

Agenda item 4iiia

Meeting of the Audit Committee  
Held on Wednesday 11 July 2018  
in the Upper Lecture Theatre  
Royal Papworth Hospital

**UNCONFIRMED**

**MINUTES**

<b>Present</b>	<b>Mr M Millar (Chair)</b> (MM) <b>Dr S E Lintott</b> (SEL)	<b>Non-executive Director</b> <b>Non-executive Director</b> ( <i>via telephone dial-in</i> )
<b>In Attendance</b>	<b>Mrs S Beavis</b> (SB) <b>Mr R Clarke</b> (RC) <b>Mrs A Colling</b> (AC)	<b>External Audit, KPMG</b> <b>Director of Finance</b> <b>Executive Assistant</b> ( <i>Minutes</i> )
	<b>Mrs L Davies</b> (LD) <b>Mr G Edge</b> (GE) <b>Mr K Jackson</b> (KJ) <b>Mrs A Jarvis</b> (AJ) <b>Mr M Jones</b> (MJ) <b>Mr M Kidd</b> (MK) <b>Mrs O Monkhouse</b> (OM)	<b>Internal Audit, RSM</b> <b>Public Governor</b> <b>Public Governor</b> <b>Trust Secretary</b> <b>Internal Audit, RSM</b> <b>Local Counter Fraud, RSM</b> <b>Director of Workforce &amp; Organisation Development</b>
	<b>Mr A Raynes</b> (AR)	<b>Director of Digital (&amp; Chief Information Officer)</b>
<b>Apologies</b>	<b>Mrs K Caddick</b> (KC) <b>Mr J Farnell</b> (JF) <b>Dr R Hall</b> (RMOH) <b>Mrs E Midlane</b> (EM) <b>Mr S Posey</b> (SP) <b>Mrs J Rudman</b> (JR)	<b>Non-executive Director</b> <b>External Audit, KPMG</b> <b>Medical Director</b> <b>Chief Operating Officer</b> <b>Chief Executive</b> <b>Director of Nursing</b>

Agenda Item

<b>1</b>	<b>WELCOME, APOLOGIES AND OPENING REMARKS</b>
18/72	The Chair opened the meeting and apologies were noted as above.
<b>2</b>	<b>DECLARATIONS OF INTEREST</b>
	There is a requirement that Board members raise any specific declarations if these arise during discussions. The following standing Declarations of Interest were noted:
18/73	i. Susan Lintott – in regard to positions held within the University of

Action by Whom	Date by When

Cambridge, particularly in relation to fundraising.

**3 MINUTES OF THE PREVIOUS MEETING – 24 May 2018**

18/74

**Approved:** The Audit Committee approved the Minutes of the meeting held on 24 May 2018 and authorised these for signature by the Chair as a true record.

**4a MATTERS ARISING/ACTION CHECKLIST**

18/76

The Audit Committee reviewed the Action Checklist and updates were noted.

**4b Ref. 17/74 Managing Conflicts of Interest Procedure and Policy**

18/77

The Committee received this paper from the Trust Secretary, AJ, who advised that the policy had previously been seen by the Committee as work in progress. Previously there were two related policies where there were some inconsistencies in the guidance for staff. The proposal is to have one encompassing policy going forward; the Audit Committee is asked to consider and approve the revised policy. Following this, the new policy will be issued to all decision making staff for completion, with all declarations being published on the hospital website.

OM confirmed that information on Managing Conflicts of Interest is included in the Induction pack for new starters.

Discussion on consideration of policy:

- SEL referred to Section 11.6 loyalty interest and specifically where staff declare working in other employment outside of the Trust. OM advised that this section is solely for the purposes of declaration and not about the matter of staff working elsewhere, which is a different issue. Working in other employment is covered within the policy.
- SEL asked whether staff would need any training regarding the new policy. OM confirmed that no training on the new policy is currently envisaged but this will be reviewed should queries arise.

**Approved:** The Audit Committee approved the revisions to the Managing of Conflicts of Interest policy and noted the planned communications and annual review process.

Following on from the above discussion, the Chair expressed concern that current records are not up to date and asked how the Audit Committee can be assured of compliance with policy and what is the timetable for completion of the annual submissions by relevant staff.

RC acknowledged that work in this area had lapsed and needs to be restarted. Following approval of the new policy, communication needs to be sent to staff to complete declarations in September (100% compliance required); this then to be reviewed by the October Audit Committee meeting.

Action by Whom	Date by When
Chair	11.7.18

**Action:** Bring updated Register of Declarations of Interest to the 10 October meeting and review percentage of compliance at that point. The related work on Gifts and Hospitality is ongoing – the Chair asked how many entries were recorded last year – Trust Secretary to report back on this.

Again the Chair asked how the Audit Committee could be assured that systems which this policy puts in place are actually working.

During discussion the following assurances were suggested:

- Cross reference can be made with the Association of the British Pharmaceutical Industry which has a disclosure database.
- RC suggested an annual review report to the Audit Committee in October.
- Within the annual review, include examples of where a staff member has been eliminated from decision making because of their declaration.
- Ensure that all declarations are raised and noted at meetings. A reminder to be flagged at Board of Directors' meetings with a request for members to leave the meeting, should a conflict of interest arise, in order to protect themselves and the Trust.
- OM assured the Committee that private practice work is managed and covered within the policy and will be included in the review to the Audit Committee.

Action by Whom	Date by When
AJ	10.10.18
AJ	10.10.18
AJ	Board mtgs

**5 LOCAL COUNTER FRAUD**  
18/78 **a) Annual Report 20107/18**

MK referred the report to the Committee.

The report showed the results of the recently completed staff survey which had received a response rate of just over 10%. The new staff survey launched in March 2018 had already reached over a 10% response rate.

On review of the Counter Fraud Governance standards the following was noted:

- Standard 2.1 and 2.2 – originally marked as 'amber', but following completion of the staff survey, this had moved to 'green'.
- Standard 4.1 remained at red as no referrals had been received to enable the standard to be tested. Consequently three referrals had been received and this will move this standard to 'green' for 2018/19. MK assured the Committee that when referrals are received, they are updated to the system in a timely manner (required within 10 days of receipt).
- Standards 4.5 and 4.6 have progressed from 'red' to 'amber'.
- Again, it was noted that some standards cannot be tested as there are not sufficient referrals to go through the sanction process. The Chair queried the low number of referrals and sought assurance on how the counter fraud policy is being managed. MK highlighted the need to ensure awareness



Agenda  
Item

update to the Committee. The Chair was grateful for the update but stated that the issue was not with the detail of the update but with adherence to the management action tracking process. The Chair referred to the process where management actions are agreed and then the action is completed within the timescale. It is important to receive the updates on time and discuss where actions are not to be agreed. AR acknowledged this process for future management tracking updates.

**Noted:** The Audit Committee noted the Internal Audit Progress Report 2018/19.

1045hrs – AR and MJ left the meeting.

**7 BOARD ASSURANCE FRAMEWORK**

18/81 AJ presented this report and highlighted some format changes in the way this has previously been reported; this is work in progress. The aim is to ensure that BAF/risk reporting is consistent across all Committees. The summary presented to this meeting shows those risks that are above risk appetite and above risk level 15.

All risks on the summary have actions plans and show how these are being managed - this part of the report is work in progress.

It was noted that this report pre-dates the news of the delay in hospital move.

The Chair focussed on what is driving the worsening position against appetite around providing safe and high quality care and realising (safe) potential at the new hospital.

It was noted that for the majority objectives there will be a worsening risk position due to the hospital move delay. These risks will link in with business continuity plans. When resetting the Annual Plan, all risks will be reviewed and re-assessed.

MM raised concern where the summary shows that very few items have changed colour in a positive way for a length of time. AJ noted that this report shows only those risks at level 15/above or over appetite. AJ suggested that it might help with context to see the whole report, which would show other movements. The Chair requested sight of the full report and suggested that BAF is reviewed at a Board workshop. OM advised that BAF is currently being reviewed at Executive level and will be brought to the Board in August.

**8 GOVERNANCE ASURANCE OVERVIEW**

18/82

The Chair reminded the Committee of the annual invitation to Chairs of other Committees to attend the Audit Committee. It was agreed to invite Chairs of Performance Committee, Strategic Projects Committee and Quality & Risk Committee to the 10 October meeting.

Action by Whom	Date by When
AJ	July 18
AJ	2.8.18 Board mtg
AC	July 18



Agenda  
Item

Action by Whom	Date by When
AJ	10.10.18
AC	July 18

**12a DRAFT AGENDA TO 10 OCTOBER MEETING**

18/86 **Noted:** The Audit Committee noted the draft Agenda for the next meeting on 10 October 2018.

**12b (b) Audit Committee Forward Planner**

The Committee noted the Audit Committee Forward Planner. Annual review of Managing Conflicts of Interest and Declarations of Interest Register to be added to the October Agenda.

18/87 **(c) Any other items for the next meeting**

- Managing Declarations of Interest Register review
- BAF reporting – updated reporting format
- Chairs' of other Committees to attend
- David Dean, new NED and Audit Chair to attend.

AC to add to the 10 October Agenda.

**14 FUTURE MEETING DATES**

18/88

**2018**

Wednesday 10 October

**2019 Provisional dates**

- 23 January
- 14 March
- 23 May
- 10 July
- 10 October

The meeting finished at 11.05am

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Signed  
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Date

**Royal Papworth Hospital NHS Foundation Trust  
Audit Committee**  
Meeting held on 11 July 2018