

Tuesday 25 September at 3.00pm, Seminar Room 3, Jenner House

Minutes

Present:	<p>Anthony McNiff, Non-Executive Director, Chair Tony Gallagher, Non-Executive Director, Chair of AWP Peter Greensmith, Non-Executive Director</p>
In attendance:	<p>Paul Miller, Acting Chief Executive Emma Roberts, Company Secretary Hazel Watson, Director of NCAS Sue Hall, Finance Director (Interim) Arden Tomison, Executive Medical Director & Director of Strategy Julie Thomas, Director for People Jane Britton, FT Director Pippa Ross-Smith, Deputy Finance Director Wayne Rickard, Audit Commission Ryan Richards, RSM Tenon David Taylor, RSM Tenon John Ridler, Head of Financial Control Dave Downing, Counter Fraud Specialist Linda Hutchings, Head of Risk + Compliance Justine Faulkner, Clinical Director, Adult Community</p>

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1. Apologies	
Apologies were received from Andy Sylvester.	
2. Minutes of the meeting on 12 July 2012	
Pippa Ross-Smith confirmed that she had given apologies for the previous meeting, and this was noted. With this amendment the minutes were agreed as an accurate record.	KW
3. Matters Arising Action Plan	
<p><i>Interim Audit Report 2011/12 - Payroll</i></p> <p>John Ridler advised that, in relation to the overpayment of £80,000, for the five months until the end of August 2012, 43 overpayments had been made to the value of £25,000, and 33 changes had not been notified to Payroll by the</p>	

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<p>relevant manager. He advised that, although some of these were minor, some were over £2,000, and he confirmed that a report would be brought to the next meeting.</p> <p>Action: Report to be brought to the next meeting.</p> <p>Corporate Risk Register:</p> <p>The Committee received the Annual Review of the Trust's Risk Management arrangements, which was to assess the efficacy of the Trust's arrangements for risk management and risk registers and provide the Committee with sufficient information for it to provide assurance to the Board.</p> <p>Risk Register:</p> <p>Hazel Watson advised that there had been considerable discussion in relation to the risk register in the NCAS Directorate, and also between Clinical Audit and Operations, and that this should start to be reflected in risk registers at sub-corporate level. She confirmed that there was a Board seminar planned for 3 October on Risk Management.</p> <p>Tony McNiff felt that the recent presentation from Operations on their risk register was not very encouraging and asked where this was being addressed. Tony expressed concern that Andy Sylvester had confirmed at the recent Employee meeting that the Operations risk register was not up to scratch, and that he would like to see follow-up actions in the directorate to address.</p> <p>Action: AS to provide update</p> <p>Sue Hall advised that recent discussion with Andy Sylvester had confirmed that he was taking this forward by reviewing the risk registers with the Operations directorate team and working with Linda Hutchings. Linda Hutchings advised that Andy had met twice with Ryan Richards to obtain advice on the construction of the risk register, she herself had provided training to SDAS and Facilities, and she would be carrying-out a general review at ODM, although this had not yet been scheduled.</p> <p>Tony McNiff felt that there was a disconnect between identification of risk and control and remedial work, with particular reference to manpower-related issues. Tony Gallagher expressed concern and disappointment around the lack of reassurance in the risk register for executive and non-executive directors in relation to redesign and management of vacancies.</p> <p>Medicines Management:</p> <p>Tony McNiff advised that there was a series of issues in relation to medicines management and consequent actions. Arden Tomison confirmed that the audit did commence on time after the change in junior medical staffing, but no report was available yet as the audit had not been completed; however, this should be available for the next meeting in November. Arden also confirmed that every new medical member of staff is inducted fully on the approach to medicines management.</p> <p>Action: AT to provide update on the audit to the next meeting</p>	<p>JR</p> <p>AS</p> <p>AT</p>

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<p>Finance Register:</p> <p>John Ridler advised that the current position was that 28% of expenditure was being incurred without a purchase order number, although this figure also included utilities, costs of mobiles and SLAs with acute trusts. Pippa Ross-Smith advised that some analysis was needed on what was covered by contracts and that she would prepare a report on the current six/seven months for the next Executive Team and Audit Committee meetings. Sue Hall felt that the introduction of Agresso in April 2013 should provide much larger compliance (90%) with purchase orders.</p> <p>Action: Pippa Ross-Smith to provide analysis to the November meeting</p> <p>Annual clinical audit report:</p> <p>Tony McNiff confirmed that this was raised at the last Quality and Safety meeting.</p> <p>Compliance with Quality Account Regulations:</p> <p>Arden Tomison confirmed that work had started on this, but has not yet been finalised. Sue Hall advised that a proposal will be presented to the Executive Team.</p> <p>Action: Update for the next Audit Committee meeting in November.</p> <p>Internal Audit Plan:</p> <p>Ryan Richards 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.</p> <p>Tony McNiff asked whether a risk in relation to a new development, for example the introduction of PCLS, should be included. Tony Gallagher felt that, in this instance, as the Trust was in the middle of the process, the risk involved was one of implementation, therefore this should lie on the risk register, with the proviso that once Operations confirm that it is fully embedded it would be appropriate to go back and carry out a further audit. David Taylor felt that it should be an ongoing process to consider other priorities not already included in the progress report, and that, as there was flexibility for additions to the programme, this should be an action for consideration at every meeting. Paul Miller concurred that management of risk needed to be considered as an action after every Audit Committee meeting.</p> <p>Action: Committee to review management of risk at every meeting</p> <p>Use of RiO summary report:</p> <p>Hazel Watson advised that RiO was included in the management information audit plan in relation to data and data protection and provided good coverage for the Trust. She confirmed that discussion had taken place about RiO's translation into the Clinical Systems Group, although it was not entirely clear that the Clinical Systems Group as currently constructed would be able to generate clinical intelligence around whether indicators were likely to change. Hazel advised that assurance could come from either contractual discussions or internal advice on how well the system was working, and that, therefore,</p>	<p>PRS</p> <p>SH AT</p> <p>[all]</p>

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<p>how this translated on to the electronic system would be for the Clinical Systems Group to determine.</p> <p>Tony McNiff felt that it was essential for training to be continued so that staff within the Trust who moved around were kept up-to-date on requirements for RiO so as to avoid a significant risk for the Trust in terms of roll-out. Hazel advised that, if BT had been in a position to allow it, RiO 1.1 would have been implemented last week. She confirmed that she could provide a report on this for whatever meeting might be appropriate, and although the Committee felt that the best place for this would be the Quality + Safety meeting, it agreed to allow to Hazel to determine the most sensible place for this report.</p> <p>Action: Hazel to ensure that an update is provided to the most relevant group</p> <p>Finance registers:</p> <p>Sue Hall reported that an investigation had been carried out into the payment of £1,000 for taxi fares, and confirmed that this was an historical complaint which involved many taxi journeys for one service user during their period of stay.</p>	<p>HW</p>
<p>4. Review of Risk Register</p>	
<p>The Committee received this review which was requested once a year to give a detailed briefing to the Audit Committee on the Risk Register. This report was usually considered alongside the Assurance Framework; however, a separate interim report had been submitted in relation to this.</p> <p>Linda Hutchings 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. She confirmed that the report contained audit results and performance results which showed how arrangements for risk registers were monitored internally, and that no external risk report had been sought this year, although many reports provided previously had been reassuring. She confirmed that the NHSLA would be assessing in February next year as part of the CNST scheme, and she was confident that the Trust would pass this assessment.</p> <p>Linda gave a brief overview of how a risk progressed:</p> <ul style="list-style-type: none"> • each director is asked monthly to identify the risks of their directorate and prepare the risk register • directors hold a collective review of the risk register with their teams, with recommendations being made to the director on what the team felt should be escalated to the corporate risk register • once this is decided and the director confirms what risks should be on the corporate risk register, this is then drafted and presented to TMG • directors then make the decision on the final version to be presented to the Board • on deletion or addition of a risk, a commentary would be added in the covering Board paper • risks are scored in relation to the risk matrix in the risk management strategy, which is the same format as used in risk assessments and 	

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<p>incident reports, which is a uniform methodology</p> <p>Hazel Watson pointed out that the level of risk for a directorate might not be as big when it reaches the corporate risk register as the risk may drop at the point of escalation, since it was possible that there might be a different perception at corporate level, and that there was currently a great deal of discussion within the organisation on the possibility of a consistent scoring mechanism.</p> <p>Tony Gallagher expressed concern about the lack of maturity of the directorate risk registers and the assurance provided by the audit of risk registers, and requested that all executive directors give some consideration to risk registers for the next meeting in November.</p> <p>Linda Hutchings advised that the audit committee had not performed a detailed scrutiny of the risk register until recently, and the attention the organisation had put in to looking at the finished product had been greater than the detail of the written product of the directorate risk registers. Her view was that, in terms of audit reporting, this was an audit of process as described in the risk management strategy, and not an audit of the quality of information on the risk register.</p> <p>Adults Inpatient Risk Register:</p> <p>Tony McNiff pointed out that 40% of the underlying causes were manpower-related issues, but that controls and actions to mitigate were not really manpower-related, and asked how much of a critical eye was cast on these.</p> <p>Paul Miller reported that risk registers were scrutinised during performance reviews, and that a large part of the changes in relation to new ways of working should align decisions with the appropriate clinical areas. He felt that currently risks were difficult to manage on the risk register because of present levels of SBU working, and that some risks would be easier to manage once the move to locality management structures was complete.</p>	
<p>5. Progress in developing the Board Assurance Framework</p>	
<p>The Committee received this report, the purpose of which was to apprise the Committee of progress in relation to developing the Board Assurance Framework in 2012.</p> <p>Paul Miller advised that, as mentioned in Paragraph 3.5 of the Assurance Framework, the Board had agreed its strategic objectives, and had also adopted the recommendations in the Fit for the Future Plan as its key strategic deliverables.</p> <p>Jane Britton pointed out her understanding that the Board had already signed off the Board Assurance Framework for 2012/13, and that this was therefore a reiteration of it. She felt that it was important to emphasise that there is already a Board Assurance Framework in place, based on revised strategic objectives agreed at the July Board.</p>	

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<p>6. Fit for the Future Assurance Report</p>	
<p>The Committee received this report, which provided an assessment of the implementation status of actions in the 'Fit for the Future Implementation Plan', and its associated appendix.</p> <p>Ryan Richards advised that:</p> <ul style="list-style-type: none"> • the appendix closed the loop on the pending actions in the report and provided an updated conclusion • the original work was carried out up to September and the conclusion at page 2 highlighted the findings at that point • the purpose of the work was to provide independent assurance that the actions in the Fit for the Future report had been achieved and were green as self-assessed and that identification of actions to be taken as part of the medium term plan was highlighted • the conclusion at 1.3 indicated that five items were set as green that he had not agreed were green, but felt were amber; however, as of the date of this meeting he felt that two of these were now green, which left three that were still perceived to be amber • he would update the report after this meeting to take into account these two further greens to enable the report to be shared with the SHA <p>Peter Greensmith noted that caution was needed in relation to some indicators that were not actually fulfilled as yet, particularly in relation to service user and carer involvement, and that these might be more appropriately assessed as amber rather than green, with a consequent need for follow-up.</p> <p>Hazel Watson advised that the Trust had already set up a Service User and Carer Steering Group as a sub-Committee of the Board, and a Co-production workshop/meeting was also planned for early October; therefore, in the context of delivering a change in culture this could be self-assessed as green, although all the actions had not yet been completed.</p> <p>Tony McNiff expressed approval of the idea of including the action plans in the medium-term period to enable future assessment.</p> <p>Jane Britton advised that:</p> <ul style="list-style-type: none"> • the Communications Strategy had been agreed by the Board, and this included actions that had been implemented and followed-up by regular reviews at Board level • Ray Chalmers, Head of Communications, was confident about the extraction of agreed actions from Board • this strategy now needed to go back to Board for scrutiny and agreement, and agreement made as to the right governance approach to this kind of work • the other item which had been assessed as green was in relation to non-executive membership of CIOG, in relation to which the Terms of Reference had not been amended to note that a non-executive director had been appointed and therefore the loop had not been closed • this had now been closed by taking Chair's action, with ratification 	

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needed by CIOG at the next meeting	
7. Internal Audit Progress Report	
<p>The Committee received this report as an update on progress against the internal audit plan for 2012/13 which was approved by the Audit Committee in February 2012.</p> <p>Ryan Richards advised that this document summarised the reports finalised today, and noted good progress to date.</p> <p>Tony McNiff requested dates to be added as they could otherwise drift until the next year.</p> <p>Action: Ryan Richards to add dates to draft reports and circulate outside the meeting</p> <p>Tony McNiff requested consideration of which risks needed to be looked at, and mentioned particularly those around recruitment and retention, a follow-up for FFtF as discussed, implementation of the new risk management strategy, and also work on the Bribery Act.</p> <p>John Ridler advised that a follow-up to the Bribery Act was due at the January meeting.</p> <p>John also asked if the Audit Plan was to come back to each committee meeting for approval. Paul Miller felt that this should be a standing item for each meeting, even if there was no change, and this was agreed by the group.</p> <p>Action: Audit Plan to become a standing agenda item</p> <p>Tony Gallagher asked about the process issue in relation to additions to the report if an assurance of immediate action was required. Ryan advised that recommendations were added to the tracker as soon as finalised, and David felt that it would be sensible to enable online ratification of these, rather than waiting for the next committee meeting. The group agreed.</p>	<p>RR</p> <p>RR</p> <p>RR</p>
8. Internal Audit Reports	
<p>The Committee received these reports as an update on progress against the internal audit plan approved by Audit Committee on 20 February 2012 and amended on 12 July 2012.</p> <p>Ryan Richards advised that this was a follow-up to the recommendations from last year and the conclusion at page 1 of the executive summary indicated adequate progress to the actions required, although a number were yet to be implemented. However, the majority of actions, some of which dated back to 2010/11, had been accepted with implementation dates.</p> <p>Tony McNiff requested all executives to work with Ryan to identify and take urgent steps to implement outstanding actions, in particular those in relation</p>	

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<p>to patient safety, where it might be necessary to take further advice.</p> <p>Action: All executives to follow-up with Ryan any outstanding actions</p>	<p>Execs</p>
<p>9. Performance Reporting</p>	
<p>Patient safety:</p> <p>The Committee received this report, which reviewed the programme of Executive Team visits undertaken as part of the approved internal audit periodic plan for 2011/12.</p> <p>Ryan reported that this was at green, the schedule was reviewed to check that objectives were being met, that visits were taking place and were resulting in action plans and actions being taken forward. He confirmed that all actions were completed.</p> <p>Bribery risk assessment:</p> <p>The Committee received this report, which was specifically requested by the Trust to review its liability and corporate defence against the offence of failing to prevent bribery.</p> <p>Ryan advised that this report was commissioned some time ago, and a number of recommendations were made to allow the Trust to demonstrate compliance with the Act. He confirmed that there were 18 medium-risk and 5 low-risk recommendations, some of which were partially accepted and some which are not, and that there were plans already in place to carry-out a follow-up.</p> <p>Paul Miller felt that a number of recommendations were factually correct but might not be practical, citing the example of auditing all employees in the Trust, and in this instance he asked if the Audit Committee would be happy with a partial assessment. Tony McNiff felt that it would be sensible to take a risk-based approach to where to draw the line in this respect, or put forward a counter-assessment.</p> <p>Sue Hall confirmed that procurement processes were in place and that all involved in procurement were required to sign a declaration.</p> <p>Service line management assessment:</p> <p>The Committee received this report, which was intended to provide the Trust with a benchmark from which to measure the level to which Service Line Management was working within the Trust.</p> <p>Ryan confirmed that this assessment was carried out by a specialist to monitor service line methodology. Tony McNiff advised that as it had been reviewed at the Finance Committee it was not necessary to review at this meeting.</p> <p>Governance - review of compliance with Monitor's Compliance Framework:</p> <p>The Committee received this report, which was requested to ensure that the</p>	

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<p>Trust was well-placed to evidence compliance with Monitor's Compliance Framework.</p> <p>Ryan advised that this report was a review of the Monitor Compliance Framework, and that it was very positive in terms of how the Trust was taking this forward.</p> <p><i>Governance - review of compliance with Monitor's Code of Governance:</i></p> <p>The Committee received this report, which was requested to provide advice and guidance on the Trust's current compliance with Monitor's code of governance.</p> <p>Ryan advised that action plans were being taken forward as ongoing work, with implementation dates outlined.</p> <p><i>Regularity Review - Aspen Ward:</i></p> <p>The Committee received this report, which was undertaken as part of the approved internal audit plan for 2012/13.</p> <p>Ryan confirmed that this review was for Aspen Ward at Callington Road, and its status was currently amber/red. He advised that all the recommendations required had been accepted, and implementation dates and responsible managers were identified and in place.</p> <p><i>Regularity Review - Early Intervention Team:</i></p> <p>The Committee received this report, which was undertaken as part of the approved internal audit plan for 2012/13.</p> <p>Ryan confirmed that this review was for the Early Intervention Team at Green Lane, the status of which is also amber/red. He advised that all the recommendations had been accepted by management, and implementation dates and responsible managers were identified and in place.</p> <p><i>Performance Reporting - Use of RiO Summary Report:</i></p> <p>The Committee received this report, which related to the Trust's clinical system and single patient record system, RiO, which was included in the approved internal audit plan for 2012/13.</p> <p>Ryan confirmed that there was nothing further to report.</p>	
<p>10. Annual Audit Committee Report</p>	
<p>The Committee received this report, which provided the Committee with an opportunity to review its effectiveness against its objectives and provide a report to the Board in accordance with the NHS Audit Committee Handbook 2011.</p> <p>John Ridler advised that this report was part of the workplan for the Committee for the year as set out in the Terms of Reference.</p> <p>He confirmed that the purpose of the report was to summarise objectives for</p>	

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<p>the previous year and the progress that had been made against these, to review meetings for the previous year and themes from audit reports, and to set-up the workplan for 2012/13. He advised that this report went to the Board recently as part of the review of statutory committees.</p> <p>Tony McNiff asked if it was appropriate to include section 3.4.1 in light of earlier discussion on risk registers, and pointed out, in relation to the workplan for 2012/13, that point 5.1.9 should refer to Quality and Healthcare Governance, not Integrated Governance. He felt that the review of risks probably did not reflect the current Trust position.</p> <p>Tony Gallagher felt that it would be a good governance process for chairs of Board Committees to see the agendas and minutes for all other committees.</p> <p>Action: Emma Roberts to take this forward</p> <p>Tony Gallagher expressed thanks to John for the work he had put in when Tony had been the chair of the Audit Committee.</p>	<p>ER</p>
<p>11. Update on Local Authority Agreements</p>	
<p>HW reported that:</p> <ul style="list-style-type: none"> • the Trust was close to signing S75 agreements with B+NES and North Somerset • a S75 agreement was already in place for South Glos and is currently the subject of a mid-term review • in relation to Swindon, the Trust was struggling to engage in conversation and a report will be brought to the next meeting • there were clear management positions in place with Bristol, although there was no S75 agreement in place and services were managed separately in Bristol • services were also managed differently in Wiltshire although as this is a newer situation it was not as strong in terms of working relationships as in Bristol • this situation was currently the subject of consideration between the Trust and Wiltshire Council, and a draft of the Wiltshire report contained recommendations for both parties as to their future intentions around partnership arrangements 	
<p>12. Update on Medicines Management Audit</p>	
<p>Arden Tomison confirmed that there was nothing further for him to add.</p>	
<p>13. Local Counter Fraud Progress Report</p>	
<p>The Committee received this report which was to inform the Committee of progress made against Counter Fraud work plans for 2012/13, together with two additional reports: LCFS Update and Changes to the Counter Fraud function for provider organisations.</p>	

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<p>Dave Downing reported that there was an error on page 3 of the Progress Report which referred to information on the Bribery Act 2010 being presented to the Board; however, this presentation did not actually take place, and will be reinstated in November 2012.</p> <p>He gave updates as follows:</p> <ul style="list-style-type: none"> • SWRT/12/00041: the Crown Prosecution Service had advised that it would not take the case to prosecution, principally because the fraud is of relatively low value, around £200 could be proven, although the total was probably more than this • SWRT/12/00245 the value of this was around £5,500 and, while the enquiry remains live, some kind of civil recovery was now being sought, but it was likely that the perpetrator would have disappeared by the time this was instigated • SWRT/12/00242 this case is now with NHS Professionals for follow-up • SWRT/12/00146 this is now a low-value enquiry that will be managed by HR as part of a disciplinary enquiry • SWRT/12/TBA this is also a low-value enquiry, around £180 <p>Paul Miller commented that a centralised telephone booking service had been set up to deal with taxi journeys for service users.</p>	
<p>14. Finance Registers Report</p>	
<p>The Committee received the report as part of its requirement regularly to review the Finance Registers for the Trust.</p> <p>John Ridler reported that:</p> <ul style="list-style-type: none"> • there were a few debtor invoices over six months old but all under £5k • the total of around £11k written-off related to the April-June bad debt list, and included two bad debts for overseas patients • the decision had been taken to waive competitive tendering relating to £26k for organisational development consultancy agreed by the SHA 	
<p>15. Business of Other Committees and Review Inter-Relationships</p>	
<p>Emma Roberts agreed to take this forward and bring back to the next meeting.</p> <p>Action: Agenda item next meeting</p>	<p>ER</p>

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<p>Paul Miller advised that the Lead Auditor was now moving on, but it will not be known who the replacement will be until after 1 November, as this is when Grant Thorntons take over.</p> <p>Tony McNiff requested a meeting at that point to review the situation.</p> <p>Action: Meeting to be set up to discuss after 1 November</p>	<p>SH</p>
<p>16. Forward Workplan</p>	
<p>Tony McNiff advised that consideration needed to be given to this at a future meeting, together with a review against the Terms of Reference.</p> <p>Action: Future agenda item</p>	<p>KW</p>
<p>17. Date of next meeting</p>	
<p>15 November 2012 : 4.00-6.00 : Conference Room, Jenner House</p>	