

Minutes of the Extraordinary Members' Council meeting
Held on 11 September 2023, 15.00 – 15.30
Microsoft Teams

Present:	Marie Burnham (MBu)	Chair
	Jacob Agoro (JA)	Staff – Nursing
	Cllr Howard Blagbrough (HB)	Appointed – Calderdale Council
	Bob Clayden (BC)	Public – Wakefield
	Daz Dooler (DD)	Public – Wakefield
	Warren Gillibrand (WG)	Appointed – University of Huddersfield
	Leonie Gleadall (LG)	Staff – non clinical support
	Claire Den – Burger Green (CDBG)	Public – Kirklees (deputy lead governor)
	Adam Jhugroo (AJ)	Public – Calderdale
	John Laville (JLa)	Public – Kirklees (lead governor)
	John Lycett (JLy)	Public – Barnsley
	Bob Morse (BM)	Public – Kirklees
	Phil Shire (PS)	Public – Calderdale
Attendees:	Robert Adamson (RA)	Deputy director of finance
	Andy Lister (AL)	Head of corporate governance / company secretary
	Asma Sacha (AS)	Corporate governance manager (author)
	Julie Williams (JW)	Deputy director of corporate governance, performance and risk
	Nicola Wright (NW)	Partner - Deloitte LLP
Apologies: Members' Council	Cllr Sue Bellamy (SB)	Appointed – Barnsley Council
	Tanisha Bramwell (TB)	Public – Kirklees
	Keith Stuart – Clarke (KSC)	Public – Barnsley
	Rumaysah Farooq (RF)	Public – Kirklees
	Daniel Goff (DG)	Public – Barnsley
	Ian Grace (IG)	Staff – Medicine and Pharmacy
	Laura Habib (LH)	Staff – Nursing support
	Sara Javid (SJ)	Public – Kirklees
	Rosie King (RK)	Public – Wakefield
	Christopher Matejak (CM)	Public – Calderdale
	Andrea McCourt (AMc)	Appointed – Calderdale and Huddersfield NHS Foundation Trust
	Helen Morgan (HM)	Staff – Allied Health Professionals
	Cllr Mussarat Pervaiz (MP)	Appointed – Kirklees council
	Reini Schühle (RS)	Public – Wakefield
	Fatima Shahzad (FS)	Public – Rest of Yorkshire and Humber
	Elaine Shelton (ES)	Appointed – staff side organisations
	Susan Spencer (SS)	Appointed – Barnsley Hospital NHS Foundation Trust
	Nik Vlissides (NV)	Staff – Psychological support

**Apologies:
Attendees**

Mark Brooks (MBr)

Chief Executive

Adrian Snarr (ASn)

Executive director of finance, estates
and resources

MC/23/43 Welcome, introductions and apologies (agenda item 1)

Marie Burnham (MBu) formally welcomed everyone to the extraordinary Members' Council meeting, apologies were noted as above. The meeting was quorate and could proceed.

MBu reported that the meeting is being recorded to support minute taking. The recording will be deleted once the minutes have been approved (it was noted that attendees of the meeting should not record the meeting unless they had been granted authority by the Trust prior to the meeting taking place). Attendees who were joining virtually were kindly requested to remain on mute, unless speaking.

It was RESOLVED to RECEIVE the welcome, introductions and apologies as described above.

MC/23/44 Report to the Governors on the Trust ISO 260 audit of accounts 2022/23 (agenda item 2)

Nicola Wright (NW) presented the Trust ISO 260 audit of accounts 2022/23.

NW explained Deloitte, as auditors, read the Trust annual report, and review whether this is consistent with the financial accounts. They also have a responsibility about correcting this if they see any anomalies.

NW reported Deloitte also review the annual governance statement and compare this to what they know about the Trust as an organisation and check consistency.

Deloitte provide an opinion on the accounts which is true and fair, and also draw a conclusion on value for money. Deloitte would highlight any significant issues or concerns if they had any.

NW continued, there are also other reporting requirements, and the Trust reports are submitted to NHS England as they form a part of the wider NHS group accounts.

Deloitte provided an opinion to NHS England to state that the information that they have audited is the same information that the Trust has submitted to NHSE. The NHS accounts are then audited by the National Audit Office, and Deloitte also provide a separate opinion to the National Audit Office.

NW then went through the significant risks of material misstatements which had been presented to the Audit Committee. In the 2022/23 audit there were three areas which classified as significant risks, these were;

Validity of accruals

At the end of each year the Trust makes accruals for expenditure which has occurred in the year, where the balance hasn't been settled. Deloitte found during Covid-19, a number of organisations were receiving funding in advance, so they had validity.

Management Override of controls

NW explained this risk is mandatory and the principle behind it is that there are always people in the organisation who can override this, as senior staff working, and it is a fraud risk.

Deferral of the lead provider income

NW explained the Trust is a lead provider and receives an income for this, Deloitte therefore review this additional revenue.

NW explained the Trust submitted annual reports and accounts ahead of the NHSE timetable. There were regular meetings between Deloitte and the Trust.

There were three balances where Deloitte identified as misstatements, and these were errors that they suggested were corrected. There is a threshold called materiality, if errors are below this threshold, it is not recommended for correction. NW explained the slide shows the total value of the errors was £5million and if the Trust had corrected them, the reported surplus would have been £5million higher. Deloitte were satisfied no further action was needed, and this was agreed by the Audit Committee.

NW said the auditors identified no significant issues with the annual governance statement.

NW stated the annual report was presented as a good draft, and feedback from previous years was taken into consideration.

Deloitte also reviewed the Trust's accounting policies and found them to be consistent with normal sector standards.

NW reported they had also looked at control findings, and raised ten control findings as part of their audit work;

- Leasehold improvements
- Evidence of accruals
- General ledger limits
- Capitalisation of software licences
- Credit balances within property
- Plant and equipment
- Lead provider deferred income review
- Fully depreciated assets
- Oracle privileged users and non-contractual bonus approval

She said on balance, it was a good year for performance, and the finance team. She thanked Rob Adamson (RA), Julie Williams (JW) and the finance team for their assistance with the completion of this audit.

It was RESOLVED to RECEIVE the Trust ISO 260 audit of accounts 2022/23

MC/23/45 Discussion (agenda item 3)

MBu thanked NW for her presentation and opened the meeting up for discussion.

Bob Clayden (BC) asked about the three misstatements and the threshold where the Trust would be asked to make changes. NW said this was usually 2% of revenue, therefore it was Trust went above £7.5 million then they would have spoken to the Trust about making the appropriate adjustments.

Bob Morse (BM) asked about the misstatements and why they remain uncorrected. NW said there were three different balances, and one was about the lead provider income. She said the Trust is the lead provider and had deferred some of this income and it was not recognised in the year of the audit. She explained this was then carried forward and the Trust had not

spent all of those funds. In order to carry something forward there have to be specific terms and conditions around the revenue.

She said the second point was about accruals, she explained when the Trust makes an accrual, this is based on prediction and when they do the audit, the invoices are received, a review then takes places on over-estimates and the potential range of error.

She explained there are also amounts from the pay award, where the Trust has made an accrual, but the payment was actually less.

RA reported the methodology is robust and this is common practice that there are always adjustments.

BM asked why it was allowed to remain uncorrected.

NW said it is a difference of opinion as the accrual is done on the best estimate at the time, but the audit happens later, when more information is available. She explained about the materiality threshold, and this is why it was not corrected.

RA explained the Trust produce the accounts on 31 March 2023 and there is a cut-off point and judgement, but if something fundamental was identified, it would be changed.

MBu said it was a good set of accounts, she it has been to the Trust Audit Committee, and she feels the challenge is positive. She explained that a lot of the issues that were raised last year have been dealt with.

Howard Blagbrough (HB) thanked NW and her team for the excellent report, noting the importance of the external audit process.

Warren Gillibrand (WG) said he was satisfied with the presentation and information presented today.

Asma Sacha (AS) confirmed she will share the slides with all governors after the meeting.

John Laville (JLa) asked about any learning points from this year's audit which will be taken forward to next year. NW said there are some control findings which will be discussed with the Trust finance team.

It was RESOLVED to DISCUSS the Trust ISO 260 audit of accounts 2022/23

MC/23/46 Any other business (agenda item 4)

None.

It was resolved to RECEIVE any other business.

Close of public meeting