53/14 MATTERS ARISING

Consultant Job Planning
- Job planning is the key method of marrying capacity in the Trust, aligning specialties and SLM.
- Job planning should be undertaken on a rolling basis and renewed annually.
- The rate of recorded job plans has fallen partially due difficulties currently recording through Zircadian and also the process for sign off not being robust.
- The Medical Staff Review Group area currently reviewing the current process and re-focusing efforts to review whether the Trust gained more or less expected productivity from job plans. Dr Elyan highlighted that the ultimate aim would be to undertake team planning which would then align to SLM but currently there is not the information or skill set to do.
- The Chair asked whether progress was being held back because of the lack of resources, Dr Elyan commented that it was also a significant part of CIP for the divisions and should be grasped. The Finance Director confirmed that the Interim CIP Director had been asked to review job planning to enable a view to be taken and provide rationalisation for bringing in additional management.

54/14 REPORTS FROM THE DIRECTOR OF FINANCE

Losses and Compensations
Members noted the payments relating to the loss of a patient’s hearing aid, the Finance Director advised that the Head of Legal Services was looking at this case specifically and the Trust would be looking to take a more robust line on patient property and update procedures.

Single Tender Action
Members noted the single tender actions which had been signed since the Audit Committee held on 9th September 2013. Mr Bacon explained that the actions which were reported to the Committee were greatly reduced as single tenders should be reported within three specific categories to the Committee.

Task and Finish Group Report
The Finance Director shared the report which updated on a numbers of areas of good practice.

55/13 INTERNAL AUDIT

Progress Report
- **Patient Property Follow up** - the report is currently under review and will be presented at the next meeting of the Committee, the key will be to embed the policies.
- **Procurement** - a comprehensive review will be undertaken to provide assurance to the Committee, build on previous work and support the Procurement department in meeting its goals.
- **Financial Resilience and Service Line Management** - the Finance Director had agreed to merge these reviews and a review meeting is now scheduled.
- **Performance Indicators** - a meeting had taking place with the audit lead to agree the scope of the work.
- **Core Financial Systems** - the scope for the review has now been agreed and the work will be undertaken in November. The report on first phase of the work is an agenda item for the meeting.
- **IT Provision** - the focus will be Business Resilience and the initial phase is nearing completion, a report will be presented at the January meeting of the Committee.
- **Consultant Job Planning** - additional work agreed and a scoping meeting to agree the Terms of Reference has been scheduled
- **Carbon Reduction scheme** – the Trust has entered into a new contractual arrangement and PwC view was that this needs to fully embed before the audit takes place.
- The Finance Director proposed additional days to further review Procurement and to look at car parking income within the contingency days allocation within the audit plan.

*Core Financial Systems Final Report*
All systems were noted as green with the exception of Payroll where there is a lack of up to date signatories listing although it was acknowledged with the use of Smartstream there is a reduced risk of inappropriate or inaccurate payments being made.

56/13 **EXTERNAL AUDIT**

*Progress Report*
- Members noted the other activity which had been undertaken since the last update to the Committee. This included completion of the 2013/14 Charitable Funds Audit and discussing with Mr Bacon how SmartCare will be disclosed in the accounts.
- Emerging Issues and Developments - members noted that the National Audit Office has developed a draft Code of Audit Practice which has been issued for consultation.
- Monitor has published its NHS Foundation Trust quarterly report. The Finance Director advised that the Trust needed to be mindful of the impact of neighbouring Foundation Trust’s, (some of which are in difficult positions) on the operational impact of the Trust.

*Value Report*
The report summarised the services the external auditors has provide to the Trust during the year and the Committee acknowledged the support Grant Thornton had provided to the Trust in a number of areas.

58/14 **COUNTER FRAUD REPORT**
Mrs Cheung presented the progress report on activity undertaken within the Trust noting 83 days has have been provided from April 2014 to date. Mrs Cheung reported that a meeting is scheduled to follow up on the paper presented at the last meeting on treatment of fraud related cases to ensure the whole picture is considered. The revised counter fraud and corruption policy has been place placed on the website and is available on the policy menu.

59/14 **REVIEW OF THE TRUST RISK REGISTER**
Risk M1- Inability of the local and social care system to manage demand within the current capacity leading to significant fluctuation of attendances in ED. The Finance Director reported that this risk was under constant review and formally raised with the Clinical Commissioning Group.

60/14 **AUDIT COMMITTEE WORKPLAN 2015**
Mr Bacon offered to share an Analytical Review of 2013/14 the Committee. The Finance Director updated that a development day is scheduled for the Finance team to review the accounting policies and share learning from the 2013/14 accounts. Mr Evans advised the Committee that he had received a draft copy as a template for 2014/15 and found the document helpful and informative.
PRESENT
Mr Mike Evans ME Chairman and Non-Executive Director
Mr Clive Lewis CL Non-Executive Director

IN ATTENDANCE (by invitation)
Mr Martin Wood MW Trust Secretary
Mrs Sallie Cheung SCh Local Counter Fraud Specialist
Mr Kevin Henderson KH Grant Thornton (GT), External Audit
Mrs Helen Simpson HS Finance Director
Mr Alan Thomas AT Governor, Cheltenham Borough Council Area
Mr Peter Stephenson PS Price Waterhouse Coopers (PwC), Internal Audit
Mr Kevin Henderson KH Grant Thornton (GT), External Audit
Mr Andrew Seaton AS Director of Safety
Mr John Golding JG Grant Thornton (GT), External Audit
Mr Sam Elwell SE Price Waterhouse Coopers (PwC), Internal Audit
Dr Sean Elyan SE Medical Director (In attendance for Item 53/14)

APOLOGIES
Mr Alan Thomas AT Governor, Cheltenham Borough Council Area
Mrs Helen Munro HM Non-Executive Director
Ms Lynn Pamment LP Price Waterhouse Coopers (PwC), Internal Audit

ACTION

51/14 DECLARATIONS OF INTEREST
There were none.

52/14 MINUTES OF THE MEETING HELD ON 11 NOVEMBER 2014
RESOLVED: That the minutes of the meeting held on 9 September were agreed as correct record with minor amendment to reflect the Internal Audit report on patient property was classified at high risk and not low risk.

53/14 MATTERS ARISING
The Committee noted the completed actions.

Cost Improvement Programme
The Finance Director confirmed the CIP target for Procurement is £1.4m with an additional stretch target of £1.8m.

Risk Management
Mr Seaton reassured members that there is a robust continuous process for reviewing Directorate Risk Registers and is monitored by the Trust Management Team. Mr Seaton advised members that he was comfortable about the risk management processes which were in place and the Committee were satisfied that this action was now complete.

Consultant Job Planning
Dr Elyan updated members on the current position and progress with job planning. Key points of discussion were noted as:
- Job planning is the key method of marrying capacity in the Trust, aligning specialties and SLM.
- Job planning should be undertaken on a rolling basis and renewed annually.
- The rate of recorded Job Plans has fallen partially due to difficulties currently recording through Zircadian and also the process for sign off not being robust.
- The Medical Staff Review Group area currently reviewing the current process and re focusing efforts to review whether the Trust gained more or less expected productivity from job plans. Dr Elyan highlighted that the ultimate aim would be to undertake team planning which would then align to SLM but currently there is not the information or skill set to do.
- The Chair asked whether progress was being held back because of the lack of resources, Dr Elyan commented that it was also a significant part of CIP for the divisions and should be grasped. The Finance Director confirmed that the Interim CIP Director had been asked to review job planning to enable a view to be taken and provide rationalisation for bringing in additional management.

### 54/14 REPORTS FROM THE FINANCE DIRECTOR

#### Losses and Compensations

Members noted the payments relating to the loss of a patient’s hearing aid. The Finance Director advised that the Head of Legal Services was looking at this case specifically and the Trust would be looking to take a more robust line on patient property and update procedures. There has also been some concerns raised that patients do not fully understand the disclaimers that they have signed. The Head of Legal Services will be specifically working with Guiting Ward and then work will be rolled out across wards.

Mr Stephenson suggested that the Trust may wish to consider the difference between categories or property such as dentures and jewellery, these may require a different focus to look at reinforcing careful behaviours.

#### Singles Tender Action

Members noted the single tender actions which had been signed since the Audit Committee held on 9th September 2013. Mr Bacon explained that the actions which were reported to the Committee were greatly reduced as single tenders should be reported within three specific categories to be reported to the Committee.

#### Task and Finish Group Report

The Finance Director shared the report which updated on a numbers of areas of good practice advising members that there would be a further meeting of the Task and Finish Group to conclude the work.

Members discussed a particular case where a patient had received treatment for a period of time before being identified as an overseas patient. Mr Bacon advised that this would be considered as part of the Home Office Awareness days being held on 12 November explaining that Trust is good at invoicing when patient are identified but needed to focus on early identification which will require changes in practice. Members noted that it was possible for the Trust to raise invoices and seek payment in advance of treatment.

Payments by Credit Cards – members discussed whether the facilities were available to take card payments. The Finance Director explained that there are cultural barriers to this amongst clinical staff who don’t always feel comfortable asking for money. Members noted that this was discussed as part of the Induction for new doctors. Although there is not operationally the facilities to pay using a card it would not be impossible to introduce but would need assessment to know where card machines should be used and how many would be needed.
Mr Bacon is developing a business case for pre payments for prescriptions, the system will provide a financial benefit.

The Trust will receive notifications of other Home Office Awareness days which are being held across the county which GHFT staff will be able to attend; there is also a plan in place to ensure the correct people are identified to attend.

Report on the Follow Up on Audit Recommendations
Member noted the work is ongoing to develop an Audit Recommendations Tracker and agreed that the level of detail was appropriate for the Committee. Mr Bacon agreed to meet with Mr Stephenson to review the outstanding actions and Mr Bacon also agreed to provide a short commentary on recommendations and highlight recommendations where they had not met the target date.

Payment and Tariff Assurance Framework – Coding and Costing Audit 2014/15
The Finance Director highlighted the work of EPS, who are looking at specific areas of data for the Trust to help ensure data quality and Dr Foster information is correct.

RESOLVED: That the Committee noted the reports.

55/14 INTERNAL AUDIT

Progress Report
Mr Stephenson reported on progress with reviews:
- **Patient Property Follow up** - the report is currently under review and will be presented at the next meeting of the Committee, the key will be to embed the policies.
- **Procurement** - a comprehensive review will be undertaken to provide assurance to the Committee, build on previous work and support the Procurement department in meeting its goals.
- **Financial Resilience and Service Line Management** - the Finance Director had agreed to merge these reviews and a review meeting is now scheduled
- **Performance Indicators** - a meeting had taking place with the audit lead to agree the scope of the work.
- **Core Financial Systems** - the scope for the review has now been agreed and the work will be undertaken in November. The report on first phase of the work is an agenda item for the meeting.
- **IT Provision** - the focus will be Business Resilience and the initial phase is nearing completion, a report will be presented at the January meeting of the Committee.
- **Consultant Job Planning** - additional work agreed and a scoping meeting to agree the Terms of Reference has been scheduled
- **Carbon Reduction scheme** – the Trust has entered into a new contractual arrangement and PwC view was that this needs to fully embed before the audit takes place.
- The Finance Director proposed additional days to further review Procurement and to look at car parking income within the contingency days allocation within the audit plan.

Core Financial Systems Final Report
All systems were noted as green with the exception of Payroll where there is a lack of up-to-date signatories listing although it was acknowledged with the use of Smartstream there is a reduced risk of inappropriate or inaccurate payments being made.

RESOLVED: That the Committee note the reports.
EXTERNAL AUDIT

Progress Report
Mr Henderson updated on progress, key points of discussion were noted as:

- Members noted the other activity which had been undertaken since the last update to the Committee. This included completion of the 2013/14 Charitable Funds Audit and discussing with Mr Bacon how SmartCare will be disclosed in the accounts.

- Emerging Issues and Developments - members noted that the National Audit Office has developed a draft Code of Audit Practice which has been issued for consultation.

- Monitor has published its NHS Foundation Trust quarterly report. The Finance Director advised that the Trust needed to be mindful of the impact of neighbouring Foundation Trusts’, (some of which are in difficult positions) on the operational impact of the Trust.

Value Report
The report summarised the services the external auditors has provide to the Trust during the year and the Committee acknowledged the support Grant Thornton had provided to the Trust in a number of areas.

RESOLVED: That the Committee note the report.

REVIEW OF TERMS OF REFERENCE

The Committee reviewed the Terms of Reference for the Audit Committee and agreed with no further amendment.

RESOLVED: That the Committee note the report.

COUNTER FRAUD REPORT

Mrs Cheung presented the progress report on activity undertaken within the Trust noting 83 days has have been provided from April 2014 to date. Mrs Cheung reported that a meeting is scheduled to follow up on the paper presented at the last meeting on treatment of fraud related cases to ensure the whole picture is considered. The revised counter fraud and corruption policy has been placed on the website and is available on the policy menu. Mr Cheung updated on two cases

- A Haematologist has been sent to their professional board for discipline but has not been reviewed by counter fraud as there is insufficient evidence.

- A nurse is due in court in March and discussion have taken place with the Trust barristers. The nurse has been dismissed and the case will considered in full by the Nursing and Midwifery Council. Mrs Cheung highlighted that the cost will not be paid by Trusts but CPS, adding that the Trust always looked to recover investigation although there has been a change in ruling.

Mrs Cheung agreed to provide details of current cases in future progress reports.

RESOLVED: That the Committee note the report.

REVIEW OF THE TRUST RISK REGISTER

Risk M1- Inability of the local and social care system to manage demand within the current capacity leading to significant fluctuation of attendances in ED. The Finance Director reported that this risk was under constant review and formally raised with the Clinical Commissioning Group.

Members noted the redesigned Assurance Framework which is aligned to the strategic objectives, members noted key risks were considered as part of the
internal audit plan although were not all appropriate for auditing.

**RESOLVED:** That the Committee note the report.

### 60/14 AUDIT COMMITTEE WORKPLAN 2015

The Committee reviewed the work plan and agreed minor amendments.

Review of the Audit Committee – checklists to be circulated to members and considered at the next meeting of the Committee.

Mr Bacon offered to share an Analytical Review of 2013/14 the Committee. The Finance Director updated that a development day is scheduled for the Finance team to review the accounting policies and share learning from the 2013/14 accounts. Mr Evans advised the Committee that he had received a draft copy as a template for 2014/15 and found the document helpful and informative.

**RESOLVED:** That the reports be noted.

### 61/14 AOB

None.

**DATE OF THE NEXT MEETING**

Tuesday 13 January 2014, 8.45am in the Boardroom at 1 College Lawn

Chair