
<p>1.5 Trust Standing Orders and Standing Financial Instructions apply to the operation of this Committee.</p>	<p>These have applied throughout the year.</p>	
<p><b>2. Objective</b></p>		
<p>2.1 The Committee shall be accountable to the Board and shall have Non-Executive responsibility for oversight of and advice to the Board on matters relating to effective corporate governance and financial reporting.</p>	<p>The Committee has provided oversight of the corporate governance and financial reporting.</p>	
<p><b>3. Primary Duties and Responsibilities</b></p>		
<p>3.1 To monitor the integrity of the financial statements of the Trust, and any formal announcements relating to the Trust's financial performance or supplementary regulatory information, reviewing significant financial reporting judgements contained in them. In reviewing the Trust's financial statements before submission to the Board, the Committee shall focus particularly on:</p> <p>(i) any changes in accounting policies and practices;</p> <p>(ii) major judgmental areas;</p> <p>(iii) significant adjustments resulting from audit;</p>	<p>(i) The 2 December 2021 Audit Committee meeting considered management's assessment that no changes were required to the accounting policies and practices in respect to 2021/22 accounts;</p> <p>(ii) External Audit's strategy Memorandum for 2021/22 presented to the 3 Mar 2022 identified: 3 significant risks - 1) Management override of controls, 2) Risk of fraud in revenue and expenditure recognition 3) Valuation of land and buildings; and two Other key areas of management judgement and enhanced risks: 1) Preparation for IFRS 16 leases and 2) Capital projects and accounting for capital expenditure</p> <p>(iii) The Audit Completion report presented to 28 May 2021 Audit Committee did not identify any for 2020/21. The 16 June 2022 Audit Committee meeting will</p>	

<p>(iv) to going concern assumptions and any qualifications;</p>	<p>consider any significant adjustments resulting from audit which will be identified in the External Auditor's Completion report;</p> <p>(iv) The Committee considered the going concerns assumptions as part of the External Auditors completion report in 28 May 2021. The 2020/21 accounts had a due the auditors not being able to obtain sufficient appropriate audit evidence, through stocktake attendance, regarding the condition and existence of inventory at 31 March 2021 as a result of the COVID-19 government guidance. This will also impact the 2021/22 accounts as the opening balance for the period. The 2 December 2021 Audit Committee meeting considered management's assessment of the preparation of the 2021/22 accounts on a going concern basis and will consider again as part of the External Auditors completion report on 16 June 22.</p>	
<p>(v) compliance with accounting standards;</p>	<p>(v) The 2 December 2021 Audit Committee meeting considered management's assessment of compliance with accounting standards. This will be considered again as part of the external auditors completion report on 16 June 22.</p>	
<p>(vi) compliance with regulator's administrative rules and legal requirements in relation to financial reporting;</p>	<p>(vi) The 2 December 2021 meeting received an overview of management's proposed reporting timetable to comply with NHSE/I mandates. In 28 May 2021 the Committee received a report from External Audit confirming that the Annual Report 2020/21 met regulatory requirements</p>	
<p>(vii) regulatory guidance on disclosure of areas of special interest;</p>	<p>(vii) In May 2021 Committee members sat down with management to review the draft accounts and understand all disclosures in the context of NHSE/I requirements. External audit agreement was confirmed at the 28 May 2021 meeting</p>	
<p>(viii) comment letters from appropriate regulatory authorities; and</p>	<p>(viii) Consideration is given to any regulatory comments or guidance as it is received at each meeting. External Audit include technical references in each report for members information and a series of</p>	

<p>(ix) matters drawn to the attention of the Committee by the Trust's internal or external auditor.</p> <p>In the regard to the above:</p> <p>(x) members of the Committee shall liaise with the Board, members of senior management and the external auditor, Chief Internal Auditor and Head of Internal Audit; and</p> <p>(xi) the Committee shall consider any significant or unusual items that are, or may need to be, highlighted in the annual report and accounts and shall give due consideration to any such matters raised by the staff responsible for the accounting and financial reporting function. Chief Internal Auditor or Head of Internal Audit, Company Secretary or the external auditor.</p>	<p>briefing sessions outside formal meetings has commenced which will assist</p> <p>(ix) Consideration is given to matters raised by the internal or external auditor at each Audit Committee meeting.</p> <p>(x) Regular meetings are held with the Board, Executive and Internal Audit.</p> <p>(xi) The Committee considers such matters. Cushman and Wakefield attended the 3 March 2022 to discuss the Single Site Valuation approach. Any emerging issues would be considered prior to approval of the accounts. Staff from the Finance function attend the Audit Committee and are able to raise any concerns.</p>	<p>Removal of Head of Risk as role does exist.</p>
<p>3.2 To review the Trust's financial and accounting policies and practices.</p>	<p>The Committee reviewed the draft financial and accounting policies and practices at its meeting on 2 December 2021.</p>	
<p>3.3 To provide advice to the Board on whether the annual report and accounts (and declarations contained therein), taken as a whole, is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's performance, business model and strategy.</p>	<p>The draft 2020/21 accounts and annual report were reviewed at 28 May 21 Audit Committee. The Audit Committee will receive a report from Mazars on the findings arising from their review. Board members will receive a verbal update on the conclusions drawn by the Audit Committee and, subject to those conclusions, be asked to formally approve the Annual Accounts and Annual Report. Approval is minuted at the Board meeting.</p> <p>The draft 21/22 accounts and annual report will be reviewed at 16 June 2022 Audit Committee.</p>	
<p>3.4 To review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the Trust's objectives.</p>	<p>Discharged for 2020/21 through its annual report to the Board and review of AGS on 6 May 2021. Plans are in place to review the 2021/22 Annual Report at the 5 May 2022 Audit Committee meeting.</p>	
<p>3.5 To provide to the Board such assurances as it may reasonably require regarding compliance by the Trust with all supervisory and other regulations or legal obligations to which they are subject.</p>	<p>Discharged through the completion of the AGS as NHSE/I define the template indicating the supervisory and other regulations or legal obligations that compliance against which must be considered.</p>	
<p>3.6 To review and discuss with management the effectiveness of the Trust's internal control systems and financial reporting, and to endorse the content of the</p>	<p>The Committee considered the effectiveness of the Trust's internal control systems and financial reporting within its Annual report at the 6 May 2021 meeting which</p>	

<p>statement relating to internal controls over financial reporting in the annual report and accounts for submission to the Board.</p>	<p>was attended by the Chief Executive.</p> <p>The Committee reviewed and endorsed the Annual Governance Statement (AGS) at its 6 May 2021 meeting as the statement on internal control in the Annual Report and Accounts.</p> <p>Plans are in place to review the 2021/22 AGS at the 5 May 2022 Audit Committee meeting.</p>	
<p>3.7 To monitor and review the effectiveness of the internal audit function, consider the major findings of internal investigations and management's response, and to be satisfied that the internal audit function is adequately resourced, has appropriate standing within the Trust and operates with independence. The Committee's oversight of these issues is important to ensure that internal audit can carry out its purpose, in accordance with the <i>Public Sector Internal Audit Standards</i>, to help the Board and the Executive Management Team to protect the assets, reputation and sustainability of the Trust and ensure the effectiveness of risk management, control and governance processes meets the Board's needs.</p>	<p>The Audit Committee assessed Internal Audit's effectiveness at the 9 September 2021 Audit Committee meeting.</p> <p>The 2021/22 plan indicated that there were sufficient resources to complete the planned work. The function's independent reporting line is laid out in the Internal Audit Charter and the Chief Internal Auditor has an appropriate standing within the Trust</p> <p>The committee has reviewed all High Risk reports and management's response.</p>	
<p>3.8 To advise and approve the appointment and removal of the Chief Internal Auditor or the Head of Internal Audit.</p>	<p>There have been no changes during the year.</p>	
<p>3.9 To approve in advance the internal audit and anti-fraud work plans and be satisfied that the breadth and depth of internal work is sufficient to meet the Board's assurance needs, and that there is sufficient resource, capacity and capability to deliver the internal audit plan.</p>	<p>The Internal Audit Plan for 21/22 was approved at the 6 May 2021 meeting. The committee has approved all subsequent changes to the plan. The plan is within the agreed outsourced days.</p> <p>The anti-fraud work plan was approved at the 6 May 2021 meeting and the committee has monitored progress throughout the year.</p>	
<p>3.10 To ensure that the material issues arising from the work of internal audit which relate to matters which fall within the scope of the respective objectives and responsibilities of the Quality Assurance Committee, the Finance and Performance Committee, Digital and Informatics Committee, Workforce Committee, the Building Development Committee or the Innovation District Committee shall be communicated to such Committees and considered within their agendas. In order to satisfy this requirement, the Company Secretary shall routinely provide reports to these Committees</p>	<p>Audit Committee members also sit on the Quality Assurance Committee, Digital and Informatics Committee, Workforce Committee and Innovation District Committee. The Director of Finance sits on the Finance and Performance Committee and the Building Development Committee.</p>	<p>Addition of the Innovation District Committee.</p>

<p>relevant to their scope. The Audit Committee shall require feedback from these Committees on their review of such referred internal audit work, in particular so as to identify any shortcomings perceived in the scope or adequacy of the work. Additionally, the Audit Committee may refer any other matters of an audit nature to the appropriate Committee.</p>		
<p>3.11 To satisfy itself that there is appropriate co-ordination between the internal and external auditors.</p>	<p>The external auditors and internal auditors both attend Audit Committee so are aware of the other's work.</p>	
<p>3.12 To make recommendations to the Board to establish an Auditor Panel in relation to the appointment, re-appointment and removal of the external auditor and shall be directly responsible for the approval of the remuneration and terms of engagement (including use of non-audit services) of the external auditor.</p>	<p>There have been no changes during the year.</p>	
<p>3.13 To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements and reports from the external auditors on their own policies and procedures regarding independence and quality control and to oversee the appropriate rotation of audit partners with the external auditor.</p>	<p>The Audit Committee reviewed the external auditor's statement on independence in its Audit Strategy Memorandum at the 3 March 2021 Audit Committee meeting.</p> <p>The Committee received the External Auditors' statement of independence in its Audit Completion report in 28 May 2021.</p> <p>2021/22 is the third year with Mark Dalton as the partner.</p>	
<p>3.14 To approve and oversee policy on the engagement of the external audit to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the audit firm; and to approve in advance any non-audit services provided by external audit and the fees for any such services; to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken. For this purpose "external audit" shall include any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally</p>	<p>The External Auditor has not provided any non-audit services to Trust in 2021/22. The Trust has a policy on the engagement of the external audit to supply non-audit services.</p>	
<p>3.15 To review the external auditor's annual report on the progress of the audit, its management letter, any material queries raised by the external auditor to management in respect of the accounting records, financial accounts or systems of</p>	<p>The Committee reviewed the Audit Completion Report at the 28 May 2021, Audit Committee meeting. This covered:</p> <ul style="list-style-type: none"> <li>• Conclusions on significant risks and key areas of management judgement;</li> </ul>	

<p>control and, in each case, responses from management. Any material issues arising which relate to the management of risk or internal controls shall also be referred to the Risk Management Committee or Board of Directors as appropriately by the Company Secretary.</p>	<ul style="list-style-type: none"> <li>• Commentary on the accounting policies and disclosures adopted;</li> <li>• Internal Control recommendations (none reported);</li> <li>• Summary of misstatement;</li> <li>• Value for money conclusions (these were finalised at 9 September 2021 meeting);</li> <li>• The draft Auditor's report; and</li> <li>• The independence statement.</li> </ul> <p>The escalation of matters to the Risk Management Committee or Board of Directors is Standing Agenda item which is considered each meeting.</p> <p>Plans are in place to review the 2021/22 Audit Completion report at the 16 June 2021 Audit Committee meeting.</p>	
<p>3.16 To require a timely response is provided to the financial reporting and related control issues raised in the external auditor's management letter.</p>	<p>The external auditor's management letter, presented at 28 May 2021 Audit Committee meeting, did not raise any issues.</p>	
<p>3.17 To discuss with the external auditor their general approach, nature and scope of their audit and reporting obligations before the audit commences including, in particular, the nature of any significant unresolved accounting and auditing problems and reservations arising from their interim reviews and final audits, major judgmental areas (including all critical accounting policies and practices used by the Trust and changes thereto), all alternative accounting treatments that have been discussed with management together with the potential ramifications of using those alternatives, the nature of any significant adjustments, the going concern assumption, compliance with accounting standards and legal requirements, reclassifications or additional disclosures proposed by the external auditor which are significant or which may in the future become material, the nature and impact of any material changes in accounting policies and practices, any written communications provided by the external auditor to management and any other matters the external auditor may wish to discuss (in the absence of management where necessary).</p>	<p>The Committee received verbal briefing at the 9 September 2021 that planning was about to be commenced.</p> <p>The Committee reviewed the 1<sup>st</sup> 2021/22 Audit Progress audit at the 2 December 2021 meeting. This report set out the timetable for the work and highlighted a number of relevant publications including the changes to the Value for Money Reporting. The Committee reviewed the Audit Strategy Memorandum (2<sup>nd</sup> progress report) at the 3 March 2021 Audit Committee meeting this set out:</p> <ul style="list-style-type: none"> <li>• The audit scope, approach and timeline;</li> <li>• Significant risks and other key judgement areas which for the first time reflected the preparations for IFRS16 leases and recognition of expenditure (previously only revenue recognition);</li> <li>• The framework for the Value for money work;</li> <li>• Their fees;</li> <li>• Their independence; and</li> <li>• Materiality</li> </ul> <p>The Committee has plans in place for the forthcoming yearend process and will receive 3<sup>rd</sup> progress report at the 3 May 22 Audit Committee meeting. The will cover any areas that the External Auditors wish to raise in advance of the Audit Completion report.</p> <p>The Committee will review the Audit Completion Report (4<sup>th</sup></p>	

	<p>update) at the 16 June 22. This will cover:</p> <ul style="list-style-type: none"> <li>• Conclusions on significant risks and key areas of management judgement;</li> <li>• Commentary on the accounting policies and disclosures adopted;</li> <li>• Internal Control recommendations (these are then tracked on TrAction);</li> <li>• Summary of misstatement;</li> <li>• Value for money conclusions;</li> <li>• The draft Auditor's report; and</li> <li>• The independence statement.</li> </ul>	
3.18 To require the External auditors to make declarations to the Audit Committee regarding employment conflicts with the Trust.	Covered by 3.13	
3.19 To consider any findings of major investigations of internal control over financial reporting matters as delegated by the Board.	No matters identified.	
3.20 To receive an report, and other reports from time to time as required by applicable laws and regulations, from the Chairs of the Board's Committees (Quality Assurance Committee, Finance and Performance Committee Digital and Informatics Committee, Workforce Committee, the Building Development Committee or the Innovation District Committee ) and from the Chief Executive to the effect that they (and their direct reports in relation to the Chief Executive's letter) have disclosed to the Committee and to the external auditor as part of the annual governance declaration all significant deficiencies and material weaknesses in the design or operation of internal controls which could adversely affect the Trust's ability to function effectively and report any fraud, whether material or not, that involves management or other employees who have a significant role in the Trust's internal controls.	<p>The Committee reviewed the Annual Reports from the other committees and the Chief Executive declaration at its meeting on 6 May 2021.</p> <p>The Annual reports for 21/22 will be reviewed at the Audit Committee meeting on 5 May 2022.</p>	Addition of the Innovation District Committee
3.21 To be satisfied that procedures for the receipt, retention and confidential treatment of concerns raised by employees or contractors whilst at work in accordance with the Public Interest Disclosure Act (commonly known as 'Whistleblowing'/ Freedom to Speak Up) are embedded, used by staff, responded to appropriately and effective.	Assessment undertaken at the 3 March 2022 Audit Committee meeting.	
3.22 To review annually the effectiveness of the procedures outlined in 3.21 (above).	Assessment undertaken at the 3 March 2022 Audit Committee meeting.	
3.23 To undertake or consider on behalf of the Chairman of the Board such other related tasks or topics as the	None delegated during 21/22.	

<p>Chair of the Board may from time to time entrust to the Committee.</p>		
<p>3.24 To meet alone with the external auditor and with the Head of Internal Audit at least twice each year to ensure that there are no unresolved issues or concerns, and they are not being subjected to any undue influence by Executive Directors.</p>	<p>Private meetings held with: External Auditors</p> <ul style="list-style-type: none"> <li>• 6 May 2021</li> <li>• 2 December 2021</li> </ul> <p>Internal Auditors</p> <ul style="list-style-type: none"> <li>• 9 September 2021</li> <li>• 3 March 2022.</li> </ul>	
<p>3.25 To review, in conjunction with the Chief Executive, and report to the Board an opinion on the Declarations of Independence made by Non-Executive Directors.</p>	<p>The declarations of independence for all non-executive was reviewed at the 6 May 2021 Audit Committee meeting and is planned to be reviewed again at the 5 May 2022 Audit Committee meeting.</p>	
<p>3.26 To review procedures for detecting fraud and receive reports of any instances.</p>	<p>The Audit Committee reviewed the Annual Counter Fraud, Bribery and Corruption plan at the 6 May 2021 Audit Committee meeting. The Audit Committee received progress updates at the 9 September 2021, 2 December 2021 and 3 March 2022 meetings. Plans are in place for this year's Annual Counter Fraud, Bribery and Corruption report to be presented to the 5 May 2022 meeting.</p>	
<p>3.27 To review systems and controls for the prevention of bribery and corruption and receive reports of any non-compliance.</p>	<p>The Audit Committee reviewed the Annual Counter Fraud, Bribery and Corruption plan at the 6 May 2021 Audit Committee meeting. The Audit Committee received progress updates at the 9 September 2021, 2 December 2021 and 3 March 2022 meetings. Plans are in place for this year's Annual Counter Fraud, Bribery and Corruption report to be presented to the 5 May 2022 meeting.</p>	<p>Addition on the term and corruption</p>
<p>3.28 To review annually the Committee's terms of reference and its own effectiveness and recommend to the Board any necessary changes arising therefrom.</p>	<p>The annual review against its Terms of Reference presented will be presented to 5 May 2022 Audit Committee meeting.</p> <p>Review of the Committee's effectiveness presented to the 2 December 2021 meeting and an action plan developed in response.</p>	
<p>3.29 To report to the Board the matters set out in these terms of reference and how the Committee has discharged its responsibilities.</p>	<p>Discharged through its annual report to the Board on 6 May 2021.</p> <p>Report for 21/22 planned for the Audit Committee meeting on 5 May 2022.</p>	
<p>3.30 Where there is a perceived overlap of responsibilities between the Trust's Audit, Quality Assurance Committee, Finance and Performance Committee Digital and Informatics Committee, Workforce Committee, the Building Development Committee or the Innovation District Committee, the</p>	<p>No overlaps of responsibility identified in 21/22.</p>	<p>Addition of the Innovation District Committee.</p>

<p>respective Committee Chairs shall have the discretion to agree the most appropriate Committee to fulfil any obligation. An obligation under the terms of reference of the relevant Committee or Audit Committee will be deemed by the Board of Leeds Teaching Hospitals NHS Trust to have been fulfilled providing it is dealt with by a Committee of the Board.</p>		
<p>3.31 Where the Committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the Board on action needed to address the issue or to make improvements.</p>	<p>None raised in 20/21.</p>	
<p><b>4. Duties and Etiquette</b></p>		
<p>4.4 The duties of the Chairperson of the Committee shall be to:</p> <ul style="list-style-type: none"> <li>• keep the Board informed regularly of any material matters which have come to the Committee's attention;</li> <li>• ensure that minutes of the Committee are an accurate reflection of discussion, decisions and actions;</li> <li>• provide, annually, on behalf of the Committee an opinion letter about the proposed wording of the Annual Governance Statement;</li> <li>• attend or designate another member of the Committee to attend public meetings of the Trust as appropriate, to answer any questions related to the work of the Committee;</li> <li>• submit an annual report on the work of the Committee to the Board;</li> <li>• ensure that all significant risks are discussed and escalated in line with LTHT's Risk Management Policy;</li> <li>• ensure that the Committee meets in private with the internal and external auditors at least twice yearly and on receipt of a request from either internal or external auditor.</li> </ul>	<p>As Chairperson I have discharged my duties:</p> <ul style="list-style-type: none"> <li>• The Board has been informed regularly of any material matters meriting its consideration;</li> <li>• Minutes of the Committee are approved at the following meeting to ensure they are an accurate reflection of discussion, decisions and actions;</li> <li>• Completion of a letter of representation / supporting declaration – to the Chief Executive, as supporting evidence for the Annual Governance Statement (Annual Report and Accounts; period 1 April 2021 to 31 March 2022)</li> <li>• There have been no such requests during 2021/22.</li> <li>• Discharged for 2020/21 through its annual report to the Board on 6 May 2021. Plans are in place to review the 2021/22 Annual Report at the 5 May 2022 Audit Committee meeting.</li> <li>• Standing agenda item;</li> <li>• See section 3.24 for details of private meetings.</li> </ul>	
<p>4.5 The duties of members and attendees shall be to:</p> <ul style="list-style-type: none"> <li>• attend and contribute;</li> </ul>	<p>The members have effectively discharged their duties:</p> <ul style="list-style-type: none"> <li>• all members have attended and contributed;</li> <li>• I believe all members have read the papers and materials</li> </ul>	

<ul style="list-style-type: none"> <li>• have read the papers and materials in advance and be ready to work with them;</li> <li>• actively participate in discussions pertaining to Committee business ensuring that solutions and action plans have multidisciplinary perspectives and have considered the impact Trust-wide;</li> <li>• disseminate the learning and actions from the meetings;</li> <li>• to attend at 75% of meetings of the Committee per year.</li> </ul>	<p>in advance and be ready to work with them;</p> <ul style="list-style-type: none"> <li>• All members have actively participate in discussions pertaining to Committee business ensuring that solutions and action plans have multidisciplinary perspectives and have considered the impact Trust-wide;</li> <li>• All members have disseminate the learning and actions from the meetings;</li> <li>• Details of attendance are during 2021/22 were: <ul style="list-style-type: none"> <li>➢ Suzanne Clark (5/5)</li> <li>➢ Jas Narang (5/5)</li> <li>➢ John Williams (2/2) left after 28 May 2021 meeting.</li> <li>➢ Georgina Mitchell (3/3) joined at the 9 September 2021 meeting.</li> </ul> </li> </ul> <p>All members met the requirement to attend 75% of meetings whilst they were member during 2021/22.</p>	
<p><b>5. Constitution</b></p>		
<p>5.1 The Committee shall meet with such frequency and at such times as it may determine. It is expected that the Committee shall meet at least four times each year.</p>	<p>The committee met five times during 2021/22.</p>	
<p>5.2 The quorum for meetings shall be two Non-Executive Directors, one of whom should be the Committee Chair, unless he or she is unable to attend due to exceptional circumstances. In the absence of the Audit Committee Chair a decision will be taken in advance of the meeting as to which independent Non-Executive Director who is a member of the Committee, shall Chair that particular meeting.</p>	<p>All meetings during the year were quorate. The Audit Committee Chair attended all meetings.</p>	
<p><b>6. Membership and Attendance</b></p>		
<p>6.1 The membership and attendance shall be disclosed in the Annual Report and shall be three Non-Executive Directors of the Board, excluding the Chair. At least one of the members shall have recent and relevant financial experience. There shall be no deputies allowed in the absence of a member attending. The Chair of the Board shall have the right of attendance at any time but not to membership of the Committee. Any member of the Committee who is able to speak and be heard by each of the other members shall be deemed to be present in person and shall count towards the quorum. The members shall be:</p> <ul style="list-style-type: none"> <li>(i) Suzanne Clark (Chair)</li> <li>(ii) Jas Narang</li> <li>(iii) Laura Stroud</li> <li>(iv) Georgina Mitchell</li> <li>(v) Mark Burton</li> </ul>	<p>John Williams stepped down from the Committee after the 28 May 2021 meeting. Tricia Storey-Hart did not attend any meeting having stepped down from the committee after the 3 March 2021 meeting.</p> <p>Professor Laura Stroud joined the committee for the 6 May 2021 meeting.</p> <p>Georgina Mitchell joined the committee for the 9 September 2021 meeting.</p> <p>Suzanne Clark is a qualified accountant. Suzanne has recent financial experience through her role as Chief Internal Auditor Peel Hunt.</p>	<p>Addition of Mark Burton</p>

<p>6.2 The Executive Director of Finance and Company Secretary shall both be in attendance at all meetings except in relation to reserved business. They may send deputies to represent them in their absence.</p>	<p>The Executive Director of Finance attended all Audit Committee meetings during 2021/22.</p> <p>The Company Secretary attended all Audit Committee meetings with the exception 3 March 22 meeting (when they were unable to attend due to sickness) during 2020/21. Vickie Hewitt deputised for the Company Secretary at 3 March 2022 meeting.</p>	
<p>6.3 The following persons shall be invited to attend at the discretion of the Committee, either for a particular item or for the whole meeting:</p> <p>6.4 The following persons shall be invited to attend at the discretion of the Committee, either for a particular item or for the whole meeting:</p> <ul style="list-style-type: none"> <li>(i) External Audit Lead;</li> <li>(ii) Head of Internal Audit;</li> <li>(iii) Chief Executive;</li> <li>(iv) Operations Representative;</li> <li>(v) Chief Medical Officer</li> <li>(vi) Local Counter Fraud Specialist</li> <li>(vii) Associate Directors of Finance</li> <li>(viii) Director of Quality</li> <li>(ix) Chief Internal Auditor;</li> <li>(x) Executive Directors; and</li> <li>(xi) others at the invitation of the Committee.</li> </ul>	<p>The Committee has been supported by the attendance of individuals. There have been no instances where individuals have declined to attend.</p>	
<p>6.5 In order for decisions taken by the Committee to be valid, the meeting must be quorate. This will consist of two members of the Committee being present at the point when any business is transacted. [See 6.1 above].</p>	<p>All meetings have been quorate.</p>	
<p>6.6 The Committee is serviced by Board Secretariat which organises meetings. Papers shall be available at least five clear days before each meeting. Papers shall not be tabled unless it is essential and only with the Committee Chairs' agreement.</p>	<p>The Committee has been appropriately supported by the Board Secretariat.</p>	
<p>6.7 Terms of reference are reviewed annually or in the light of changes in practice or national/local guidance. The Committee will review annually its own performance, including the extent to which it has operated in satisfaction of its terms of reference, and in particular compliance with reporting arrangements to the Board.</p>	<p>The Terms of Reference were reviewed as part of the Committee's Annual report presented to the 5 May 2022.</p>	<p>To flow to 26 May 2022 Board for approval</p>

**Appendix 2 – Assessment of progress against 2021/22 Audit Committee Objectives.**

	Objective	Due date	Status
1.	Undertake a line by line review of the Committee's Terms of Reference recording how we have discharged our obligations. Prepare and deliver an annual report.	May 2021	Complete
2.	Review the Trust's Board Assurance Framework (BAF), which sets out the key strategic risks to achieving the Trust's objectives, linking this to the refreshed Risk Management Framework and supporting risk categories.	March 2022	Presentation to the Board delayed due to sickness.
3.	Develop a template for the annual written assurance reports from all Committee Chairs and the CEO to ensure these are focussed on the assurance the committees are providing. Meet Chairs and the CEO to scrutinise, challenge and evaluate their assurance assessments. Report concerns to the Board in support of the Annual Governance Statement.	May 2021	Complete
4.	Appoint, with the Director of Finance, the Internal Auditors for 2022/23 onwards.	March 2022	Complete
5.	Attend leading peers' Audit Committees to identify areas of best practise.	March 2022	Complete
6.	Deliver the Audit Committee training plan agreed at the 3 March 2021 Audit Committee meeting.	March 2022	Complete
7.	Provide ongoing feedback to authors where Audit Committee papers could be enhanced to be better focussed on the assurance being provided, the actions the Committee is requested to take and risk categories being considered based on the refreshed Risk Management Framework.	March 2022	Complete

**Appendix 3 – Proposed 2022/23 Audit Committee Objectives**

	Objective	Due date
1.	To finalise the Trust's revised Board Assurance Framework (BAF), which sets out the key strategic risks to achieving the Trust's objectives.	Sep 2022
2.	To build robust working relationships with Audit Committees across the region.	Mar 2023
3.	To provide increased scrutiny of value for money activities across the Trust.	Mar 2023
4.	To develop a template for the completion of deep dives to ensure an appropriate focus on the controls and mitigations.	Sep 2022
5.	To develop a suite a good Audit Committee papers which can be used as a guide to assist authors.	Mar 2023
6.	To deliver the Audit Committee training plan agreed in February 2022 and on-board a new committee member with accounting expertise.	Mar 2023
7.	To ensure adequate assurance of Procurement risk by the committee following the removal of the NED champion role.	Mar 2023
8.	To deepen the relationship with the external auditors and encourage their contribution beyond their own papers.	Mar 2023

## Appendix 4 – Proposed 2022/23 work plan

### Training and Development sessions - pre meetings

1. **5 May 2022 - Overview of the accounts and technical accounting update to cover in more depth the areas where accounting judgements are required including IFRS16**
2. **8 September 2022 - Recap on what is assurance**
3. **1 December 2022 - Cyber crime and fraud**

Work Plan 2022-2023					
Dates Agenda Item	5 May 2022	16 June A/Cs	8 Sept 2022	1 Dec 2022	2 Mar 2023
<b>0 Private Discussions</b>					
0.1 External Audit	X	X		X	
0.1 Internal Audit			X		X
<b>1. Standing Items</b>					
1.1 Welcome and Introductions; Apologies for Absence; and Declarations of Interest Annual Statement of Independence	X	X	X	X	X
1.2 Approval of Minutes of the Previous Meeting	X	X	X	X	X
1.3 Matters Arising and review of Action Tracker	X	X	X	X	X
1.4 Items from other Board Committees	X	X	X	X	X
<b>2. Briefings</b>					
2.1 Chair of the Audit Committee	X	X	X	X	X
<b>3. Governance, risk management and control (i.e. the Trust's system of internal controls).</b>					
3. 1 Level 1 risk reviews (date of previous review)					
<u>Workforce</u> Supply, Deployment, Retention & performance risks - <b>Director of HR&amp;OD</b> - Sept 2022			X		
<u>Clinical</u> Patient safety & outcomes, Research & Innovation Development - <b>Chief Medical Officer</b> - Sept 2022				X	
Infection Prevention and control, patient experience - <b>Chief Nurse</b> - Sept 2022				X	
Capacity Planning - <b>COO</b> - May 2022	X				
<u>Operational</u> Business Continuity - <b>COO</b> - May 2022	X				
Information Governance, Information Security, Information Technology - <b>CDI</b> – Deferred from March 2023	X				X
Physical assets - <b>Director of Estates</b> - March 2023					X
<u>External</u> Legal & Governance - <b>CEO</b> - May 2022	X				
Regulatory - <b>Chief Medical Officer</b> - Not yet covered	X				
Partnership Working, Strategic Planning - <b>Director of Finance/Director of Strategy</b> - Dec 2022				X	

Work Plan 2022-2023					
Dates Agenda Item	5 May 2022	16 June A/Cs	8 Sept 2022	1 Dec 2022	2 Mar 2023
<u>Financial</u> Change, Counter Fraud, Financial Management & Waste Reduction, Financial Reporting, Revenue funding & liquidity, Supply Chain - <b>Director of Finance</b> - Sep 2022			X		
3.2 Corporate Risk Management <ul style="list-style-type: none"> <li>Board Assurance Framework (Twice per year)</li> <li>Assurance on Corporate Risk Register – blue box standing agenda item to cross ref &amp; support item 3 (Risk &amp; Gov)</li> </ul>	X		X	X	X
3.3 Review of Policies Deferred from 3 March 2022 due to operational pressures	X		X		X
<b>4. External Audit, Internal Audit and Counter Fraud</b>					
<b>4.1 External Audit</b>					
4.1i Audit Strategy Memorandum and fee proposal				-	X
4.2ii Progress Report and Briefing	X		X	X	-
4.3iii External Auditors Completion report (ISA 260) 2021-22 Final report to Sept Cttee and then to Board		X	X		
4.4 iv Assessment of External Audit Performance			X		
<b>4.2 Internal Audit</b>					
4.2i Internal Audit Strategic and Annual Plans 2022-23 (to include reference to the Audit Charter)	X				
4.2ii Internal Audit Progress Report 2022-23	X		X	X	X
4.2iii Internal Audit - Audit Reports issued with Critical /High ratings - with attendance from Exec Director	As required				
4.2iv Implementation of Audit Recommendations and Deep Dive for Assurance on overdue issues	X		X	X	X
4.2v Internal Audit Annual Report and HoIA Opinion Statement 2021-22	X				
4.2vi Internal Audit Strategic and Annual Plans 2023-24					X
4.2vii Assessment of Internal Audit Performance			X		
4.2viii Internal Audit reports on Hospitals of the Future (associated projects)	As commissioned (reports to BDC to flow to Audit Cttee for assurance)				
<b>4.3 Counter Fraud</b>					
4.3i Counter Fraud Annual Report 2021-22	X				
4.3ii Counter Fraud Annual Workplan 2022-23	X				
4.3iii Counter Fraud Progress Updates 2022-23			X	X	X
4.3iv Update on cyber crime, including mandate fraud,	X <sup>1</sup>			X	
<b>5. Corporate Governance Reports</b>					

<sup>1</sup> Cover in the Deep Dive on **Information Governance, Information Security, Information Technology risks.**

<b>Work Plan 2022-2023</b>					
<b>Dates Agenda Item</b>	<b>5 May 2022</b>	<b>16 June A/Cs</b>	<b>8 Sept 2022</b>	<b>1 Dec 2022</b>	<b>2 Mar 2023</b>
5.1 Overview of Other Assurance Committees 2021-22 (NB – Annual Reports and attendance by Chairs)	X				
5.2 Audit Committee Annual Report 2021-22	X				
5.3 Annual Governance Statement (AGS) 2021-22 <b>CE to attend</b>	X (CE)	X			
5.4 Annual Declaration of Independence by Audit Committee Members (Non-Executive Directors)					X
5.5 Review of Annual Declaration of Independence by all Non-Executive Directors	X				
5.6 Freedom to Speak Up Annual Review ( <i>NB - process</i> ), Cttee to be objective scrutineer of the processes					X
5.7 Losses and Special Payments Report	X			X	
<b>6. Annual Report, Annual Accounts, and Quality Account</b>					
6.1 Review of Draft Annual Report & Quality Account Update on process/ timescales / assurance 2021-22 <i>NB more clarity required on Quality Account submission to NHSE/I &amp; publication*</i>	X				
6.2 Final review of Annual Accounts, Annual Report & Quality Account* 2021-22		X			
6.3 Summary of Year end process/ timescales (Annual Report, Accounts & Quality Account) 2022-23				X	
6.4 Review of Draft Accounting Policies 2022-23				X	
<b>7. Matters for the Audit Committee</b>					
7.1 Record of Use of the Seal	X				
7.2 Standing Orders and Standing Financial Instructions and Annual Review					X
7.3 Single Tender Actions	X			X	
7.4 Self-Assessment of submission to NHS Digital – Data Security & Protection Tool Kit (including Cyber & GDPR)					X
7.5 Review Audit Committee Terms of Reference	X				X
7.6 Assessment of Audit Committee's Effectiveness (Incl. Impact Assessment) Self-assessment			X		
7.7 Audit Committee Work Plan and Calendar of Key Events	X	X	X	X	X
<b>8. Final Items</b>					
8.1 Any other business	X	X	X	X	X
8.2 Matters to be drawn to the Board's attention by the Chair of the Audit Committee	X	X	X	X	X
8.3 Date of next meeting	X	X	X	X	X

## Appendix 5 - Work Plan for 2021/22 - delivered

*To note that due to operational pressures experienced during 2020-21, a number of items were deferred from the original planned reporting date. The workplan has been re-set to the cycle/planned schedule as per 2019-20. Updated 7 Oct 2021*

### Training and Development sessions - pre meetings

4. **6 May - Technical Accounting update** (which would supplement the Financial Reporting Update training we provide to the Finance Team annually - tailored for Cttee members)
5. **9 December - IFRS16 Leases** – a new accounting standard due to be implemented across the NHS in 2021/22. (deferred from Sept)

Work Plan 2021-2022					
Dates Agenda Item	6 May 2021	28 May A/Cs	9 Sept 2021	9 Dec 2021	3 Mar 2022
<b>0 Private Discussions</b>					
0.1 External Audit	X	X		X	
0.1 Internal Audit			X		X
<b>1. Standing Items</b>					
1.2 Welcome and Introductions; Apologies for Absence; and Declarations of Interest Annual Statement of Independence	X	X	X	X	X
1.2 Approval of Minutes of the Previous Meeting	X	X	X	X	X
1.3 Matters Arising and review of Action Tracker	X	X	X	X	X
1.4 Items from other Board Committees	X	X	X	X	X
<b>2. Briefings</b>					
2.1 Chair of the Audit Committee	X	X	X	X	X
<b>3. Governance, risk management and control (i.e. the Trust's system of internal controls).</b>					
3. 1 Level 1 risk reviews					
<u>Workforce</u>					
Supply, Deployment, Retention & performance risks - <b>Director of HR&amp;OD</b> - Sept 2021			X		
<u>Clinical</u>					
Patient safety & outcomes, Research & Innovation Development, Health & safety - <b>Chief Medical Officer</b> - Sept 2021			X		
Infection Prevention and control, patient experience - <b>Chief Nurse</b> - Sept 2021			X		
Capacity Planning - <b>COO</b> - May 2021	X				
<u>Operational</u>					
Business Continuity - <b>COO</b> - May 2021	X				
Information Governance, Information Security, Information Technology - <b>CDI</b> - March 2022					X
Physical assets - <b>Director of Estates</b> - March 2022					X
<u>External</u>					
	X				

Work Plan 2021-2022					
Dates Agenda Item	6 May 2021	28 May A/Cs	9 Sept 2021	9 Dec 2021	3 Mar 2022
Legal & Governance - <b>CEO</b> - May 2021 Regulatory - <b>Chief Medical Officer</b> - Not covered Partnership Working, Strategic Planning - <b>Director of Finance/Director of Strategy</b> - Dec 2021  <u>Financial</u> Change, Counter Fraud, Financial Management & Waste Reduction, Financial Reporting, Revenue funding & liquidity, Supply Chain - <b>Director of Finance</b> - Dec 2021				X  X  X	
3.2 Corporate Risk Management <ul style="list-style-type: none"> <li>Board Assurance Framework (Twice per year)</li> <li>Assurance on Corporate Risk Register</li> </ul> – blue box standing agenda item to cross ref & support item 3 (Risk & Gov)	X		X X	X X	X X
<del>3.3 Annual Assurance on Clinical Audit Processes</del> <i>At 9 Sept 2021 mt agreed to remove from Audit Cttee to remain at QAC for assurance</i>			X		
3.4 Review of Policies			X		X
<b>4. External Audit, Internal Audit and Counter Fraud</b>					
<b>4.1 External Audit</b>					
4.1i Audit Strategy Memorandum and fee proposal				-	X
4.2ii Progress Report and Briefing	X		X	X	-
4.3iii External Auditors Completion report (ISA 260) 2020-21 Final report to Sept Cttee and then to Board		X	X		
4.4 iv Assessment of External Audit Performance			X		
<b>4.2 Internal Audit</b>					
4.2i Internal Audit Strategic and Annual Plans 2021-22	X				
4.2ii Internal Audit Progress Report 2021-22	X		X	X	X
4.2iii Internal Audit - Audit Reports issued with Critical /High ratings - with attendance from Exec Director	As required				
4.2iv Implementation of Audit Recommendations and Deep Dive for Assurance on overdue issues	X		X	X	X
4.2v Internal Audit Annual Report and HoIA Opinion Statement 2020-21	X				
4.2vi Internal Audit Strategic and Annual Plans 2022-23					X
4.2vii Assessment of Internal Audit Performance			X		
4.2viii Internal Audit reports on Hospitals of the Future (associated projects)	<i>As commissioned (reports to BDC to flow to Audit Cttee for assurance)</i>				
<b>4.3 Counter Fraud</b>					
4.3i Counter Fraud Annual Report 2020-21	X				
4.3ii Counter Fraud Annual Workplan 2021-22	X				
4.3iii Counter Fraud Progress Report Updates 2021-22			X	X	X

Work Plan 2021-2022					
Dates Agenda Item	6 May 2021	28 May A/Cs	9 Sept 2021	9 Dec 2021	3 Mar 2022
<b>5. Corporate Governance Reports</b>					
5.1 Overview of Other Assurance Committees 2020-21 (NB – Annual Reports and attendance by Chairs)	X				
5.2 Audit Committee Annual Report 2020-21	X				
5.3 Annual Governance Statement (AGS) 2020-21 <b>CE to attend</b>	X (CE)	X			
5.4 Overview of Other Assurance Committees 2021-22 (NB – Annual Reports and attendance by Chairs)					X
5.6 Annual Declaration of Independence by Audit Committee Members (Non-Executive Directors) 2021-22					X
5.7 Review of Annual Declaration of Independence by all Non-Executive Directors 2020-21	X				
5.8 Whistle-blowing Annual Review (NB - process), Audit Cttee to be objective scrutineer of the processes					X
5.9 Losses and Special Payments Report	X			X	
<b>6. Annual Report, Annual Accounts, and Quality Account</b>					
6.1 Review of Draft Annual Report & <b>Quality Account</b> Update on process/ timescales / assurance 2020-21 <i>NB more clarity required on Quality Account submission to NHSE/I &amp; publication*</i>	X				
6.2 Final review of Annual Accounts, Annual Report & <b>Quality Account*</b> 2020-21		X			
6.3 Summary of Year end process/ timescales (Annual Report, Accounts & <b>Quality Account</b> ) 2021-22				X	
6.4 Review of Draft Accounting Policies 2021-22				X	
<b>7. Matters for the Audit Committee</b>					
7.1 Record of Use of the Seal	X				
7.2 Standing Orders and Standing Financial Instructions and Annual Review					X
7.3 Single Tender Actions	X			X	
7.4 Self-Assessment of submission to NHS Digital – Data Security & Protection Tool Kit (including Cyber & GDPR)					X
7.5 Review Audit Committee Terms of Reference	X				X
7.6 Assessment of Audit Committee’s Effectiveness (Incl. Impact Assessment) Self-assessment			X		
7.7 Audit Committee Work Plan and Calendar of Key Events	X	X	X	X	X
<b>8. Final Items</b>					
8.1 Any other business	X	X	X	X	X
8.2 Matters to be drawn to the Board's attention by the Chair of the Audit Committee	X	X	X	X	X
8.3 Date of next meeting	X	X	X	X	X

## Appendix 6 – Changes to ToR with rationale

Amendments required	Rationale
<p>1.1 The Board has resolved to establish a Committee of the Board to be known as the Audit Committee ('the Committee'). The Committee is comprised of Non-Executive Directors, accounts to the Board and shall have Non-Executive responsibilities, powers, authorities and discretion as set out in these terms of reference. The purpose of the Audit Committee is to: lead on behalf of the Board of Directors the acquisition and scrutiny of assurances concerning the effective design and operation of internal control; and financial reporting and disclosure.</p>	Correction of typographical error.
<p>1.3 The Committee will report annually on its work in support of the Annual Governance Statement and financial reporting. Reports will specifically report on (i) the adequacy and effectiveness of the Trust's framework of governance, risk management and control (i.e. the Trust's system of internal controls). Including the Board Assurance Framework and Corporate Risk Register, (ii) oversight of the external auditor and financial reporting process including disclosures and (iii) oversight of internal audit and (iv) oversight of Counter Fraud, Bribery and Corruption.</p>	Correction of missing word
<p>3.1 (xi) the Committee shall consider any significant or unusual items that are, or may need to be, highlighted in the annual report and accounts and shall give due consideration to any such matters raised by the staff responsible for the accounting and financial reporting function. Chief Internal Auditor or Head of Internal Audit, Company Secretary or the external auditor.</p>	Removal of Head of Risk as role does exist.
<p>3.10 To ensure that the material issues arising from the work of internal audit which relate to matters which fall within the scope of the respective objectives and responsibilities of the Quality Assurance Committee, the Finance and Performance Committee, Digital and Informatics Committee, Workforce Committee, the Building Development Committee or the Innovation District Committee shall be communicated to such Committees and considered within their agendas. In order to satisfy this requirement, the Company Secretary shall routinely provide reports to these Committees relevant to their scope. The Audit Committee shall require feedback from these Committees on their review of such referred internal audit work, in particular so as to identify any shortcomings perceived in the scope or adequacy of the work. Additionally, the Audit Committee may refer any other matters of an audit nature to the appropriate Committee.</p>	Addition of the Innovation District Committee.
<p>3.20 To receive an report, and other reports from time to time as required by applicable laws and regulations, from the Chairs of the Board's Committees (Quality Assurance Committee, Finance and Performance Committee Digital and Informatics Committee, Workforce Committee, the Building Development Committee or the Innovation District Committee ) and from the Chief Executive to the effect that they (and their direct reports in relation to the Chief Executive's letter) have disclosed to the Committee and to the external auditor as part of the annual governance declaration all significant deficiencies and material weaknesses in the design or operation of internal controls which could adversely affect the Trust's ability to function effectively and report any fraud, whether material or not, that involves management or other employees who have a significant role in the Trust's internal controls.</p>	Addition of the Innovation District Committee.
<p>3.27 To review systems and controls for the prevention of bribery and corruption and receive reports of any non-compliance.</p>	Addition of the term "corruption"
<p>3.30 Where there is a perceived overlap of responsibilities between the Trust's Audit, Quality Assurance Committee, Finance and Performance Committee Digital and Informatics Committee, Workforce Committee, the Building Development Committee or the Innovation District Committee, the respective Committee Chairs shall have the discretion to agree the most appropriate Committee to fulfil any obligation. An obligation under the terms of reference of the relevant Committee or Audit Committee will be deemed by the Board of Leeds Teaching Hospitals NHS Trust to have been fulfilled providing it is dealt with by a Committee of the Board.</p>	Addition of the Innovation District Committee.

<b>Amendments required</b>	<b>Rationale</b>
<p>6.1. The membership and attendance shall be disclosed in the Annual Report and shall be three Non-Executive Directors of the Board, excluding the Chair. At least one of the members shall have recent and relevant financial experience. There shall be no deputies allowed in the absence of a member attending. The Chair of the Board shall have the right of attendance at any time but not to membership of the Committee. Any member of the Committee who is able to speak and be heard by each of the other members shall be deemed to be present in person and shall count towards the quorum. The members shall be:</p> <ul style="list-style-type: none"> <li>(i) Suzanne Clark (Chair)</li> <li>(ii) Jas Narang</li> <li>(iii) Laura Stroud</li> <li>(iv) Georgina Mitchell</li> <li>(v) Mark Burton</li> </ul>	<p>Addition of Mark Burton</p>

**Appendix 7 – Summary of key controls and gaps arising from Risk Deep Dives**

	Level 2	Risk Appetite	Accountable Executive	Deep dive date	Key controls
<b>Workforce</b>	Workforce Supply	Cautious	Jenny Lewis	9/9/21	<ul style="list-style-type: none"> <li>Workforce Planning People Priority, one of the seven people priorities</li> <li>Nursing &amp; Midwifery Quality &amp; Safety Staffing Report to the Board</li> <li>Resource Management Group oversight</li> </ul>
	Workforce Deployment	Cautious			<ul style="list-style-type: none"> <li>Workforce Planning People Priority, one of the seven people priorities</li> <li>Nursing &amp; Midwifery Quality &amp; Safety Staffing Report to the Board</li> <li>Resource Management Group oversight</li> </ul>
	Workforce Retention	Cautious			<ul style="list-style-type: none"> <li>Education &amp; Training, Health &amp; Well-being, Most engaged workforce, Free from discrimination, four of the seven people priorities</li> <li>Oversight from Learning, Education and Training Committee, Staff Health and Wellbeing Group, Staff Engagement Group, Equality &amp; Diversity Strategic Group</li> </ul>
	Workforce Performance	Cautious			<ul style="list-style-type: none"> <li>Clear performance expectations, one of the seven people priorities</li> <li>Executive team oversight of Mandatory Training, AfC appraisal &amp; recognition and pay awards.</li> <li>Workforce Committee oversight</li> </ul>
<b>Operational</b>	Business Continuity	Cautious	Claire Smith	6/5/21	<ul style="list-style-type: none"> <li>CSUs review business continuity plans annually.</li> <li>Emergency Preparedness team audits business continuity plans, reporting to the Chief Operating Officer.</li> <li>Self assessment against national standards and annual report to the board.</li> <li><i>Gaps - lack of an evacuation plan for a whole building or site which was being developed and no live planning simulations undertaken but these were planned to be resumed in 2021/22.</i></li> </ul>
	Change Risk	Cautious	Simon Worthington	3/3/22	<ul style="list-style-type: none"> <li>Use of Leeds Improvement Methodology</li> <li>Oversight of the BtLW by the BDC</li> <li><i>Gap - no single oversight of all change programmes to be discussed at May 2022 Audit Committee.</i></li> </ul>
	Health & Safety	Minimal	Phil Wood (reported by Jenny Lewis)	2/9/21	<ul style="list-style-type: none"> <li>Oversight by Health &amp; Safety Committee</li> <li>Reporting to the Board</li> <li>Health and Wellbeing, one of the seven people priorities</li> </ul>

	Level 2	Risk Appetite	Accountable Executive	Deep dive date	Key controls
	Information Governance	Cautious	Paul Jones	N/A	First deep dive deferred until 5 May 22.
	Information Security	Cautious			
	Information Technology	Cautious			
	Physical Asset	Cautious	Craige Richardson	3/3/22	<ul style="list-style-type: none"> <li>Estates Strategy, backlog programme and surveys of property assets</li> <li>Monthly E&amp;F Risk Management Group (Safety Huddle)</li> <li>Specialist, multi-disciplinary groups such as Water Safety Group</li> </ul>
Clinical	Capacity Planning	Cautious	Claire Smith	6/5/21	<ul style="list-style-type: none"> <li>CSU capacity &amp; demand modelling &amp; COVID19 modelling</li> <li>Winter planning exercise</li> <li>Theatre Board's monitoring of theatre capacity</li> </ul>
	Infection Prevention & Control	Minimal	Lisa Grant	9/9/21	<ul style="list-style-type: none"> <li>Self assessment of compliance with Public Health England and other COVID-19-related IPC guidance</li> <li>Monitoring of HCAI levels including with ICNET surveillance software</li> <li>External review in 2020 – positive feedback</li> <li><i>Gaps - ICNET software no longer supported and on-going environmental factors due to be resolved by September 2021.</i></li> </ul>
	Patient Experience	Minimal		9/9/21	<ul style="list-style-type: none"> <li>Monitoring of complaints and PALs with reporting to the Board</li> <li><i>Patient's stories at Board meetings</i></li> <li><i>Participation in National Surveys and Friends and Family Tests</i></li> <li><i>Gaps - Enhancements to reporting identified to be included in the Standard Indicator Report</i></li> </ul>
	Patient Safety & Outcome	Minimal	Phil Wood	9/9/21	<ul style="list-style-type: none"> <li>Oversight by the Quality and Safety Assurance Group which report to the Quality Assurance Committee</li> <li>Framework to review clinical outcomes and quality improvements related to serious incidents and complaints</li> <li>Programme of Quality and Safety Assurance reviews</li> </ul>
	Research, Innovation & Development	Cautious		9/9/21	<ul style="list-style-type: none"> <li>Confirmation of Capacity and Capability required before study starts</li> <li>Delivery workforce overseen and managed by the Head of Nursing</li> <li>Research Governance team ensures adherence to a broad range of regulations, principles and standards of good practice</li> <li>NPIC is managed by a Project Director</li> <li>Oversight by the R&amp;I Committee.</li> </ul>

	Level 2	Risk Appetite	Accountable Executive	Deep dive date	Key controls
Financial	Counter-Fraud	Averse	Simon Worthington	9/12/21	<ul style="list-style-type: none"> <li>Counter fraud, bribery and corruption policy</li> <li>In-house fraud team supported by One Audit to raise awareness and provide SME on changes to processes, controls or policies</li> <li>Self assessment against NHS Counter Fraud Standards</li> <li>Oversight by the Audit Committee</li> </ul>
	Financial Management & Waste Reduction	Cautious			<ul style="list-style-type: none"> <li>WRP targets set against which performance is RAG rated and escalated to the Executive team if necessary</li> <li>Monthly reporting to the Finance and Performance Committee.</li> <li>Waste Reduction Programme Board to review the impact of changes and annual Trust-wide Waste Reduction Conference</li> </ul>
	Financial Reporting	Minimal			<ul style="list-style-type: none"> <li>Performance against budget discussed with CSUs</li> <li>Quarterly fundamental reviews</li> <li>External Audit</li> <li>Oversight by the Audit Committee and Board</li> </ul>
	Revenue Funding & Liquidity	Cautious			<ul style="list-style-type: none"> <li>Board approved Financial Plan annually</li> <li>Quarterly fundamental reviews</li> <li>Cash flow and capital forecasting</li> <li>Cash position monitored</li> <li>Oversight by the Finance and Performance Committee</li> </ul>
	Supply Chain	Open			<ul style="list-style-type: none"> <li>In-house and independent procurement team</li> <li>Contracts over £1m are presented to the Finance and Performance Committee</li> <li>Oversight of the use of Single Tender waivers by Audit Committee</li> <li><i>Gaps - reliance on the NHS Supply Chain, in particular for 'just in time supplies', which has become less reliable and some supply chain gaps to be address through mutual support from ICS Resilience Group and use of market intelligence to identify emerging gaps and take mitigating actions.</i></li> </ul>

	Level 2	Risk Appetite	Accountable Executive	Deep dive date	Key controls
<b>External</b>	Legal & Governance	Averse	Julian Hartley	6/5/21	<ul style="list-style-type: none"> <li>• Scrutiny of the AGS by Audit Committee &amp; the Board</li> <li>• Self assessment against NHS E/I conditions of provider license</li> <li>• QAC review of annual report on CQC regulation compliance</li> </ul>
	Partnership working	Open	Simon Worthington	9/12/21	<ul style="list-style-type: none"> <li>• Documented stakeholder management strategy.</li> <li>• Developed partnership working structures across Leeds, West Yorkshire and more widely for specific services.</li> <li>• Representation at partner forums and agreements governing key partnerships.</li> </ul>
	Regulatory	Averse	Phil Wood	9/12/21	First deep dive deferred until 5 May 22.
	Strategic Planning	Cautious	Simon Worthington	9/12/21	<ul style="list-style-type: none"> <li>• 5 year strategic plan reviewed annually by the Board</li> <li>• External review (AQUA) – noted good practices</li> </ul>