

**ITEM:**

**MINUTES OF AUDIT & ASSURANCE COMMITTEE**

**SYNOPSIS:**

**Attached are the minutes of the Audit & Assurance Committee held  
on 8 January 2013**

**AUTHOR:**

**PAUL SIMPSON  
CHIEF FINANCIAL OFFICER**

**ACTION REQUIRED:**

**FOR APPROVAL**

**Signed by the Chair of Audit & Assurance Committee.....**  
*(subject to amendments duly recorded)*

**Date: .....**

**AUDIT & ASSURANCE COMMITTEE**

**Meeting held on Tuesday 08 January 2013 10.00 – 13.00**

**Venue: Room AD77, Postgraduate Education Centre & Trust HQ, East Surrey Hospital**

<b>Present:</b>		
Richard Congdon	RC	Non Executive Director (Chair)
John Power	JP	Non Executive Director (part meeting)
Richard Durban	RD	Non Executive Director
<b>In attendance:</b>		
Yvette Robbins	YR	Non-Executive Director
Darren Wells	DW	Grant Thornton (formally Audit Commission)
Jamie Bewick	JB	Grant Thornton (formally Audit Commission)
Paul Simpson	PS	Chief Financial Officer
Nick Atkinson	NA	Internal Audit
Bernie Bluhm	BB	Chief Operating Officer
Des Holden	DH	Medical Director
Sally Brittain	SB	Acting Chief Nurse
Sue Mason	SM	Human Resources (part meeting)
Stuart Doyle	SD	Counter Fraud
David Knight	DK	Cost Accountant (Note taking)
<b>Apologies</b>		
Richard Shaw	RS	Non Executive Director
Gillian Francis-Musanu	GF	Director of Corporate Affairs
Colin Pink	CP	Acting Head of Integrated Governance and Quality
Majid Bhatti	MB	Head of Financial Accounts

			Action by :
1		<b>Welcome and Apologies for absence</b> RC welcomed everyone to the meeting and apologies were noted.	
2		<b>Minutes of last meeting</b> After a couple of minor adjustments the minutes of the meeting held on 13 November were recorded as a true and accurate record of the meeting. <b>ACTION :</b> <b>DKnight to amend minutes of the last meeting to include an additional action point for DWells and amend the word trailed to trialled on page 5 of the minutes.</b> The actions noted within the minutes had been completed or were included within the current agenda for discussion.	Action 1 DK
3	a	<b>Clinical Audit Update</b> DHolden spoke to his paper and outlined the progress being made on the Internal Audit recommendations highlighting the use of the intranet to inform departments of clinical audits taking place, outcomes and procedures for proposing future audits. The committee were informed of	

	<p>the central audit function log as well as the MBQR's role in agreeing divisional forward plans for 2013.</p> <p>A discussion followed on how the Trust was learning the lessons from clinical audit as well as the completion of the KPI's and the linking of clinical audit to the BAF.</p> <p>The Committee were pleased with the progress clearly being made in this area noting that management would now complete the recommended actions and report back at the next AAC with the Internal Audit Summary Review.</p> <p>RCongdon noted that implementation of the recommendations of the report on clinical audit would take time to fully bed down and he considered that clinical audit should be re-audited in a year's time.</p> <p><b>ACTION:</b></p> <p><b>DHolden to present a paper to the next AAC with the continued progress in this area including the Internal Audit Summary Review</b></p> <p><b>Incidents Report Update</b></p> <p>DHolden again spoke to his paper and informed the Committee that the introduction of DATIX was going to plan and that the initial roll out was reducing the time taken by managers to report an incident. It was also noted that training was on-going and that an initial focus had been on areas with large number of incidents reports such as Medicine and Theatres. The Committee were informed that the full implementation of DATIX was expected by the end of January 2013.</p> <p>A discussion followed around which staff could report using the DATIX system and why people were given the option to opt out of receiving feedback. It was highlighted by DHolden that some incidents to be reported would be trivial such as being a member of staff down on a given day and as such the reporter may not want to be informed of the outcome. The Committee were informed that the Trust had never been an under reporter of serious incidents.</p> <p>YRobbins and RDurban sought and received assurances from DHolden that the incidents policy would be updated by the end of January 2013.</p> <p><b>ACTION</b></p> <p><b>DHolden to update incidents policy and Internal Audit to review this area prior to March 31 to ensure that it is working satisfactorily</b></p> <p><b>Plan for Medical Records</b></p> <p>BBluhm presented the action plan to the Committee and described the progress being made in medical records, highlighting implementation of</p>	<p><b>Action 2</b> <b>DH</b></p> <p><b>Action 3</b> <b>DH</b></p>
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		<p>file tagging, work on the quality of patient notes and the storing of medical records as being the 3 main elements of the action plan</p> <p>It was noted that some 67% of all records have now been tagged with DHolden commenting that the last third of records yet to be tagged will be the hardest third to tag.</p> <p>Despite this management are confident that the FileTrail Software and tagging of patient notes should be fully implemented by March 2013 and to this end more bank staff have been appointed to find untagged patient notes.</p> <p>The Committee were also informed of the improving membership to The Trust Health Records Group with assurances being sought and received with regards to the engagement by senior clinicians in this group.</p> <p>Overall the Committee noted the progress on the actions to deal with the issues as well as noting the improvements to coding accuracy (as expressed through the depth of coding). BBluhm advised that the action plan needed to be updated to capture all of the activities received and the Committee agreed that only partial assurance had been received and it would revisit the issue at the next AAC meeting.</p> <p><b>ACTION:</b> <b>Revised action plan to be presented to the next AAC meeting by BBluhm</b></p>	<p><b>Action 4 BB</b></p>
3	b	<p><b>Significant Risk Register (SRR)</b></p> <p>The SRR was presented to the Committee after which a discussion followed regarding the layout and possible improvements. The Committee's main suggestions centred round a column to include management's current actions, showing fewer minor risks and eliminating inconsistent terminology (e.g. at least one of the column titles used a different phrasing to the BAF).</p> <p>PSimpson (in the absence of GFrancis-Musanu) agreed that some risks should not be on the SSR and that this will be re-examined before the board meeting</p> <p><b>ACTION:</b> <b>SSR risks to be reviewed and represented to the board.</b></p> <p>DWells highlighted that monitor's assessment of the trust would test the consistency of the board's understanding of the key risks facing the trust</p>	<p><b>Action:5 CP/GF</b></p>
4	a	<p><b>External Auditors</b></p> <p>DWells presented the Audit Progress Report highlighting the independent examination that took place in December 2012 along with the planning for</p>	

	b	<p>the audit of the accounts.</p> <p><b>ACTION:</b></p> <p><b>Audit strategy and plan to be presented to a future AAC meeting.</b></p> <p>JBewick informed the committee that Grant Thornton had just released the Financial Challenge Guide and had prepared the Clinical Audit Briefing Note.</p> <p><b>ACTION:</b></p> <p><b>JBewick to send all members of the AAC the Financial Challenge Guide the Clinical Audit Briefing Note.</b></p> <p><b>Internal Auditor's report</b></p> <p>NAtkinson gave the Committee the following summary for Internal Audit Reviews</p> <ul style="list-style-type: none"> <li>▪ <u>Budgetary Control</u> – Green: The Committee, who discussed this report at length, were encouraged by the audit output and noted that the finance audits were in no way reduced in number or scope (despite the tendency in recent years to be generally positive).in the drive to ensure that all Trust systems received appropriate attention. It was confirmed to the Committee that the auditor's contracted days had been increased when appointed to support this strong assurance.</li> <li>▪ <u>CQC Reporting – Advisory Audit on Outcome 13 (Staffing)</u> – Green/Amber: again an encouragingly positive report giving the Committee good assurance. The main comment was about lack of evidence of the sign off of the Provider Compliance Assessment by the Chief Nurse or their delegated representative. Who did this was being resolved and would be formalised in a policy going to the Safety and Quality Committee in February.</li> </ul>	<p><b>Action 6 DW</b></p> <p><b>Action 7 JB</b></p>
	c	<p><b>Local Counter Fraud Service (LCFS)</b></p> <p>SDoyle gave an update on the E-learning package (which would be implemented shortly) and informed the Committee that the choice of which ID verification system was now up to the Trust following the demonstration.</p> <p>A summary of investigations started since the last Committee was given followed by a discussion on the investigations.</p> <p>The Committee discussed the ability of the Trust in getting private hospitals to provide information to fraud investigations (e.g. involving medical staff alleged to be working privately in NHS time). Assurance was provided that all measures are taken by the Trust to ensure information is received.</p>	
5		<p><b>Report on Waivers and Losses and Compensations</b></p>	

