

Item 6.1.1a

minutes

E- Meeting of the Audit Committee

Minutes of the Audit Committee Meeting held on Tuesday 23rd March 2021

**Committee
Members:**

Julian Farmer
Nick Brooks
Bob Burgoyne
Mark Jones
Karen O'Hagan

Non-Executive Director-Chair
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

**Committee
Attendees:**

Gary Baines
James Bradley
Karen Edge
Laura Hunter-Cross
Georgia Jones
Lucy Lavan
Karen McArdle
Jonathan Mathews
Kate Warriner
Chris Whittingham
Nigel Woodcock
Jennifer O'Brien

Assistant Director-MIAA
Interim Deputy Chief Finance Officer
Chief Finance Officer
Head of Financial Services
Engagement Lead-Grant Thornton
Director of Corporate Affairs
Anti-Fraud Specialist-MIAA
DHoO for Medicine & Deputy COO
Chief Digital & Information Officer
Senior Manager-Grant Thornton
Senior Internal Audit Manager-MIAA
Senior Executive Assistant (Minutes)

Apologies:

In accordance with the Trust's response to Covid-19, the meeting was conducted remotely via video conferencing to maintain social distancing.

1. Apologies for Absence

None to note.

2. Declarations of Interest

All participants declared that they had no interests.

3. Governance and Risk

3.1 Draft Annual Governance Statement

The Director of Corporate Affairs highlighted that 2020/21 had been an exceptional year for the Trust and this had been reflected in the

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statement with it recognised that the Trust had focussed on crisis management throughout the pandemic.

Audit Committee members were informed that there had been a small change to reporting requirements with the deadline for submission of the Data Security and Protection Toolkit Assessment for 2020/21 extended until the end of June 2021. The Chief Digital & Information Officer confirmed that there had been no breaches thus far. It was noted that there would be an internal audit of the toolkit before submission.

The key in year risks were detailed on page two of the statement, with future risks described on page seven.

In response to a query raised relating to potential financial risks due to a lack of financial guidance from the government for 2021/22, the Chief Finance Officer (CFO) confirmed that there would be a paper presented to the Board of Directors (BoD) on 30th March 2021 which included a proposed interim budget for 2021/22. It was noted that expectation was that the Trust would be asked to roll forward the current blocked contract arrangements for the first six months of the year, moving onto a blended tariff approach thereafter. However, further details were expected in April 2021, which the CFO would monitor. The BoD and Audit Committee colleagues would be updated as more information became available.

The statement would be updated to reflect that the Research Finances audit was completed following a management request and had not been audited before; the internal auditors being directed to the area showed the risk management process was working well

Committee members confirmed they had each reviewed the draft Annual Governance Statement (AGS) 2020/21 and accepted the draft for finalisation.

3.2 Annual Report of Audit Committee

The Audit Committee annual report set out how the Committee had functioned and supported the BoD throughout 2020/21, by critically reviewing governance and assurance processes on which the Board of Directors placed reliance.

It was noted that 2020/21 had been an exceptional year characterised by the emergency response to the coronavirus pandemic and therefore governance processes and arrangements had been adapted in line with government guidance and new ways of working as a result of social distancing and new infection prevention requirements. The Trust had operated in 'command and control' mode throughout the year to enable agile response to the national emergency and the BoD had reviewed and approved revised governance arrangements which had been stepped up and down throughout the year.

The report provided details on the various principal review areas which included; internal control and risk management, internal audit, anti-fraud, external audit, management assurance and financial assurance. Details on the impact and effectiveness of the Audit Committee were also included in the report as well as the areas of focus for the Audit Committee in the coming year. There were no proposed changes to the

Committee's terms of reference as these had been updated in 2020 and aligned to the latest Audit Committee handbook.

Audit Committee members were asked to note that Executive colleagues were in the process of reviewing the Trust's strategic risks and the Director of Corporate Affairs was aware that the Audit committee would want to monitor that process. A paper would be presented to the BoD on 30th March 2021 and follow up work would include a review of indicators required by the Audit Committee to demonstrate the effectiveness of the new risk management arrangements. The Director of Corporate Affairs would also liaise with the Senior Internal Audit Manager in the coming weeks in order to discuss the changes to the risk management and board assurance arrangements.

The report was reviewed and accepted following the below amendments:

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- A correction would be made to the date at the top of page two of the report to read June 2021.
- A correction would be made in the second paragraph on page two to show that the priority of an internal review of hosted services would be 2021/22
- Section 2.2 would reflect that the Research Finances audit was by management request and had not been audited before; the internal auditors were directed to the area which showed the risk management process was working well

The final report would be reviewed by the Audit Committee for recommendation to the Board on 11th June 2021.

3.3 Review of Assurance Committee Annual Reports

3.3.1 Integrated Performance Committee

The report provided an overview of the delivery against the objectives set out in the Integrated Performance Committee (IPC) terms of reference and concluded that the committee had met all the objectives.

The planned January 2021 meeting was cancelled due to the impact on the Trust of the third COVID-19 surge, however, updates on operational and financial matters had been provided to the Non-Executive Directors through the weekly meetings introduced as part of the pandemic command and control arrangements.

It was noted that the work of the IPC had been focused on the management of risk arising from the COVID-19 pandemic and the interim financial regime. Risks had been identified associated with the delivery against the CIP programme given the changes and also the deployment of capital resources resulting from new system constraints on spending and the emergence of increased risk for planned priorities and emerging risks to support the COVID-19 response.

The Audit Committee were asked to note that despite the significant pressure resulting from the response to the pandemic, the Trust had continued to perform strongly which reflected positively on the team.

Audit Committee members were informed that there was a strong audit trail in place regarding the reprioritisation of some meetings in Q4 of 2020/21 and a paper had been presented to the BoD in January 2021 following a letter received by the Trust on 11th January 2021 from NHSE/I which detailed instructions for trusts' focus for the first seven weeks of 2021.

The Audit Committee noted the report and confirmed its satisfaction that the IPC had operated effectively during 2020/21. The IPC terms of reference were also reviewed and no changes were recommended.

3.3.2 People Committee

The report provided an overview of the delivery against the objectives set out in the People Committee terms of reference and concluded that the committee had met all the objectives.

It was confirmed that the planned March 2021 meeting was cancelled due to the impact on the Trust of the third COVID-19 surge. However the People Committee Chair maintained weekly contact with the Chief People Officer in order to discuss or highlight any concerns.

The People Committee Chair stated that it had been key that the Trust supported staff during the pandemic, however there was a potential risk to staff engagement and motivation going forward due to the exceptional circumstances experienced during 2020/21. It was stated that the Trust was well placed to support staff with the introduction of the new LHCH People Plan, which the BoD had been actively involved in. Staff survey results were also due to be discussed at the BoD on 30th March 2021 which may provide an even greater understanding into the requirements of support needed for staff moving forward. Weekly updates on staff wellbeing had been provided to Non-Executive Directors throughout the pandemic via the weekly catch up call.

The Audit Committee noted the report and confirmed its satisfaction that the People Committee had operated effectively during 2020/21. The People Committee terms of reference were also reviewed and no changes were recommended.

3.3.3 Quality Committee

The report provided an overview of the delivery against the objectives set out in the Quality Committee terms of reference and concluded that the committee had met all the objectives.

It was noted that whilst a number of alerts had been investigated in relation to mortality, following investigations, no issues of concern had been noted.

Assurance on progress with the completion of QIAs for cost improvement programmes (CIPs) was received at every Quality Committee during the year and CIPs were also assessed for any potential impact on safety and quality. In addition, the Committee received assurance from a presentation on the process of sign off for QIAs at the April 2020 meeting.

The report highlighted the considerable work that had taken place in relation to the growing problems related to patient delirium and violence,

with it noted that the Trust had excellent plans in place to focus on this area of care.

Quality Committee priorities for 2021/22 included:

- Continued focus on improving sepsis documentation and management
- Continued reduction in infection rates and all harms
- Mortality reduction
- Consent improvement

The Audit Committee noted the report and confirmed its satisfaction that the Quality Committee had operated effectively during 2020/21. The changes to the Quality Committee terms of reference which highlighted the additional safety responsibility of the Director of Nursing, Quality & Safety and the updated Quality Safety Experience Committee (QSEC) were noted and recommended for acceptance by the BoD in April 2021.

3.4 Review Losses & Special Payments

For the period 1st October 2020 to 28th February 2021 there had been no fruitless payments, losses or special payments in excess of £10,000. Full details of amounts less than £10,000 were reported within Appendix one of the report.

One £10,000 payment relating to a patient injury had been paid, as advised by the ombudsmen.

There was no significant movements to note in relation to bad debt provision and all debt over 90 days was being actively managed.

Appendix three of the report detailed a request for the approval of a write off of £24,384 which related to a non NHS commissioner charge. The patient had provided an incorrect address meaning the Trust were unable to identify the correct commissioner for charges within the timescale allowed. It was noted that this was a particularly complex case and Audit Committee colleagues were assured that this was not as a result of a data quality issue.

The Audit Committee noted the contents of the report and approved the requested write off.

3.5 Review Single Supplier Tender Waivers

There had been 24 tender waivers raised between 9th of October 2020 and 11th of March 2021 for a total value of £1,402k.

Five of the individual tender waivers raised between 9th of October 2020 and 11th of March 2021 were over £100k.

Full details of all tender waivers raised for the financial year to date were provided in Appendix one of the report.

The Audit Committee noted the contents of the report.

3.6 Review Register of Interests

It was noted that the BoD would be reviewing the specifics of each Director's declarations of interest at the March 2021 meeting. It was also acknowledged that the Trust's Managing Conflicts of Interest Policy had been refined slightly following feedback from the Anti-Fraud Specialist.

The Committee were updated on the new feature recently added to the Trust's declaration of interest system whereby it was mandatory for Line Management approval/acknowledgement to be noted (unless they were submitting a nil declaration).

The reporting process had also been enhanced during 2020/21 with the Divisional Head of Operations, Chief Finance Officer and Director of Corporate Affairs receiving monthly reports showing details of declarations made by decision making staff.

The Audit Committee noted the report and confirmed its satisfaction with the internal governance arrangements in place for identifying and managing conflicts of interest.

3.7 2020/21 Audit Committee Effectiveness Review

It was noted that the Audit Committee undertook a self-assessment exercise on an annual basis and it was agreed that the NHS Audit Committee Handbook checklists would be used as a basis for this year's assessment. Checklist one covered Committee processes and checklist two covered Committee effectiveness.

It was noted that responses received for the 2020/21 review were overwhelmingly positive across the full range of questions which was a pleasing outcome in a year where the Committee had to conduct all meetings via MS Teams due to the COVID-19 pandemic. Committee members discussed and noted the main points raised within the report as a formal action plan was not required.

It was acknowledge that NED visibility within the Trust was an important part of the assurance process and colleagues would work to determine how this could be safely facilitated going forward.

3.8 Annual Review of NHSI Licence

The paper provided a detailed review of each condition within the licence and identified, where relevant, the current controls that were in place to ensure compliance. Each licence condition was assigned to an accountable Executive Director, full details of which could be found within Appendix one of the report. Audit Committee members noted that all references to Monitor now meant NHSE/I –the provider licence was yet to be updated or re-issued to reflect the changes to regulation.

It was noted that whilst some of the provisions were no longer applicable, particularly those relating to pricing, compliance with the tariff and competition oversight, it was still in place as a regulatory tool and therefore the Trust still needed to complete the comprehensive review.

The quarterly checklist continued to be useful to in order to flag any key risks relating to compliance.

The Director of Corporate Affairs highlighted the Board declarations relating to the licence and the continuity of service provision 7 and the governance provision 6 along with the corporate governance statement and whilst it was no longer a requirement to submit those to the regulators, good systems of governance continued to be required and it was therefore considered good practice that the BoD continued to review those provisions.

Due to the extension of the audit timetable, it was noted that the BoD would not be meeting until the 11th June 2021 to sign off the end of year accounts and therefore Audit Committee members were asked whether they thought that an extraordinary BoD should be held in May 2021 to achieve the delivery of the Board declarations by the end of May 2021. The Director of Corporate Affairs' recommendation was to include the statement as part of the BoD meeting on the 11th June 2021 and all Audit Committee members agreed, noting that the Council of Governors had already reviewed a first draft of the corporate governance statement.

3.9 Regulatory Action Plans

The Director of Corporate Affairs confirmed that the BoD had been updated on the most recent engagement visit carried out virtually by the CQC, the contents of which had also been outlined to NED colleagues during the weekly update discussion.

Audit Committee members noted that the way the CQC would be regulating was changing and they were currently out to consultation on their new regime. As a result, the Director of Nursing, Quality & Safety was looking to establish a new mock CQC process in line with the new arrangements. A paper was expected at the BoD in July 2021 detailing what the new process would look like with a hope to implement it in October 2021 when the pandemic was anticipated to be less prevalent as walk arounds and observations within the Trust would be key aspects of the process.

The Audit Committee were informed that there were no specific actions outstanding with either the CQC or NHSE/I.

Audit Committee members acknowledged the useful update, stating that any developments would be monitored.

3.10 Private Patient Activity Review

The paper provided a position statement on the private patient service at LHCH and in particular a review of the recommendations made following the 2017/18 internal audit review, focussing on the operational effectiveness elements of the review and how the Trust had responded to the gaps previously identified.

The current private patient policy was also attached as an appendix to the paper, however, colleagues were asked to note that the policy was under review, with an updated version due to be available by the end of April 2021. It was requested that the policy be reviewed by the Anti-Fraud Specialist in order to ensure there was adequate reference to fraud, bribery and corruption within the policy.

It was noted that the private patient service had improved significantly since the 2017/18 report. There were clear and defined roles of staff involved in the inpatient and outpatient pathways of the private patient service which was now documented in both workflows which were accessible Trust wide. Additionally, a change in the management structure in October 2020 had allowed greater operational management overview in accordance with NHS policies and procedures.

The Divisional Head of Operations for Medicine confirmed that there was regular contact with finance colleagues regarding the service and the team were now looking at how to transition the service post COVID.

Audit Committee members were assured that both NHS and private patients were categorised in relation to clinical prioritisation as identified by 'p' codes and the private patient policy would reflect that.

The Audit Committee noted the report.

3.11 Cyber Security Plan 2021/22

The report provided an overview of the cyber security continuous improvement and learning review, together with a cyber security outline plan for 2021/22.

It was noted that cyber security formed a significant part of the LHCH Digital Excellence Strategy and throughout 2020/21, external reviews had been undertaken, a cyber lead had been recruited, and a number of tools and monitoring of compliance against a range of cyber standards had been implemented.

A continuous improvement and learning review into cyber had recently been undertaken by the Chief Digital & Information Officer and the team. Following this review, plans for 2021/22 included investment in additional tools and technologies to further strengthen the Trust's cyber defences and continuous development of culture and leadership. In addition, as part of the mobilisation of the Digital Excellence strategy, a review of governance and controls was underway and would be refreshed from April 2021 in line with those new arrangements.

As part of the Digital Aspirant Programme the Trust would be looking at new governance arrangements and therefore from April 2021 onwards the Digital Excellence Committee had been established in order to monitor all digital arrangements within the Trust.

It was noted that a business case would be submitted to the BoD for the 30th March 2021 meeting as a investment in additional tools would allow for an increased level of assurance.

The Audit Committee acknowledged that LHCH had significant digital ambitions ahead as part of the delivery for Digital Excellence and in order to deliver those ambitions, solid foundations and a robust approach to cyber security were essential.

The Audit Committee noted the progress made in 2020/21 relating to cyber security and received the outline cyber plan for 2021/22.

4. Internal Audit

4.1 Internal Audit Plan: 3 Year and Annual

The strategic three year and 2021/22 operational internal audit plans had been set out following discussion and comments from both executive directors and Audit Committee members.

It was highlighted that a high level cyber review would be included within the hosted services review and a review of the charities accounting had been included within the plan for 2022/23.

The Audit Committee accepted the plan.

4.2 Progress Report on Delivery of Plan

The progress report provided an update to the Audit Committee in respect of the assurances, key issues and progress against the Internal Audit Plan for 20/21 and supported the Head of Internal Audit Opinion.

Since the previous Audit Committee meeting, the following reviews had been finalised:

- Variable Pay (moderate assurance)
- Assurance Framework (met requirements)
- Data Security & Protection Toolkit (ungraded – readiness review)

The reviews below were currently in progress:

- Sepsis; all evidence had been received and the report would be ready for the final Head of Internal Audit Opinion
- Research Finances had recently been published and would be presented at the next Audit Committee
- Medical Devices was in draft state, although moderate assurance was expected
- PAS Server was a briefing report with no assurance opinion required

Audit colleagues were asked to note the one high risk within the variable pay audit relating to shift approval, further details of which were provided within appendix B1 of the report, although a recommendation to highlight high risk areas in the summary of the report was noted by the Senior Internal Audit Manager. The Senior Internal Audit Manager stated that this audit had been a requested audit by Executive colleagues and the review would be a worthwhile discussion point for the People Committee as it was noted that the Trust incurred significant cost within critical care to ensure shifts were covered and it needed to be considered as to whether there was a more efficient way for this to be achieved.

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The Audit Committee noted the report and took assurance that the work was scheduled to be completed on time.

4.3 Follow Up Report

The Senior Internal Audit Manager reported very strong progress on the follow up in the Trust over the last 12 months. The nine overdue point were the lowest reported in recent years and the effort of the CFO, Chief

Digital Information Officer and the CFOs Senior Executive Assistant was acknowledged.

It was requested that the summary provided the level of risk that any not fully implemented or partially implemented recommendations posed to the Trust.

The full report was noted by the Audit Committee.

4.4. Head of Internal Audit Opinion (draft)

The draft Head of Internal Audit Opinion for 2020/21 was provided, with the final opinion expected at the 11th June 2021 Audit Committee.

The executive summary set out the substantial assurance given and provided a breakdown of the three elements of the opinion, with pages nine and ten providing further commentary on those three elements. Whilst page 12 detailed the internal audit coverage and outputs

It was confirmed that whilst there were still some pieces of work to conclude, a change in the assurance opinion was not anticipated when the final opinion was submitted in June 2021.

4.5 Anti-Fraud Plan (draft)

The Anti-Fraud plan for 2021/22 included all core work as well as taking into account any work that the NHS Counter Fraud Authorities Organisational Strategy prioritised. Priorities had also been identified by taking into account the local and national anti-fraud risks.

The risk assessment priorities were detailed on page six of the report and appendix A of the report showed the proposed activities across all four areas of the counter fraud strategy.

Key activities were noted and it was advised that there would be a review of fraud risks in line with the new government functional standard. There was also a proposal to undertake an overtime/bank shifts review in conjunction with fraud prevention notice issued in quarter three. Work would also be taken in relation to post event assurance and PPE equipment which formed part of the national anti-fraud work.

A question was raised as to whether it was mandatory that the Trust had to look at overtime bank usage as LHCH had recently completed a review in that area. The Anti-fraud specialist confirmed that all organisations had been asked to look at it following the fraud prevention notice, however, if the Trust had already undertaken a piece of work in that area, then focus in another area may be preferable.

4.6 Anti-Fraud Annual Report (draft)

The draft anti-fraud annual report for 2020/21 provided a summary update of all anti-fraud and investigative work that had taken place throughout the year.

There had been one new referral since the last Audit Committee meeting, which was highlighted in the report. The Executive summary was contained within section two of the report and detailed all of the work undertaken in all four areas of the NHS Counter Fraud Authority

current fraud strategy.

Section 3 of the report provided the details on the standards around the SRT process against which the Trust had been assessed during 2020/21.

Section 4 provided a detailed list of the activities undertaken across each of the four areas, with section 5 providing information regarding the investigation work. Appendix 3 detailed the rating and assessment made against each of the counter fraud standards up until 31st March 2021. The new government functional standard would be in place from 1st April 2021 onwards.

The full report was noted by the Audit Committee.

4.7 Government Functional Standard GovS 013: Counter Fraud

The Anti-Fraud specialist informed Audit Committee members that colleagues were in the process of drafting a full paper, which would be sent out to all committee members outside of the Audit Committee.

The new standards would come into force from the 1st April 2021 and would bring the NHS in line with the government functional standards across all other public sector organisations. It was noted that the deadline for submission was the 31st May 2021. 12 components would replace the existing 23 standards.

Audit Committee members were informed that anti-fraud colleagues were proposing that two of the components would be amber and 10 green. The proposed amber components related to the matrix and any losses, although it was noted that colleagues were still awaiting guidance from NHS Counter Fraud Authority regarding their expectations. The other proposed amber could be the risk matrix, as NHS Counter Fraud Authority were changing the process this year, therefore the anti-fraud specialist would have to assess whether any of the 125 risks identified were applicable to LHCH.

4.8 BAF Opinion

The Senior Internal Audit Manger presented the annual review which monitored three elements: structure, engagement and quality & alignment.

It was confirmed that there was a well-established process in place at the Trust, which was continuing to be enhanced and the Senior Internal Audit Manger had been kept updated on those proposed enhancements.

The full report was noted by the Audit Committee.

4.9 Internal Audit Charter

The Internal Audit Charter was reviewed and approved by the Audit Committee.

5. External Audit

5.1 External Audit Plan 2020/21

The Engagement Lead for the external auditors presented the plan for 2020/21 with Audit Committee members asked to note the high level

overview of the detail in the plan provided on page four which included the significant risks, materiality levels, value for money arrangements and the audit logistics and fees.

Full details of the risks were provided within pages five to seven of the report with accounting estimates and related disclosures provided on pages eight to nine. It was noted that the risk relating to the year-end valuation of land and buildings was a key accounting estimate and would require special audit consideration.

Page 10 set out the matters of responsibilities for the external auditors together with going concern information which included information on Practice note 10 which should allow the external auditors to focus on wider financial resilience and ensure that the work on going concern was proportionate for public sector organisations.

The materiality section of the report set out in detail, the benchmarks that the external auditors were working to.

The changes to the value for money arrangements for 2020/21 were provided with financial sustainability highlighted as a considerable risk.

It was noted that the LHCH Charitable Funds may need an audit which would be in addition to the £66k fee.

As discussed at previous Audit Committee meetings, the external auditors had been unable to attend the stock take at the end of 2019/20, resulting in a limitation of scope opinion, of which NHSI were aware and understood that would be the position. It was confirmed that arrangements had been made for the external auditors to attend the stock take this year; but likely that the limited assurance opinion would remain in respect of the opening balances.

5.2 Audit Quality Letter

The external auditors Engagement Lead provided the assurance paper relating to media reports around previous audit provisions provided to another organisation by Grant Thornton.

Audit Committee members were assured by the response provided within the letter.

5.3 Informing the Audit Risk Assessment-Enquiries of Management

The CFO informed the Audit Committee that the purpose of the report was outlined on slide four, with the document supporting the external auditors in understanding their risk assessment, particularly the environment under which the Trust was operating and whether there were any key points that needed taking into consideration.

The impact of the response to the Coronavirus pandemic and the taking over of the hosting arrangements of the Innovation Agency were two areas highlighted.

The document also set out the Trust's legal position in relation to fraud arrangements, any related party transactions and the key accounting estimate around valuation of land and buildings.

It was noted that the management responses were brought to the Audit Committee for assurance purposes and in order to ensure it was consistent with the performance of the Trust.

6. Annual Accounts Review

6.1 Review of Accounting Policies

The CFO confirmed that the Trust accounts would be prepared in accordance with IFRS as directed through the GAM and the ARM.

Appendix 1 of the paper set out the Trust's accounting policies in full, however, changes since 2019/20 were noted as:

- Note 1.3 Interests in other entities
The Innovation Agency and Liverpool Network Alliance had been added.
- Note 1.9 Property, Plant and Equipment
DHSC Donated Assets in relation to COVID treatment had been added.
- Note 1.11 Inventories
DHSC PPE inventories treatment had been added.
- Note 1.17 Public Dividend Capital
Wording in relation to PDC updated to reflect new DHSC guidance.
- Note 1.25 Standards, amendments and interpretations in issue but not yet effective or adopted
This note reflected the adoption of IFRS 16. The relevant information would be completed for final accounts. Update to other standards was not adopted.

The Audit Committee noted the contents of the report and the changes to the accounting policies for 2020/21.

7. Review of Audit Committee Work Plan

Committee members were satisfied that work was being carried out per the work plan schedule.

7.1 Draft 2021/22 Audit Committee Work Plan

The draft Audit Committee Work Plan 2021/22 was accepted subject to the below changes:

- The internal audit follow up report would be scheduled for presentation at the July and January Audit Committee meetings as was previous practice
- Executive portfolios were changing as of 1st April 2021 and therefore Lead/Authors would be updated accordingly.

8. Minutes of Meeting held on Tuesday 12th January 2021

It was noted that the minutes of the Audit Committee meeting held on 12th January 2021 had been reviewed for accuracy by all meeting participants and were approved.

9. Action Log

Item 1-The Head of Financial Services confirmed that following discussions with the Innovation Agency, no changes were being proposed to the SFIs. This item would be marked as complete and removed from the action log.

Item 2-Further details were provided on the Government functional standard GovS 013: Counter Fraud above under agenda item 4.7. This item would be marked as complete and removed from the action log.

Item 3-This item was for review at the July 2021 Audit Committee

Item 4-It was noted that the Senior External Audit Manager had informed the Director of Corporate Affairs when the annual reporting manual was due to be published. This item would be marked as complete and removed from the action log.

Further context and assurance was provided by the Senior External Audit Manager on the bad press relating to Grant Thornton involvement in the audit of another organisation above under agenda item 5.2. This item would be marked as complete and removed from the action log.

10. AGS Issues

The Audit Committee discussed the first draft of the Annual Governance Statement (Item 3.1) and noted refinements in respect of feedback from the Audit Committee and any further adjustments up to the year-end would be reflected in the final draft, to be considered on 11th June 2021.

11. Evaluation of Meeting

The Audit Committee was content with the mechanism in place for the e-meeting, given the current extenuating circumstances.

12. Date and Time of Next Meeting:

Friday 11th June 2021, 9.00am