

Trust Board

TB2008.14

From: Mrs Jenny Kitovitz, Acting Board Secretary

Date: January 2008

Subject: **Board committee minutes**

For: **Information**

Synopsis

The Board is asked to receive the following minutes:

- Audit Committee meeting of 18 October 2007
- Commercial Committee meeting of 29 October 2007

Financial, legal and risk impact

Not applicable.

Audit Committee

Minutes of the Audit Committee meeting held on Thursday 18 October 2007 at 10 am in the Board Room, the John Radcliffe.

Present:	Dr C Reeves	in the Chair
	Professor A Towse	Non-executive director
In attendance:	Mr C Hurst	Director of Finance
	Mr R Sonley	Assistant Director of Finance
	Mrs M Turmezei	Assistant Director of Governance
	Mrs J Dudley	Project Director
	Ms N Donnelly	Head of Financial Services
	Mr A Witty	Audit Manager
	Mrs A Sherwood	Audit Officer
	Ms M Grindley	District Auditor
	Mr A Lambourn	Senior Auditor, CEAC
	Mr I Thompson	CEAC IT Auditor
Apologies:	Dr K Fleming	Non-executive director

Private Session

The Committee members did not require a private session.

AC 31/07 Minutes of the meeting held on 7 June 2007

The minutes were approved as a correct record.

AC 32/07 Matters arising from the Minutes

25/07, 14/07, 03/07 Internal Audit progress report HR Issues

The Committee noted that the HR Committee was now considering the issues arising out of the recent CEAC reports on the HR function. Mrs Turmezei reported that she had attended the recent meeting and discussed with the Committee the need for it to provide assurances to the Trust Board on compliance with relevant core standards and also to ensure that recommendations from CEAC reports were followed up appropriately.

29/07 Audit opinion and assurances from UHB payroll provider

Ms Grindley confirmed that she had now written to the Chief Executive for the assurances required formally from UHB on the provision of its payroll services to the ORH. It was agreed that only assurances specific to the ORH, based on specific and individualised audit work, would be

acceptable. It was noted that other Oxfordshire organisations had come up against a similar situation and it was agreed that a united approach would be helpful.

CH/RS

AC 33/07 Reports from CEAC

a) 2007/08 Progress report

The report was considered and the following points were made:

- Further work had been requested in those areas on which on limited assurance had been provided and, in addition, the Nursing directorate had asked for a review, highlighting privacy and dignity and management of leave.
- Only two days remained of the contingency but some work had already been done on the Horton consultation and in cardiothoracic surgery in relation to the HCC's report.
- Division C would be asked to attend the December meeting and it was agreed that it would be helpful to ask both the Medical and Nursing Directors to attend future meetings. Division B had identified new areas for audit.
- In relation to the interim report on discharge communications, it was noted that there were key issues to be addressed in relation to completeness of information and the readability of many of the forms sent to GPs. It was noted that both the PCT and the ORH wished to see an improvement in the number of discharge letters and their quality. However, the ORH had stated that the linking of this to payment was not helpful. The CEAC work was to try and set the baseline. It was noted that an electronic system was to be introduced in the last quarter of 2007/08 and an audit on its use would be carried out. It was noted that Mr Stevens would be raising this at the Information Governance Group and also report on this to the Governance Committee.
- An update on progress with HR issues would be provided to the next meeting.

AS/MET

b) Recommendations follow up report

- The report was noted although some points on presentation and clarity were made which would be used for the next report.
- Good responses had been received and the Audit Committee confirmed that it would support in any areas where progress was not being made.
- The Committee noted the increased links between the risk registers, the Board Assurance Framework and the CEAC reports aimed at improving the assurances available to the Board that the risks to its objectives are being managed. Mrs Turmezei explained the process

now in place across the Trust Board sub committees and the Audit Committee endorsed this process, noting particularly the increasing integration between all aspects of governance.

c) Counter Fraud Annual Report and 2007/08 progress report.

- The Audit Committee noted the completed 'compound indicator assessment for 2006/07' and discussed its usefulness. It was noted that it was not linked to ALE in any way. However, the Committee also noted that further development of this as a useful tool would take place over the coming months. The comments in the progress report were also noted.
- The annual report was received.
- The progress report was received and it was noted that the fraud awareness programme would be continuing to update staff and to ensure continued awareness. A newsletter, linking also to the required values within the NHS and aspects of ALE including whistle blowing, was being considered.
- The national fraud initiatives, which covered procurement, were noted. Mr Lambourn confirmed that there was no suggestion of fraud within procurement but that an audit would be carried out. However, there was some question as to whether this would add value to the ORH.
- The work in relation to secondary employment and the potential for abuse (e.g. saying work at home but not) and impact on NHS work (e.g. falling asleep at the desk) was noted.

d) IT Audit presentation

The Committee received an informative and helpful presentation on IT audit work from Mr Thompson. The following areas work were covered:

- CRS project and issues around the replacement of OXPAS. It was agreed that Mr Hurst would discuss the issues of 'legacy' systems and the work of the Commercial Committee further with Mr Stevens. It was noted that the IT Audit plans were agreed with Mr Stevens.
- Further discussions were needed to ensure that all IT projects were managed through OHIS in order to ensure the appropriate assurances and project management arrangements were in place. It was noted that IT policies were taken through the information governance group.

Dr Reeves thanked Mr Thompson for his helpful presentation.

AC 34/07 Reports from the Audit Commission

The Annual Audit Letter would be placed on the website and circulated to all Board members. Ms Grindley commented that it was a positive letter

with an unqualified opinion on the accounts and on the value for money conclusion for 2006/07. It was noted that the ALE KLOEs were now available for 2007/08 and work was already well underway on this.

The Committee noted that further work was now being done following the report on Endoscopies (arising from the Acute Hospitals Portfolio work) linking with the performance improvement team. (Attached as it was agreed that further information would be obtained on this report and the follow up work). It was noted that there had been an issue of management capacity resulting from the move of the RI services to the West Wing and the current focus on the cancer centre. However, it was recognised that it was important to maintain the focus on such pieces of work. Mr Hurst agreed to follow this up and ensure that the Executive Board was kept updated in view of the links of endoscopy performance to the delivery of the 18 week target.

CH

The Progress report for 2007/08 was considered and the work with the HCC being done on patient engagement was noted. The Audit Committee welcomed the work on consultant productivity and asked for additional information on this work.

The Audit Committee noted the ALE report and the overall significant improvement in performance. It was noted that the ORH (Simon Wombwell) had presented on the ORH performance at a recent SHA workshop showing how the improved performance had been achieved. All involved were to be congratulated. The Annual Health Check results for 2006/07 had been published (11 October) and it was noted that the quality result was fair and the use of resources was weak as anticipated despite all the good efforts on secure a different outcome.

The KLOEs for 2007/08 had now been published and would be considered by the project team. A full review of progress to date was to be held on 16 November 2007.

AC 35/07 Audit Committee Annual Report 2006/07

The annual report was considered and agreed.

AC 36/07 Audit Local Evaluation 2007/08 update (see above)

AC 37/07 Review of Standing Orders, Standing Financial Instructions and Scheme of Delegation

The paper was considered and approved, the Committee noting that only very minor changes had taken place in both the SOs and the SFIs. However, the Audit Committee welcomed the inclusion of the 2007/08 budgetary rules within the SFIs. Professor Towse, acting as chair of the Governance Committee, took chairman's action and approved the paper. The paper would now be presented to the Trust Board for approval.

MET

The Committee noted that a major review of the SOs and SFIs was underway as part of the Foundation Trust application process.

AC 38/07 Biomedical Research Centre: finance and governance arrangements

The paper was considered and it was noted that a full report was also being prepared for presentation to the Trust Board on the wider governance and VFM implications of the joint initiative. The ORH was the accountable body for the BRC and its financial and governance arrangements. The paper focused on the narrow financial governance arrangements (such as proper systems being in place for bank payments, SFIs/SOs being utilised, budgets being included in the ledger, reimbursement arrangements being in operation and the Oracle financial reporting system working satisfactorily). In addition it was noted that the BRC Steering committee continued to meet weekly and that budget monitoring was now underway. The agreements on the funding streams for the research themes had been reached through this group and proper budgets had been set and were operating.

It was anticipated that because some slippage in the setting of final budgets had taken place, the budget would need to be managed across the year end and into 2008/09. It was agreed that Mr Hurst would discuss with Mr Lambourn how an early internal audit could be commissioned to provide a significant assurance regarding the financial governance arrangements now in place. Full external audit would take place as part of the Annual Accounts Process.

CH/AL

The Committee welcomed the paper and awaited the results of the review to be undertaken by internal audit by March 2008. Further reports would be made to the Committee, the Governance Committee and the Trust Board.

CH

AC 39/07 Compliance, control and governance issues

The Committee noted the paper setting down the procurement issues for high cost items within theatres and noted and endorsed the actions that had been taken to improve the financial controls for this high cost expenditure within the Critical Care, Theatres and Anaesthetics Directorate.

The Audit Committee reviewed the report on the bank reconciliation errors within Charitable Funds, noting the actions that had been taken and the measures that had been put in place. The Audit Committee noted that it did not appear that was any indication of loss or misappropriation of funds.

The Committee noted the issues around the energy contract and the payment now being sought by the power company. It was noted that the contract had been taken out under the auspices and guidance of PASA.

The Commercial Committee had been actively involved in the deliberations on this matter and it was agreed that the proposal for the payment of £09k was appropriate. In addition, further discussions on the scrutiny offered by PASA would be taking place.

CH

AC 40/07 Information items

The following were received and noted:

ALE Scores across South Central

Losses and special payments – the level of loss and payments was not out of the ordinary. Ms Donnelly confirm that active work continued to be done to both avoid overpayments on salary and to recover those. CEAC would be reviewing this work.

Mrs Turmezei have a brief report on a recent SHA wide Audit Committee member workshop she had attended on the Committee's behalf. The Monitor Audit Code would be circulated to members of the Committee. Dr Reeves confirmed that he would try and attend forthcoming events.

AC 41/07 Any other business

An update on the latest international reporting standards (impacting particularly on how PFIs were handled) would be brought to the next meeting, It was anticipated that these would come into effect for 2008/09.

Mr Lambourn reported that CEAC would now be working in liaison with KPMG following an increasing trend for the NHS internal audit bodies to link with the private sector.

Mr Lambourn confirmed that he would no longer be acting as the Head of Internal Audit for the ORH but that he would continue in his Counter Fraud Role. Mr Peter Crabb would be taking on this role and would be introducing himself to members over the coming weeks.

The Audit Committee wished to record its thanks for the sterling service, advice and wisdom provided by Mr Lambourn over the last many years. It had been much appreciated.

AC 42/07 Date of the next meeting

2.30 pm on Thursday 20 December 2007

Commercial Committee

CC2007.45

Minutes of the Commercial Committee meeting held on Monday, 29 October 2007 at 2 pm in the Board Room.

Present: Brian Rigby **In the Chair**
 Vickie Holcroft James Morris
 Ian Humphries Andrew Stevens
 Chris Hurst Elaine Strachan-Hall

Attending: Nasr Alam Paul Rosen
 Rachel Collins Jenny Kitovitz (notes)

Apologies: John Skinner

Action

CC 38/07 Minutes of the meeting on 24 September 2007

The minutes were approved as an accurate record.

CC 07 Matters arising:-

There were none not dealt with on the agenda.

CC 40/07 John Radcliffe and Churchill PFI Projects Progress Report

VH gave a brief overview of the Churchill and JR PFIs.

Foundation Trust Integrated Business Plan - Market Assessment Chapter (verbal update)

AS noted that each chapter of the Integrated Business Plan had Executive and Non-executive leads. BR was the Non-executive lead for the Market Assessment chapter. The aim was to distribute a rough first draft of the IBP this week, which would then have to be re-written to ensure a consistency of style and approach and alignment with the long-term financial model.

AS requested general comments within the next two/three weeks. The Market Assessment Chapter would also be added to the next Commercial Committee agenda.

**All
JK**

Tenders and clarifications for the provision of future security and car parking services (presentation)

IH and Rachel Collins gave a presentation on the future provision of security and car parking services for the Trust.

CC 42/07 Security services update and progress report

IH stated that the progress report should go to a future Trust Board. A draft CEAC report was also attached, which provided assurance. The paper set out incident analyses and trends, which appeared to be encouraging. Also attached was

information on IT security.

It was agreed that the paper would go to December's private Trust Board meeting. The paper would provide a commentary on what issues were serious matters of concern as against those that were the output of NHS definitional matters.

IH

CC 44/07 Update on overseas private patient initiative

CH stated that the paper, which was for information, provided an update on plans for the visit to a non-EU administration in early November to conclude a proposed private patient and training initiative. As Chair of the Audit Committee, Colin Reeves had also received the paper and commented. CH confirmed that the relevant authorities had confirmed that there were no security issues and prospective patients would be subject to the same checks as other private/overseas patients. The Trust had been liaising closely with the DH International Unit and the Foreign Office, and this initiative had very strong national political support.

CH

CH would report back to the next Commercial Committee on the outcome of the visit and final negotiations.

Date of next meeting

Monday 26 November at 2.00 pm in the Board Room.