

enabling and empowering people to reach their potential and live fulfilling lives

Summary Report – <i>Trust Board Meeting</i> (Part 1)	Date: 30th January 2012
Report Title: Report of Chair of Audit and Risk Committee	
Agenda Item: 15	Enclosures: none
Sponsor; Chair of Audit and Risk	Presenter: Chair of Audit and Risk
Report Author: Chair of Audit and Risk	
Report discussed previously at:	<i>n/a</i>

Purpose of the Report and Action required		
	Approval	
	Discussion	
	Information	X

Executive Summary of Key Issues
<p>During 2012 the Audit Committee met on 6 occasions. It has worked to an established agenda and to a work schedule that covers matters that the trust is legally obliged to consider but also other matters which both the executive and the Committee considered to be the main areas of concern from an audit perspective.</p> <p>The work revolves around the following areas:-</p> <ul style="list-style-type: none"> • Risk Management and the consideration and review of risk registers at both trust wide and directorate level • Internal Control and Audit- the key areas of risk dictate to some extent the focus of Internal Audit activity which is agreed annually in advance. This is performed by “external” Internal Auditors who provide opinions on both key internal controls across the trust but also focus on key risks with the purpose of providing independent assurance which can be relied upon by external auditors and which can also be used by management to direct actions for improvement • External Audit- including the preparation of both financial and quality accounts and the provision of external assurance to key stakeholders as to the management and control of the trust

Report from Chair of the Audit and Risk Committee

Which Strategic Objective does this paper address	
A sustainable value for money business	Y
Excellent service user access and experience	
Excellent partnership working with other organisations	
Effective engagement and improvement in staff satisfaction	

Link to Fit for the Future Implementation Plan	
<i>Specify objective number</i>	n/a

Recommendations to other committees
n/a

Recommendation/Decision
The Board is recommended to note the report

Report from Chair of the Audit and Risk Committee

1.1. During 2012 the Audit Committee met on 6 occasions. It has worked to an established agenda and to a work schedule that covers matters that the trust is legally obliged to consider but also other matters which both the executive and the Committee considered to be the main areas of concern from an audit perspective.

1.2. The work revolves around the following areas:-

- **Risk Management** and the consideration and review of risk registers at both trust wide and directorate level
- **Internal Control and Audit**- the key areas of risk dictate to some extent the focus of Internal Audit activity which is agreed annually in advance. This is performed by “external” Internal Auditors who provide opinions on both key internal controls across the trust but also focus on key risks with the purpose of providing independent assurance which can be relied upon by external auditors and which can also be used by management to direct actions for improvement
- **External Audit**- including the preparation of both financial and quality accounts and the provision of external assurance to key stakeholders as to the management and control of the trust

1.3. In addition to these standing areas of focus the Committee has been considered other matters as follows:-

1.4. **20th February 2012**- this was before my appointment as a NED but based on minutes of the 11th April meeting the following matters were discussed:-

- Section 75 arrangements between AWP and its 6 Local Authority partners
- Internal Audit report on payments to staff which highlighted issues around control of the authorisation of employee timesheets
- Service User involvement in the forthcoming internal audit on Interaction with Carers
- Sickness Absence Management
- CQC Essential Standards of Quality and Safety- EMT was due to receive a paper proposing a process for formally closing off CQC review action plans. The Committee was to be engaged in the process going forward
- An analysis against national benchmarks and indicators was received. The conclusion was that the Trust was using beds in similar proportions to the rest of the country but may be over-providing in certain areas.

11th April 2012

- It was noted that Grant Thornton would take over the external audit upon the disbanding of the Audit Commission in October.
- A report was received which summarised the outcome of Internal Audit work completed to date against the 2011/12 plan. Two reports had red opinions, Performance Reporting and Medicines Management. Both these reports were considered in the meeting.

Report from Chair of the Audit and Risk Committee

1st June 2012

- Following changes in the leadership of the trust the Chair confirmed that he had briefed both Internal and External Auditors and kept them abreast of recent changes.
- Medicine Strategy and Business Development risk registers were reviewed- a number of matters were raised such as the presence of sub registers for risk, escalation and de-escalation of risk, scoring and how scores could be compared across directorates
- It was agreed that every Red internal audit report should be reviewed to understand the significant issues that may require re-audit.
- The committee received a paper which set out the key findings from the interim audit visit. It was noted that the review of the Trust's systems and controls identified no significant weaknesses.
- Annual Governance Report- It was noted that, that subject to satisfactory clearance of outstanding matters, it was planned to issue a standard audit report including an unqualified audit opinion on the financial statements.
- The committee received guidance on the declaration of Gifts and Hospitality

12th July 2012

- It was agreed that the committee would work to the existing 2012/13 work plan (6 meetings) but will plan to meet 8 times during 2013/14.
- Deputy Director of Policy and Business Planning presented a report to inform the 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.
- There was concern following the review of the Operations Directorate risk register that Risk Registers were not living documents. Internal Audit noted that it is important to understand when a level of risk is acceptable to the organisation, whilst acknowledging that those risks that related to patient safety should be as close to '0' as possible
- It was noted that that the Quality Account had been prepared in accordance with DH guidance. An unqualified limited assurance opinion had been issued.
- Internal Audit presented a revised strategy following discussion at 20th February Audit Committee. Meetings had taken place with the executive to examine the Trust's key priorities and to match the plan to those priorities including around Medicines Management and the Acute Care Pathway and additional assurance on the progress of the Fit for the Future Plan

25th September 2012

- Chair felt that there was a disconnect between identification of risk and control and remedial work, with particular reference to manpower-related issues. Concern was expressed around the lack of reassurance in the risk register in relation to redesign and management of vacancies.
- Medicines Management-. It was confirmed that every new medical member of staff is inducted fully on the approach to medicines management.

Report from Chair of the Audit and Risk Committee

- Internal Audit confirmed that limitations to the Internal Audit plan in relation to Clinical audit had been strengthened to identify engagement with Clinical Audit. He also confirmed that the risk focus to the Internal Audit programme had been addressed by regular liaison with the Director of Finance and other executive directors.
- It was reported that the Risk Management Strategy had been updated to take account of the requirements of the FFtF Plan and the Board continued to receive the corporate risk register each month
- The Committee received a report, which provided an assessment of the implementation status of actions in the 'Fit for the Future Implementation Plan', and its associated appendix.
- Chair requested all executives to work with Internal Audit to identify and take urgent steps to implement outstanding actions, in particular those in relation to patient safety.
- Regularity Review - Aspen Ward: Status was currently amber/red. All the recommendations required had been accepted, and implementation dates and responsible managers were identified and in place.
- Regularity Review - Early Intervention Team: status of which is also amber/red. All the recommendations had been accepted by management, and implementation dates and responsible managers were identified and in place.

15th November 2012

- Chair queried whether risk scores fully reflected priorities within the organisation. He highlighted that there appeared to be a lot of duplication of risks in risk registers at different risk levels.
- HR advised the meeting that a paper regarding an age discrimination case will be presented to the Board in November as supplementary to the risk register.
- Committee queried the Acute Care Pathway rerun and whether this covered Acute and Inpatients, or just Community. It was advised that it covers just Community and will involve feedback from service users.
- An internal audit Benchmarking Report was presented by our Internal Auditors. This report stemmed from the annual report of all trusts that they audit for 2011/12. Reviews had been split into red, amber/red, amber/green and green. AWP did not compare favourably with other trusts in this report
- Improvement and Modernisation Programme Review-This was a follow-up report that was commissioned through Chantrey Vellacott in preparation for the Trust becoming a Foundation Trust. It showed that although 86% of the recommendations had been implemented, 14% still need to be addressed. The Finance and Planning Committee had been charged with ensuring these actions were addressed.
- Board Assurance Framework Report-Internal Audit informed the meeting that there had been some movement since this review was undertaken, particularly in regard to recommendations and observations made at that time. There needs to be greater clarity around key risks and a review of the commonality of the 30 risks showing on the register, as there could be the opportunity to amalgamate some risks. In reality, there are only 10 principle risks.
- Service User and Carer Involvement Report-This review was sought to deal with concerns over the lack of service users and carers involvement. There was concern that there appeared to be no joined-up process in the community for issues and feeding them through to the Board. There was no evidence of any meetings with

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Sponsored by Chair of Committee

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community groups, which showed a major gap in the process. It was recommended that the Service User and Carer Involvement Steering Group discuss at their next meeting and come back with recommendations to resolve the concerns raised.

- CQC Essential Standards on Quality and Safety-Committee was informed that this is an annual report which sets out responsibilities within the organisation, together with learning and compliance processes. The report was presented for information. Discussion ensued and Chair commented that the appendix highlighted the problems with the Lansdowne Unit. He also queried the amount of grey areas shown on the appendix. The Committee was informed him that these were areas that had not been inspected at the time of the visit. It was suggested that the trust should be using the CQC's methodology to look at ind