

**WHITTINGTON HEALTH TRUST BOARD****26 September 2012**

<b>Title:</b>	<b>Report from the Audit &amp; Risk Committee</b>		
<b>Agenda item:</b>	<b>13</b>	<b>Paper</b>	<b>J</b>
<b>Action requested:</b>	<b>For information</b>		
<b>Executive Summary:</b>	<p>The Committee met for a full day on 13 September, during which it:</p> <ul style="list-style-type: none"> <li>• Reviewed the <b>latest versions of the Board Assurance Framework (BAF) and Corporate Risk Register</b>. The Committee made a number of recommendations for improvement to the BAF and a revised version is being presented to the Board in this meeting.</li> <li>• Conducted <b>deep dives into 5 selected risks BAF):</b> (1) the quality and timeliness of Board information; (2) Information Governance; (3) the engagement of GPs; (4) the engagement of staff; and (5) the embedding of Service Line Management. Based on these reviews, the Committee gained assurance on the working of existing controls although, in each case, looks forward to the implementation of planned actions that will mitigate these risks further. The Committee also recommended additional mitigating actions for some risks.</li> <li>• Conducted a brief <b>review of the Committee's own performance</b> over the past year.</li> <li>• Heard an <b>interim progress report Internal Audit (IA)</b>, which provided Substantial Assurance on our Financial Reporting &amp; Budgetary Control; Adequate Assurance on our CIP programmes and the management of Bank &amp; Agency; and Limited Assurance on Information Governance Toolkit v9. The Committee reviewed action plans to address identified control weaknesses.</li> <li>• Approved a number of <b>tender waivers and bad debt write-offs</b>.</li> </ul>		
<b>Summary of recommendations:</b>	For noting		
<b>Fit with WH strategy:</b>	The Audit Committee is responsible for monitoring risks to the delivery of WH strategy		
<b>Reference to related /</b>	Minutes from the previous meeting of the Committee on July 12,		

<b>other documents:</b>		2012 (attached). Board Assurance Framework (separate agenda item).					
<b>Date paper completed:</b>		19 September 2012					
<b>Author name and title:</b>		<b>Peter Freedman Chair of Audit and Risk Committee</b>		<b>Director name and title:</b>		<b>Richard Martin, Director of Finance</b>	
<b>Date paper seen by any other group/which</b>	<b>N/A</b>	<b>Equality Impact Assessment complete?</b>	<b>N/A</b>	<b>Risk assessment undertaken?</b>	<b>N/A</b>	<b>Legal advice received?</b>	<b>N/A</b>

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**Minutes of Whittington Health Audit & Risk Committee  
held on Thursday 12<sup>th</sup> July 2012**

<b>Present</b>	Peter Freedman	PF	Non-executive Director (Chair)
	Robert Aitken	RA	Non-executive Director
	Richard Martin	RM	Director of Finance
	Andrea White	AW	Audit Commission
	Anthony Smith	AS	Audit Commission
	Max Lai	ML	Parkhill Audit Agency
	Surinder Ahir	SA	Parkhill Audit Agency
	Nigel Sedgwick	NS	Parkhill Audit Agency
	Matt Boazman	MBZ	Director of Operations, Surgery & Diagnostics
	Fiona Smith	FS	Director of Planning & Programmes
<b>Minutes:</b>	Vivien Bucke	VB	Business Support Manager, Finance

12/054	<u>Welcome and Apologies for Absence</u>	Action
	Apologies received from Paul Lowenberg, Celia Ingham Clark, Bronagh Scott, Yi Mien Koh, Maria Da Silva, Margaret Boltwood and Marisha Ray.	
12/055	<u>Draft Minutes of the Audit &amp; Risk Committee 10<sup>th</sup> May &amp; 1<sup>st</sup> June</u>	Action
55.1	PF confirmed the changes to the Non Executive Directors sitting on the Audit & Risk Committee which are now Paul Lowenberg, Robert Aitken and himself only.	
55.2	Minutes of both meetings were approved but RM confirmed that the IA Plan was to come back to this meeting for review. It was agreed that 12 days from Quality Audit would go into the review of EPR on the basis of best practice.	
12/056	<u>Action Notes &amp; Implementation Tracker (incl. Internal &amp; External Audit Recommendations (Doc 2</u>	Action
56.1	1201.01 RM reported for Margaret Boltwood that the package is being developed, with a view to starting availability in the Autumn.	
56.2	1205.01 RM stated that this had been looked at when the IA Plan had been reviewed and the perceived gap for EPR had been allocated days.	
56.3	1205.02 It was agreed that Glenn Winteringham would be asked to attend the September meeting with FS for a Deep Dive session on Information Quality & IT Risks.	
56.4	PF congratulated the Finance Department that the number of outstanding actions had decreased to only 5.	
12/057	<u>External Audit Progress Report (Doc 3)</u>	Action
57.1	AW reported to the Committee that the Annual Audit letter was in draft and would be sent out shortly.	
57.2	AW highlighted page 4 points 12-13 and stated that as an Interim Auditor (to 1/9/12) she would only carry out work if absolutely necessary and there would be a need to charge on a per diem rate. As of 1/11/12 staff would transfer to KPMG who had reported they would mix up the teams, although it	

	could be assumed either AS or AW would remain serving Whittington Health. RM said that September was a critical time with HDD2 and a great deal of information will be asked for. RA asked that if KPMG did not plan to retain the current Auditors that Whittington Health be told urgently so representation could be made in time regarding continuity. AW agreed to pass on our views and the current circumstances related to these.	
57.3	AW confirmed that the residual Audit Commission will be ongoing until legislation for demise is finalised and the relevant draft bill had just been published.	
57.4	RM queried the agreed fees with a contracted 30% reduction fixed for 5 years and AW confirmed this is agreed. PF asked if the level of scrutiny would change and AW stated that if the risk profile changed the mechanism would be a return to the Audit Commission to ask for a change in fee but she felt that was not likely if the risk profile doesn't change. RM asked if there would be an additional charge for work with Deloitte and AW felt that an hour's telephone call could be accommodated without extra charge.	
57.5	NS clarified to RA that the NFI is in hand and RM verified that Monitor's financial assumptions had been matched for the base case in the LTFM although amendments had to be made to the LTFM.	
<b>12/058</b>	<b><u>External Audit Quality Account (Doc 4)</u></b>	
58.1	AS said that Limited Assurance had been given but that was due to the scope of the Audit which meant no more than Limited could be gained and the Quality Account was consistent with the Regulations. In addition, recommendations had been made against performance indicators. AS stated that the accuracy of information entered was sometimes a day out or sometimes as in the case of Cancer entered as a new case when in reality it wasn't. DW confirmed that new training of staff had taken place with regards to producing SUI reports to the required standard and therefore the timeliness of reports to the SHA had improved.	
<b>12/059</b>	<b><u>Internal Audit Progress Report (Doc 5)</u></b>	
59.1	PF queried the Adequate rating for PbR and ML agreed this should read Substantial. All but one of the 5 reports had a Substantial rating. PF enquired about the comment on page 21 ' <i>A need to ensure that the data in the reports is correct before the reports can be considered useful</i> ' and ML answered that it could be a one off comment to which RM stated that while there is a programme of continuous updating and more staff (Consultants) are engaged in the process data is only as good as entered.	
59.2	RA highlighted 1.01 and 1.02 of the Action Plan (page 27). that are due for implementation beginning and mid July. DW confirmed the New Head of Performance would be looking at the action plan from the IG Toolkit and producing a performance dashboard for the myriad of NHS Returns.	
<b>12/060</b>	<b><u>Internal Audit Terms of Reference 2012-13 (Doc 6)</u></b>	
60.1	The Terms of Reference were approved.	
	<i>Matt Boazman arrived</i>	
<b>12/061</b>	<b><u>Counter Fraud Service Progress Report (Doc 7)</u></b>	

61.1	NS outlined the case PAA 4771 and said that an investigation of this type would not take much of his time as just one statement to be taken.	
<b>12/062</b>	<b><u>Recommended Bad Debt Write Off (Doc 8)</u></b>	
62.1	RM reported that there was nothing particularly contentious in the report which was recommended a modest amount. PF said it was good to see a reduction from this time last year and the report was approved.	
<b>12/063</b>	<b><u>Tender Waiver Report (Doc 9)</u></b>	
63.1	PF asked that when there is an OEM is this because there is a signed contract in place for maintenance or because there is no other provider. RM to respond and confirm.	<b>RM</b>
<b>12/064</b>	<b><u>Health and Safety Dashboard Report (Doc 10)</u></b>	
64.1	PI confirmed that the H&S continues to meet quarterly. HR and NHS Protect had agreed that Conflict Avoidance would continue to be face to face training but Whittington Health could undertake a risk assessment so not all staff were required to undertake this course.	
64.2	RA asked about the number of security cases and PI confirmed that Whittington Health encourages reporting of everything from a cross word upwards. In addition the Whittington is a Safe Haven which means there may be a higher proportion of violent patients. RA asked how these were flagged and PI confirmed there is a very proactive system of identifying such patients with an alert on PAS. In addition MBZ stated a risk assessment of every patient is undertaken on admission and handover notes always include such details. PI informed the Committee that at times the CEO had issued letters to patients/visitors that unless they present with a medical condition they will not be allowed entry. PI stated probably only 1 significant incident needing physical restraint in a month and in addition NHS Protect alerts are sent to MDS and security staff. At present a new member of staff is being hired for the Community to deal with this issue but there is not the culture of reporting at present. DW explained that a community nurse knowing a patient may not report an incident but staff at Pentonville, for example may well do so. MBZ queried the spike in reports and DW this is being looked at but the change in systems has led to anomalies.	
64.3	PI asked for a NED to be nominated for responsibility as requested by NHS Protect and it was agreed PI to email requirements to the NEDs.	<b>PI</b>
<b>12/065</b>	<b><u>Final Management Letter on the BAF for 2011-12 (Doc 11)</u></b>	
65.1	This was noted by the Committee as requested.	
<b>12/066</b>	<b><u>Review Board Assurance Framework (Doc 12)</u></b>	
66.1	DS outlined the top five risks: 1. CIP identification and delivery for next 5 years 2. Commissioner solvency 3. GP engagement in transformation redesign 4. Use of information to drive performance 5. [Lack of a clear] Sector maternity strategy	
66.2	PF asked that Staff engagement/Consultant engagement and Senior Management Capacity/Stretch be put back on the BAF. The BAF would then go back to the Executive Committee for discussion.	
66.3	ML queried that the top five stated risks were not actually the top scoring	

	risks and he felt it surprising that only 1 red risk. It was felt that the RSM Tenon report was eluding to this and DS agreed to do some work on the controls highlighted by RSM Tenon. PF confirmed the NEDs would feed comments to DS.	<b>DS</b>
66.4	PF asked about the EPR risk rating and RM assured the Committee that this is not high even if there is a delay in implementation, although RIO penalties could happen. The risks would be in the latter stage of implementation when into the community and child health.	
<b>12/067</b>	<b><u>Information Governance Annual Report 2011-12 (Doc 13)</u></b>	
67.1	FS reported on Action 1203.02 FP3.2 on the BAF: There has been quite a lot of activity taking place and the RSM Tenon report concluded that information quality was good. While there is a risk from Community data, the Whittington self rating had been down scored by RSM Tenon and that was reassuring. In addition, the Annual Clinical Coding Audit, undertaken by the Audit Commission was showing above average quality.	
67.2	The newly approved post of Interim Performance Manager sitting in the Operations Directorate will focus on redesigning the dashboard and looking at the timeliness of information to the Board. There were 7 excellent candidates being interviewed that afternoon for the permanent post. The pos holder will map the processes involved in information reporting to understand and manage the risks at each stage of the process.	
67.3	There will be a need to allocate an information analyst to the EPR workstream. FS had commissioned an external company with experience at Guys and St. Thomas' to look at the functioning of the information team and it's workload and they had just completed the scoping exercise. Early findings are that reports are clunky, data input comes from a variety of sources and many are not automated. Their full report is due in the next week. The next phase will be to redesign and automate these reports as currently the analysts are producing data not necessarily information.	
67.4	<b><u>Information Governance Annual Report 2011-12:</u></b> FP5.3 on the BAF – The Trust has now received the 1 <sup>st</sup> Draft of Parkhill's audit of the Trust's IGT9 submission. This gave a limited assurance audit opinion as was previously flagged as likely by FS. This is an improved level of assurance against the 20/10/11 IG8 submission and reflects the new approach to IG Governance. However, The Information Governance Steering Group is meeting monthly and risks have been scoped. EPR has been added to this with 2 risks regarding migrating legacy systems into EPR and networking.	
67.5	RA raised the issue of the ED child protection record paper system rather than electronic being used and FS agreed to check this.	<b>FS</b>
67.6	The Audit by Parkhill will take place in Nov/Dec ready for the 31/3/13 IG 10 submission. Data will start to be loaded in October. It was agreed that FS and the IG Specialist from Parkhill will brief the November Audit Committee.	<b>FS/ Parkhill</b>
<b>12/068</b>	<b><u>Annual Report of Audit &amp; Risk Committee 2011-12 (Doc 14)</u></b>	
68.1	The Committee were happy with the report which will go to the July Trust Board.	
<b>12/069</b>	<b><u>Non-Clinical Claims Report</u></b>	

69.1	RM outlined the need to report Provisions and stated these are not substantially different from previous levels. PF thanked RM for the information.									
<b>12/070</b>	<b><u>Any Other Business</u></b>									
70.1	<p><u>Deep Dives were confirmed for September:</u></p> <table data-bbox="276 324 1305 465"> <tr> <td>Information Quality &amp; IT Risks</td> <td>FS/Glenn Winteringham</td> </tr> <tr> <td>Staff &amp; Consultant Engagement</td> <td>MDS/YMK + Divisional Clinical Dirs.</td> </tr> <tr> <td>GP Engagement</td> <td>Greg Battle</td> </tr> <tr> <td>Community Estates Transfer</td> <td>Richard Martin</td> </tr> </table> <p><u>Deep Dives later in year:</u></p> <ul style="list-style-type: none"> <li>Commissioner Strategy</li> <li>Controls related to Quality Assurance Management - BS/Sue Rubenstein</li> <li>Management Training</li> </ul>	Information Quality & IT Risks	FS/Glenn Winteringham	Staff & Consultant Engagement	MDS/YMK + Divisional Clinical Dirs.	GP Engagement	Greg Battle	Community Estates Transfer	Richard Martin	
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SIGNED..... (Chairman)

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