

ITEM: 09/111
Doc: 08

Meeting: Trust Board
Date: 15th July 2009

Title: **Report from the Audit Committee**

Executive Summary: The Audit Committee met on 2nd July 2009 and was attended by Anna Merrick (chair), Robert Aitken, Jane Dacre and Maria Duggan. As the previous meeting on 9th June had focused on the Annual Accounts, associated documentation, and the internal auditor's annual report, the July meeting was mainly concerned with clinical governance and health and safety.

The action notes from previous meetings were not monitored on this occasion. Action notes from the June and July meetings are attached, and a full progress report will be brought to the September meeting of the Trust Board along with the Audit Committee's Annual Report.

Attention is drawn to the following matters referred to in the action notes:

Terms of reference

The Audit Committee approved the following addition to the terms of reference. Para 3.7.3 to read "*Review the systems and procedures related to fundraising and the management and application of charitable funds, including the postgraduate medical education funds*"

Clinical Audit Annual Report

The Audit Committee discussed the detailed review of clinical audit activity in 2008-09. It was agreed that the following points should be communicated to the Trust Board and will be followed up by the Audit Committee.

1. Concern was expressed about the variation in participation between specialties. Within the total of 308 audits undertaken, the range was from 65 in pathology to 9 each in anaesthetics, ED and urology. Adherence to plan also demonstrated variation with Imaging and ED at 100% but paediatrics at 68%.
2. Attendance at the monthly clinical audit half day sessions, ranging from 16 to 49, was considered to be low and raised questions about the level of dissemination of good practice.
3. The role of the Clinical Audit and Effectiveness Committee was noted, but the Audit Committee sought reassurance that there was a comprehensive and consistent process for feedback and monitoring of action in response to clinical audit findings.

Internal Audit Annual Report

This report was received and discussed by the Audit Committee at its meeting on 9th June. The limited assurance given on four audit reviews was reported to the June meeting of the Trust Board. It was agreed that Richard Martin would co-ordinate the progress made on the action plans relating to these four areas:

1. Capital Contracts
2. Use of Bank and Agency staff
3. Human Resource – Training
4. Meeting the 18 week target

Although a written report was not submitted to the Audit Committee on 2 July, and Richard Martin was unable to attend to give a verbal update, progress reports have now been submitted by the lead managers. These indicate that all recommendations made by the auditors have already been actioned or will be implemented within the agreed timescale. A detailed report will be submitted to the September meeting of the Audit Committee, who will continue to closely monitor until all recommendations have been completed and validated through audit follow-up.

External audit concerns re electronic submission of HR documentation to payroll

Following discussion with the external auditors on their findings, the trust agreed to disclose the apparent weakness in documentation submitted to payroll within the Statement on Internal Control for 2008-09. The Audit Committee followed this up at their meeting on 2 July when it was reported by Paul Campbell, the Assistant Director of HR responsible for the Electronic Staff Record, that he had agreed the process for electronic transmission of HR data to payroll with the previous head of internal audit. However, there was no documentation to verify this. It was agreed that further discussion should take place between the Director of Finance, the Director of HR and the external auditor to find a way forward on this issue.

Action: The Trust Board is asked to:

- Approve the addition to the terms of reference of the Audit Committee
- Note the Audit Committee’s observations on the Clinical Audit Annual Report
- Note the position on the action plans on the limited assurance audit reviews as reported by the lead managers
- Note the update on the position relating to the HR documentation for payroll

Report from: Susan Sorensen
Corporate Secretary

Sponsor: Anna Merrick
Chairman of the Audit Committee

Compliance with statute, directions, policy, guidance

Lead: All directors

Reference:

Audit Committee handbook
NHS compliance regime

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

Lead: Director of Finance

Reference:

Internal control domain
Financial reporting domain

The Whittington Hospital NHS Trust Audit Committee

This paper the key decisions and actions arising from the last two meetings on 9th June and 2nd July 2009. They will be monitored by the Audit Committee at its next meeting in September, along with progress on outstanding actions from previous meetings. The minutes of the meeting contain a more comprehensive account of discussion and outcomes.

Actions arising from Audit Committee on 9th June 2009

	Decision/Action	Timescale	Lead and support
1.	Amendment to Audit Committee terms of reference to Trust Board for approval	July TB	Susan Sorensen
2.	Follow up on audit concerns re HR documentation	September AC	Anna Merrick
3.	Report approval of accounts and letter of representation to Trust Board	June TB	Anna Merrick
4.	Amend charitable funds procedures para. 4.6.4	asap	Richard Martin

Actions arising from Audit Committee on 2nd July

	Decision/Action	Timescale	Lead and support
	Reports on Health & Safety (Docs 3, 4 5))		
1.	Obtain benchmarking data from Parkhill database and NHS LA	July/August	Philip Ient
2.	Review proposals from British Safety Council on 3 rd party accreditation in the light of benchmarking data	September AC	Philip Ient
3.	Prioritise areas of concern in H&S dashboard report	November AC	Philip Ient
4.	Track movement in dashboard indicators over time and include underlying data in next report	November AC	Philip Ient
	Reports on Clinical Governance (Docs 6,7)		
5.	Bring back progress report on action plan in response to the Medicine and Healthcare products Regulatory Agency (MHRA) inspection	September AC	Deborah Wheeler

	Decision/Action	Timescale	Lead and support
6.	Reinforce need for comprehensive incident reporting e.g. through Chief Executive's briefing	asap	Deborah Wheeler
7.	Bring progress report on the out-patient service improvement project. Adam Smith to attend.	September AC	Deborah Wheeler Adam Smith
8.	When CG annual report is placed on the intranet and website, include a footnote stating how many of the 10 pre-48 hour MRSA bacteraemia had no previous episodes at the Whittington	asap	Deborah Wheeler
9.	Provide information to trust board on the new research centre opening summer 2009 referred to in CG annual report	July CEO report	Deborah Wheeler
Clinical Audit Annual Report (Doc 8)			
10.	Report areas of concern to Trust Board	July TB	Susan Sorensen
11.	Provide report on the generic process for disseminating audit findings and monitoring action, including comparative practice in other organisations	September AC	Deborah Wheeler
Report from the Local Counter Fraud Service (Doc 13)			
12.	Decide whether civil action for recovery of fraudulent BACs payment should be pursued	September AC	Richard Martin
Follow-up on audit recommendations (verbal)			
13.	Progress on action plans relating to four limited assurance reviews in Internal Audit annual report – reference in report to Trust Board. Detailed report to Audit Committee	July TB September AC	Susan Sorensen Richard Martin
14.	Further discussion with external audit on concerns relating to electronic transmission of HR documentation for payroll	Asap September AC	Richard Martin Margaret Boltwood

Susan Sorensen
Corporate Secretary
7 July 2009