

AUDIT AND RISK MANAGEMENT COMMITTEE MEETING MINUTES

Venue Room 13, Education Centre
Sandwell General Hospital

Date 18 July 2018, 100h – 1200h

Members Present:

Mrs M Perry, Non-Executive Director (Chair) MP

In Attendance:

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| Miss K Dhami, Director of Governance | KD |
| Ms D McLannahan, Acting Director of Finance | DMc |
| Mrs P Gardner, Chief Nurse | PG |
| Dr D Baker, Director of Partnerships & Innovation | DB |
| Mr M Stocks, Grant Thornton | MS |
| Mr M Gennard, RSM | MG |
| Ms S Coster, RSM | SC |
| Mr A Hussain, RSM | AH |
| Mrs P Massey (Committee Support) | PM |

| Minutes | Paper Reference |
|---|-----------------------|
| 1 Welcome, apologies and declarations of interest | Verbal |
| <p>Apologies were received from Ms Dutton, Mr Zaffar, Mr Kang and Miss Dooley.</p> <p>Mrs Perry noted that as the meeting was not quorate any decisions required would be referred to the Trust Board in advance of the next committee meeting in October.</p> | |
| 2 Minutes of the previous meeting held on 23 May 2018 | AR (07/18) 001 |
| <p>The minutes of the meeting from 23 May were accepted as an accurate record however a few administrative typing errors were noted and would be corrected.</p> | |
| 3 Matters and actions arising from previous meetings | AR (07/18) 002 |
| <p>All items were closed.</p> | |
| 4 Data Quality - Top 10 | AR (07/18) 003 |
| <p>Mr Baker presented Data Quality - IPQR report to the Committee noting the scope of the proposed exercise, the top priorities for the data quality review, including the agreement of Data Quality Audit Plan for 2018/19. Mr Baker also discussed the timings of audit plan completion. The top priorities for 2018/19 are structured across five different areas:</p> | |

- Indicators of Concern: Mortality & VTE
- Audit of Red Segments
- Audit of New Indicators
- Audit with indicators with segment 7(Middle-Exec Sign-off) not completed
- Cyclical Audits

Mr Baker reported Mortality and VTE indicators were of greatest concern as although Kite marks are currently green there is the belief some of the completeness should be red-rated to reflect missing documentation. Of the 1,583 deaths last year, 294 had no complexities or co-morbidities on previous visits, and although this has been highlighted through the Learning from Deaths Committee with regards palliative care coding this represents only a quarter of the issue. Notwithstanding palliative care coding errors it is not entirely a coding issue as there are also documentary errors, the root cause being incorrect data input around co-morbidities, social mobility etc. Committee discussion regarding inaccurate coding highlighted the problem with the difficulty of recruiting coders and the need to look at coding in its entirety. Mr Stocks highlighted unfit source documents and inaccurate coding is a Quality & Safety issue and should be part of the Quality Plan.

With regards VTE, Mr Baker reported there are concerns and confusion around the carrying out of paper and electronic assessments with many paper assessments never reported as compliant on the electronic system. Mr Baker recommends this is audited and referenced to new information flow by EPR.

Ms Perry raised concerns regarding the timescales i.e. not sure when Data Quality Kite marks are assessed/reassessed and how often this was being done. Mr Gennard suggested self-assessment and independent review to be updated by data owners. Ms Perry suggested a simple visual log depicting review date/last update/last independent review date linked to SOP's and clear calculation of numerator and denominator.

Ms Dhami raised the issue of Consistency of Care stating the need to stop tolerating reds, and raising concern whether data is sound/reliable as this effects action.

Ms McLannahan queried; Are we sure we are freeing up resources, do we do too much and have we got the right information?

Ms Perry asked whether we could rely on IPQR and how do we know the Data Quality Kite marks are good/being reviewed? Suggesting recommendation review dates.

Mr Stocks asked what preparations would be made if PBR changes come in and Ms McLannanhan noted contract & commissioning intentions to be known by September. PBR not going away, it's a reliable background tracking payment system.

In summary, Mr Baker to continue with;

- Mortality and VTE review.
- Prepare Improvement Plan for October's Committee.
- Kite mark Review defer, write into Improvement Plan.

ACTION: Complete Data Quality Improvement Plan to October Committee meeting.

5 Strategic Board Assurance Framework

Verbal

Ms Perry presented:

- Key risks to 5 year Plan.
- The challenge review meetings with Executive Leads.
- Quarterly updates to be provided to the Board.
- Actions taken help to mitigate risks for discussion through all Board committees.

Ms Perry and Ms Dhami confirmed all SBAF review meetings with Executive leads have taken place with good feedback received and they are in the process of writing up the outcomes, with a report being provided to the August Trust Board meeting.

Ms Perry asked whether the Trust SBAF is seen as good from an external viewpoint and Mr Stocks replied that each organization uses them differently; no-one particularly good or particularly bad.

Mr Gennard questioned the flow of assurances and Ms Perry stated SBAF escalated in agenda, focusing on action/delivery to enable enhanced scrutiny/flow if information. Mr Gennard agreed that the capture of regular flow of assurances to change action to essential and Mr Stocks commented the allocation of risk to committees is good practice.

6 Standing Orders

AR (07/18) 004

Ms McLannahan presented the Trust's Standing Orders report to the committee advising they require three minor amendments as follows:

- Page 55 - change petty cash disbursements levels from £50 to £75, for practicality;
- Page 70 - security of cash, cheques and other negotiable instruments - all offers of cash in excess of £1,000 to be reported to Director of Finance or Head of Financial Accounting and Compliance;
- Page 47 - stock /non-stock requisitions and invoices; responding to the need to simplify the authorisation hierarchies.

Mrs Perry, as Chair of the committee was content with the report and recommendations. However the amendments could not be approved as the committee was not quorate and therefore this decision will be taken to the next Trust Board meeting.

ACTION: Trust Board to approve minor amendments to Standing Orders, with Committee Chair recommendation, given the committee was not quorate.

7 Governance Pack

AR (07/18) 005

Ms McLannahan presented the Governance Pack which outlines Trust performance and remedial action in relation to;

- Aged debt.
- Losses and special payments, including overseas patients and history of invoices raised versus balance collected.
- Salary overpayments.
- Single tender waivers (STW); finance team to work with procurement team to ensure reporting is designed to ensure focused/targeted improvements in practice.

Ms McLannanhan stated revised impact statements will improve reporting by end of Q2 and overseas debt level charges in Q1 provide enhanced position/benefit to us.

Ms Perry acknowledged the improved position with overseas debt but queried why invoices are being raised after the event rather than taking money up front and commented if it may be possible not to undertake the work unless payment is received. Ms Dhami responded that for planned care it is OK to pay up front however, providing emergency care is more difficult, particularly for the clinicians concerned at pressure points. Nevertheless, staff have been recruited to support payment in advance of care and this is expected to reduce the overseas debt problem. There also remains a problem with the system as it does not automate asking the question around home addresses. Ms Dhami agreed to provide a progress report to the October Committee meeting.

Ms Perry raised concerns regarding salary overpayments, particularly the £56K overpayment and discussion took place on concerns that managers do not always record "leavers" accurately and how this issue has been escalated. It was acknowledged that challenging practice and behaviours has been proven to provide results, a one-off budget holders/nominal roles exercise will take place and letters to individual managers regarding repeat offenders will be issued.

ACTION: Progress report on managing overseas debt to October committee meeting.

8 Freedom to Speak Up (Whistleblowing) Policy Status Report

AR (07/18) 006

Miss Dhami acknowledged there is a national move away from the term 'whistleblowing' to a more protected disclosure of 'freedom to speak up' and stressed the importance of reports, including anonymous ones, to be dealt with properly e.g. acknowledging receipt and providing appropriate feedback.

Ms Dhami advised the current policy required review/refresh and to be re-launched across the Trust in the autumn with an action to provide a progress update on consultation and implementation to the committee meeting. Ms Dhami also agreed to ascertain feedback/statistics on the use of 'Safe Call' and provide this information to the committee.

ACTION: Progress on consultation and implementation of the revised Freedom to Speak Up (Whistleblowing) Policy to the October committee meeting.

9 Risk Management Report

AR (07/18) 007

Miss Dhami agreed to schedule an additional meeting, which would be an interactive deep dive session into risk management information and then provide a report to the October committee meeting.

ACTION: Deep dive risk management meeting and report to October committee meeting.

10 Annual Audit Letter

AR (07/18) 008

Mr Stocks presented Annual Audit Letter 2017/18 which concluded Grant Thornton were satisfied in all significant respects that the Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2018.

Mr Stocks outlined information from page 11 and reiterated the Trust's financial results are good. Now preparing for next year (2018/19 annual report and accounts) with a process/timescales/deadlines route map towards 31st March 2019.

Mr Stocks confirmed happy with Trust engagement and progress. Agree actions for next year end, key accounting judgements ahead next year end.

11 External Audit Progress Report

AR (07/18) 009

This report was received and noted – no comments were provided.

12 Internal Audit Progress Report

AR (07/18) 010

Mr Hussain provided the Internal Audit Progress Report commenting that agreement had been reached to progress/track recommendations through Corporate Performance Review meetings going forward. Final reports since the last meeting of the Audit Committee on 23 May 2018 were noted as:

- 2018/19 Operational Risk Management (Partial Assurance Opinion)
- 2018/19 Deprivation of Liberty Safeguards (DoLs) (Substantial Assurance Opinion)

Work has also concluded and draft report is prepared for:

- 2018/19 Bank and Agency – Competency and Quality Assurance

13 Local Counter Fraud Specialist (LCFS) Progress Report

AR (07/18) 011

Ms Coster presented LCFS report advising Deputy Director of Human Resources and HR Business Partners met LCFS to discuss importance of parallel investigations and pursuing all available sanctions to help ensure effective joint working moving forwards.

LCFS is in the final stages of the bi-annual Fraud Risk Assessment across the Trust which has focused on high fraud risk areas recognised internally or nationally across RSM's NHS client base. Weaknesses have been identified and actions agreed with those responsible to strengthen controls, with the review report currently in draft form and will be reported back to Audit Committee in due course.

Six referrals received by LCFS, three progressing to criminal investigations. Referrals relate to false claims of bank shifts not worked and additional non-contracted work claimed during NHS contracted hours. LCFS are undertaking enquiries to substantiate allegations.

Mr Gennard stressed criminal prosecutions need evidence but they will always prosecute where good evidence is provided. Assistant with recovery of funds has been passed back to HR and Ms Dhami asked if there are any blocks stopping quick processing.

Mr Hussain raised a final concern regarding retrieval of fobs provided to bank workers.

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| 14 Committee Effectiveness | Verbal |
| <p>The Committee felt the matters on the agenda were the key matters that it needed to focus its attention on.</p> | |
| 16 Matters to raise to the Trust Board | Verbal |
| <ul style="list-style-type: none"> • The complete Data Quality Improvement Plan will be provided to the October committee meeting. • Standing Orders to be authorised / ratified at August Trust Board meeting. • Provide a progress report on securing overseas debt payments at the October committee meeting. • Substantial assurance received on Deprivation of Liberty Safeguards audit. | |
| 17 Any other business | Verbal |
| <p>No other items of business were discussed.</p> | |
| <p>Details of the next meeting</p> <p>The next meeting will be held on 17th October 2018, 1000 – 1200h in the Education Centre, Sandwell Hospital.</p> | |

Signed

Print

Date