

WELSH AMBULANCE SERVICES NHS TRUST

MINUTES OF THE OPEN MEETING OF THE AUDIT COMMITTEE OF THE WELSH AMBULANCE SERVICES NHS TRUST HELD ON THURSDAY 16 JULY 2015 AT TRUST HEADQUARTERS, ST ASAPH WITH A VIDEO CONFERENCING LINK TO VANTAGE POINT HOUSE, CWMBRAN

PRESENT :

David Scott	Non Executive Director and Chair	DSc
Pam Hall	Non Executive Director	PH
John Morgan	Non Executive Director	JM

IN ATTENDANCE :

Ossama Lotfy	Principal Auditor	OL
Gordon Roberts	Interim Assistant Director of Operations (EMS)	GR
Patsy Roseblade	Director of Finance and ICT (Via VPH)	PR
Paul Seppmann	Staff Side Representative (Via VC, VPH)	PS
Dawn Sharp	Corporate Secretary	DSH
Claire Vaughan	Associate Director Workforce Transformation (Via Audio Link, joined from Minute 20/15)	CV
Wendy Welsh	Internal Audit	WW
Keith Williams	Head of Joint Resilience Unit (Joined from Minute 17/15)	KW

APOLOGIES:

Emrys Davies	Non Executive Director
Judith Hardisty	Director of Workforce and OD
Dave Harries	Head of Internal Audit
Damon Turner	Staff Side Representative

12/15 PROCEDURAL MATTERS

Declarations of Interest

None Declared

Minutes

The Minutes of the open and closed sessions of the Audit Committee meeting from 28 May 2015 were confirmed as a correct record subject to the following:

- The Director of Finance and ICT referred to Minute 10/15 and commented in terms of her perceived inconsistency of scoring on the internal audit reports and advised that she would be providing a follow up report in that regard. She further added that there needed to be consistency against other internal audit reports, particularly in terms of payroll.

Action Log

The Committee considered the Action Log and reviewed the actions as documented within.

Members discussed at length the issue surrounding the selling of uniforms on e bay and the ramifications of that and other ambulance service items being sold. It was agreed that a review of the Leaver's policy be conducted and a verbal update be provided at the next Audit Committee meeting on 10 September 2015 to provide assurance that a robust process was in place to address any weaknesses in the present system followed when staff left the service.

Self Assessments

The Corporate Secretary provided the Committee with an update and advised that the proposal now was to arrange for training to be conducted in September 2015.

Annual Report of the Committee

Members were provided with an overview of the Committee's annual report by the Corporate Secretary which was being presented for review. It was agreed that the Corporate Secretary would re-circulate the report to Members for further comment and feedback.

In terms of Members' attendance at the Audit Committee it was agreed that the Corporate Secretary would review staffside attendance for inclusion within the report.

Staff Side Representation

Following the revised Committee structures as agreed at the Trust Board meeting on 26 March 2015 the following were confirmed as Staff Side Representatives of the Audit Committee with effect from 16 July 2015:

Paul Seppmann (New member)

Damon Turner (Continuing)

Terms of Reference

The Committee confirmed their Terms of Reference noting that these would be presented to the Trust Board for approval.

Expenses - Non Executive and Executive Directors

The Corporate Secretary advised the Committee that a further review was being conducted in terms of the VAT element and the reconciliation of items, including hotel charges in relation to VAT and dinner allowances.

The Director of Finance and ICT provided the Committee with an overview in terms of the system (Oracle) the Trust used in processing expense claims.

RESOLVED: That

- (1) it be noted that there were no declarations made under the Code of Conduct;**

- (2) the Minutes of the meeting of the open and closed sessions of the Committee held on 28 May 2015, subject to the comment as above be confirmed as a correct record;
- (3) the Action Log be received and the actions therein implemented as necessary;
- (4) the Corporate Secretary arrange for the Self Assessment training event to be planned for September 2015;
- (5) the Annual report of the Committee be re-circulated to Members for further review and any feedback be provided to the Corporate Secretary;
- (6) the Terms of Reference be presented to Trust Board for approval;
- (7) a further review be conducted by Finance in to the VAT element and reconciliation of items in respect of Non Executive and Directors' expenses; and
- (8) a briefing be presented to the Committee in terms of providing assurance that robust systems were in place regarding Leavers and that the Leavers policy was being reviewed in this regard.

13/15 INTERNAL AUDIT PROGRESS REPORT – JULY 2015

The Committee were asked to consider the progress report which included two reports that had been finalised and were provided with an overview by **WW** from Internal Audit:

- Information Governance Caldicott Report – The Assurance opinion provided was moderate with two medium rated recommendations.
- Capital and Asset Management – The Assurance opinion provided was Limited with two high level recommendations being given.

The Director of Finance and ICT informed the Committee that in terms of the asset reporting, a process had been established to identify where there were gaps in the asset verification process and this would be completed by the end of September 2015.

The Chairman welcomed comments from Members:

- In terms of the ICT elements, could there be an instance whereby an item remained on the asset register but was identified as being superfluous, however costs were still being incurred for example; the cost of maintenance. The Director of Finance and ICT explained that there was an ongoing review. She provided the Committee with details of the process involved in how the Trust identified those assets that presented a financial risk to the Trust.
- With regard to Information Governance, reference was made to out of date documents, and the Committee queried the plans to address this. The Director of Finance and ICT explained that a piece of work was being taken forward by the Head of Informatics.

The Corporate Secretary advised that as part of the follow up and monitoring process

the reports would be included in the Audit Tracker as part of the monitoring process going forward.

The Director of Finance and ICT drew the Committee's attention to the amended assurance level in terms of the Contract Management Governance audit report which had changed from Limited to Moderate following the submission of further evidence to Internal Audit.

RESOLVED: That

- (1) the assurance levels provided on the two reviews finalised in the period and progress on other planned reviews be noted;**
- (2) the Corporate Secretary arrange for the reports be added to the Audit Tracker; and**
- (3) the revised assessment for the Contract Management Governance audit report from Limited to Moderate assurance be noted.**

14/15 ESR (Electronic Staff Records) CAATTs (Computer Assisted Auditing tools and Techniques report)

In the report to the Committee Internal Audit were pleased to announce that the findings had provided substantial assurance.

RESOLVED: That the update be noted.

15/15 CLINICAL AUDIT AND EFFECTIVENESS REPORT

The Clinical Audit Effectiveness Report, in the absence of the Medical Director was presented by the Corporate Secretary. The Chairman welcomed comments from the Committee:

- A query arose in terms of how the Trust was engaging with Health Boards and using their data in terms of for example attendance at A and E. The Interim Assistant Director of Operations (EMS) confirmed that the Trust was working with Health Boards and used their data for analysis purposes.
- In terms of the 'triggers' that drove the selection of the topics, was this process adequate. The Corporate Secretary informed the Committee of the process followed in terms of identifying the areas and how any clinical risks were recognised and managed.
- The Corporate Secretary confirmed that either the Medical Director or the Assistant Medical Director would be available to attend future Audit meetings where the clinical audit and effectiveness report was being presented.
- The Director of Finance and ICT commented that the Trust must be driven as an organisation and focus on a risk assurance methodology and incorporate clinical audit more on to the Agenda. Furthermore, in terms of the clinical audit team, a request had been approved to significantly enhance it and the recruitment process was well underway.

RESOLVED: That

- (1) the Clinical Audit & Effectiveness Programme (v1 2015/16) be noted; and**
- (2) the Medical Director or the Assistant Medical Director be requested to attend the Audit meeting on 5 November 2015 and provide an update on the Clinical Audit and Effectiveness programme.**

16/15 CLINICAL EQUIPMENT MANAGEMENT

The Corporate Secretary advised the Committee that the report being presented was an update following the recruitment of a clinical manager and the result of previous Audit Committee meetings which had brought up concerns in terms of obsolete equipment and the processes the Trust followed to address these issues.

Reference was made to the fact that within the report it stated that the Trust's ambulances and response vehicles were now amongst the best equipped in the UK. How confident was the Trust that this statement was accurate.

The Director of Finance and ICT commented that the Trust had moved on and was more intrinsically linked to the clinical direction and it was recognised that risks had been taken and the payback had been substantial.

RESOLVED: That the progress being made be noted.

17/15 ITEMS FOR NOTING

The following items were presented to the Committee for noting:

- Shared Services Partnership Committee report of 20 May 2015
- Infection Prevention and Control Annual Report

In terms of the Infection Prevention and Control Annual Report Members expressed concern on the number of typographical and grammatical errors within the report. It was confirmed by the Corporate Secretary that the report had previously been presented to the QuEST Committee. In terms of clarity within the report with regard to graphs, the Committee requested where applicable that 'keys' be inserted to illustrate definitions.

RESOLVED: That

- (1) the Shared Services Partnership Committee notes of 20 May 2015 be noted; and**
- (2) the report be referred back to the author for further review as above.**

18/15 REVIEW OF LOSSES AND SPECIAL PAYMENTS

In presenting the report, the Director of Finance and ICT referred to a mismatch between the figures within the report and the covering appendix and advised the Committee that this would be rectified. In terms of the level of detail within the report, the Director of Finance and ICT informed the Committee that future reports would

provide more in depth information going forward.

Members were provided with an overview by the Director of Finance and ICT in terms of how losses and special payments were classified as such.

The Committee held a discussion which focussed on the payments involved in terms of vehicle accidents and the processes involved with regard to the Welsh Risk Pool involvement.

In terms of providing further detailed clarity with regard to losses and special payments it was agreed that Trish Gaskell be invited to attend to explain the procedure in more detail.

RESOLVED: That

- (1) the Losses and Special Payments Report for Quarter 1 of 2015/16 be received;**
- (2) future reports include more detail; and**
- (3) Trish Gaskell be requested to attend the next meeting to provide further clarity on Losses and Special payments**

19/15 CORPORATE RISK REGISTER (CRR) AND UPDATE ON THE BOARD ASSURANCE FRAMEWORK AND RISK MANAGEMENT STRATEGY

A report providing the latest version of the CRR as endorsed by the Executive Management Team was presented by the Corporate Secretary.

The following issues and comments were raised:

- In terms of CR 5, financial balance/sustainability, the 'breakeven risk', would there not also be a risk with the savings plans and should they be classified as one risk. The Director of Finance and ICT explained that the actions being taken i.e. the continued use of double time/overtime and the provision of other emergency providers had been mitigated against the whole risk of breaking even.
- The Director of Finance and ICT referred to CR 2, quality of care and advised that notwithstanding this being transferred to the Medical Directorate, the Director of Quality and Nursing would still maintain focus in terms of the quality aspect.
- Again with regard to CR 5, financial balance/sustainability – concern was expressed that the assurance was insufficient in terms of why the likelihood had been reduced from 16 to 12. The Director of Finance and ICT commented that this was a true reflection of where the Trust was, and that if the Trust achieved its forecast savings which were less than the £4.5m and everything else within the forecast remained extant it would achieve break even. However, the exception to this was the additional spend on overtime/double time and the additional private providers had not been included in the original financial plan and this expenditure was not incurred at the end of last year. The actions in terms of progress to be actioned had all taken place, and the Trust Board would be advised on the outcome of those actions which would provide assurance that

the likelihood score was accurate. The Director of Finance and ICT reassured the Committee that this truly represented where the Trust was, based on the detailed forecasts in place. The Chairman commented that until firm assurances could be provided, the Trust's position in terms of reaching financial balance remained optimistic.

RESOLVED: That

- (1) the updated version of the CRR be noted;**
- (2) the position in relation to the further revisions to be agreed by EMT, acknowledging that an oral update will be provided at the meeting be noted; and**
- (3) the update in respect of the future Board Assurance and Risk Management Strategy be noted.**

20/15 PERSONAL APPRAISAL AND DEVELOPMENT REVIEWS (PADR) – Feedback report following discussion at FRC

The Chairman provided background information in terms of why the Committee had asked for a guarantee that progress in this regard was positive which had been as a result of a grading of limited assurance being given following the PADR review.

The Associate Director Workforce Transformation advised the Committee that progress with regard to developing the Electronic Staff Records system in terms of updating completion of PADRs onto the system was ongoing and moving in a positive direction.

The Interim Assistant Director of Operations (EMS) confirmed that a satisfactory monitoring process by each Head of Operations was in place.

It was agreed that Internal Audit monitor progress through the Audit Tracker and conduct a follow up review as and when required.

RESOLVED: That

- (1) the update be noted; and**
- (2) a follow up review by Internal Audit be conducted as and when necessary.**

RESOLUTION TO MEET IN CLOSED SESSION

Representatives of the press and other members of the public were excluded from the remainder of the meeting having regard to the confidential nature of the business to be transacted in accordance with the requirements of Section 1(2) of the Public Bodies (Admissions to Meetings) Act 1960.

Reports relating to the items of business in these minutes can be found on the Trust's website, www.ambulance.wales.nhs.uk