

## Minutes of the Audit Committee

Held on: Monday 28 June 2021

Location: MTeams

Start time: 16:30 hours

Finish time: 16:50

### Present

Mark Tattersall (MT)  
Geoff Broadhead (GB)

Non-Executive Director (Chair)  
Non-Executive Director

### In attendance

James Thomson (JT)  
Joanne Bowden (JB)  
Angela Wendzicha (AW)  
Jane Wilkinson (JW)  
Andrew Smith (AS)  
Christopher Whittingham (CW)

Director of Finance  
Deputy Director of Finance  
Associate Director of Corporate Governance  
Governor Representative  
Grant Thornton (External Auditors)  
Grant Thornton

Item no.	Agenda item	Action
AUD-17-21	<p><b>Welcome &amp; Apologies</b></p> <p>MT welcomed all to the Audit Committee and noted apologies from Anna Rothery.</p> <p>MT reminded the Committee that the purpose and intention of the meeting was to review the amended Audit Findings Report following which the Audit Committee should be able to recommend to the Trust Board approval of the Annual Accounts.</p>	
AUD-18-21	<p><b>Declarations of Interests</b></p> <p>Declarations of Interests of Committee Members and other attendees' interests concerning agenda items were noted as follows:</p> <ul style="list-style-type: none"> <li>Mark Tattersall as CCC designated Non-Executive Director for PropCare.</li> <li>Geoff Broadhead (GB) designated Non-Executive Director for CPL.</li> </ul>	

- James Thomson as CCC Executive Lead for PropCare and CPL
- Angela Wendzicha as Company Secretary for PropCare and CPL.
- Jo Bowden as Director for CPL

## Annual Report and Accounts

AUD-19-21

### External Audit Findings Report

MT introduced the agenda item and acknowledged that it is clear where amendments have been made since the draft Report was discussed at the last extra-ordinary Audit Committee on 23 June 2021.

AS provided an overview of the External Audit Findings Report and highlighted the following:

- Financial Statements: AS highlighted a small number of misclassification and disclosure issues which had been identified since the Audit Committee last met. AS also drew the Committee's attention to an unadjusted misstatement which led to GT to calculate a theoretical extrapolated error of around £1m that could have impacted the Trust's retained surplus. AS added that there would not usually be a request to adjust for this type of error and GT were comfortable with the management response.

AS further advised the Committee of the work that has now been completed, namely journal and revenue testing, validation work and work in relation to the accounting for the new hospital.

AS informed the Committee that the certificate relating to the closure of the 2020/21 audit will be delayed as the Value for Money work and the work required on the Accounts consolidation schedules have not been completed.

MT sought clarity from JB on the extrapolation issue highlighted by AS with JB confirming that when an error is found usually the testing is extended to demonstrate the error is a 'one off'. However, GT did not believe that further extensive testing was required but did extrapolate what the theoretical impact could be on the Trust's financial statements. JB further advised that she did not recognise the figure referred to above. AS clarified that the error related to a prepaid suppliers invoice which GT then extrapolated using statistical modelling to arrive at a theoretical error value. MT added that he is comfortable that no adjustment has been made in relation to this error given AS's assurance that the calculation is a theoretical error and not material. GB added that he had never seen a potential £60K adjustment shown as

	<p>a £1m error and suggested it could have been articulated better within the report.</p> <p>Discussion ensued in relation to the Annual Accounts with MT noting that minor amendments had been made since the Committee reviewed them on 23 June 2021 and the Committee agreed to recommend to the Trust Board that the Annual Accounts are approved.</p> <p>MT further highlighted and the Committee discussed and approved the Letter of Representation.</p> <p><b>The Audit Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Discussed and recommended Trust Board approval</b> of the Annual Accounts and Letter of Representation.</li> </ul>	
<b>AUD-21-21</b>	<p><b>Annual Report and Annual Governance Statement</b></p> <p>MT reminded the Committee that the Annual Report and Annual Governance Statement had been reviewed at the Committee on 23 June 2021 and agreement was reached to recommend to Trust Board they approve the same.</p> <p>MT highlighted the minor amendments requested at the Committee on 23 June 2021 had been made and the Committee re-iterated its recommendation to Trust Board to approve the Annual Report and Annual Governance Statement.</p> <p><b>The Audit Committee:</b></p> <ul style="list-style-type: none"> <li>• <b>Discussed and reiterated</b> its recommendation to Trust Board to approve the Annual Report and Annual Governance Statement.</li> </ul>	
<b>Corporate Governance</b>		
<b>AUD-22-21</b>	<p><b>Provider Licence Conditions: Compliance Against the Conditions.</b></p> <p>MT highlighted that the Committee had reviewed the compliance status at the meeting held on 23 June 2021 and a recommendation made to Trust Board to approve. The Audit Committee concurred with the decision made on 23 June 2021.</p> <p><b>The Audit Committee:</b></p>	

# MEETING NOTES

	<ul style="list-style-type: none"><li>• <b>Discussed and reiterated</b> its recommendation to Trust Board to approve the compliance against the Provider Licence Conditions.</li></ul>	
	<p><b>Any Other Business</b></p> <p>None raised.</p> <p>MT thanked all for their attendance and contribution and closed the meeting.</p>	

## Next meeting:

Date: 13 July 2021

Location: MTeams

Start time: 14:00 hours

Finish time:

Signature:

Date:

Chair

(Insert date when minutes are signed)

