

Trust Board

TB2008.65

From: Mrs Jenny Kitovitz, Acting Board Secretary

Date: July 2008

Subject: **Board committee minutes**

For: **Information**

Synopsis

The Board is asked to receive the following minutes:

- Audit Committee of 12 June 2008
- Governance Committee of 25 June 2008

Financial, legal and risk impact

Not applicable.

Audit Committee

Minutes of the Audit Committee meeting held on Thursday 12 June 2008 at 10.00 in the Board Room, the John Radcliffe.

Present:	Dr C Reeves	in the Chair
	Ms C Langridge	Non-Executive Director (part)
In attendance:	Mr C Hurst	Director of Finance
	Mr R Sonley	Assistant Director of Finance
	Mrs M Turmezei	Assistant Director of Governance
	Ms N Donnelly	Head of Financial Services
	Mr A Witty	Audit Manager
	Ms H Ormiston	Audit Officer
	Mr P Crabb	Client Manager, CEAC
Apologies	Professor A Towse	Non-executive director
	Dr K Fleming	Non-executive director
	Ms M Grindley	District Auditor

It was agreed between Dr Reeves, Mr Hurst and Mr Witty that the meeting would go ahead pending the arrival of Ms Langridge. **No formal discussion would be concluded on the Annual Accounts prior to the meeting being quorate.**

AC 10/08 Minutes of the meeting held on 11 April 2008

The minutes were approved as a correct record with the correction the word committee to **Commission** on page 2: 46/07.

AC 11/08 Matters arising from the Minutes

2/08, 46/07 Appointment of HR Director

The Committee noted that further interviews for the Director of HR were to take place in early July following the interviews in May. Mr Hurst reported that a decision was still pending on the appointment of an FT Secretary following the interviews in early June.

2/08, 54/07 Board Assurance Framework

The Committee noted that the ORH's Board Assurance Framework had received the necessary A rating at the year end.

4/08 and 5/08 Fees for CEAC and Audit Commission

The Committee noted that the Board had formally agreed the fees for 2008/09 for both CEAC and the Audit Commission at its meeting on 24 May 2008.

AC 06/08 Break-even duty

The Committee noted that the Audit Commission had confirmed that the proposed handling of the break-even duty would not require it to take further action in the form of a public interest report.

AC12/08 Draft Annual Accounts 2007/08

Mr Hurst introduced his report to the Accounts and the following points were noted:

- The Accounts for funds held on trust remained the responsibility of the Section 11 Trustees.
- The accounts had been prepared on the basis of Department of Health requirements as set out in the Manual of Accounts. A key assumption has been that the ORH is a 'going concern' and this has been supported by analysis within the LTFM.
- The note on the I&E statement has been drafted to cover the complexity of the break-even position.
- The year end surplus had been £4.31m rather than the £4.13m given in the paper.

The Committee noted the position in relation to the four financial duties: break-even; capital cost absorption rate, the external financing limit and the capital resource limits. All four duties have been met.

It was agreed that full discussion on the draft accounts and any recommendation to the Board would be deferred pending Ms Langridge's arrival. However, in a brief discussion, the following points were made:

- The underlying I&E position was strong. The ORH had self-funded the additional costs of the West Wing and the Children's Hospital in the year resulting in the additional cost pressure of between £3 and 4m.
- The EFL had changed in year as a result of changes to the financial regime that came into effect during the year. The EFL had been reset in February 2008 to ensure proper cash management.

(Audit Committee quorate)

- The surplus would be retained in 2008/09 as an I&E reserve.

AC13/08 Draft Statement on Internal Control

The draft SIC was reviewed and the Committee noted that this was submitted with the accounts to the Department of Health. The required points on information governance had been included as requested by the Department in May 2008. In addition, Ms Ormiston asked for some amendments in relation to the declaration on core standards. It was agreed that these and other very small amendments would be made and a

revised draft would be presented to the Trust Board for consideration. The Chief Executive would be asked to sign off the SIC as part of the Accounts by the due date of 20 June 2008.

AC14/08 CEAC Annual Report and Head of Internal Audit Opinion

Mr Crabb introduced the annual report; the Audit Committee having considered this as a draft at its last meeting. Mr Crabb confirmed that the audits showed a good performance during the year with a good number of significant assurance reports being issued. CEAC would continue to refine its report, working with the ORH and the Audit Committee to present information in the most helpful way.

(Ms Langridge attended from this point and the Audit Committee became quorate).

The Committee noted that it had received update reports on the outstanding high priority recommendations and it was agreed that a further report would be available for the next meeting. Mr Sonley confirmed the considerable progress that there had been in responding to these issues. The Committee noted that the final opinion on the cardiac consent audit was significant rather than limited as shown in the report.

The Committee questioned whether or not the number of limited reports was of concern. Mr Crabb confirmed that for the most parts, the important reports that supported assurance (e.g. on finance and governance) and the accounts had been given significant assurance. However, the Committee expressed its concern on HR issues and agreed that it would continue to take an overview of this, particularly in terms of the follow up on recommendations. Ms Langridge confirmed her support of the current HR arrangements for the Trust and also commented on her recent experiences as a patient in the trust.

The report was received and the Committee noted the continued and positive relationship that existed between CEAC and the ORH. In particular, the joint work to develop the assurance and risk based approach had been very positive.

The Head of Internal Audit Opinion was considered and the overall opinion of significant assurance was noted.

AC15/08 Audit Commission Draft Governance Report and Enquiries of those charged with governance

Mr Witty presented Ms Grindley's apologies. She had had to attend an audit committee of an organisation with some audit issues. The Audit Committee wished to record its thanks to Ms Grindley for her valued contribution over the last 5 years and wished her well for the future.

Mr Witty wished to thank the ORH finance team for its excellent and prompt responses to queries from the Audit commission over the last few weeks during the audit. The help and cooperation had been excellent and the Audit Committee wished to recognise this and thank Ms Donnelly and her team for their work.

CH

Mr Witty confirmed that they would not be reporting any significant or material amendments to the accounts. He would be expecting that an unqualified opinion would be provided on the accounts and on the value for money/use of resources section. No section 19 report would be issued.

The Committee noted that the Audit Commission would be suggesting that further work should be done with UHB as the payroll provider in relation to the provision of assurances on the work done for the Trust. Mr Sonley confirmed that discussions continued.

The draft letter of representation was noted.

In discussion on the draft annual governance report, the following points were noted:

1. para 15 and 16: it was noted that no significant issues were to be raised and that no errors had been identified that the ORH had declined to correct.
2. The points (p20) regarding the special trustees and the debt in relation to the children's hospital were noted. It was agreed that it might be sensible to ensure that the Section 11 Trustees and the Board had discussions on the strategic issues and potential fund raising campaigns. It was agreed that these might best take place in the latter half of the year to tie in with developing plans.
3. The Committee was assured that there was no doubt that this debt would be repaid as planned.
4. The Committee noted the improvements that had taken place in the management of private patients and that further work to extend the computer systems were expected to show further improvements in 2008/09. It was agreed that the private patient lead (Mr Barnes) would be invited to a future meeting to update the Committee on plans for developing private patients across the ORH, particularly in the light of the new facility for the Churchill Hospital.
5. The Committee noted the preliminary conclusions on value for money and the other 12 criteria. The ORH's performance had been assessed as adequate and hence it was proposed by the Audit Commission that an unqualified conclusion on value for money would be issued.
6. The Committee noted that the work on consultant productivity was continuing and would be taken through the Divisions. The Committee confirmed its view that this was a very important piece of work and

agreed with Ms Langridge's suggestions that the Governance Committee should also review the outcomes. MET

7. It was noted that the final ALE outcome would not be known for some weeks yet. However, Mr Witty confirmed that it was expected that the outstanding elements (5.4 and 3.1 as shown on page 10) should be adequate.
8. The fee for the audit was noted together with the Audit Commission's statement in relation to independence.
9. The draft letter was considered briefly and noted. It was agreed that any changes to any elements of the accounts and associated paperwork would be confirmed by the Chief Executive, the Director of Finance and the Chairman of the Audit Committee. CH

The Committee wished to thank Mr Witty, Ms Ormiston and their colleagues for their help and support through the audit processes.

The Committee then considered the recommendation included within the Director of Finance's report that:

The Audit Committee is asked to recommend to the Trust Board the adoption of the accounts and supporting statements for the financial year ending 31 March 2008.

The Audit Committee agreed to recommend adoption of the accounts to the Trust Board meeting to be held on the afternoon of Thursday 12 June 2008. CH/CR

Dr Reeves again wished to record the thanks of the Committee to Mr Sonley, Ms Donnelly and all those involved in the account process as well as colleagues in external and internal audit. The performance of the finance team would also be brought to the attention of the Board. CH

The Committee received the Audit Report to those charged with governance.

The Audit Committee agreed in future years the draft annual report would be considered alongside the annual accounts. The final draft was now being reviewed by the Audit Commission. Once the ORH became an FT it would be necessary to complete the annual report to the same timetable as the annual accounts. CH/MET

AC16/08 Any other business

It was agreed that an annual report on the activities of the Audit Committee during 2007/08 would be prepared for review by the Trust Board.

AC17/08 Date of the next meeting

17 July 2008 10 am

9 October 2008 10 am

11 December 2008 10 am

Governance Committee

Minutes of the **Governance Committee** meeting held on Wednesday 25 June 2008 at 9am in the Board Room, the John Radcliffe.

Present:	Dr K Fleming	in the Chair
	Sir William Stubbs	Chairman
	Dame Fiona Caldicott	Non-executive Director
In attendance	Mrs E Strachan-Hall	Director of Nursing and Clinical Leadership
	Mrs M Turmezei	Assistant Director of Governance
	Ms A Middleton	Director of Operations, Division C
	Ms M Logie	Director of Operations, Division A
	Mr A Seaton	Assistant Director of Quality and Risk
	Ms K Simcock	Director of Operations, Division B
	Mr Andrew Stevens	Director of Planning and Information
	Dr D Lindsay	Chairman, Division C
	Mrs C Hall	Associated Director of Nursing, Division A
Apologies	Professor A Towse	Non-executive Director
	Ms Caroline Langridge	Non-executive Director
	Mr T Campbell Davis	Chief Executive
	Mrs V Shorrock	HR Business Partner
	Mr M Greenall	Chairman, Division B
	Mr I Humphries	Director of Estates and Facilities
	Dr J Morris	Medical Director
	Miss J Pearce-Gervis	PPIF member

GC20/08 Minutes of the meeting held on 21 December 2007

The minutes were considered and approved as a correct record.

GC22/08 Matters arising from the Minutes

2/08, 58/07, 51/07 Technologies Advisory Group

The future chairmanship of this committee would be clarified as soon as possible and the outcome reported to members.

MET

2/08, 62/07 Trust Risk Register

Mr Stevens reported that a full business case, covering a number of aspects associated with the management of health records, would be considered by the Commercial Committee on 30 June. The case would be brought to the Executive and Trust Boards in due course.

ASt

2/08, 66/07 Divisional Quality and Risk Reports

Copies of the medical locum policy are attached to the minutes.

MET

2/08, 69/07 PROM (patient reported outcome measures)

Mrs Strachan-Hall confirmed that the resources were being identified to support this and she would report back to the Committee at its next meeting.

ESH

There was a requirement for PROMs to be available for a number of procedures from 1 April 2009, including hip replacements, hernias and varicose. However, these procedures were not routinely carried out by the ORH but work would focus on a set of procedures to be defined to ensure that the proper processes to capture the information were in place as quickly as possible. It was recognised that PROMs would become increasingly important as part of the developing customer care and quality agenda.

4/08 Board Assurance Framework

Mrs Turmezei reported that the BAF would now be brought to the Trust Board in July following its review alongside the review of the trust Risk Register. A key aim in this review would be the integration of risks contained within the Integrated Business Plan and the LTFM being developed as part of the foundation trust application. The Governance Committee noted that the divisions and corporate directorates were currently updating their risk registers. Sir William asked whether changes in energy costs would be included within the risk register. Mrs Turmezei reported that she was confident that this would be included by Mr Humphries in the estates and facilities risk register. In addition, the IBP contained the risk associated with cost pressures, including those arising from the cost of energy to the trust.

After some discussion about the development of assurance arrangements and associated committee structure to support the Board, it was agreed that a discussion paper on the assurance arrangements, particularly in relation to the foundation trust governance arrangements, would be brought to the confidential section of the Board in July.

ESH/AS

06/08 Safeguarding arrangements for children and adults

An update on child safeguarding would be prepared for members by the middle of July by the children's safeguarding lead, Ms Chapman. The report would cover the internal review and scrutiny arrangements. In addition, Ms Chapman, the lead for safeguarding children, would be asked to provide an update on the provision of social services to the children of Banbury and at the Horton. Dr Lindsell confirmed that the Horton paediatricians had raised this as an issue. The Committee agreed that there a need for equity of provision across the county and that this might be an issue to be raised at the Oxfordshire Children's Safeguarding Board. Mrs Strachan-Hall agreed to look into this further with Ms Chapman and ensure that the concerns were raised.

ESH

9/08 Infection control and decontamination policies

The Committee noted that the Trust Board had approved the updated policies.

Mrs Strachan-Hall updated the Board on the outcome of the ORH's Hygiene Code Inspection that had taken place in mid-March. The summary report would be circulated to members shortly. In summary, the report highlighted breaches in Duty 2 (in relation to the provision of monitoring reports on training in infection control) and Duty 4 (on clarity of arrangements for decontamination, particularly in relation to ward equipment). She confirmed that actions had already been taken to address the points raised and that the HCC and the SHA would follow up on the recommendations in six months time. The points largely related to process rather than a lack of activity of policies in the appropriate areas. For example, the role of the Matrons on monitoring and reporting on infection control training has been emphasised and reinforced. Mrs Hall confirmed that it was the responsibility of the Divisional Associate Chief Nurses to ensure that all aspects of infection control were monitored and reported on. These reports would form an important part of the divisions' assurance arrangements.

Ms Simcock as one of the decontamination leads, confirmed that a number steps had been in hand at the time of the inspection to improve the arrangements for decontamination and cleaning of equipment. The Decontamination Group had met and additional instructions and checklists had now been issued to all wards and departments on the cleaning of ward equipment.

In response to a question from Sir William, Mrs Strachan-Hall confirmed she would follow up on the 'tagging' of beds and commodes. ESH

It was agreed that a report outlining the recommendations and the actions in place to meet them would be prepared for the Board well in advance of the required six months. ESH

It was noted that a performance meeting was to be held with the SHA and the actions taken to date would be reported to that meeting. ESH/AS

Dame Fiona commented on the importance of following up on training issues and on ensuring that the policies were accessible for all staff.

GC23/08 Chairman's Business

None.

GC24/08 Annual Health Check 2008/09

The report provided information on the 2008/09 annual health check and provided the detail for the new indicators (as in paper GC2008.16a) replacing the existing and new national targets.

The Committee noted the current state of compliance with the core standards and welcomed compliance in all areas. Further reports would

continue to be made to the Committee and to the Board. Performance against the new indicators would also be included in subsequent update reports. In addition, meetings would be held on any potential risk standards or targets to ensure that performance and compliance remained on track for the whole year.

ESH/MET

The increasing focus on the patient survey was noted. Sir William reminded members that Dr Coulter, head of the Picker Institute which carries out the ORH patient surveys, would be presenting to the Board shortly. The importance of regular surveys (for example within the emergency departments) was agreed, particularly in support of recruiting and engaging foundation trust members and in improving customer care. After discussion it was agreed that the Committee would strongly support the identification of a resource to support such surveys and the associated technology that could support more instant feedback. Mrs Strachan-Hall agreed to take this forward with executive colleagues.

ESH

GC25/08 HCC Report on cardiothoracic surgery - report on actions to date

The report was received and it was noted that the draft report from the HCC follow-up visit would be received in mid-July with a final report expected in October. Mrs Strachan-Hall gave the reported view of the HCC as expressed to the SHA that significant progress had been made. The ORH updated action plan reflected the SHA's view but also highlighted on-going work across a number of areas. The position statement from the SHA reflected this with only two of thirteen recommendations remaining outstanding as partially complete. These related to the assessment of high risk cases and audit work across the trust as a whole.

The internal monitoring group had met on 24 June and agreed actions on a prospective audit of high risk cases to be completed by the Autumn. In addition, the directorate had now appointed a clinical audit co-ordinator. Divisional clinical audit and effectiveness posts were now being recruited and were expected to be in post within the next six to eight weeks.

The Committee noted that a detailed patient algorithm had now been prepared to cover both emergency and elective patients and demonstrating how individual high-risk patients with particular co-morbidities would be treated. All available clinical guidelines were referenced within this algorithm. This had been circulated to the HCC and the SHA. It was noted that expert opinions could and were sought from other centres and that advice was frequently sought from the ORH clinical team.

The Committee noted the excellent progress that had been made and that it was hoped to sign off all outstanding actions against the recommendations in the early Autumn.

ESH/MET

The Committee also noted that the HCC's cardiac surgery outcome website was due to be updated this week. This would show outcomes for CABG and AVR procedures for all centres and surgeons across England. It highlighted the increasing focus on surgical outcomes across all specialities.

GC26/08 Divisional Quality and Risk Reports

Mr Seaton commented that the reports had taken a different form this quarter. An attempt had been made to focus down reports onto key areas as defined within the governance, quality and risk framework. The intention was to provide the Committee with the appropriate assurances and to highlight areas of concern within the divisions with appropriate action plans. The tabulated reports (using themes such as NICE, training, risks etc) showed the initial attempt to achieve this; these could of course be revised to take account of the discussions held at the recent workshop and of the requirements of both the divisions and the Committee. It was agreed that it would be important to try and ensure consistency of reporting and assurances across the three divisions, whilst recognising areas of difference. Some additional items, particularly on infection control and areas from the Matrons' reports, had been appended to the tabular reports. Mrs Hall confirmed that the Matrons' reports would be crucial in ensuring compliance in such areas as hand hygiene. It was intended that the reports for the September meeting would be updated and refined.

It was noted that relatively few of the themes are currently shown as fully compliant. In discussion, it was agreed that this resulted from the 'all or none' nature of the format. Dr Lindsell felt that the current report did not indicate the excellent progress made within his Division on taking governance forward and on how the directorates assured him as the Divisional Chair. It was agreed that it should be possible to show the progress being made during the year (as well as the current position) and to provide trends and to include some high level summaries to demonstrate for example actions against specific themes, e.g. SUIs, or particular areas of concern.

Some specific points were made on the individual reports particularly in relation to sharing learning, drawing on Matrons' reports and in holding the directorates to account for their activities. Ms Simcock and Ms Logie confirmed that more detailed reports were considered by the Divisional Boards. Further discussion took place on control of infection and Sir William expressed his concern that he had not seen the results of the audit he had requested on bare below the elbow. It was noted that the Department of Health's observations of care team would be visited the ORH on 26 June. Ms Simcock reported that the dress policy, which highlighted the bare below the elbow policy had recently been re-

circulated within the Division. In addition, Dr Lindsell confirmed that clinical leadership was key in all areas and that in his particular division, a problem with compliance had been identified within radiology. It was agreed that further work would be done to review implementation of "bare below the elbow" for all staff groups and that Ms Strachan-Hall would provide an update for the next meeting. It was also agreed that the Medical Director would be asked to write to all medical staff to reinforce the bare below the elbow policy and to set down ways in which compliance would be monitored.

ESH/JM

Sir William expressed some concerns that perhaps the progress was not as good as he had thought. Dr Lindsell stressed that significant progress had been made in all areas over the last two to three years and it was rather a matter of how the progress might be presented. He could reassure the Board on this and the continued progress being made. This view was endorsed by both Ms Logie and Ms Simcock. Sir William stated that it would be important for any report to be presented with a front sheet from the Chair and Divisional Director to highlight any issues and to assure the Governance Committee that the necessary actions were being taken to deal with any exceptions. This was agreed and such a front sheet would be included in the next set of reports.

Dr Lindsell highlighted a risk in relation to the Horton and the potential risks around the sustainability of services. It was noted that work continued with the PCT on this and that details on the proposals were to be circulated to those concerned for agreement prior to submission to the PCT. It was recognised that the costs for the PCT could be significant. The Committee noted that such an issue was example of what would be included in future front sheet reports from the Divisional Chairs.

In conclusion, it was agreed that it was important to provide more focused reports but that a revised format to show current position and progress should be devised. It might be helpful to show the themes (drawn from the governance, quality and risk framework) against directorates as well as to show performance for each directorate. Further work would be done with the directorates and the quality and risk team.

ALL

GC27/08 Quality and Risk report

The report was considered and the following points were made:

10. The patient safety strategy would be considered by the Trust Board in July and a number of key points for action would be highlighted including the plan to reduce HSMR by 10-15%. The strategy also asked for a number of patient and staff safety groups to be established to drive forward various initiatives in support of the national focus now being seen on patient safety.

11. The focus on these initiatives (e.g. falls, medication errors) was likely to result in a series of new performance metrics for the divisions and directorates. These would then be reported to the Governance Committee and included in the overall Board performance reports.
12. It was noted that greater awareness and perceived fairness of the updated SUI investigation process might have resulted in more willingness to report SUIs. This was welcomed.

The Committee commented on the clarity of the report and its highlighting of key areas.

GC28/08 Any other business

HR Committee and assurance arrangements

Dame Fiona commented on the apparent lack of progress that had been made in clarifying the assurance arrangements, particularly in relation to the HR committee which was to be reformed as an executive-led committee. She was proposing to hold a final meeting to thank all those that had been involved in the work of the committee. She was anxious to ensure that the Board received the appropriate assurances on HR issues and she would welcome a discussion with the Chief Executive on such matters. It was agreed that this would be discussed further outside the meeting.

WHS/KF

GC29/08 Date of the next meeting

The next meeting will be held on Friday 26 September 2008 at 2pm.

The subsequent meeting will be held on Tuesday 23 December 2008 at 2pm

Please note that the following dates are proposed for 2009:

Wednesday 25 March 2009 at 9.30 am

Tuesday 23 June 2009 at 2pm

Monday 28 September 2009 at 9.30 am

Tuesday 22 December 2009 at 2pm