

Trust Board meeting 20 November 2008

TB2008.91

Subject	Board Committee minutes			
Purpose of paper	To inform the Board of the work of the Audit and Governance Committees			
Board Lead(s)	Dr Colin Reeves, Chair of Audit Committee Professor Adrian Towse, Chair of Governance Committee			
Background papers (if any)				
Action/decision required	The Board is asked to receive the minutes and to note the particular points highlighted by the Chairs			
Key purpose	Strategy	<u>Assurance</u>	Policy	Performance
Strategic Goal(s)	All			
Strategic Objective (s)	SO10 - To become a strategic, high performing and agile organisation supported by efficient and patient focused clinical processes, modern systems and business processes			
Links to Board Assurance Framework/ Trust Key Risks/Annual Health Check element(s)	Standards for better health - governance domain Audit Local Evaluation (ALE) - Internal control domain			
Also considered by	Not applicable			
Resource and financial impact	Not applicable			
Consideration of legal/equality/diversity/engagement issues	Not applicable			
Acronyms and abbreviations used	Not applicable			

Audit Committee

Key points from the meeting held on 9 October 2008

1. The Committee was very concerned at the number of outstanding high priority recommendations from internal audit reports. Further action would take place outside the meeting but the Members agreed that leads for any remaining outstanding actions would be invited to attend the December meeting to explain themselves.
2. The Audit Committee received progress reports on internal audit work and counter fraud. The Committee welcomed the plan to improve the turn around/completion time for internal audit reports and noted that an additional fifth level of assurance would be used in all new reports. The Fraud Awareness Day was welcomed as was the work now being done with Executive Directors to assess fraud risks across all areas. The Committee also confirmed that it remained content with the balance of work spread across the days commissioned from the counter fraud service.
3. In considering reports from the Audit Commission, the Committee thanked Maria Grindley for her services as Engagement Lead for the ORH for the last five years. The relationship between ORH and the Audit team was now very positive and cooperative to the benefit of all. Mr Phil Shawman had succeeded her as ORH Engagement Lead.
4. The Committee approved the Annual Audit letter for 2007/08 for circulation to the Board and for publication on the ORH website.
5. Mr Barnes, Assistant Director for Private Patients, attended and gave an excellent and comprehensive presentation on the provision of and plans for private patients across the Trust. A further report would be made to the December meeting.
6. The Committee considered the progress being made on two significant issues: a) International Financial Reporting Standards - impacting particularly on the restatement of balances and PFI capital schemes; and b) the faster close process. The latter would require additional work in months 10 and 11 particularly in terms of reducing issues of materiality outstanding at the year end and agreeing balances with other NHS bodies. The Committee will keep both issues under review.
7. The Committee thanked Dr Ken Fleming for his invaluable contribution to its work. The Chairman stated he would be looking for the Board to replace Dr Fleming and for an additional member to bring the membership to four non-executive directors.

Audit Committee

Minutes of the Audit Committee meeting held on Thursday 9 October 2008 at 10.00 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
	Mr P Bonnier	Assistant Director of Finance
	Mrs M Turmezei	Assistant Director of Governance
	Mr A Barnes	Assistant Director, Private patients
	Ms M Grindley	District Auditor
	Mr A Witty	Audit Manager
	Ms H Ormiston	Audit Officer
	Mr P Shawman	District Auditor
	Dr M Shaw	Audit Officer
	Mr P Crabb	Client Manager, CEAC
	Mr A Lambourn	Counter Fraud Specialist, CEAC
	Miss L Nash	Principle Auditor

The Committee wished to record its thanks to Dr Fleming, now retired from the Board, for his contribution. This had been much appreciated and he had brought an invaluable clinical and academic perspective to the work of the committee.

AC 18/08 Minutes of the meeting held on 12 June 2008

The minutes were approved as a correct record.

AC 19/08 Matters arising from the Minutes

11/08, 2/08, 46/07 Appointment of HR Director

It was noted that Ms Sue Donaldson would take up her post on 1 November 2008.

15/08 Consultant Productivity (see also 25/08 for full report)

A report would be made to the Governance Committee once the detailed report had been reviewed within the Divisions.

MET

AC20/08 Reports from CEAC

Recommendations Follow up six monthly report

The update report on outstanding recommendations was received and concerns expressed over a significant number. It was noted that additional information could be provided in support of the report.

It was agreed that the Director of Finance would write to all Directors

expressing the concerns of the Committee at the continued delays in completion. Responses would be sought and a report on the impact of this in terms of completed actions, would be brought to the December meeting.

Internal audit progress report 2008/09

The Committee reviewed the report and noted the intention for audits to be completed more quickly in support of the ALE processes and evidence collection. This was welcomed. Mr Crabb confirmed he was confident on the delivery of the agreed number of days as set out in the programme.

The Audit Committee was assured on this point and received the report.

Counter fraud progress report 2008/09

Mr Lambourn presented the report which highlighted closer working with HR, particularly on raising awareness. Meetings were being held with all directors to understand risks in relation to fraud; this would support the ALE work during 08/09. In addition, presentations on awareness and risks were being developed for use throughout the organisation and a Fraud Awareness day was to be held on 29 October. Mr Lambourn was satisfied with the progress being made in this area.

The Compound Indicator report had highlighted the importance of proactive work in fraud. Mr Lambourn said that he felt the ORH fraud programme had the right balance in it and Mr Hurst said that he was also comfortable with the balance. Ms Grindley confirmed that the fraud programme for the ORH reflected the pattern seen across other Trusts and was not unusual in any way.

The CI report gave the ORH a level 2 (adequate) but the narrative suggested areas of good practice and there were no areas of concern. CEAC would review the report and provide a report to the Committee; any areas of concern could then be addressed.

The Audit Committee agreed that it was satisfied with the progress and the balance of days within the programme. It welcomed the risk review and asked for an update in December. It would continue to monitor activities and if necessary the number of days for the counter fraud programme would be amended.

Revised Annual Report 2008/09

The revised annual report with amendments to the summary list of audits was received. Mr Crabb reported that CEAC would be moving towards five levels of assurance to allow more rigorous and realistic assessments to be provided between 'significant' and limited. This was a common approach in other areas and allowed more accurate reporting.

AC21/08 Reports from the Audit Commission

ALE Report 2007/08

The Committee noted the report and the outcome of a score of 2 /Fair for the Use of Resources for 2007/08 as a result of the technical breach of the break-even duty. VFM had also score less well than the previous year and although an appeal had been raised, this had not been considered because the overall score would not be changed. The delivery and monitoring of CIPs and evidencing business planning and public engagement processes would be a focus during the year. Delays in the production of reference cost data had not been conducive to embeddedness across the whole year.

The score of Fair was an improvement on the score for 2006/07 and would be announced again as part of the HCC's Annual Health Check on 16 October. Discussion took place on weaknesses in the process of evidence gathering and Mr Hurst confirmed that work was already under way in year to overcome such problems. Close working with Audit Commission continued. A workshop had already been held and action plans were in place to achieve the targets of 3 GOOD across all five domains for the year end. In addition, as many scores of 4 as possible would be aimed at.

The Audit Committee noted the aim for 08/09 and would continue to receive reports throughout the year.

Annual Audit Letter 2007/08

The Committee considered the draft Audit Letter and noted the many positive comments within the Letter. The Committee once again paid tribute to the work of Maria Grindley, now moving on after five years with the ORH. Ms Grindley commented on the good progress that continued to be made particularly in the annual audit process and she commented on how much she had enjoyed working with the ORH. Her successor, Mr Shawman confirmed that he would be intending to work closely with the ORH and to build on the good relationship already in place.

The Audit Committee approved the letter and noted that this would be circulated to Board members and posted on the ORH website.

CH

Progress report 2008/09

The report highlighted a number of areas of work including the impact of both IRFS and the faster close proposals. These would add to the busy year for the Finance team. The Committee noted a number of changes to the team and thanked both Ms Sherwood (in her absence) and Ms Ormston for their contribution. The Committee welcomed Mr Shaw who would take over as the VFM lead.

AC22/08 Plans for the development of private patient facilities

Mr Barnes attended and presented the paper which reviewed the current provision of private patient care within the Oxford Radcliffe Hospitals NHS Trust. It represented an assessment of recent developments since April 2008 and the current financial position across the Trust. Financial projections have been made based on existing knowledge and likely

changes, including the impact of the new Wytham Wing about to open adjacent to the new Cancer Centre development on the Churchill site. The current projection is to meet and possibly exceed the £12m income target set for private patients.

The plan for private patients is to expand the current dedicated private bed numbers from the current twenty two on ward 5 C/D (Isis Suite) in the John Radcliffe Hospital to sixty across the Trust. The Isis ward will continue to operate the current 22 beds. Theatre provision is currently inadequate to meet the demands for private patients and plans are in place to provide a full (integrated) theatre linked to the Wytham Wing and a full theatre in the JR2. Discussions continue to secure dedicated theatre space in the West Wing.

Support services are a third key element of providing a private patient service. Significant work had been completed with support services managers to resolve issues extant in March 2008. Resolution of most issues is now in sight, but the provision of paediatric MRIs under General Anaesthetic remains a restricting factor to service development. Plans were also in place to link reporting of both costs and income across all areas.

The Committee thanked Mr Barnes for his extremely informative presentation and expressed their confidence in the approach he was now leading. The Chair hoped that a further short report might be made to the committee in December or perhaps to the Finance and Performance Committee to update on progress with I & E trading accounts.

AC23/08 International Financial Reporting Standards

The short report was noted and it was recognised that this was a significant issue with the submission of restated balances due in December. However, work was well in hand to meet this timetable and the intention was to have considered the major issues well in advance of the 2010 deadline. The restatement was expected to both material and adverse with the impact on I&E rather than on cash. It was expected that the DH would have to handle this at some point during the year in relation to capital charges and impairments.

It was agreed that the Audit Committee would consider accounting policies and impact analyses at the December meeting.

The committee noted that the Audit Commission would continue its work with the Department of Health on this and hence be able to support this work with the ORH.

AC24/08 Faster Close process – 2009 year end accounts

The paper was noted and it was recognised that this would place additional burden on the finance team. Work in the months preceding the year end (10 and 11) would be significant as it would be important to try

and reduce issues of materiality at the year end. The agreement of balances was highlighted as a key issue. The ongoing work on the presentation of financial information would support this work.

It was noted that the Annual Report would be required to the same timetable and the Comms team would be alerted to this.

MET

AC25/08 **Items for information**

The following were received:

- PPI Action Plan
- 2007/08 Reference Cost Analysis
- Review of productivity at Consultant level
- Code of Data Matching Practice – the information governance issues were noted. Work had been done with the Information Commissioner during this work and hence all confidentiality/data issues had been covered
- Proposed work programme and scale of Fees
- Losses and special payments

The Committee considered how the action plans arising from Audit committee reviews were monitored and agreed that it would be important that responses rates were monitored.

In addition, the Committee noted the report on board effectiveness and governance arrangements. The action plan would now be taken forward and it was hoped that the Board would have the opportunity to consider this at its away days on 9/10 October.

AC26/08 **Any other business**

The Committee noted that there were no waivers of SOs or SFIs to report to date in 2008/09.

The Chair reported that he would be discussing the question of NED membership as Dr Fleming had now retired. He hoped to be able to add to the membership with an additional NED to ensure quoracy.

Mr Hurst reported that the HDD report had now been received. This would be reviewed at the Board away day and the action plan progressed over the coming weeks.

Mr Hurst reported on a number of leases held with the Icelandic bank which had now ceased trading. Although little financial risks were involved, the position was being looked into to ensure that full repair remained in place to avoid any interruptions to business and clinical services.

AC27/08 **Date of the next meetings**

10 am on 11 December 2008

In addition, the dates for 2009 were agreed as below

Thursday 19 March 2009

Thursday 4 June 2009 (Accounts meeting)

Thursday 9 July 2009

Thursday 8 October 2009

Thursday 10 December 2009

(all meetings are between 10 and 12 and will be held in the Boardroom.)

Governance Committee

The following areas are highlighted for the Board's attention:

1. The Committee recorded its thanks to Dr Fleming for his enormous contribution to the work of the Committee. A replacement non-executive director would be sought as soon as was possible.
2. The Committee considered governance arrangements briefly but noted that work was continuing through a number of routes including the development of the FT application and the AHSC proposal. In addition, a business case was under development to support the achievement of NHSLA level 2 for the Trust as a whole and additional resource had now been put back to support clinical audit and effectiveness.
3. The Governance Committee reviewed the Board Assurance Framework and noted that work would continue to ensure that this could be presented in as simple a format as possible whilst ensuring that it covered all the required areas. The framework will be updated to take account of comments and ongoing work, including particularly internal audit work and other sources of assurance. The Governance Committee would present the Board Assurance Framework to the Trust Board at its January 2009 meeting.
4. The Committee considered elements of the patient safety framework in some detail: in particular it discussed the ways in which hospital standardised mortality ratios (HSMR) might be reduced and ways in which these data could best be presented. The executive would be discussing this further and presenting proposals to the Committee at its December meeting, prior to consideration by the Trust Board.
5. The Divisional Quality and Risk reports are developing. The intention is to provide the Governance Committee with high level information that assures it, and through it and by report, the Trust Board on the systems and processes in place to deliver good governance in all areas. The Divisions are looking at ways in which they can provide this assurance and Division C has developed a system of accountability reviews with each of its Directorates.
6. An overall quality and risk report is also provided to the Committee which provides increasingly useful information to assure the Committee particularly in relation to HSMR and serious untoward incidents (SUI). This report would be considered before the Divisional reports at future meetings.
7. The September meeting considered an excellent and comprehensive report on risk (clinical, health and safety, biological safety and genetic modification) which demonstrated the progress made across the Trust in the last two years. The report will be presented to a future meeting of the Board.

Governance Committee

Minutes of the **Governance Committee** meeting held on Friday 26 September 2008 at 2 pm in the Board Room, the John Radcliffe.

Present:	Professor A Towse	In the Chair
	Ms Caroline Langridge	Non-executive Director
In attendance	Mrs E Strachan-Hall	Director of Nursing and Clinical Leadership
	Mrs M Turmezei	Assistant Director of Governance
	Dr J Morris	Medical Director
	Ms M Logie	Director of Operations, Division A
	Dr H Jones	Chairman, Division A
	Mr A Seaton	Assistant Director of Quality and Risk
	Ms K Simcock	Director of Operations, Division B
	Ms Ally Perkins	Clinical Governance Coordinator, Division C
	Mrs K Campbell	Associate Director of Nursing, Division B
	Ms S Newman	Head of Legal Services
	Mrs C Hall	Associate Director of Nursing, Division A
	Ms S Donaldson	Director of HR and OD (from 1 Nov 2008)
Apologies	Dr K Fleming	in the Chair
	Dr D Lindsell	Chairman, Division C
	Sir William Stubbs	Chairman
	Ms A Middleton	Director of Operations, Division C
	Mr T Campbell Davis	Chief Executive
	Mr M Greenall	Chairman, Division B
	Mr Andrew Stevens	Director of Planning and Information

GC30/08 Minutes of the meeting held on 25 June 2008

The minutes were considered and approved as a correct record subject to the following amendment to 22/08, 2/08, 69/07 PROM 2nd para, third line to read:

A small number of these procedures were carried out within the ORH and the work would therefore also focus on a set of procedures

GC31/08 Matters arising from the Minutes

22/08, 2/08, 58/07, 51/07 Technologies Advisory Group

It is noted that Mr Stephen Kennedy is acting as Chairman of TAG.

22/08, 2/08, 69/07 PROM (patient reported outcome measures)

The Committee noted that the post would be advertised soon. Professor Towse suggested it would be important to link to work being done by other organisations. Ramsay Healthcare was responsible for the quality of services they provided to the PCT's patients. The ORH was not responsible for monitoring these services.

The Executive Board would shortly be considering a paper on the approach to patient surveys and PROMS.

ESH

22/08, 06/08 Safeguarding arrangements for children and adults

The report was received. Ms Dearmun stated that she would raise the provision of Horton-based social services support with the appropriate team. It was to be considered by the Oxfordshire Children's Safeguarding Board at its next meeting.

22/08, 9/08 Infection control and decontamination policies

The Committee noted that the Trust Board has reviewed the action plan arising from the recent HCC Hygiene Code Inspection. The Chairman of the Medical Staff Council had reiterated the importance of consultants complying with the Bare Below the Elbow policy and leading by example. Applicants for consultant posts were now being asked about their understanding of this policy.

The Decontamination Manager had now been appointed; this would allow outstanding work on decontamination to be progressed across the Trust.

Ms Donaldson said she would be meeting with Dame Fiona to address outstanding HR and training issues.

25/08 HCC Report on cardiothoracic surgery

The draft recommendations following the HCC's return visit in May were noted. The full report is expected within a few weeks.

The existing action plan (received by the Governance Committee and the Trust Board earlier this year) will be updated and actions arising from the report will be incorporated. Agreement has been reached with the SHA on monitoring the plan and sign off was expected on all actions by the SHA (and through them, the HCC) by the end of December/early January 2009.

GC32/08 Chairman's Business

The Chairman raised a number of points including:

Dr Fleming

Dr Ken Fleming would be retiring as a Non-executive Director and Head of the Medical Sciences Division at the end of September. The Committee wished to record its grateful thanks for his contribution to its work over the last several years.

A replacement NED from the Board would be sought at the earliest opportunity.

AT/TCD

Governance and resources

A number of factors were noted including recruitment of a replacement medical director and assistant director of quality and risk. Changes including the FT application and the Academic Health Sciences Centre

proposal, would impact across all areas of governance and it would be important to determine the levels of resourcing required, particularly within the medical directorate and associated with R&D and training. Further discussions would be held shortly on this. AT/ESH

Thromboembolism

Mr Seaton confirmed that the risks associated with this had been highlighted in the Patient Safety Framework, and were being addressed through a group chaired by Dr Keeling.

The Committee wished to formally record its thanks and appreciation to Andrew Seaton who was leaving the Trust to take up the post of Director of Patient Safety at the Gloucestershire Hospitals NHS Foundation Trust. His contribution and leadership had been outstanding and had made an enormous difference within the Trust.

GC33/08 Board Assurance Framework

Mrs Turmezei introduced the BAF and highlighted the need to ensure that it had links with the operational activities and performance management systems, including as an example, the risk register, the annual health check and the ALE process. Simplification would be aided perhaps by a diagram showing links with these processes.

Further work was being done to continue its simplification; to add specific assurances gained for example, from CEAC or other audit and assurance work; and to draw out exceptions/gaps to be noted and subsequently acted upon by both the Governance Committee, and as part of its bi-annual review, the Trust Board.

Some points of detail were raised including on capacity for neurosciences intensive care, complex cancer surgery and the requirement for additional nursing staff. Ms Dearmun agreed to speak to Ms Middleton about consultant recruitment at the Horton. The Committee also noted that the Milton Keynes dialysis unit was to open shortly and hence the pressures on local capacity would be relieved and the service for patients enhanced.

Dr Morris reported on the current position of the intestinal transplant service. Two potential patients were being carefully assessed; it was recognised that the lead in time to the start of such a complex services was considerable.

The Committee received the BAF, noting that it would review this again in December prior to its presentation at the Trust Board in January 2009. MET

GC34/08 Annual health check 2008/09

The compliance report for core standards and the indicators for 2008/09 were received. A number of areas within the indicators required further work and the compliance position would be improved also following further information on the details of the indicators' constructions. As reported to the Board in July, those with executive responsibility for

individual standards and indicators would be taking steps to address any areas of non compliance.

A further report would be presented to the Trust Board for its November meeting.

MET

GC35/08 Safety framework - whole system measures

The report with its focus on setting targets to be aspired to through the work of the safety action groups was considered. The work covered a number of significant patient safety areas as had been outlined in the Framework considered and endorsed by the Trust Board at its July meeting.

The improvements in safety related directly to the Trust's objectives (see BAF) and to the risks to those objectives. In particular the level of HSMR to be aimed at was discussed. Some committee members suggested that the presentation was somewhat confusing and it would be helpful to perhaps set an absolute target for achievement over the coming years. It was agreed that year on year reductions should be the aim and that Dr Morris and Ms Strachan-Hall would prepare a specific proposal for discussion with the executive and subsequent approval by the Trust Board. The proposal would be based on a time frame of between three and five years and that reductions in HSMRs would be accompanied by reductions in adverse events.

JM/ESH

GC36/08 Patient and public engagement update

The report was received but it was noted that further reports would include feedback from the divisions to assure on the work they were doing. The developing membership strategy and FT work would also contribute to the assurances on public and patient engagement. The Committee noted that steps were being taken to bring comments and complaints, PALs and patient and public activity closer together.

ESH

GC37/08 Divisional Quality and Risk Reports

The Committee noted the developments of the report although further work continued to be done to reduce the amount of detail and to increase the level of assurance reports available. The following were highlighted in the discussion:

Division A

Actions plans were in place for areas with 'red'. Audit work was now being supported on surgical outcomes in urology and dermatology following appointment of the clinical audit facilitator. Problems in the transport of blood supplies were being addressed and work would also be done to draw on the wealth of information and data available through the renal registry database.

Further work was also being done to move towards ring fenced and additional beds for stroke care on both Horton and JR sites. The Executive

Board would be reviewing plans; performance in this area would be measured during the year and would impact on compliance with a national indicator. However, the Committee was assured that significant improvements had already taken place in the stroke services at the Horton.

Division B

Ms Simcock highlighted the recent SUIs associated with controlled drugs and assured the Committee on the steps being taken to address identified weaknesses. In particular, the Committee asked to see specific assurances from Carillion on its CRB checking processes.

KS

The Executive Board had considered a plan to address the FoFs and this was expected to be presented to the Trust Board in November. A locum orthogeriatrician was now in post with a permanent appointment being processed.

The Division's Governance Committee reviews clinical activity and other indicators, including incidents, and highlights specific areas for further work. For example, work is being done on readmission rates for colorectal/vascular and upper GI surgery.

Division C

The Division has continued its quarterly accountability review of the directorates which has strengthened the accountability and assurance processes and allows a more detailed assessment of issues.

GC38/08 Quality and risk report

The report was received and it was agreed that in future this would be considered in advance of the Divisions' reports as it provided a high level overview and context.

The revised format was welcomed and it was suggested that further refinements in the presentation of data would be considered – these could include the use of absolute number for HSMR. The work of the safety action groups would feed into this report, showing how these were impacting on performance.

GC39/08 Annual Risk Report 2006-08

The report was received and the following points were noted:

1. Staffing issues had been resolved.
2. Key safety policies had been reviewed and were in place.
3. Improved SABS closure rates were being seen.
4. The HSE prosecution was included within the report.
5. The report on biological safety and GM was noted.
6. Further reviews were to be done on SUI process.

7. A business case was being developed to support the move to NHSLA level 2.

The Committee welcomed the report and agreed that it showed real progress over the last two years. It would commend the report to the Trust Board.

MET/ESH

GC40/08 Information Governance Report

The report on information governance was received with interest. Clarification was being sought on the role of the senior information risk officer.

GC41/08 Arrangements for governance, quality and risk

Ms Strachan-Hall covered various aspects, highlighting the work done at the governance workshop and the need to continue to develop assurance mechanisms that built on stronger local governance arrangements. The staff safety strategy was to be presented to the November Trust Board and a paper was being prepared for the Executive Board on the resources required to take further work forward (e.g. on NHSLA level 2) and to support the continued embedding of governance and assurances within the Trust. In addition, the clarification of the matrons' role supported this work and was now beginning to have an impact.

The Committee recognised the significant progress made over the last 2-3 years and welcomed the move towards improving the assurance mechanisms that would allow it to improve the way in which it worked.

GC42/08 Date of the next meeting

The next 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 (to be confirmed MAY be changed)

Tuesday 23 June 2009 at 2pm

Monday 28 September 2009 at 9.30 am

Tuesday 22 December 2009 at 2pm