Chairpersons Report

<table>
<thead>
<tr>
<th>Chairpersons Name</th>
<th>Carole Hudson</th>
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<tbody>
<tr>
<td>Committee Name</td>
<td>Audit Committee</td>
</tr>
<tr>
<td>Date of Meeting</td>
<td>5 August 2015</td>
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<tr>
<td>Name of Receiving Committee</td>
<td>Trust Board</td>
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<tr>
<td>Date of Receiving Committee meeting</td>
<td>September 2015</td>
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<tr>
<td>Strategic Items for referral to Trust Board</td>
<td>No</td>
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<td>Items for escalation?</td>
<td>None</td>
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Please detail the key successes or achievements discussed at the meeting
1. Clinical Audit Report
2. IA Report’s transparency
3. Performance
4. CTB Accounts

Details of the top risks identified during the course of the meeting and initials of primary member of staff actioning
1. Financial Challenge MP
2. Outlier on SHIMI UP
3. Process for monitoring training compliance AB
4. CCG tender MP

Attendance at the meeting (please highlight):
<table>
<thead>
<tr>
<th>Excellent (well attended)</th>
<th>Acceptable (some apologies)</th>
<th>Unacceptable (quorate)</th>
<th>Unacceptable (not quorate)</th>
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Was the agenda fit for purpose and reflective of the Committees terms of reference? YES

Narrative report of the key issues of the meeting
The meeting looked at the impact of the CCG 5 year plan and how the risks would be monitored and mitigation applied. The progress achieved in meeting the standards of the IG Toolkit and the significant improvement achieved was noted. The committee were pleased to receive an update from Pharmacy providing assurance on stock management. The IA report was welcomed by the committee noting that limited assurance had been given on the theatre utilisation review but that the management response had accepted the recommendations and put necessary actions in place. The CQUIN and pay progression reports had received significant assurance. The Committee received and welcomed the ISA260 report on the Charitable Accounts that had found no issues. The high standard of clinical audit and recognition of the Trust’s being an exemplar Trust for the use of lay clinical auditors was also noted.

Key outcomes from the reports taken at the meeting
- Approval of the Charitable Fund Accounts with no EA issues
- Management actions following the theatre utilisation review to use a consistent methodology for calculating theatre utilisation across the Trust
- Internal Audit to look at contract extensions as part of their contract management review

Agreed actions from the meeting
<table>
<thead>
<tr>
<th>Name of primary lead for the actions</th>
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<td>Contained in the body of the minutes.</td>
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MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD ON WEDNESDAY, 5 AUGUST 2015 AT 9.30AM
IN THE THQ BOARDROOM

PRESENT

2015/16

05  05  05  05  08

Mrs C Hudson (Chair) Non Executive Director  
Mr G Bean, (Chair) Non Executive Director  ✔  ✔  
Mr R Armstrong, NED  -  -  
Mr R Collinson NED  ✔  ✔  
Mr N Turner NED  ✔  A  ✔  
Mr N Campbell NED  ✔  ✔  -  
Mr M Guymer, NED  -  -  -  A

IN ATTENDANCE

Mr R Forster, Acting CEO  -  ✔  A
Mrs Pauline Law, DD Nursing  ✔  ✔  ✔
Mrs H Hand, Trust Board Secretary  ✔  ✔  ✔
Mrs F Noden, Director of Performance  A  ✔  
Mrs P Jones, Director of Nursing  A  A  A
Mr J Lenney, Director of HR & OD  -  -  
Ms F Middleton, Deloitte  ✔  ✔  ✔
Mrs C Ryan, Counter Fraud  ✔  A  ✔
Mr P Thompson, Deloitte  -  ✔  -  
Ms L Warner, Internal Audit Manager  ✔  ✔  A
Mrs L Hancock, Corporate Services Administrator  ✔  ✔  A
Mrs A Edis, Compliance and Assurance Lead  -  -  
Claire Alexander, Head of Governance and Assurance  ✔  ✔  ✔
Shirley Martland, Financial Controller  ✔  ✔  A
Deborah Harman, Deputy Financial Controller  -  -  ✔
David Hughes, Associate Director of Finance  -  -  -  
David Willis, Head of Information Governance  -  -  ✔
Alison Balson, Interim Director of HR  ✔  ✔  ✔
Umesh Prabhu, Medical Director  A  A  A
Steve Connor, Deputy Director MIAA  ✔  A  ✔
Carolyn Wood, Deputy Director of Finance  ✔  ✔  ✔
Debbie Rimmer, MIAA  -  -  ✔
Laurence King, Information Governance  -  -  ✔
Mary Fleming, Surgery  ✔  -  -
Mike Pye, Interim Director of Finance  ✔  ✔  ✔
Jeremy Peacock, Pharmacist  -  -  ✔

1. COMMITTEE CHAIRS OPENING REMARKS

C Hudson welcomed all to the meeting as she had now taken over as Chair of the Committee from Mr G Bean who had now left the Trust as he had come to the end of his term of office. C Hudson gave thanks for the work of G Bean as the previous Chair of Audit Committee. It was noted that the meeting was unfortunately not quorate but there were no items for formal decision on this occasion, decisions would be ratified at the next meeting. C Hudson noted that she would bring forward item 6c on the agenda to allow R Mundon to present this item.
2. APOLOGIES
   As noted in the table above.

3. DECLARATION OF INTERESTS

   None declared.

4. PRESENTATION ON THE IMPACT OF THE 5 YEAR PLAN

   R Mundon noted that the CCG had produced a 5 year commissioning plan and C Hudson had asked for clarification on what potential risks were associated with this plan for WWL. RM advised that the plan was very high level and so far there had not been a great deal delivered against the commissioning targets. Three services had however been put out to tender, diabetes, rheumatology and respiratory services. WWL were submitting a joint application with Bridgewater on the diabetes tender. The rheumatology tender was on hold due to a legal challenge and the respiratory tender was focused on GP services. R Mundon confirmed that a risk assessment had been undertaken and the risk recorded on the risk register which included the risk around integrated community nursing and out-patient service redesign. The BAF risk was currently scored at 20. NT noted that clarification had needed to be sought from the CCG on the service specifications. A Balson confirmed that TUPE could be applied if required for staff. R Mundon reported that the CCG had engaged a company to look at where WWL services were more expensive than the rest of the country but this did not correlate with the Trust’s reference costs. The risk around the integrated community nursing tender was more significant for Bridgewater than WWL and there could be interest from the private sector. C Hudson noted that at the next meeting it would be important to focus on the Implications of the CCG plan year 2 being included in the risk register and the mitigation. This would include the extent of the saving implications and concerns regarding the CCG tender process.

   Action: Update on tender progress to come to the next meeting. (RM)

5. IG TOOLKIT AND IG COMMITTEE DEEP DIVE

   D Willis and L King were in attendance to present on progress achieved against the IG Toolkit and the work of the IG Committee. D Willis covered the results of the internal audit report and the work undertaken to improve the 4 requirements identified within the report. The Toolkit areas covered were 307, 508, 112 and 323.

   The next steps were to agree a risk assessment form with C Alexander which would then be completed by the Information Asset Owners. It was noted that the number of FOI requests was continuing to increase and this was presenting a capacity challenge to the IG team. M Pye reported that he had taken on the role of SIRO for the last 6 months and had noticed significant progress achieved by the team during
that time. C Hudson noted the important work taking place and asked that an update be brought to the December meeting.

Action: Update report on IG toolkit progress to come to December meeting.

6. APPROVAL OF MINUTES OF MEETING ON 20.05.15

These were agreed to be an accurate record. It was noted that Paul Thompson was the correct spelling of his name.

Action: HH to add a p into Mr Thompson’s name.

7. MATTERS ARISING

a. ACTION LOG
   All action updates were received and noted.

b. WORK PLAN 15/16
   The work plan was received and noted.

c. TERMS OF REFERENCE

   H Hand circulated updated terms of reference to the meeting. C Hudson noted that the agenda currently included a lot of minutes from sub committees that had already been seen elsewhere including Trust Board which was unnecessary duplication. It was suggested that a deep dive of the minutes only be done within a cycle in the work plan. C Hudson asked all present to send any comments on this suggestion to her as she felt the key role of the committee was to monitor the risk escalation process.

   H Hand reported that the Corporate Communications Committee had now moved to report via HR committee. It was noted that the reference to the Audit Committee Handbook needed updating to state 2014. C Hudson asked how effectiveness of the whistle blowing process was monitored. A Balson confirmed that a report would go annually to Audit Committee and Trust Board.

   Action: Monitoring report on whistle blowing to go annually to Audit Committee and Trust Board.

8. CORPORATE GOVERNANCE

a. DRAFT CHARITABLE FUNDS ACCOUNTS AND DRAFT ISA260 REPORT

   C Hudson advised that item 5a and 8 would be taken together. It was confirmed that the accounts had been audited in accordance with the timeframe agreed by the CTB. This will be submitted to the Charities Commission in January 2016. F Middleton confirmed that the audit had
shown no issues identified and the ISA260 certificate had been issued. The Accounts were received and approved.

b. **Contract Management Report**

C Wood presented the report which had been produced at the request of G Bean who had requested a central registry of contracts. C Hudson noted that an area of concern was when contracts were extended and not put out to tender. C Wood recommended in the report that the current system was maintained and IA had been happy with this recommendation. It was confirmed that contract management was included in the IA work plan this year and C Hudson requested that IA look at contract extensions as part of their review.

The Committee confirmed approval of the recommendation to continue with the current system.

**ACTION:** IA to include review of contract extensions within audit work on contract management.

**Losses and Compensations Report**

D Harman presented the report which covered Q1. The change to the SBS system was noted and this would be reflected within the Q2 report.

**Pharmacy Q1 Update Report**

Jeremy Peacock provided the update on behalf of M Parks, Chief Pharmacist. It was noted that a pharmacy benchmarking data exercise would be completed at the end of 2015/16. All the fridges had been updated and this has significantly mitigated the risks of stock going out of date. Stock held at Wigan and Wrightington is being reduced but stock has increased at TLC due to biologics but the possibility of a gain share agreement with the CCG was being explored. A pharmacy dashboard report was expected to go live in September.

c. **CLINICAL AUDIT SELF ASSESSMENT ANNUAL REPORT**

C Alexander presented the report noting a particular highlight being the lay Auditors which had been recognised by HQUIP as an exemplar model. Links with Divisional Governance leads had improved via the DQECs. C Alexander acknowledged the leadership of Dr A Thompson and the very successful half day event that had taken place. Looking forward clinical audit was being involved in learning lessons from significant events, incidents and complaints.

C Hudson acknowledged the very impressive report and level of clinical audit taking place. C Hudson asked how much of the training was compulsory and if some level of training was applied to agency staff. C Hudson noted that she had been very impressed by a recent visit to Standish Ward. C Alexander reported that training comes under medical education. A Balson confirmed
that agency staff are covered by a set of core standards and an induction pack is also provided with the primary focus being on agency staff being fit to practice. A Balson confirmed that an electronic system recorded mandatory training and all other training is recorded on ESR. Compliance with mandatory training in the trust was very good at 95% and this is reported monthly via the performance report. M Fleming confirmed an escalation process was in place for those who failed to comply. C Hudson suggested that the accountability framework should demonstrate the progress made.

d. **MONITOR Q1 RETURN**

The report was received and noted. H Hand confirmed that the process to submit the return to Monitor had been followed and submitted within the required timescales. N Turner asked about the performance penalties and how the recent letter from Monitor would affect WWL. M Fleming reported that this was about RTT penalties and this was not a big component for WWL. M Fleming was to speak to the CCG regarding reinvestment of penalty charges.

e. **GIFTS AND HOSPITALITY REGISTER REVIEW**

H Hand presented the report for information. UP confirmed he was happy to issue an email communication again reminding clinical colleagues of their duty to declare. It was suggested that this could also been covered in appraisal meetings. PL commented that she was not happy with the rationale given for acceptance at item 1 and 2. It was noted that IA was currently involved in a review of the G&H process and this would include a survey to staff.

f. **REVIEW OF EFFECTIVENESS REPORT Q&S COMMITTEE**

The report was received and noted. T Warne had now taken over as Chair of this committee.

g. **DEEP DIVE OF REPORTING COMMITTEE MINUTES**

The IG minutes were noted earlier in the meeting but would be taken again at the next meeting.

9. **RISK MANAGEMENT**

a. **REVIEW CHANGES IN POLICY WHICH MAY AFFECT COMPLIANCE (FOR INFORMATION)**

No items this meeting.

b. **CONSIDER ADEQUACY OF ALL POLICIES**

No items this meeting.

c. **RISK ESCALATIONS / REFERRALS**
The impact of the 5 year plan was taken earlier in the meeting.

d. CORPORATE RISK REGISTER

C Alexander reported on the change of the system from Health Assure to Datix which had seen some delays. The CRR had been discussed at REMC and challenge put to some risk scores. This was now chaired by R Mundon and Q&S Committee do a deep dive of REMC minutes which were positively received. Discussion took place at REMC on how the BAF risks could be better reflected on the CRR.

10. INTERNAL AUDIT

a. INTERNAL AUDIT PROGRESS REPORT

S Connor advised that 3 reviews had been completed since the last meeting. Theatre Utilisation, CQUINS and Pay Progression.

Theatre utilisation
This had been given limited assurance. The audit had identified weakness in the calculation and reporting of theatre usage across the Trust that impairs the process of performance monitoring including information that is reported to the Trust Board. A high level recommendation was to use a consistent methodology for calculating theatre utilisation across the Trust. The actions had been agreed and IA were pleased with the management response. C Hudson noted this as a good report that had been accepted by the Trust.

CQUIN
This report had received significant assurance. The only issue was that the CQUIN Implementation group had only met once in 14/15 but the Head of Contracting and Planning confirmed that she meets monthly with each of the leads to ensure all is on track.

Pay Progression

This report received significant assurance. Two medium recommendations had been made relating to completeness of documentation and these had been accepted by management.

b. INTERNAL AUDIT TRACKING REPORT

The report was presented by S Connor who noted that were no major outstanding issues. N Turner noted the issue of disposal of equipment and noted that this would be impacted by DevoManc. It was noted that not a lot of equipment is destroyed at WWL as IT strip down equipment and reuse components where they can.

c. AUDIT COMMITTEE UPDATE
The report was received and noted. C Hudson noted the usefulness of the MIAA events she had attended.

11. EXTERNAL AUDIT

   a. DRAFT ISA 260

   This was discussed earlier in the meeting.

12. COUNTER FRAUD PROGRESS REPORT

   Progress Report
   C Ryan presented the report noting that a visit from the Senior Compliance Officer of NHS Protect was due to take place. A report of the findings will be submitted to the committee. The Annual Fraud survey will also go out later this year. It was suggested that the declaration of interests could be included within job planning documentation. C Hudson thanked C Ryan for the comprehensive report.

   Declaration of Interests Report

   The report was received and noted. It was recognised the need to constantly remind staff of the need to declare.

13. MINUTES OF OTHER SUB COMMITTEES

   The following minutes were received and noted:

   - Quality and Safety 13.5.15.
   - Quality and Safety 10.6.15
   - Quality and Safety 8.7.15.
   - F&I 20.4.15.
   - F&I 19.5.15.
   - F&I 16.6.15.
   - Engagement Committee 10.6.15.
   - HR Committee 22.4.15.
   - Charitable Trust 15.7.15.

14. SINGLE TENDER WAIVER REQUESTS

   The report was received and noted. C Hudson asked that the single tender waiver limit criteria be included in future reports.

   Action: Single tender waiver limit criteria to be included in future reports. Deep dive of single tender waiver report to be added to work plan.

15. ANY OTHER BUSINESS

   Transactions over £50k and how these can be audited.
The report setting out the new guidance was received and noted. Management Board would receive the implementation plan. M Pye expected that this will be reported in the private finance report from next month. C Hudson asked that capital was also included.

**Action:** Transactions over £50k including capital to be reported in private finance reports from September.

Assurance framework on whistle blowing and raising concerns policy

C Hudson noted the need to understand how this policy is being rolled out and how staff are supported on this. On a ward visit review C Hudson noted that staff had told her they do not always have time to read emails and asked if anyone was aware of examples of best practice in this area, for these to be forwarded to Alison.

**Action:** Any examples of best practice on communicating whistle blowing/raising concerns policy to staff to be sent to A Balson.

### 16. KEY SUCCESSES / RISKS

Key successes were agreed to be:

- Clinical Audit Report
- IA Report's transparency
- Performance
- CTB Accounts

Key risks were agreed to be:

- Financial Challenge
- Outlier on SHIMI
- Process for monitoring training compliance
- CCG tender

### 17. COMMITTEE EFFECTIVENESS FEEDBACK

The meeting had been effective and the papers of high quality. Thanks were extended to M Pye who was attending his last meeting.

### 18. DATE AND TIME OF NEXT MEETING

6th October 2015, 9.30am, THQ Boardroom.