

AUDIT & ASSURANCE COMMITTEE  
13 NOVEMBER 2012  
AGENDA ITEM 2

**ITEM:**

**MINUTES OF AUDIT & ASSURANCE COMMITTEE**

**SYNOPSIS:**

**Attached are the minutes of the Audit & Assurance Committee held  
on 13 November 2012**

**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 13 NOVEMBER 2012 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
Richard Durban	RD	Non Executive Director
Richard Shaw	RS	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)
Gillian Francis-Musanu	GF	Director of Corporate Affairs
Paul Simpson	PS	Chief Financial Officer
Nick Atkinson	NA	Internal Audit
Virach Phongsathorn	VP	Chief of Medical Division
Des Holden	DH	Medical Director
Sally Brittain	SB	Acting Chief Nurse
Sue Mason	SM	Human Resources (part meeting)
Stuart Doyle	SD	Counter Fraud
Colin Pink	CP	Acting Head of Integrated Governance and Quality
David Knight	DK	Cost Accountant (Note taking)
<b>Apologies</b>		
Majid Bhatti	MB	Head of Financial Accounts

		Action by :
1	<p><b>Welcome and Apologies for absence</b></p> <p>RC welcomed everyone to the meeting and apologies were noted.</p>	
2	<p><b>Minutes of last meeting</b></p> <p>The minutes of the meeting held on 11 September were recorded as a true and accurate record of the meeting.</p> <p>The Committee followed up last times' actions with DHolden and SBrittain regarding the completion of actions to deliver recommendations on clinical audit and complaints and incidents (and this was discussed in the body of the meeting).</p> <p>On actions around medical records (PbR Assurance Audit recommendation) DHolden highlighted to the Committee the challenges faced in implementing the Trusts policy of rationalising medical records and provided details of two initiatives which encourage Junior Doctors to complete better notes and the introduction of a tracking system for the notes. It was reported that both initiatives have improved the capturing of activity and have seen a reduction in the number of temporary notes, which is a key safety indicator. The Committee welcomed the feedback. DWells</p>	

		<p>confirmed that the best response to the action point would be an action plan, to be presented at a later date.</p> <p><b>ACTION:</b></p> <p><b>DHolden to do an action plan.</b></p> <p>The remainder of the actions noted within the minutes had been completed or were included within the agenda for discussion.</p>	<p><b>Action 1</b> <b>DH</b></p>
3	a	<p><b>Clinical Audit Presentation</b></p> <p>VPhongsathorn presented to the Committee the progress made in the Medical division on embedding the Clinical Audit culture. The enthusiasm for clinical audits in the department meant that the target of 100 audits was slightly over ambitious leading to a review reducing this to a more focussed 70-80 projects this year.</p> <p>A discussion followed around the monitoring, implementation and benchmarking of the outcomes of clinical audit. The Committee were informed of the hierarchal structure of accountability within the Hospital for Clinical Audit with DHolden and VPhongsathorn highlighting further work on linking risk and clinical audit together. Clarification was sought and given on how the audits were chosen and the difference between local and national clinical audit.</p> <p><b>Clinical Audit Report</b></p> <p>The Committee followed up last times' actions with the Medical Director and acting Chief Nurse concerning progress on the completion of actions to deliver recommendations for this significant, and red rated, internal audit reports.</p> <p>Following discussion, and the earlier presentation, the Committee now better understands the position against the recommendations and it is clear that progress is being made (but noted the delay). The Committee also welcomed the opportunity to discuss how clinical audit is operating in the Trust. NAtkinson confirmed that internal audit were comfortable about progress and would review in February.</p> <p>DHolden informed the Committee that the divisions will be improving their use of the intranet to inform and raise awareness of issues that had been highlighted during the clinical audit process. NAtkinson and DWells commented on the need to focus on areas that feed through to the Board Assurance Framework and Quality Account to ensure the public have assurance.</p> <p>In summary, there is assurance on progress, but not on completion. Clinical audit was subject to a review that would be taking place internally with internal audit for February. The AAC would review in January and prior to completion of the Head of Internal Audit Opinion for the year.</p>	

		<p><b>ACTION:</b></p> <p><b>AAC to review clinical audit in January.</b></p> <p>The Committee noted that the Management Board for Quality and Risk was now reviewing outstanding internal audit recommendations.</p>	<p><b>Action 2 DH</b></p>
3	b	<p><b>Board Assurance Framework (BAF)</b></p> <p>The Committee noted further improvement of the BAF to be presented to the Board and in particular a) the further improvement in internal consistency and b) the ability to take from it (more easily) the key risks to the Trust.</p> <p>CPink summarised the latter, which appear as the red rated items in the report – respectively: non-elective activity demand, infection control, patient experience and within finance, overspending, income and liquidity.</p> <p>RDurban commented on “failure to reduce non-elective demand” (Ref 1.1b) and there was discussion about revised plans with Sussex CCGs to reduce the non-elective demand. DHolden advised that this was a patient care issue (the BAF records this against that) because of the impact on overcrowding in the hospital, noting there were secondary financial and operational impacts.</p> <p>There followed a discussion about the governance framework and the governance requirements for FT status. GFrancis-Musanu noted the Committee’s comments as well as highlighting the Trust’s moves to improve governance. The Committee noted that risk around this aspect may be something that the Board discusses when it reviewed the BAF in 2 weeks.</p> <p>The impact of the savings target and consultation processes were raised in respect of ref 4.3 – “listen to, value and develop our work force”. SBrittain highlighted improving communications, the outputs in improving quality on the wards (e.g. palliative care) and other indicators suggesting that this was being managed. PSimpson affirmed the need for good management of these aspects and also noted the change in mood seen in the “all-staff” meetings and in other forums.</p> <p><b>Internal Audit SASH Assurance Review</b></p> <p>The internal audit rolling review provided assurance to the Committee about the back up on 3.1a – cross organisational pathways that meet patients’ needs and ref 4.1c – the medium term financial plan. The Committee had a discussion on whether the risk rating having been lowered from a 15 to a 10 was too optimistic. PSimpson [after the meeting] agreed that the risk would be raised from its current 10 to 15 in the BAF.</p>	
4	a	<p><b>External Auditors</b></p> <p>DWells presented the audit fee letter explaining that the fees had been reduced this year for two reasons. Firstly a general reduction in fees being given across NHS Trusts by Grant Thornton and secondly the continued</p>	

	b	<p>improvement in SASH's risk assessment that takes place at the time of the audit (i.e.: there was less risk compared to the previous year, and this had been a trend since 2008).</p> <p>The Committee had a discussion about where SaSH sat in the table of Trusts the audit fee lay as well as noting the Audit Progress Report.</p> <p><b>ACTION:</b></p> <p><b>DWells to find out and supply the Committee with the table of Audit fees.</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>Statutory and mandatory training</u> – Green/Amber: some issues exist over ensuring attendance and KPIs. The Committee were encouraged by the positive messages in the report recognising past issues over this area -good assurance.</li> <li>▪ <u>Outpatient appointment management</u> – Green/Amber: again an encouragingly positive report with good work in progress and delivery to date. There are 9 recommendations which describe procedural and process aspects and some environmental aspects – good assurance.</li> <li>▪ <u>CQC reporting</u> – advisory audit on outcome 7 (safeguarding) and outcome 4 (care and welfare of service users) <ul style="list-style-type: none"> <li>○ On outcome 7 (safeguarding): Internal Audit found the Trust maintained appropriate evidence and the 6 recommendations concern procedural aspects. The Committee noted that it was a positive report with no serious concerns.</li> <li>○ On outcome 4 (care and welfare of service users): It was noted that the report was very positive. Internal Audit noted that the CQC had inspected this outcome and affirmed the trust was meeting the CQC standard. Internal Audit also looked at Trust action on improving safety, patient experience and clinical effectiveness. It found evidence of improvement from patient experience reporting, the change to the Trust's performance rating and within the Trusts' monthly reporting of various KPIs. The Committee noted one low rated area with a recommendation about the use of the Provider Compliance Assessment tool.</li> </ul> </li> </ul> <p><b>Incidents Report progress</b></p> <p>The Committee was informed of the progress on training for and the implementation of DATIX. The pilot work (to ensure the system worked in practice) was started on 12 November. The system is being trialled in 7 to</p>	<p><b>Action 3 DW</b></p>
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