

Chairpersons Report

Chairpersons Name	Carole Hudson
Committee Name	Audit Committee
Date of Meeting	01.02.17
Name of Receiving Committee	Trust Board
Date of Receiving Committee meeting	February 2017
Strategic Items for referral to Trust Board	Na.
Items for escalation?	The MIAA report on cybersecurity was referred to IM&T Strategy Committee for monitoring and action. The MIAA report on adult safeguarding was referred to Q&S Committee for monitoring and action.

Please detail the key successes or achievements discussed at the meeting

1. The MIAA audit report for Nurse Revalidation
2. Significant assurance from MIAA around supplier contract management
3. The External Quality Assessment report for MIAA
4. Training compliance for Counter Fraud

Details of the top risks identified during the course of the meeting and initials of primary member of staff actioning

1.	Issues raised around cybersecurity and the disposal of handheld devices	IT team / RF
2.	The MIAA report on Safeguarding Adults	PL
3.	Requirement for a Standard Operating Procedure for contract management processes	RF / Procurement

Attendance at the meeting (please highlight):	Excellent (well attended) x	Acceptable (some apologies)	Unacceptable (quorate)	Unacceptable (not quorate)
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Was the agenda fit for purpose and reflective of the Committees terms of reference?	The committee covered a considerable volume of reports in terms of testing risk and determining assurance.
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Narrative report of the key issues of the meeting

The Audit Committee undertook reviews of the following areas;

IT disposals policy; Audit of Cybercrime Risks; HIS System Security for logging on; Audit of Adult Safeguarding Procedures; Review of the Annual Report and Quality Accounts Timetable and Accounting Policies ; Losses and Compensations; Revised Gifts and Hospitality Policy; Gifts and Hospitality Register; Review of the current Risk Register; Audit of Supplier Contract Management; Audit of Nurse Revalidation; Assurance Framework Benchmarking report and a review of Counter Fraud issues.

Significant assurance was given to Nurse Revalidation and Supplier Contract Management; further work is required on Cyber Crime Prevention Procedures and limited assurance was given to Adult Safeguarding.

Key outcomes from the reports taken at the meeting

The IT disposals policy requires updating to take account of mobile iPads, tablets, secure USB drives and hand held devices. In addition a clear policy is required for staff who use their own IT equipment and access confidential information.

A number of vulnerabilities remain in terms of Cyber Crime. Despite the proactive approach and the good work by IT there have been a significant increase in malware attacks. The audit report has been referred to the IM&T Committee for monitoring.

In terms of procurement the Trust is required to put in place Standard Operating Procedures and to ensure that all contract documentation is complete on the Trusts Sharepoint System and to ensure that contract authorisation is completed in line with the Trusts Standing Financial Instructions. The agreement of all contract extensions must be formally recorded.

Despite much good work undertaken by Adult Safeguarding a number of concerns were identified by the Auditors. Some policy documents require updating; there is a shortage of capacity to deal with the increase in workload; systems require automating to facilitate safe transfer of data and referrals and to formally record activity; Non-compliance with mandatory training remains an issue for medical and dental staff. This audit report has been referred to the Quality Committee for monitoring and R. Mundon to consider the risks associated with the manual data systems and to examine the requests submitted to HIS for direct links from A&E and wards for referrals.

Significant assurance was given in respect of Nurse Revalidation. The Audit Committee has high assurance and the Trust has developed effective systems to support, Monitor and report on the Nurse and midwifery Revalidation process, with no lapses in place between April and December 2016.

Agreed actions from the meeting	Name of primary lead for the actions
MIAA to test the processes for the implementation of the controls set out in the IT disposal policy and to review the IT procurement process.	L Warner
A Moss to update the current IT Disposals Policy to include all mobile and hand held devices and to present to the Committee in March.	A Moss
C Wood to clarify the income from the disposal of IT equipment	C Wood
The MIAA report on cyber security to go to IM&T Committee for consideration and action.	L Hancock
An update paper on HIS issues around identification of Consultants to come back to the next meeting	A Moss
The MIAA report on Adult Safeguarding to be taken to Q&S Committee for consideration and action.	L Hancock
S Arya and P Law to investigate the cases of non-compliance for mandatory training and report back on how this would be addressed	S Arya / P Law
S Martland to amend the Accounting Policies in line with Deloitte feedback	S Martland
The Committee to take the latest additions to the Gifts and Hospitality register at each meeting with a full review of the register annually	L Hancock

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD ON WEDNESDAY, 7 DECEMBER 2016 AT 9.30AM
IN THE THQ BOARDROOM**

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

In attendance: A Moss (IT Services), M Jolley (Adult Safeguarding), J Critchley (shadowing R Mundon), A Edis (Deputy Director of Nursing), Catherine Watts (MIAA)

1. COMMITTEE CHAIRS OPENING REMARKS

C Hudson welcomed all to the meeting. She particularly welcomed those in attendance at today's meeting for specific items. She noted that it was a particularly busy agenda this time and she would do her utmost to conclude in the allotted time.

2. APOLOGIES

As noted above.

3. DECLARATION OF INTERESTS

None declared.

4. APPROVAL OF MINUTES OF MEETING ON 07.12.16

The minutes were agreed to be an accurate record.

5. MATTERS ARISING

a. Action log 07.12.16

Action updates were received and noted.

b. Work plan 16/17

The work plan was received and noted.

6. DEEP DIVE INTO COMPLIANCE WITH THE IT EQUIPMENT DISPOSAL POLICY

A Moss was in attendance on behalf of IT Services to provide an update on compliance with the IT equipment disposal policy. He advised that the process for this had been in place for a number of years and was felt to be successful. Staff with defunct items of equipment rang up the service desk to log it. The team would then destroy the files and remove the hard drive before placing the equipment in a crate for disposal of by E&F. A certificate of destruction was provided from the supplier along with the asset details so that these could be cross referenced with the internal asset database. He advised that the SOP was due for renewal and the update to this would include a process for the disposal of portable equipment such as ipads etc. A Moss felt the process in place was rigorous with checks in place to ensure adherence, however the current disposals policy excluded hand held devices and mobile equipment and these would need to be included in an updated policy.

M Guymer felt that the policy and practice seemed to be in place but noted that there were unknowns such as staff disposing of equipment by other routes. A Moss noted that there was a process in place which disabled accounts that hadn't been used for 3 months. A Moss noted the difficulties around IT controlling the tracking of computers as, currently, Divisions were responsible for their own ordering of IT equipment. IT had been keen for some time to centralise ordering so that the team had more control. However, there were some safeguards in place as all newly purchased computers had to go through IT in order to be made useable.

C Ryan queried whether the return of IT equipment was discussed during exit interviews. She was concerned that there was potential for people to leave the organisation with IT equipment. A Moss advised that, generally, staff were very proactive in returning items but in most cases other staff members in the department took over the use of equipment.

C Hudson queried how much income came from the disposal of IT equipment. C Wood would check this.

R Mundon noted that there was an increasing move to using own devices which brought additional challenges in terms of data safety and disposal. A Moss advised that there was a way of creating a secure container on a device which the Trust could control and delete when no longer required. R Mundon felt that the SOP needed to reference this in some way and also make a link to the asset register.

C Hudson thanked A Moss for his report. The Committee were pleased to note that the SOP was being updated but felt that a number of potential concerns had been raised during the discussion. The Committee felt that an MIAA review of compliance with the disposals policy, plus a review of the procurement process and controls would be beneficial to provide assurance.

The Committee requested that the updated IT disposals policy be brought to the March meeting for review.

ACTION: MIAA to undertake a review of compliance with the IT disposal policy and a review of the procurement process and controls to ensure these were robust

A Moss to present the updated policy to the Committee in March

C Wood to check the income from the disposal of IT equipment

Update on cybercrime risk

C Hudson noted that the Committee would take an update on this whilst also considering the MIAA report on cyber security.

MIAA had undertaken a baseline review and offered a maturity assessment rather than an assurance level. C Watts of MIAA reported that it was very rare to see an organisation at a level 3 for this (where all controls were in place) and most organisations were at levels 1 and 2.

C Watts provided an update on the key findings of the report and it was noted that, whilst the Trust was doing a lot of good work in this area, there were still improvements that could be made. A series of recommendations had been made to the team which had been received positively and a list of actions created with reasonable timescales. She advised that there had been a good level of engagement from the team throughout the process.

A Moss advised that the team had reviewed and discussed the report on Monday and were meeting next week to commence the actions. Every action would be reviewed and updated.

C Hudson noted that there were a number of vulnerabilities around the report and a few risks which REMC may wish to consider. The Committee agreed that this needed to be escalated to the IM&T Strategy Committee for consideration and for assurance that the actions were being completed.

C Hudson was keen to note the Committees recognition of the hard work of the IT team.

ACTION: The MIAA report on cyber security to go to IM&T Committee for consideration

HIS system security

C Hudson noted that the Committee had been advised, via a recent report from the legal team, of the difficulties being experienced during Coroners cases in terms of identifying the lead Consultant due to junior doctors completing care documentation on HIS. She queried what progress had been made around this issue.

A Moss advised that he had spoken to M Farrier and the HIS team about this and they would prepare an update paper for the next meeting.

S Arya added that he had sent a communication to all Consultants reminding them of the importance of clear identification and he would continue to re-iterate this message.

ACTION: An update paper on HIS issues around identification of Consultants to come back to the next meeting

7. MIAA SAFEGUARDING REPORT

The MIAA Adult Safeguarding report was taken next so that M Jolley could be released back to her role.

L Warner advised that the report had achieved a limited assurance opinion. She noted that a lot of positive work had taken place around training and awareness but there had been some issues identified from the review:

- There were some policies and procedures requiring update
- There was a real shortage of capacity within the team
- Not all activity was being recorded
- There was some non-compliance with mandatory training, particularly amongst medical and dental staff
- There was no formal referral process in place to the Adult Safeguarding team
- There was no automated flagging in the A&E system
- In the sample of staff questioned there was evidence that some were not aware of the learning disability pathway or if DOLs forms had expired

C Hudson noted that there were a number of issues raised in this report. She was particularly concerned to see the mandatory training issues as this had been ongoing for some time. She asked that S Arya and P Law look at the non-compliance with this and report back on how this would be dealt with.

C Hudson was also concerned by the DOLs expiry. M Jolley noted that the process with Wigan Local Authority was very robust but the process fell down with out of area patients. She would be looking to contact leads at the relevant Local Authorities to discuss. She agreed that this was an area that needed to be tighter.

R Mundon felt that a good solution to the issues would be to have this on the HIS system. The Audit Committee agreed and noted that the current systems were not automated and quite archaic with the risk of patients slipping through the net. A Edis advised that the team had developed a referral form for HIS which was currently on the 'to do' list with the HIS team. This would need to be brought forward in the work flow given the importance.

C Hudson noted that the Board had acknowledged the issues around team capacity at the last meeting when the annual report for Adult Safeguarding had been presented. She noted that the volume of cases was increasing due to the aging population and greater identification, therefore it would be important that this was given due consideration.

The Committee noted the hard work of the Adult Safeguarding team and noted the need for support in getting the proper systems in place to make their work easier. The Committee agreed to refer this report to the Q&S Committee so that the issues could be given due consideration and agreed actions monitored.

ACTION: The MIAA report on Adult Safeguarding to be taken to Q&S Committee for consideration

S Arya and P Law to investigate the cases of non-compliance for mandatory training and report back on how this would be addressed

8. CORPORATE GOVERNANCE

a. Annual Report / Quality Accounts production timetable

The timetables were received and noted by the Committee.

C Alexander advised that preparation had begun for the May deadline. She noted that the deadline for submission of the final report was on the 31st May which was the day of Trust Board sign off. Whilst this was more challenging than previous years, it was felt that, with proper organisation, this would not be an issue. A stakeholder event for the Quality Accounts was scheduled for the 7th March. In terms of the Quality Accounts, Deloitte would be undertaking external assurance around 3 indicators, including one locally determined indicator which had been selected by the Governors. The 3 indicators would be A&E 4 hour target (mandated), RTT (mandated) and VTE compliance (locally determined indicator).

C Alexander advised that, as usual, deadlines around this process would be tight.

b. Losses and compensations ending December 2016

The report was received and noted by the Committee.

C Hudson queried whether the Trust was confident that it had appropriate policies and proper compliance with regard to overseas visitors. C Ryan advised that the Trust followed established best practice and was probably in the top 10 for the North West. She didn't feel this to be a major risk.

The Committee were pleased to receive this assurance.

c. Approval of Accounting Policies

The updated policies were received and noted.

S Martland advised that these had been updated to reflect current guidance and any further changes would be notified to the Committee.

P Hewitson suggested that additions / amendments were made around the decision to not consolidate accounts and to recognise the S&T funding.

S Martland would make the necessary changes and on this basis, the Committee approved the Accounting Policies.

ACTION: S Martland to amend the Accounting Policies in line with Deloitte feedback

d. Gifts and Hospitality Policy

The paper was received and noted.

D Nunns noted that amendments had been made in terms of improving definitions and futureproofing. Declarations for staff to sign had also been introduced as recommended by MIAA. However, it was noted that there was still some inconsistencies between policies and SFIs which had been discussed with the finance team and the SFIs would be amended to resolve this.

C Ryan advised that these amendments would be followed by a much wider piece of work to produce a compliance manual which this would be included in. There would also be a move towards electronic declarations in the future. She felt there needed to be a common sense approach to declarations also.

S Arya queried whether it was really necessary to report gifts or hospitality that weren't accepted, as per the current policy. He understood the rationale for it but noted that clinicians could often receive many offers of hospitality and it would be time consuming to report all.

R Mundon agreed with this point and noted the need for a common sense approach. He wondered if the policy would require work to incorporate a more flexible approach based on common sense to be taken.

C Hudson agreed that if there was potential difficulty in following the policy then it should be reconsidered.

D Nunns noted that it had been agreed at the last meeting to move to an overarching Conflicts of Interest policy and SOP which would encompass G&H so these alterations could be considered as part of this.

The Committee agreed that they would accept the amended policy for now whilst acknowledging that further work needed to be done around this and would take place as part of the bigger piece of work around conflicts of interest.

e. G&H Register

The G&H register was received and noted. New additions to this had been indicated.

M Guymer suggested it would be more efficient for the Committee to only review the new additions to the register. It was agreed that the Committee would take the latest additions to the register at each meeting with a full annual review.

ACTION: The Committee to take the latest additions to the register at each meeting with a full review annually

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

No items this meeting.

d. Review of the CRR

The corporate risk register was received and noted.

C Hudson asked whether the risks identified in terms of Adult Safeguarding could be added to the register.

She also noted the risk around Integrated Community Services failure to achieve the required cost reduction and queried whether there was a set value on the saving. R Mundon advised that there was a sum of money to be tracked but due to the move to a block contract, this was no longer a practical risk. The risks around this service were much broader and the risk would be amended to reflect this.

The Audit Committee requested an update on the actions being taken around the SLA register following the Committees request that REMC looked at this. R Mundon advised that, whilst this was not on the risk register, it was a standing item on the agenda. This was being thoroughly reviewed with a view to a new register being in place for the new financial year. He didn't feel that this represented a significant financial risk. The Committee accepted this assurance that the process was being looked at. It was suggested by the Committee that risks around IT SLAs were also considered.

e. REMC minutes

The REMC minutes were received and noted.

10. INTERNAL AUDIT

a. Internal Audit progress report

The report was received and noted.

Supplier Contract Management

This had been given overall significant assurance but at a low level as there were some issues coming from this review including:

- There was no Standard Operating Procedure in place in procurement
- Some contract forms were not fully completed
- There were a number of contracts that had been signed under NHS terms and conditions but had not been signed off by appropriate person

The management team had responded and actions had been put in place to address.

Nurse Revalidation

This had been given significant assurance. There were good processes in place but some minor points to address in terms of providing assurance to a subcommittee.

Revised Audit Plan 2017/18

L Warner brought the attention of the Committee to some changes to the plan. She advised that some reviews had been delayed to Q4 and had been asked to delay further. During a meeting with the Director of Finance, MIAA had been asked to undertake a review of the issues around the Wrightington Theatres to look at the process around this. This would be reviewed in place of the Billinge land disposal.

C Hudson noted that the Board had specifically requested the review of the Billinge land sale and would require some feedback to the Finance Committee around this to close the loop. The Committee were happy to support the inclusion of the review around Wrightington theatres, along with the review of the compliance with the IT Disposal Policy.

The Audit Committee was pleased to note the excellent report around nurse revalidation but had concerns around the supplier contract management report which seemed to show non-compliance with SFIs. The Committee would be like to be assured that the actions included in the report were implemented quickly.

The Committee thanked L Warner for a series of good reports.

b. Internal Audit tracking report

The report was received and noted.

L Warner noted that excellent progress was being made on recommendations. A further report on outstanding recommendations would be made at the next meeting.

c. MIAA draft Internal Audit plan 2017-18

L Warner presented the 2017-18 MIAA audit plan for approval. This set out the areas to be covered in 2017/18. There had been engagement with EDs and senior managers and it was noted that the plan was a live document that could be changed; any changes would be reported to the Audit Committee. It was noted that the MIAA resource was limited so not everything could be covered. There were some risk areas that hadn't been included and these were set out within the document.

M Guymer queried whether, during the process of pulling together the plan, MIAA had to leave anything out which they felt uncomfortable with. L Warner advised that this had not been the case.

The plan was approved by the Committee.

d. MIAA External Quality Assessment report

S Connor advised that the external quality assessment had been undertaken by CIPFA and had evaluated compliance with public sector internal audit standards. This process had to be undertaken every 5 years. For transparency, the report was presented to the Committee.

The Committee congratulated MIAA on a good set of results from the assessment.

e. MIAA Insight Audit Committee update paper and briefing noted

The papers were received and noted for information.

f. Assurance Framework Benchmarking report

The report was received and noted for information. A review of assurance frameworks in 49 organisations had been undertaken and some recommendations were made within the report for WWL to consider when re-formatting their assurance framework.

11. EXTERNAL AUDIT

The sector developments paper was received and noted for information.

12. COUNTER FRAUD PROGRESS REPORT

The report was received and noted.

C Ryan was pleased to note that there was a good level of compliance with regard to anti-fraud mandatory training and that the response rate to the surveys had significantly improved. Robust processes were being implemented as a result of the cases where staff had been off sick but working agency shifts. She provided an update on current investigations and advised that any financial losses would be included in the report.

The Committee thanked C Ryan for a good report.

13. CHAIRS REPORTS OF OTHER SUB COMMITTEES

The Committee received and noted the reporting Committee Chairs reports.

14. SINGLE TENDER WAIVER REQUESTS

The report was received and noted with a further 17 single tender waivers since the last meeting. The team were forecasting there to be 96 in total for the year which was a reduction on last year.

15. ANY OTHER BUSINESS

There were no further items raised for discussion.

16. KEY SUCCESSES / RISKS

Key successes were agreed to be:

- The excellent MIAA audit report for Nurse Revalidation
- Significant assurance from MIAA around supplier contract management
- The excellent External Quality Assessment report for MIAA
- Training compliance for Counter Fraud

Key risks were agreed to be:

- Issues raised around cybersecurity and the disposal of handheld devices
- The MIAA report on Safeguarding Adults
- Requirement for a SOP around contract management processes

17. COMMITTEE EFFECTIVENESS FEEDBACK

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

18. DATE AND TIME OF NEXT MEETING

1st March 2017, 9.30am, THQ Boardroom.