

## Audit Committee Annual Report (2023/24)

**30 May 2024**

**Public Board**

<b>Presented for:</b>	Information and 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>	None

<b>Our Annual Commitments for 2024/25 are:</b>	
Reduce wait for patients	✓
Reduce Healthcare Acquired Infections by 15%	✓
Reduce our carbon footprint through greener care	✓
Use our existing digital systems to their full potential	✓
Strengthen participation and growth in research and innovation	✓
Deliver the financial plan	✓
Be in the top 25% performing Trusts for staff retention	✓

<b>Trust Risks (Type &amp; Category)</b>				
<b>Level 1 Risk</b>	(✓)	<b>Level 2 Risks</b>	<b>(Risk Appetite Scale)</b>	<b>Risk</b>
Workforce Risk			Choose an item	Choose an item.
Operational Risk			Choose an item	Choose an item.
Clinical Risk			Choose an item	Choose an item.
Financial Risk	✓	Financial Reporting	Minimal	↔ (same)
External Risk	✓	Legal & Governance	Cautious	↓ (decrease)

<b>Key points</b>	
<b>1. Terms of Reference</b>	Assurance

The Committee Chair, along with the Committee has reviewed the Terms of Reference (ToR) on a line by line basis see Appendix A, to ensure that the Committee is fit for purpose and carries out its duties as delegated by the Board of Directors. The Committee has discharged its duties in line with the ToR subject to the amendments set out in Appendix B (with rationale).	
<b>2. Reporting Requirements</b> The Terms of reference for the Audit Committee state the focus of the Committee is; <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;</li> <li>• Oversight of the Internal Audit function; and</li> <li>• Oversight of Counter Fraud, Bribery and Corruption.</li> </ul> This report provides and annually review on the delivery of the Committee's work programme.	Assurance
<b>3. Work Plans</b> The Board of Directors approved the Committee's Work Plan for 2023/24, Appendix E and reports assurance against items received during the year, (or stating where it cannot provide assurance).  The Committee sets out its draft Work Plan for the coming year 2024/25 in Appendix F, seeking approval from the Board.	Assurance

## 1. Purpose

The purpose of this paper is to provide assurance that the Audit Committee has discharged its duties in accordance with its Terms of Reference, completed its Work Plan for 2023/24, and delivered against the defined objectives, and sets out the proposed Work Plan for 2024/25.

## 2. Committee Membership

Suzanne Clark was the Audit Committee Chair throughout the period. During 2023/24, the Audit Committee met formally on five occasions. All meetings were quorate.

Mark Burton, Associate Non-Executive Director and Georgina Mitchell, Associate Non-Executive Director stepped down after 27 June 2023 meeting. Phil Corrigan, Non-Executive Director and Rachel Woodman, Associate Non-Executive Director joined the Committee at the 7 September meeting.

Suzanne Clark, Mark Burton, Georgina Mitchell, and Phil Corrigan attended all meetings at which they were members. Rachel Woodman was unable to attend two meetings during her membership due in one case to a prior commitment and in the second case illness.

Suzanne Clark is a qualified Chartered Accountant and has current financial experience from her other Audit Committee Chair positions.

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

### **3. Committee Effectiveness**

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

The results of the Committee's self-assessment were reported at the 12 December 2023 meeting. 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,
- Overseeing External Audit and Internal Audit.

The results indicated that an effective Audit Committee had been created with respondents believing the Audit Committee had the necessary skills to execute its role, an appropriate understanding of the Trust and were satisfied that the Committee's Terms of Reference were clearly defined and supported the Board in discharging its responsibility for governance, risk and control, and value for money. Respondents indicated that meetings were run effectively and 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 identified as being ensuring that:

- The Committee benchmarks itself against other Audit Committees.
- Verbal updates to the Committee are succinct appropriate (e.g. clearly explaining the key issues and priorities within the allocated time).
- Expertise and familiarity with the subject matter is built across the Committee.
- Papers provided to the Audit Committee continue to be appropriate (e.g. not overly lengthy and clearly explaining the key issues and priorities an) and timely, however end of year data to underpin the AGS from internal audit could be improved.
- Senior management and clinical representative are engaged further in the development of the annual internal audit programme.

Overall the survey responses received in 2023 indicated that Members and attendees were 'Very Satisfied' or 'Satisfied' with the Audit Committee's effectiveness and a large degree of assurance can be derived from this positive affirmation.

Based on these pieces of work I believe the Committee has operated effectively during the period and areas for improvements have been included in the Committee's 2024/25 objectives shown in Appendix D.

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

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

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

Minor changes to the Terms of Reference have taken place during the year and the rationale for these are shown in Appendix B. These relate to the removal of the Head of Internal Audit role (noting that the Chief Internal Auditor role remains).

## **6. Committee Objectives**

The Committee's delivered all its 2023/24 objectives shown in Appendix C with the exception of inducting a new chair, in light of the Trust Chair's restructuring of Assurance Committees and an extension to the current terms of office, Suzanne Clark continued as the Chair. The Committee has identified proposed objectives for 2024/25 shown in Appendix D which are set out aligned to the establishment of the 2024/25 annual commitments.

## **7. Work Plan**

### 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.

The Committee also held an informal training session prior to the 7 September 2023 meeting with an open invite to all Board members and finance colleagues. This was provided by Internal Audit (PwC) on reporting Assurance versus Re-assurance, with the slides shared with Board members. The focus of this was reinforcing the three lines of defence with interactive discussion on content of assurance reports to the Board and Committees. Assurance requires more than management data. Prior to the 13 December 2023 meeting External Audit (Mazars) facilitated a session on Value for Money and the work they are required to carryout to underpin their assessment and statements in the yearend accounts process.

**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 invited the other Board assurance and the Risk Management Committee to provide their Annual Reports for 2022/23 and their Chairs attended virtually its meeting on 4 May 2023 to discuss these, and again will do so for the Annual Reports aligned to the financial year 2023/24.

Reports will be received from:

Risk Management Committee	Prof Phil Wood
Finance & Performance Committee	Gillian Taylor
Quality Assurance Committee	Laura Stroud
Building Development Committee	Bob Simpson
Workforce Committee	Amanda Stainton
DIT Committee	Jo Koroma
R&I Committee	Chris Schofield

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 for triangulation; membership of other Board Committees, Chairing consultant interviews, 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 is retained.

The BAF was updated during the year to link key strategic risks to achieving the Trust’s objectives to the annual commitments and multi-year goals.

At the 28 September 2023 Audit Committee meeting the committee reviewed the annual PwC “Managing Risk in the NHS” report, [Managing Risk in the NHS: Risk Profile of NHS Organisations \(pwc.co.uk\)](https://www.pwc.co.uk/organisations) cross referencing this information, LTHT was in keeping with other trusts with strong correlation to Patient Care, Workforce and Regulatory Action categories, however of note was that within LTHT BAF, ‘to deliver continuous innovation and inclusive research’ which was not identified within the top ten risks within the PwC publication. As a large teaching hospital this is key to the Trust and may not apply to the other trusts within the sample.

The Corporate Risk Register (CRR) is a blue box item for all meetings and is referred to as required.

The Committee reviewed the draft Annual Governance Statement (AGS) at its meeting on 4 May 2023, 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 2023/24 AGS is planned to be reviewed on 2 May 2024 with the attendance of the Chief Executive.

Risk Management  
See section 9

Internal Controls  
See section 10

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

The External Auditor adopted a hybrid approach to the 2022/23 audit work. Mazars presented their Audit Completion report for 2022/23 to 27 June 2023, Audit Committee, meeting. Their work over the significant risks of management override of controls, revenue

recognition, the valuation of property, plant and equipment and the implementation of IFRS 16 concluded that there were no material issues to bring to the Committee's attention.

The Committee reviewed the draft Accounts and Annual Report at the 27 June 2023, Audit Committee meeting and with the agreement of members, made a recommendation to the Board meeting.

In respect of the 2023/24 Accounts, the Committee reviewed a management's assessment of the changes required to the accounting policies and practices at its 13 December 2023 meeting. The changes related to:

- restating the PFI lease liability to reflect the application of IFRS16 to PFI schemes.
- the adoption of "FIFO" basis for valuing inventory replacing the previous weighted-average cost basis.

At the 28 February 2024 meeting, the Committee reviewed the External Auditor's 2023/24 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 expenditure, the valuation of property, plant and equipment and the implementation of IFRS 16.

The Committee reviewed the ongoing appropriateness of the adoption of St. James's as the single site for estate valuation purposes on 28 February 2024 which was recommended and supported by the Board at their meeting at the end of March. The Committee received training in May 23 during their informal review of the accounts which provided an overview of the accounts and technical accounting update to cover in more depth the areas where accounting judgements are required including IFRS16.

The Committee will consider the draft Annual Report and Accounts for 2023/24 in May 2024. The Audit Committee reviewed the performance of the External Auditors at its meeting on 7 September 2023 and considers it to be satisfactory.

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 2023 and was also included in the Full Internal Audit plan as part of the appendix last May. The function is out-sourced to 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 during the year and considers it to be satisfactory. 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:

- Provider License – has been replaced by the NPIC review.
- Cyber Security Review– has been replaced with Business Continuity Management (BCM) review.

The Chief Internal Auditor confirmed that audit work was subject to PwC's quality assurance procedures which had not identified any concerns.

The Internal Audit plan for 2023/24 reflected a 25% reduction in days from 2022/23. The committee explored if this provided sufficient evidence for the Head of Internal Audit Opinion which was confirmed, the committee believe this continues to be the case.

#### **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. During the year, the Committee reduced the frequency of the updates to every six months to every three given the Committee's confidence in management's oversight of these controls.

The annual Counter Fraud, Bribery and Corruption report was reviewed at the 4 May 2023 meeting which included an annual presentation on "Fraud Risk Areas" and general discussion on the prevention of Fraud, Bribery and Corruption across the Trust. The Committee will review the annual report for 2023/24 at its meeting on 2 May 2024.

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

The Audit Committee has continued to review the single tender waivers and Trust seal usage throughout the year to provide assurance on the appropriateness of their use.

#### **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.

As Chair of the Audit Committee this observation supports triangulation and report back to the Committee on the Trust's approach to risk management and the culture around risk in the Trust.

During 2023/24, the Committee completed its second programme of deep dives into each of Level 2 Risks [Risk-Appetite-2023-24-Second-Edition.pdf \(leedsth.nhs.uk\)](#).

The Committee escalated the need to improve the reporting of the control mechanism for the management of 'Change Risk' to ensure coverage of all large-scale capital developments and waste reduction programmes, overseen by Building the Leeds Way Board and the Programme Management Office (PMO). The final part of this reporting will be presented to the 2 May 2024 Audit Committee meeting.

The quality of the Annual Reports from the Committee Chairs has improved. Reports are comprehensive supporting the Trust to operate in compliance with the Law and UK Corporate Governance Code, where applicable.

Feedback from the external auditors and the unqualified audit opinion indicates that the Trust delivers sound financial management and reporting with no material misstatements.

Following the 4 May 2023 Audit Committee meeting a copy of the full Healthcare Acquired Infection Data audit report was sent to QAC to follow up and monitor assurance of the recommendations and actions.

Following the 7 September 2023 Audit Committee meeting we escalated to the Board that the Fire Safety internal audit report identified a number of missing Fire Risk Assessments (FRAs), noting that there were gaps in the evidence retained for the completion of the FRAs, this included missing FRAs from the system, incomplete details to confirm whether FRAs have been completed within the 12 month period and untimely completion of the FRAs. Craige Richardson provided further information with assurance that this action had an agreed completion date of 31 December 2023 and explained that 100% of checks had been carried out and this was a data glitch within the hosted reporting system, with the Fire Team working with the host to provide three month warnings to pre-empt FRA expiration, until this is resolved.

Following the 28 February 2024 meeting the Committee requested that a copy of the Perfect Ward internal audit report should be shared with Quality Assurance Committee to enable triangulation with the information presented at that committee.

## **10. Internal Control Environment**

Internal Audit's 2022/23 programme of audit work has been completed in line with the plan. Changes to the plan have been approved by the Committee. Internal Audit's 2022/23 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 2023, Audit Committee meeting. This stated that the Trust was "generally satisfactory with some improvements required". This statement was included as required in the AGS.

The Committee reviewed the Internal Audit Strategy, annual plan and detailed programme of work for 2023/24 on 4 May 2023. 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.

In the case of High Risk reports, these are reviewed in detailed by the Committee and management asked for a specific written response to the Internal Audit report. Responsible managers are asked to attend the Audit Committee to review their intended actions to address High Risk reports.

The Committee has tracked the implementation of all 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.

There were 21 reviews agreed in the Annual Plan for 2023/24.



NB the yearend position for Internal Audits will be published in the Annual Governance Statement for 2023/24. However as at 18 April 2024 and reported to the 2 May 2024 Audit Committee meeting, there were 17 Internal Audit reviews with six underway, none of these were categorised as High Risk. Two were high, 35 were medium and 11 were low and one advisory. For “Building the Leeds Way” five Internal Audits out of ten were completed in 2023/24, none of which were rated as High Risk. Three reviews are on hold subject to the clarity from the National Hospital Programme and two reviews have been deferred to 2024/25.

Internal Audit’s 2023/24 programme of audit work will support the Audit Committee’s assessment of the Trust’s internal controls. The Committee will review the Chief Internal Auditor’s statement on the adequacy and effectiveness of governance, risk management and control at 27 June 2024, Audit Committee meeting. This statement will be included as required in the AGS

The Committee will consider the outputs of this work when endorsing the 2023/24 AGS.

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

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

### **12. Recommendation**

The Audit Committee, as delegated by the Board, are to seek assurance of the matters set out in the terms of reference and how the Committee has discharged its duties.

As Chair of the Audit Committee, this annual report summarises the Committees activity during the year and provides assurance to the Audit Committee (and flow to Board) on the delivery of the workplan, the review of the terms of reference (with any amendments) and seeks delegation from the Board for the work plan for 2024/25.

### **13. Supporting Information**

The following papers make up this report:

*Appendix A - Line by line assessment of compliance with the Terms of Reference*

*Appendix B - Changes to ToR with rationale*

*Appendix C - Assessment of progress against 2023/24 Objectives*

*Appendix D – Proposed 2024/25 Audit Committee Objectives*

*Appendix E – Work Plan for 2023/24*

*Appendix F – Proposed Work Plan for 2024/25*

Suzanne Clark  
**Audit Committee Chair**  
 April 2024

Jo Bray  
**Company Secretary**

**Appendix A – 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 will on 2 May 2024 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 and its own work programme.</p> <p>Similar reports were made to 4 May 2023 Audit Committee meeting.</p>	
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 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 <del>and</del> (iii) oversight of internal audit and (iv) oversight of Counter Fraud, Bribery and Corruption.	Discharged for 2022/23 through its annual report to the Board May 2023. Plans are in place to review the 2023/24 Annual Report at the 2 May 2024 Audit Committee meeting.	To correct grammatical error

	Assessment	Amendments required
1.4 Approved minutes of the Committee are circulated to the Board for information at the first formal 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.	Minutes, reporting and escalation have been in line with the Terms of Reference.	
1.5 Trust Standing Orders and Standing Financial Instructions apply to the operation of this Committee.	These have applied throughout the year.	
<b>2. Objective</b>		
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. The Committee will set annual SMART objectives which will be agreed by the Board.	<p>The Committee has provided oversight of the corporate governance and financial reporting.</p> <p>The Committee set annual objectives for 23/24 and the proposed objectives for 24/25 will be presented to the Board on 30 May 2024.</p>	
<b>3. Primary Duties and Responsibilities</b>		
<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 13 December 2023 Audit Committee meeting considered management's assessment that no changes were required to the accounting policies and practices in respect to 2023/24 accounts apart from the adoption of the leasing standard "IFRS16" to PFI liabilities and the stock valuation basis</p> <p>(ii) External Audit's strategy Memorandum for 2023/24 was presented to the Audit Committee on the 28 February 2024.</p> <p>(iii) The Audit Completion report presented to 27 June 2023</p>	

	Assessment	Amendments required
	Audit Committee did not identify any for 2022/23. The 26 June 2024 Audit Committee meeting will consider any significant adjustments resulting from audit which will be identified in the External Auditor's Completion report;	
(iv) to going concern assumptions and any qualifications;	(iv) The Committee considered the going concerns assumptions as part of the External Auditors completion report 27 June 2023. The 13 December 2023 Audit Committee meeting considered management's assessment of the preparation of the 2023/24 accounts on a going concern basis and will consider again as part of the External Auditors completion report on 26 June 2024.	
(v) compliance with accounting standards;	(v) The 13 December 2023 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 26 June 2024.	
(vi) compliance with regulator's administrative rules and legal requirements in relation to financial reporting;	(vi) The 13 December 2023 meeting received an overview of management's proposed reporting timetable to comply with NHSE mandates. In 27 June 2023 the Committee received a report from External Audit confirming that the Annual Report 2022/23 met regulatory requirements.	
(vii) regulatory guidance on disclosure of areas of special interest;	(vii) On 4 May 2023 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 27 June 2023 meeting. Similar arrangements are planned for the 23/24 accounts.	
(viii) comment letters from appropriate regulatory authorities; and	(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	

	Assessment	Amendments required
<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 <del>and Head of Internal Audit</del>; 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 <del>or Head of Internal Audit</del>, Company Secretary or the external auditor.</p>	<p>information and a series of 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. The Single Site Valuation approach was also discussed at 13 December 2023 meeting.</p> <p>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>To reflect that the Head of Internal Audit role is no longer in place however the Chief Internal Auditor role remains.</p> <p>To reflect that the Head of Internal Audit role is no longer in place however the Chief Internal Auditor role remains.</p>
3.2 To review the Trust's financial and accounting policies and practices.	The Committee reviewed the draft financial and accounting policies and practices at its meeting on 13 December 2023.	
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>The draft 2022/23 accounts and annual report were reviewed at 27 June 2023 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 2023/24 accounts and annual report will be reviewed at 26 June 2024 Audit Committee.</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.	Discharged for 2022/23 through its annual report to the Board and review of AGS on 4 May 2023. Plans are in place to review the 2023/24 Annual Report at the 2 May 2024 Audit Committee meeting.	

	Assessment	Amendments required
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.	Discharged through the completion of the AGS as NHSE define the template indicating the supervisory and other regulations or legal obligations that compliance against which must be considered.	
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 statement relating to internal controls over financial reporting in the annual report and accounts for submission to the Board.	<p>The Committee considered the effectiveness of the Trust's internal control systems and financial reporting within its Annual Report at the 4 May 2023 meeting which was attended by the Chief Executive.</p> <p>The Committee reviewed and endorsed the Annual Governance Statement (AGS) at its 4 May 2023 meeting as the statement on internal control in the Annual Report and Accounts.</p> <p>Plans are in place to review the 2023/24 AGS at the 2 May 2024 Audit Committee meeting.</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>The Audit Committee assessed Internal Audit's effectiveness on 7 September 2023.</p> <p>The 2023/24 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>	
3.8 To advise and approve the appointment and removal of the Chief Internal Auditor <del>or the Head of Internal Audit</del> .	There have been no changes during the year.	To reflect that the Head of Internal Audit role is no longer in place however the Chief Internal Auditor role remains.
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>The Internal Audit Plan for 2023/24 was approved at the 4 May 2023 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 4 May 2023 meeting and the committee has monitored progress throughout the year.</p>	
3.10 To ensure that the material issues arising from the work of internal audit which relate to matters which	Audit Committee members also sit on the Quality Assurance Committee, Digital and Informatics	

	Assessment	Amendments required
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 Research & Innovation 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.	Committee, Workforce Committee, and Research & Innovation Committee. The Director of Finance sits on the Finance and Performance Committee and the Building Development Committee.	
3.11 To satisfy itself that there is appropriate co-ordination between the internal and external auditors.	The external auditors and internal auditors both attend Audit Committee so are aware of the other's work.	
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.	There have been no changes during the year.	
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>The Audit Committee reviewed the external auditor's statement on independence in its Audit Strategy Memorandum at the 28 February 2024 Audit Committee meeting.</p> <p>The Committee received the External Auditors' statement of independence in its Audit Completion report in 27 June 2023. Plans are in place to review the 2023/24 Audit Completion report at the 26 June 2024 Audit Committee meeting.</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	The External Auditor has not provided any non-audit services to Trust in 2023/24. The Trust has a policy on the engagement of the external audit to supply non-audit services.	

	Assessment	Amendments required
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		
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 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>The Committee reviewed the Audit Completion Report at the 27 June 2023, Audit Committee meeting. This covered:</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 (four reported);</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> <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 2023/24 Audit Completion report at the 26 June 2024 Audit Committee meeting.</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.	The external auditor’s management letter, presented at 27 June 2023 Audit Committee meeting, raised four issues closure of these will be validated as part of the 2023/24 audit process.	
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	<p>The Committee reviewed the 1<sup>st</sup> 2023/24 Audit Progress audit at the 13 December 2023 meeting. This report set out the timetable for the work and highlighted a number of relevant publications</p> <p>The Committee reviewed the Audit Strategy Memorandum (2<sup>nd</sup> progress report) at the 28 February 2024 Audit Committee meeting which is expected to 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;</li> <li>• The framework for the Value for money work;</li> <li>• Their fees;</li> <li>• Their independence; and</li> </ul>	



	Assessment	Amendments required
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).	<ul style="list-style-type: none"> <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 2 May 2024 Audit Committee meeting. They 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 (5<sup>th</sup> update) at the 26 June 2024. 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, the or Research & Innovation 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 4 May 2023.</p> <p>The Annual reports for 2023/24 will be reviewed at the Audit Committee meeting on 2 May 2024.</p>	

	Assessment	Amendments required
3.21 To be satisfied that procedures for the receipt, retention and confidential treatment of concerns raised by employees or contracts 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.	In light of the Letby verdict, the full Board in September reflected on our processes for Speaking Up and the Executive Team have reviewed the assurances with this process reported to the Workforce Committee in January, and a full report flowed to the March 2024 full Board.	
3.22 To review annually the effectiveness of the procedures outlined in 3.21 (above).	See 3.21 above	
3.23 To undertake or consider on behalf of the Chairman of the Board such other related tasks or topics as the Chair of the Board may from time to time entrust to the Committee.	None delegated during 2023/24.	
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.	Private meetings held with: External Auditors <ul style="list-style-type: none"> <li>4 May 2023</li> <li>13 December 2023</li> </ul> Internal Auditors <ul style="list-style-type: none"> <li>7 September 2023</li> <li>28 February 2024.</li> </ul>	
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.	The declarations of independence for all non-executive was reviewed at the 28 February 2024 meeting.	
3.26 To review procedures for detecting fraud and receive reports of any instances.	The Audit Committee reviewed the Annual Counter Fraud, Bribery and Corruption plan at the 4 May 2023 Audit Committee meeting. The Audit Committee received progress updates at the 7 September 2023 and 13 December 2023. Plans are in place for this year's Annual Counter Fraud, Bribery and Corruption report to be presented to the 2 May 2024 meeting.	
3.27 To review systems and controls for the prevention of bribery and corruption and receive reports of any non-compliance.	The Audit Committee reviewed the Annual Counter Fraud, Bribery and Corruption plan at the 4 May 2023 Audit Committee meeting. The Audit Committee received progress updates at the 7 September 2023 and 13 December 2023. Plans are in place for this year's Annual Counter Fraud, Bribery and Corruption report to be presented to the 2 May 2024 meeting	
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.	The annual review against its Terms of Reference presented was presented to 28 February 2024 Audit Committee meeting.  Review of the Committee's effectiveness presented to the 13 December 2023 meeting.	

	Assessment	Amendments required
3.29 To report to the Board the matters set out in these terms of reference and how the Committee has discharged its responsibilities.	Discharged through its annual report to the Board on 4 May 2023. Report for 2023/24 planned for the Audit Committee meeting on 2 May 2024.	
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 Research & innovation 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.	No overlaps of responsibility identified in 2023/24.	
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.	None raised in 2023/24.	
<b>4. Duties and Etiquette</b>		
<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> </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 2023 to 31 March 2024)</li> <li>• There have been no such requests during 2023/24.</li> <li>• Discharged for 2022/23 through its annual report to the Board on 4 May 2023. Plans are in place to review the</li> </ul>	

	Assessment	Amendments required
<ul style="list-style-type: none"> <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>2023/24 Annual Report at the 2 May 2024 Audit Committee meeting.</p> <ul style="list-style-type: none"> <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> <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>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 in advance and be ready to work with them;</li> <li>All members have actively participated 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 disseminated the learning and actions from the meetings;</li> <li>Details of attendance are during 2023/24 were: <ul style="list-style-type: none"> <li>➤ Suzanne Clark (5/5)</li> <li>➤ Georgina Mitchell (2/2).</li> <li>➤ Mark Burton (2/2)</li> <li>➤ Phil Corrigan (3/3)</li> <li>➤ Rachel Woodman (1/3)</li> </ul> </li> </ul> <p>All members with the exception of Rachel Woodman met the requirement to attend 75% of meetings whilst they were member during 2023/24. Rachel Woodman was unable to attend due to a commitment prior to her joining the committee and due to illness.</p>	
<b>5. Constitution</b>		
<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 5 times during 2023/24.</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</p>	<p>All meetings during the year were quorate. The Audit Committee Chair attended all meetings.</p>	

	Assessment	Amendments required
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.		
<b>6. Membership and Attendance</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> <p>(i) Suzanne Clark (Chair)  (ii) Rachel Woodman  (iii) Phil Corrigan</p>	<p>Mark Burton and Georgina Mitchell stepped ceased membership to support other committees after the June 2024 meeting.</p> <p>Phil Corrigan and Rachel Woodman joined for the September 2024 meeting.</p> <p>Suzanne Clark is a qualified accountant. Suzanne has recent financial experience through her roles as Audit Committee Chair at HBL Bank UK and The Exeter.</p> <p>The Terms of Reference have been updated during the year to reflect these changes.</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 2023/24.</p> <p>The Company Secretary attended all Audit Committee meetings during 2023/24 with the exception of the meeting on 28 February 2024 where a deputy attended.</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> <p>(i) External Audit Lead;  <del>(ii) Head of Internal Audit;</del>  (iii) Chief Executive;  (iv) Operations Representative;  (v) Chief Medical Officer  (vi) Local Counter Fraud Specialist  (vii) Associate Directors of Finance  (viii) Director of Quality  (ix) Chief Internal Auditor;  (x) Executive Directors; and  (xi) others at the invitation of the Committee.</p>	<p>The Committee has been supported by the attendance of individuals. There have been no instances where individuals have declined to attend.</p>	<p>To reflect that the Head of Internal Audit role is no longer in place however the Chief Internal Auditor role remains.</p>
<p>6.5 In order for decisions taken by the Committee to be valid, the meeting</p>	<p>All meetings have been quorate.</p>	

	Assessment	Amendments required
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].		
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.	The Committee has been appropriately supported by the Board Secretariat.	
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.	The Terms of Reference were reviewed as on 28 February 2024.	

## Appendix B – Changes to ToR with rationale

Amendments required	Rationale
1.3 The Committee will report annually on its work in support of the Annual Governance Statement and financial reporting. Reports will specifically 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 <del>and</del> (iii) oversight of internal audit and (iv) oversight of Counter Fraud, Bribery and Corruption.	To correct grammatical error.
3.1 In the regard to the above: (x) members of the Committee shall liaise with the Board, members of senior management and the external auditor, Chief Internal Auditor <del>and Head of Internal Audit</del> ; and (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 <del>or Head of Internal Audit</del> , Company Secretary or the external auditor.	To reflect that the Head of Internal Audit role is no longer in place however the Chief Internal Auditor role remains.
3.8 To advise and approve the appointment and removal of the Chief Internal Auditor <del>or the Head of Internal Audit</del> .	
a. The following persons shall be invited to attend at the discretion of the Committee, either for a particular item or for the whole meeting:  (i) External Audit Lead; <del>(ii) Head of Internal Audit;</del> (iii) Chief Executive; (iv) Operations Representative; (v) Chief Medical Officer (vi) Local Counter Fraud Specialist (vii) Associate Directors of Finance (viii) Director of Quality (ix) Chief Internal Auditor; (x) Executive Directors; and (xi) others at the invitation of the Committee.	

## Appendix C – Assessment of progress against 2023/24 Objectives

Annual commitment	Objective	Update
Overall	➤ To support the induction of the new Committee Chair.	Following changes to the committee membership Suzanne Clark remained Chair during 2023/2024 and therefore carried forward to 2024/25.
	➤ To develop and deliver a fit for purpose training plan for the Audit Committee training plan.	The following training was delivered. Sept - Assurance vs Re-Assurance (Open session) Dec – Value for money and VFM year-end assessment (Open session).
	➤ To provide assurance over the Trust's Environmental, Societal and Governance (ESG) commitments are tracked and reported accurately.	The committee discussed the ESG disclosures required in depth at the December 2023 meeting. The committee will review the disclosures in the 23/24 annual report and accounts in June 2024.
	➤ To continue to build relationships with Audit Committees across the region to seek and adopt best practice.	The Chair continued to attend the ICB Audit Committee Chairs meeting and shared areas of discussion with the committee.
	➤ To provide assurance over the key controls over activities contributing to achieving the 23/24 commitments as part of the level 2 risk deep dives.	The committee completed the programme of work set out for the year. The committee requested further enhancements to the deep dive into the management of Change Risk and this will be presented to the May 2024 meeting.
Effectively develop and deploy new assets (building, equipment, IT)	➤ To provide assurance over the action plan from the internal audit Cyber Security Ransomware review in 2021/22.	The committee has received regular update on the progress in addressing these findings which were linked to the delivery of the EUC programme which was successfully delivered during the year. The Cyber Security internal audit planned for 2023/24 was replaced by an audit of Business Continuity Management to provide assurance on the management of disruptions which may arise from a number of factors including a cyber attack.
Reduce healthcare associated infections		
Improve staff retention		



Annual commitment	Objective	Update
Deliver the financial plan	➤ To provide increased scrutiny of productivity across the Trust.	<p>At the September 2023 Audit Committee meeting the Committee noted the update report received by the Finance &amp; Performance Committee on Productivity &amp; Efficiency and explored the assurance that could be provided to the Committee on processes unpinning this.</p> <p>The December 2023 Audit Committee received a presentation that summarised the national data collection and current reporting of productivity for all trusts within the NHS, with the common theme that post Covid all trusts were recorded as less productive. Details were explained to the recording of activity driven by Payment by Results, noting that across WY ICS a different payment mechanism was being piloted for 2023/24. Assurance was reported of the two reports that had been received during the year and scrutinised within the Finance &amp; Performance Committee, which were based on measures for output of activity versus cost. The second report was more developed as the model hospital data had not been available nationally to underpin the first report. The Committee noted the engagement work by Leeds Teaching Hospitals NHS Trust with NHS England (NHSE) to review and improve productivity coding and recording more widely. An example of coding activity relating to patients attending Same Day Emergency Care (SDEC) was used, where this currently was coded at detriment to the Trust's productivity but stressed that this was the right thing for patients.</p>
	➤ To challenge Audit Committee papers in excess of 10 pages to understand the barriers to presenting information more succinctly and seek to address these.	There has been significant improvement in this area with the majority of papers achieving this target but continued focus is required.
Reduce average length of stay by 0.5 days		
Achieve the Access Targets for Patients		
Support a culture of research		

# Appendix D – Proposed 2023/24 Audit Committee Objectives

Audit Committee Objectives	Reduce healthcare acquired infections by 15%	Be in the top 25% performing trusts for staff retention	Deliver the financial plan	Reduce waits for patients	Use our existing digital systems to their full potential	Strengthen participation and growth in research and innovation	Reduce our carbon footprint through greener care
To support the induction of the new Committee Chair.							
To develop and deliver a fit for purpose training plan for the Audit Committee that builds expertise and familiarity with the subject matter across the committee.			X				
To allocated dedicated time to reviewing the internal audit assurance of the Building the Leeds Way programme.			X				
To attend Audit Committee meetings of at least three peers to benchmark the committee's performance.			X				
To maintain the focus on ensuring Papers provided to the Audit Committee continue to be appropriate (e.g. not overly lengthy and clearly explaining the key issues and priorities an) and timely.			X				
To explore in the level 2 risk deep dives the activities providing assurance that the 24/25 commitments will be achieved	X	X	X	X	X	X	X
To support all committees in developing robust committee objectives							
To develop a template for committees to assess their effectiveness consistently.							

## Appendix E – Proposed 2024/25 work plan

**Audit Committee - 2024/25 DRAFT work plan**

Training and Development sessions - pre meetings – subject and date TBC

2 May 2024 –

5 September 2024 –

17 January 2025 -

6 March 2025 –

Work Plan 2024-2025					
Dates Agenda Item	2 May 2024	26 June A/Cs	5 Sept 2024	17 Jan 2025	6 March 2025
<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 <i>(NB-date of previous review)</i>					
<b>Workforce</b>					
Supply, Deployment, Retention & performance risks - <b>Director of HR&amp;OD</b> - May 2023	X				
<b>Clinical</b>					
Patient safety & outcomes, Research & Innovation Development - <b>Chief Medical Officer</b> - Dec 2023				X	
Infection Prevention and control, patient experience - <b>Chief Nurse</b> - Sept 2023			X		
Capacity Planning - <b>COO</b> - May 2023	X				
<b>Operational</b>					
Business Continuity - <b>COO</b> - May 2023	X				
Health & Safety ( <b>CMO</b> ) – Dec 2023			X		
Information Governance, Information Security, Information Technology - <b>CDI</b> – March 2024					X
Physical assets - <b>Director of Estates</b> - March 2024					X

Work Plan 2024-2025					
Dates Agenda Item	2 May 2024	26 June A/Cs	5 Sept 2024	17 Jan 2025	6 March 2025
<p>Change risk- <b>Director of Finance</b> (delivery of large-scale capital developments and waste reduction programmes, overseen by Building the Leeds Way Board and the Programme Management Office (PMO)) <i>was Dec 2023</i></p> <p><i>Change Risk to be org wide – action from Dec Mtg for CEO to report back in May 2024 (NEW update)</i></p> <p><u>External</u></p> <p>*Legal &amp; Governance - <b>CEO</b> - May 2023</p> <p>*Regulatory - <b>CEO</b> – May 2023</p> <p>*Above joint report – May mtg to link with AGS</p> <p>Partnership Working, Strategic Planning - <b>Director of Finance/Director of Strategy</b> - Dec 2023</p> <p><u>Financial</u></p> <p>Counter Fraud, Financial Management &amp; Waste Reduction, Financial Reporting, Revenue funding &amp; cash management, Supply Chain - <b>Director of Finance</b> - Sep 2023</p>	X				
<p>3.2 Corporate Risk Management</p> <ul style="list-style-type: none"> <li>Board Assurance Framework (Twice per year)</li> <li>Assurance on Corporate Risk Register</li> </ul> <p><i>NB can be impacted by flow to Board</i></p> <p><i>– blue box standing agenda item to cross ref &amp; support item 3 (Risk &amp; Gov)</i></p>	X				
3.3 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) 2023-24		X	X		
Final report to Sept Cttee and then to Board					
4.4 iv Assessment of External Audit Performance			X		
<b>4.2 Internal Audit</b>					
4.2i Internal Audit Strategic and Annual Plans 2023-24 (to include reference to the Audit Charter)	X				
4.2ii Internal Audit Progress Report 2023-24	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 2023-24	X				

Work Plan 2024-2025					
Dates Agenda Item	2 May 2024	26 June A/Cs	5 Sept 2024	17 Jan 2025	6 March 2025
4.2vi Internal Audit Strategic and Annual Plans 2024-25					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 2023-24	X				
4.3ii Counter Fraud Annual Workplan 2023-24	X				
4.3iii Counter Fraud Progress Updates 2023-24	X			X	
<b>5. Corporate Governance Reports</b>					
5.1 Overview of Other Assurance Committees 2022-23 (NB – Annual Reports and attendance by Chairs)	X				
5.2 Audit Committee Annual Report 2023-24	X				
5.3 Annual Governance Statement (AGS) 2023-24 CE to attend (amends may need 2 <sup>nd</sup> attendance?)	X (CE)	X (if required)			
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 (NB - process), Cttee to be objective scrutineer of the processes					X
5.7 Losses and Special Payments Report	X			X	
5.8 Code of Governance (comply or explain) <i>Reported to full Board 21 March 2023, outcome tbc moving forward</i>					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 2023-24 <i>NB more clarity required on Quality Account submission to NHSE &amp; publication*</i>	X				
6.2 Final review of Annual Accounts, Annual Report & Quality Account* 2023-24		X			
6.3 Summary of Year end process/ timescales (Annual Report, Accounts & Quality Account) 2023-24				X	
6.4 Review of Draft Accounting Policies 2023-24				X	
6.5 Single Site Evaluation (pre Board approval)				X	
<b>7. Matters for the Audit Committee</b>					
7.1 Record of Use of the Seal	X				

Work Plan 2024-2025					
Dates Agenda Item	2 May 2024	26 June A/Cs	5 Sept 2024	17 Jan 2025	6 March 2025
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
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
7.8 External Audit Contract Award (expires 31 March 2024) tbc award one year Approved by Board 28 March 2023					
<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 F – Work Plan for 2023/24 - delivered

**Audit Committee - 2023/24 work plan****(updated 29 Jan 2024) - Red text indicates new additions in year**

Training and Development sessions - pre meetings – subject and date TBC

1. What does strong assurance look like
2. PFI account and ESG accounting developments
3. Driving higher productivity and Value for money
4. Value for money (from Martin)

**4 May 2023 – no training due to volume of agenda items****7 September 2023 – PwC – Assurance vs Re-assurance****7 December 2023 - PFI and FRI16 Changes/Update****7 March 2024 – Balance sheet and yearend governance reporting/rules**

Work Plan 2023-2024					
Dates Agenda Item	4 May 2023	28 June A/Cs	7 Sept 2023	13 Dec 2023	7 Mar 2024
<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 <i>(NB-date of previous review)</i> <b>Workforce</b> Supply, Deployment, Retention & performance risks - <b>Director of HR&amp;OD</b> - May 2022 <b>Clinical</b> Patient safety & outcomes, Research & Innovation Development <b>(R&amp;I Deferred to March 2024)</b> - <b>Chief Medical Officer</b> - Dec 2022 Infection Prevention and control, patient experience - <b>Chief Nurse</b> - Sept 2023	X		X	X	

Work Plan 2023-2024					
Dates Agenda Item	4 May 2023	28 June A/Cs	7 Sept 2023	13 Dec 2023	7 Mar 2024
Capacity Planning - <b>COO</b> - May 2022	X				
<b>Operational</b>	X				
Business Continuity - <b>COO</b> - May 2022				X	
Health & Safety ( <b>CMO</b> ) – <del>Sept</del> now Dec 2023			X		
Information Governance, Information Security, Information Technology - <b>CDI</b> – March 2023					X X
Physical assets - <b>Director of Estates</b> - March 2023					
Change risk- <b>Director of Finance</b> (delivery of large-scale capital developments and waste reduction programmes, overseen by Building the Leeds Way Board and the Programme Management Office (PMO)) <i>omitted last year – redefined by Board – Sept 2023, now Dec 2023 – agreed this was wider org risk change at Dec mtg and for CE to bring report to May 2024</i>			X	X	
<b>External</b>	X				
*Legal & Governance - <b>CEO</b> - May 2022				X	
*Regulatory - <b>Chief Medical Officer</b> – May 2022					
*Above joint report – May mtg to link with AGS					
Partnership Working, Strategic Planning - <b>Director of Finance/Director of Strategy</b> - Dec 2022					
<b>Financial</b>					
Counter Fraud, Financial Management & Waste Reduction, Financial Reporting, Revenue funding & cash management, Supply Chain - <b>Director of Finance</b> - Sep 2022			X		
3.2 Corporate Risk Management					
• Board Assurance Framework (Twice per year)			X		X
• Assurance on Corporate Risk Register					
<i>NB can be impacted by flow to Board</i>					
– blue box standing agenda item to cross ref & support item 3 (Risk & Gov)	X			X	
3.3 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) 2022-23		X	X		
Final report to Sept Cttee and then to Board					
4.4 iv Assessment of External Audit Performance			X		
<b>4.2 Internal Audit</b>					
4.2i Internal Audit Strategic and Annual Plans 2023-24 (to include reference to the Audit Charter)	X				
4.2ii Internal Audit Progress Report 2023-24	X		X	X	X



Work Plan 2023-2024					
Dates Agenda Item	4 May 2023	28 June A/Cs	7 Sept 2023	13 Dec 2023	7 Mar 2024
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 2022-23	X				
4.2vi Internal Audit Strategic and Annual Plans 2024-25					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 2022-23	X				
4.3ii Counter Fraud Annual Workplan 2023-24	X				
4.3iii Counter Fraud Progress Updates 2023-24	X		X	X	X
<b>5. Corporate Governance Reports</b>					
5.1 Overview of Other Assurance Committees 2022-23 (NB – Annual Reports and attendance by Chairs)	X				
5.2 Audit Committee Annual Report 2022-23	X				
5.3 Annual Governance Statement (AGS) 2022-23 CE to attend (amends may need 2 <sup>nd</sup> attendance?)	X (CE)	X (if required)			
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 (NB - process), Cttee to be objective scrutineer of the processes  Processed reviewed in light of Letby – reported to WFC and new process put in place by Exec's and to report to Board in May – hence agreed no report to March Audit Cttee mtg – to ref in Cttee A/R					X
5.7 Losses and Special Payments Report	X			X	
5.8 Code of Governance (comply or explain) NB new code as from 1 April 2023 – review prior to Board (Co Sec) -yearend process					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 2022-23	X				

Work Plan 2023-2024					
Dates Agenda Item	4 May 2023	28 June A/Cs	7 Sept 2023	13 Dec 2023	7 Mar 2024
<i>NB more clarity required on Quality Account submission to NHSE &amp; publication*</i>					
6.2 Final review of Annual Accounts, Annual Report & Quality Account* 2022-23		X			
6.3 Summary of Year end process/ timescales (Annual Report, Accounts & Quality Account) 2023-24				X	
6.4 Review of Draft Accounting Policies 2023-24				X	
6.5 Single Site Evaluation (pre Board approval)				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
7.8 Report on the Use of Chairs Action – to report to May 2024 mtg					
<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