

DRAFT MINUTES AMENDMENTS TO BE MADE

Sandwell and West Birmingham Hospitals



NHS Trust

AUDIT AND RISK MANAGEMENT COMMITTEE MEETING MINUTES

Venue Room 13, Education Centre
Sandwell General Hospital

Date 17 October 2018, 1000h – 1200h

Members Present:

Mrs M Perry, Non-Executive Director (Chair) MP
Cllr W Zaffar, Non-Executive Director WZ
Mr H Kang, Non-Executive Director HK

In Attendance:

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
Ms N Coombe, Grant Thornton NC
Mr M Gennard, RSM MG
Ms S Coster, RSM SC
Mr A Hussain, RSM AH

Minutes	Paper Reference
1. Welcome, apologies and declarations of interest	Verbal
Apologies were received from Ms Dutton.	
2. Minutes of the previous meeting held on 23 May 2018 and 18 July 2018	AR (10/18) 001
<p>The minutes of 18th July – it was agreed add that the meeting was not quorate and decisions would be referred to the Trust Board.</p> <p>The minutes of the 23rd May – it was agreed that the dates for the data quality kite marks sentence should be made clearer by Mr Baker.</p> <p>With these amendments the two sets of minutes were accepted as accurate records.</p>	
3. Matters and actions arising from previous meetings	AR (10/18) 002
Items are on the agenda and an update on GDPR will be circulated to members prior to the December meeting.	
4. Data Quality Improvement Plan	AR (10/18) 003
Mr Baker presented the Data Quality Improvement Plan and commented that capacity to undertake the work outlined is to be determined as no capacity within his team or RSM time from agreed plan. The pace and priority will of focus is to be determined.	

Mr Kang asked if additional resources will be external and be tendered and Miss Dhimi replied this still needs to be determined.

Ms McLannahan asked for the scope from RSM perspective to undertake this work and Mr Gennard replied that kite marks were added 3 years ago which, was additional to planned work, then the decision on how to progress was passed back to the Trust and there has been a hiatus since.

Mrs Perry queried the timings for Executive sign off, quoted to be undertaken by July/Aug 2019 and whether or not some of this work could commence sooner? Mr Baker and Ms McLannahan agreed that some elements of the work could be brought forward and Mr Baker will phase this work in the plan.

Ms Coombe asked for clarity on the kite mark flags (rating) and it was noted red is inadequate due to timeliness and quality.

Mrs Perry asked for clear review dates for each kite mark and dates for review should be included.

Mr Kang again asked for clarity on the additional resources required for this work and asked for detail on the process that will be followed to address this. Mr Baker referred to section 3.1 of the paper and the questions posed are “what will we do” and “what will we outsource/is best done through other expertise” to build the plan for the future. Miss Dhimi reiterated the need to identify if using clinical audit expertise already in place can be undertaken.

Mrs Perry set out that the information provided to the Board needs to be accurate and some of the priorities for immediate focus are:

- New indicators which require a kite mark
- Limited confidence on any items currently being reported should be a priority

Mr Baker advised that the Executive Directors plan to have a discussion on this work at their next meeting, he would provide an update on this, if appropriate, to the next Trust Board meeting as part of the Audit and Risk Management Committee update and will provide an update report to the December committee meeting.

ACTION: Data Quality plan progress report to December Audit and Risk management Committee meeting.

5. Internal Audit Progress Report

AR (10/18) 010

Mr Hussain provided the reporting highlighting:

- Management response to recommendations requires some improvement (timeliness) and Mrs Perry asked for an email to be sent to Audit members to escalate/improve this situation.
- Trust Bank and Agency review – the pre-employment checks varied and medical agency checks requires improvement with examples provided of right to work fails (not known/recorded).

- Cost Improvement Plan review – excellent review and robust action plans on slippage are in place.
- Consistency of Care review – 60 staff were interviewed, handovers were showcased, and positive culture was observed particularly individual focussed patient care. Development sessions on the Safety Plan and audit review are to take place.
- IR35 review – the diagnostic tool is being used but the evidence to support the checks taking place is limited. Contractor payments are not robust and procurement actions are required on new suppliers.

Ms McLannahan referred to the review work planned for January and the resources to undertake this, particularly as the finance team will commence into processes towards year-end, and therefore it was agreed to bring one review forward if possible (to be confirmed).

ACTION: Reduce amount of audit reviews planned for January 2019 (confirm which can be brought forward)

6. Local Counter Fraud Specialist Progress Report

AR (10/18) 011

Ms Coster provided the highlights from the LCFS progress report:

- Induction programme details.
- The counter fraud area of the website had disappeared and has now been re-built.
- Quarterly newsletter has been issued.
- Accounts payable review to commence with the aim of the work to look at inappropriate payments to suppliers.
- Your voice survey noted that the Imaging Group had the lowest awareness about Counter Fraud services and the team have now undertaken a focused awareness session with the Group members.
- Risk assessment report is completed and going through QA process, along with the LCFS risk register.
- National awareness raising – all elements were submitted ahead of planned deadlines.
- Follow up on outstanding actions and working protocols is taking place.
- A refresh of the fraud policy will be provided to the Acting Director of Finance over the next 2 weeks.
- A LCFS awareness session is planned with the procurement team next week and the procurement policy is to be aligned across the Black Country patch.
- Fraud awareness month is November 2018.
- Investigations - two new referrals have been made in relation to private work on NHS time and potential taking of unauthorised leave/time in lieu. Five other concerns were raised but have not been adopted for further investigation following discussions with HR and the Acting Director of Finance on a case by case basis. Eight cases are pending closure and 3 reports of these are with the Acting Director of Finance for review/approval.
- Self review recommendations – by the next committee meeting these will be marked as complete.

Cllr Zaffar asked how much money have been recovered from investigations in last 12 months. Ms Coster could not provide this exact detail in the meeting but would provide a response to Cllr Zaffar following the meeting.

Ms McLannahan asked about the days undertaken to-date and Ms Coster replied that work to agreed days has taken place and additional days will only be secured based on specific cases, if required.

7. Review of Cyber Security

Verbal

Mrs Perry noted an external review has taken place which has been reported to the Private Trust Board. Conversations now take place each month between Chair of the Audit Committee, NED from the Digital MPA, Chief Executive, Director of Governance and Chief Informatics Officer and these are reported to the Trust Board. This item will therefore not be on future audit and risk management committee agendas as other arrangement are in place for assurance of reporting to the Trust Board.

8. Briefing Paper on Proposed Midland Met Accounting Treatment

AR (10/18) 004

Ms McLannahan noted the requirement in 2018/19 to bring Midland Met onto Trust books given the Hospital Company insolvency. The measurement of value, as set out in OBC, to be provided to DH/Treasury is at £211.6m with the value at £63M, by the end of March 2019 accounting as a pre-payment on the balance sheet. Therefore there is a requirement to agree the accounting treatment and with NHSI have also taking this issue into consideration. We have recognised a donation non-cashed back asset in Month 7 and this has been back dated. This will be taken through INE and is non-cashed back income and will not account towards year end control total. External audit work towards year end will include the legal transfer and disclosures will be covered adequately. We are not expecting any impairment costs this year whilst noting some dilapidation issues.

We will declare Midland Met as an asset under construction, as outlined in the OBC and appendices of the paper provided correspondence with NHSI on this.

Ms Coombe added this is exceptional and Grant Thornton have been through government accounting manual and other legal/guidance documents and they are content with the treatment made (non-cashed back donation) but the Trust will need to ensure there is no impairment at year-end and checking appropriate amounts in disclosure and external audit colleagues will support this review work as the remainder of the financial year progresses.

9. Governance Pack

AR (10/18) 005

Ms McLannahan reported the pack is provided in the standard format by highlighting:

- Page 2 refers to aged debt overall which is down but there is concern about the non-NHS debt profile and this is being reviewed (e.g. large Council payments made in September). Cllr Zaffar declared an interest and noted he thought this was been written off.
- We are in the process of agreeing an affordable way forward with Dudley and Wolverhampton debts.
- Discussion will take place at FIC on non-NHS creditor position (60 day payment target) as it had not been prepared in time to provide to this committee.
- Overseas debt – we have raised more invoices in 2018/19 and received more credits.
- Losses and special payments – one particular overpayment (details provided at the last committee) has been paid in part (£8K of £26K) and the remainder has been written off by the Chief Executive due to personal circumstances of the ex-staff member concerned.
- Other overpayments were noted due to late submissions, weak processes in place and enhances tracking planned will have an impact on this position.
- Tender waiver position has not changed since the last meeting but the new Black Country Procurement Lead (Mike Hanson) will focus on this now with a procure to pay process to improve this and continued focus on improving/tightening grip and control on orders raised/not raised.

Ms Coombe raised a comment on NHS aged debt and was encouraged on this position since the last meeting with a reminder on the agreement of balances discussion.

10. Overseas Patients/Visitors: Charging Update

AR (10/18) 006

Miss Dhami advised the Overseas Debt Team have been in place for over a month and have been configuring systems and an assessment of where footfall is occurring. We are improving the position on payment in advance of services and aligning our processes better. This requirement (to check eligibility for services) is not a choice but concerns to occur in EDs when staff are asking the questions (do you need to pay), as staff should be properly trained/educated on how to deal with these conversations.

Improvements on invoices/payments in already taking place with the Modality Partnership (GP practice group) working with us on asking the questions, from the outset at GP stage, to reduce footfall/referrals to the Trust that are not eligible and it is hoped we will progress this work with other GP practices.

Mrs Perry asked about Communication in EDs (e.g. posters and leaflets about why we will ask questions) and Miss Dhami replied that we already have these and patients are asked at the reception desk the questions. Cllr Zaffar noted staff anxiety on questioning, asking for evidence (and referred to Windrush).

Mr Kang asked for validation process questions for someone who does declare and commented that some will be open/honest & declare and others will not so how is the judgement made on challenging the potential lie (who decides and how decide how does the challenge take place). Miss Dhami commented this was an excellent point and she would obtain this information to provide to Mr Kang outside of the meeting.

Cllr Zaffar asked how Brexit impacts on this and Miss Dhami noted she had not seen any national guidance on this as yet.

ACTION: Validation processes to challenge potential dishonesty when questioned about eligibility for NHS care.

11. Risk Management Framework

AR (10/18) 007

Miss Dhami noted she had been asked to put down on paper how risk management works across the Trust and to call out any potential areas for improvement.

Risk identification and register processes have improved and visibility is seen on Safeguard which is reported from ward to Trust Board.

A review of all the red risks has taken place and the CQC asked if Board see all post-mitigated reds which Miss Dhami advised of examples of what is reported to the Board and decisions that are made at a local level that have not been escalated upwards, and the education which has taken place across our ward bases to improve staff awareness. All the committees where risks are discussed were noted.

Miss Dhami referred to incident reporting on page 6 and this core part of reporting and good NRLS reporting culture no matter what grade. There is a need to improve live/timely feedback to staff and to share the learning and capturing on Safeguard (how incidents/complaints link up to avoid duplication of effort/work).

Mrs Perry felt managing risks via the Strategic BAF and fraud risk register (noted by Ms Coster earlier) should be added to the paper.

Miss Dhami advised that culture is good across the Trust on reporting serious incidents in recent months and oversight by Board has taken place on this.

Ms Gardner noted the Datix system does not let you proceed until you confirm a report has been provided back to the individual raising the incident. Miss Dhami advised Safeguard has the same requirement but there are some concerns about quality (level of detail) of information recorded.

Mrs Perry asked for a risk management review to be included on the internal audit plan for 2019/20 (i.e. feedback on incidents).

ACTION: Include risk management review on internal audit plan for 2019/20.

12. Policies Consultation and Implementation

AR (10/18) 008

Miss Dhami advised the declaration of Interest Policy was seen by the committee members earlier in the year and consultation on this would be completed by end of the calendar year, and the Freedom to Speak up policy will be provided to the next Public Trust Board for discussion.

Miss Dhami reflected that the reports from the Freedom to Speak Up Guardians is required periodically to the Trust Board as well as national reporting requirements to take place.

The timeframes and assurance elements of the Freedom to Speak Up Policy are vitally important for staff to feel assured that something is happening with their concerns and the easier the Speaking Up/Whistleblowing procedure can be the better, with a clear communications piece planned as part of the consultation on the Policy.

Miss Dhami advised that CQC had acknowledged the significant number of lapsed review dates for over 100 policies as part of their Well-Led review/assessment and this issue needs to be monitored by the committee to ensure remedial action takes place. It was agreed to provide an update on this to the next Audit and Risk Management Committee meeting.

ACTION: Update on policies which are lapsed review date to be provided to the next Audit and Risk Management Committee to ensure these are in-date by end of March 2019.

13. External Audit Progress Report and Sector Update

AR (10/18) 009

Ms Coombe highlighted:

- Detailed planning on financial statements has commenced and VFM audits.
- Arrangements in place informed decision making, work with partners
- Formal risk assessment on financial resilience / MMH
- New IT systems being implemented
- Accounting treatment papers were noted with a note to potentially revisit asset lives and car parks
- Quality accounts guidance is expected early in the new year
- A sector update report on data quality from Mr Stocks will be sent to Ms Perry and Miss Dhami.
- It was noted the refresh of the BAF will take place in December 2018.

14. Committee Effectiveness

Verbal

The Committee felt the matters on the agenda were the key matters that it needed to focus its attention on.

15. Matters to raise to the Trust Board

Verbal

- Data quality
- Internal audit recommendation management responses
- Overseas debt team in place
- Cyber security arrangements in place
- Accounting treatment for Midland Met
- Policies that require review
- Concerns on Trust/Bank checks for doctors and IR35
- Data quality timeliness & resources

16. Any other business**Verbal**

No other items of business were discussed.

Details of the next meeting:

The next meeting will be held on 12th December 2018 in Room 15, Education Centre, Sandwell General Hospital.

Signed

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Date