

Minutes of Audit Committee Meeting

Date:	3 November 2016	Time:	10 am – 12 noon	Meeting No.	
Location:	Meeting Room 6, Trust HQ, 9 Alie Street, London				

Chair:	Paul Hendrick, Non-Executive Director (PH)
Minute taker:	Hazel Beale, Corporate Minute Taker (HB)

Present		
Name	Title	Initials
Mary Elford	Non-Executive Director	ME
Paul Hendrick	Non-Executive Director	PH
In Attendance		
Nick Atkinson	RSM - Internal Audit	NA
Steven Course	Director of Finance	SC
Steve Lucas	KPMG – External Audit	SL
Beth Raistrick	Local Counter - Fraud Specialist	BR
Peter Sheils	Corporate Projects Manager – Barts discussion	PS
Daniel Woodruffe	Chief Information Officer	DW
Apologies		
Zenda Butler	Senior Local Counter Fraud Specialist	ZB
Sandi Drewett	Director of HR and Organisational Devt	SD
Navina Evans	Chief Executive Officer	NE
Mason Fitzgerald	Director of Corporate Affairs	MFi
Neil Thomas	KPMG - External Audit	NT

ALL PARTIES SHOULD NOTE THAT THE MINUTES OF THE MEETING ARE FOR RECORD PURPOSES ONLY. ALL CONCERNED SHOULD NOTE ANY ACTION REQUIRED DURING THE COURSE OF THE MEETING AND ACTION CARRIED OUT WITHOUT WAITING FOR THE ISSUE OF THE MINUTES.

Action Log – Audit Committee Meeting 3 November 2016

Agenda Item/meeting date	Action	Owner	Timescale
(23 May 2016) 4c	MF to take a report to the Quality Assurance Committee on clinical negligence costs.	MF	Ongoing
	Segmental reporting Review – Month 9 accounts	PH	Ongoing
7	SC/MF to work on a policy for external auditors and potentially internal auditors when carrying out any non-audit work	SC/MF	Ongoing
(3 Nov 2016) 3	Deep Dives ME and SC will discuss Deep Dives further with MF and PH, also the Audit Committee's role in covering IT risks and mitigations.	ME, SC, MF, PH	As appropriate
4	Recent IT issues in Scunthorpe. An update from the IT team will be provided to the Board in due course.	DW	As appropriate
4	Clinical Risk Ben Wright to attend Audit meeting in future to discuss Clinical Risk	PH	As appropriate
5	Segmental reporting SL will look into the appropriateness of Segmental Reporting.	SL	As appropriate
6	Demographic profile of workforce SC and PH will have further discussions on this.	SC, PH	As appropriate
9	BAF – CRES entry PS will amend this entry as appropriate	PS	Asap
11	Draft Audit Report To be discussed at January 2017 meeting.	PH	In time for next meeting

PROCEEDINGS		
No.	Agenda Item/Action Required	Owner
1	Welcome / Introductions and Apologies	ph
	PH welcomed those attending and noted apologies as above.	
2	Minutes of meeting held on 19 July 2016	PH
	<p>The minutes of the Audit Committee meeting held on 19 July were agreed as an accurate record, subject to the following amendments:</p> <ul style="list-style-type: none"> • Attendance list: DELETE 'Baker Tilley' so this entry reads: 'RSM – Internal'). • Page 5, Item 4, first paragraph: AMEND second and third sentences, so the paragraph reads: 'It was reported that there is a big issue around STP and what it means for the Trust. Whilst this has been recognised in the trust, there is not yet a formal framework to address the governance problems related to STP'. 	
3	Matters Arising from Minutes, and Action Log	KP
	<ul style="list-style-type: none"> • The Action Log was reviewed and updated (see above). • There was discussion about deep dives and the Audit Committee's role in covering IT risks and mitigations. There is some lack of clarity about which committees look at different aspects of IT. <p>Action: ME and SC will discuss this further with MF and PH.</p>	ME, SC, MF, PH
4	IT Risk update (attached)	DW
	<p>DW introduced himself as the new Chief Information Officer for the Trust. He explained that his report covers IT risks in general, rather than specifically clinical risks.</p> <p>DW presented his report on IT Risks. Work has been carried out on viruses and possible anti-virus solutions. These solutions are constantly being updated. There is less virus risk now than there used to be, which shows that anti-virus solutions are proving effective.</p> <p>NA commented that measures being taken by ELFT at present are satisfactory, particularly regarding patch management for Windows. DW said there was a significant problem some months ago with virus vulnerability at Barts, which led to the current measures being taken in ELFT.</p> <p>ME asked if we are always looking into all the recommended areas. NA confirmed that we are.</p> <p>There was discussion regarding recent IT issues in Scunthorpe. DW said the IT team are looking into this in greater detail. ME said it would be helpful to have an update for the Board.</p> <p>Action: DW will provide an update to the Board in due course.</p> <p>ME asked about loss of confidential information on shared files. SC confirmed that patients are duly informed when necessary. DW outlined measures that have been</p>	DW

	<p>taken to address issues concerning shared files.</p> <p>SC gave feedback from a recent course he attended as Senior Information Reporting Officer. He said human error always remains a risk. He asked DW about training and induction undertaken by ELFT to mitigate the risk of human error. Weaknesses include lack of vigilance regarding staff entering a building. DW replied to this and discussion followed. NA said most of this area should be covered by statutory and mandatory IG training.</p> <p>DW outlined measures in place in the event of a power failure. There is constant backup of data at Bethnal Green. A cloud based backup is also being looked at.</p> <p>High impact risk is reviewed regularly, and breaches picked up as appropriate.</p> <p>DW asked the Audit Committee if they would like him to present an Annual Report to the committee, and what should be his role with regard to the Audit Committee.</p> <p>In the discussion which followed, ME expressed surprise at the lack of clinical risk covered in the report. She referred to issues in Newham regarding clinical information, following the transfer from RiO to EMIS records. She also expressed concern that there is no clinician present at the Audit Committee meeting. She said there should be an improvement strategy for the Trust, to monitor matters regarding clinical IT and to determine whether progress is being made.</p> <p>SC said Ben Wright leads on IT and is the chief clinical information officer, while Kevin Cleary's role is more in the area of information governance. SC said it would be helpful for Ben Wright to attend the Audit Committee in future, to talk about clinical risk. This was agreed. Action: PH to invite Ben Wright to attend Audit meeting in future.</p> <p>SC commented that there is not at present a fully structured process for reporting on clinical risks and bringing these issues to the attention of the Board on a regular basis. There needs to be more focus on this in future. PH said this will be looked at more closely in this afternoon's meeting on the Integrated Performance Framework and the Board Assurance Framework.</p> <p>SC said some issues referred to by ME are more a matter of DMT management.</p> <p>PH said in future the Board should be kept regularly informed of risks regarding clinical information, and the BAF should contain clear references to this area.</p> <p>In answer to a question, DW confirmed that there is Wifi access in all patient areas.</p> <p>The Audit Committee RECEIVED AND NOTED the IT Risk Update.</p>	PH
5	<p>External Audit Recommendations (attached)</p>	SC/DW
	<p>SC presented the report on External Audit recommendations. This lists the ways in which the Trust has responded to recommendatinos.</p> <p>DW reported on measures being taken to address issues with clinical systems and RiO data. Further training is being given to staff concerned.</p> <p>Segmental Reporting This continues under review. PH asked if there was any merit in having segmental reporting in this case.</p> <p>Action: SL will look into the appropriateness of Segmental Reporting.</p> <p>SL said he was happy with progress.</p> <p>The Audit Committee RECEIVED AND NOTED the External Audit update.</p> <p><i>DW left the meeting following this item.</i></p>	SL

6	External Audit Update (attached) Progress Report	SL
	<p>SL presented the External Audit Update.</p> <p>PH asked if the demographic profile of the workforce is being looked at in the BAF.</p> <p>Action: SC and PH will have further discussions on this.</p> <p>ME said this issue is being addressed in the work on the Integration Framework.</p> <p>The Audit Committee RECEIVED and NOTED the External Audit Update</p>	SC, PH
7	Internal Audit Update a) Progress Report b) Health Matters	NA/CM
	<p>NA presented the Internal Audit Update. This included the following points:</p> <ul style="list-style-type: none"> • The main issues are in the areas of Cyber Security and Temporary Staffing. • In general progress is satisfactory. There are more green sections than there have been so far. <p>ME asked about complaints management, which was discussed briefly.</p> <p>NA gave a summary of work that could be undertaken to manage staff retention and recruitment issues.</p> <p>NA expressed some concern that the Health Roster is not being fully implemented. He stressed that in some areas, recruitment procedures could be followed more closely.</p> <p>NA said it would be helpful to have more information regarding reasons for employing Agency staff. On the whole, however, there is a lot of good practice.</p> <p>SC outlined the measures that have been taken to address the matter of temporary staffing. More could be done in this area, particular with regard to District Nursing. More analysis needs to be carried out, including use of Bank staff for short periods of two or three days' sickness absence.</p> <p>ME said the management of the Health Roster and Agency staffing could be improved. More progress could have been made following the government report a year ago. SC listed many discussions that are taking place in different committees to try and improve the situation. He said these measures need to be documented more thoroughly. He said progress is being made, although this is not as rapid as we would like.</p> <p>The Audit Committee RECEIVED and NOTED the Internal Audit Update.</p>	
8	Counter Fraud Update – Progress Report (attached) a) Investigation Schedule b) Proactive Schedule c) Counter Fraud and Bribery Policy	ZB, BR
	<p>In the absence of ZB, BR presented the Counter Fraud Update Progress Report. This included the following points:</p> <ul style="list-style-type: none"> • There were 61 new referrals since 1st April 2016. Six cases are currently with HR for disciplinary consideration. • New proactive reviews have been commenced. 	

	<ul style="list-style-type: none"> Unannounced visits will be made to wards in connection with holding money. <p>The Recommendations matrix was reviewed and discussed.</p> <p>Updated Counter Fraud and Bribery Policy BR asked for the Audit Committee's approval of the updated Counter Fraud and Bribery Policy. She explained revisions and additions that have been made.</p> <p>The Audit Committee RECEIVED and NOTED the Counter Fraud Update – Progress Report and APPROVED the</p>	
9	Board Assurance Framework	MFi/PS
	<p>In the absence of MFi, PS introduced himself and summarised the main points in the Board Assurance Framework. The following points were included:</p> <ul style="list-style-type: none"> There was positive feedback from the CQC regarding the BAF and the Trust's risk management. A new risk has been added to the BAF (3.6) regarding Transformation and Sustainability plans. Approximately 9 risks have been downgraded since the CQC visit. Some risks have been increased, for example 3.1 – Effective relationship with the commissioners; 3.5 short term CRES savings – risk increased from 16 to 20. PS explained the reasons for the increases. It was noted that there is an inaccuracy in the table in the entry for CRES. Action: PS will amend this entry. <p>There was discussion regarding the process for changing risk levels, and the Trust's Risk Appetite. Discussion followed on this. PH said the Board should sign off the Trust's Risk Appetite.</p> <p>ME asked about issues regarding the management of clinical information, and expressed concern that these are not included in the table. It is also a concern that the specific risk of District Nursing does not feature in the report. It was agreed that this will be discussed further in the context of the Integrated Performance Framework.</p> <p>The Audit Committee RECEIVED and NOTED the report on the Board Assurance Framework.</p> <p><i>PS left the meeting following this item.</i></p>	PS
10	Waivers (attached)	SC
	<p>SC presented the Waivers Report. He said this report gives further detail than previously contained.</p> <p>ME enquired about the case of Private Ambulance Services. SC said this had previously put out to tender, but in this instance it was another purchase order on top of the original one. It will go out to tender again in future.</p> <p>The Audit Committee RECEIVED and APPROVED the Waivers Report.</p>	
11	Quality Assurance Minutes (attached)	ME
	<p>ME referred to the Quality Assurance Minutes. She said most points have been already discussed at this meeting. She said she and SC have held discussions to ensure that the Board is fully engaged in the Internal Audit Plan in good time. The process was a bit rushed last year.</p>	

	SC said meetings are being held to address this. NA said he will bring an early draft of his report to the January meeting. Action: To be discussed at January 2017 meeting. The Audit Committee RECEIVED and NOTED the Quality Assurance Minutes.	PH
12	Committee Annual Work Plan (attached	PH
	The Committee Annual Work Plan was discussed briefly. The Audit Committee RECEIVED and NOTED the Committee Annual Work Plan.	
13	Any Other Urgent Business	All
	None.	
14	Date of Next Meeting	All
	<ul style="list-style-type: none"> • 2-4 pm, Tuesday 17 January 2017 	

There being no further business, the meeting closed at 12 noon.