

Trust Board paper O

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 7 July 2016

COMMITTEE: Audit Committee

CHAIRMAN: Richard Moore, Non-Executive Director

DATE OF COMMITTEE MEETING: 25 May 2016

RECOMMENDATIONS MADE BY THE COMMITTEE FOR CONSIDERATION BY THE TRUST BOARD:

- Minutes 32/16/1.1 to 32/16/1.6 – Draft Annual Report and Annual Accounts 2015-16 and associated submissions, and
- Minute 32/16/2 Draft Quality Account 2015-16.

OTHER KEY ISSUES IDENTIFIED BY THE COMMITTEE FOR CONSIDERATION/ RESOLUTION BY THE TRUST BOARD:

- Minute 35/16/3 – Appointment of Local Counter Fraud Provider;
- Minute 42/16/1 – Integrated Risk Management Report;
- Minute 42/16/2 – Reconfiguration Programme Gateway 0 Review, and
- Minute 42/16/3 – Electronic Patient Record Health Check Review.

DATE OF NEXT COMMITTEE MEETING: 7 July 2016

**Richard Moore
Non-Executive Director**

1 July 2016

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A PART INQUORATE MEETING OF THE AUDIT COMMITTEE HELD ON
WEDNESDAY 25 MAY 2016 AT 2PM IN THE BOARD ROOM, VICTORIA BUILDING, LEICESTER
ROYAL INFIRMARY**

*Items discussed during the inquorate section of the meeting are marked **
and recorded below as recommendations for subsequent approval by the Trust Board.*

Present:

Mr R Moore – Non-Executive Director (Chair)
Colonel (Retired) I Crowe, Non-Executive Director (excluding Minutes 32/16/2 to 38/16/3)

In Attendance:

Mr J Adler – Chief Executive (for Minute 32/16/1.1 to 32/16/1.6 inclusive)
Mr C Benham – Director of Operational Finance
Mr J Clarke – Chief Information Officer (for Minute 42/16/3 only)
Mr P Cleaver – Risk and Assurance Manager (for Minute 42/16/1 only)
Miss M Durbridge – Director of Safety and Risk (for Minute 42/16/1 only)
Mr P Gowdridge – Head of Financial Performance and Planning (observing)
Ms S Hotson – Director of Clinical Quality (for Minute 32/16/2 only)
Mr A Johnson – Non-Executive Director
Ms N Junkin – Senior HR Project Lead (for Minute 33/16/1.1 only)
Ms H Leatham – Assistant Chief Nurse (for Minute 33/16/1.2 only)
Mr R Mitchell – Chief Operating Officer (for Minute 44/16/2.1 only)
Ms K Rayns – Trust Administrator
Mr N Sone – Financial Controller
Ms R Spring – Programme Director (for Minute 42/16/2 only)
Mr M Traynor – Non-Executive Director
Mr P Traynor – Chief Financial Officer
Mr S Ward – Director of Corporate and Legal Affairs

Mr M Curtis – Local Counter Fraud Specialist (EM Internal Audit Services) (for Minutes 43/16/1 and 43/16/2 only)

Mr J Brown – Director, KPMG (the Trust's External Auditor) (excluding Minutes 39/16 to 41/16)
Mr D Hayward – Manager, KPMG (the Trust's External Auditor) (excluding Minutes 39/16 to 41/16)

Ms A Breadon – Director, PwC (the Trust's Internal Auditor)
Ms C Wood – Senior Manager, PwC (the Trust's Internal Auditor)

ACTION

RECOMMENDED ITEMS

- 32/16** **DRAFT ANNUAL REPORT AND ANNUAL ACCOUNTS 2015-16**
- 32/16/1.1 Internal Audit Annual Report and Head of Internal Audit Opinion Statement 2015-16

Ms A Breadon, Director, PwC (the Trust's Internal Auditor) introduced paper K1 providing the Internal Audit Annual Report and the Head of Internal Audit Opinion for 2015-16 on the adequacy and effectiveness of governance, risk management and control. The Audit Committee welcomed the overall Internal Audit opinion of "Generally satisfactory with some improvements required", noting that the same opinion had been provided for 2014-15. A summary of the key findings arising from Internal Audit reviews conducted throughout the year was provided in section 2 of paper K1 and this had been used to inform the draft Annual Governance Statement.

Recommended – that the Internal Audit Annual Report and Internal Audit Opinion Statement 2015-16 be endorsed for Trust Board approval on 2 June 2016.

CFO

32/16/1.2 Draft Annual Report and Annual Accounts 2015-16

The Chief Financial Officer introduced a revised version of paper K2, providing the Trust's Annual Report and the revised accounts for the financial year ended 31 March 2016. Particular discussion took place regarding the balance sheet adjustments to reflect the revaluation of the Trust's estate and the associated impairment charge. Clarity was provided that the revaluation had not impacted upon the Trust's income and expenditure deficit of £34.1m against the plan of £34.1m, nor had it impacted upon the PDC dividends payable for 2015-16.

Noting that a revised version of the Annual Accounts had recently been issued, the Audit Committee Chair undertook to meet with the Chief Financial Officer (outside the meeting) to gain assurance that all of his previous points of clarity had been addressed prior to the Trust Board's consideration. Following further discussion, the Chief Financial Officer advised that he had requested his team to prepare a brief "lessons learned" report on the process for finalising the 2015-16 annual accounts.

Recommended – that (A) the Audit Committee Chair be requested to meet with the Chief Financial Officer (outside the meeting) to gain assurance that all of his previous points of clarity had been addressed within the revised accounts (revised paper K2);

AC
CHAIR/
CFO

(B) subject to the outcome of resolution (A) above, the draft annual report and annual accounts for 2015-16 be endorsed and recommended to the Trust Board for formal approval at its meeting on 2 June 2016, and

CFO

(C) a brief "lessons learned" report on the process for finalising the 2015-16 annual accounts be presented to the 7 July 2016 Audit Committee meeting.

CFO

32/16/1.3 Draft Annual Governance Statement 2015-16

The Audit Committee recommended the Annual Governance Statement (as drafted in paper K3) for Trust Board approval on 2 June 2016.

Recommended – that the 2015-16 Annual Governance Statement be endorsed and recommended to the Trust Board for formal approval at its meeting on 2 June 2016.

CFO

32/16/1.4 ISA 260 Audit Highlights Memorandum

Paper K4 outlined External Audit's intention to issue an unqualified audit opinion on the Statutory Accounts 2015-16 following the Audit Committee. External Audit representatives provided assurance that the adjusted treatment of VAT within the estate revaluation was appropriate and provided additional guidance on this aspect. Given the Trust's cumulative financial deficit over the last 3 financial years, a qualified conclusion would be provided on the Trust's Use of Resources and the Secretary of State would be notified formally (as was expected for many Trusts nationally).

Appendix 2 provided a summary of unadjusted audit differences exceeding £250k and particular discussion took place regarding the different methodology used by the Trust and Commissioners in calculating partially completed spells. Section 3 of paper K4 set out the detailed findings of value for money audit work and the qualified opinion to be provided for securing economy, efficiency and effectiveness for the Trust's use of resources.

The Chief Financial Officer highlighted the 2015-16 outturn bridge on page 20 of paper K4, noting the £10.4m adverse impact of adopting an MEA alternative site valuation and clarified that this had affected the impairment value and not the overall

income and expenditure bottom line. In response, External Audit drew members' attention to the detailed recommendations provided in appendix 1 in respect of valuation assumptions, methodology and revaluations. Appendix 3 provided a summary of the non-audit services that KMPG had been engaged to provide, together with the estimated fee and safeguards put in place to manage any potential threats to auditor independence.

Recommended – that the contents of paper K4 and the additional guidance provided be endorsed.

CFO

32/16/1.5 Going Concern Statement 2016-17

Paper K5 confirmed that the Trust had delivered its financial plans and cost improvement programme for 2015-16 and assessed its future financial prospects for 2016-17 as a going concern. The Audit Committee recommended the Going Concern Statement for approval by the Trust Board on 2 June 2016.

Recommended – that the 2016-17 Going Concern Statement be endorsed and recommended onto the Trust Board for approval on 2 June 2016.

CFO

32/16/1.6 Letter of Representation 2015-16

Paper K6 detailed the draft proposed letter of representation from the Trust to the External Auditors. Subject to an amendment to the Chief Financial Officer's job title (from Director of Finance and Business Services), the Audit Committee recommended the Letter of Representation for Trust Board approval on 2 June 2016.

Recommended – that (subject to the correction identified above) the draft Letter of Representation be endorsed and recommended for Trust Board approval on 2 June 2016.

CFO

32/16/2 Draft Quality Account 2015-16 **

The Director of Clinical Quality attended the meeting to introduce paper L providing the 2015-16 draft Quality Account and Statement of Directors' Responsibilities. During discussion on this item, Audit Committee members noted that External Audit was currently reviewing the Quality Account to assess whether national guidance had been followed and to test two mandatory indicators (FFT and VTE). The Director of Clinical Quality commented upon the lack of available national data to inform the NHS Outcomes Framework Indicators (page 18 of paper L refers). This data was not yet available to download from the national centre. A formal opinion would be provided prior to the 2 June 2016 Trust Board meeting and their detailed findings would be presented to the 7 July 2016 Audit Committee.

Recommended – that (A) subject to the formal External Audit opinion, the draft Quality Account and Statement of Directors' Responsibilities be endorsed and recommended to the Trust Board for formal approval on 2 June 2016, and

MD/CN

(B) the detailed findings of the External Audit review of the UHL Quality Account be presented to the Audit Committee on 7 July 2016.

EA

33/16 ITEMS FROM INTERNAL AUDIT

33/16/1 Internal Audit Review Reports (see also Minute 44/16/2.1 below for the Internal Audit Review of Elective Waiting Times)

33/16/1.1 Review of Medical Staffing Recruitment **

Paper I2 detailed Internal Audit's review of Medical Staffing Recruitment (medium risk overall with 5 medium risk recommendations). Ms N Junkin, Senior HR project

manager attended for this item and confirmed that the review findings were a fair reflection of the current position. It had been helpful to share this feedback with the recruitment team and work was underway to streamline the recruitment timescales by scheduling each phase of the recruitment process in advance.

Particular discussion took place regarding the case study analysis (provided on page 8 of paper I2) which had assessed how the ITAPS CMG had responded to recruitment challenges and the successful recruitment that had taken place following the appointment of a dedicated Recruitment Services Manager. The cost of using Locum Consultants “acting down” to more junior roles had decreased from £856,000 to below £10,000 per annum. The Audit Committee queried how such learning was being shared within the wider organisation and how this could be evidenced. The Chief Financial Officer advised that this proactive approach to recruitment had also been showcased during the ITAPS CMG presentation to IFPIC on 25 February 2016.

Recommended – that (A) the Internal Audit review of Medical Staffing Recruitment (paper I2) be received and noted, and

(B) the Senior HR Project Manager be requested to consider the arrangements for sharing the ITAPS recruitment case study within the wider organisation.

SHRM

33/16/1.2 Review of Outpatients Patient Experience **

Paper I3 detailed the findings of the Internal Audit review of outpatients patient experience, noting a medium risk overall with 3 medium risk and 1 low risk recommendations. Ms H Leatham, Assistant Chief Nurse attended the meeting for this item and discussion took place regarding accountability, acting on real-time patient feedback and potential delays with implementing the pilot text messaging system in outpatients. The launch date for the pilot has slipped from early May 2016 to end of July 2016 due to a technical IT issue and Audit Committee members noted that the evaluation of the pilot was unlikely to be completed by 30 September 2016.

Mr A Johnson, Non-Executive Director voiced his concerns regarding the lack of clarity surrounding ownership and accountability for capturing, reviewing and addressing patient feedback in the outpatient setting and he highlighted opportunities to improve staff engagement within this process. In response, the Director of Corporate and Legal Affairs advised that the Chief Nurse would be presenting an action plan to strengthen these arrangements to a future meeting of the Executive Quality Board.

CN

Recommended – that (A) the Internal Audit review of Outpatients Patient Experience (paper I3) be received and noted, and

(B) the Chief Nurse be requested to present proposals to strengthen staff engagement in the process for capturing patient experience feedback to a future meeting of the Executive Quality Board.

CN

33/16/2 Internal Audit Plan 2016-17 **

Further to Minute 23/16/4 of 3 March 2016, paper J highlighted the key developments to the draft Internal Audit plan and set out the finalised Plan for 2016-17, which now included reviews of the revalidation process for doctors, the Information Governance toolkit, and non-medical staffing recruitment. The total number of days had increased to 265 days (from the usual 250 days).

The Audit Committee Chair commented that there had been no recent Internal Audit review of the medical records function and he requested the Chief Financial Officer to raise this matter at the appropriate Executive meeting forum to seek assurance relating to medical records management as part of the EDRM pilot. Any residual concerns relating to medical records assurance would then be escalated to the July

2016 Audit Committee meeting, although members commented that the scope of any Internal Audit review of medical records would need to be very focused.

Recommended – that (A) the Internal Audit Plan for 2016-17 be approved;

(B) the Chief Financial Officer be requested to arrange for assurance relating to medical records management as part of the EDRM pilot to be provided to the appropriate Executive meeting forum, and

CFO

(C) any residual concerns relating to medical records management assurance to be highlighted to the Audit Committee on 7 July 2016.

CFO

34/16 ITEMS FROM EXTERNAL AUDIT

34/16/1 External Audit Progress Report **

Paper M provided the External Audit progress report for May 2016. There was no discussion or questions raised in respect of this report.

Recommended – that the External Audit progress report be received and noted as paper M.

35/16 FINANCE – STRATEGIC AND OPERATIONAL ISSUES

35/16/1 Review of Losses and Special Payments 2015-16 **

Paper N provided a summary of losses and special payments in 2015-16. Audit Committee members welcomed the year-upon-year reduction and noted the revised methodology for treatment of overseas visitors' debts. Mr M Traynor, Non-Executive Director requested additional information in respect of personal injury claim trends, noting that whilst the value of such claims had increased, the number of claims remained fairly static. There were no material patterns or contentious issues, although a significant time delay could sometimes arise between the date of the incident and the settlement date. Assurance was provided that appropriate provision was made within the annual accounts each year to cover future liabilities.

Recommended – that the Summary of Losses and Special Payments for 2015-16 be received and noted as paper N.

35/16/2 Discretionary Procurement Actions **

Paper O provided a summary of discretionary procurement actions between March 2016 and May 2016 (including a range of facilities management contracts that had been novated from Interserve). A review was being undertaken to ensure that each of these novated contracts was providing appropriate value for money. Particular discussion took place in relation to the schedule of non-purchase order expenditure detailed in appendix 2 and the scope to produce a more informative report for the next Audit Committee meeting.

Recommended – that the discretionary procurement actions report be received and noted.

35/16/3 Appointment of Local Counter Fraud Contract Provider **

Audit Committee members received and noted paper P, detailing the appointment of PwC as the new supplier of Local Counter Fraud Services effective for 1 year from 1 June 2016. This appointment was coterminous with the current Internal Audit contract and the service would be retendered as part of the single process to appoint auditors for external, internal and charitable funds purposes.

Recommended – that the appointment of PwC as the new supplier of Local Counter Fraud Services be noted (with effect from 1 June 2016 for one year).

36/16 GOVERNANCE

36/16/1 Consolidated list of outstanding actions from Internal Audit, External Audit and Local Counter-Fraud reports **

Paper Q from the Director of Corporate and Legal Affairs advised the Audit Committee of progress against outstanding actions from Internal Audit, External Audit, and Local Counter-Fraud Specialist reports. Further to Minute 26/16/2 of 3 March 2016, Internal Audit had provided assurance that the 7 outstanding actions relating to facilities management services could be closed down and these had been removed from the list of outstanding actions accordingly.

The Director of Corporate and Legal Affairs briefed the Committee on the arrangements for closing the remaining internal audit actions, advising that since the report had been prepared, the Director of Clinical Quality and the Chief Information Officer had confirmed that available evidence had been submitted to close down their outstanding actions relating to overview of the CQC action plan and monitoring of privacy breaches (respectively). The Deputy Head of Operations had also updated his 3 sections relating to cancelled operations and the evidence would now be uploaded onto the tracking system accordingly.

Recommended – that the report of outstanding actions from Internal Audit, External Audit and Local Counter-Fraud reports and the additional discussion be received and noted.

36/16/2 Guidance and Process regarding Local Appointment of Auditors for NHS Trusts **

The Audit Committee received and noted the guidance provided in paper R, noting the requirement for NHS Trusts to be responsible for the appointment of their own external audit function by 31 December 2016 in advance of the financial year 2017-18. The streamlined single procurement process for the 4 contracts detailed in section 2.1 was welcomed and the high level timetable was supported.

Recommended – that guidance and process relating to the Local Appointment of Auditors (paper R) be received and noted.

36/16/3 Audit Committee Objectives 2016-17 **

The Director of Corporate and Legal Affairs introduced paper S, inviting the Audit Committee to discuss and confirm its priorities for 2016-17. Due to time pressures at this meeting it was agreed that a further report on the Audit Committee's Objectives would be scheduled on the Audit Committee agenda for 7 July 2016, pending some further discussion on this subject between the Director of Corporate and Legal Affairs, the Committee Chair and Non-Executive Directors (outside the meeting).

Recommended – that (A) further discussion on the Audit Committee's priorities and objectives be held between the Director of Corporate and Legal Affairs, the Committee Chair and the Non-Executive Directors (outside the meeting), and

DCLA/
AC Chair
/NEDs

(B) a further report on the Committee's Objectives be scheduled on the Audit Committee agenda for 7 July 2016.

DCLA

37/16 ITEMS FOR INFORMATION

37/16/1 Conflict of Interests **

Paper T informed Audit Committee members on plans to revise the rules relating to

conflict of interests in the NHS and members noted that appropriate updates would be provided to the Audit Committee. Once the revised rules had been published, the Trust would be undertaking a review of its Code of Business Conduct.

Recommended – that (A) the briefing note on proposed changes to the rules relating to conflict of interests in the NHS be received and noted as paper T;

(B) updates on the proposed changes be presented to the Audit Committee as appropriate, and

DCLA

(C) a review and update of the UHL Code of Business Conduct be undertaken upon receipt of the finalised rules on conflict of interests.

DCLA

38/16 ASSURANCE GAINED FROM THE FOLLOWING COMMITTEES ON KEY RISKS/ISSUES OF THE TRUST

38/16/1 Quality Assurance Committee **

Recommended – that the Quality Assurance Committee Minutes from 25 February and 24 March 2016 (papers U1 and U2) be received and noted.

38/16/2 Integrated Finance, Performance and Investment Committee **

Recommended – that the Integrated Finance, Performance and Investment Committee Minutes from 25 February and 24 March 2016 (papers V1 and V2) be received and noted.

38/16/3 Charitable Funds Committee **

Recommended – that the Charitable Funds Committee Minutes from 5 May 2016 be submitted to the 7 July 2016 Audit Committee.

RESOLVED ITEMS

39/16 APOLOGIES

Apologies for absence were received from Dr S Dauncey, Non-Executive Director.

40/16 MINUTES

Resolved – that the Minutes of the meeting held on 3 March 2016 (papers A1 to A4) be confirmed as correct records.

41/16 MATTERS ARISING FROM THE MINUTES

Paper B1 advised of progress on actions from previous Audit Committee meetings. Audit Committee members noted additional information in respect of the following actions:-

(a) **Minute 22/16/2 of 3 March 2016** – the Director of Corporate and Legal Affairs and the Director of Workforce and Organisational Development had discussed opportunities to include counter fraud, bribery and corruption awareness training within the existing suite of statutory and mandatory training courses. It had been agreed to seek further advice on this point from the incoming Local Counter Fraud Specialist and an update would be provided to the July 2016 Audit Committee;

DCLA/
DWOD

(b) **Minute 23/16/3 (b) of 3 March 2016** – the Chief Financial Officer confirmed that improvements were being implemented within the Purchase to Pay process and an update report would be presented to the 7 July 2016 Audit Committee;

CFO

- (c) **Minute 26/16/2 (a) of 3 March 2016** – Mr A Johnson, Non-Executive Director and Ms C Wood, PwC (the Trust's Internal Auditor) provided assurance that each of the 7 previously outstanding facilities management (FM) related actions had been addressed within the transfer arrangements for FM services. However, Ms Wood noted the intention to include the arrangements for management of cash (eg car parking income) and associated compliance with UHL's policy within the scope of the next Internal Audit review of FM services; **IA**
- (d) **Minute 4/16 (d) of 7 January 2016** – the Audit Committee's intention to review the clinical assurance process arising from an unexpected CQC inspection of the Emergency Department had been superseded by the announcement of the Trust's planned inspection in June 2016. Time had been set aside for CQC assurance at QAC and within the Trust Board thinking day schedule. Subject to the outcome of the CQC inspection, further discussion would be scheduled on the 7 July 2016 Audit Committee agenda (if required); **CN/MD**
- (e) **Minute 77/15 (b) of 5 November 2015** – the existing contract for payroll services would expire in 2017 and a self-service approach for line managers would be explored within the proposals for the new contract. Such a contract award would be submitted for Trust Board approval and an update on this aspect would be included as appropriate; **DWOD**
- (f) **Minute 84/15/2.2 of 5 November 2015** – the Chief Financial Officer briefed the Committee on the arrangements for the recruitment of a substantive Director for the Elective Care Alliance, advising that a follow-up Internal Audit review of the governance around hosted services would be scheduled once this appointment had been made, and **CFO/IA**
- (g) **Minute 84/15/2.3 of 5 November 2015** – the expected update on Service Line Reporting and the arrangement for integrating SLR with UHL's improvement methodology had been deferred to the 7 July 2016 Audit Committee due to pressure on today's agenda. **CFO**

Resolved – that the matters arising report and any associated actions be noted and taken forward by the appropriate lead.

42/16 KEY ISSUES

42/16/1 Integrated Risk Management report (including the Board Assurance Framework)

Further to Minute 21/16 of 3 March 2016, the Director of Safety and Risk and the Risk and Assurance Manager attended the meeting to present paper C, providing a briefing on the revised arrangements for overview of the risk management process. Members noted that the success of the new arrangements would be dependent upon sufficient 'air time' being made available for meaningful discussion of risks at the CMG-level Quality and Safety Boards and the Tuesday afternoon Executive meetings which would be reviewing the disaggregated risks on a monthly basis. A continued focus was also required by the Performance Review Group in holding CMGs to account for the effective local management of risks. The Trust Board would now receive a separate monthly Board Assurance Framework (BAF) report in addition to the existing BAF dashboard and accompanying narrative contained within the Chief Executive's Trust Board briefing.

During the discussion on paper C, Mr A Johnson, Non-Executive Director raised a query on the escalation procedure if the risk owner or a Committee was not assured by the mitigating actions agreed for a particular risk. In response, it was noted that a list of key lines of enquiry would be provided to test the available assurance and that a clear process was in place to escalate any concerns to a Board-level Committee if the responses were not satisfactory. The Committee Chair sought and received

further information regarding the new field within the BAF template whereby the Audit Committee could provide challenge or endorsement of the principal risk owner's assessment of the 'assurance rating'.

The Audit Committee agreed to review the effectiveness of these new arrangements after the initial 3 month period (1 September 2016). Subject to further discussion with the relevant risk owners outside the meeting, the Committee provisionally arranged to undertake a detailed review of risk 3 (emergency attendance/admissions increase) and risk 14 (failure to develop and agree the appropriate vision and strategy for clinical reconfiguration) on 7 July 2016.

Resolved – that (A) the revised arrangements for monitoring risk management arrangements through UHL's organisational structure be endorsed (as set out in paper C);

(B) a review of the effectiveness of the revised arrangements be undertaken after 3 months and the outputs presented to the Audit Committee on 1 September 2016, and

DSR/
RAM

(C) consideration be given to reviewing principal risks 3 and 14 at the 7 July 2016 Audit Committee (subject to further discussion with the risk owners).

AC
Chair/
CFO/
COO

42/16/2

Reconfiguration Programme Gateway 0 Review and Action Plan

The Chief Financial Officer and Ms R Spring, Programme Director introduced paper D, providing the recommendations and action plan in response to the Reconfiguration Gateway Review. Copies of the detailed Gateway review report had been circulated in advance of the meeting as pre-reading but the Trust Administrator agreed to send a further copy to the Committee Chair for ease of reference.

TA

The Audit Committee welcomed this report, endorsing the recommendations and the action plan, particularly noting the need to re-align the assumptions with the demand and capacity work and capital funding scenarios. These key workstreams were expected to conclude by the end of June 2016 and the final modelling would be presented to the Executive Strategy Board, IFPIC and Trust Board in July 2016.

CFO/
COO

Resolved – that (A) the Trust Administrator be requested to forward a copy of the Reconfiguration Programme Gateway 0 Review report to the Committee Chair (for ease of reference), and

TA

(B) the intention to present progress reports on the action plan and the final modelling of demand and capacity plans to the Executive Strategy Board and IFPIC in July 2016 and the Trust Board on 4 August 2016 be noted.

CFO/
COO

42/16/3

Electronic Patient Record (EPR) Health Check Review

The Chief Information Officer introduced paper E detailing the outcome of the EPR Health Check Review. The overall rating was amber green and assurance was provided that the resultant action plan would be submitted to the next meeting of the EPR Programme Board. The Chief Information Officer also briefed the Audit Committee on progress of the business case which was currently awaiting National Trust Development Authority approval. In addition, Colonel (Retired) I Crowe, Non-Executive Director reported on the availability of national funding for digital innovation projects, suggesting that appropriate priority was likely to be given to Vanguard sites. Whilst the Trust was currently exploring the availability of external capital funding, it would still require appropriate CRL cover.

Resolved – that the outcome of the EPR Health Check Review and the additional discussion on progress of UHL's EPR business case and availability of national funding for digital innovation projects be received and noted.

43/16 ITEMS FROM THE LOCAL COUNTER FRAUD SPECIALIST (LCFS)

43/16/1 Counter Fraud Progress Report

Resolved – that this Minute be classed as confidential and taken in private accordingly.

43/16/2 Counter Fraud Annual Report 2015-16

Paper G provided a summary of the key Counter Fraud activities undertaken during the 2015-16 financial year. Mr M Curtis, Local Counter Fraud Specialist particularly highlighted the review of processes in place to prevent invoice fraud, pre-contract procurement fraud and payroll fraud, the review of over 3,000 matched records to ensure that the Trust met its responsibilities relating to the National Fraud Initiative and uptake of the electronic learning module. The Committee Chair noted that this would be the last meeting attended by Mr M Curtis, Local Counter Fraud Specialist and he thanked him for his contribution to the Audit Committee.

Resolved – that the Counter Fraud Annual Report for 2015-16 be received and noted as paper G.

44/16 ITEMS FROM INTERNAL AUDIT

44/16/1 Internal Audit Progress Report

Paper H summarised the position in respect of the 2015-16 Internal Audit Plan and the first quarter of 2016-17. A separate report on the finalised 2016-17 plan was provided in paper J (Minute 33/16/3 refer above refers). The review of governance and risk management arrangements had been deferred to the second quarter of 2016-17 to allow for the revised process to become embedded. Copies of the recent PwC publication 'Health Matters' were also tabled at the meeting.

Resolved – that the Internal Audit Progress Report be received and noted as paper H.

44/16/2 Internal Audit Review Reports

44/16/2.1 Review of Waiting Times in Elective Care

Paper I1 detailed Internal Audit's review of Waiting Times in Elective Care (medium risk overall with 2 medium risk recommendations). The review had also taken into account the new requirements for the Trust to report against the False or Misleading Information Offence (FOMI) guidance.

A wider discussion took place regarding opportunities to standardise processes and develop more centralised services for outpatient services. Colonel (Retired) I Crowe, Non-Executive Director commented upon the recent removal of choose and book (e-referral) slot availability performance metrics from the monthly Quality and Performance report and sought additional information on the plans to improve the e-referrals system. In response, the Chief Operating Officer advised that not all clinics had been open to choose and book, but performance had been adversely affected by the imbalance between demand and capacity. He agreed to include an update on this issue within the next report to IFPIC on the OPD cross-cutting CIP theme.

In response to a further query, the Chief Operating Officer agreed to clarify with the Director of Performance and Information that the actions required to respond to the recommendations would all be achievable by the given target dates (as set out in paper I1).

Resolved – that (A) the Internal Audit review of Waiting Times in Elective Care be received and noted as paper I1;

(B) an update on monitoring and improving e-referrals performance be provided to IFPIC as part of the next update on the OPD cross-cutting CIP theme, and COO

(C) the Chief Operating Officer be requested to clarify with the Director of Performance and Information that the target dates would be achievable. COO

45/16 ANY OTHER BUSINESS

45/16/1 Report by the Chief Operating Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly.

45/16/2 Report by the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly.

46/16 IDENTIFICATION OF KEY ISSUES THAT THE COMMITTEE WISHES TO DRAW TO THE ATTENTION OF THE TRUST BOARD

Resolved – that the following items be brought to the attention of the Trust Board:- AC Chair

- Minute 32/16/1 – Draft Annual Report and Annual Accounts 2015-16;
- Minute 32/16/2 – Draft Quality Account 2015-16;
- Minute 35/16/3 – Appointment of Local Counter Fraud Provider;
- Minute 42/16/1 – Integrated Risk Management Report;
- Minute 42/16/2 – Reconfiguration Programme Gateway 0 Review;
- Minute 42/16/3 – Electronic Patient Record Health Check Review, and
- Minute 45/16/1 – Confidential report by the Chief Operating Officer.

47/16 DATE OF NEXT MEETING

Resolved – that the next meeting be held at 2pm on Thursday 7 July 2016 in Seminar Rooms 2 and 3 in the Clinical Education Centre at Glenfield Hospital.

The meeting closed at 5:03pm

Kate Rayns Trust Administrator

Cumulative Record of Members' Attendance (2016-17 to date):

Name	Possible	Actual	% attendance
R Moore (Chair)	1	1	100%
I Crowe	1	1	100%
S Dauncey	1	0	0%

Attendees

Name	Possible	Actual	% attendance
A Johnson	1	1	100%
N Sone	1	1	100%
S Ward	1	1	100%
M Traynor	1	1	100%

P Traynor	1	1	100%
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