

Board of Directors Meeting in Public

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| Subject: | Report of the Audit and Assurance Committee | Date: 21 st March 2018 | | |
| Prepared By: | Shirley A Higginbotham, Head of Corporate Affairs and Company Secretary | | | |
| Approved By: | Ray Dawson, NED, Chair of Audit and Assurance Committee | | | |
| Presented By: | Ray Dawson, NED, Chair of Audit and Assurance Committee | | | |
| Purpose | | | | |
| The Audit and Assurance Committee met on 15 th March 2018. This paper informs members of the significant matters agreed by the Committee for reporting to the Board of Directors: | | | Approval | |
| | | | Assurance | x |
| | | | Update | |
| | | | Consider | |
| Strategic Objectives | | | | |
| To provide outstanding care to our patients | To support each other to do a great job | To inspire excellence | To get the most from our resources | To play a leading role in transforming health and care services |
| x | x | x | x | x |
| Overall Level of Assurance | | | | |
| | Significant | Sufficient | Limited | None |
| | | x | | |
| Risks/Issues | | | | |
| Financial | The Audit and Assurance Committee is responsible for ensuring the system of internal control is robust and effective in order to provide high quality, value for money services to patients and provide a safe environment for staff. Safeguarding the reputation of the Trust | | | |
| Patient Impact | | | | |
| Staff Impact | | | | |
| Services | | | | |
| Reputational | | | | |
| Committees/groups where this item has been presented before | | | | |
| N/A | | | | |
| Executive Summary | | | | |
| <p>The Board of Directors is asked to accept the content of the Report and note the items highlighted below:</p> <ul style="list-style-type: none"> • IG Toolkit, Limited Assurance report • Progress with the 4 hour standard recording process • Number of staff band 7 and above who are non-compliant with regard to conflict of interest declarations. <p>The Audit and Assurance Committee met on 15th March 2018. The meeting was quorate, the Minutes approved and there were no outstanding actions. There were no declarations of interest.</p> <p>The following items were presented and discussed:</p> <p><u>Annual Counter Fraud Plan</u></p> <p>The Trusts local counter fraud specialist presented the plan which showed the higher risks identified as Cyber-crime, Corruption within procurement and private patient treatment. The plan had been reduced from 94 to 85 days mainly due to a reduction in training as e-learning will be targeted.</p> <p>Committee APPROVED the plan</p> | | | | |

Counter Fraud Progress Report

Committee were assured that progress with the 2017/18 was in line with expectations and almost complete. 4,417 members of staff have completed Counter Fraud Training. There were two investigations still open, however the investigations have been completed and would be closed shortly.

Internal Audit Plan

360 Assurance, internal auditors, presented the plan, which had been previously scrutinised by the Risk Committee, the plan had increased from 310 to 312 days and the proposed 'Use of Resources' audit had been replaced with Cyber-Security as this was identified as a greater risk. NHSI would be reviewing the Trusts Use of Resources, and therefore assurance will be received through that process. PWC the Trusts newly appointed external auditors will undertake a more substantial review of the Quality Account Indicators than has occurred in previous years this may impact on the work of 360 with regard to the Quality Account Indicators and would be reviewed later in 2018/19

Committee APPROVED the plan

Internal Audit Progress Report

360 Assurance client manager presented the report and highlighted the following areas:

The 2017/18 audit plan will be completed by the end of the year and would enable 360 to form the Head of Internal Audit Opinion (HoIAO)

A likely underspend with regard to Contingency and client led was reported and committee were informed any unused days would be reimbursed to the Trusts.

With regard to the HoIAO committee were informed the report would be with the Trust by the end of March, once the follow up reports currently being completed had been finalised.

Two final reports have been issued with Significant Assurance:
Stock Management and Procurement and would therefore be reviewed by the Finance Committee

Three final reports were issued with Limited Assurance

Patient Safety Alert System – Limited Assurance, this would be discussed at the April meeting of the Audit and Assurance Committee as the Director of Governance and Quality Improvement was not available to present the report to committee in March

Delayed Transfers of Care – Limited Assurance the Deputy Chief Operating Officer updated committee of the three main areas of focus, Identification, Operational Management and Recording. Committee were informed the Patient Flow Improvement Programme includes a workstream for Delayed Transfers of Care and Discharge processes and this workstream will implement the actions identified in the audit report. The committee sought clarity on how the implementation of NerveCentre would improve recording and were assured that a single entry completed in real time would be of significant benefit. Committee asked for assurance regarding the accurate recording of the expected date of discharge and were assured the clinical leads were engaged in the process of driving through the improvements.

Information Governance (IG) Toolkit – Limited Assurance, the Head of Corporate Affairs and Company Secretary presented the report, informing the committee the report was a snapshot in

time and noted the completion of a number of standards usually took place in March just before submission. However a lot of work had been undertaken in response to the report each standard had been reviewed to understand the requirements and ensure evidence was uploaded and validated. Committee expressed concern regarding the standards identified in the report being self assessed by the trust at a higher level than the internal audit team. In order to provide assurance to the committee and the Board prior to submission it was agreed 360, would access the toolkit to review the self assessment process prior to submission to the Board.

External Audit Progress Report

A number of meetings have been undertaken between PWC and the finance team with particular regard to more complex areas of the Trust's accounts e.g. PFI. However the risks discussed at the January committee had not changed.

Committee were informed PWC will be undertaking a more substantive analytic approach than was previously carried out by KPMG.

4 Hour Target Data Recording System

The Deputy Chief Operating Officer provided an update with regard to the 4 hour wait recording system. Committee were informed there was on only one method of recording departure times from ED and this was electronic and single entry. PWC will be undertaking the external checking of the new process as part of their Quality Account Indicator work

Outstanding Audit Recommendations

The Chief Finance Officer presented the report which identified 21 recommendations remain on-going, 1 of which is rated high risk, relating to RTT arrangements, this workstream was being monitored through the Data Quality Group. Committee requested a column be added to the report to include when an implementation date had been revised.

Quality Account Preparation

The Chief Nurse informed committee the mandatory indicators for this year are the 18 week RTT and ED 4 hour standard. The 62 day wait for cancer patients was selected by the Council of Governors and will be included as the local indicator. The Council of Governors had also agreed the quality priorities. The collation of information for the report is currently underway.

Annual Report Preparation

The Head of Corporate Affairs and Company Secretary presented the draft Annual Report including the draft Annual Governance Statement (AGS). The AGS has been sent to PWC for comment. It is envisaged PWC will review the final draft of the report at the end of April for submission to committee in May for approval.

Information Governance Update

The Information Governance Manager provided assurance to committee with regard to the completion of the IG Toolkit Regarding Freedom of Information requests the high level themes reported were information in relating to deaths and suicides due to cannabinoids and requests in relation to different aspects of maternity. The IG action plan is monitored by the committee with 49% of the 161 actions completed. All actions with regard to compliance with General Data Protection Regulation (GDPR) are included in the IG action plan.

FM Providers – Business Continuity and Risk

The Board had requested the committee review the resilience of the Trust following the collapse of Carillion acknowledging the Trust's estates and facilities services are outsourced. The Head of Estates and Facilities reported on the meeting with PFI partners and reported currently there are no issues. Further legal advice had been sought from NHSI. Committee enquired of external auditors if there were any lessons the Trust could learn from the Carillion situation. External audit recommended periodic due diligence checks.

Non-Clinical Policy Schedule

The Head of Corporate Affairs and Company Secretary presented the report to provide assurance to committee with regard to the process of ensuring non-clinical policies are in date.

Conflicts of Interest

The committee received the report and noted the dashboard which highlighted the number of staff, band 7 and above who had declared an interest, disappointingly 291 staff remained non-compliant. Committee were informed there was a requirement for an Annual Declaration and therefore significant communication would be undertaken in April to ensure the declarations remained current.

Clinical Audit Planning Process

The Head of Governance presented the report and updated committee with progress, committee sought clarification regarding how a clinical audit is triggered, developed, programmed, evaluated and costed. A division will submit an audit proposal and if this meets the priorities it will be added to the plan. The audits are reported to the divisional governance meetings. Committee requested further assurance regarding the governance process for the clinical audit plan.

Going Concern Assessment

The Chief Finance Officer reported the Going Concern Assessment is a key component of the end of year accounts and reported no reason to expect the external auditors wouldn't sign off the accounts on that basis.

Losses and Special Payments

The committee approved the report

Single Tender Waivers

The committee approved the report and noted the significant reduction in values.

Audit and Assurance Committee Workplan, Terms of Reference and Effectiveness Self Assessment

All Approved for submission to the Board in April