

E- Meeting of the Audit Committee

minutes

Minutes of the Audit Committee Meeting held on Tuesday 11th July 2023

Committee Members:	Julian Farmer Nick Brooks Margaret Carney Bob Burgoyne	Non-Executive Director (Chair) Non-Executive Director Non-Executive Director Non-Executive Director
Committee Attendees:	Karen Edge Karan Wheatcroft Kate Warriner James Bradley Nigel Woodcock Georgia Jones Gary Baines Jing Ma Catarina Teige Katie Tootill Peter Cook Dr Raphael Perry Jennifer Ohlsson	Chief Finance Officer Director of Risk and Improvement Chief Digital and Information Officer Deputy Chief Finance Officer Senior Audit Manager, MIAA Engagement Lead, Grant Thornton Regional Assurance Director, MIAA Head of Financial Services Interim Deputy Director of Research & Innovation Chief Procurement Officer Recruitment and resourcing Lead Medical Director & Deputy Chief Executive Senior Executive Assistant (Minutes)
Apologies:	Louise Robson	Non-Executive Director

1. Apologies for Absence

Apologies noted as above.

2. Declarations of Interest

The Committee were asked for declarations of interest with respect to agenda items. All participants confirmed they had no interests.

3. Minutes of the previous meeting held on 21st March 2023

The minutes of the e-meetings held on 21st March 2023 were accepted and recorded as a true record.

The minutes of the e-meetings held on 27th June 2023 were accepted and recorded as a true record.

4. Action Log

Action 1: Annual report of organisational learning on agenda for discussion. Action closed.

Action 2: JB provided an update on the payments for flu tests. Action closed.

Action 3: It was agreed to keep to the risk development update on action for a further update, in light of the implementation of in phase.

Action 4: It was confirmed that consent was live with three specialties in relation to the IT issues relating to health messaging. Action closed.

Action 5: Work plan on agenda for discussion. Action closed.

5. Governance and Risk

5.1 Annual review of governance manual

Audit committee colleagues were asked to note the annual review of corporate governance manual circulated prior to the meeting.

The following changes were highlighted:

- The documents have been updated to reflect the new provider licence, code of governance and supporting guidance in place from 2023/24.
- Terms of Reference for the new committees, CMAST Leadership Board and Strategic Research & Innovation Committee have been added to the CGM.
- The SORD has revised its references to Director of Corporate Affairs and amended the associated responsibilities accordingly. References to hosted organisations (LHP and LNA) have been removed. Specific references to committees in common were considered but not implemented at the present time as there is currently no specific financial delegation (this will be revisited in year).

- Payment by Results of Code of Conduct has been removed. This was as external department of the Health documents and is no longer relevant.

Comments and questions were welcomed, and it was suggested adding that key issues from assurance committees are reported to the Council of Governors.

The Capital investment policy was also noted and whether it was still appropriate to maintain or expand market share. CFO confirmed that there is still some relevance to this, but this may need to be tweaked in terms of the collaboration approach and current arrangements.

It was noted that this consolidates a lot of the changes that have been seen previously through various forums. The FTSU policy was reviewed in advance and has support. The investment policy was noted and query raised on whether paragraph 5 in the policy should explicitly mention risk as a criteria. It was agreed to make this amendment.

It was agreed by the Audit Committee to recommend the approval of the corporate governance manual.

5.2 Risk Management KPIs

Audit Committee colleagues were asked to note the Trust wide and KPI report. The Director of Risk and Improvement provided an overview of the current position.

There is compliance with risk reporting requirements as set out in the risk management policy for risks. This is inclusive of MIAA reported risks, CQC risks and QIA risks on the risk registers. There is 100% completeness of information with the following exceptions; 92% assurances against a target of 95% and 91% review against a target of 95%.

The Trust has 419 active risks and regular review of risks is in line with policy expectations.

68% of incidents have been closed within 28 days (static). This KPI is currently under review to determine if there is a more supportive way to monitor this KPI.

The current number of incidents open over 28 days is 80, a significant increase from previous report when figure was 50. The Divisions receive a monthly update on incidents that are open over 21 days in order for them to take action on open incidents.

Comments and questions were welcomed and the incidents closed within 28 were noted and a query raised on what it the cause. It was confirmed that Head of Risk Management and the Divisions have sight of these risks, however and there should be a clearer understanding of what can be reported from the new system.

5.3 Review Clinical Audit Plan and 6-monthly progress reports

Catarina Teige, Deputy Director of Research and Innovation provided an overview of the clinical audit plan and 6-monthly progress report and colleagues were asked to note the report circulated prior to the meeting.

The Clinical Quality Team have delivered on the National In-patient survey, supported clinicians with National clinical audits, local clinical audits, service evaluations and surveys, facilitated MRG and MDT meetings, overseen SSQD and supported the Deputy Director of Nursing with CQUINs and Quality Schedule.

The 3 areas of concern addressed in the paper include; no central system for the management and tracking of clinical audit and other service evaluation projects registered with the department, insufficient staffing resource and skills within the department data quality issues with NICOR datasets

Comments and questions were welcomed, and the data quality issue was noted and a query on how this interface in a more general way. It was confirmed this has been considered as part of the aspirants scheme and a wider paper will be reviewed by the Executive Group. It was noted that NICCOR is one component of the overall data quality piece. It was added that there has been a deep dive of the processes and there needs to be a move to improvement. It was added there needs to be a stand back review around clinical audit and the interplay with data quality and data science.

It was stated that the Quality committee has major input and it is a huge and complex issue.

A query was raised on where the responsibility would lie on decision on funding for investments. It was confirmed that the Executive Team are reviewing. It was added that there was a recent meeting regarding model hospital and benchmarking and the data does not tie in with the under-resource. Understanding is needed and a further strategic piece. It was added that there is a clear process for investments via Operational Board. It was agreed that it would be useful to feedback at a future meeting.

CT/JC

5.4 Review losses and special payments

Colleagues were asked to note the losses and special payments paper circulated prior to the meeting.

For the period 1st March 2023 to 31st May 2023 have been no losses or special payments in excess of £10,000.

Comments and questions were welcomed, and a query raised on the large debt outstanding from BUPA and whether this was a reflection of most PPs being insured by them or that they are conspicuously more aggressive in questioning our invoices than the other companies. CFO confirmed that BUPA are the largest provider and probably the most commercial in terms of their process.

The increase in NHS debt was noted and clarity sought on the reason. CFO confirmed that a lot of invoices are raised at the start of the financial year, and this is related to timing.

5.5 Review Single Supplier tender waivers

Colleagues were asked to note the review of single supplier tender waivers paper and CFO noted that there is now a more consistent process around waivers since the Trust has been part of LHP.

It was noted that it would be useful if there was an indication of why the waivers are needed. CFO confirmed that these are included in the appendices. CPO added that training and education will take place with staff raising waivers in a timing manner and hopefully the number reduces once a process is in place and also noted that there is a good process and good engagement from LHCH.

5.6 Baseline review for licence

Audit committee colleagues were asked to note the baseline review for licence paper, and it was noted that the paper provides a baseline assessment against the new Provider Licence for 2023/24. This will form the basis for demonstrating that the Trust continues to have clear controls in place to ensure compliance with its licence. A summarised quarterly checklist is reviewed by the Audit Committee with the aim to provide assurance that key licensing requirements have been met and to flag up emerging risks that could threaten future compliance, and this template will need to be updated to reflect key requirements of the new licence for 2023/24.

The Audit Committee if asked to note the baseline assessment and actions and it was noted that it is worth the Audit Committee having sight of the quarterly checklist.

5.7 Review of register of external visits

Audit Committee colleagues were asked to note the review of register of external visits.

Comments and questions were welcomed, and a query raised on whether it is worth reviewing the usefulness of this report. It was agreed to meet offline to review the usefulness of the report.

5.8 regulatory action plans

There was nothing to report on the regulatory action plans.

5.9 Cyber security update

Audit committee colleagues were asked to note the cyber security update. The threat landscape is continuing to evolve, however as detailed in the paper the Trust control environment is being developed to meet these challenges.

It was noted that that this report provides impressive performance against the action plan.

5.10 Data Quality Assurance report

Audit committee colleagues were asked to note the data quality assurance report. The trust has due process in place including Data Quality Strategy recently approved by Patient Pathway and Assurance Group along with an in-date data quality policy. Appropriate governance is in place and is led by the DQ Steering Group which meets bi-monthly.

The Trust is viewed favourably when reviewing metrics from external submissions CDS and SUS. Admitted Patient Care CDS flagged up two issues around Discharge Ready Date, for which a resolution has been put in place and Patient Pathway which will be taken through the DQ Steering Group.

MIAA are due to finalise a data quality audit in July 2023 which will provide a deep dive into assurances processes around our corporate reporting.

A Data Quality Programme of work has been established and includes projects on Secure Health Messaging, NICOR, Overreporting of Radiology, Private Patients and SUS v SLAM. There are additional actions in place to complete recruitment to key DQ roles and establish more of a DQ presence on corporate reporting.

There were no further comments or questions.

5.11 Update on organisation learning

Audit Committee colleagues were asked to note the organisational learning paper, circulated prior to the meeting. LHCH has strong arrangements in place to ensure organizational learning from a range of sources, ensuring that this learning is shared and embedded. This is underpinned by the Organisational Learning Policy.

It was noted that this report provided good assurance.

5.12 HPL Annual Update

Katie Tootill, Chief Procurement Officer, attended Audit Committee to provide and update on Health Procurement Liverpool and asked colleagues to note the papers circulated prior to the meeting.

It was noted that the key focus areas for HPL throughout 22/23 are; finalising the shared services set up, undertake service reviews and implement single processes and ensuring a steady state and BAU

Comments and questions were welcomed and it was noted that it would help for the report to have an executive summary and further clarity on the KPIs. It was noted the KPIs are reviewed at the Procurement Board. There are clear action plans for procurement, that will be highlighted in further reports.

CFO informed colleagues that HPL have brought some resilience to the Procurement team.

6. Internal Audit

6.1 Progress report on delivery of plan

Nigel Woodcock, MIAA provided an overview of the progress report on the delivery of plan. The following reviews have been finalised; 2022/23 E-Roster (Moderate Assurance), 2022/23 Consultant Job Planning (Moderate Assurance), 2022/23 Procurement Collaborative (Substantial Assurance), 2023/24 Data Security & Protection Toolkit (Substantial Assurance).

The reviews below are currently in progress are; 2023/24 Recruitment (Field work), 2022/23 Performance Monitoring/Management (Draft Report) and 2023/24: Asset Management (Draft TOR)

It was confirmed that at this early stage in the year it is felt the progress is on track.

There were no further comments or questions.

6.2 Follow-up report

Audit Committee colleagues were asked to note the follow-up report and there were no further comments or questions.

6.3 Anti-Fraud update report

Michelle Moss, MIAA provided an overview of the anti-fraud update report and Audit Committee colleagues were asked to note the report circulated prior to the meeting. The Anti-Fraud Specialist (AFS) successfully submitted the annual Government Counter Fraud Standard Return for the Trust. The return was approved by the Audit Committee Chair and Chief Finance Officer, prior to submission.

The NHS Counter Fraud Authority (NHSCFA) has recently published its 'Strategy 2023-26 and Business Plan 2023-24' document setting out their key priorities to counter fraud in the NHS over the next three years. The strategy is based upon four fraud-focused pillars which have been developed to help ensure that the NHSCFA is successful in what they have set out to achieve from now until 2026.

There were no further comments or questions.

6.4 Anti-Fraud annual report

Audit Committee colleagues were asked to note the anti-fraud report circulated prior to the meeting. It was noted that key risks identified, following a detailed fraud risk assessment, which were addressed in the Trust's Anti-Fraud plan 2022/2023, were Bank Mandate fraud and Cyber-Enabled fraud.

There were no further comments or questions.

6.5 Moderate Assurance report

6.5.1 Consultant Job Plans

Dr Raphael Perry, Medical Director, attended Audit Committee to provide an update on the consultant job plans moderate assurance report. The overall objective of the audit was to evaluate the Job Planning process for Consultants (under the 2003 Consultant contract) and provide assurance that these were completed in accordance with national guidelines and reflect local business objectives.

Comments and questions were welcomed and confirmation was sought on whether the recommendations outlined were agreeable. It was confirmed and these are moving forward.

A query raised on the financial impact of the overpayments. It was confirmed that these overpayments are often a result over overpaid PAs.

It was agreed that a further update will be brought back next year at the appropriate time.

RP

6.5.2 e-Rostering

Peter Cook attended Audit Committee to provide an update on the e-Rostering moderate assurance report. The overall objective of the audit was to provide assurance on the design and control effectiveness of the Trust's E-Rostering system. As agreed with Trust management, audit testing focused on SICU, Estates, Medical Secretaries and Clinical Services.

Comments and questions were welcomed and confirmation was sought on whether the recommendations outlined were agreeable. This was confirmed and it was noted that this is on track for delivery.

7.External Audit

7.1 External Audit update reports

The committee were updated the audit committee that there accounts were signed off by the deadline. Georgia Jones thanked the Finance Team and all involved in getting the accounts signed off on time and unqualified.

7.2 Annual review of internal audit provision

It was agreed to remove this item from the agenda.

8. Review of Audit Committee Work Plan –

Audit colleagues were asked to note the workplan circulated prior to the meeting.

Colleagues were informed that updates to the workplan include a HPL update and ICB update.

Audit Committee approved the work plan for 2023/2024

9. AGS Issues

The Audit Committee had nothing further to note for the Annual Governance statement.

10. Evaluation of Meeting

The Audit Committee was content with the mechanism in place for the e-meeting.

All committee members confirmed that the meeting had been conducted effectively and useful documentation had been received and discussions had taken place.

11. NEDs meet in private with Internal and External auditors

LHCH NEDs meet in private with internal and external auditors to provide and comments and feedback.

12. Date and Time of Next Meeting:

Tuesday 10th October 2023, 08.30am – 10.30am, MS Teams