MINUTES OF THE NHS FIFE AUDIT COMMITTEE HELD AT 09.45 AM ON THURSDAY 19 SEPTEMBER 2013 IN THE BOARD ROOM, HAYFIELD CLINIC

Present:
Ms A Rooney (Chairperson)  Mrs J Mitchell, Non-Executive Director
Mr A Robertson, Non-Executive Director

In Attendance:
Mr D Archibald, Regional Audit Manager
Mrs H Knox, Director of Acute Services
Mr A McCreadie, Assistant Director of Finance
Dr S McLean, Director of Nursing
Ms G Woolman, Audit Scotland
Mr John Wilson, Chief Executive
Mrs F McLeary (Minutes)

43/13 APOLOGIES FOR ABSENCE
There were no apologies for absence.

44/13 DECLARATION OF MEMBERS' INTERESTS
There were no declarations of interest.

45/13 MINUTES OF THE PREVIOUS MEETING HELD ON 21 JUNE 2013
The Minutes of the meeting of the 21 June 2013 were approved as a true record.

46/13 ACTION LIST
Item 1 – Distribution of Documents

Mr McCreadie informed the Audit Committee that NHS Fife had updated their intranet and that it is now in the same format as Fife Council.

The Audit Committee noted the action list.

47/13 MATTERS ARISING
38/13 – Appendix A Item 3 - Ms Rooney stated she had spoken with the Chairman, who agreed that it would be good governance for her to leave her position of Chair of PFPI to continue being Chair of the Audit Committee.

40/13 – Ms Rooney reminded the Committee that the Annual Accounts remained confidential until they are laid before parliament.

Ms Rooney asked if the process had begun for replacing Thomson Cooper. Mr McCreadie said that he would look into this and report back at the next meeting.
INTERNAL AUDIT

(a) Progress Report

Mr Archibald introduced his report to the Committee, advising that the Progress report showed progress on individual audits. The schedule, which sets out all planned activity for 2013/14, now incorporated a traffic light system with completed activities being shown blue.

He advised that Internal Audit will be placing reliance on;

- B20/14 – Family Health Service
- B25/14 – Ordering, Requisitioning and Receipt of Goods and Services
- B27/14 – Cash and Bank
- B29/14 – Departmental Review of VHK Laundry

It is also anticipated that reliance may be placed on;

- B33/14 – eHealth Strategy
- B26/14 – Service Contract Expenditure

It was noted that since the last meeting of the Audit Committee, a total of six reports have been issued, with a further 10 reports due to be issued before the December 2013 meeting. At present all reports scheduled for 2013/14 are on track to be delivered on time.

Ms Mitchell commented that it was reassuring and good news that the estimated dates look achievable that everything will be delivered on time.

Ms Rooney also stated that the progress report was very reassuring. She referred to the schedule appended to the back of the document and noted that 7/14 – Statement of Internal Control/Governance Statement, had overrun by quite a lot of days and asked what had caused this.

Mr Archibald said it was down to the level of detail in the programme and that a huge amount of work had been undertaken.

The Audit Committee noted the progress against the Internal Audit Plan for 2013/14.

(b) Summary of Internal Audit Reports

Mr Archibald drew the Committee’s attention to two of the reports:

- B15/13 – Risk Management Strategy, Standards & Operation and;
- B28/14 – Data Quality

- B15/13 – Risk Management Strategy, Standards and Operation – Grade C

Mr Archibald said it had now been recognised that the Quality Delivery Plan will no longer replace the Risk Management Strategy. However, the revised Quality Delivery Plan will replace the Clinical Governance Strategy. It was agreed that a revised Risk Management Strategy Risk Register and Risk Assessment would address these issues on how Risk Management worked.
Since the issue of the previous report work had been progressing and continues. It is anticipated that the Risk Management 2012/13 & 2013/14 will go to the May 2014 meeting.

**B28/14 – Data Quality – Grade B**

Mr Archibald stated that NHS Fife had embarked on a programme to further develop existing management information dashboards to allow improved accessibility for more NHS staff to enhance timelines of information.

NHS Fife’s eHealth Delivery Plan now includes the expansion of the current dashboard service to support quality reporting, nursing, midwives and other clinical staff and also to deliver 10 RTI dashboards for 500+ users. The information continues to improve to allow proactive decision making.

The Governance Statement guidance for 2012/13 included a number of features to be included in the Governance Statement for all Boards.

Ms Rooney referred to the full report on B28/14 - Data Quality, and referred to paragraph 11, where it stated that achievement of the target of 500+ users accessing the dashboards is restricted by the number of licences purchased. She asked how many licences were needed and how many people were currently using the system.

Mr Wilson said that this information would need to be gathered through the eHealth Project Board.

Mr Robertson asked if the information from the dashboard could be used at ward level to look at the performances.

Mr Wilson said there was a live system in A&E Department that monitored the 4 hour waiting time target and that the system flashes amber alert at 3 hours and red alert at 4 hours. A lot of work can be done through the dashboards including clinical staff gaining instant access to x-ray results or even the laboratory staff receiving results.

**B40a/14 – Department Review of Laundry at VHK**

Mrs Mitchell asked how many staff were involved. Mr Wilson replied that there would be probably about 100 staffs.

Mrs Mitchell commented that the laundry is essential to good performance of the Hospital. She questioned the ‘B’ grading of the report due to the number of staff who had fallen behind on mandatory training.

A lot of discussion ensured on the report, particularly relating to quality, progress and the grading by the auditors.

Ms Rooney sought clarity on the role of SMT Risk and whether such risks i.e. staff being asked if they have read and understood the policies which are all out of date would be brought to SMT Risk’s attention.
Mr McLean said that it might be a high risk in the Laundry Department but not a high risk in the Corporate Risk Register and hence would be dealt with at departmental level.

Mr Wilson said that the Laundry is just one department under Estates and Facilities who manage their own risk register which are discussed within their team. If a Risk is deemed high then the Head of Estates and Facilities would bring this to SMT.

The Audit Committee noted the audit activity summarised.

(c) Property Transactions Monitoring

Mr Archibald introduced his report to the Committee. He stated that the Scottish Government Health and Social Care Directorate (SGHSCD) require that Boards follow procedures laid out in the Property Transaction Handbook.

Internal Audit were advised that there were two completed property transactions during 2012/13.

- Lease unit within Kirkcaldy Health Centre; and
- Lease of land at Victoria Hospital.

The Director of Estates and Facilities provided details of the property transactions to the May 2013 Audit Committee. The Guidance in the Property Transaction handbook is for a selection of up 50% of cases or detailed inspection of all cases if only a few.

Both transactions received an ‘A’ grading and a report will be provided back to the Scottish Government.

The Audit Committee noted the report.

49/13 (a) Annual Report on 2012/13 Audit

Ms Woolman introduced this paper noting that it had already been to the Board. She explained the format and content to the Committee.

Page 7 - Introduction – gives details on the work that Audit Scotland have undertaken and summarises auditors opinions (i.e. financial statements).

Page 9 – paragraph 17 - Equal Pay Claims – this is an ongoing issue and has been reported on for a number of years. These claims have been referred to the NHS Scotland Central Legal Office (CLO).

Page 10 - Endowments – The HM Treasury and Scottish Government have delayed the consolidation of NHS Endowment Funds until financial year 2013/14. The consolidation process will be reviewed as part of the Boards audit of the 2013/14 financial statements.

Pages 20 - 21 - set out the Prevention and Detection of fraud and irregularities. As at the end of June 2013, the Board had effectively completed its exercise through the National Fraud Initiative and no instances of fraud or error have been identified from the work undertaken.
Page 27 - Scotland’s Public Finances – Addressing the challenges – this year’s follow up audit on Audit Scotland’s previous report “Scotland’s public finances: addressing the challenges”. concluded that NHS Fife has a clear understanding of its costs and impact of efficiency savings on service delivery.

Ms Rooney thanked Ms Woolman for her helpful report.

The Committee noted the report.

50/13 (a) Risk Management Strategy

Ms Rooney referred back to the summary of internal audit reports B15/13 – Risk Management Strategy, Standards & Operation and the Risk Management Strategy. She asked Audit Committee Members for comments.

Mr Robertson said he didn’t think they could scrutinise the strategy because of the progress and changes that have taken place and are ongoing re: role of Audit and Risk Management across NHS Fife. The document showed how things were beginning to be progressed forward.

Ms Rooney said that some of the content of the document seemed confusing as to whether the document should be a Framework or Strategy. She stated that she would struggle to support the Strategy as currently presented and didn’t feel it was sufficiently worked up to go to the October NHS Fife Board Meeting. She suggested that it would be better to spend more time to get the strategy correct.

Ms Knox asked Ms Rooney what, in her view, would be required to be done to the document to make it fit for purpose.

Ms Rooney replied that the Risk Management Strategy looked like the original strategy but with some updates included i.e. it is not take account of the new direction of travel and the ongoing discussions about how risk should be approved. While any updating attempts were to be welcomed, Ms Rooney felt that the late circulation of the Strategy document to the Committee and its late inclusion on the agenda was driven by the Auditor’s findings in report B15/13 and not by actual readiness of the strategy document. The document needs to be more readable with key messages; the document should also cover, or be part of a framework, which includes:

- An Assurance Statement
- A risk assessment methodology
- Policy statement
- Preferred indicators
- Complaint how we all use this
- 6 monthly reporting
- Defining/Clear Statements
- Business continuity

She stated that Audit Committee were obliged to provide assurances to the Board and felt she could not provide these assurances with this proposed
Dr McLean said that this is the latest version on the Risk Strategy and the Committee could use this as a starting point to decide what the real fundamental issues are and then decide what context to included.

Ms Rooney said that the proposed document is lacking, and that there needs to be a Risk Framework agreed under which a risk strategy would sit. A template needs to be agreed to take this forward. Appendix F of the Auditor’s handbook is where the Audit Committee needs to concentrate on. She re-iterated Mr Robertson’s suggestion that there needs to be a development session/workshop and asked the Audit Members if they supported this idea.

Ms Mitchell and Mr Robertson both supported the idea of a development session/workshop.

Mr Wilson said that the correct input is needed to make the right progress, and that a workshop would be beneficial to separate the Strategy/Framework. He stated that if would not matter if the Risk Management Strategy did not go to the October NHS Board Meeting, as it is more important to get the document correct.

Dr McLean asked if the Terms of Reference for Audit and Risk could be amalgamated.

Mr Wilson said that the Chairman had indicated that he would like a combined Audit and Risk Committee.

Mrs Knox asked if this would need to be approved by the Board.

Mrs Mitchell said that we would need to report to the Board on the way forward.

Ms Rooney said she would have difficulty with trying to support a new potential remit without the risk framework agreed and that the Committee needed to get clarity on the Boards approach to risk before the Audit Committee could agree any new Terms of Reference for itself. She hoped that a remit would be available for the December 2013 Audit and would seek clarification from Chair of the NHS Board.

Ms Rooney felt that the inclusion of the Internal Auditors at the workshop would be helpful and checked with David Archibald re: any conflict of interest. Mr Archibald indicated that there would be not conflict of interest and that he would attend the workshop.

The Audit Committee noted the report.

(b) Corporate Risk Register

Mr McLean introduced his report to the Committee; stating that appendix 2 gives details of the risks contained in the Corporate Risk Register.

He stated that, since his arrival at NHS Fife, the Risk Register indicates
that high level risks were being managed very well. The current Corporate Risk Register contains five high level risks, seven moderate risks and two low level risks. All corporate risk are in-date and are currently higher than our target with 6 out of 14 risks at their target residual position.

Ms Rooney stated that the corporate risk register report on assurance reporting to the Audit committee when previous Nurse Director was in post. She gave assurances from the Risk Register for the Audit Committee to agree and didn’t feel that the Committee was doing this process adequately.

Dr McLean said that the corporate risks may get scrutinised and altered by a Board Sub-Committee. Ms Rooney said that the risks are devolved to a number of Committees but it is the Audit Committee that all changes should come through in order for the Audit Committee to be able to give the final assurances to the Board.

Mr Archibald said the Audit Committee is provided with 2 reports each year detailing the information.

Ms Woolman said that there is no set requirement for Audit Committee to approve, and that it is about striking the balance on Risk Register as to what is important and fed through SMT and the Board kept informed.

Ms Rooney felt that clarity needed to be sought on where the assurances lie and it was agreed that this could be part of the workshop.

The Audit Committee noted the report and noted the actions being taken forward.

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51/13 Policy/Procedures Update

Mr Wilson stated that there has been an enormous amount of work ongoing with the General, HR and Clinical Policies. At the last meeting, it was reported that, of 133 NHS Fife Policies 108 were out of date. At present there are 152 Polices with 68 being out of date, the three groups are looking at these to decided whether they are policy or procedure.

Ms Rooney asked where the majority of out-of-date policies remained. Mr Wilson said that approximately 48 were within General Polices. He stated that the Audit Committee would be kept informed of the progress made.

Mr Robertson said that good progress had been made.

The Audit Committee noted the update.

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52/13 Meeting Dates 2014

Ms Rooney stated that the September date was unsuitable and asked if an alternative date could be arranged, otherwise another Non-Executive could Chair this meeting.

The Audit Committee noted the dates and that an alternative date could be sought for the proposed September 2014 meeting.
Items for Noting

(a) Technical Bulletin 2013/2

The Audit Committee noted the report.

ANY OTHER COMPETENT BUSINESS

There was no other business.

DATE OF NEXT MEETING

Thursday 19 December 2013 at 9.45am in the Board Room, Hayfield Clinic.