

EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST

REPORT TO: BOARD OF DIRECTORS

DATE: 30TH OCTOBER 2014

SUBJECT: INTEGRATED AUDIT AND GOVERNANCE COMMITTEE
(IAGC) – MEETING OF 9 OCTOBER 2014

PURPOSE: CHAIR'S REPORT - INFORMATION

BOARD ASSURANCE FRAMEWORK QUARTERLY REVIEW

The latest version of the BAF was presented to the Committee; its purpose was to test assurances and controls. A deep dive could be requested if any were thought to be inadequate.

The BAF had been cross-referenced with the Corporate Risk Register. This had highlighted a lack of risks for some of the Annual Objectives. Major projects had their own Risk Registers that gave more detail than the CRR. These also fed into the Divisional Risk Registers and Divisions needed to advise if there were areas of concern that needed to be added to the CRR.

For the next quarterly report, it was agreed that the BAF document would be reviewed and the CRR would need to be aligned as a result. This would also highlight issues for the IAGC's more in-depth review.

**INFORMATION GOVERNANCE TOOLKIT AND WORK PROGRAMME –
MID YEAR SUBMISSION**

The current progress against the toolkit, which was issued by the Health and Social Care Information Centre, was presented. This was designed to test the assurances about how the Trust used information. Level 2 was the basic level, which the Trust was required to achieve. The report was noted. There was good progress towards achieving Level 2 with the exception of 2 items, both of which were in hand and were expected to become compliant by the end of the year.

RISK MANAGEMENT STRATEGY

The Committee was shown a revised Risk Management Strategy. Most of the changes related to the new Committee structure and their resultant revised Terms of Reference. Subject to some minor amendments, the Committee recommended the new Risk Management Strategy to the Board.

CORPORATE RISK REGISTER – TOP 10

The Committee were taken through the top 10 risks. There were 2 new risks around treatment of Sepsis and achievement of the annual staff survey. The Risk Register had also been updated to reflect the situation on A&E and HCAs. The risk regarding the Spencer Wing had been removed. Two emerging risks would be discussed at the Management Board meeting, including demand for Orthopaedic service, particularly potential increased activity from West Kent and fall-out from Medway.

The Committee noted the financial risk of non-achievement of CIPs and the lack of narrative to demonstrate how the risk was being addressed. The Committee agreed to address how the risk on non-achievement of CIPs would be recorded and to work on the correlation between the BAF and CRR.

**KENT FIRE AND RESCUE SERVICE VISIT TO WHH –
PROGRESS ON 8 OUTSTANDING ACTIONS**

The Committee was taken through the report, which was an update of an earlier situation where the Fire Service visit had shown some issues. All the actions identified by the Fire Service had now either been completed or were in progress. The Committee was assured that the Kent and Fire Rescue Service was satisfied with the remedial actions. The update was noted.

LOSSES AND SPECIAL PAYMENTS REPORT

The Committee noted the report and the improved position regarding losses. The most significant loss related to the Aseptic stock write-off. The Department had been asked to prepare a report for the Board, as the SFIs required Board sign-off for such an item. The Committee heard that this issue was unlikely to recur as in future the medication would be produced for and administered on a single patient basis rather than being stocked, awaiting call-off.

There was one salary overpayment of noticeable value and work was underway to recoup this. The most common reason for these overpayments related to the difficulty of tracing staff, once they had left the Trust.

H&S AND ESTATES STATUTORY COMPLIANCE REPORT

The report showed 4 main areas of focus:

- **Legionella:**
The Legionella Group met bi-weekly and there were no issues for escalation.
- **Asbestos:**
A management plan was in place. The QEQM survey would be refreshed.
- **Fire Compartmentalisation:**
An action plan was in place.
- **KPIs:**

All areas were within safe parameters.

AUDITOR REPORTS

The Committee received reports from the external and internal auditors and the counter fraud specialists. Highlights to note were:

- KPMG had undertaken training for the CoG Audit Working Group and other Governors, since the last IAGC, which was well attended.
- A clean opinion was issued for the Charity Accounts.
- KPMG was undertaking work around quality and data validity. In order to retain the integrity of the independence of the Trust audit team, the data quality team, led by Neil Thomas, had not been and would not be involved in the auditing of the Trust at any stage; a second partner would be brought on board if quality assurance were required.
- Discussions continued with staff regarding preparation of the 2014/15 audit plan. It was hoped to present it just before the end of the financial year so that a full picture of the significant risks was available.
- As reported last time, the whistleblowing policy had been refreshed. There was recognition that it needed to be strengthened and a comparison was therefore being made against best practice. It would come into force around March 2015.
- For the next meeting, a final report on the Estates and Facilities audit would be presented. There were some concerns about the process and the audit trail and these had been escalated.
- As the audit plan was based around risk, there was some overlap between some of the areas arising from the CQC visit and Internal Audit's work. These would be discussed with management to determine whether other work could be undertaken instead of those issues. Similarly, lessons learnt from complaints and incidents would also be discussed with them.

- An audit has been carried on the procurement in Pharmacy, following concerns about the sudden increase in orders (1/4 - 31/12/13 45,478 against 33,312) and values (£29.9m against £23.1m), and some process issues. Ordering and lack of clarity around approval of aseptic drugs was of concern. There was no proof of theft but the system demonstrated lack of control and separation of duty.
- As previously reported, there had been concerns, including an anonymous whistle blower, around data quality within A&E related to the accuracy of the admission and discharge times and the report demonstrated the work that had taken place to address the issues. There had been errors rather than data manipulation, and re-testing had demonstrated that errors had almost been eliminated.
- Within Outpatients, most of the issues had been included in an improvement plan. Good progress had been made, with appropriate accountability. Internal Audit would follow-up to ensure that recommendations had been carried out.
- The counter-fraud progress report outlined a number of minor issues; a Debtors Procedure had been agreed and the criteria should help reduce the number of salary over-payments further. The Suppliers Representatives Policy would be submitted to the IAGC for ratification. The Gifts and Hospitality Policy had been agreed.

ANNUAL SELF-ASSESSMENT OF COMMITTEE'S EFFECTIVENESS

The Committee heard that the results of the self-assessment were similar to previous years. The weakness appeared once again to be the link with Clinical Audit.

The Committee agreed to discuss the self-assessment summary with the Quality Committee to seek the Quality Committee's view on their role in audit and that of the IAGC.