

EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST**REPORT TO: BOARD OF DIRECTORS – 27 JUNE 2014****SUBJECT: INTEGRATED AUDIT AND GOVERNANCE COMMITTEE
(IAGC) – Meeting 12 June 2014****PURPOSE: CHAIR'S REPORT - Information****SAFEGUARDING CHILDREN ANNUAL REPORT**

The Named Nurse/Midwife for Child Protection presented her report and highlighted the following:

- Consultations were increasing which inferred increased awareness within the organisation.
- Referrals to social services had reduced.
- Training had been delivered in line with the training strategy. However, there was a risk to training compliance following publication of the Intercollegiate Document 2014. The Kent Safeguarding Board (KSB) from a multi-agency perspective was monitoring this.
- The CQC Report would be reviewed to assess any impact.
- The Trust had undertaken a significant piece of work with all agencies to monitor sexual exploitation and trafficking of children.

The Committee asked to be kept regularly updated on the challenges outlined.

EKHUFT CLINICAL DIVISIONS' CLINICAL AUDIT PROGRAMME 2014/15

The Committee was shown the forward plan, split by Division, and broken down into national audits and local audits by speciality. The Trust was contracted to undertake mandatory national audits of which there were 9 (4 cardiology, 4 cancer and 1 paediatrics). If the Trust decided not to participate, there was a requirement to report this to commissioners; and there were occasions where the focus of the audit did not coincide with the Trust's identified risk. The Trust considered some audits not to be 'fit for purpose'. National audits were also resource intensive, and this had an impact on supporting local audits. Processes were in place to escalate these risks to the CAEC and CMB.

In addition, the audit plan for 2014/15 had been established with flex to accommodate audits as a result of the CQC Report.

NATIONAL AUDIT IN-PATIENT SURVEY RESULTS 2013

The CQUINS Programme Manager provided a presentation to include: comparisons of survey results to the previous year; national comparisons; improvements made in response to the 2012 survey; and improvements planned in response to the 2013 survey.

The most significant area of deterioration (compared to the previous year) related to waiting list and planned admissions (6% deterioration). The most significant area of improvement (compared to the previous year) related to overall views and experiences (7% improvement). However, this remained a challenging category for providers nationally; and generally it was noted that the results did not highlight the Trust as an outlier against its peers. It was further noted that the results reflected the perceptions of patients, and not necessarily reality, and would be triangulated with internal trust data. The survey results did not provide any messages that the Trust was not already aware of.

The Committee recognised that the results were generally moving in the right direction, but were somewhat disappointed that the improvement had not been greater, given the emphasis placed on We Care and the Friends & Family Test.

DEEP DIVE: SEASONAL PLANNING 2013/14 AFTER ACTION REVIEW

The Service Improvement Manager and the Deputy Director of Operations provided a presentation on the evaluation of the Trust's Seasonal Pressures Plan. Planning for the year 2013/14, which was built, and builds each year, on the experiences of the previous years, had been the most robust to date, and had generally gone well, despite the fact that the Trust did not receive much help from many other agencies.

The Trust was already looking at future plans - the seasonal plan was an annual requirement. In previous years, the focus had been on inclement weather. Last year's plan (and plans going forward) would be more focussed on patient flow and capacity.

BOARD ASSURANCE FRAMEWORK

The Trust Secretary presented a report covering a review of the BAF. Annual objectives had been reviewed to ensure there was a more appropriate number to better enable greater focus on those objectives. The BAF had been reviewed to simplify its contents, make it more intelligible and to strengthen the review of risks to achieving annual objectives at appropriate Board and Committee level.

It was the proposal that detailed scrutiny of objectives and risks would take place at Committee level for areas for which the particular Committee was responsible. The Board would receive a summary to include a commentary for any areas where Committees had identified a risk.

Concern was raised regarding the function of the IAGC following the introduction of the new Quality Committee, together with these proposals, which could render the IAGC effectively redundant. It was explained that the IAGC would provide a role in overseeing the whole BAF process to ensure appropriate controls were in place. A programme of deep dives would be established to test this throughout the year.

Representatives from both the external and internal auditors were in support of the new format BAF, adding that other Trusts had established a Quality Committee with assurances around controls being the responsibility of an Audit Committee.

The IAGC endorsed the new format BAF, subject to clarification of the future work programme of the IAGC following the introduction of the new Quality Committee.

INFORMATION GOVERNANCE TOOLKIT WORK PROGRAMME (YEAR END)

The proposed work programme as at year end was presented to the Committee, and the proposal was endorsed.

GIFTS AND HOSPITALITY ANNUAL REPORT

The Trust Secretary presented the report and added that she would be reviewing the Gifts and Hospitality Policy to strengthen both the non-commercial and commercial element. It was felt that the number of declarations on the register was not a true reflection within the Trust and enhanced awareness of the Trust policy was necessary. The Committee agreed and asked the Trust Secretary to bring the revised policy back.

REVIEW OF Q3 MONITOR RETURN

Members of IAGC noted the report without comment.

CORPORATE GOVERNANCE STATEMENT: MONITOR DECLARATION

The Trust Secretary presented the report, which included a copy of the next declaration due to be submitted to Monitor at the end of June 2014. The supporting documentation had been previously received by the IAGC. Members were in agreement with the declarations and risks as per the report.

LOSSES AND SPECIAL PAYMENTS REPORT APRIL 2014

There had been an increase in the value of special payments in 2013/14 regarding payments made to patients following complaints about their treatment, but the Committee were provided with assurance that there was no particular underlying trend of concern.

SINGLE TENDER WAIVER REPORT Q3 AND Q4

The Director of Estates and Facilities highlighted that there had been an upward trend in both the value and quantity of STWs during 2013/14. The change represented 50% increase in quantity and 100% increase in value equating to approximately 4% of overall Trust expenditure.

Baker Tilly reported that a benchmarking exercise had been undertaken over a year ago, which did not highlight the Trust as an outlier, but it was agreed that a detailed analysis of the contributing factors to the upward trend in STWs would be undertaken. The analysis would be reviewed by the IAGC, after which a decision would be made as to whether a further benchmarking review or investigation would be beneficial.

H&S AND ESTATES STATUTORY COMPLIANCE REPORT

The Director of Estates and Facilities presented the report. He referred to the asbestos update and an incident involving a sub-contractor, but confirmed that a review had been undertaken by the HSE and no action would be taken against the Trust. He also confirmed that the Environmental Agency had confirmed they were content with the actions taken by the Trust regarding the incident involving the pollution of the River Stour. In relation to the incident regarding contaminated waste, he also confirmed that work had been undertaken with infection control and the Trust's policy had been strengthened.

The Committee referred to the development of a compliance dashboard and agreed that this should be included as part of future reports to the IAGC.

KENT FIRE AND RESCUE SERVICE VISIT TO WILLIAM HARVEY HOSPITAL – PROGRESS REPORT

The Director of Estates and Facilities provided an update. He reported that 5 recommendations following the visit had been closed, 3 were still on going. The Trust had recruited a Fire Engineer with substantial experience in this area. Assurance was provided that the three outstanding actions were being taken forward as part of the development of a new strategy for the whole site.

The visit had recommended increased fire detectors at the William Harvey Hospital. An audit had been undertaken which had identified a potential investment of £2.8m. However, the Fire Engineer had undertaken a pragmatic review as part of the overall strategy development, which included an evacuation strategy, but this would take time to implement. Likewise, issues raised regarding emergency lighting were still being worked through.

It was anticipated that all recommendations would be closed by September 2014. It was proposed that the October IAGC be provided with an update. The Committee recognised

the challenges faced by the Trust in reviewing and complying with all compliance regulations due to its aging estate. The appointment of a Fire Engineer has brought some pragmatism to how this is approached. It was proposed that this be a subject of a future deep dive for the IAGC, and agreed that this would be scheduled for December 2014.

AUDITOR REPORTS

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

- the external audit had been satisfactorily completed; the charity audit had started.
- the internal audit plan and 3 year strategy highlighted that the balance between quality and finance had been a challenge for the Trust this year and would be for future years to come. The Committee noted the financial governance audit work undertaken, focussing on the surgical services division, which reviewed the quality of information, finance and budget management. In summary, the audit demonstrated some areas of good practice: reporting at Board and Finance and Investment Committee was robust. However, the audit concluded that there was a tension between quality management and financial control. The focus on quality was important but financial governance at divisional Board level needed to be strengthened.
- the internal audit plan/strategy included a review of the lessons learned from the Trust's incidents and complaints and how these read across the organisation. In addition, it was the intention for internal audit to liaise with counter fraud colleagues to review whistle blowing.
- assurance was provided that the internal audit plan had sufficient flex to accommodate specifics from the CQC Report.
- the plan highlighted that the Trust has had a settled senior management team up until now. However, there have been and could be changes to the Board going forward.
- attention was drawn to the report which highlighted that some departments manage their procurement independently of the central procurement department. This was predominantly estates and pharmacy where it was pragmatic to do so. The counter fraud specialist reported that a review had found no evidence of criminal activity so far, although the current arrangements increased that risk. The estates department was subject to restructure and their procurement function would be moving to a centralised function which would mitigate risks.