

ITEM: 09/011

DOC: 10

**Meeting:** Trust Board  
**Date:** 21<sup>st</sup> January 2009

**Title:** Report from the Audit Committee

**Executive Summary:** The Audit Committee met on 8<sup>th</sup> January and was attended by Anna Merrick (chair), Edward Lord and Robert Aitken. The Committee reviewed the outstanding actions arising from the meetings held in June and September 2008 and the action notes from the meeting in November 2008. The attached paper sets out the outstanding items from the previous meetings and 26 new actions identified at the January 2009 meeting.

The current position is:

<u>Meeting</u>	<u>Original actions</u>	<u>o/s or in hand at Jan '09</u>
June '08	16	1
Sept '08	15	4
Nov'08	33	12
Total	64	17

The Board's attention is drawn to three items on the action list.

Action 14: Governance self-certification for the Foundation Trust application

The Board will recall that Parkhill Audit Agency were commissioned to advise on the documentation required for self-certification and review its availability within the trust. They presented a draft report to the Audit Committee containing 15 recommendations, which were accepted with one exception (as it did not reflect the revised committee structure). It is recommended that the Director of Planning and Performance should be tasked with drawing up the action plan, to be monitored by the Executive Committee and brought back to the Audit Committee and Trust Board.

Action 16: Board Assurance Framework (BAF)

In the light of the Audit Committee's discussion on the updated BAF, it is proposed that two further corporate risks should be added relating to safeguarding adults and the general economic situation. These are highlighted in the BAF report elsewhere on the agenda.

Action 24: Management of Charitable Funds

The Audit Committee received a report on the investment performance and options for amending the investment strategy, which is within its current terms of reference. In discussion, it was agreed that the Board's approval should be sought to consider the wider issue of the trust's policy on and management of the charitable funds, and make recommendations to the Board as corporate trustee.

**Action:** The Board is asked to:

- Note the progress made on actions arising from the work of the Audit Committee;

- Approve the recommendation for taking forward the work on governance self-certification;
- Consider the Audit Committee's proposal that it should extend its remit to include the management of charitable funds

**Report from:** Susan Sorensen  
Corporate Secretary

**Sponsor:** Anna Merrick  
Chairman of the Audit Committee

**Financial Validation**

Lead: Director of Finance

Name of finance officer

n.a

**Compliance with statute, directions, policy, guidance**

Lead: All directors

**Reference:**

Audit Committee handbook  
NHS compliance regime

**Compliance with Healthcare Commission Core/Developmental Standards**

Lead: Director of Nursing & Clinical Development

**Reference:**

n.a.

**Compliance with Auditors' Local Evaluation standards (ALE)**

Lead: Director of Finance

**Reference:**

Internal control

**Evidence for self-certification under the Monitor compliance regime**

Lead: All directors

**Compliance framework reference:**

Appendix C3

## The Whittington Hospital NHS Trust Audit Committee

This paper tracks progress on actions from previous meetings of the Audit Committee (AC) and summarises the key decisions and actions arising from the latest meeting on 8<sup>th</sup> January 2009. The minutes of the meeting contain a more comprehensive account of discussion and outcomes.

### Update on outstanding actions from Audit Committee 10<sup>th</sup> June 2008

Action	Progress / Update
Review DH guidance on the health impact of climate change	To be brought to March 2009 AC
All other action points	Complete

### Update on outstanding actions from Audit Committee 4<sup>th</sup> September

Action	Progress / Update
Responding to the increase reporting of violence on staff, Steve Primrose to add this to the Trust's risk register in September.	To be included in next iteration of risk register. Phil lent to check
Clinical Governance Committee to look into using a competency-based system and report back to November Audit Committee.	AC agreed a more realistic review date to report back to March AC.
The AC requested that consideration is given to how the SUIs are recorded and monitored within the Assurance Framework. Deborah Clatworthy, Fiona Elliott and Susan Sorensen to discuss and report back.	Report to March AC
Susan Sorensen to arrange for a section on reputational risk to be included in the in the Board self-certification process	To be included in documentation for self-certification.
All other action points	Complete

### Update on outstanding actions from Audit Committee 10<sup>th</sup> November 2008

Action	Progress / Update
Terms of reference of Health & Safety Committee agreed by AC to be included in FT application for board approval	In hand.
Clinical Governance Strategy – headings to inform CG Committee agenda	Deborah Wheeler to confirm
Format of Action Plan progress report on SUIs amended to include column for target completion. Gaps in report to be filled.	Deborah Wheeler to confirm

Action	Progress / Update
Update to be sought from the Chairman on the appointment to the vacant associate non-executive director post.	Chairman to report
Self-certification. Committee advised of work in progress to secure required documentation. Key areas for further evidence noted. NED performance management at Board level to be fully recorded	Draft report received from Parkhill Audit Agency at January meeting of AC. Action plan to be drawn up by Director of Planning and Performance. EC to monitor and report to AC
Risk arising from economic situation should be registered	To be added to BAF for January Trust Board
Outstanding recommendations on internal audit follow-up report to be chased	Work in progress
Need to arrange training for medical staff to understand the counter fraud environment	Nigel Sedgwick to attend March Medical Committee
Review of PMEF procedures needs support	CEO has commissioned comprehensive management review of systems and processes operating in the PG centre
Estate revaluation to be undertaken 2 April 2009 agreed by AC	In hand
Complete ALE action plan for further improvement by end March	Report to March AC
Need to establish how to minimise write off of private patient and overseas visitors' bad debts	Operations directorate reviewing options. Report back to March AC
All other action points	Complete

### Actions arising from Audit Committee on 8<sup>th</sup> January 2009

	Decision/Action	Timescale	Lead and support
	<b>Health and Safety Report (Doc 3)</b>		
1.	Ensure training database linked to ESR kept up to date	ongoing	<b>Philip lent</b>
2.	Document the process for reporting and rectification of access control system failure	March 2009 AC	<b>Philip lent</b>
3.	Report on fire alarm system and false alarms to be included in H&S report for next couple of meetings	March and May 2009 AC	<b>Philip lent</b>
4.	Add risk of insurance shortfall to risk register	Feb review of RR	<b>PI/RM</b>

	<b>Health and Safety governance arrangements (Doc 3B)</b>		
5.	Develop dashboard indicators for health and safety and bring to Audit Committee before including in corporate dashboard	May AC	<b>Philip lent</b>
6.	Ascertain when next H&S inspection due	March AC	<b>Philip lent</b>
	<b>Clinical Governance Committee Report (Doc 4)</b>		
7.	Secure attendance of a surgeon on the Blood Transfusion Committee	March 2009 AC	<b>Deborah Wheeler</b>
	<b>SUI update (Doc 6)</b>		
8.	Inconsistencies in progress details and completion dates to be reconciled	March 2009 AC	<b>Deborah Wheeler</b>
9.	Action plans arising from serious case reviews to be included in SUI update reports	March 2009 AC	<b>Deborah Wheeler</b>
	<b>Overview and Scrutiny Committee update (Doc 7)</b>		
10.	Identify issues in the executive summary	Next update	<b>Deborah Wheeler</b>
	<b>NHSLA acute risk management standards level 2 assessment (Doc 9)</b>		
11.	Draw up action plan in response to report of assessor	March 2009 AC	<b>Deborah Wheeler</b> <b>Deborah Clatworthy</b>
	<b>Risk Register update (Doc 10)</b>		
12.	Risk register to EC end January	March 2009 AC	<b>Deborah Wheeler</b> <b>Deborah Clatworthy</b>
	<b>Care Quality Commission – preparation for registration</b>		
13.	Draft statement of compliance to Trust Board	January Trust Board	<b>Deborah Wheeler</b>
	<b>Governance self-certification for FT application: progress report (Doc 12)</b>		
14.	Action plan in response to the recommendations of the Parkhill management letter dated 31 December 2008 to be drawn up and monitored by EC and Audit Committee	End January 2009  March 2009 AC	<b>Fiona Elliott</b>
15.	EC needs to ensure that no action plans are submitted with target dates which have past. Alternative targets should be agreed with explanation for delay.	Ongoing  March 2009 AC	<b>All directors</b>
	<b>BAF update (Doc 13)</b>		
16.	Include corporate risks relating to safeguarding adults (DW) and economic outlook (RM)	January TB	<b>Susan Sorensen</b>

	<b>Education and training (Doc 15)</b>		
17.	Ascertain the timing and scope of the planned CEO review of the management and processes operating in the postgraduate centre	January TB	<b>Susan Sorensen</b>
	<b>Internal Audit Progress Report (Doc 17)</b>		
18.	Internal audit to validate responses to recommendations submitted by trust	March 2009 AC	<b>Parkhill</b>
19.	Internal audit to identify whether outstanding actions are within the target date or overdue	March 2009 AC	<b>Parkhill</b>
20.	Report on SLA position	31 July 2009	<b>Tim Jaggard</b>
	<b>Counter Fraud Service Report (Doc 18)</b>		
21.	Review circumvention of controls in cheque fraud and rectify weakness	March 2009 AC	<b>Richard Martin</b>
22.	Trust to register interest in recovery of cheque fraud loss to Crown Prosecution Service	Immediate	<b>RM/LCFS</b>
23.	Obtain detail about loss of medical equipment	March 2009 AC	<b>Philip Ient</b> Steve Primrose
	<b>Review of Charitable Funds investment strategy</b>		
24.	Seek approval from Trust Board for Audit Committee to include the wider management of charitable funds within its remit in addition to consideration of the investment strategy	January TB	<b>Susan Sorensen</b>
	<b>Tender Waiver report</b>		
25.	Standing orders/SFIs to be amended to avoid the requirement for tender waivers in the case of PASA framework contracts	March 2009 AC	<b>Richard Martin</b>
	<b>AOB – MRSA SUI</b>		
26.	Take a view before next AC on whether DIPC should attend AC to discuss how the committee can support her	End Feb 2009	<b>Deborah Wheeler</b> <b>Celia Ingham Clark</b>

Susan Sorensen  
Corporate Secretary  
13 January 2009