

Name of Meeting:	Audit & Risk Committee
Date of Meeting:	28 April 2020
Prepared by:	David Wharfe, Chair of Committee/Non-Executive Director

Highlights from the meeting

- Audited accounts deadline has moved from 29 May to 25 June. As a result the next meeting will need be rescheduled.
- Auditor assurance work on quality reports will no longer be a requirement for 19/20.
- The Draft Head of Internal Audit Opinion stated a level of significant assurance and the view that there is a generally sound system of control to meet the Trust objectives.

Assurances gained at the meeting

- The agreed number of original planned days in the Internal Plan in 2019/20 was delivered.
- Significant assurance that financial systems reviewed were operating effectively with good internal controls in place.
- Significant assurance that the Trust has effective processes in place to record, manage, investigate and learn from adverse events, serious incidents and never events.
- Significant assurance that the contract management arrangements with AGH Solutions Ltd are being progressed effectively.

Challenges from the meeting

- High level of significant assurance reports in 19/20. Further discussions to be scheduled with Executive colleagues about the audit approach to opinion levels of assurance and the scope and objectives of future audit coverage.
- Significant number of follow up recommendations paused due to COVID-19.
- The development of the Board Assurance Framework and strategic risks are in the process of redesign and will need to be the subject of further review, scrutiny and update by the Board and relevant sub-committees.

New / Emerging risks

- Audit Yorkshire presented the Audit Plan for 20/21. The plan was agreed in principle, although the delivery of the Plan in the timescale outlined is subject to uncertainty due to COVID-19. The Committee recognised that areas of audit coverage, planned early in the financial year would need to be deferred to a later date. If the deferral extends to a longer period, and potentially results in the reduction of audit work, it may be necessary to reconsider the agreed operational plan, and reassess priorities areas agreed in a revised plan.
- The valuation of land and buildings is based on key accounting estimates which are sensitive to changes in assumptions and market conditions. The external auditors have challenged the Trust to demonstrate with reasonable accuracy and supporting evidence that the valuation in the financial statements is not materially different from the value in the current value as at 31 March 2020.

The effect of COVID-19 and the subsequent impact of market indices on the valuation of the Trust estate needs to be assessed within the Audit, who regard this as a significant risk.

- External Audit has been unable to undertake inventory stocktakes since 21 March. Given the materiality of this issue for AGH Solutions, this may lead to a possible "limitation of scope" audit opinion for AGHS, in respect of the inventory balance. The remainder of the rest of the opinion is expected to be unchanged.
- The impact of COVID-19 and remote working arrangements will need to be evaluated by external auditors, together with the Finance team, to ensure sufficient audit evidence is made available for audit purposes.