

| | | | |
|----------------------|---------------------------|--------------------|-------------------|
| Meeting Title | Board of Directors | | |
| Date | 10.1.19 | Agenda item | Bo.1.19.28 |

Report from the Chair of the Audit & Assurance Committee meeting 4 December 2018

| | | | |
|---|--|------|--|
| Presented by | Barrie Senior, Non-Executive Director and Audit Committee Chairman | | |
| Author | Barrie Senior, Non-Executive Director and Audit Committee Chairman | | |
| Lead Director | Barrie Senior, Non-Executive Director and Audit Committee Chairman | | |
| Purpose of the paper | To provide an update regarding key matters covered in the Audit & Assurance Committee meeting on 4 December 2018 | | |
| Key control | | | |
| Action required | For information and assurance | | |
| Previously discussed at/ informed by | | | |
| Previously approved at: | Committee/Group | Date | |
| | | | |
| | | | |
| Recommendation | | | |
| The Board is asked to note and derive assurance from this report. | | | |

| Risk assessment | | | | | | |
|--|--------------|---------|----------|------|-------------|--------|
| Strategic Objective | Appetite (G) | | | | | |
| | Avoid | Minimal | Cautious | Open | Seek | Mature |
| To provide outstanding care for patients | | g | | | | |
| To deliver our financial plan and key performance targets | | | g | | | |
| To be in the top 20% of NHS employers | | | g | | | |
| To be a continually learning organisation | | | | g | | |
| To collaborate effectively with local and regional partners | | | | | g | |
| The level of risk against each objective should be indicated. Where more than one option is available the level of risk of each option against each element should be indicated by numbering each option and showing numbers in the boxes. | Low | | Moderate | High | Significant | |
| Explanation of variance from Board of Directors Agreed General risk appetite (G) | Risk (*) | | | | | |
| | | | | | | |

| Risk Implications (see section 4 for details) | Yes | No |
|---|-----|----|
| Corporate Risk register and/or Board Assurance Framework Amendments | x | |
| Quality implications | x | |
| Resource implications | x | |

| | | | |
|----------------------|---------------------------|--------------------|-------------------|
| Meeting Title | Board of Directors | | |
| Date | 10.1.19 | Agenda item | Bo.1.19.28 |

| | | |
|--------------------------------------|---|--|
| Legal/regulatory implications | x | |
| Diversity and Inclusion implications | x | |

| |
|---|
| Regulation, Legislation and Compliance relevance |
| NHS Improvement: Code of governance |
| Care Quality Commission Domain: <i>Well led</i> |
| Care Quality Commission Fundamental Standard: |
| Other (please state): |

| Relevance to other Board of Director's Committee: | | | | | |
|--|---------|-----------------------|--------------|----------------|----------------------|
| Workforce | Quality | Finance & Performance | Partnerships | Major Projects | Other (please state) |
| x | x | x | x | x | |

| | | | |
|----------------------|---------------------------|--------------------|-------------------|
| Meeting Title | Board of Directors | | |
| Date | 10.1.19 | Agenda item | Bo.1.19.28 |

1 PURPOSE/ AIM

To provide an update regarding key matters covered in the Audit & Assurance Committee meeting on 4 December 2018

2 BACKGROUND/CONTEXT

The agenda of the meeting held on 4 December was driven by the 2018/19 Audit and Assurance Committee Annual Workplan.

In the meeting, the Committee considered, discussed and, where appropriate, gained assurance regarding:

- Internal Audit Progress Report
- Security Management Standards
- The Bradford Hospitals Charity Annual Report and Accounts 2017/18
- A progress report regarding CQC Report Compliance Actions
- An update regarding regulatory and legislative risk and assurance mapping work being undertaken throughout the Trust
- An update regarding work to enhance the terms of reference of the Trust Board Committees, including those of the Audit & Assurance Committee
- An update regarding further development of the Trust Board Assurance Framework (BAF)

3 RECOMMENDATIONS

The Board is asked to note and derive assurance from this report.

4 APPENDIX

The report is included overleaf.

| | | | |
|----------------------|---------------------------|--------------------|-------------------|
| Meeting Title | Board of Directors | | |
| Date | 10.1.19 | Agenda item | Bo.1.19.28 |

Audit and Assurance Committee meeting – 4 December 2018

1. Introduction

The purpose of this paper is to inform the Board of Directors of the key matters discussed during the Audit and Assurance Committee meeting held on 4 December 2018.

2. Key Matters discussed

The key matters discussed during the course of the meeting were as follows:

2.1 Internal Audit Progress Report

Internal Audit presented their report of progress since the Committee meeting in October. In accordance with the risk-based Internal Audit Plan 2017/18, Internal Audit had completed six further audit reviews, with five 'Significant Assurance' opinions and one 'Limited Assurance' opinion.

Audit Report Summaries: The Committee considered, discussed and derived assurance from each of the six audit reports that had been agreed with management since the October Audit Committee meeting:

BH/20/2019 Safeguarding – Domestic Violence in A&E – Significant Assurance

The objective of the review was to provide assurance that the Trust has effective systems and processes to ensure the management and operation of early intervention within Accident & Emergency Department in relation to domestic violence.

The review highlighted that systems and processes are designed effectively, but that some key controls could be further strengthened, in part to reflect changes related to the implementation of EPR (Electronic Patient Records). The review had resulted in two moderate and three minor recommendations, actions in respect of which were all due for completion by 31 December 2018.

BH/21/2019 Patient Safety – Pressure Ulcers – Significant Assurance

The review was designed to provide assurance regarding the arrangements in place for the prevention and/or treatment of pressure ulcers. It was awarded a Significant Assurance opinion.

The review found that, in terms of the highest category of pressure ulcer, the numbers have reduced significantly. Nevertheless, the review found that awareness

| | | | |
|---------------|--------------------|-------------|------------|
| Meeting Title | Board of Directors | | |
| Date | 10.1.19 | Agenda item | Bo.1.19.28 |

and monitoring require further improvement and, again, changes are required to respond to the implementation of EPR. (The Chief Digital and Information Officer is to attend the February 2019 Committee meeting, in part to provide an update regarding progress fully to implement EPR and related procedures and controls.)

The review generated seven recommendations, five moderate and two minor. The Committee challenged the deadlines agreed for responding to three of the recommendations and this is to be followed up by the Director of Governance and Corporate Affairs in the Patient Safety Sub-Committee.

BH/22/2019 Overseas Visitors – Significant Assurance

The aim of the review was to provide assurance that policies and procedures comply with relevant regulation and guidance regarding the recovery of charges in respect of the treatment of overseas visitors. The review identified that, overall, the Trust has adequate controls in place.

The Committee noted that the Trust's ability to recover fees due was limited by a lack of out-of-hours staffing, but that this was due to be resolved by the appointment of additional members of staff.

BH/23/2019 Provider to Provider Contracts - Limited Assurance

The objective of the review was to provide assurance that the Trust has adequate arrangements in place to negotiate and formally agree Provider to Provider contracts, and that there is on-going monitoring to ensure that contractual arrangements are being fully delivered.

The review found that some controls were in place, but that there are key issues that require management attention. The review identified that:

- there is no Provider to Provider contract register to:
 - assist in recording and controlling all relevant contracts to which the Trust is a party
 - prompting timely contract negotiations when contracts are due to terminate, to allow contract renegotiation, variation and extension
- the Trust provides services to other providers under contracts which remain in draft and are unsigned
- there is a lack of regular contract performance reporting and monitoring.

The review generated two major and four moderate recommendations.

The Committee expressed concern regarding the review findings and requested that the Director of Finance and the Chief Operating Officer attend the February

| | | | |
|----------------------|---------------------------|--------------------|-------------------|
| Meeting Title | Board of Directors | | |
| Date | 10.1.19 | Agenda item | Bo.1.19.28 |

Committee meeting to provide both an update on remedial actions and reassurance, to be previously shared with and accepted by the Executive Management Team, that Provider to Provider contracts will in future be fully under effective control.

BH/24/2019 Cost Improvement Programmes (CIPs) – Significant Assurance

The objective of the review was to provide assurance that robust systems and processes are in place for the identification, assessment, approval, monitoring and management of CIPs (also known as Bradford Improvement Programme (BIP)). The review gave rise to four moderate and one minor recommendation.

The review identified generally satisfactory arrangements in place including, for the most part, relevant impact assessments. The Committee noted that the Quality Committee has been requested by the Board to seek assurance that effective Quality Impact Assessments are performed before any CIP is instigated, supplemented by 'catch-up' assessments where necessary.

The review identified that the frequency of Programme Board meetings could, in some cases, be improved, as could the level of attendance.

It was recommended that all CIPs are subject to timely and effective post-implementation reviews.

BH/25/2018 GP Communications; Clinical Correspondence – Significant Assurance

The objective of the review was to provide assurance that the Trust has adequate arrangements in place to ensure that discharge summary clinical information is fully recorded and exchanged appropriately.

The review confirmed that the Trust has appropriate controls in place to manage the communication of clinical correspondence to GPs. Clinical correspondence is issued to locally based GPs within 24 hours of patient discharge. The same timeliness of communication with out of area GPs could not be confirmed during the course of the audit, as this is undertaken by a third party provider. Management are to investigate this.

The review noted that the Trust currently does not have a process in place to ensure the consistency of information included within clinical correspondence.

Four recommendations, three moderate and one minor, have been agreed with management.

| | | | |
|----------------------|---------------------------|--------------------|-------------------|
| Meeting Title | Board of Directors | | |
| Date | 10.1.19 | Agenda item | Bo.1.19.28 |

Other matters

The Committee considered, was satisfied by, and approved the deferral or cancellation of four audit reviews within the 2018/19 Internal Audit Plan.

The Committee noted 100% compliance with all four of the agreed Key Performance Indicators relating to audit report completion.

2.2 Security Management Standards

The Committee noted the Security Management Standards Compliance Report 2018 which had previously been considered and approved by the Trust Security Steering Group, the Estates & Facilities Compliance Risk & Assurance Group, and by the Quality Committee.

The Committee noted that the report would be presented to the Trust Health & Safety Committee in the second week of December.

The Committee suggested that the report should formally be considered and approved by the Trust Executive Management Team.

2.3 Bradford Hospitals Charity Annual Report & Accounts 2017/18

The Committee noted and gained assurance from the content of the ISA 260 report prepared by Deloitte, External Auditor of the Charity.

Based upon its review of the Report & Accounts, and the auditor's report, the Committee resolved to recommend approval by the Trust Board.

2.4 CQC Report Compliance Actions – progress report

The Committee noted the contents of the report, acknowledging that it had been discussed in detail by the Trust Executive Management Team, and that all required actions are due for completion by 31 December 2018.

The Committee noted that mock CQC inspections are currently in progress with the aim of providing further assurance as to Trust compliance.

2.5 Assurance regarding regulatory and legislative compliance

The Committee noted and was satisfied with the plan of action to ensure the Trust's compliance with all key regulatory and legislative requirements. The Committee was satisfied with the initial report relating to Health & Safety, and the outline prioritised

| | | | |
|----------------------|---------------------------|--------------------|-------------------|
| Meeting Title | Board of Directors | | |
| Date | 10.1.19 | Agenda item | Bo.1.19.28 |

plan of action to address other aspects of regulation and statute. A detailed plan of action will be presented to and considered at the February Committee meeting.

2.6 Board Committee (including Audit & Assurance Committee) terms of reference

The Committee noted the progress being made in reviewing and enhancing Board Committee terms of reference. The Committee would provide comment on the other Board Committee terms of reference in due course. The Committee would consider and, when appropriate, approve and recommend Board approval of the Audit & Assurance Committee revised terms of reference and the resultant revised Committee Workplan.

2.7 Board Assurance Framework – update

The Committee noted the recent Internal Audit report regarding the Board Assurance Framework (BAF), and that the revised Committee terms of reference, once instigated, will enable more explicit emphasis on the effective management of the Trust's strategic risks and, where appropriate, any remedial actions required.

3. Other matters

3.1 Matters to escalate to Corporate Risk Register

None.

3.2 Other matters to escalate to the Board of Directors

None

4 Recommendation

The Board of Directors is asked to note this report and the reassurance and assurance that it provides.