

**EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST**

REPORT TO:	<b>BOARD OF DIRECTORS</b>
DATE:	<b>7 AUGUST 2015</b>
SUBJECT:	<b>INTEGRATED AUDIT AND GOVERNANCE COMMITTEE (IAGC) MEETING OF 20 JULY, 2015</b>
PURPOSE:	<b>Discussion</b>

**CORPORATE RISK REGISTER**

The Risk Register was presented to the IAGC.

1. It was formatted output from Datix. The UC&LTC Risk Register was now on Datix, and the Trust hoped to do the same with all divisions. The HR Risk Register was due to be added shortly. It was hoped that a web-based version of the Incident Risk Register could be produced for access by all staff.
2. Four emerging risks were highlighted:
  - The CQC fundamental standards including the legal duty of candour (raised during the CQC inspection).
  - The availability of a General Surgical rota at K&C.
  - The risk to patients who had not been given follow-up appointments as part of their ophthalmology treatment.
  - New immigration rules with effect from April 2016 regarding the deportation of any non EU worker earning less than £35K after six years in the UK, which would affect a number of the Trust's workforce.
3. Three proposals were accepted:
  - (a) The CQC Improvement Plan for the Trust included enhancing the risk management culture as well as use of the Register.
  - (b) The Away Day scheduled for 25 September should include training on how risk was managed across the Trust, to be led by an independent consultant,
  - (c) The risks within the Risk Register tended to be of a more operational nature. A separate time should be established, maybe as part of the Away Day, for the Board, and in particular, the NEDs to consider wider strategic risks facing the Trust.

**LETTER OF DECLARATION AND SELF ASSESSMENT AGAINST NHS CORE STANDARDS FOR EMERGENCY PREPAREDNESS, RESILIENCE AND RESPONSE**

The Committee agreed a slight change to the annual self-assessment process. This year the Trust had been asked to develop a draft self assessment against the Assurance Framework's core standards, for scrutiny by the South East Commissioning Support Unit on 18 September 2015. Once their review of the self-assessment and evidence had been completed, the approval of the Board of Directors would be sought at the Trust's September Board Meeting before submission to the CCGs on 23 September.

**2014/15 CLINICAL CODING AND COSTING AUDIT UPDATE**

Monitor's report had not yet been received but was expected shortly. This would remain on the IAGC agenda until the issue had been finalised.

**RAISING CONCERNS (WHISTLEBLOWING) ANNUAL REPORT**

The Committee noted a report which covered eight months (November 2014 to June 2015) following implementation of a new policy in November and formal recording from that time. It included protected disclosures, which were a statement made by someone in authority alleging criminal offense, and grievances which were normally about a personal concern, e.g. working conditions. A number of cases needed to be re-categorised as grievances. A high number of cases were reported in December, January and February, possibly due to increased publicity, although they tailed off from March.

The Committee expressed some concern about the length of time some investigations had taken, and that not all the concerns across the Trust were being captured. Additionally, the actions taken needed to be publicised anonymously to demonstrate that the Trust had taken the issues seriously and any necessary changes had been made.

**GIFTS AND HOSPITALITY REGISTER – ANNUAL REPORT**

The Committee considered the report, and sought clarification on the thought that the previous decision was to include all gifts and hospitality, whether accepted or not, so that any trend could be noted but this was not believed to be widely known throughout the Trust. The policy would be checked.

**ASEPTIC DRUGS UPDATE REPORT**

The Committee heard that work was still on going. A new Manager had been appointed to resolve the difficulties, and a process of regular stock-takes was now in place. Manufacturing had recommenced, but was focussing on the higher cost, shorter life drugs. It was now evident that the write-offs had been reducing consistently from April to June, and were now within budget.

However, a potential problem had arisen within Pharmacy, which could result in a stock write-off of about £900k. This was being investigated.

**AUDIT REPORTS**

The Committee heard reports from the External and Internal Auditors and the Counter-Fraud Specialists.

1. KPMG reported that the Charitable Funds Committee Accounts had been signed and that there were no issues of concern. The audit progress report was noted. The Committee approved the refreshed policy regarding the process for the Trust to request additional work from the External Auditors. The amendments had been updated by reference to guidance.
2. Baker Tilly summarised their internal audit work during the past year. At an earlier meeting, they had reported three amber/red rated reports:
  - IT network access security
  - Procurement and stock control on gas cylinders
  - Divisional financial governance

Progress had been made on each, but there were four recommendations where deadlines had not been met. One of these concerned IT Network Access Security, which the Committee noted had been outstanding for some time.

Six reports had been issued since the last meeting:

- Job planning, where oversight was insufficient. Twelve out of 80 PAs sampled did not match those on the ESR system. Some Consultants on fixed term contracts had no job plans. A quarter of those sampled had not been formally signed off. The Trust was working on the issues.
- Whistleblowing Policy and Procedure, which identified the need to ensure that all concerns were captured.
- Aseptic Unit Review, as above
- Board Assurance Framework and Risk Management, where there were issues around the development of the R&D Risk Register and suitable metrics for Innovation performance measurement.
- CQC Improvement Programme, where issues raised included the slow pace of verifying evidence and of updating policies/procedures in the Clinical Support Division.
- Executive Hand-over Process review, which identified the need for core notes.

The Committee sought more accountability from the Executive for failure to progress recommendations, and it was agreed that if the IT Network Access issues had not been resolved by the next meeting, then the accountable person be asked to attend and explain why.

The Internal Audit Strategy 2015/16 – 2017/18 was agreed.

3. TIAA delivered their Counter Fraud progress report, which was noted. TIAA were asked to escalate to the Committee, if requests for information were not forthcoming.

### **IAGC WORK PROGRAMME**

This was noted and comments sought from Committee members. It was agreed to formally review the work planner once the new committee structure had been embedded.

### **REVIEW OF IAGC TERMS OF REFERENCE**

The Committee reviewed the Terms of Reference for the IAGC.