

Minutes of a Meeting of the Audit and Risk Committee

Held on Thursday, 4 February 2016 at 3.00 pm in Seminar Room 4 - HQ

These Minutes are presented for **Approval**

Members Present

Charlotte Moar (CM), Non-Executive Director,
Chair of the A&RC

Peaches Golding (PG), Non-Executive Director

Staff In Attendance

Tim Williams (TW), Interim Medical Director

James Shortall (JS), Local Counter-Fraud
Specialist

Sue Hall (SH), Executive Director of Resources

Lee Mercer (LM), Head of Risk and Legal Services

Emma Roberts (ER), Director of Corporate
Affairs/Company Secretary

Susan Thomas (ST), Risk and Assurance
Coordinator

Barrie Morris (BM), Engagement Lead, Grant
Thornton (from item AR/15/99)

Nickl Atkinson (NA), Partner, RSM

Suzanna Howell, North Somerset (by phone, for
Item AR/15/95)

Eva Dietrich (ED), Clinical Director, North
Somerset LDU (by phone, for item AR/15/95)

Gordon Folkard (GF) Head of Operational
Finance

Vickie Gould (VG), Assistant Manager, RSM

Kevin Henderson (KH), Manager, Grant Thornton

AR/15/90 Apologies

1. No apologies were received.

AR/15/91 Declarations of Members' Interests

1. No interests were declared.

AR/15/92 Minutes of the Previous Meeting

1. Minute AR/15/079 'Information Governance Assurance Report'

Point 2 should have said, 'JB anticipated a satisfactory score by 31 March 2016 of 66%.'

Point 3 should have said 'with some meetings not taking place evidence cannot be presented, assured and approved.' The rest of the sentence should be deleted.

2. Nick Atkinson (NA) to be removed as attending the meeting held on the 2nd December 2015.

3. Page 3, Point 7 – PG requested that the sentence is changed to 'TM asked to clarify whether this risk is about the need to'.

4. The minutes were accepted as an accurate record with these amendments.

AR/15/93 Matters Arising from the Previous Meeting

1. External Audit Plan & Progress Update – Partnership Relationship Analysis Report circulated to Audit and Risk Committee members on 28/01/16. Action Complete.
2. Issue on Health and Safety Risk – LM informed the Committee that this would be addressed in the review of the Risk Management Policy. LM to bring back the Risk Management Policy to the Committee in April. **ACTION - LM**
3. Internal Audit Plan – PMO internal audit is in the Internal Audit Plan for 2016/17. Action Complete.
4. Internal Audit Recommendation tracking – Recommendation tracking to be considered in the Nursing and Quality restructure. AD to provide update to the April Audit and Risk Committee **ACTION - AD**
5. Information Governance Assurance Report – SH updated the Committee on the initial feedback from the ICO visit on 21/01/16. Draft report due 04/02/16. Second draft due 26/02/16. The Committee approved the public release of the Executive Summary of the report. Two clear issues emerged:
 - 1) Gaps in records management reporting
 - 2) IG governance structure and processER to provide update to April meeting. **ACTION – ER**
6. External Audit Progress Report – External Audit on Partnership Management circulated to members on 28/01/16. Action Complete.
7. Internal Audit Progress Report – LM had inherited responsibility for distributing IA reports from Hannah Dennis. Action complete.
8. Internal Audit Progress Update. On the agenda.
9. Internal Audit Progress Update – On the agenda, Safer Staffing.

AR/15/94 Risk Report

1. LM presented the Risk Report to the Committee which is a summary of the high-level operational risk registers. The Business Risk Register is owned by Sue Hall (SH); the Delivery Risk Register is owned by Mathew Page (MP); the Clinical Risk Register is owned by Tim Williams (TW) and Andrew Dean (AD). Section 3 of the report highlights changes to the risks.
2. LM pointed out that there is a System Leadership Risk Register and he recently met with Kate Webb in December 2015 and as a consequence The System Leadership risk register will be overhauled.
3. CM wanted further clarification on Risk CE8 on the Clinical Executive Risk Register regarding the change in score and the missing rationale. LM assured the Committee that an e-mail was recently sent out to risk register owners and senior managers (who own risk registers) requesting that if they are making changes to risks they need to note down the rationale for that change. TW

Audit and Risk Committee Minutes - 04 February 2016

discussed Risk CE8 regarding different standards of information which is an issue in Bristol. The risk has gone down due to extra management support giving us an understanding of where there are discrepancies in the standards. It is proposed to introduce and implement Trust-wide standards which are an ongoing process. CM stated that the rationale for risk score reduction should be included. LM explained that the current Excel spreadsheet system is being replaced by a new database RiskWeb system which is being rolled out across the Trust. This provides a good opportunity to educate risk owners emphasising the description of the risk, the current controls, the actions and action progress and if the risk score changes why it has been changed and the rationale for this change.

4. PG queried the consistency of the report with regard to the RAG rating of risks; some being 10 and red whilst others were 15 and amber. LM explained to the Committee the rag rating was historical when the Trust adopted asymmetric risk ratings. It has been decided that those risks which have a bigger severity score are red. It was agreed that there should be more refinement to the report regarding changes to risks scores, controls and actions for the next iteration of the report at the April meeting. **ACTION - LM**
5. The Committee resolved to **note** the report.

AR/15/95 Locality Risk Register - North Somerset

ED and Suzanne Howell dialled into the Committee to present the North Somerset Risk Register. The main key risks were identified and discussed with the Committee as follows:-

Risk 42 – Robust Junior Doctor Rota to Cover Out of Hours

1. The junior GP rota was discussed. They quite often have unfilled and vacant posts which they try hard to fill. They have spoken with Stan Hodgson who is the Trust Locum Lead and they are working on a super rota with Bristol. Because of the nationwide junior GP contract issues at present everything has been put on hold. There will be a consultation in July and then they will have a joined up rota with doctors who are on site.
2. CM questioned in the meantime how confident North Somerset LDU is that they are managing those risks? In response ED assured the Committee that the progress is ongoing; they work hard to fill vacant posts; they advertise and also offer shifts to junior doctors as additional work.
3. CM queried whether there will be a financial impact and ED assured the Committee there would be no financial implications. Bristol has an abundance of junior doctors who are interested in doing on-call rotas which also enhances their experience.
4. PG queried the date of the risk which was identified in 2014. ED explained this was when they had the breach and incurred a fine of £200,000. Progress has been slow since then and informed the Committee that it may continue until the summer.
5. PG asked for clarification on whether in-patients are seen in a timely manner which ED confirmed that they would be and that junior doctors would come and see patients regardless of the time that they are admitted. ED further assured the Committee that there are other measurements in place to ensure that junior doctors go home the next day to ensure they get enough rest and sleep.

Risk 43 – Full time Consultant Unavailable for Work on Full Time Pay

1. Discussion took place regarding an agency doctor who has been on double pay. The NHS Locum has been in post since November 2015. ED informed the Committee they are still waiting

Audit and Risk Committee Minutes - 04 February 2016

for the green light to recruit; the disciplinary process has taken 1 year so far. The consultant has now left the Trust and after March 2016 the financial implication will be mitigated. It was agreed that SH and ED would liaise outside the meeting regarding recruitment. **ACTION – SH/ED**

Risk 47 – Marshland at the end of Cove and Dune Unit can be accessed

1. The service user group are older adults and there has never been an incident but there has been risk assessment in line with the garden policy.
2. SH informed the Committee the Estates Strategy which is being rolled out across the Trust within the next few months will help mitigate any concerns outlined regarding this risk.

Risk 48 –Juniper Unit requires environmental improvements to reduce ligature points

1. ED and SH informed the Committee this is a rehabilitation ward and therefore no high risk patients are admitted to this unit. Work has been completed in the garden area to reduce access to isolated areas and the copse of trees has been fenced off to reduce ligature points. The garden, dining area, lounge and activity room work is complete.
2. PG queried whether everything was in place for a May CQC inspection. ED confirmed she is very pleased with progress. It is a much better place and it is for them to see how they mitigate the remaining risks. Risk management strategies have been implemented incorporating the Observation Policy.

ED and SH informed the Committee they feel confident with the CQC plans and are prepared for the CQC visit having understood and read the report regarding the issues that have been raised with Bristol.

The Committee resolved to **note** the North Somerset risk register.

AR/15/96 Local Counter-Fraud

1. JS introduced himself to the Committee, having taken over the role of LCFS from Barry Eagle (BE) in December 2015, and has concentrated on two particular activities; a Trust-wide Fraud Risk Assessment and the investigation of fraud cases inherited from the previous service provider.
 - a) Fraud Risk Assessment - Verbal Update
 1. JS has been visiting the major functions of the Trust speaking with key staff to find out their risks and their controls around fraud. JS provided a verbal update but once the report has been finalised will bring this back to the Committee which will form part of the 2016/17 Counter Fraud Workplan. JS has identified 16 recommendations; 4 high, 5 medium and 7 low priority.
 2. JS assured the Committee the results are not out of line with other trusts of this size, complexity and geographical spread. There are a high number of staff dispersed in lots of different functional areas and are widely spread out. Two of the high risk findings relate principally to pharmacy and this is being investigated further with Kate Houston.
 3. There are also concerns, on the medical side, principally around Section 12 of mental health assessments. Actions are being collated in from management at the moment and these will be reported back to the Committee. CM queried what will happen in terms of process after that. JS confirmed he will liaise with SH once these actions

Audit and Risk Committee Minutes - 04 February 2016

have been approved and collated and these will feed into the 2016/17 Counter Fraud Plan. These actions may also cross over with internal audit so the proposals will be tied in but if internal audit is planning any work streams in these areas it is important not to duplicate effort. JS asked that any risks that aren't currently on the risk registers, in these areas, that they are included. CM suggested given that we want to encourage consultants to undertake section assessments, we need to support them in understanding the Trust rules around this. She suggested that TW review the Trust's policy to ensure that it is clear to consultants how they undertake s12 work and declare this so there is no suggestion that they are undermining their Trust workload. **ACTION - TW**

4. CM suggested that the strategic priorities map to the risk register which map to internal audit, clinical audit, counter fraud and external audit (assurance work) so that all the risks are assured and are covered by the person with the right skill set. CM requested that all the cross checking is done in advance of the next meeting, cross check planned work streams to avoid duplication and bring Workplan to the next meeting. **ACTION – JS/Internal Audit.**

b) Local Counter Fraud Progress Report

1. JS provided an update on the Progress Report and current investigations. There was further general discussion amongst the Committee regarding the individual case summaries.
2. JS provided a verbal update regarding NHS Protect. Any Trust can make a disclosure to them. It refers specifically to fraud but also security measures as well. JS suggested that the Whistleblowing Policy should be updated. This is on the Agenda today.

AR/15/97 System Leadership and Lot 1 Governance Arrangements

1. ER presented the System Leadership and Bristol Mental Health Governance arrangements and took the paper as read. She confirmed that this was an interim report prior to a fuller report coming to the Committee in April. **Action: ER/KW**
2. ER updated the Committee regarding a meeting she had with Kate Webb, Senior Business Manager System Leadership. This was a productive meeting, with a lot of common understanding, but essentially there were too many meetings happening and the governance structures were too complex and they needed to get some simplicity running through the model. They are going to adopt the mechanics outlined on page 3 of the report.
3. ER and KW are working on a report which will be refined over the next week and sent to partners for further consultation followed by the AWP Executive Team before returning to the Audit and Risk Committee at the next meeting. ER highlighted that the Trust want to demonstrate that we have listened, learned and reacted.
4. There was further discussion amongst the Committee regarding Bristol CCG and the positive progress being made.

Audit and Risk Committee Minutes - 04 February 2016

- ER advised that it has been recognised there is a gap in terms of reporting through AWP governance structures. ER has spoken with KW about making sure we create a subset of IQ or an integrated dashboard so that we can performance report through our governance framework.
- The Committee resolved to **note** the report.

AR/15/98 Register of Interests and Register of Gifts and Hospitality

- Document omitted from papers – to be circulated to the Committee following the meeting.
ACTION – ST

AR/15/99 External Audit Progress Report

- KH presented the External Audit Progress Report and confirmed the Accounts Audit Plan will come back to the next Audit and Risk Meeting incorporating the key audit risks and the implications of the audit strategy.
- The Interim Accounts audit incorporating early substantive testing will also come back to the next meeting.
- CM requested that there is no duplication and that external audit and internal audit consult to ensure that this does not happen.
- Value for Money (VfM) conclusion which was discussed at the last meeting – the results of the initial risk assessment will be reported at the next Audit and Risk meeting. The Trust's financial position will also be considered.
- Quality Accounts – Review expected to start on 18 April 2016. If any new guidance comes out this will be reported to the Trust, Linda Hutchings.
- Charitable Fund Accounts – This will be concluded after the Annual Report in October.
- Better Care Fund (BCF) – The report published in December 2015, which examined the progress that had been made 6 months into the implementation of the BCF, is based on a finance staff survey of NHS bodies and local authorities representing a third of BCF sites. The Healthcare and Financial Management Association (HFMA) and Chartered Institute of Public Finance and Accountancy (CIPFA) have asked the Government to simplify and streamline the administrative and monitoring arrangements of the BCF prior to 2016/17; ensure there is maximum synergy between BCF and the emerging devolution programme which is likely to prove the most sustainable model for taking forward integration at scale; use the lessons learnt from the BCF so far in plans for full integration of health and social care by 2017 to be implemented in 2020.
- BM informed the Committee they have also included a guide for local leaders regarding devolution. CM asked that this should be circulated to the Committee. **Action: BM**
- PG suggested should any information the auditors become aware of in the future if it could be shared with the Committee. She used an example of a county council who had plans to buy out the PFI which would make a huge difference to the finances of a Trust like ours.
- The Committee were asked to **note** the report.

AR/15/100 Internal Audit Progress Report

1. NA presented the Internal Audit Progress Report and summarised key issues.
2. **Management of Trust's response to staff concerns and Whistleblowing** – NA informed the Committee that many Trusts are moving towards 'raising concerns' rather than whistleblowing. The challenge being how to get the policy embedded across the Trust.
3. **Acute Care Pathway** – Debriefed on 11/01/16, report being completed and should be issued within the next 2 weeks.
4. **Partnership Governance** – Debriefed on 18/11/2015 – report being completed and should be issued within the next 2 weeks.
5. **Action Tracking** – Evidence not yet provided to RSM.
6. **Financial Controls** – Fieldwork being started 08/02/16.
7. **Payroll** – In progress.
8. **Recruitment** – fieldwork being started 15/02/16.
9. **Medical Staffing/Job Planning** – fieldwork being started 15/02/16.
10. CM raised her concern that the Safer Staffing Report and Quality Improvement Reports are being presented to the Committee significantly after the fieldwork has been undertaken and with belated management responses. This is not helpful to the Audit Committee in terms of assurance.
11. CM requested at the end of each report there is detail about when the report was debriefed and if it has hit its target date. **ACTION – NA**
12. VG informed the Committee with regard to the Acute Care Pathway they have been made aware of a similar piece of work taking place within the Trust which may have stalled the progress of the report. The approach is therefore changed to avoid replication of a similar piece of work. An assurance map will help to avoid this problem in the future.
13. CM requested that all the 2015/16 internal audit reports are presented to the April meeting. **ACTION – NA** – reports to be completed by April meeting
14. It was noted that the internal audit programme for 2016/17 had been delayed slightly but would be on the agenda for the meeting in April for approval. CM requested that a copy of this should be circulated to NEDs as soon as the review meeting between the Director of Finance and Internal Audit had taken place in order that any comments could be received prior to the meeting. **ACTION - SH/BM**
15. It was further noted that the Chair had requested that the clinical audit plan for 2016/17 should also be approved by the Audit and Risk Committee to ensure that the audit plan, looking across both clinical and internal audit, covered the total range of risks faced by the Trust over the next

Audit and Risk Committee Minutes - 04 February 2016

three years unless assurance is being gained from other sources. This was agreed. CM agreed to talk to AD about this. **Action CM/ER to ensure the plan is on the agenda.**

16. The Committee resolved to **note** the report.

AR/15/101 Receipt of Internal Audit Reports and Associated Opinions

a) 7.15.16 - Safer staffing

1. Throughout the review Internal Audit found arrangements were in place to support safer staffing on wards which was confirmed through a review of actual staffing data. However, it was felt that there was a lack of consistency in the interpretation of safer staffing levels which had not fully embedded through to the HealthRoster system, leading to potential use of, or reliance on, the wrong figures. There was a lack of clarity in how the requirements were being applied. Some were seen as an ideal and some as a minimum necessity.
2. There was further discussion amongst the Committee regarding safer staffing, learning from Bristol and audits using the Bristol standards in other areas. The Quality Improvement Plans and looking at CQC task list and where we are in terms of progress and any new areas identified from learning.
3. SH and TW assured the Committee that this work had been superceded by the safer staffing plan agreed by the Board and that this was being followed up routinely by the Board. SH informed the Committee there are various other pieces of work that back up safer staffing. There is still some uncertainty on wards regarding safer staffing however there is a system in place. Every single ward within their establishment, safer staffing levels have been gone through and this is monitored daily and this is reported through to the Board as Exceptions.
4. PG asked for assurance that the HR Department/Trust is prioritising the recruitment and retention of staff. NA informed the Committee that this links in with the piece of work that is being started in February. SH assured the Committee that AD has put in place a centralised recruitment team.
5. The Committee were asked to **note the report.**

b) 8.15.16 - Management of Quality Improvement

1. NA updated the Committee regarding quality improvement. Michael Hutt, Consultant, saw where CQC inspections were going; the significant work they entail, the amount of people they bring with them and the amount of information they want to see. We have been trying to look at how we can compile a more comprehensive evidence base to give us assurance centrally which is difficult when services are spread over so many locations. The field work was done some considerable time ago and the management response was that there have been significant improvements since the report.
2. The Committee was concerned that it was not clear whether there were systems in place to provide assurance that this was moving forward and we would be ready for

Audit and Risk Committee Minutes - 04 February 2016

the CQC inspection in May. **ACTION: CM to discuss with Susan Thompson (ST) as Chair of the Quality and Safety Committee and AG as Chair how this was being monitored going forward.**

3. NA informed the Committee that the head of internal audit opinion, which will come to the next meeting in draft, will have a positive audit opinion which has a 'However' element to it which is fairly standard. The 'However' will then go on to say that certain issues were identified and the Trust then moved on with implementing various actions which will be more balanced.
4. The Committee were asked to **note** the report.

AR/15/102 Progress Against Internal Audit Recommendations

1. CM asked the Committee to note the report.

AR/15/103 Finance Register (inc. losses and payments)

1. SH informed the Committee that this was presented at the last Audit and Risk meeting in December and is not due until the April meeting. The Audit and Risk Workplan to be amended. **ACTION – LM/ST**

AR/15/104 Review of Annual Accounts Progress

1. SH informed the Committee the Review of Annual Accounts Progress, the key dates and the first review of the annual accounts, is 05/04/2016 and the deadline for submission is the 22/04/2016 and the audit will commence on the 25/04/2016. The final accounts submission is the 2nd June and therefore the Audit and Risk Committee meeting scheduled for June may need to be brought forward. **ACTION – LM/ST**

AR/15/105 Policy approval

- a) Whistleblowing Policy
 1. CM queried how do we know this is working in practice? Do we know how many whistleblowing incidents we have?
 2. ER informed the Committee this is an updated policy which has been through a lot of consultation, there has been lots of engagement from staff. There have been a number of whistleblowing concerns which have been raised over the last few months. Susan Thompson is now the Whistleblowing Lead. These have been reported to the Board.
 3. Staff are aware how to whistleblow and they can do this formally, as well as generally, so they may write anonymously to the Chief Exec. ER confirmed we need to make sure that this is shared and communicated.

Audit and Risk Committee Minutes - 04 February 2016

4. There was discussion as to whether this should be called 'whistleblowing'. CM suggested that the Trust may be reluctant to change the name as it has been through a lot of engagement at this stage as people have put a lot of work into it.
 5. The Committee agreed to **approve** the Whistleblowing Policy.
- b) Risk Management Policy [extension]
1. LM informed the Committee the Risk Management Policy was due to be presented to today's meeting. However, due to the roll out of the new database, RiskWeb, LM felt that it would be better to update the Policy once the process for this new system had been developed. LM assured the Committee now that RiskWeb is being used by all the triumvirate managers, as well as some of the Executive Team, the policy will be re-written now that a generic process has been adopted. This will be brought back to the April meeting. **ACTION: LM/ST**

AR/15/106 Committee Terms of Reference and Workplan 2016/17

1. The terms of reference of the committee were reviewed. It was noted that the Chair had confirmed that the responsibility to ensure comprehensive audit plans in place to provide assurance and mitigate against risks included clinical audit. This is not clear in the current terms of reference. It was also important to be clear that some audit reports would be considered by committees other than the Audit and Risk Committee if they related predominantly to their area of responsibility but the Audit Committee would oversee the whole programme and ensure that it was clear who would review and respond to each report. CM agreed to update the terms of reference and discuss these with the Director of Nursing who has responsibility for clinical audit and the Chair of the Quality and Safety Committee (Susan Thompson). The revised terms of reference would be brought back to the next meeting prior to being presented to the Board for approval. **ACTION: CM**
2. The draft Workplan for 2016/17 was received and reviewed. It was agreed that the following amendments should be made
 - a. Financial Registers (including losses and payments) to go to every other meeting commencing from April 2016 as noted in AR/15/103.
 - b. Review of the Annual Accounts Progress should be presented to the June Audit and Risk Committee meeting and should be amended on the Workplan.
3. The revised Workplan would be brought back to the April meeting and then presented to the Board for approval. **ACTION: LM/ST**

AR/15/107 Issues Referred from/to Other Committees or to Board

1. Chair to Chair discussion to take place with the Chair of the Quality and Standards Committee to ensure clinical audit appropriately addressed in the terms of reference and clarify the flow of audit reports. **ACTION: CM/AD**

AR/15/108 Any Other Business

Minutes Prepared for the Audit and Risk Committee of 04 February 2016

Sponsored by the Chair

Page 10 of 11

Audit and Risk Committee Minutes - 04 February 2016

1. **External Audit Procurement:** SH informed the meeting we have to commence procurement for external audit which will commence in March. Clarity on this is still being sought.
2. **Next Meeting:** The next Audit and Risk Committee meeting will be held on Friday 15th April 2016 at 10am in Seminar Room 4 at Trust HQ.
3. **Committee Evaluation:** Those in attendance scored the meeting an average of 4 out of 5 commenting that:
 - time scales were adhered to;
 - CM was positively challenging as a chair;
 - the Committee is continuing to improve with robust measures in place;
 - LM commented the technology provided today was a good opportunity to present a live risk register;
 - CM endorsed going paper free and using the projector to project papers.
 - Some Internal audit reports were late resulting in the Committee being unable to delve further into the reports.

**The next meeting of the committee will be held on Friday, 15 April 2016, 10.00 am,
in Seminar Room 4 - HQ**