

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

Held on Friday 15<sup>th</sup> April, 2016 at 10.00am, in Seminar Room 4, Jenner House

These Minutes are presented for **Approval**

### Members Present

Charlotte Moar (CM), Non-Executive Director, Audit and Risk Committee Chair Peaches Golding (PG), Non-Executive Director

### Staff In Attendance

Sue Hall (SH) – Director of Resources	Julie Benfell - Head of Compliance (1150 – 1200)
Andrew Dean (AD) - Executive Director of Nursing (until 1110 hours)	Susan Thomas - Risk and Assurance Coordinator
Lee Mercer (LM) - Head of Risk and Legal Services	Kate Webb (KWe) Senior Business Manager, Bristol Mental Health
Newlands Anning (NAn) MD, Swindon LDU (part of meeting)	Karen Williams (KW) Director, RSM
Nick Atkinson (NAt) Partner, RSM	Kevin Henderson (KH) Manager, Grant Thornton
James Shortall (JS), Local Counter-Fraud Specialist	Mark Bunker (MB) Bristol Quality Manager (dialled in to the meeting 10.45 am)

### AR/16/002 Apologies

1. Apologies were received from Barrie Morris (BM), Tim Williams (TW), Emma Roberts (ER) and Simon Joseph (SJ).

### AR/16/003 Declaration of Members' Interests

1. In accordance with AWP Standing Orders (s8.1) members present were asked to declare any conflicts of interest with items on the Committee meeting agenda.
2. **None were declared.**

### AR/16/004 Minutes/Summary of the Meeting on 4<sup>th</sup> February 2016

1. It was noted that Nick Atkinson had been referred to as Neil in the previous minutes.
2. It was noted that Barrie Morris is from Grant Thornton and not RSM.
3. It was noted that Gordon Folkard's title should be Head of Operational Finance.
4. It was noted that on Page 6, External Progress Report, work had moved from May to October.
5. The minutes were **approved** with the corrections noted. **ACTION: ST**

### AR/16/005 Matters Arising from the Previous Meeting

1. **AR/15/075 – Progress Against Internal Audit Recommendations**  
AD reported on progress with the nursing and quality directorate restructure as this may affect reporting lines for internal audit. AD advised that the consultation was complete and responses had been provided. The final outcome paper has been held up by a review of the banding evaluations which would be completed the following week. AD undertook to circulate the final

paper to the Committee members when it was complete and would have it published on Ourspace. **ACTION: AD.**

2. The Chair requested that each audit would be labelled on the Internal Audit Work Programme with the name of the Lead Executive and the relevant board committee for tracking. **ACTION: KWi**
3. **AR/15/99 – External Audit Progress Report**  
It was noted that the guide on devolution had not yet been circulated. KH to follow up with BM. **ACTION: KH**
4. **AR/15/93 – Information Governance Assurance Report**  
JB advised that the final report had been received following the Information Commissioners Officer (ICO) Inspection. There had been limited assurance from the inspection. There was an action plan in place and it was being monitored by the Q&S Committee. The action was noted as closed.

**AR/16/006 Update on Risk Registers**

1. LM provided an update on the Trust risk registers. This report summarises the high-level operational risks that sit within the three Executive Risk Registers noting any significant changes since the last report. It also includes the Strategic Risk Register which encompasses the longer term risks that are generated from the Annual Operating Plan and Integrated Business Plan.
2. The top 3 risks were identified as being the Bristol model (Delivery Executive), capacity and capability to deliver large scale tenders (Business Executive) and the CQC warning notice (Clinical Executive).
3. LM advised that the Risk Registers were presented to Trust Board monthly.
4. SH gave her assurance to the Committee that Risk 128 on the Business Executive Risk Register, that close working with specialised services is being implemented to ensure resource requirements can be supported.
5. PG asked that careful consideration be given to the description of the risks noting that there would be some sensitivity to the wording. LM advised that once the new Risk Policy was approved, there would be some training on how risks should be described.
6. The Chair asked when the Committee would receive the Bristol Risk Register. LM did not know when it was due to be reported to the Committee but would bring forward the Bristol Risk Register required. SH advised that the Annual Objectives were being reviewed by Q&S and would then be presented to Trust Board.
7. The Chair asked about the management of the top three risks, acknowledging that there would be feedback from the CQC inspection on the third risk. SH provided an overview of the actions that were being taken on the capacity and capability to deliver large scale tenders risk. She advised that more people were being put on tenders to enable a stronger response. She also advised that governance arrangements about which tenders should go forward were being reviewed.
8. The Chair asked about the IT risk that had been closed. SH advised that this risk had been released to the Data Centre. The Committee acknowledged Mark Osbourne for his work on closing this risk.

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

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**AR/16/007 Annual Governance Statement**

1. The Chair noted her concern about the late presentation of this report, noting that it must be forwarded to the TDA by the 22<sup>nd</sup> April. She noted that it was incomplete due to the fact that the key future risks were not currently included. LM reported that these risks would come out of the Annual Operating Plan which was currently with AD in draft.
2. The Chair asked that adequate planning be done in order to ensure that the Annual Governance Statement was not submitted late in future years.
3. It was noted that the opinion provided by the Head of Internal Audit indicated that AWP had an effective system of internal control, risk management and governance in place but some enhancements could be made. There had been some critical statements made around Safer Staffing but it was acknowledged that action plans were in place to move this forward.
4. It was noted that the Chair would approve the Annual Governance Statement via email once it was complete. **ACTION: CM**

**AR/16/008 Locality/Directorate Risk Register - Swindon**

1. NAn presented the Swindon Risk Register to the Committee.
2. **180 (RiskWeb)** - There was a discussion about double bedrooms and service user experiences of sharing rooms. NAn advised that where concerns had been raised, they had been about the other service user in the room rather than about privacy and dignity. AD advised that he would be reviewing the bedrooms the following week and would make a decision about whether they meet the privacy and dignity guidelines for a dormitory. The alternative options would be build additional rooms (no available funding) or the closure of two beds.
3. **75 (RiskWeb)** - A delayed transfer of care (DTOC) anomaly had been found and after some investigation it was identified that DTOC levels were high. Placements had been located for service users and the DTOC had dropped from 13% in October to 5.8% at the time of meeting. The Trust target for DTOC was 7.5%. PG asked how sustainable this performance in Swindon was. NAn advised that proactivity and the changes that had been put in place in Swindon gave him confidence that the performance was sustainable. There was a discussion about whether Swindon's changes could be replicated throughout AWP. It was noted that while Swindon was proactive, had good relationships with CCGs, partner organisations, social care and had alternative housing facilities available in the area, the same could not be said of other areas within the Trust.
4. **77 (RiskWeb)** - There was a discussion about Swindon Memory Services funding. It was noted that the CCG had identified that they could not pay the agreed £100k for Memory Services and had proposed that the length of stay CQUIN for the older adults would now include Memory in regards to the waiting list and additional resource. The CCG would [prime £100k] in the first quarter and Swindon LDU would propose a business case in Q2 to indicate why they would need ongoing funding.
5. **76 (RiskWeb)** - It was reported that a service user had fallen off the roof of the Applewood ward which was easily accessible due to its low level. The risk assessment had indicated that the environment needed to change. Quotes had been received for renovation (either a fence or anti-climbing fittings). These had been forwarded to the Executive Team for consideration. A business case would need to be completed for the anti-climbing fittings due to the cost of £33k if the Executive determined that this could be an option.
6. Potential risks that could move onto the risk register in Swindon could be Safer Staffing levels and

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recruitment of qualified band 5 nurses. SH noted the negotiation of the Swindon contract could also be added into the risk register given that the CCG was currently unprepared to pay for some of the services being provided.

### AR/16/009 BMH System Leadership Governance Arrangements

1. Items AR/16/009, AR/16/010 and AR/16/016 (9.15/16 Partnership Governance for Bristol) were discussed together. Refer to AR/16/016 for relevant discussion points on System Leadership Governance.

### AR/16/010 Bristol LDU Governance Arrangements

1. The Chair undertook to contact Mark Bunker to ask if the Committee could take assurance from the Locality about the new governance arrangements that had been put in place post-CQC warning notice. **ACTION: CM**
2. CM asked when the Bristol Risk Register would be received. LM undertook to follow this up.

### AR/16/011 Progress Against Internal Audit Recommendations

1. LM presented the report to the Committee which has recently undergone some changes since 4Action reached the end of its contract and this administrative function was brought in-house.
2. It was suggested that Internal Audit Reports on clinical and quality matters should be presented to the Quality and Standards Committee (Q&S) and that actions from those audits should be followed-through at Q&S to avoid duplication. The Committee would receive a 6-monthly report on progress with all internal audit recommendations. **ACTION: CM to liaise with ST and AD.**
3. The Committee resolved to **note** the report.

### AR/16/012 Local Counter Fraud Plan 2016/17

1. JS presented the detailed findings and recommendations for risk assessment in 2016 and brought three main risks to the attention of the Committee.
2. Regarding pharmacy stock control and FP10 prescriptions, it was noted that internal audit had already engaged with AWP to look at this long-standing issue. The Chair asked if the e-prescribing business case had been approved as part of the 2016-17 budget. It was advised that it had not been approved.
3. It was noted that operational pressures often led to a high desire to recruit quickly and fill posts which could lead to pre-employment checks being temporarily waived subject to an assessment of the risk. It was noted that this information must be subsequently followed up and appropriate follow up measures should be put in place to provide assurance that those checks are completed.
4. It was noted that Section 12 assessments need to be part of the consultant job planning cycle. The Chair requested that LM approach TW to provide an update on Section 12 assessments in May.
5. The Chair summarised that the Pharmacy issues would be picked up in internal audit.
6. The Chair questioned the statement in the Fraud Assessment under Register of Interests (P102) which identified that the Committee was lacking assurance around the process for Register of Interests and the Assessment of Declarations. LM to look into this.
7. The Committee **approved** the Local Counter Fraud Plan 2016-17.

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**AR/16/013 External Audit Progress Report**

1. KH presented the External Audit Progress Report.
2. It was reported that performance indicator testing would commence the following week and the first draft of Quality Account should be available then. The planned date for Charitable Funds had moved to October.
3. Nothing significant had been detailed in the interim audit. It was noted that the accounts were due to be received and the formal audit would commence the following week.
4. The timeframe for the audit was discussed and it was acknowledged that three weeks was an ambitious turnaround time. It was noted that there was a 2 June deadline, but the organisation had set a deadline of 25 May for sign off. It was noted that the audit team was sufficiently resourced, but that the finance team was under-resourced given they were in the process of contract negotiations with the CCGs.
5. SH advised that she would discuss panels and procurement for external audit from 2017 onward with procurement colleagues.
6. The significant risks were set out for the year and it was noted that these were consistent with those of previous years. They were also consistent with other NHS plans.
7. A detailed risk assessment had been carried out following the change in approach set out by the National Audit Office new code. The two areas being considered would be reported upon in the Audit Findings Report.
8. The Committee **noted** the External Audit Progress Report.

**AR/16/014 Auditing Standards Communication with the Audit Committee**

1. The Committee reviewed and **noted** the report titled Auditing Standards – Communication with the Audit Committee for Avon and Wiltshire Mental Health Partnership NHS Trust dated 5 April 2016.

**AR/16/015 Internal Audit Progress Report**

1. The reports on Recruitment (11.15/16), Medical Staffing/Job Planning (12.15/16) and Financial Control (13.15/16) were reviewed by the Committee.
2. It was noted that the controls around pre-employment were strong. AWP had been able to recruit and get staff into place comparatively quickly. The green rating was acknowledged by the Committee. This states that the Board can take assurance that controls upon which the organisation relies to manage risks are suitably designed, applied and operating effectively.
3. Issues related to Job Planning were noted around being able to evidence supervision policy and planning for study. Overall the audit had been positive.
4. The general financial controls were working well. There were challenges around cash (as was the case in other Trusts more generally).
5. The Chair thanked the Finance and HR teams for their work on the audit.
6. The Committee **noted** the Internal Audit Progress Report.

**AR/16/016 Internal Audit Reports**

**9.15/16 Partnership Governance**

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1. KWi spoke to the Partnership Governance Consultancy Report for Bristol Mental Health.
2. The Chair asked who was chairing the new Partnership Committee. It was advised that the first meeting was scheduled for May 2016 and that System Leadership would Chair that meeting. It was noted that other members of the system would be engaged going forward to chair some of the forums but to date there had been limited success in achieving this.
3. The Chair raised concern about the Chair position noting that the System Leadership should support the meeting infrastructure, but should not be running the meetings. She acknowledged that there needed to be a chair who was interested/engaged. PG noted that the challenge was to ensure that the clinical aspects of Bristol Mental Health reside within AWP's controlled management given AWP is responsible to CQC; and to ensure that the partners understand what the issues are.
4. AD asked what the role of System Leadership was if not to chair the Committee and to hold the Lots to account and to ensure they were working as one. This view received support in the meeting while acknowledging the importance of Chinese walls.
5. KWe advised that she had not been involved in the Partnership Governance debrief and while she accepted the report/recommendations she did feel there were several inaccuracies and one key recommendation missing that related to participation of partners. It was agreed that comment should be sought from KWe and that the report should be reissued if necessary. **ACTION: KWi**
6. The Chair asked how the Audit and Risk Committee could help to give the Partnership Committee the best chance for success. She asked when Audit and Risk should hold a further discussion about how the Partnership Governance was working. It was advised that a programme of work was being organised with the service providers for Bristol Mental Health over the next couple of months. It was anticipated that this would result in re-engagement. It was agreed that a further discussion should be held at Audit and Risk in 6 months' time at which time the Risk Register would also be presented. **ACTION: ST.** Agenda Item October 2016 meeting.

### AR/16/017 Internal Audit Plan 2016/17

1. The draft Internal Audit Plan was presented by NAT/KWi.
2. It was **agreed** that the following audits would be conducted in 2016/17: Unexpected death (with careful scoping), Medicines Management (pharmacy stock).
3. It was **agreed** that monitor and Service Manager Reporting should be removed.
4. It was **agreed** that Nurse revalidation should be moved into 2017/18.
5. The Internal Audit Plan 2016/17 is **approved** pending those changes.

### AR/16/018 Clinical Audit Report Workplan

1. Item deferred as SJ sent his apologies.
2. It was noted that clinical audits would be reviewed by the Q&S Committee. It was noted that the Clinical Audit Plan was not yet in a position to be approved as it would follow on from the Annual Operating Plan and the Trust Quality Objectives.
3. It was noted that the next Q&S Committee would receive the Quality Objectives. A detailed Clinical Audit Plan could be considered in June at Q&S and could be mapped back against the risks and the quality objectives. This plan would then be forwarded to the Audit & Risk Committee in August for formal approval.
4. Given there would likely be a large number of local clinical audits it was agreed that reports would

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go to Q&S Committee by exception and the Audit and Risk Committee would receive a progress update on a half-yearly cycle. The Clinical Audit 6-month report to be added to the Audit and Risk Committee Workplan. **ACTION: ST**

5. AD noted that internal audit and clinical audit should be linked stating that this is a joined up process which needs to be brought together. He noted that he would like the Q&S Committee to look at things like care planning and physical observations.
6. It was noted that it was not yet clear whether AD would be the Lead Executive for risk as this was subject to the nursing and quality consultation. It was noted that if this transpired to be the case he would attend Audit and Risk as a regular member but if not, he would only attend as required. The Chair noted that she would like a Clinical Executive member (either the Medical Director or Director of Nursing) to attend regularly and asked that AD work out who this would be. She confirmed that if AD was confirmed as Lead Exec for risk, his attendance would be sufficient to cover both risk and Clinical Exec.

#### AR/16/019 Going Concern Assessment

1. The Committee reviewed the Going Concern Assessment Report. SH apologised for the lateness of the paper which was submitted late yesterday.
2. SH advised that the liquidity ratio for 2016-17 was currently being affected by the capital loan budget item for rebuilding Hillview. This would need to be discussed at the April Board meeting.
3. It was agreed that two liquidity ratio statements should be made - one that included Hillview, and one that did not.
4. The Committee **noted** the Going Concern Assessment.

#### AR/16/020 Review of Annual Accounts Progress

1. SH provided a verbal update of the annual accounts progress. This item should be presented as a 'verbal' update the Committee Workplan amended accordingly. **ACTION: ST**

#### AR/16/021 Finance Register

1. There were no queries or questions regarding the papers submitted.
2. The Committee resolved to **note** the report.

#### AR/16/022 Policies for Approval

##### Risk Management Policy

1. LM presented the Risk Management Policy which had been sent to a cohort of people for comment. It was reported that comments had been received from the Chair of the Trust, Head of Patient Safety Systems, Director of R&D and the Acting Head of IM&T and these had been incorporated in the Policy.
2. Other feedback had been received indicating that the policy was too long and that there was too much guidance and procedure in the document. While the feedback was acknowledged as fair, it had not been reflected in the amended document as LM considered that providing some guidance and procedure was necessary to aid understanding.
3. It was noted that the policy introduced the requirement for all teams to hold team risk registers and for these to be on a new database called RiskWeb. It was noted that there would be a transition period of a year during which the registers would be transferred. It was agreed that

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this transition period should be reflected in the policy with the addition of the wording "by March 2017". **ACTION: LM**

4. The Chair asked how the Committee would be provided with the assurance that the transition had been completed. It was advised that there would be an internal audit on risk management at least every two years. The Risk Register Update report would be expanded to include progress against plan, specifically on how many registers had been transferred to the new system.
5. PG asked if Risk Web could flag review dates. It was confirmed that notification dates and reminders could be set up in RiskWeb.
6. The Committee **approved** the Risk Management Policy.

### Records Management Policy

1. JB identified the updates in the Records Management Policy. She reported that that roles and responsibilities and job descriptions had been updated.
2. The Committee **approved** the Record Management Policy.

### AR/16/023 External Audit Fee Letter 2016/17

1. It was noted that the audit fee for 2016/17 was the same as that recorded for 2015/16.
2. The Committee **approved** the fee for 2016/17.

### AR/16/024 Issues Referred from/for Other Committees or to Board

1. There were no items for discussion referred from other Committees or Board.

### AR/16/025 Committee Workplan

1. The updated Committee Workplan was presented for approval.
2. The Committee **approved** the Workplan which can be submitted to Trust Board.

### AR/16/026 Committee Terms of Reference

1. It was noted that the Committee Terms of Reference had been updated to reflect the discussion held at the last meeting about Clinical Audit. The caveat remained about who would be the Lead on Risk (and whether AD or TW would represent Clinical Executive).
2. Under Capability and Culture it was noted that the Committee must meet mandatory internal audit standards, however it was advised that they now needed to work to the Public Sector internal audit standards. LM to update. **ACTION: LM**
3. The Committee **approved** the Committee Terms of Reference with the caveat/changes agreed above.

### AR/16/027 Audit and Risk Committee Annual Effectiveness Review

1. LM presented the review noting that it summarised the work of the Committee over the last year and included information relating to attendance and feedback from the Committee survey.
2. It was noted that HR had become the Acting CEO in December 2015 rather than December 2016.
3. The Committee acknowledged that this report would be passed to Board along with the Committee Terms of Reference and the Committee Workplan.
4. The Committee **noted** the Audit and Risk Committee Annual Effectiveness Review.

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AR/16/028 Any Other Business

1. No other business was raised.

**Committee Evaluation**

1. The Chair scored the meeting a 3.5. Members gave scores of between 4 and 5. Members remarked that the meeting was well-paced, and well-balanced and there was opportunity for debate and clear decision making. It was noted that the Chair was clear about seeking assurances.
2. Areas for improvement were noted to be the timing of the future audits given that the information was not always available within the timeframes, particularly at this time of the year, late papers and the Bristol LDU item receiving more scrutiny. The Chair agreed to pick this up with MB outside of the meeting.