

Hampshire and Isle of Wight 
Strategic Health Authority Paper HA048/03
Enclosure G

Report to: Hampshire and Isle of Wight Strategic Health Authority Board – 8 April 2003

Title: Minutes of the Audit and Governance Committee – 10 March 2003

Author: Liz Steel, Head of Business Planning

Lead Director: Alan Butler, Director of Finance

Purpose: To consider the outcome of the 10 March 2003 meeting

Decision Sought: To note the Minutes of the Audit and Governance Meeting held on Monday 10 March 2003

Minutes

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AUDIT AND GOVERNANCE COMMITTEE Minutes of the Meeting held on Monday 10th March 2003

01/03 Present

Mike Smith, Non Executive Director – Chairman
Jack Climpson, Non Executive Director
Barry Lipscomb, Non Executive Director

In Attendance

Alan Butler, Director of Finance, HIOWSHA
Andy Bruce, Assistant Director of Finance, HIOWSHA
Simon Garlick, District Audit
Patrick Jarvis, District Audit
David Pugsley, Director of Finance, Workforce Development Confederation
Richard Samuel, Assistant Chief Executive, HIOWSHA
Nigel McFetridge, Head of Clinical Governance, HIOWSHA
Stephen Maycock, Internal Audit, Numerica
Moira Philpot, Local Counter Fraud Specialist
Liz Steel, Head of Business Planning, HIOWSHA

Apologies

Catherine Brill, Terry Renshaw

02/03 Minutes of Previous Meeting Held on 9th December 2002

- i) Minute 16/02: Future Role and Revised Terms of Reference for Audit and Governance Committee. Some amendments made. Item discussed fully – see minute 04/03.

Following comments by Barry Lipscomb the following amendments were made to the minutes:

- Action point 2 of Min 16/02 should read CONSIDERED not approved.
- Action point 3 of Min 16/02 should read APPROVED not received.

If you would like more information about this meeting please contact:
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- ii) Minute 19/02 Workforce Development Confederation Controls
Action point 3 should read DECIDED not requested
- iii) 20/02 External Audit
2001/2002 Annual Audit Letters – SCHST Paragraph 2 received should read CONSIDERED.

03/03 Matters Arising

- i) Minute 15/02 Code of Conduct NHS Managers
Richard Samuel reported that the Code of Conduct will be discussed by the Staff Partnership Forum on 18th March. The Code of Conduct now applies to all senior managers and will form part of all staff's contracts of employment in due course. This action should be an organisational objective for the SHA and WDC in 2003/04. Disciplinary procedures will apply if the Code is breached. Non Executive Directors are bound by the Code of Accountability, which incorporates many aspects of the Code of Conduct.
- ii) Minute 16/02 Audit and Governance: Clarification on Chair of the Risk Management Group
The Committee AGREED that the Chairmanship of the Risk Management Group would be reviewed after one year – the indication being that this post should rotate on an annual basis.
- iii) Minute 17/02 Controls Assurance:
 - Emergency Planning: Richard Samuel reported:
 - Emergency planning procedures had been fully tested in recent weeks. Mr John Henley has been appointed as an Emergency Planning Adviser.
 - A Hampshire wide Emergency Planning Group has been established
 - An SHA Emergency Response Plan will be prepared to address major incidents.
 - Training in responding to major incidents will be provided for all SHA senior managers.
 - Current emergency procedures were tested during major exercise 21-23 February 2003.
 - SHA is now considered a leader in emergency planning in UK and G Cruddace has been asked to advise nationally on the role of SHAs in emergency planning.
 - Lead Directors
It was noted that the lead managers for each Controls Assurance have now been identified. The revised list will be attached to these minutes.

Action: Liz Steel

- iv) Workforce Development Confederation Controls Registers and Review of Standing Orders and Standing Financial Instructions: D Pugsley confirmed that the work is being completed.
- v) Any Other Business: Document Marking
It was reported that Paula Taylor will review the procedure with confidential marking when distributing documents.

Action: Paula Taylor/Richard Samuel

04/03 Audit and Governance

The Committee RECEIVED the revised Terms of Reference for the Audit and Governance Terms and made a number of amendments relating to:

- responsibilities for the wider health community,
- counter fraud reporting
- exception reports from the Risk Management Group

The Chairman AGREED to review the revisions and to give Chairman's Approval if satisfactory. The approved Terms of Reference will be reviewed in 12 months. The APPROVED version will be circulated with the minutes of the meeting.

Action: Terry Renshaw

05/03 Clinical Governance

Nigel McFetridge, Head of Clinical Governance, HIOWSHA gave a presentation on the role of clinical governance within the overall management of risk and Board assurance.

The Audit and Governance Committee thanked him for his interesting presentation and discussed the arrangements for incorporating clinical governance into the overall assurance process. It was noted that a focus on assurance is the way forward but because clinical governance takes place in a world of complexity the most appropriate methods for gaining assurance may be very different from, for example, financial assurance.

06/03 Controls Assurance

- i) The Audit Committee **RECEIVED** the minutes of the Risk Management Group held on 18th December 2002. It was noted that:
 - The Group will regularly examine issues relating to information governance and the Workforce Development Confederation
 - Arrangements to train staff are being developed.
 - A Risk Management Workshop will be held on 31st March and would be chaired by Dr Nigel McFetridge. B Lipscomb expressed interest and was invited to attend.

- ii) Progress report on achieving the Controls Assurance Standards to 2002/2003.

Liz Steel outlined the reporting requirements for 2002/03 it was noted that:

- The SHA is required to submit self assessed scores of compliance with the relevant standards as at 31st March 2003, together with action plans.
- The deadline for the verified submission is 15th May 2003.
- In addition to submitting returns the SHA will also need to test its compliance with level 2 of the control and risk maturity index.
- Managers will be engaged within the process and training and guidance on the scoring tool will be provided.
- The Work Development Confederation's scores will need to be integrated within the SHA's process and return. Clarification is currently being obtained to determine the most appropriate approach.

The Audit and Governance Committee:

- **CONSIDERED** the revised submission date.
- **CONSIDERED** the arrangements that have been put in place.

07/03 Corporate Governance

- 7.1 Moira Philpot informed the Committee about Local Counter Fraud (LCF) activities during 2003/03 for the SHA and processes for detecting fraud. The Committee considered the proposed work plan for 2003/04, which will be agreed with the Director of Finance. It also considered a draft leaflet about the LCF, which has yet to be finalised.
- 7.2 Richard Samuel updated the Committee on current status of Corporate Governance. It was noted that:
- the Standing Orders (SO) and Standing Financial Instructions (SFI) will be reviewed during 2003/04 to reflect new national Guidance and changes in organisational structure and delegated powers
 - the Register of Business Interests and Declaration of Business Interests will be reviewed and procedures updated
 - training will be provided to SHA staff about SO, SFI and financial procedures
 - a Policy on Professional and Product Liability will also be developed
 - a new SHA Complaints Procedure will be developed.
 - a clear business cycle will be developed

Action: Richard Samuel

08/03 Financial Management

Alan Butler spoke to the report explaining both the new performance management role that the SHA has for the PCT and Trust Accounts and the timetable for completing the SHA Accounts.

The draft SHA Accounts will be presented to the next Audit and Governance Committee meeting on 16th June 2003. **Action: Alan Butler**

The Committee RECEIVED the report on the Accounts.

09/03 External Audit

9.1 Patrick Jarvis presented the Outline Audit Plan drawing attention to the fact that the Plan covered two years and contained the key areas of Accounts, Governance and Performance. There is still a chance that further guidance could be produced by the Audit Commission and if so it would have to be incorporated into the Plan.

The Committee APPROVED the External Audit Plan for 2002/03 and 2003/04.

9.2 Patrick Jarvis introduced the External Audit progress report up to the end of February 2003. The only two items to report on were the Audit on 'managing staff displaced under Shifting the Balance of Power' where insufficient documentary evidence was available and that the 'Fit for Purpose' audit had commenced.

The Committee RECEIVED the progress report.

10/03 Internal Audit

10.1 Stephen Maycock presented the draft Internal Audit Plan for 2003/04 for approval. He highlighted that the plan contained both the SHA and the WDC and was for 70 days and 42 days respectively.

The Committee **APPROVED** the Plan.

10.2 Stephen Maycock introduced the Internal audit progress report up to the end of February 2003. The two audits reported upon were Budgetary Control, where the three recommendations were being actioned, and Contractors Payments, where the change of management to Eastleigh and Test Valley South on the 1st October 2003 meant they are now dealing with audit findings.

The Committee RECEIVED the progress report.

11/03 Any Other Business

No other business was raised.

12/03 Date of Next Meeting

Monday 16th June 2003 from 10.00 a.m. to 1.00 p.m. in the Main Conference Room, Oakley Road.

Mike Smith, Non Executive Director and Chair of Audit Committee

Signed

Date

PART II

In Strict Confidence

The next formal meeting of the Hampshire and Isle of Wight Strategic Health Authority will take place in the Main Conference Room, Ground Floor, at the Hampshire and Isle of Wight Strategic Health Authority Offices, Oakley Road, Southampton, **on Tuesday 8 April 2003 at 2.00 pm.**

AGENDA

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|---|--|
| <p>1. Part 2 Minutes of the 11 March 2003 Meeting</p> <ul style="list-style-type: none"> • To approve the Part 2 minutes of the meeting held on 11 March 2003 | <p>Paper HA049/03
Enclosure H</p> |
| <p>2. Matters Arising</p> | |
| <p>3. Nursing Care Investment Strategy – Progress Briefing</p> <ul style="list-style-type: none"> • To update the Board on progress • To note the confidential site feasibility briefing • To note the progress being made against the key project deadlines contained in the process time plan | <p>Paper HA050/03
Enclosure I</p> |
| <p>4. Local Delivery Plan – Update</p> <ul style="list-style-type: none"> • To update the Board on the current status of the Local Delivery Plan | <p>Paper HA051/03
Enclosure J</p> |
| <p>5. Draft Audit Committee Minutes 10 March 2003</p> <ul style="list-style-type: none"> • To receive the minutes for information | <p>Paper HA052/03
Enc K To Follow</p> |
| <p>6. Any Other Business</p> | |

At the end of the meeting, please hand in for shredding to Paula Taylor your copy of this Agenda and Papers. Thank you.

Minutes Part II of the formal meeting of the Hampshire and Isle of Wight Strategic Health Authority held on Tuesday 11 March 2003 in the Main Conference Room, Oakley Road, Southampton.

071/03 **Part II Minutes of the Previous Meeting held on 11 February 2003**

There was an incomplete minute at 046/03 *Matters Arising* – referring to *Minute 021/03 Matters Arising – Gosport War Memorial Hospital*, the missing text is underlined, however for completeness the full minute is: “021/03 *Matters Arising – Gosport War Memorial Hospital* – Mr Samuel tabled a Report on Investigations into the Care and Treatment of Inpatients at Gosport War Memorial Hospital, to ensure the Board was apprised on the status of the investigations and issues that had transpired between September 2002 and 11 February 2003. Referring to paragraph 6.4 in the paper, it was confirmed that a meeting took place with the Chief Medical officer on 13 January, and the Chief Medical Officer's advice had been very clear, that the Commission for Health Improvement investigation should not now proceed and the Health Authority should suspend its investigation.

The Chief Medical Officer's stance regarding the two temporarily re-deployed Chief Executives was that they should be returned to work. The Authority had asked for this view to be tested with Ministers. This view had not thus far been shared with the Primary Care Trust Chairmen.

It was noted that the Strategic Health Authority as commissioner of the Management Investigation, would be responsible for the safe and secure storage of the paperwork. A paper will be presented to a future Part II Board Meeting on the findings to date of the Management Investigation.

The Board NOTED the content of the briefing paper; RATIFIED the actions of the Chairman and Chief Executive to suspend the NHS Management Investigation in the light of the Police's advice; CONCURED with the two Primary Care Trusts' decision to reinstate two redeployed PCT Chief Executives; APPROVED the content of the draft letter to the Chief Medical Officer.”

With this amendment duly noted, **the minutes of the Part II meeting held on Tuesday 11 February 2003 were AGREED and SIGNED by the Chairman.**

Post meeting note, the minute numbering for the Part II minutes of 11 February 2003 had commenced at 045/03, when in fact they should have commenced at 046/03.

072/03 **Matters Arising**
 There were none.

073/03 **Feedback from Black Knight**
 Mr Samuel highlighted the purpose of the exercise and stated the Health Service section had been very professional, it had been an unrivalled opportunity for health to test its readiness. There was a real sense that the NHS had acquitted itself well, although there were clearly some difficulties and lessons could be learnt. The Emergency Planning and Liaison Officer had reported back and a meeting was being arranged to formally evaluate the response to Black Knight.

The Board NOTED the verbal report.

074/03

Mid Hampshire Primary Care Trust GP Issue

Dr Tanner stated a GP was in custody charged with serious sexual offence. Dr Nigel McFetridge has been fully involved with the Primary Care Trust.

The Board NOTED the verbal report.

075/03

Portsmouth Hospitals NHS Trust, Contingency Planning for Potential Military Conflict

Ms Spiller took members through the paper that had been prepared by the Trust identifying risk areas and planning for coping with a potential military conflict, and the preparation of an action plan. It was noted the Trust was coping well with a difficult situation, with a robust plan in place. There were some risks, especially to emergency services more so than elective services. The plan in place covered the next 6 months.

It was noted specific money was being held by the Department of Health, which was accessible, and had to be audited back to the 'war'. It was inevitable the situation would be costly.

The Board NOTED the report.

076/03

Local Delivery Plan: Strategic Executive Summary

Ms Spiller gave an update on the process, stating a huge amount of work had taken place across the Health Authority. The Executive Summary paper set out the current position, which showed not all targets would be delivered. The Authority expected to be challenged in this respect. Ms Spiller went into the detail behind these areas. A final draft of the Local Delivery Plan will be submitted on 21 March. In the meantime Ms Spiller assured the Board of the Authority's capacity to carry out the analysis of the health community's submissions, recognising there was much more work to be done.

Mr Butler gave an update on the financial aspects of the Local Delivery Plan, showing a decrease in the Hampshire and Isle of Wight community deficit over 3 years from £35m to £22m in 2005/06.

The Board NOTED the report.

077/03

Independent Inquiry into the Care and Treatment of Robert Sexton

Mr Samuel presented a paper giving the background and history to the case. He reported that the Strategic Health Authority had taken steps to identify an inquiry chair and panel members. The draft terms of reference were appended to the paper.

During discussion, Ms Spiller noted that the terms of reference did not ask for any recommendations, and wished to know who was going to be tasked with developing recommendations. These were needed from a performance management perspective in order to performance manage the particular organisations involved.

It was agreed that the terms of reference would be amended to state, "to make recommendations as appropriate."

Mrs Hale stated that all parties, including the family, should have the opportunity to review the terms of reference before the Inquiry commences.

Mrs Lovell asked if there was a need to look at communication between and within the organisations involved.

After further discussion, **The Board AGREED to commission the independent inquiry into the care and treatment of Robert Sexton. The act of approving the final terms of reference, in light of discussion, be DELEGATED to Chairman and Chief Executive's action. AGREED that regular reports on the progress of the inquiry be provided to the Board. The proposed panel Chairman was AGREED, and NOTED that the relevant PCT(s) were now involved in the commissioning and future handling of this inquiry.**

077/03 **Sale by Eastleigh and Test Valley South Primary Care Trust of Coitbury House, Winchester**

Mr Lipscomb declared a non-pecuniary interest in this item and left the meeting.

Mr Butler with Mr Ross Dunworth gave the background to the proposal. The building was considered surplus to requirements by the PCT, it would be sold and leased back. The sale would be passed through Southampton University Hospitals NHS Trust. The PCT had taken the correct and appropriate advice throughout.

The Board AGREED to the proposed sale, subject to confirmation of support from NHS Estates.

Mr Lipscomb returned to the meeting.

078/03 **Any Other Business**

It was reported that the two re-deployed Chief Executives had now returned to their substantive posts.

The meeting closed at 1700 hours.