

WHITTINGTON HEALTH TRUST BOARD

28 November 2012

Title:	Report from the Audit & Risk Committee		
Agenda item:	11	Paper	F
Action requested:	For information		
Executive Summary:	<p>In the course of its meeting on November 8, the Committee:</p> <ul style="list-style-type: none"> • Heard an interim progress report Internal Audit (IA), which provided Substantial Assurance on the Trust's controls over non-pay expenditure and debtor management. On the latter, the Committee discussed actions to ensure that amounts owing to the Trust by NCL are collected as soon as possible, in light of the dissolution of the cluster at the end of the fiscal year. • Reviewed reports on recent cases of suspected fraud and approved a number of tender waivers and bad debt write-offs. • Reviewed the latest version of the Trust's Risk Management Strategy and Board Assurance Framework (BAF) and identified a number of further improvements. • Discussed a report covering the work of the Quality Committee over the last year and made recommendations to ensure that the gaps identified in controls and assurances are fully reflected in the BAF • Conducted a deep dive into IT-related risks, which include ESR implementation, disaster recovery and Community access. Although the Committee gained assurance on the management of these risks, it recommended that the approach to IT risk management be more closely aligned with the rest of the Trust (e.g. risk register formats). It also recommended that senior IT managers be invited to participate more fully in the Trust's main clinical transformation programmes. • Reviewed risks associated with clinical negligence claims. The Committee noted a concern that our payments to the NHSLA may rise faster than currently budgeted and asked for further analysis. 		

Summary of recommendations:		For noting					
Fit with WH strategy:		The Audit Committee is responsible for monitoring risks to the delivery of WH strategy					
Reference to related / other documents:		Minutes from the previous meeting of the Committee on Sep 13, 2012 (attached). Board Assurance Framework (separate agenda item).					
Date paper completed:		15November 2012					
Author name and title:		Peter Freedman Chair of Audit and Risk Committee		Director name and title:		Richard Martin, Director of Finance	
Date paper seen by any other group/which	N/A	Equality Impact Assessment complete?	N/A	Risk assessment undertaken?	N/A	Legal advice received?	N/A



**Draft minutes of Whittington Health Audit & Risk Committee
held on Thursday 13th September 2012**

Present	Peter Freedman	PF	Non-executive Director (Chair)
	Robert Aitken	RA	Non-executive Director
	Paul Lowenberg	PL	Non-executive Director
	Marisha Ray	MR	Specialist Advisor
	Yi Mien Koh	YK	Chief Executive
	Maria Da Silva	MDS	Chief Operating Officer
	Richard Martin	RM	Director of Finance
	Martin Kuper	MK	Medical Director
	Bronagh Scott	BS	Director of Nursing & Patient Experience
	David Williams	DW	Assistant Director of Governance
	Andrea White	AW	Audit Commission
	Max Lai	ML	Parkhill Audit Agency
	Surinder Ahir	SA	Parkhill Audit Agency
	Ian Cox		NHS London (Observing)
Minutes:	Vivien Bucke	VB	Business Support Manager, Finance

12/071	<u>Welcome and Apologies for Absence</u>	Action
	Apologies received from Anthony Smith and Margaret Boltwood. PF welcomed Ian Cox and gave a brief synopsis of the mornings Development Session which would lead to an update of the BAF. <i>(Please see attached notes).</i>	
12/072	<u>Draft Minutes of the Audit & Risk Committee 12th July 2012</u>	
72.1	Correction: <ul style="list-style-type: none"> • 56.4 - PF congratulated the <i>Finance Department</i> that the number of outstanding actions had decreased to only 5. • 57.2 – as an Interim Auditor <i>(to 1/9/12)</i> she would carry out work if absolutely necessary • 57.4 - ..to ask for a change in fee but she felt it was not likely – add <i>if the risk profile doesn't change</i> • 66.1 point 3. Should read <i>GP engagement</i> 	
12/073	<u>Action Notes & Implementation Tracker (incl. Internal & External Audit Recommendations (Doc 2</u>	
73.1	1201.01 Fraud Training not on E-learning; RM agreed to follow up.	RM
73.2	1203.02 The development of an Information Strategy, and more comprehensive information policies in each operational area. – FS to attend November Committee.	FS
73.3	1207.02 Nominated NED as requested by NHS Protect: The Chairman is taking the lead on this action.	
12/074	<u>Internal Audit Progress Report (Doc 3)</u>	
74.1	ML highlighted the Information Governance Toolkit Return v9 which received a Limited Assurance and confirmed that there will be a two phased review for v10 with an early review in November.	

74.2	SA confirmed that the outstanding internal audit recommendation on overseas visitors will be completed in October of this year.	
74.3	MR asked about an potential issue of staff bringing own laptops into consultation rooms and did this fall into IT or HR area of responsibility? ML agreed to investigate and bring back to the Committee	ML
74.4	ML spoke to the Cost Improvement Programme review and said there had been significant improvement in controls, for example the templates but despite the good processes there was still concern in meeting the targets. When looking at month 2 there had been slippage. ML recommended discussions were needed to hold people to account where appropriate. PF queried if any recommendations were not implemented and ML confirmed that all process recommendations were implemented, but pointed out that the slippage in CIP delivery to month 2 might suggest a different problem such as the strength of accountabilities.	
74.5	PL asked if large CIPS are included on the Corporate Risk Register and MDS confirmed this was the case along with all action plans. MDS stated that programme management of the CIPs had moved clinical ownership to the divisions but when it was realised that the CIP Board running monthly had led to slippage the Board was very quickly reinstated to a weekly meeting. A CIP Programme Manager had been appointed and these measures had been actioned to bring the CIP back into line. DW confirmed that in addition the templates are far more detailed now and pick up on Quality issues with questions on where a plan could possibly go wrong. ML highlighted that other Trusts are linking staff appraisal to CIP.	
74.6	<p><u>Management of Bank & Agency Spend</u> (page 9):</p> <p>BS stated a significant amount of work had been undertaken in recent weeks. She informed the committee that the current fill rate of vacant ward shifts from the nurse bank is poor and this is due to the Whittington hospital bank paying a lower hourly rate for bank nurses than other Trusts and also because of the aggregated tax policy. She advised that EC had approved a proposal to increase pay rates for staff nurses who work through the bank in an effort to increase recruitment levels and fill rates. At the same time the position on aggregated tax is being reviewed. BS responded to AW's query on pay rates and confirmed that the Bank pay rates had been brought into line with Agenda for Change rates. At the same time there is a drive through senior nurses and managers to apply more rigorous challenge and scrutiny to requests from ward Sisters for additional staff. She agreed to give an update on the impact of the work being undertaken at the next Audit Committee</p> <p>In addition work was being taken to ensure HR processes were streamlined to fill vacancies as quickly as possible. It was agreed that the revised Policy on Temporary Staffing would be complete in one month's time</p>	<p>BS</p> <p>MB</p>
74.7	<p><u>Financial Reporting and Budgetary Control</u> (page 13):</p> <p>ML reported the report received Substantial Assurance with minor points in the action plan.</p>	
74.8	While additional days had been given to EPR, as requested by the Audit Committee, Fixed Assets had been removed. It was reported that the IT Director felt days on Business Continuity were not necessary and it was agreed that YMK to discuss with the IT Director.	YMK

12/075	<u>Recommended Bad Debt Write Off (Doc 4)</u>	
75.1	RM stated that the debt for the key individual with a lengthy stay in ITU went back quite a way to when processes were not as today and there had not been a single debt of this size recently. However, there was no guarantee this could not happen again.	
75.2	YMK queried training of front desk staff and MDS said that a lot of training had happened recently, especially with the Olympics. PL asked how do we ensure that as per recommendations, only 'Immediate and urgent care' is provided for overseas visitors. MK said the issue is whether the clinical team are aware of this patient being an overseas visitor and he didn't think there was an audit process for this. MDS was actioned to fully implement controls. The bad debt write off was agreed.	MDS
12/076	<u>Tender Waiver Report (Doc 5)</u>	
76.1	Additional information was requested on : <ul style="list-style-type: none"> • HMP Pentonville waiver - MDS did confirm that no other GP practice was able to cover the services to HMP Pentonville. • Universal Children's Families waiver.- RA felt there could possibly be other suitable venues for the delivery of community health. 	RM
12/077	<u>Updated Board Assurance Framework to reflect HDD1 recommendations(Doc 6)</u>	
77.1	YMK told the Committee that the BAF had been updated to reflect the findings of the HDD1 report and in addition she had also looked at best practice and viewed those BAFs available online. YMK stated that PF had helped enormously in the production of the BAF. As agreed at the Development Session, the BAF will go to Trust Board alternate months following audit committee and the cover will flag any new changes ensuring appropriate actions are carried out .	
77.2	PF handed out a paper outlining the Comparison of risks in the current BAF versus previous version and stated there were a few items that could be added to the BAF: - Commissioner Insolvency, NCL Maternity Strategy and Service Reconfiguration (external risks). PF asked for thoughts/comments from the Committee.	
77.3	<ol style="list-style-type: none"> MK felt the risks around the continued quality of training should be included. RA stated the review date for the BAF is not the same as the deadline and could the Action deadline column be added back in. There was discussion about the need for a risk around the impact of Commissioner Insolvency. BS commented that this had been discussed with the Trust Board and at Audit Committee previously and that time had not been added as this was not in the control of the Whittington Trust. However given the changing climate of commissioning and the pressures to cut costs it may be timely for this to be added. Other members agreed.PL highlighted that the strategic risk of Commissioner insolvency should align with the IBP and RM confirmed this does appear as one of 12 IBP risks but currently the IBP needs to catch up with the BAF Following the development session it was agreed that while there is a solid base to GP Engagement, it was agreed that the risk rating (Impact) should increase as a consequence of losing GP engagement. 	YMK

	<ul style="list-style-type: none"> v. RM confirmed 4.2 to be amended now with emphasis on CIP and Transformation savings rather than activity growth. vi. BS commented that while she understood the rationale behind condensing the BAF to ensure focus on the key risks to the organisation's strategic objectives she felt that given the complexity of the organisation there was danger of condensing and generalising the risks so much that required actions and accountability are no longer clear. As an example she highlighted strategic objective 2, which lists 4 corporate objectives and one risk around information governance lapses. She pointed out that there are a number of risks associated with improving the patient experience by one quartile as measured by national patient surveys Corporate obj 2.1 and with the deliverability of clinical transformation pathways corporate obj 2.4 which are not identified on the BAF. MK agreed highlighting 2.1 on the comparison sheet was not included on the current BAF and should be added. <i>If we lose focus on safety and patient experience at the time of cutting costs, then our main business of caring, patient safety and quality of care could be put at risk.</i> vii. MK raised the issue of Cancer Services not on the BAF viii. BS said that with regard to Risk 4. <i>Improve the health of the local people</i> she felt there was a need to be clear which risks are being focused on and where accountability lies. ix. PL asked that Patient Knowledge and Patient Experience be added to item 2. and Marketing so as not to lose market share be added to the BAF. x. ML felt a timeframe column as to when will be addressed should be added. xi. MK stated 4.3 Controls must have to make best product and communicate that before offer a discount 	
77.4	DW stated the BAF will align to the electronic risk register due October and YMK confirmed the next version of the BAF will go to PF and then to the September Trust Board, she asked that Directors email her any points of amendment for the BAF.	
12/078	<u>Corporate Risk Register (Doc 7)</u>	
78.1	BS confirmed that while the report outlined the risk register process, in future this will be included in the Appendix.	
78.2	BS drew attention to page 3 item 5. (Changes to the risk register since the previous report in May) and RA felt there were slight adjustments to be made between the BAF and Corporate Risk Register. DW confirmed that having an electronic system will make the process must easier to manage. The changes to the Risk register as outlined in the report were noted and it was agreed that the register would be presented to the Trust Board on the 26 th September.	
78.2	PL was concerned that the highest risks identified were from WC&F division and asked if they use a different method of scoring which was denied but it was accepted that WC&F areas do carry high risks. However, it was agreed to check the scoring process with WC&F and the other divisions to ensure consistency.	DW
12/079	<u>Any Other Business</u>	
79.1	The External Auditor confirmed that the move to KPMG had now taken place and the key contract partner is Trevor Reece with AW proposed as the continual engagement lead.	

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SIGNED..... (Chairman)

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