

Held on Thursday 12 July at 9.00am, Seminar Room 3, Jenner House

## Minutes

<b>Present:</b>	<b>Anthony McNiff (Non-Executive Director - Chair), Tony Gallagher (Non-Executive Director),</b>
<b>In attendance:</b>	<b>Andy Sylvester (Operations Director); Arden Tomison (Executive Medical Director &amp; Director of Strategy); Howard Lawes (Deputy Director of Policy and Business Planning); Sally Flett (Audit Commission); Wayne Rickard (Audit Commission); Ryan Richards (RSM Tenon); David Taylor (RSM Tenon); John Ridler (Head of Financial Control);</b>

<b>Item</b>	<b>Action By</b>
<b>1. Apologies</b>  Peter Greensmith (Non-Executive Director,	
<b>2. Draft Terms of Reference</b>  It was agreed that the committee will work to the existing 2012/13 workplan but will plan to meet 8 times during 2013/14.  There is an expectation that Executive Board members (or their nominated deputies) will attend this committee in future to ensure representation from across the Trust.  The terms of reference were <b>approved</b> to go to the July Board meeting.  <ul style="list-style-type: none"> <li><b>Annual Clinical Audit Report 2011-12</b></li> </ul> Howard Lawes, Deputy Director of Policy and Business Planning, presented this report to inform this committee on the current process for clinical audit within the organisation. The role of the Audit & Risk Committee was discussed in terms of its responsibility around the oversight of the management of both clinical risk in conjunction with the Quality and Safety Committee and the Internal Audit process.  It was noted that currently the Clinical Audit Team reports through the Quality and Safety committee and it was suggested that they meet with the Internal Audit team to align work plans and where possible structure these plans to underpin assurance to the Board.  Tony McNiff expressed concern that attendance at meetings to review clinical audit processes has been poor especially by Clinical Directors. He welcomed that this is being addressed.  Tony underlined the role of this committee to provide assurance that	<b>LH</b>

Item	Action By
<p>governance processes are in place and are fit for purpose and ensure that issues are driven through the organisation.</p> <p>Tony Gallagher noted the concern of the Quality and Safety Committee at its last meeting around the Clinical Audit plan and also the role of clinical directors in clinical audit. He welcomed the planned work with Internal Audit and the involvement of both clinicians and auditors and underlined his requirement that there is a swift resolution to this issue. He did, however, note that the involvement of clinical directors should be part of a structured process that acknowledges demands on their time.</p> <p>It was agreed that clinical audit has a place within this committee and that there should be some cross reference with the Quality and Safety (Q &amp; S) committee to enhance this. That there will be a standing invitation to all Executive Directors to attend the Audit and Risk Committee should enable this.</p> <p>It was requested that members of Q &amp; S are updated on this issue at their next meeting.</p>	<p><b>TG</b></p>
<p><b>3. Minutes of the meeting on 1 June 2012</b></p> <ul style="list-style-type: none"> <li> <p><i>Improving the Acute Care Pathway</i></p> <p>There should have been an action attributed to the point made by Peter Greensmith on the indication that face to face contacts would increase to 50%.</p> </li> <li> <p><i>External Audit Governance Report</i></p> <p>The paragraph relating to Quality Accounts should read ' [I]t was not confirmed that it is not possible to issue a report on the Quality Accounts at this time....'</p> </li> </ul> <p>With these amendments the minutes were <b>agreed</b> as an accurate record.</p>	
<p><b>4. Matters Arising Action Plan</b></p> <p><i>Update on Local Authority Agreements</i></p> <p>It was agreed that this update would be a standing issue.</p> <p><i>Interim Audit Report 2011/12 – Payroll</i></p> <p>This item to remain open pending further monthly data on salary overpayments. It was noted that it is not expected that the organisation's vulnerability will be over the 80k suggested.</p> <p><i>Review of Risk Registers – NCAS Risk Register</i></p> <p>The lack of alignment of issues that come out of Clinical Audit and the NCAS Risk Register will be considered on a future Board Agenda. The planned</p>	

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<p>Board Seminar on Risk Management did not take place.</p> <p><i>Information Commissioner's Office Monetary Powers Report</i></p> <p>It was agreed that non-executive director's have access to AWP information through citrix and therefore there is no risk or need to further encrypt this information.</p> <p><i>Review of Risk Registers- Medicine, Strategy and Business Development</i></p> <p>Arden Tomison confirmed that he had taken the comments around the organisation of the MSBD Risk Register back to various groups and they confirmed that it is felt that current arrangements assure that risks are tracked and are robust. One change has been made to clarify that the Pharmacy Risk register is owned by the Medicines Management Group and reports up through the Chief Pharmacist.</p> <p>The wider issue of a process in all Directorates for escalation and de-escalation of risks will be discussed later on the agenda.</p> <p><i>Follow up Internal Audit RED Reports – Medicines Management</i></p> <p>Andy Sylvester reported a number of discussions with SBU Directors and members of the Medicines, Strategy and Business Development Directorate including the Chief Pharmacist and her staff. From this a robust agenda has been constructed to address the issues related to medicines management.</p> <p>Arden Tomison confirmed that the meetings with the Chief Pharmacist had been about developing clinical pharmacy time in Trust centres. He also confirmed that this issue is also now addressed in the junior doctor induction programme.</p> <p>A report will come back to the next meeting of this committee to close off all actions including administration of medicines on wards.</p> <p>It was agreed that the re-audit of this area should be held until after the change in junior doctors in August but that the pressure on this issue should remain.</p> <p><i>Performance Reporting</i></p> <p>Arden Tomison reported that issues around performance reporting relating to care quality and safety had been discussed at the Board Seminar on 10<sup>th</sup> July. The Trust's KPIs will be re-aligned with its Strategic Objectives as part of a revision of the Balanced Scorecard..</p> <p><i>External Audit Progress Report</i></p> <p>It was confirmed that the trust's acceptable use policy will be signed by junior doctors as part of the next induction process.</p> <p><b>5. Corporate Risk Register Review</b></p>	<p>AT</p> <p>DT</p>

Item	Action By
<p>The committee reviewed the Trust Corporate Risk Register.</p> <p>It was noted that no material changes had been made to the Risk Register.</p> <p>Concern was expressed at the mechanics of this process as highlighted by the Pharmacy Supply Change risk where the residual risk score is higher than the original risk score.</p> <p>It was suggested that it would be useful to include a column that identified the current risk status. It was also suggested that the residual risk score should be separated out into probability and severity in order to better understand how this score is arrived at.</p> <p>Given the concerns around ownership of risk and the particular issues around review and updating criteria it was agreed that Sue Hall would meet with the Head of Compliance and Risk and the Company Secretary to take this forward. Tony McNiff also noted that attendance by Executive Directors or their deputies at this committee would further drive ownership of the Corporate Risk Register.</p> <p>• <b>Operations Risk Register</b></p> <p>The committee received this risk register from the Operations Director who described that this is constructed from each SBU risk register and that there is currently a separate tab for the redesign process which will now be incorporated across the Directorate. It was noted that each SBU register is reviewed by the service and clinical directors and immediate reports. He described the discussion of these risks at the regular Operations Directorate meeting and this opportunity to debate key risks for the directorate.</p> <p>He acknowledged that the definition of risks and actions taken was variable and agreed that the presentation of these issues could be improved. It was suggested that the quality of presentation may reflect the relative attention to the assessment of the risk.</p> <p>Tony McNiff questioned whether there is a consistent and credible scoring methodology. Andy Sylvester responded that this is discussed but there is an issue around different perspectives when considering this. He underlined that he is working on a more common understanding of the scoring mechanism.</p> <p>Tony Gallagher welcomed the review of this process and noted that he felt the Operations Risk Register to be very corporatist with a lack of reflection of local issues as highlighted in Swindon. He also underlined that there should be a better balance of clinical as opposed to financial risk with an emphasis on the ameliorating of clinical risk.</p> <p>Andy reported that a great deal of time is spent considering clinical risk but that the rationale for presenting increased clinical risk was variable. Tony McNiff underlined that a risk register is part of a governance process and not a vehicle to ring alarm bells or facilitate team working and he questioned whether there is a general understanding of this purpose.</p> <p>David Taylor noted that there appears to be a misunderstanding of what should be reflected on risk registers and that guidance around scoring, as this</p>	<p>HW</p> <p>SH</p>

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<p>relates to the objectives of the Trust, would be helpful. He underlined that it is important to understand what a 'high' risk looks like, the difference between a planned action and a control and that completed actions should be moved into the control column. His sense was that the Corporate Risk Register is not a living document. He also noted that it is important to understand when a level of risk is acceptable to the organisation, whilst acknowledging that those related to patient safety should be as close to '0' as possible.</p> <p>David further underlined that it is important to ensure that controls are working when assessing risk scores and if this is not the case that scores should be increased.</p> <p>Wayne Rickard drew the attention of the committee to the Audit Commission publication '<i>Taking it on Trust</i>' which includes a helpful checklist for the Board to assure itself on governance processes. It was agreed that it would be useful to revisit this as this had informed the Trust's original discussions.</p> <p><a href="http://www.auditcommission.gov.uk/nationalstudies/health/financialmanagement/Pages/takingitontrust29april2009.aspx">http://www.auditcommission.gov.uk/nationalstudies/health/financialmanagement/Pages/takingitontrust29april2009.aspx</a></p> <p>It was agreed that, as things stand, there is little to assure the committee that these are appropriate living documents and that identified controls are being successfully applied.</p>	LH
<p><b>6. Local Counter Fraud Annual Report 2011/12</b></p> <p>The committee received this annual report on the counter fraud work carried out in this period.</p> <p>The Trust's external and internal auditors confirmed that they work in partnership with the Trust's Local Counter Fraud Specialist.</p> <p>It was noted that the mandatory assessment by NHS Protect has been suspended and that a new process will be in place for 2012/13. This will be based on a crime risk assessment for all commissioning bodies and will be based round four main themes. It is expected that this will be a more thematic assessment based on quality.</p> <ul style="list-style-type: none"> <li>• <b>Counter Fraud Progress Report</b></li> </ul> <p>The committee received this report on progress against the work plan for 2012/13.</p> <p>The on-going live investigations were noted.</p> <p>The committee noted this report and <b>approved</b> the Local Counter Fraud Annual Report 2011/12.</p>	
<p><b>7. External Audit Progress Report</b></p>	

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<p>The committee received this report which updated it on progress in delivering the 2011/12 audit plan and highlighted key emerging national issues and developments.</p> <p>Wayne Rickard noted that this will be the last report from the Audit Commission and that from 1 September the external audit support to the organisation will be provided by Grant Thornton. It was confirmed that many staff will TUPE over to Grant Thornton and that Wayne Rickard will continue as Engagement Lead for the Trust.</p> <p>It was noted that work on the Trust's 2011/12 Charitable Funds is likely to be complete prior to the transfer to Grant Thornton.</p> <ul style="list-style-type: none"> <li>• <b>Annual Audit Letter</b></li> </ul> <p>The committee received the Annual Audit Letter which provided a summary of the 2011/12 external audit.</p> <p>This confirmed that External Audit has:</p> <ul style="list-style-type: none"> <li>• issued an unqualified opinion on the Trust's 2011/12 financial statements</li> <li>• concluded the Trust has made proper arrangements to secure economy, efficiency and effectiveness in your use of resources;</li> <li>• completed the external assurance review of the Trust's 2011/12 quality account; and</li> <li>• certified completion of the audit.</li> </ul> <p>The committee <b>noted</b> both the Progress Report and Annual Audit Letter.</p>	
<p><b>8. External Audit Report on Compliance with Quality Account Regulations and review of performance indicators</b></p> <p>The committee received this report which set out the key findings from the review of the Trust's Quality Account.</p> <p>It was noted that it was concluded that the Quality Account had been prepared in accordance with DH guidance. An unqualified limited assurance opinion has been issued.</p> <p>As part of this process three performance indicators were tested. Two of these were mandated by DH and one indicator selected by the Trust.</p> <p><i>Review of performance indicators</i></p> <p>It was noted that weaknesses were highlighted in the system for collecting information for two of these indicators.</p> <ul style="list-style-type: none"> <li>• <i>Percentage of patient safety incidents resulting in severe harm or death</i></li> </ul>	

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<p>It was not possible to give assurance that information was being accurately captured and reported. It was noted that this is a problem shared with other Trusts and is a factor of External Audit being unable to reconcile Trust data with that held by the National Patient Safety Agency (NPSA) who include information received directly from the public.</p> <p>It was underlined that complying with this is therefore out of the Trust's control as the organisation is working with two definitions from the NPSA and DH/SHA and it is felt to be not possible to reconcile the requirements of commissioners and the NPSA.</p> <p>Wayne Rickard noted that although the Department of Health may not mandate this indicator next year, it would be helpful to discuss this with other local Mental Health trusts and to flag concerns back to the DH and the NHS Confederation.</p> <ul style="list-style-type: none"> <li><i>Percentage of patients receiving a physical health check within 7 days of admission to inpatient services</i></li> </ul> <p>It was noted that this indicator was selected by the organisation and that this was identified in an attempt to resolve issues identified by the CQC. It had been hoped that a solution around automated reporting would be found through the RiO system.</p> <p>It was questioned why the Trust had chosen this measure when it currently reports to a higher standard of 72 hours. It was agreed that, in future, the decision process for selecting indicators should be reviewed although it was noted that this had been agreed by the Executive Team. Sue Hall agreed to feed back to the committee regarding this.</p> <p>The committee <b>noted</b> this report.</p>	<p><b>AT</b></p> <p><b>SH</b></p>
<p><b>9. Internal Audit Progress Report</b></p> <p>The committee received this report which summarised the outcome of work completed to date against the proposed updated plan.</p> <p>The committee <b>noted</b> the finalised report and work in progress or planned.</p>	
<p><b>10. Internal Audit Plan 2012/13</b></p> <p>David Taylor presented the revised strategy for Internal Audit following discussion at 20<sup>th</sup> February Audit Committee. He noted that he has met with both Sue Hall and Paul Miller to examine the Trust's key priorities.</p> <p>Key changes are identified on page 2 of the report. It was noted that some changes were about clarifying the scope of the existing plans.</p> <p>Item 5 identifies the new areas for review around Medicines Management and the Acute Care Pathway and additional assurance on the progress of the Fit for the Future Plan to ensure the Trust is on target to achieve the short term</p>	



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<p>improvements planned for September 2012. Tony Gallagher underlined the importance of this plan.</p> <p>It was agreed that this committee should be flexible in directing Internal Audit activity to any new and emerging risks from the work undertaken by other committees, especially that of the new Employment and Engagement Committee.</p> <p>It was noted that the key area identified around the Trust's FT journey should be re-focussed to the objectives in the Fit for the Future Plan. It was agreed that limitations to the Internal Audit plan around Clinical Audit should be strengthened to identify engagement with Clinical Audit.</p> <p>It was requested that there should be a risk focus to the Internal Audit programme especially any new development that could potentially create risk such as PCLS. Andy Sylvester noted that implementation of this should be reviewed regularly through either Clinical Audit or Internal Audit processes.</p> <p>That the Audit and Risk committee should expect to be fluid in its requirements of this plan was noted.</p>	<p>DT</p> <p>DT</p>
<p><b>11. Performance Reporting – Use of RiO Summary Report</b></p> <p>The committee received this report which reviewed progress since the previous internal audit report and reported on three particular sites that were visited to test understanding of RiO as a clinical record and any barriers that were experienced in using the system.</p> <p>It was noted that no tangible progress was concluded and that a number of issues were highlighted around the lack of consistency in the use of RiO, concern around the compromising of RiO's function as a clinical record and the quality of IT skills and training.</p> <p>Tony McNiff expressed concern at this as it triangulates with a number of other issues raised regarding the use of RiO. Tony Gallagher underlined that this is a damning report requiring a paradigm change.</p> <p>It was noted that the responsibility for RiO has now moved to the NCAS Directorate and that a Clinical Systems Group is now in place to underline the importance of this system as a clinical record system. Meetings have also taken place to address training concerns.</p> <p>Whilst welcoming the changes and the increased clinical perspective, Tony Gallagher underlined that there are basic issues that should be addressed around the management of the implementation of this system. It was noted that the Head of IM&amp;T is reviewing the IT structure in relation to the forthcoming RiO upgrade. It was also noted that as RiO is a national system there are limited local changes that can be made.</p> <p>The committee was reminded that the initial implementation process had been intensive and successful and that this had not been duplicated. It was suggested that the use of super users within the Trust was a way forward.</p> <p>It was confirmed that the work of the the CSG is overseen by the Quality and</p>	



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<p>Safety (Q&amp;S) Committee and that the IM&amp;T element is picked up through the Finance and Planning (F&amp;P) Committee. Tony Gallagher requested that there should be a report to compare the work of the Performance Solutions Group and the Clinical Systems Group (CSG) to assure the Trust Board on progress made. It was requested that the Internal Audit report should go to CSG for a management response and action plan and that this response should then be considered by Q&amp;S and F&amp;P before returning to this committee.</p> <p>It was also agreed that the use of RiO should be included in the Clinical Audit Plan.</p>	<p>HW</p> <p>HW</p>
<p><b>12. Progress against Audit Recommendations</b></p> <p>The committee received this report on outstanding audit recommendations.</p> <p>Tony McNiff expressed concern that some of these outstanding recommendations were long standing and appeared to demonstrate an inability to resolve straightforward issues.</p> <p>It was noted that in some instances this is about being smarter at setting targets with managers and the gathering of evidence to close them down.</p> <p>Sue Hall queried the acceptance of a recommendation relating to the ledger when this is an historic issue that cannot be resolved. She recommended that it may be appropriate to downgrade trivial concerns.</p>	
<p><b>13. Finance Registers</b></p> <p>The committee received this report which reviewed the Trust's Finance Registers.</p> <p>The ex-gratia payment of £1000 for taxi payments during an inpatient stay was queried and it was agreed that the magnitude of this should be better understood in conjunction with the Trust policy on write offs.</p> <p>The figure of 25% of invoiced expenditure being incurred without an order number was discussed and it was agreed that this should return to the next meeting to be closed off with further analysis.</p>	<p>SH</p> <p>JR</p>
<p><b>14. Agenda Plan</b></p> <p>The committee received this for information.</p>	
<p><b>15. Fit for the Future Plan</b></p> <p>The committee noted the actions identified as the responsibility of this Committee to assure. It was noted that this will be a standing item on the committee agenda.</p> <p><i>2.5 Review and implement change to Trust, SBU and local area governance frameworks and assurance</i></p>	

Item	Action By
<p>It was agreed that the scrutiny of committee agendas and minutes should be included in this remit.</p> <p><i>9.1 Annual Review of Risks/9.2 Develop more dynamic risk systems and practice</i></p> <p>It was confirmed that this committee will consider the Corporate Risk Register as a standing item on its agenda and that Directorate RR are being reviewed on a rolling basis.</p> <p>It was agreed that the attendance of Executive Directors or their deputies at these meetings would provide assurance that key risks key risks are appropriately escalated.</p> <p>It was suggested that central services should be considered as a further SBU.</p> <p><i>12 – Independent evaluation of progress of FFtF plan in short term</i></p> <p>This will be assured through the Internal Audit process.</p>	
<p><b>16. AOB</b></p> <p>There was none.</p>	
<p><b>Date of next meeting</b></p> <p>13<sup>th</sup> September – 3.00pm</p>	