

**The minutes of the Whittington Hospital Audit Committee meeting held on
Wednesday 11th January 2012**

Present	Peter Freedman	PF	Non-executive Director (Chair)
	Robert Aitken	RA	Non-executive Director
	Anita Charlesworth	AC	Non-executive Director
	Sue Rubenstein	SR	Non-executive Director
	Marisha Ray	MR	Specialist Adviser
In attendance	Celia Ingham Clark	CIC	Executive Medical Director
	Richard Martin	RM	Director of Finance
	David Williams	DW	Assistant Director of Governance
	Margaret Boltwood	MB	Director of People
	Bronagh Scott	BS	Executive Director of Nursing & Patient Experience
	Anthony Smith	AS	Audit Commission
	Ivan Doncaster	ID	Parkhill Audit Agency
	Max Lai	ML	Parkhill Audit Agency
	Surinder Ahir	SA	Parkhill Audit Agency
	Maggie Buckell	MBu	Director of Operations, Women Children & Families
Secretary	Vivien Bucke	VB	Business Support Manager, Finance

- 12/001** **Welcome and Apologies for Absence** **Action**
Apologies received from Maria Da Silva & Andrea White.
- 12/002** **Draft Minutes of the meeting held on 15th September 2011**
Amendments: 11/114.3 BAF every month to EC & 11/114.5 BAF every month to Audit Committee.
- 12/003** **Action Notes & Implementation Tracker (Doc2)**
- 3.1 1107.5 Template of Executive Summary Awaiting further comments
- 1107.6 Spreadsheet of Monitor requirements & Sources of Self-certification
DW confirmed that he is looking at the processes for quality and checking 100 returns and the new Interim Corporate Secretary will help with this work. ID to liaise with DW on this work. Both items due Mid January. **DW/ID**
- 3.2 1109.02 Community Annual Audit Letters RM confirmed there are no issues with the Islington report but he had received the Haringey report today and would report back at next meeting. RA asked if anything vital be communicated via email but RM confirmed measures had been put in place prior so no vital issues. **RM**
- 3.3 1109.08 IT Risk Register
DW confirmed work had been completed and would be incorporated in the next Risk Register. **DW**

- 3.4 1112.01/03 CIP/QIPP Final report
RM confirmed responding to Parkhill with final recommendations. **RM**
- 3.5 1106.3 IA Evidence to Monitor on quality impact of CIPs.
Further guidance due in December.
- 3.6 1112.11 Consolidation proposal of BAF meeting
Completed.
- 3.7 IA Action : Non Pay Expenditure
RM stated there had been a substantial assurance report for Non Pay and this item should be completed by next Audit Committee.
- 3.8 AC noted that progress on Actions was much improved.

12/004 **External Audit progress report (Doc 3)**

- 4.1 AS highlighted Page 3 paragraph 7-9 ISA requirements and Appendix 2 Questions for the Audit Committee. It was agreed that the supplementary questions would be answered by email. RM confirmed that AW was satisfied with his responses however, AC felt the Statement of control should be included. AS confirmed that the meaning of Fraud in this context was in financial misreporting. It was agreed that with RA attending CIP Board, detailed reports from Trust Board and with the release of provisions explained by RM there was minimal scope for an error in misreporting.
- 4.2 RA raised the issue of Fraud training not being available by e-learning and MB to investigate. **MB**
- 4.3 In relation to communication CIC confirmed that a)the issue of probity is raised at Doctors yearly appraisals b) there is a policy on new procedures c)No drug can be used unless gone through the Drugs and Therapeutic Committee d)there is a Clinical Ethics Committee and a Research Ethics Committee and e)The Whittington follows national guidance of professional high standards.
- 4.4 ID confirmed that Internal Audit are always reviewing internal controls and this should be added. **DW**
- 4.5 *Question 3) How do you gain assurance that all relevant laws and regulations have been complied with? Are you aware of any instances of non-compliance during 2011-12?*
There was a discussion on the going concern assumption and as part of the mapping exercise being undertaken by DW, It was agreed that the new Interim Corporate Secretary would update the Committee with any new laws to ensure compliance. Self Certification will be added.
- 4.6 *Question 5) Have you carried out a preliminary assessment of the going concern assumption and if so have you identified any events which may cast significant doubt on the Trust's ability to continue as a going concern?*
RM confirmed that External Audit's Value for Money concluded an acceptable level of risk and the Trust Board and NHS London view all

plans, including CIP (which will deal with future years) and the Safe Review. It was agreed that the new Interim Corporate Secretary would look at this issue which would be discussed at the March Audit Committee.

12/005 **External Audit 2011/12 Audit Plan (Doc 4)**

- 5.1 AS highlighted Table 1 Significant Risks but said that merger accounting risk was no longer relevant.
- 5.2 RA queried the £10K cost for redundancy; AS stated this was a charge for work done and not a flat rate charge and RM stated that NHS London confirmed this had to be paid. It was noted the Committee's surprise at the level of costs for redundancy work.
- 5.3 AS confirmed that on the 24th February the Audit Commission Board will decide on new auditors and the contract will begin in September.

12/006 **Internal Audit Progress Report (Doc 5)**

- 6.1 ML outlined the report and stated it was hoped that the Audit Plan be agreed as close to the start of the financial year. It was agreed that by mid-February a draft proposal would be emailed to all members of the Committee.
- 6.2 AC queried whether the number of days against Community Services was for SLR but RM confirmed SLR would be a separate project and the 20 days would be to ensure Community Services are adhering to financial processes.
- 6.3 RM said identifying the cost associated with Community and Estates and IT is an ongoing project and is potentially a risk of funding not agreed at correct level.

ML

(Margaret Boltwood arrived)

- 6.4 PF asked for further comments on the CIP report.
- 6.5 There was a discussion on Evaluation processes for Board Performance and its Nominated Committees (4.3). SF felt that Monitor will focus on the Quality Governance Framework and there is a need to be clear that standards are being met. BS agreed and felt there is a need to be clear if feeder committees are working as they should. ML stated the robustness of data will be looked at MR asked for more 1:1 interviews to provide evidence of a more rounded Board.
- 6.6 There was a discussion on the need for a Finance & Risk Committee and while it was agreed that with the current Board set up this is not required at present it was agreed that ID would attend Trust Boards and there would be an assurance of the Board structures having sufficient financial discussion by the next Audit Committee.
- 6.7 PF noted item 4.5.7 Duplication with Quality and Patient Committee but it was felt that as the new Quality Committee became established this would cease.

All

ID

- 12/007 Bribery Act Assessment (Doc 6)**
7.1 DW confirmed that the key issues are how information is communicated to staff and we have procedures in place should the Whittington be prosecuted. NS confirmed an article will be in the Whittington Bulletin and Alan Farnsworth is liaising with lawyers on the addition of appropriate clauses into contracts.
- 12/008 Counter Fraud Progress Report (Doc 7)**
8.1 PF asked about false over time claims and whether this implied a failure of control. NHS stated a camera had now been installed as a deterrent.
- 12/009 Recommended Bad Debt write off (Doc 8)**
9.1 AC raised the issue of Camidoc going into liquidation and RM stated the company was commissioned by the PCT and no more information had been forthcoming but he agreed to follow-up on Harmony bills. Write off agreed. **RM**
- 12/010 Tender Waiver Report (Doc 9)**
10.1 PF asked that someone from Procurement come to next Audit Committee to explain the Waiver process.
- 12/011 Review Terms of Reference (Doc 10)**
11.1 AC queried how often Information Governance reports were presented and to which Trust Committee. BS advised that the Information Governance report was previously presented to the Clinical Governance and Quality Assurance Board in Whittington Hospital Trust which then reported directly to Audit Committee. It was agreed that in the new committee structure the Information Governance report should be presented directly to Audit Committee by the SIRO for the Trust on an annual basis, plus routine reports May 2012 July/November/January 2013. **DW**
- 11.2 PF asked that 5.3 Membership and 4.2 Meeting be amended as not currently in sync and items 5.6/5.7 be amended.
- 12/012 Updated Board Assurance Framework (Doc 11)**
12.1 PF asked for any further comments on risks and link to strategic objectives, any comments on the BAF and proposals for deep dive for the next meeting. **ALL**
- 12.2 BS informed the meeting that David Seabrook will be joining as Interim Corporate Secretary and will be arranging meetings to discuss the BAF. PF asked for comments on Risk Ref: FP2.3 to go to David Seabrook.
- 12.3 BS raised the issue of an external organisation going into liquidation – how do we monitor and who owns the risk. ID confirmed that if an FT the risk is greater but this is part of the going concern monitoring. RM stated whilst there are rules in the system at present this has to be part of contingency planning. It was agreed that this should be included in the BAF as a risk that cannot be controlled. CIC felt that risk of work being diverted from the Whittington by someone else should be listed to the CEO.
- 12.4 AC asked that assurance on BAF controls be a priority for next year and

ID confirmed this is part of the Head of IA opinion usually completed Jan/Feb. Some areas will be re-performed to see if IA agreed with the risk ratings.

- 12.5 PF suggested a deep dive on W1.3 but MB felt that some staff engagement issues will be apparent at 25th January Trust Board & to consider after this meeting if needed. ID suggested Q3.8 for deep dive.

12/013 Mandatory Training (Doc 12)

- 13.1 PF asked what the plan to achieving 75% by March is and MB confirmed Directors are taking the issue seriously and there will be monthly updates at Facilities Board. MR/ID raised issue of perhaps weekly or fortnightly updates. MB actioned to raise with Information Governance if it is possible to produce meaningful reports this often.

MB

- 13.2 *CIC confirmed she had briefed MB on Fraud Training not being on e-learning*

12/014 Corporate Risk Register (Doc 13)

- 14.1 DW confirmed there is now a structured cycle which will be monitored and the Bribery Act risk had been added. DW asked for comments. It was agreed that any risks not directly linked to the BAF would be reported on the Cover sheet. BS confirmed goes to EC on the 3rd Tuesday of the month. CIC reminded the Committee that the Patient Safety Committee discussed high risk issues and invited members to attend if they wished.

ALL

12/015 Update on Cost Improvement Programme (Doc 14)

EH in attendance for this item.

- 15.1 RM outlined the focus is on 2012/13 but there is a struggle to identify the full £19.55m. There is an advantage with the delay in SIFT income loss. There is a requirement by NHS London that all plans have a 0.5% contingency and in 2013/14 the bulk of staffing changes will begin with the associated costs.
- 15.2 There was a discussion on the need to find CIP from Pentonville and RM confirmed that 2 years in advance CIP had been already asked for from the Divisions and there were a series of benchmarking tests to be undertaken.
- 15.3 BS stated that NHS London would be holding a work stream board regarding the nursing levels and she confirmed that if savings were subsequently to be made it could involve closing beds. AC stated that she felt an extra savings plan was needed to compensate if nursing productivity savings were not made and BS stated benchmarking was already taking place but some hospitals were increasing staff due to issues of quality of care. RM informed the meeting that Operating Plans to NHS London will be submitted as agreed until the nursing productivity is changed. BS said that higher grade nurses are being reviewed and there will be some savings there and there are skill mix reviews of diabetes and specialist nursing care.

12/016 Any Other Business

None.

SIGNED..... (Chairman)

DATE.....