

Chairpersons Report

Chairpersons Name	Carole Hudson
Committee Name	Audit Committee
Date of Meeting	24.05.17
Name of Receiving Committee	Trust Board
Date of Receiving Committee meeting	May 2017
Strategic Items for referral to Trust Board	Na.
Items for escalation?	Na.

Please detail the key successes or achievements discussed at the meeting				
1. The unqualified Audit opinion on the Quality Accounts and Accounts				
2. Assurance on the preparatory work being undertaken ahead of the implementation of the new EU GDPR regulations				
3. The Going Concern Declaration				
4. The excellent legal services report				
5. The significant assurance opinion awarded by MIAA for CIP, Carter and Payroll				
Details of the top risks identified during the course of the meeting and initials of primary member of staff actioning				
1.	The increasing value of clinical negligence claims			CA
2.	The challenges around CIP delivery			RF
3.	Recognition that the Annual Report process requires refreshing			TB Sec
Attendance at the meeting (please highlight):	Excellent (well attended)	Acceptable (some apologies) x	Unacceptable (quorate)	Unacceptable (not quorate)

Was the agenda fit for purpose and reflective of the Committees terms of reference?	Yes
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Narrative report of the key issues of the meeting
<p>The Audit Committee received an excellent presentation on the steps being undertaken for the Trust to be compliant with the implementation of the EU Data Protection Regulations 2018. The Committee recognised the significant work that has been undertaken and requested an update on the updated action plan in November and a report for information to the Trust Board later in the year.</p> <p>The Audit Committee received the final Accounts for 2016/17, the Going Concern Declaration, together with the Annual Report and Quality Accounts. The External Auditors reported that the Accounts would not be qualified and that no significant adjustments or disclosure deficiencies were required.</p> <p>Discussion took place about the content of the reports and the Committee thanked all the officers involved in their production and congratulated the Director of Finance for the quality of the financial Accounting for 2016/17. For 2017/18 the Executive are asked to give early consideration to the future style and content of the Annual Reports with a view to more concise reporting.</p> <p>The External Auditor raised a number of issues ; -the valuation of assets for 2016/17 which included comments that the Trust had not values the assets as at 1st April 2017</p> <p>- Recognition that although the Trust has adopted good systems for identifying areas for cost improvement, the failure to deliver CIP or excessive reliance upon non recurrent CIP delivery may create significant financial instability and going concerns challenges in future years.</p>

MIAA had undertaken three audits which gave payroll management significant assurance. Two further audits gave significant assurance to the processes and systems put in place to identify Carter Savings and the Cost Improvement Plan. The next test is for these two systems to deliver the required level of recurrent CIP.

MIAA had produced a report on the issues in respect of Wrightington Theatres which will be circulated for information to the Board.

The Audit Committee was given assurance that the issues raised in respect of laser safety and training have now been addressed by the Medical Director.

Legal Services produced an excellent report evidencing the challenges of a growing number of requests for clinical records and highlighted the level of payments in respect of clinical negligence.

The Committee thanked MIAA and Deloitte for their support during 2016/17.

Key outcomes from the reports taken at the meeting

As noted in the minutes and actions.

Agreed actions from the meeting	Name of primary lead for the actions
An update on the IAO programme to be taken at the October meeting	N Baxter / D Willis
An updated action log with timescales for EU GDPR implementation to be taken at the October meeting	N Baxter / D Willis
A briefing report to be taken to Board on EU GDPR later in the year, as determined by the team	N Baxter / D Willis
C Alexander to check whether issues in relation to the completion of child safeguarding proformas had now been resolved	C Alexander
The Wrightington Barn Theatres briefing note to be circulated to all Board members for assurance	L Hancock

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD ON WEDNESDAY, 3rd MAY 2017 AT 9.30AM
IN THE THQ BOARDROOM**

PRESENT	2017							
	01 02	01 03	03 05	24 05				
Mrs C Hudson (Chair) NED	√	√	√	√				
Mr N Turner NED	√	√	√	√				
Mr N Campbell NED	√	APOLS	√	APOLS				
Mr M Guymer, NED	√	√	√	√				
IN ATTENDANCE								
Mr R Forster, Director of Finance / Deputy CEO	APOLS	APOLS	√	√				
Mrs Pauline Law, Director of Nursing	NOT REQUIRED	NOT REQUIRED	APOLS A EDIS	NOT REQUIRED				
Mrs C Ryan, Counter Fraud	√	√	√	APOLS				
Ms L Warner, Internal Audit Manager	√	√	√	APOLS				
Mrs L Hancock, Corporate Services Administrator	√	√	√	√				
Claire Alexander, Head of Governance and Assurance	√	√	APOLS	√				
Shirley Martland, Financial Controller	√	√	√	√				
Alison Balson, Director of HR	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED	NOT REQUIRED				
Steve Connor, Deputy Director MIAA	√	APOLS	√	√				
Carolyn Wood, Deputy Director of Finance	√	√	APOLS	√				
Mary Fleming, Director of Performance and Ops	NOT REQUIRED	NOT REQUIRED	√	√				
Richard Mundon, Director of Strategy and Planning	√	APOLS	√	√				
Deborah Pullen, Compliance Lead	APOLS	√	√	√				
Paul Thompson, Deloitte	-	-	-	-				
Paul Hewitson, Deloitte	√	√	√	√				
Dave Nunns, Interim Board Liaison Officer	√	√	√	√				
Dr Sanjay Arya, Acting Joint Medical Director	√	√	√	APOLS				

In attendance: Jennifer Hovington – Trust Solicitor and Natalie Baxter – Information Governance Manager

1. COMMITTEE CHAIRS OPENING REMARKS

C Hudson welcomed all to the meeting. She noted that it was a full agenda but there would be focus on the Internal and External Audit reports in particular.

2. APOLOGIES

As noted above.

3. DECLARATION OF INTERESTS

None declared.

4. APPROVAL OF MINUTES OF MEETING ON 03.05.17

The minutes were agreed to be an accurate record.

5. MATTERS ARISING

a. Action log 03.05.17

Action updates were received and noted.

M Fleming provided an update on laser safety in the absence of S Arya. She noted that, out of 9 actions, 6 had been completed and progress was being made on the remainder. It was anticipated that all actions would be completed by the next meeting. The Committee thanked M Fleming for this assurance.

b. Work plan 17/18

The work plan for 17/18 was received and noted.

c. Non PO invoices assurance

The Committee received and noted the report provided by S Martland. The Committee were assured that appropriate action was being taken to address the issues.

6. DEEP DIVE INTO MATTERS AGREED BY THE AUDIT COMMITTEE

N Baxter was in attendance for this item.

a. Information Asset Owner programme

N Baxter advised that 269 assets had been identified throughout the Trust and agreement was still awaited on asset owners for 109 of them. Engagement levels had increased but there was room for this to be further improved. Work was being done to consolidate the number of asset owners. It was anticipated that the programme would be complete by September.

The Committee welcomed this update on progress and requested a further update at the October meeting.

b. Implementation of the EU GDPR 2018

N Baxter advised the Committee that this would be a significant change in data protection regulations with more focus on data subject rights and a significant increase in the level of penalty that could be levied against organisations. This would go live on 25th May 2018. 13 risks had been identified so far but it was anticipated that this number may increase. N Baxter queried whether this should report into a formal subcommittee as well as the Caldicott Committee.

The Committee thanked N Baxter for a good level of assurance that the Trust was making the necessary preparations for the introduction of the new regulations. It was requested that an updated action log with clear timescales was brought back to the Committee in October. The Committee also felt that it would be useful for the Board to be made aware of this via report later in the year.

**ACTION: An update on the IAO programme to be taken at the October meeting
An updated action log with timescales for EU GDPR implementation to be taken at the October meeting**

A briefing report to be taken to Board on EU GDPR later in the year, as determined by the team

7. CORPORATE GOVERNANCE

a. Final Annual Report, Accounts and Quality Accounts 16/17

The Committee noted that these documents had been received previously in various draft stages. Committee members had made their suggested amendments already.

Accounts

S Martland advised that there had been minimal changes since the last meeting.

M Guymer noted that a paragraph seemed to be missing in relation to comprehensive accounting. S Martland would look into this.

M Guymer also had some further suggestions in relation to the presentation of restated accounts which S Martland and P Hewitson would discuss outside of the meeting for clarification.

Quality Accounts

C Alexander noted that she had taken on board the comments made at the last meeting and felt that these were now reflected in the report. There was no information outstanding. It was noted that, whilst feedback had been sought, the Overview and Scrutiny Committee had again declined to provide any comments on the report.

P Hewitson confirmed that Deloitte had reviewed the document and were satisfied that it met with requirements.

Annual report

D Nunns advised that he had also taken on board Committee comments and felt that these were now reflected in the report. A number of queries had been raised by Deloitte which D Nunns had dealt with. He reported some logistical issues due to the size of the document but this was being worked on with the help of the Comms team.

The Committee agreed that this was a challenging report to produce and noted the plans to refresh the process next year with the assistance of the new TB Secretary, once in post.

C Alexander noted that this had been a challenging year in terms of the arrangements around the Trust Board Secretary role and thanked D Nunns for stepping in to assist.

The Committee were satisfied with the Annual Report, Accounts and Quality Accounts pending the minor adjustments identified. It was agreed to recommend to Trust Board that these documents were approved.

b. Annual Governance Statement

C Alexander presented the final draft of the AGS to the Committee. This would be signed by A Foster and included in the Annual Report. P Hewitson confirmed that Deloitte had no comment to make on this document.

The Committee thanked C Alexander for a good, well written statement.

c. Compliance with NHSI Code of Governance

D Nunns presented the statutory report to the Committee.

The Committee were satisfied with the report and pleased to note full compliance. The report was approved.

d. Going Concern Declaration

R Forster presented the report to the Committee and noted that, on the basis of the assessment undertaken, the recommendation was that WWL remained a going concern.

M Guymer noted an error in the level of surplus achieved. S Martland would amend this.

The Committee felt that the report was of exceptional quality and demonstrated an excellent approach to the assessment. The Committee agreed with the recommendation that WWL was a going concern.

e. Clinical Audit and Effectiveness High Priority Audit Programme

C Alexander presented the report to the Committee. This had also been discussed at Q&S Committee. The annual report would be presented to the Committee in August.

f. Legal Services Annual Report

J Hovington, Trust Solicitor, was in attendance to present the report.

C Alexander noted that the legal fees had not been included in the report. There had been changes in legal provision during the year and the team were considering the best way to present this. The legal fee element would follow later.

J Hovington noted the following key points from the report:

- There had been an increase in the number of requests for medical records which was impacting on resources
- There had been a decrease in the number of clinical negligence claims last year due to changes in fee arrangements
- There had been a reduction in claims against the Surgical and Specialist Services Divisions but an increase in claims against the Medicine Division
- The majority of claims in Surgery related to General Surgery, Anaesthetics and Maternity
- The majority of claims in Medicine related to A&E and the failure to diagnose
- Employer liability claims had slightly reduced in the year as had the level of payout
- Public liability claims had also slightly reduced due to changes in fee arrangements
- Coroners inquests had increased slightly but the number of staff members called to attend had reduced – this was very positive
- There had been two Regulation 28 notices in the year and these had been reported and monitored via Q&S Committee
- Ex Gratia claims had increased slightly but the level of payout had reduced – work was being done with wards to ensure property disclaimers were completed

The Committee thanked the legal team for an excellent report which demonstrated that good progress was being made in the management of legal issues.

g. Committee Effectiveness Reports

The Committee Effectiveness reports were received and noted for information.

8. 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

No items this meeting.

d. REMC minutes

The REMC minutes were received and noted by the Committee.

C Hudson queried whether issues in relation to the completion of child safeguarding proformas had been addressed. C Alexander would look into this and report back.

ACTION: C Alexander to check whether issues in relation to the completion of child safeguarding proformas had now been resolved

9. INTERNAL AUDIT

a. Internal Audit progress report

S Connor noted that 4 reviews had been concluded since the last meeting:

Payroll

The review of this had provided significant assurance:

- Robust controls were in place around the function
- There had been some issues identified in relation to examples of insufficient audit trail for salary overpayments, a manager authorising their own timesheet and salary sacrifice testing which found an occasion where Agenda for Change had not been complied with

Management had accepted the findings and the recommendations.

Carter

The review of this had provided significant assurance:

- The Trust had undertaken a significant amount of work around Carter
- There was a good reporting mechanism in place
- However, there was a heavy reliance on the PMO to cross reference the Carter recommendations with other schemes in place

Management had accepted the findings and the recommendations.

CIP

The review of this had provided significant assurance:

- There were strong processes in place for the monitoring of CIP
- The operational plan was strong
- Engagement processes had been good
- There had been some issues in terms of reviewing some of the QIA sign offs as it had not been possible to retrieve them from the electronic system. However, MIAA had been satisfied that they had been carried out and noted that action to address was being taken going forward

Management had accepted the findings and the recommendations.

S Connor emphasised that these reviews were only around the systems and processes in place and could not provide commentary on the delivery. The Committee noted that there would be significant challenges around CIP delivery.

Wrightington Barn Theatres

The briefing note was received and noted. S Connor advised that he was aware that the matter was ongoing but, from MIAA's perspective, the Trust had taken all appropriate action so far to manage the issues.

The Committee thanked MIAA for this useful report and felt that it would be useful to circulate this to all Board members for assurance.

ACTION: The Wrightington Barn Theatres briefing note to be circulated to all Board members for assurance

b. Head of Internal Audit Opinion

The report had been updated to include the 4 reviews that had been discussed at this meeting. The overall opinion was unchanged and remained one of significant assurance.

The Committee thanked MIAA for their support throughout the year and were pleased to note the good opinion received.

10. EXTERNAL AUDIT

P Hewitson presented the ISA 260 and the Quality Accounts report to the Committee.

He noted that there were still a couple of matters to resolve around the accounts in relation to the remuneration report but he was confident that this would be finished and ready to sign as planned. There were no areas of concern to report and Deloitte would be providing an unqualified opinion on the accounts.

In terms of the Quality Accounts, there remained a small amount of work to be done but he was confident this would be completed by the end of the day. Deloitte were happy that the content was compliant with requirements and noted that WWL would be the only Trust that they worked with that would receive an unqualified opinion. It was noted however that the Trust needed to look at RTT data and under-reporting of VTE assessments.

P Hewitson had reviewed the Annual Report and made some queries as mentioned earlier in the meeting. He would be looking to review the amended report to ensure that these had been covered.

The Committee thanked Deloitte for their support throughout the year and were pleased to note the unqualified opinion for both the Accounts and Quality Accounts.

11. COUNTER FRAUD

There was no counter fraud report this time.

12. CHAIRS REPORTS OF OTHER SUB COMMITTEES

There were no reporting Committee reports this time.

13. SINGLE TENDER WAIVER REQUESTS

There were no single tender waiver reports this time.

14. ANY OTHER BUSINESS

The Committee thanked C Wood for her support over the past few years and wished her well in her new role.

15. KEY SUCCESSES / RISKS

Key successes were agreed to be:

- The unqualified Audit opinion on the Quality Accounts and Accounts
- Assurance on the preparatory work being undertaken ahead of the implementation of the new EU GDPR regulations
- The Going Concern Declaration
- The excellent legal services report
- The significant assurance opinion awarded by MIAA for CIP, Carter and Payroll

Key risks were agreed to be:

- The increasing value of clinical negligence claims
- The challenges around CIP delivery
- Recognition that the Annual Report process requires refreshing

16. COMMITTEE EFFECTIVENESS FEEDBACK

C Hudson thanked all for their attendance and input into what had been some excellent discussions.

17. DATE AND TIME OF NEXT MEETING

2nd August 2017, 9.30am, THQ Boardroom.