

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST****MINUTES OF A VIRTUAL AUDIT COMMITTEE MEETING HELD ON FRIDAY 18 FEBRUARY 2022 AT  
9.00AM***(held virtually via Microsoft Teams)*

**Present:** Mr M Williams – Non-Executive Director (Chair)  
 Ms V Bailey – Non-Executive Director  
 Mr S Harris – Non-Executive Director, and Chair of the Finance and Investment Committee  
 Mr B Patel – Non-Executive Director, and Chair of the People and Culture Committee

**In Attendance:** Mr M Brice – Deputy Financial Improvement Director  
 Mr J Brown – KPMG (the Trust's incoming External Auditor)  
 Ms B Cassidy – Director of Corporate and Legal Affairs  
 Mr R Cooper – Financial Improvement Director  
 Ms L Hooper – Incoming Chief Financial Officer  
 Mr S Linthwaite – Deputy Director of Finance (Financial Services)  
 Ms E Mayne – Grant Thornton (the Trust's External Auditor)  
 Ms K Rayns – Corporate and Committee Services Officer  
 Mr M Stocks – Grant Thornton (the Trust's External Auditor)  
 Mr R Walton – KPMG (the Trust's incoming External Auditor)

**RESOLVED ITEMS****ACTION****12/22 WELCOME AND APOLOGIES FOR ABSENCE**

The Audit Committee Non-Executive Chair welcomed Mr B Patel and Mr S Harris to the Audit Committee in the capacity of Non-Executive Director Chairs of the People and Culture Committee and the Finance and Investment Committee (respectively). He also welcomed Ms B Cassidy, Director of Corporate and Legal Affairs and Ms L Hooper, Chief Financial Officer who were both attending today's meeting in a formal capacity, having observed the January 2022 meeting ahead of their formal commencement dates.

Recognising that this was likely to be the last Audit Committee meeting for Mr R Cooper, Financial Improvement Director, he thanked him for his contributions to the Trust. Due to the shortened agenda for this meeting to focus on the timetable for the 2019/20 and 2020/21 Accounts, Internal Audit and Counter Fraud representatives had been stood down from attending this meeting.

**13/22 DECLARATIONS OF INTERESTS**

**Resolved – that no declarations of interest were noted.**

**14/22 MINUTES**

**Resolved – that the Minutes of the 21 January 2022 Audit Committee (papers A1 and A2) be confirmed as correct records.**

**15/22 MATTERS ARISING REPORT**

Paper C provided a summary of the matters arising from the 21 January 2022 Audit Committee and outstanding matters arising from previous Audit Committee meetings. Noting that a number of the entries were quite dated and that some of them had been superseded, the Committee Chair undertook a detailed review of this report and the following actions were noted:-

- item 5 (Minute 6/22/1 of 21 January 2022 refers) – the newly formed Operations and Performance Committee would now be reviewing UHL's waiting list management arrangements and this item could be closed and removed from the Audit Committee's progress log;

**CCSO**

- item 7 (Minute 6/22/6 of 21 January 2022 refers) – the supporting documentation had been provided to the Non-Executive Director Audit Committee Chair for his sample testing of discretionary procurement actions and he would be providing his feedback to the Head of Procurement and Supplies outside the meeting; **AC CHAIR**
- item 8 (Minute 95/21 of 17 December 2021 refers) – the Director of Corporate and Legal Affairs and the Deputy Financial Improvement Director advised that a working group had been reconvened to review the Standing Orders and Standing Financial Instructions and an update on progress would be presented to the March 2022 Audit Committee; **DCLA**
- item 9 (Minute 95/21 of 17 December 2021 refers) – the Director of Corporate and Legal Affairs undertook to seek an update on the arrangements for wider seeking assurance via the Operations and Performance Committee whether any other groups of staff were experiencing issues similar to those highlighted in the culture and behaviours lessons learned review; **DCLA**
- item 10 (Minute 96/21/2 of 17 December 2021 refers) – the Deputy Financial Improvement Director confirmed that a comprehensive improvement plan would be developed to encompass the action plans to respond to the Audit Findings Reports for 2019/20 and 2020/21 (when this document became available) and that regular updates would be presented to the Audit Committee. The External Auditor added that a finalised version of the 2019/20 AFR would be provided to the Trust in due course; **DFID**  
**EA**
- item 11 (Minute 96/21/2 of 17 December 2021 refers) – the updated Annual Governance Statement featured on today’s Audit Committee agenda, hence this item could be considered as complete and closed on the Audit Committee’s progress log; **CCSO**
- item 12 (Minute 97/21/2 of 17 December 2021 refers) – an update on the development of the new Patient Administration System had been presented to the Operations and Performance Committee, hence this item could be considered as complete and closed on the Audit Committee’s progress log; **CCSO**
- item 14 (Minute 102/21 of 17 December 2021 refers) – a verbal report on the procurement process for Internal Audit and Counter Fraud services featured on today’s Audit Committee agenda, hence this item could be considered as complete and closed on the Audit Committee’s progress log; **CCSO**
- item 15 (Minute 86/21/2 of 8 October 2021 refers) – the Director of Corporate and Legal Affairs agreed to seek assurance from the Acting Chief People Officer relating to UHL’s capability and capacity to execute ‘Salary Maxing’ schemes in conjunction with specialist advice and provided an update to the March 2022 Audit Committee meeting; **DCLA**
- item 16 (Minute 75/21/1 of 20 August 2021 refers) – the Chief Financial Officer agreed to seek assurance that UHL’s arrangements for supporting national counter fraud investigation matching had been expedited as requested by the Local Counter Fraud Specialist in August 2020; **CFO**
- item 17 (Minute 64/21/2 of 23 July 2022 refers) – the Deputy Financial Improvement Director was requested to expedite the process for closing down the follow-up actions arising from the Internal Audit reviews of (a) Service Line Management and Patient Level Information Costing System (SLM/PLICS) and (b) the Financial Systems Review in 2020/21 and submitting the relevant evidence to the Internal Auditors accordingly; **DFID**
- items 18 and 19 (Minutes 53/21/4 of 21 June 2021 and 42/21/4 of 17 May 2021 refer) – the Deputy Director of Finance (Financial Services) provided a verbal update on the arrangements for implementing a Purchase to Pay Policy with a target date of 1 April 2022, noting the importance of robust organisational engagement in this workstream. It was agreed to keep monitoring this item via the Audit Committee’s progress log going forwards, and
- item 20 (Minute 2/21 of 27 January 2021 refers) – a verbal report on the procurement process for Internal Audit and Counter Fraud services featured on today’s Audit Committee agenda, hence this item could be considered as complete and closed on the Audit Committee’s progress log. **CCSO**

**Resolved – that the matters arising report be received and noted as paper B and any updates provided at this meeting be reflected in the next iteration.**

**16/22 KEY ISSUES FOR DISCUSSION/DECISION**

16/22/1 Confidential Report by the Deputy Financial Improvement Director and the Deputy Director of Finance (Financial Services)

**Resolved** – that this Minute be classed as confidential and taken in private accordingly.

16/22/2 Confidential Report by the Deputy Financial Improvement Director and the Deputy Director of Finance (Financial Services)

**Resolved** – that this Minute be classed as confidential and taken in private accordingly.

16/22/3 Confidential Report by External Audit

**Resolved** – that this Minute be classed as confidential and taken in private accordingly.

16/22/4 Confidential Report by External Audit

**Resolved** – that this Minute be classed as confidential and taken in private accordingly.

16/22/5 Progress against the Statutory Recommendations

Further to Minute 5/22/4 of 21 January 2022, the Deputy Financial Improvement Director introduced paper F, detailing the status of the Statutory Recommendations relating to Financial Reporting, Governance and Financial Sustainability (as at 10 February 2022). He particularly drew members' attention to the key areas of progress in respect of the following Statutory Recommendations:-

- Statutory Recommendation 1 – the Trust had recruited to all but one of the vacant Non-Executive Director positions and interviews were due to be held on 16 March 2022 for the final post;
- Statutory Recommendation 3 – almost 97% of budget holders had completed the budget/financial/governance training programme and a programme of ethics training was due to be implemented and rolled out by 31 March 2022;
- Statutory Recommendation 4 – some further interim supporting resources had been brought in to support the core Finance Team and a paper detailing the additional funding that would be required to extend this arrangement beyond 31 March 2022 would be presented to the Finance and Investment Committee for approval as required;
- Statutory Recommendation 8 – written confirmation of the 2019/20 External Audit Opinion was now expected to be available for the Audit Committee in late March 2022, and
- Statutory Recommendation 9 – the issue of overall system alignment within the medium term financial planning process was being captured and a report was due to be considered by the Trust Board in March 2022.

**Resolved** – that (A) the progress report against the Statutory Recommendations be received and noted as paper F, and

(B) a paper detailing the additional funding requirements for interim supporting resources be presented to the Finance and Investment Committee for approval (as required).

CFO

16/22/6 Confidential Report by the Director of Corporate and Legal Affairs

**Resolved** – that this Minute be classed as confidential and taken in private accordingly.

**17/22 ITEMS FOR ASSURANCE**

17/22/1 Confidential Report by the Chief Information Officer

**Resolved** – that this Minute be classed as confidential and taken in private accordingly.

17/22/2 Confidential Report by the Deputy Director of Finance (Financial Services)

**Resolved** – that this Minute be classed as confidential and taken in private accordingly.

**18/22 ITEMS FOR NOTING**

18/22/1 Minutes of Board Committee Meetings

**Resolved** – that the Minutes of the following meetings be received and noted at papers I to L inclusive:

- **Quality Committee Minutes 23 December 2021** – paper I;
- **People and Culture Committee Minutes 23 December 2021** – paper J;
- **Finance and Investment Committee Minutes 23 December 2021** – paper K
- **Charitable Funds Committee Minutes 17 December 2021** – paper L.

19/22 **ANY OTHER BUSINESS**

**Resolved** – that no items of any other business were raised.

20/22 **IDENTIFICATION OF ANY KEY ISSUES FOR THE ATTENTION OF THE TRUST BOARD**

**Resolved** – that the Audit Committee’s discussion on the following items be brought to the attention of the Trust Board:-

**AC  
CHAIR**

- **Progress of the Statutory Recommendations (Minute 16/22/5 refers).**

21/22 **DATE OF NEXT MEETING**

**Resolved** – that the next Audit Committee meeting be held on Friday 11 March 2022\* from 9am – 12noon (virtually via MS Teams).

*\* Post meeting note: the date of the next Audit Committee was subsequently amended to Friday 25 March 2022 from 9am (virtually via MS Teams).*

22/22 **CONFIDENTIAL DISCUSSIONS BETWEEN THE AUDIT COMMITTEE NON-EXECUTIVE DIRECTOR CHAIR, NON-EXECUTIVE DIRECTOR MEMBERS AND THE DIRECTOR OF CORPORATE AND LEGAL AFFAIRS**

**Resolved** – that this Minute be classed as confidential and taken in private accordingly.

The meeting closed at 10.36am

Kate Rayns, **Corporate and Committee Services Officer**

**Audit Committee Cumulative Record of Members’ Attendance (2021/22 to date):**

**Members:**

<b>Name</b>	<b>Possible</b>	<b>Actual</b>	<b>%</b>
M Williams	9	9	100
V Bailey	9	7	
I Crowe (until 31.1.22)	8	8	100
S Harris (from 1.2.22)	1	1	100
A Johnson (until 31.1.22)	8	8	100
B Patel (from 1.2.22)	1	1	100

**In attendance:**

<b>Name</b>	<b>Possible</b>	<b>Actual</b>	<b>%</b>
M Brice	9	9	100
B Cassidy (from 11.2.22)	1	1	100
R Cooper (until 18.2.22)	6	6	100
G George (from 23.7.21 until 10.2.22)	5	5	100
L Hooper (from 1.2.22)	1	1	100
S Lazarus (until 31.10.21)	6	4	67
J Shuter	2	2	100
S Ward (until 29.7.21)	3	3	100