Avon and Wiltshire NHS
Mental Health Partnership NHS Trust

Minutes of a Meeting of the AWP NHS Audit and Risk Committee

Held on 9th January 2015 at 2.30pm in Conference Room 4, Jenner House, Wiltshire

These Minutes are presented for **Approval**

Members Present

Tony McNiff – Non-Executive Director (Chair)
Peaches Golding – Non-Executive Director
Anthony Gallagher – Trust Chair
Iain Tulley – Chief Executive (In Part)
Emma Roberts – Company Secretary
Sue Hall – Executive Director of Resources
Hayley Richards – Executive Medical Director
Kristin Dominy – Executive Director of Operations
Helen Chivers – Head of Exchequer
Barry Eadle – Trust Counter Fraud Specialist
Barrie Morris– External Audit Grant Thornton
Simon Garlick – External Audit Grant Thornton
Kevin Henderson – External Audit Grant Thornton
David Taylor – Internal Audit Baker Tilly
Karen Williams – Internal Audit Baker Tilly

Staff In attendance

Alexander Lauder-Bliss – Governance and Risk Coordinator
Paul Townsend – Clinical Director, Specialised and Secure Services(via conference call, item AR/15/080)

AR/14/074 – Apologies

1. Apologies were received and accepted from: Alan Metherall.

AR/14/075 – Declaration Of Members' Interests

1. In accordance with AWP Standing Orders (s7.1) members present were asked to declare any conflicts of interest with items on the Audit and Risk Committee meeting agenda.
2. No interests were declared.

AR/14/076 – Minutes/Summary of the Meeting on 24 October 2014

1. The minutes of the previous meeting held on 24 October 2014 were approved and taken as accurate, subject to the amendments outlined below:
   1.1. Page 2 – AR/14/064 should be 'internal audit', not 'external audit'.
   1.2. Page 5 – the section under 'external audit progress report' did not read correctly; wording would be agreed outside the meeting.

AR/14/077 – Matters Arising

1. Policy to be documented for Trust payment of loss and compensation payments – this had been added to the work plan for February.
2. Minutes summary from previous meeting – the wording in relation to the external audit position had been changed as agreed.
3. Internal audit plan – HR stated that, as per the minutes, there is no flow chart available but

she had delivered a verbal account of progress.

AR/14/078 – Progress Against Internal Audit Recommendations

1. ER reported that, of the internal audit recommendations that had reached implementation date since the previous Committee meeting, four have been given an amended implementation date; six have been closed; and three have passed their expected implementation date. HR confirmed that the latter three actions have been completed as of 31 December 2014. Turning to the amended implementation dates, JR reported that work is ongoing with internal audit on payments for staff and they expect to report soon.
2. The Chair drew attention to the follow-up action on Medicine Management and asked to ensure better policing and to report back on strengthening the process of follow-up. **– ACTION HR**
3. DT emphasised the importance of implementing a checking process to ensure continued compliance into the future. ER agreed and stated there are plans to refine the follow-up process. The Committee raised this as pertinent in respect to Asset Management. **– ACTION SH**
4. Turning to preparation of quality accounts, ER stated that there had been an extension to allow for further consultation with the Quality and Standards Committee during February/March 2015.
5. The Chair emphasised that they should take care not to lose sight of items requiring long-term changes with more distant implementation dates, as in the case of asset management.

AR/14/079 – Trust-Wide Risk Register

1. ER presented the December cut of the Trust-Wide Risk Register for the Committee's review. She advised that the risk-ranking matrix would show some movement between November and January, with IVP12 likely to be removed in January.
2. The Chair expressed concern as to the number and significance of new risks on the register. He suggested that it would be useful to include a timescale for the register, to reflect an expectation of when significant risks would be removed.
3. IT commented that there is acknowledgement at Executive level that the number of risks has increased. However, he argued that the register is not used dynamically to sufficiently demonstrate where risks have diminished and mitigation was having an impact.
4. In terms of demand and capacity, KD stated that they now have far greater visibility and are proactively addressing each aspect, rather than attempting to second-guess what the solution might be. The Chair acknowledged that the team have a greater understanding of the risks, but emphasised that this needs to be reflected in the risk registers that are presented to committee.
5. AG added that, taking the Trust's performance on a month-by-month basis, the trend shows an increase in terms of both severity and numbers. The results of mitigations implemented, looked at in isolation, do not appear to reflect a greater understanding of risks. The Chair stated that it is important to be aware of the perception that the risk register gives.

6. IT noted that the risk register must inform discussion between Executives, in order that they fully understand one another's concerns and can determine where further mitigation is required. AG suggested that Executives' discussions currently do not seem to correlate with the risk register scoring and that this therefore raised the question of whether or not the RR was used as a dynamic management tool.
7. The Chair asked what would be presented to the upcoming Board meeting. AG argued that they should not present this risk register; if they did, it would be the third Board meeting at which they had reported deterioration or lack of progress. SG argued that the risk register accurately presents the challenging position the Trust remains in. AG responded that, if the Executive want to inform the Board that their position is becoming more difficult, they ought to make it clear, as that is not the message currently being given to CQC or staff. **– ACTION All Execs**
8. IT stated that additional risks are emerging and becoming tougher to manage in the changing climate. The risk register does not suggest that historical risks are being mitigated or managed to compensate for this.
9. DT highlighted the danger of attempting to manage the effects of risk rather than causes; for example, the Trust's use of its contingency for non-recurring spend is the result of a series of things not going to plan and cannot be managed in isolation. AG agreed, and noted that this item had appeared on the risk register only when it had crystallised in the accounts, though it had been raised previously and should have been managed, sooner.
10. The Chair recognised the sensitivity around the risk profile of the organisation at a time of public scrutiny. He emphasised that they need to separate risks and effects, but not disregard the effects which perhaps should be reported separately.
11. ER updated that she is in discussion with IT about developing creative approaches to the use of risk and reporting at Executive level. The Chair commented that the use of risk registers at locality level provides a good example.
12. AG expressed concern at the lack of definition as to the root cause of the staffing issue, given that this has implications for what mitigation would be effective. **– ACTION KD**
13. Turning to the warning notices, AG highlighted that the Trust gave itself a residual score of 12, while seeking to convince CQC it has done everything it can and the notices should be lifted. He argued that this pointed to an inconsistency in thought process.
14. AG noted that six or seven issues had been raised in a single month, November, which could be interpreted as signifying that a crisis point had been reached, though he questioned whether this was the case.
15. BM observed that, if risk management was becoming more robust, by default they would identify new risks. AG argued that, if that is true, older risks would also be improved and removed, which is not apparent from the risk register. The Chair summarised that the Executive needs to challenge how representative the risk register is and how dynamically it is used.
16. The Chair queried whether the risk register responds to topical and emerging issues across the NHS, such as mental health links to A&E and DTOCs. HR replied that issues subject to media attention are not consciously reflected in the risk register. The issues identified by the Chair are not ones for which the Trust has end-to-end control of the care pathway, and they would not have a short turnaround time on the risk register. HR

suggested that the register reflected an overly cautious approach to scoring and they could afford to be more confident about the impact of mitigation. AG added that the role of the Executive is to bring about balance in this respect.

AR/14/081 – Quality Improvement Visits Process

1. HR outlined that the revised internal inspection approach will be implemented from the beginning of 2015. This represents a tiered approach to internal quality inspections, including walkarounds, a mock CQC inspection known as 'week in focus' and the targeted compliance checking. KW commented that internal audit should conduct a wide scoping meeting to ensure their work dovetails with this. AG requested that a reference be included to indicate where databases of results and actions were to be published.
2. The Chair asked whether the decision as to announced or unannounced walkarounds is left at local level. HR explained that most walkarounds will be regular and expected, but unannounced walkarounds will also be conducted. The Chair suggested that this requires stating more explicitly. **– ACTION HR**

AR/14/080– Directorate Locality Risk Registers

1. PT outlined that the locality has two registers, for Specialised and Secure Services respectively. In secure services, PT stated that there is an ongoing issue of delivering safe staff numbers. Actions in place to mitigate the risk include closing a ward and distributing staff; reducing bed occupancy across the service to 88%; and using bank and agency staff. Regular recruitment drives are conducted, but there currently remain 25 whole-time equivalent vacancies for staff nurses at Band 5. Based on the agreement with NHS England, failure to re-open the closed ward in April will incur financial risks. Options for mitigation include hiring other professional groups, such as Occupational Therapists, and higher-graded staff.
2. PT explained that risks are left on the register for one month following closure, to give staff transparency as to progress.
3. PT outlined a risk concerning a patient who has been in continuous long-term seclusion, awaiting transfer to high security. The risk was added to the risk register in December, when the secure facility had reported that they were unlikely to admit the patient until January/February. PT confirmed that the Trust's seclusion procedure is being followed, but there remained concerns that there is still no high-secure placement. The patient has been declared as a DTOC and NHS England are aware of the situation. The locality is in discussions with Broadmoor as a potential alternative placement in a different hospital.
4. PT observed that the Trust has no policy for segregation, only for short-term seclusion. The Chair asked how this is being addressed at Executive level. HR reported that it is extraordinarily rare for a patient to be secluded on a long-term basis, but they could create a policy to provide guidance to staff. She confirmed that the CQC would be satisfied as long as the patient is being treated in accordance with the seclusion policy. **– ACTION HR**
5. PT noted that the policy is clear that seclusion should be on a short-term basis, and additional actions have therefore been put in place to review the care of the patient. HR stressed that the Trust should not be managing such a patient in any case, which explains why they have no segregation policy. However, an exception report should be brought to the Quality and Standards Committee.

6. PT relayed that external consultants have been invited to review the treatment of the patient. The Chair acknowledged that it appears the locality has effectively managed the risk, but there is a need to provide more general assurance.
7. A new risk articulated in the register, amalgamating two that had been closed, is that of failing to deliver sustained cultural change in secure services, in the context of a series of untoward events 18 months previously, followed by CQC warning notices and the redesign of spring/summer 2014. New systems and practices continue to be embedded, and ongoing review and audit are critical.
8. Turning to the specialised services risk register, PT highlighted two evolving risks. First, NHS England has not provided complete visibility on how commissioner intentions for Specialised Services will evolve once their derogation ends in 2015. The locality is in regular communication with commissioning teams to keep abreast of the changes.
9. The Chair questioned whether this risk could be mitigated or is outside the control of the Trust. PT responded that contract performance management metrics provide some mitigation. Moreover, Specialised Services are able to adapt and align themselves quickly to new commissioner requirements. AG observed that the Trust's strong performance is a key aspect of mitigation, as it means changes are likely to be less significant.
10. The second evolving risk is similar, pertaining to commissioners of smaller specialised services such as drugs/alcohol, autism and offender management. While there are likely to be tendering activities, PT stated that the clinical teams are able to adapt, and, as experts in their specialisms, set the commissioning agenda.
11. A risk articulated in December had arisen from a gap in perinatal psychiatry, when a mother had jumped with her child from Clifton Suspension Bridge and both had died from their injuries. The locality is in discussion with NHS England about how to commission the service, and with mental health colleagues about how to ensure that patients do not fall between the gaps of service provision. PT noted that the risk score will potentially be increased.
12. PT outlined that he meets every week with his Clinical Director and Head of Quality to provide a high-level overview of emerging or changing risks. The risk registers are then presented to monthly senior management team meetings and governance meetings at service level. Each team has an individual risk register, from which there is a process to escalate risks to the central risk registers.
13. AG described the risk register as impressive. The Chair agreed, reflecting that it was clearly a 'living' document with a high level of pertinent detail.
14. PG observed that the risk registers identify clear challenges for the Trust around staffing and new business planning. AG responded that ESEC were well-sighted on staffing issues, and Finance and Planning on business development issues, and he believed there was good triangulation.

AR/14/082 – External Audit Progress Report

1. KH outlined that the first phase of the interim accounts audit has almost been completed. In the second phase from 23 February, substantive work will be completed as early as possible to reduce pressure during April/May. A meeting will be held in February to start planning the final accounts audit.

2. The external survey will soon be conducted and a specification has been put together for a separate internal survey. Discussions continue on the potential work related to tax; this is not part of the audit and the Trust is under no obligation to conduct it. A seminar on the Better Care Fund will be held on 20 January.
3. The Chair asked whether more focus is required on the Better Care Fund. SH replied that the seminar is designed to determine how well or poorly the fund is working in particular locations. AG suggested that it would be useful to collate a report on the various aspects of funding, to be put to the Finance and Planning Committee for review. **– ACTION KH**
4. AG updated that the Dalton report and the five-year plan were reviewed at the previous Board meeting. A seminar will be held shortly to follow up on this.

AR/14/083 – Internal Audit Progress Report

1. KW outlined progress against the 2014-15 plan. In respect of medical staffing, work is complete and a meeting will be held with SH and HR to agree management responses to the report. The Chair expressed concern that the actions taken did not comply with what had been agreed in terms of information flow. Work had started in July but would not come to Audit and Risk Committee until April. ER responded that the report had been issued on 12 November but there had been difficulties in arranging the debrief meeting with SH and HR. HR added that standards need to be set as to what constitutes a debriefing.
2. AG suggested that action in respect of high recommendations should be brought to Committee as a priority, irrespective of whether management debriefing has taken place. HR responded that the debriefing is the point at which management accept or reject recommendations. The Chair stressed the importance of enabling the Committee to debate and report on sensitive issues in a timely manner, even if the management response has not been fully formulated. He reiterated that dissemination to Committee should follow within a month of the completion of an internal audit report, albeit that management could reserve a right of challenge. – **ACTION SH**
3. SH explained that, in this case, she had attended an initial debrief meeting and asked for further work to be done. The Chair suggested that this additional work could be brought back at a later date after the report was issued. SH responded that the work arose from the draft findings.
4. KW stated that, in future, the date and attendees for the debriefing will be made clear on the audit scoping document. She noted that the audit in question was particularly detailed. **– ACTION KW**
5. The Chair stated that, in the case of disagreement, he expected reports to be brought to Committee with a comment highlighting that complete agreement had not been reached. AG highlighted that medical staffing and incident reporting, both central to the CQC and the Trust's Quality Agenda, had been assigned amber/red internal audit ratings, and questioned whether their response had been sufficiently urgent. HR acknowledged that they had not followed the process rigorously. She stated that she disagreed with the findings, and would have expressed this at an earlier stage had the correct process been in place.
6. AG expressed concern that an administrative failure led to significant amber/red ratings remaining unaddressed at Committee and Board level. ER responded that the

administrative process will be reviewed, though stressed that it is already managed with a degree of rigour.

7. The Chair highlighted that it had been valuable to receive details of outstanding issues from Internal Audit and welcomed the debate. AG asserted that they require an indication of whether management object or intend to take action. The Chair agreed, and directed that the management position should be finalised by the end of January. AG welcomed the progress that had been made in terms of transparency of processes, but highlighted the need for continued improvement.
8. KW outlined that guidance in respect of indicator-related information will be issued soon.
9. In respect of business development and provision of business information, meetings with Heads of Quality (formerly Head of Professional Practice) are scheduled over the coming weeks.
10. The last pieces of field work on payments to staff are being undertaken and the debrief meeting with SH will occur shortly.
11. Agreement as to scope needs to be secured for work on staff and stakeholder engagement to begin. Scoping discussions are ongoing on Information Governance Toolkit; workforce planning and development; patient safety and the CQC. A scoping meeting has been scheduled with Alan Metherall for clinical and quality governance.
12. The Chair acknowledged that CQC intervention had complicated the profile but emphasised that he would prefer to see a more even spread of reports throughout the year. He highlighted that Chair's agreement was required before rescheduling an agreed audit plan.
13. In respect of creditors and ordering (084.1), KW noted that the 'no purchase order, no payment' policy and the move to Agresso had led to a tightening of the control framework. PG requested clarity on how pharmacy items are controlled. SH explained that there are currently two separate systems; an interface is being developed in order to automate the process, which will be in place from 1 April. The Chair enquired how often the Agresso System back-up was tested with SH resolving to provide this information for the next Committee meeting. **– ACTION SH**
14. In respect of Trust Response to CQC Inspection Report (084.2), KW outlined that work is being undertaken not only on ensuring compliance with requirements but also on looking forward. She described the position as positive.

AR/15/085 – Counter Fraud Progress Report

1. BE stated that e-learning was introduced as of 1 August and 780 people have completed it over four months.
2. An investigation of permits has been undertaken, and, in one case, an individual was found not to have the right to work. Processes are being implemented to tighten up this area.
3. Referrals have been received about a doctor issuing a claim for on-call work while un-contactable and a community health worker inappropriately using a pool car.

AR/14/086 – Finance Registers

1. SH drew attention to the ex-gratia payment to the family of a service user, which had been authorised by IT.
2. The Chair highlighted payroll-related issues as a continuing theme. SH indicated that controls have been introduced on completion of termination forms and the reversal of temporary pay enhancements.
3. AG commented that an explanation on outliers would be beneficial for the Committee.
4. The Committee noted positive improvement over the year.

AR/14/087 – Committee Evaluation

1. The Chair invited the table to evaluate the meeting.
2. Overall, the Committee welcomed the challenge presented by the Non-Executive Directors and appreciated the professional manner in which the Executives received and responded to constructive criticisms.

AR/14/088 – Issues Referred From/To Other Committees or to Board

1. The absence of a trust policy to deal with a patient who requires transfer to Broadmoor is to be referred to the Quality and Standards Committee
2. The impact that current year actions required to deal with the CQC oversight was having on capital availability for Business Development had potentially impacted on assumptions within the IBP. F&P may wish to consider a transitionary plan which will bridge the gap between the current reality and our 5 year plan.

AR/14/089 – Any Other Business

3. No business was raised.

Next meeting: 16.02.2015