

Barnet and Chase Farm Hospitals

NHS Trust

Meeting: Trust Board	Date: 12 November 2009	Attachment I
TITLE OF REPORT: Audit Committee meetings report		
ACTION REQUIRED BY BOARD: To note		
ASSURANCE AND RISK		
Board Assurance Framework objective Integrated governance	Impact of this report Demonstrates compliance with best practice	
Healthcare Commission Core and Development Standards C7 - governance	Impact of this report Demonstrates compliance with best practice	
HUMAN RIGHTS AND EQUALITIES ASSESSMENT		
None		
LEGAL IMPLICATIONS		
The recommendations contained within this report have been checked for compliance with the relevant statute and regulations/directions/policy as follows: None		
AUTHOR OF REPORT		
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SPONSOR OF REPORT		
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BARNET AND CHASE FARM HOSPITALS NHS TRUST

REPORT TO: Trust Board

REPORT FROM: Karen Trew, Audit Committee Chair

DATE: 12 November 2009

SUBJECT: **Audit Committee Report**

FOR: To note

1. EXECUTIVE SUMMARY

The purpose of this report is to update the Board on discussions at the September meeting of the Audit Committee. The Trust's Internal Auditors have recommended that it would be best practise for the Audit Committee to report to the Board formally on its activities, rather than the Board simply receiving the Committee's minutes for information.

2. RECOMMENDATION

The Board is asked to note this report.

3. SEPTEMBER MEETING OF THE AUDIT COMMITTEE

3.1 Board Assurance Framework

The Committee received an update of the Board Assurance Framework agreed by the Trust Board in July 2009, which included three additions to the BAF: swine flu, 18 weeks and healthcare associated infections. These reflected the potential risk non achievement posed to the Trust's objectives rather than a concern that these would be an actual problem in year, A new format for the BAF was currently being developed following the BAF workshop in July and would be submitted to the November 2009 Board. It was also noted that a draft of the newly formatted BAF had been discussed at the Governance and Safety Committee.

3.2 Internal Audit reports

The Committee has changed the way agendas are structured to achieve a better alignment with the Board Assurance Framework. Therefore relevant Internal Audit reports are discussed with the lead director present who can then comment on the Auditors' findings and what action is being taken. In addition to a general Internal Audit update on the overall programme for the year, the Committee discussed the following reports.

3.2.1 Clinical audit

The conclusion of this report was adequate assurance with recommendations related to the way clinical audit was reported and also the need for additional evidence of learning. The Director of Nursing responded that the report was very helpful and the team were looking at how clinical audit could be more closely linked with other quality and governance streams of work. It was agreed that the Clinical Audit Plan for 2010/11 should be programmed for discussion at the March 2010 meeting.

3.2.2 Hygiene Code

The conclusion of this report was substantial assurance. There was a significant issue regarding training, but the Trust was clearly aware of this and dealing with it.

3.2.3 Activity Information Systems

This was an interim report on a review that was a major part of the audit plan for the year. The intention was to demonstrate that the foundations had been set on which to base further work and testing. The Trust were pleased with the progress made in terms of process mapping and agreed that this should be followed up and owned by the directorates.

3.2.4 Records management

The conclusion of this report was adequate assurance. The issues raised by the audit were that there were no weekly audits taking place despite this being shown as a control on the assurance framework and patient notes were not being returned within two weeks. The Director of IM&T commented that currently tracking of notes was one way, ie into the department only rather than tracking them in and out. There was a project underway to move to two way tracking. He added that 50% of notes were not managed by the Medical Records department but by the directorates which he understood the Director of Operations – Planned Care was reviewing. It was noted that a number of recommendations from the former report remained outstanding and the Committee commented that all recommendations must be tracked through the master list of recommendations.

3.3 Pharmacy stock

The Committee considered a report from the Chief Pharmacist, who had been asked to report to the Committee following the identification by the External Auditor of a number of control weaknesses in the pharmacy stock control system.

Since then a full pharmacy stock count had been undertaken with the External Auditor in attendance showing a favourable difference of £35k

between the closing and opening stock balance for a stock holding of just over £1.1 million. Pharmacy had investigated the situation and identified a number of factors contributing to the incorrect stock levels, and measures had been put in place to improve stock control:

The Chief Pharmacist was asked to take the Committee's views on board and provide a progress report in six months time.

3.4 Standards for Better Health Process and Declaration

The Committee considered a report from the Director of Performance Planning & Partnership which set out the process for the 2009/10 declaration. This included a Board session to review evidence of compliance with standards, with the Chairman and Chief Executive having delegated authority from the Board to sign off the declaration.

3.5 Auditors Local Evaluation

The Committee received a detailed report from the External Auditor on the ALE review and expressed their appreciation to the External Audit team for their approach. The Committee was very pleased to see the improvement in the ALE score to 3 overall, resulting in a 'Good' financial health assessment. The Committee asked that a detailed action plan for the 2009/10 ALE be brought to the next meeting, assuming that the changes in the Audit Commission consultation would go ahead and taking on board the key messages from the previous report. The aim would be to maintain the 3 score but to identify any area where a 4 would be achievable without a disproportionate use of resources.

3.6 External Audit

Grant Thornton advised that the work on International Financial Reporting Standards was continuing and would be reported in the annual audit letter which would be discussed at the November meeting of the Committee.

3.7 Counter Fraud progress report

The Committee discussed the Local Counter Fraud Specialist (LCFS) progress report. A number of new investigations were referrals from the National Fraud Initiative and it was agreed that these investigations should be prioritised. The Committee asked that outcomes be publicised once cases were completed, where appropriate. There was also discussion about the length of time taken to investigate the cases and also to deal with the outcome in terms of disciplinary or dismissal. It was noted that the investigation undertaken by the LCFS should in most cases make further investigation unnecessary but it was agreed to seek further information about the interface between LCFS and HR investigations.

3.8 Other matters discussed by the Committee

The Committee discussed an aged debt report and agreed to the write off of debts. The Committee also noted a progress report on the clinical governance plan for 2008/09

3.9 Freedom of Information Act

The Committee agreed that reports should be published retrospectively on the Trust's website, subject to any exemptions applying. For this particular meeting, the Committee agreed to the publication of all reports on the agenda with the following exceptions:

Item	Report	Exemption
2009/53	Counter fraud progress report	S30 Investigations S31 Law enforcement
2009/58	Aged debt and schedule of bad debts for write off	S43 Commercially sensitive information
2009/59	Review of waiver of tenders	S43 Commercially sensitive information

4. PATIENT/SERVICE IMPLICATIONS

There are no direct patient/service implications.

5. HR IMPLICATIONS

There are no direct HR implications.

6. FINANCIAL IMPLICATIONS

The Audit Committee's remit includes advising the Trust on the adequacy of arrangements for securing value for money.

7. CAPITAL/ESTATES IMPLICATIONS

There are no direct capital/estates implications.

8. EQUALITIES IMPLICATIONS

There are no direct equalities implications.

9. RISK IMPLICATIONS

The Audit Committee's remit includes advising the Board on the adequacy and effectiveness of her Trust's systems of internal control and arrangements for risk management, control and governance processes.