

Board of Directors: 8.3.18

Agenda Item: Bo.3.18.25

Confirmed Audit & Assurance Committee Minutes

Presented by:	Barrie Senior, Non- Executive Director	Author:	Fiona Ritchie, Trust Secretary
Previously considered by:	Audit & Assurance Committee		

Key points	Purpose:
Audit & Assurance Committee minutes 5 December 2017	To discuss and note

Executive Summary
Audit & Assurance Committee minutes 5 December 2017

Financial implications:
No

Regulatory relevance:

Monitor:	
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Equality Impact / Implications:	Choose an item.
	Choose an item.
	Choose an item.
	<p>Is there likely to be any impact on any of the protected characteristics? (Age, Disability, Gender, Gender Reassignment, Pregnancy and Maternity, Race, Religion or Belief, Sexual Orientation, Health Inequalities, Human Rights)</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, what is the mitigation against this?</p>

Other:	
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Strategic Objective: <i>Reference to Strategic Objective(s) this paper relates to</i>	To provide outstanding care for patients
	To deliver our financial plan and key performance targets
	To collaborate effectively with local and regional partners
	Choose an item.

AUDIT AND ASSURANCE COMMITTEE MEETING MINUTES, ACTIONS & DECISIONS

Date:	Tuesday, 5 December 2017	Time:	16:00-18:00
Venue:	Trust Meeting Room, Chestnut House	Chair:	Dr Trevor Higgins, Non-Executive Director
Present:	<p>Non-Executive Directors:</p> <ul style="list-style-type: none"> - Dr Trevor Higgins, Non-Executive Director (TH) - Ms Selina Ullah, Non-Executive Director (SU) - Mr Barrie Senior, Non-Executive Director (BS) <p>Executive Directors:</p> <ul style="list-style-type: none"> - Mr Matthew Horner, Director of Finance (MH) 		
In Attendance:	<ul style="list-style-type: none"> - Mr Michael Quinlan, Deputy Director of Finance (MQ) - Ms Helen Kemp-Taylor, Audit Yorkshire (HKT) - Ms Karina Rogers, Audit Yorkshire (KR) - Mr Nick Rayner, Deloitte (NR) - Ms Donna Thompson, Director of Governance and Operations (DT) - Ms Karen Dawber, Chief Nurse (KD) for Agenda item A.12.17.5 - Mr Chris Danson, Director of Transformation (CD) for Agenda item A.12.17.9 - Ms Karon Snape, Assistant General Manager, Facilities (KS) for Agenda item A.12.17.12 - Ms Cindy Fedell, Director of Informatics (CF) for Agenda item A.12.17.14 - Ms Fiona Ritchie, Trust Secretary (FR) - Ms Juliet Kitching, Minute Taker (JK) 		
Observer	<ul style="list-style-type: none"> - Mr Matthew Hudson, Senior Associate, Deloitte 		

No.	Agenda Item	Action
A.12.17.1	<p>Apologies for Absence</p> <ul style="list-style-type: none"> - Mr Paul Hewitson, Deloitte (PH) 	
A.12.17.2	<p>Declaration of Interest</p> <p>There were no declarations of interest reported.</p>	
A.12.17.3	<p>Minutes of the meeting held on 3 October 2017</p> <p>The minutes were accepted as a correct record subject to the following. The final bullet point of A.10.17.5 should read, 'Presentations are targeted at the most likely areas for fraud and where there have been previous cases, e.g. finance, nursing.'</p>	
A.12.17.4	<p>Matters Arising</p> <p>The following actions from the action log were closed: A.10.17.6 (03.10.17) – Internal Audit Progress Report. A.10.17.7 (03.10.17) – ISA 260 Report 2016-17.</p>	

	A.10.17.10 (03.10.17) – Fire Safety. A.10.17.12 (03.10.17) – Annual Security Report. A.10.17.13 (03.10.17) – Standing Financial Instructions and Scheme of Delegation. A.10.17.14 (03.10.17) – Audit Plan and Sector Developments Report.																							
Internal Audit – Audit Yorkshire																								
A.12.17.5	<p>Internal Audit Progress Report – Audit Yorkshire</p> <p>KR discussed the paper and progress made towards the delivery of the 2017/2018 Internal Audit Plan detailing the finalised Internal Audit Progress Reports (three carrying a significant assurance, three carrying a limited assurance, one carrying no assurance and one report was noted where it is not applicable to provide an opinion). Two draft audit reports were noted, since the last Audit Committee meeting held on 3 October 2017. The audit work underway and status were noted.</p> <table><tr><th>Audit</th><th>Status</th></tr><tr><td>BH/13/18 Freedom of Information</td><td>Significant</td></tr><tr><td>BH/14/18 Intravenous Cannulation</td><td>Limited</td></tr><tr><td>BH/15/18 e-Rostering (Bank Management)</td><td>Significant</td></tr><tr><td>BH/16/18 Consent; Human Tissue</td><td>Limited</td></tr><tr><td>BH/17/18 Waste Segregation</td><td>No assurance</td></tr><tr><td>BH/18/18 Cash Handling</td><td>Limited</td></tr><tr><td>BH/19/18 Implementation and Compliance with IR35</td><td>Significant</td></tr><tr><td>BH/20/18 Follow-up of Internal Audit Recommendations (2)</td><td>Not Applicable</td></tr><tr><td>New Hospital Wing (Benefit Realisation) – Draft report</td><td></td></tr><tr><td>Patient Led Assessment of Care Environment – Draft report</td><td></td></tr></table> <p>KR noted the report format has changed slightly due to North Yorkshire merging with West Yorkshire. It was noted at the Committee meeting in August the Electronic Patient Record (EPR) readiness review would be cancelled from this year’s plan and the days utilised elsewhere this year or deferred into next year.</p> <p>The table around key performance indicators, targets and performance for 2017/18 to date was noted. The Foundation Trust (FT) is not an outlier in this area compared to other Trusts. The summary of performance against the plan for 2017/18 identified 261 days have been delivered against a plan of 600 days and this was not considered to be an issue at this time.</p> <p>DT noted all reports including those with significant assurance are presented at the Executive Management Team (EMT) and operational group meetings, to ensure full communication across the FT. Reports with limited or no assurance are presented to the Executive Governance and Risk Committee where it is decided if these should be added to the Corporate Risk Register. Limited assurance reports are managed through the meeting, those with significant assurance are monitored by the</p>	Audit	Status	BH/13/18 Freedom of Information	Significant	BH/14/18 Intravenous Cannulation	Limited	BH/15/18 e-Rostering (Bank Management)	Significant	BH/16/18 Consent; Human Tissue	Limited	BH/17/18 Waste Segregation	No assurance	BH/18/18 Cash Handling	Limited	BH/19/18 Implementation and Compliance with IR35	Significant	BH/20/18 Follow-up of Internal Audit Recommendations (2)	Not Applicable	New Hospital Wing (Benefit Realisation) – Draft report		Patient Led Assessment of Care Environment – Draft report		
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	<p>Executive Lead.</p> <p>The limited and no assurance reports were discussed.</p> <p>BH/14/18 – Intravenous cannulation (Limited assurance) was presented by KD. Twelve months ago an increase in the number of MRSA bacteraemias were noted and the FT undertook a piece of work to look at the way cannulas were inserted. An audit and spot check identified that cannulas were only being checked once a day as per the documentation, this being a discrepancy with the Policy which stated checks were to be carried out three times a day. The Infection Control Team linked nationally with B Braun Medical Limited who subsequently provided the FT with cannula packs, containing a chart for checking and ensuring recording three times a day. This practice changed approximately four or five weeks prior to the EPR go-live. Improvements in this area throughout the whole FT will be completed and assessed by March 2018. The serial number from the pack now needs to be recorded in EPR and a method for this is currently being devised.</p> <p>The Infection Control Team is communicating with Calderdale on this issue and will contact Cerner if necessary. The three recommendations were noted.</p> <p>BH/16/18 – Consent; Human Tissue (Limited assurance) – The object of the review was to provide assurance that the FT has appropriate procedures and protocols in place, in line with statutory guidance for obtaining consent from patients and relatives for the removal of Human Tissue and that these are being adhered to. A team is working with the Coroner's Office to determine which pieces of equipment and tissue can be sensitively disposed of. Only a limited number of post mortems have been undertaken in the last eighteen months. Clarification was sought as to whether the issues were on-going. KR confirmed that the issues were historical. The seven recommendations were noted.</p> <p>BH/17/18 – Waste Segregation (No assurance) – An external review was undertaken in 2015 when this item was added to the Corporate Risk Register. Management requested this item was included in this year's plan, with staff still being aware that certain aspects of waste disposal need to be addressed. The key findings for the individual areas were noted. This report was of concern to the Committee. The seventeen recommendations were noted.</p> <p>Considerable discussion took place. DT noted actions have been taken in order to try to establish workable processes. This is a complex operational issue with Dr B Gill, Medical Director, and Karen Dawber, Chief Nurse, being fully supportive and aware. The Committee questioned whether a deep dive should be presented on this topic to the Board of Directors. It was agreed instead that a follow up report on the action plan be produced for the next Audit and Assurance Committee. The Committee suggested seeking the processes of other Trusts in the region. Training sessions for staff will be reviewed. Audit Yorkshire will liaise with DT's team to undertake a further audit in this area in February/March 2018 in order to provide an updated assurance opinion prior to the FT's final internal head of audit opinion statement being produced.</p>	<p>Director of Governance & Operations</p> <p>Audit Yorkshire</p>
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	<p>BH/18/18 – Cash Handling (Limited assurance) – The review found that whilst some systems and controls in place and each Cashiers' Office is operating efficiently and effectively, some key issues require management attention which are currently in the process of being addressed.</p> <p>The review identified:</p> <ul style="list-style-type: none"> • There is no up to date policy and procedure document to manage the handling of cash at the FT to cover the receipt and issue of cash items. • Procedures around the collection of cash for prescription charges and car parking payments are not robust enough resulting in losses of potential income for the FT. With regards car parking MH noted this is documented in the improvement plan and concerns the legitimacy of the FT recovering the fine. This will form part of the car parking strategy going forward. Potential legal processes and additions to employment contracts are being explored. • Daily transactions are recorded and reconciled in preparation for the banking of monies by the cashier; however, these reconciliations are not checked and signed off by a second member of the cashier's team. • A sample of petty cash expenditure was reviewed, which identified the potential for non-adherence to the rules in place. • Other security concerns highlighted – whereby inconsistent approaches to the secure transportation of monies around the Trust was noted. <p>The 12 recommendations were noted.</p> <p>BS requested that in future Audit Yorkshire include the priority of each action in the recommendations table. KR agreed.</p> <p>The three reports with a significant assurance opinion were noted: BH/13/18 – Freedom of Information – Three recommendations. BH/15/18 – e-Rostering (Bank Management) – Two recommendations. BH/19/18 – Implementation and Compliance with IR35 – Four recommendations.</p>	Audit Yorkshire
A.12.17.6	<p>Follow Up of Internal Audit Recommendations (2) – Audit Yorkshire</p> <p>KR discussed the paper providing the Committee with an update of implementation of Internal Audit recommendations. The report showed the progress made against all agreed recommendations in the Internal Audit reports issued in 2017/18 and 2016/17, along with any outstanding from 2015/16.</p> <p>KR noted the FT's recommendations are followed-up approximately every two to three months. Executives are requested to provide confirmation/evidence that the recommendations have been implemented. MH noted the report is discussed at the Executive Management Team meeting to ensure follow-up by the Chief Executive.</p> <p>SU raised BH/07/2016, Management of Contracts and Negotiations, in light</p>	

	<p>of the high priority status around effectiveness of the collection of data. MH described the constant challenges of identifying when consultants undertake sessions in other Trusts; however, this item has now been added to the agenda of the West Yorkshire Association of Acute Trusts Finance group. With the recent introduction of EPR, the suggestion of a sign-in by consultants was raised and this will be explored.</p> <p>Timescales were noted of audit recommendations, the reports of which are submitted to EMT to highlight the outstanding recommendations with limited assurance. BS will discuss with Internal Audit the narratives outside of the meeting.</p>	
Foundation Trust		
A.12.17.7	<p>Annual Report and Quality Report 2017/2018 – Timetable for production</p> <p>DT noted a requirement for the FT to produce an Annual report and Quality report in line with the NHS Improvement compliance regime. The NHS FT Annual Reporting Manual 2017/18, published on 22 November 2017, set out the requirements for FTs' Annual Reports and Accounts 2017/18.</p> <p>The document detailed the timetable for the production of the FT's Annual and Quality Report 2017/18, based on last year's timetable, following success in terms of delivery, to ensure the FT meets planned internal timescales enabling effective review of the Annual Report and Quality Report 2017/18 by the Board of Directors and stakeholders. Following discussion at EMT on 21 November 2017, the timetable based on the NHS Improvement guidance letter provided for 2016/17, may require adjustment once the NHS Improvement guidance letter for 2017/18 has been received.</p> <p>The Audit and Assurance Committee noted the key dates with final submission being by 12 noon on 29 May 2018. It was agreed the draft Quality Account would be submitted to the Quality Committee for review.</p>	Trust Secretary
A.12.17.8	<p>Foundation Trust Annual Reporting Manual 2017/18</p> <p>MQ noted he had hoped to present the 2017/18 accounts timetable at the meeting, however, the national timetable was only published on 1 December 2017. A paper will be presented at the next meeting.</p> <p>BS questioned if there were any required or proposed changes to accounting policies or the application of accounting policies and MQ updated the Committee.</p>	Deputy Director of Finance
A.12.17.9	<p>Internal Audit Report BH/11/18 – Cost Improvement Plan Update</p> <p>The Internal Audit report of September 2017 carried limited assurance and found weaknesses in systems and processes which put the FT at risk in terms of delivering the Cost Improvement Plan processes. This paper is a response to that Internal Audit report.</p> <p>In October 2017 the FT launched a new improvement plan that considered opportunities to deliver an enhanced level of financial benefits through to March 2019. The eight recommendations were discussed and noted. Of note, revised documentation will be formally submitted for approval at the Trust Improvement Committee on 13 December 2017.</p>	

	<p>Following discussion with the Committee, CD will liaise with the Human Resources Department regarding the setting up of a database of internally qualified Prince trained practitioners.</p>	
A.12.17.10	<p>Board Assurance Framework (BAF) Process</p> <p>DT described the BAF process. Strategic objectives and the BAF had recently been revised following a Board of Directors' development session on the newly agreed strategic objectives, following work undertaken with Deloitte looking at the overall Board governance.</p> <p>FR confirmed the Major Projects Committee does not currently own a strategic objective that is included within the BAF, however, a risk may be owned by more than one Committee. The Committee were assured that processes are in place to appropriately manage strategic risks at Board Committees.</p>	
A.12.17.11	<p>Review of arrangements for use of External Auditors for Non-Audit Purposes</p> <p>MQ confirmed his satisfaction of the arrangements for use of External Auditors for non-audit purposes and that the relationship is in line with the National Audit Code. MQ will refresh the Policy around the new audit code and bring this to the February meeting. NR noted requirements have changed and there is now a very strict limit on the amount of non-audit work which can be undertaken.</p>	<p>Deputy Director of Finance</p>
A.12.17.12	<p>Annual Reported Physical Assaults 2016-17</p> <p>MH noted this report had been discussed at the Integrated Governance and Risk Committee meeting and presented at a number of other Committees, highlighting the number of reported physical assaults on NHS staff between 1 April 2016 and 31 March 2017. Much work had been undertaken in areas resulting in a number of changes and although numbers had improved they had not changed dramatically. The conclusions and recommendations were noted.</p> <p>KS noted there had been 124 physical assaults, 117 of these due to clinically related challenging behaviour, and described the key focus areas around prevention, focusing on training and engagement from the organisation to manage the situations. Progress to date will be fed back at the next Integrated Governance and Risk Committee.</p> <p>KS is a member of the National Association of Healthcare Security Specialists formed when NHS Protect withdrew their 'security' arm. KD noted EPR helps to flag up events with individuals but noted training is of paramount importance in recognising early warning signs and ensuring management plans are in place.</p>	
A.12.17.13	<p>Exception Reports</p> <p>The latest Tender Report and Losses and Special Payments Report were noted. The Tender Report included both Procurement and Estate Tenders. No instances of Standing Financial Instructions being waived have been reported. MH noted a document is completed for any waiver and signed off</p>	

	<p>by the requesting budget holder and Head of Procurement, ensuring the range and criteria are justified for approval. Final sign-off is by the Finance Director or Chief Executive as per the scheme of delegation.</p> <p>MQ noted 7e 'other employment payments' under Special Payments relates to liability to third party schemes, e.g. slips, falls.</p>	
A.12.17.14	<p>EPR Go-live Process</p> <p>CF was welcomed to the meeting. The process for delivery of the EPR go-live was outlined by CF. The EPR Programme was initiated following approval of a full Business Case by the Board of Directors in January 2015. Implementation of the programme was managed through an agreed governance structure. An Assurance Board was put in place co-led by Non-Executive Directors of the two Trusts. The Performance Committee and the Board of Directors received regular updates that considered work completed against the plan, spend against budget and risk. Operational readiness was confirmed prior to go-live and the FT went live on the weekend of 23/24 September 2017. The EPR Programme Go-Live Process had been completed successfully, processes around the period after go live was referenced and the FT's 'current state' was noted.</p> <p>A weekly meeting continues where data quality and ongoing issues are discussed. Post-implementation assurance reports are provided to the closed Board and Finance and Performance Committee. The next evaluation will be the realisation of benefits.</p> <p>TH commended CF on the well-prepared, delivered and executed programme and the Committee noted reassurance from the content of the report.</p>	
External Audit		
A.12.17.15	<p>Sector Developments Report – Deloitte</p> <p>NR reported no sector developments and no major updates were available. The apprenticeship levy and the way to account a form as an expense rather than pre-payment was noted. Formal guidance is not yet published.</p>	
A.12.17.16	<p>Change of Time of Meetings for 2018</p> <p>The Committee agreed the change of time to the Audit and Assurance Committee which will now take place between 2 pm and 4 pm on the 2018 dates previously agreed.</p>	
A.12.17.17	<p>Any Other Business</p> <p>BS requested that the review of the Terms of Reference for the Committee is brought forward for to the February 2018 Committee meeting.</p>	Trust Secretary
A.12.17.18	<p>Matters to escalate to Corporate Risk Register</p> <p>There were no items to escalate to the Corporate Risk Register.</p>	
A.12.17.19	<p>Matters to escalate to the Board of Directors</p> <ul style="list-style-type: none"> Waste Segregation 	

	<ul style="list-style-type: none"> • Follow-up of Internal Audit Recommendations • Cost Improvement Plan Recommendations Update 	
A.12.17.20	Attendees for subsequent Audit Committee meetings <ul style="list-style-type: none"> • Donna Thompson: Internal Audit Report BH/17/18 – Waste Segregation Report follow-up 	
A.12.17.19	Review of meeting The meeting was noted to have been informative, effective and interesting.	
A.12.17.20	Date and time of next meeting Tuesday, 6 February 2017, 2 pm to 4 pm.	

BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST
ACTIONS FROM AUDIT AND ASSURANCE COMMITTEE MEETINGS 5 DECEMBER 2017

Date of Meeting	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
5/12/2017	A.12.17.5	Internal Audit Progress Report BH/17/18: Waste Segregation - It was agreed that a follow up report on the action plan would be produced for the next Audit and Assurance Committee.	Acting Chief Operating Officer	6 February 2018	Added to the February 2018 Committee agenda
5/12/2017	A.12.17.5	Internal Audit Progress Report The priority of each action to be added to the recommendations table.	Audit Yorkshire	6 February 2018	
5/12/2017	A.12.17.7	Annual Report and Quality Report 2017/2018 The draft Quality Account would be submitted to the Quality Committee for review.	Trust Secretary	6 February 2018	Quality Committee added to Annual Report timetable. Item concluded
5/12/2017	A.12.17.8	Foundation Trust Annual Reporting Manual 2017/18 The Foundation Trust Annual Financial Reporting Manual 2017/18 production and timetable to be presented to the Committee.	Deputy Director of Finance	6 February 2018	Added to the February 2018 Committee agenda
5/12/2017	A.12.17.11	Review of arrangements for use of External Auditors for Non-Audit Purposes Updated policy to be brought to next Committee meeting	Deputy Director of Finance	6 February 2018	Added to the February 2018 Committee agenda
5/12/2017	A.12.17.17	Any Other Business ToR review to be added to February 2018 agenda	Trust Secretary	6 February 2018	Added to the February 2018 Committee agenda Item concluded
5/12/2017	A.12.17.5	Internal Audit Progress Report BH/17/18: Waste Segregation: Audit Yorkshire will liaise with DT's team to undertake a further audit in this area in February/March 2018	Audit Yorkshire	3 April 2018	