

Agenda item 4iiia

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

UNCONFIRMED MINUTES

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

Agenda Item		Action by Whom	Date by When
1	WELCOME, APOLOGIES AND OPENING REMARKS		
18/72	The Chair opened the meeting and apologies were noted as above.		
•	DECLARATIONS OF INTEREST		
10/72	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		

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	Cambridge, particularly in relation to fundraising.		
3 18/74	MINUTES OF THE PREVIOUS MEETING – 24 May 2018		
	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.	Chair	11.7.18
4a	MATTERS ARISING/ACTION CHECKLIST		
18/76	The Audit Committee reviewed the Action Checklist and updates were noted.		
4b 18/77	Ref. 17/74 Managing Conflicts of Interest Procedure and Policy		
10/77	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.		
	 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.		

Agenda Item

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.

 Whom
 When

 AJ
 10.10.18

 AJ
 10.10.18

Action by

Date

by

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.

J 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

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	amongst staff of the process to report potential counter fraud issues; proactively look at referrals to ensure they are counter fraud related and not grievance issues, which would be a separate matter. It was noted that proactive counter fraud exercises will be undertaken with nursing and consultant staff.		
	Noted: The Audit Committee noted the Local Counter Fraud Annual Report 2017/18.		
18/79	b) Progress Report 2018/19		
	MK updated on the compliance exercise regarding Accounts Payable, where a final report will be included in the update to the next meeting. Initial findings show there are no indications of fraud or where staff were bypassing the accounts payable system.		
	MK confirmed that he attends the monthly Induction session and is arranging fraud awareness training for nurse and consultant staff. Attending inductions and arranging training to nurse and consultants.		
	A summary of referrals was included in the update. Reference was also made to a scam where an Italian website was offering jobs within the NHS, particularly 'Royal' hospitals. A note will be posted on our intranet site to warn staff of this.		
	Noted: The Audit Committee noted the Local Counter Fraud Progress Report.		
c)	Notice Fraud – June 2018		
	Noted: The Audit Committee noted the contents of this notice.		
6	INTERNAL AUDIT - RSM		
18/80	a) Progress Report 2018/19		
	MJ advised that following discussion on the delay in hospital move, this will have an impact on internal audit plan (MAPs etc.). MJ will discuss with RC on the potential change of timing with these or substituting with other audits if appropriate in next financial year. RC and MJ to brief the Committee following discussions.	RC/MJ	10.10.18
	LD apologised to the Committee that the Executive Summaries were not included with the report; she offered to circulate these to the Committee outside of the meeting via Alison Colling.	LD/AC	July 18
	LD referred to the Management Tracking Actions: GDPR readiness – the management actions are included in the recommendation tracking. This work was undertaken in April moving to deadline of 25 May. The result of this audit came out well for this Trust, with fewer issues than seen at other Trusts.		
	The Chair noted the outstanding actions for the Director of Digital: AR apologised for the delay in updating these actions and gave a brief		

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	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	AJ	July 18
	at a Board workshop. OM advised that BAF is currently being reviewed at Executive level and will be brought to the Board in August.	AJ	2.8.18 Board mtg
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.	AC	July 18

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	7a) Quality & Risk Committee - Chair's Report		
	The Committee noted the lack of Chair's reports from the Q&R Committee. AJ to reinstate the process of Chairs' reports to Board and other Committees. The Chair will also contact the Chair of O&R	AJ	July 18
	and other Committees. The Chair will also contact the Chair of Q&R regarding this.	MM	July 18
	7b) Performance Committee - Chair's Reports (29 March, 26 April, 31 May and 28 June)		
	There were no extra questions by the Audit Committee as these reports have been reviewed at Board level.		
	Noted: The Audit Committee noted the Performance Committee Chair's Reports.		
	7c) Strategic Projects Committee – Chair's Reports (29 March, 26 April, 31 May and 28 June)		
	There were no extra questions by the Audit Committee as these reports have been reviewed at Board level.		
	Noted: The Audit Committee noted the Strategic Project Committee Chair's Report.		
9	LOSSES AND SPECIAL PAYMENTS REPORT		
18/83	The Audit Committee received this report from the Director of Finance. SB asked if the delay in move to the new hospital had led to issues with waivers. RC explained that Trust is on raised awareness regarding waivers because of the move.		
	Noted: The Audit Committee noted the Losses and Special Payments report, with the summary of reimbursements made noted at Appendix A.		
10 18/84	BAD DEBT WRITE OFF		
	Noted : The Audit Committee noted that there were no outstanding overdue debts to report to the meeting.		
11	ANY OTHER BUSINESS		
18/85	Delay to move to new Royal Papworth Hospital		
	RC gave a strictly confidential verbal update to the Committee; a report will be brought back to this Committee at a future date to evidence governance procedures during this work.	RC	10.10.18
	Business continuity plans will start to be processed and reviewed through various Committees. OM will give an update on staffing at Performance Committee and Board meeting.		

	Action by Whom	Date by When
DRAFT AGENDA TO 10 OCTOBER MEETING	VVIIOIII	VVIICII
Noted: The Audit Committee noted the draft Agenda for the next meeting on 10 October 2018.		
(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.	AJ	10.10.18
(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.	AC	July 18
FUTURE MEETING DATES 2018 Wednesday 10 October 2019 Provisional dates 23 January 14 March 23 May 10 July		
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The meeting finished at 11.05am

Signe	

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