

## AUDIT COMMITTEE

Minutes of the Meeting of 21 September 2010

**Time:** 10.30am – 13.00pm

**Venue:** Meeting Room 1, Trust HQ, QEMC

**Present:** Mr Stewart Dobson (Chair)  
Mr David Ritchie (“DR”)  
Ms Clare Robinson (“CR”)

**In Attendance:** Mr Mike Sexton, Executive Director of Finance (“FD”)  
Mr Tim Jones, Executive Director of Delivery (“EDoD”)  
Mr David Burbridge, Director of Corporate Affairs (“DCA”)  
Mr Julian Miller, Deputy Director of Finance (“DFD”)  
Mrs Kay Fawcett, Chief Nurse (“CN”) – joined the meeting  
after discussion of item 9  
Mr Jon Gorrie, KPMG (External Audit)  
Mrs Sophie Jenkins, KPMG (External Audit)  
Mr Glen Palethorpe, RSM Tenon (Internal Audit)  
Mr Bob Hibberd, Head of Governance (“HoG”)  
Mrs Sheena Taylor, Risk Management Advisor (“RMA”)  
Miss Imogen Grey, Head of Quality Development (“HQD”)  
Mrs Berit Reglar, Senior Manager Corporate Affairs (“SMCA”)

A11/33 **Apologies for Absence**  
Apologies for absence were received from Mrs Gurjeet Bains (“GB”)  
Ms Angela Maxwell (“AM”), David Bailey (“DB”), Prof Michael  
Sheppard, Kevin Bolger (“COO”).

A11/34 **Minutes of the last meeting – 3 June 2010**

**Resolved: The minutes of the previous meeting held on 3 June 2010 were approved as a true record.**

The Committee requested the Action List, annexed to the minutes, to be updated.

**ACTION: DCA**

A11/34 **Matters arising**

There were no matters arising.

A11/35 **External Audit – Progress Report**

The Committee considered the External Audit Report presented by Jon Gorrie from KPMG. The Committee noted that the report called “A better pill to swallow – A global view of what works in Healthcare” had

been distributed via email.

**Resolved: To accept the report.**

A11/36

**External Audit – Dry run of independent assurance on the Quality Report – a readiness review**

The Committee considered the External Audit – Dry run of independent assurance on the Quality Report, presented by Jon Gorrie from KPMG.

Jon Gorrie explained that Monitor plans to develop an external assurance process on data quality. In preparation for this, Monitor issued some guidance which requires NHS FTs to complete a 'dry-run' assurance review in 2009/10 so as to highlight potential issues in securing assurance opinions in 2010/11. It is anticipated that Monitor will request a 'reasonable assurance' opinion on management arrangements to prepare and publish the report and a 'limited assurance' opinion on the data quality under-pinning selected and specified performance indicators reported in the Quality Report.

The External Audit – Dry run of independent assurance on the Quality Report fulfils the aforementioned requirements. It was agreed that whilst the overall outcome was reassuring, more work would have to be carried out to identify appropriate performance indicators and develop a reliable evidence process. It was further agreed that regular meetings of the Executive Medical Director, the Data Quality Leads and KPMG would be needed to consider these issues.

**ACTION: RSM Tenon**

**Resolved: To accept the report.**

A11/37

**Internal Audit – Progress Report**

The Committee considered the Internal Audit Progress Report, presented by Glen Palethorpe of RSM Tenon. To date, 3 reports have been finalised for 2010/11. 2 reports (the Governance and Cost Improvement Reports) are merely advisory, whilst the third report on Business Continuity Planning led to an overall opinion of 'red/amber'. It was noted that this opinion was a result of the IT system shortfalls which are being resolved.

**Resolved: To accept the report.**

A11/38

**Recommendation Tracking Report**

The Committee considered the Recommendation Tracking Report, presented by the SMCA. The Committee accepted the comments made by Finance in relation to recommendations 2, 5 and 6 and requested an update of comments and a detailed Action Plan for the overdue recommendations relating to IT (recommendations 1, 3 and

4). It was further agreed that future reports would show the name of the individual to whom the recommendation had been assigned.

**Action: SMCA**

**Resolved: To accept the report.**

A11/39

**Monitor – Downside Planning**

The Committee considered the Downside Planning 2010/11 Refresher Report which was complimented for its intelligibility and comprehensiveness. The DFD pointed out some of the key changes to the original plan, including the decreased EBITDA, reduced cash balance and altered long term cash position. He explained that the reduced cash balance is a common feature in Finance Plans of other, comparable Trusts and therefore not an area of great concern.

The Committee discussed the savings made by the move to a single site. It was agreed that there may be scope for further savings and it was confirmed that these savings are profiled to deliver £13 million in 2013/14.

The FD confirmed that the remainder of the PFI Transition Funding (p. 37) is requested as soon as possible.

The Committee agreed that the report could be presented to the BOD meeting in October for final approval.

**ACTION: DFD**

**Resolved: To accept the report.**

A11/40

**BNHP – Financial Risks**

The Committee considered the BNHP Financial Risk Report, presented by the FD, who clarified that the disposal of the Selly Oak site may not take place until 2014/15 when the cash position of the Trust is at its lowest (p. 6).

The FD confirmed that the Charities' Funds have not been exhausted yet and the second tranche will be requested shortly.

The Committee noted the re-adjustments to certain risks and agreed for these to be incorporated into the Risk Register.

**Resolved: To accept the report.**

A11/41

**Focus on Risks of Electronic Patient Records**

The Committee considered the Report on Risks of Electronic Patient Records. The EDoD explained that the Trust is planning to roll out the

new electronic patient record system in Outpatients in quarter 4 of 2010/11 and this paper intends to raise awareness for the main risks associated with this project. The risks are mitigated as follows:

- IT infrastructure failure: This is mitigated by deploying more than just one system (PICS, PORTAL) and strengthening of the reporting mechanisms when the system is down.
- Lack of clinical engagement/resilience: The Programme Leads meet with clinicians on a weekly basis to ensure that the solution delivers what they require for their services/working practices. As a result, a mixture of data entry methods has been developed (keyboard, digipen) to allow for personal preferences.
- Outpatients PICS: A skinny version of PICS has been developed to allow for access to clinical data at all times.
- Availability of information: The option of scanning (centralised or specialty based) is being considered to ensure that elements of patients records which are currently paper based (example in-bound correspondence from other hospitals) are made available electronically.

It was agreed that a progress report would be presented to the Audit Committee meeting in November.

**ACTION: EDoD**

**Resolved: To accept the report.**

A11/42

### **Risk Management Report**

The Committee considered the Risk Management Report (including incident reporting data). The RMA apologised for including the wrong graph in Figure 5 (should be Figure 3). The top 5 incidents mentioned in that graph should be:

- Medical Records;
- Patient falls/slip,
- Pressure Ulcers,
- Medication issues; and
- Non adherence to standards.

The CN assured the Committee that Pressure Ulcers have always been reported on, but in a different way.

A more vigilant reporting mechanism means that 'falls' are monitored more closely now which has resulted in an increase in reporting levels.

The failure to arrange a follow-up appointment (p. 14) is still under

investigation and will be reported on in the next report.

**ACTION: RMA**

**Resolved: To accept the report.**

A11/43

**Complaints**

The Committee considered the quarterly Complaints Report, presented by the CN. The report shows a marked increase in the number of complaints in July 2010 which have been traced back to teething problems of the new hospital. Complaints numbers have fallen since.

Table 2 shows complaints rising in Ambulatory Care and reasons for this change are being investigated.

A&E, MAU and CDU have received 4 complaints about staff dealing with vulnerable patients. To ensure that the vulnerability aspect is taken seriously, reports to the Care Quality Group have been requested.

The DCA explained that the complaint (ref 3293) is still being investigated. Since the Trust has no power to ask BT for disclosure of the details of the company who phoned the patient, the Police and ICO have been approached for assistance. Complaints of this nature occur unfortunately regularly and despite all investigatory efforts, the Trust has never managed to identify any 'leaks' in the Trust. However, the Trust ensures staff are aware that these incidents are taken seriously.

It was agreed that the next report shall focus on areas with clusters of complaints and the actions taken to increase performance levels.

**ACTION: CN**

**Resolved: To accept the report.**

A11/44

**Draft Audit Committee Annual Report To Board of Directors**

The Committee considered the Draft Audit Committee Annual Report to Board of Directors, presented by the DCA.

It was agreed to:

- Remove the square brackets in 3.3.2
- Update the Trust's Register of Interest in 4.1.2
- Change the heading in 5
- Re-phrase 5.3 to read "Undertake a Fit for Purpose Review..."

**ACTION: DCA**

**Resolved: To approve the report as amended and submit same to the Board of Directors.**

- A11/45 **Compliance Report – Policy for the Development and Management of Controlled Documents**  
The Committee considered the Compliance Report – Policy for the Development and Management of Controlled Documents.  
**Resolved: To accept the report.**
- A11/46 **Assurance Framework High Level Risks**  
The Committee considered the Assurance Framework High Level Risks, consisting of a covering sheet, the High-level Assurance/Compliance Report and an extract of the Assurance Framework Report.  
  
It was agreed that the risk pertaining to the lifts in the new hospital to be updated.  
  
**ACTION: HoG**  
  
**Resolved: To accept the report.**
- A11/47 **Single Tender/Quote Approvals Quarter 1 (1 April – 30 June 2010)**  
The Committee considered the Single Tender/Quote Approvals for Quarter 1 of 2010/11 and discussed the single tender for the Executive Team Media Training. This had been approved by the Chief Executive on the basis of previous experience with the company and their existing in depth knowledge of the Trust. It was agreed that several other reputable companies could have been approached and this should be fed back to the Chief Executive.  
  
**ACTION: FD**  
  
**Resolved: To accept the report.**
- A11/48 **Occupational Health & Safety Report**  
The Committee considered the Occupational Health & Safety Report.  
  
**Resolved: To accept the report.**
- A11/49 **Audit Committee Development**  
It was agreed that members of the Audit Committee would receive a presentation on CQC standards during their training session on 8 October 2010.  
  
**ACTION: HoG**
- A11/50 **Any Other Business**  
There was no other business.
- A11/51 **Date of Next Scheduled Meeting**

COMMERCIAL IN CONFIDENCE

University Hospitals Birmingham



NHS Foundation Trust

**Thursday, 4 November 2010 - THQ Board room**

**Time: 10.30am – 13.00pm**

9:30am – 10.15am NEDs Pre-Meeting

10:15am – 10:30am NEDs meeting with DCA

## AUDIT COMMITTEE

## Action list (as at 21 September 2010)

| Minute                                | Action   | Date     | By   | Status |
|---------------------------------------|--|----------|------|--------|
| <b>Actions from 11 February 2010</b>  |  |          |      |        |
| A10/81                                | To provide a detailed action plan with timescales for the IT Disaster Recovery Plan.   |          | DIT  |        |
| A10/93                                | To provide an update on Dermatology  |          | PSM  |        |
| <b>Actions from 21 September 2010</b> |  |          |      |        |
| A11/36                                | To identify appropriate performance indicators and develop a reliable evidence process   |          | KPMG |        |
| A11/38                                | To provide an update of comments and a detailed Action Plan for the overdue recommendations relating to IT (recommendations 1, 3 and 4) and to detail the name of the individual to whom the recommendation has been assigned. | Nov 2010 | SMCA |        |
| A11/39                                | To change the wording in the Downside Planning Report as agreed prior to submission to Monitor.  | ASAP     | DFD  |        |
| A11/41                                | To present a progress report on Electronic Patient Records   | Nov 2010 | EDoD |        |
| A11/42                                | To provide details for the failure to arrange a follow-up appointment in the next report   | Nov 2010 | RMA  |        |
| A11/43                                | To focus on areas with clusters of complaints and actions taken to increase performance levels.  | Nov 2010 | CN   |        |
| A11/44                                | To make the changes as suggested above   |          | DCA  |        |
| A11/46                                | To update the risks pertaining to lifts  | Nov 2010 | HOG  |        |
| A11/47                                | To feed back comments regarding approval of single tender for Executive Directors' Media Training  |          | EDoF |        |