

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 5 March 2020

COMMITTEE: Audit Committee

CHAIRMAN: Kiran Jenkins, Non-Executive Director

DATE OF COMMITTEE MEETING: 24 January 2020

RECOMMENDATIONS MADE BY THE COMMITTEE FOR CONSIDERATION BY THE PUBLIC TRUST BOARD:

- **Review of prime financial and accounting policies – Minute 1/20.**

OTHER KEY ISSUES IDENTIFIED BY THE COMMITTEE FOR CONSIDERATION/RESOLUTION BY THE PUBLIC TRUST BOARD :

- **Internal Audit progress report (outstanding actions from Internal Audit reports) – Minute 7/20/7.**

DATE OF NEXT COMMITTEE MEETING: 6 March 2020

**Kiran Jenkins
Non-Executive Director and Audit Committee Chair**

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON FRIDAY 24 JANUARY 2020 AT 9AM IN
THE C J BOND ROOM, CLINICAL EDUCATION CENTRE, LEICESTER ROYAL INFIRMARY**

Present:	Ms K Jenkins – Non-Executive Director (Chair) Col (Ret'd) I Crowe – Non-Executive Director and QOC Non-Executive Director Chair Mr A Johnson – Non-Executive Director and PPPC Non-Executive Director Chair Mr M Traynor – Non-Executive Director and FIC Non-Executive Director Chair
In Attendance:	Miss M Durbridge – Director of Safety and Risk (for Minute 7/20/6) Ms K Johnston – Head of Nursing, ED (for Minute 7/20/8) Mr I Khalifa – Enterprise Infrastructure Architect (for Minute 7/20/8) Mr S Lazarus – Interim Chief Financial Officer Mr R Manton – Risk and Assurance Manager (for Minutes 7/20/1 and 7/20/6) Ms E Mayne – Manager, Grant Thornton (the Trust's External Auditor) (excluding Minute 2/20) Ms D Mitchell – Deputy Chief Operating Officer (for Minute 7/20/1) Mr N Mohan – Local Counter Fraud Specialist (excluding Minute 2/20) Mr D Price – IM&T Infrastructure Manager (for Minute 7/20/8) Mr J Shuter – Deputy Chief Financial Officer Mr N Sone – Financial Controller Ms H Stokes – Corporate and Committee Services Manager Mr D Streets – Head of Procurement (for Minutes 7/20/8 [part] and 8/20/2) Ms J Tyler-Fantom – Deputy Director of Human Resources (for Minute 7/20/1) Mr S Ward – Director of Corporate and Legal Affairs Ms C Wood – Senior Manager, PwC (the Trust's Internal Auditor) (excluding Minute 2/20) Ms H Wyton – Director of People and OD (for Minute 7/20/1)

RECOMMENDED ITEMS

ACTION

1/20

REVIEW OF PRIME FINANCIAL AND ACCOUNTING POLICIES

Following the requested review of UHL accounting policies, as detailed in paper E the Interim Chief Financial Officer proposed that the current *de minimis* approach be removed for system-generated accruals and that the *de minimis* level for manual accruals be reduced to £5k from the current level of £15k. At the request of the Audit Committee Non-Executive Director Chair, External Audit advised that this was in line with practice at other Trusts. As requested by the Finance and Investment Committee (FIC), the report also briefed the Audit Committee on UHL's policy for bad debt provision, and confirmed (in response to a query from the FIC Non-Executive Director Chair) that UHL had implemented IFRS9 in 2018/19 in respect of non-NHS debts. In discussion, the FIC Non-Executive Director Chair commented that in fact much of the UHL debt profile related to NHS debts. In further discussion on bad debt provision, the FIC Non-Executive Director Chair requested that salary overpayments be added to the table for adjustments to specific categories of debt – the Audit Committee Non-Executive Director Chair suggested that this would be covered in the 'misc' column of that table already and advised that this issue should be reviewed by the Finance and Investment Committee if further discussion was required, and any resulting proposed changes advised to the Audit Committee accordingly. The Audit Committee Non-Executive Director Chair also noted that the Trust can and should write off bad debts once known.

**FIC NED
CHAIR/
ICFO**

Recommended – that (A) the proposed removal of the *de minimis* policy for system generated accruals, and the reduction in *de minimis* from £15k - £5k for manual accruals be endorsed, and recommended for Trust Board approval, and

**AC NED
CHAIR/
ICFO**

(B) any discussions on whether to add salary overpayments as an additional column for adjustments to specific categories of debt be pursued through the Finance and Investment Committee as appropriate (Audit Committee to be advised if a change was required).

**FIC NED
CHAIR/
ICFO**

2/20

CONFIDENTIAL ITEMS OF BUSINESS CONSIDERED IN THE ABSENCE OF EXTERNAL

AND INTERNAL AUDIT REPRESENTATIVES

Recommended – that this item be classed as confidential and taken in private accordingly.

RESOLVED ITEMS

3/20 APOLOGIES FOR ABSENCE

Apologies for absence were received from Ms A Breadon Head of Internal Audit PwC, Ms T Putwa Local Counter Fraud Specialist (PwC), and Mr M Stocks Grant Thornton.

4/20 DECLARATIONS OF INTEREST

Mr A Johnson Non-Executive Director declared his interest as Non-Executive Chair of Trust Group Holdings Ltd. With the agreement of the Audit Committee, he remained present.

Resolved – that the position be noted.

5/20 MINUTES

Resolved – that the Minutes of the 8 November 2019 Audit Committee be confirmed as a correct record.

6/20 MATTERS ARISING REPORT

Paper B outlined progress on the actions arising from previous Audit Committee meetings. Members discussed the following actions in particular:-

- (a) action 6 (Minute 89/19/5 of 8 November 2019) – the Quality and Outcomes (QOC) Non-Executive Director Chair advised that he had asked the Director of Estates and Facilities to include the recent LRI power outage in the next iteration of PR6a, and to report on that incident to an appropriate Board Committee (which the Audit Committee Non-Executive Director Chair now confirmed would not be the Audit Committee); **DEF**
- (b) action 11 (Minute 91/19/1 of 8 November 2019) – work was in hand to arrange a meeting between the Director of Corporate and Legal Affairs and the Audit Committee Non-Executive Director Chair to discuss the issue of seeking staff views on policies/guidelines;
- (c) action 14 (Minute 76/19 of 6 September 2019) – the Director of Corporate and Legal Affairs advised that the Head of Procurement and Supplies had taken a contract management resourcing report to the 25 June 2019 Executive Quality and Performance Board, and he agreed to inform the Audit Committee of the recommendations approved (particularly any relating to procurement team resourcing); **DCLA**
- (d) action 16 (Minute 57/19 of 5 July 2019) – the Director of Corporate and Legal Affairs, the Interim Chief Financial Officer and the Local Counter Fraud Specialist planned to meet to discuss the future working of the Fraud Management Group, and
- (e) action 19 (Minute 62/18/3 of 2 November 2018) – the development of a formal action plan to improve Audit Committee effectiveness and implement areas of good practice would be discussed at the same time of the meeting in (b) above. **DCLA**

In considering the actions in paper B, the Non-Executive Director Chair of the People, Process and Performance Committee (PPPC) voiced concern that actions were being delayed *en route* to Board Committees as a result of having to be considered at Executive Board meetings first. Views varied on this issue, with the Quality and Outcomes Committee (QOC) Non-Executive Director Chair noting that although undue delay should be avoided, a prior Executive review was often useful, and the Audit Committee Non-Executive Director Chair considering that there had been no adverse impact on Audit Committee items. The Audit Committee Non-Executive Director Chair advised that if Committee Non-Executive Director Chairs had concerns with the timeliness of actions, this should be addressed at the relevant Committee. **NED CHAIRS**

Resolved – that the action log be noted, and any further updates be actioned by the appropriate named lead. **LEADS**

7/20 KEY ISSUES FOR DISCUSSION/DECISION

7/20/1 Deep Dive into Principal Risk (PR) 5 (failure to recruit, develop and retain a workforce of sufficient quantity and skills)

As agreed at the November 2019 Audit Committee, the Board Assurance Framework (BAF) deep dive focus for this meeting was on Principal Risk (PR) 5 – currently scored at 20. The Risk and Assurance Manager, the Director of People and OD and the Deputy Director of HR attended to present paper C and respond to Audit Committee questions. In response to a query from the Audit Committee Non-Executive Director Chair, the Risk and Assurance Manager clarified that any red text in the report indicated a change since the previous month's iteration.

In introducing the report, the Director of People and OD advised that workforce challenges were recognised as a key pressure for both UHL and the wider NHS as a whole, with UHL's People Strategy having been developed in 2018 as a way of improving the Trust's recruitment and retention, workforce culture, development and management. Although the BAF rating for PR5 currently stood at 20, based on the KPIs for this risk the Director of People and OD was confident that the score would reduce to the 2019/20 quarter 4 target level of 16. The Audit Committee Non-Executive Director Chair queried whether the effectiveness of the controls listed on the Board Assurance Framework as a whole was assessed, and – upon being advised that this was a work in progress – requested that this be discussed further at a future Audit Committee meeting.

DCLA

In discussion on PR5, the People Process and Performance Committee (PPPC) Non-Executive Director Chair noted his view that the Trust was not reviewing the [self-imposed at Trust and national NHS level] barriers to recruitment, citing a specific example relating to overseas recruitment (on which he now received both clarification and also assurance of progress). The Audit Committee Non-Executive Director Chair requested that 'barriers to recruitment' be included as a specific driver in PR5 together with the related controls/assurance mechanisms, and the PPPC Non-Executive Director Chair confirmed that he would also explore this aspect further at PPPC. The Director of Corporate and Legal Affairs reminded colleagues that discussions on international nurse recruitment were also planned for the February 2020 Trust Board thinking day.

DPOD

**PPPC
NED
CHAIR**

In response to a specific query from the QOC Non-Executive Director Chair, the Director of People and OD advised her view that she was not adequately resourced to deliver the UHL People Strategy, given the size of the agenda, its resource-intensive nature and the number of national imperatives. Although noting that further HR resource had recently been agreed through the reconfiguration programme, and recognising the finite resources available generally, the Audit Committee noted the need for transparency on what could/could not be delivered with the current resource, so that expectations could be appropriately managed – this issue would be progressed through PPPC. The Director of People and OD advised that current system/data differences across HR/Corporate Nursing/Finance was a constraint and noted her plans to meet with the Interim Chief Financial Officer for further discussion on the need for appropriate alignment. The Director of Corporate and Legal Affairs noted that the current Board Assurance Framework entry did not articulate gaps in resourcing as an internal gap in controls, and advised that this – and the remedial actions planned – should be added.

DPOD

DPOD

Detailed discussion then took place on the 6 questions asked of the Audit Committee in paper C, to assess that Committee's level of assurance that a robust system of risk was in place to manage PR5. The PPPC Non-Executive Director Chair commented that the current title of PR5 contained no reference to either timescale or organisational need, and the Director of People and OD and the Director of Corporate and Legal Affairs agreed to consider therefore whether the existing title remained fit for purpose. Subject to the comments already made above, the Audit Committee considered that both the systems and processes in place to control the risk were described, that gaps in control had been identified, and that PR5 was supported by good internal and external sources and lines of assurance.

**DPOD/
DCLA**

With regard to whether the relevant Board Committee agenda was appropriately focused on PR5, the PPPC Chair advised that this was not specifically on the PPPC agenda and that he was not currently assured. Noting that PR5 was discussed at each bi-monthly Executive

People and Culture Board, the Director of People and OD agreed to bring the resulting report to the immediately-following PPPC. She also clarified that some quality and safety related workforce issues (eg nurse staffing reports) were reported to QOC rather than PPPC. Noting that discussion time for workforce issues was often pressured on the (very busy) PPPC agenda, Non-Executive Directors were reminded that a wider discussion paper on Board Committee and Executive Board structures and business was already being prepared by the Director of Corporate and Legal Affairs. The QOC Non-Executive Director Chair particularly commented on the very large number of subgroups ultimately reporting through to QOC, a position which both the Audit Committee and PPPC Non-Executive Director Chairs considered needed reviewing. The Audit Committee Non-Executive Director Chair emphasised the need for a living, evolving Board Assurance Framework, and she requested further clarity on which elements of the various Principal Risks fed through to which Executive Board and Board Committee, which would be done as part of the aforementioned review. The Audit Committee Non-Executive Director Chair also emphasised the need for Board Committee agendas to be risk-based.

DPOD
DCLA

In terms of whether the risk rating for PR5 was realistic, the PPPC Non-Executive Director Chair particularly challenged the likelihood of achieving the stated target score of 16 – in response, the Director of People and OD advised that a Trust Board thinking day had challenged BAF assumptions and targets, and found them to be realistic at that point. At the explicit request of the Audit Committee Non-Executive Director Chair, the Director of People and OD agreed to share the basis for her confidence in achieving that (eg KPI progress etc; information to be circulated accordingly after the meeting). The Audit Committee Non-Executive Director Chair also noted the need to revisit the Trust's risk appetite, which was planned for the March 2020 Trust Board thinking day. With regard to the last of the 6 questions in paper C, the Audit Committee Non-Executive Director Chair emphasised the need to test the effectiveness of the controls, as mentioned in earlier discussion.

DPOD
DCLA

Following due consideration, the Audit Committee declared its view that the system of controls in place to manage PR5 was *generally satisfactory with some improvements required*.

Resolved – that (A) a discussion on the effectiveness of the controls listed in the BAF as a whole be held at a future Audit Committee meeting;

DCLA

(B) PR5 be amended to:-

- (1) review whether its current title remained fit for purpose, or needed amending to refer to time/organisational need aspects;**
- (2) include 'barriers to recruitment' (and the related controls/ assurance mechanisms) as a driver in the next iteration of PR5 – this issue would also be discussed further at PPPC;**
- (3) refer to (i) 'gaps in resources', and (ii) 'data differences as an inhibitor' within the internal gaps in controls, and include appropriate remedial action;**

**DPOD/
DCLA**

(C) an assessment be undertaken (and reported to PPPC accordingly) re: which elements of the People Strategy could/could not be delivered within current resource;

DPOD

(D) the bi-monthly Executive People and Culture Board (EPCB) report re: PR5 be submitted to the PPPC immediately following that EPCB;

DPOD

(E) through the current Committee review, clarification be provided re: which specific elements of each BAF Principal Risk reported to which Executive Board and Board Committee, and

DCLA

(F) detailed of the specific KPIs/measures which were the basis for confidence in achieving the PR5 year-end target score of 16, be circulated to Audit Committee members for information.

DPOD

7/20/2 Joint Report by UHL and the Trust's External Auditors

Resolved – that this Minute be classed as confidential and taken in private accordingly.

7/20/3	<u>Report by External Audit</u>	Resolved – that – noting the need to withdraw this report and resubmit it to the March 2020 Audit Committee – this Minute be classed as confidential and taken in private accordingly.	EA
7/20/4	<u>Report by External Audit</u>	Resolved – that this Minute be classed as confidential and taken in private accordingly.	
7/20/5	<u>External Audit Progress Report</u>	External Audit noted their wish to withdraw this report in light of the need for further revisions. External Audit provided assurance, however, that certain elements would remain unchanged (eg the planned Quality Account audit would be undertaken in the same way as outlined in the current version of the plan).	EA
		Resolved – that an updated iteration of the report be presented to the March 2020 Audit Committee.	EA
7/20/6	<u>Integrated Risk Report and Board Assurance Framework (BAF) - 2019/20</u>	The Director of Safety and Risk and the Risk and Assurance Manager attended to present the BAF as 31.12.19 (paper I), noting work underway [i] for the risk appetite discussion at the March 2020 Trust Board thinking day, and [ii] regarding longstanding risks especially those with high risk scores (appendix 5 of the report) – although the number of those risks had not reduced since the November 2019 Audit Committee, this continued to be an area of focus. The Audit Committee Non-Executive Director Chair requested that the next iteration of the tabulated new risks section also include their identified risk owners, target dates, and any actions already taken (with their dates). She also requested that consideration be given to introducing an ‘amber’ rating with a specifically-defined range, rather than the current binary red/green rating. It was noted that Principal Risk 9 (<i>failure to meet the financial control total including through improved productivity</i>) was scheduled for review at the January 2020 Executive Performance Board, and would be reflected accordingly in the February 2020 Trust Board report. In further discussion on the report, the PPC Non-Executive Director Chair requested that where a year-end change in risk score was shown, an accompanying rationale also be included to robustly justify the improved position – this was agreed to be included going forward, noting that information on that was already sought via the proforma sent to risk owners.	DSR/ RAM
		Resolved – that the format of the report be amended to:- (1) include the risk owners, target dates, and any actions already taken (with dates) in respect of the ‘new risks’ section; (2) consider introducing an ‘amber’ RAG rating with a specifically-defined range for the ‘organisational risk register performance’ table, and (3) include an accompanying rationale to explain a change in year-end risk score (eg to justify the improved position.	DSR/ RAM
7/20/7	<u>Internal Audit Progress Report</u>	Paper J updated the Audit Committee on the work of Internal Audit since November 2019. Four final reports were discussed in detail in the ‘Internal Audit Reviews’ item below (Minute 7/20/8 refers). The Audit Committee Non-Executive Director Chair and the QOC Non-Executive Director Chair both voiced significant concern over the number of actions outstanding from Internal Audit reviews, as shown in the ‘follow-up’ section of paper J, and sought information from the Head of Procurement and Supplies (in attendance for the Discretionary Procurement action report below) on the reason for his outstanding actions, which the Deputy Chief Financial Officer agreed to pursue outside the meeting (Internal Audit would also explain what further update	DCFO

was needed to close his actions). Executive Directors acknowledged that the level of outstanding actions was unacceptable. In response to a query from the Audit Committee Non-Executive Director Chair, the Director of Corporate and Legal Affairs explained why he no longer provided a separate explanatory report on these actions to the Audit Committee (to avoid duplication and inevitable time discrepancies with the Internal Audit paper), and he also advised that the January 2020 Executive Planning Meeting which had intended to review these actions had been necessarily diverted by other business; although noting this rationale the Audit Committee Non-Executive Director Chair remained unconvinced. In light of her concerns over progress, the Audit Committee Non-Executive Director Chair requested explicitly that the Executive Director owner of each report provide the Audit Committee with an update on each of their actions within 1 week. She also noted her intention to highlight this issue to the public Trust Board.

EXEC LEADS
AC NED CHAIR

Internal Audit were also requested to include audit finding references and a description of what was missing to close the action, in all future such reports. The Audit Committee Non-Executive Director Chair did not agree, however, with a suggestion from the PPPC Non-Executive Director Chair that the outstanding actions be included individually in the Audit Committee action log, as she considered that it was the role of Internal Audit to follow up the individual report actions.

IA

Resolved – that (A) the Audit Committee’s concerns over the number of outstanding management actions from Internal Audit reports, be highlighted to the February 2020 Trust Board;

AC NED CHAIR

(B) an update on each of the outstanding actions be provided to the Audit Committee by 31 January 2020 by the relevant Executive Director action owner;

EXEC LEADS

**(C) future iterations of the outstanding management actions report include:
(1) detail on what [further] evidence was required to close the action;
(2) the audit finding reference number, and**

IA

(D) contact be made with the Head of Procurement and Supplies outside the meeting re: his outstanding actions.

DCFO

7/20/8

Internal Audit Reviews

Four final Internal Audit reports had been issued since November 2019; as these were either medium or high risk rated reviews they were now discussed individually by the Audit Committee with representatives of the Executive owner present (papers K1 – K4 respectively):

(1) compliance within IT Data Centres (high risk) – the MBP Infrastructure Manager and the IM&T Enterprise Infrastructure Architect attended to respond to any Audit Committee questions on paper K1. IT issues had been discussed in detail at the November 2018 Trust Board thinking day, where the need for investment in data centre management had also been highlighted. In response to queries from the Audit Committee Non-Executive Director Chair, the attendees for this report confirmed that the Internal Audit review at paper K1 related to on-site UHL data centres, and they explained the location and access features of those centres. Noting the Trust’s ambition of achieving tier 3 status (currently at tier 1), the QOC and PPPC Non-Executive Director Chairs emphasised the need for the data centres to feature appropriately in UHL’s reconfiguration programme, including generator replacement at an early point. They also noted the need for the Finance and Investment Committee to bear this in mind when reviewing the data centre business case. The Audit Committee Non-Executive Director Chair sought further assurance on data recovery and failsafes, expressing her view that although individual key systems were covered, the lack of an automatic switchover for the data centre as a whole was a key risk. She considered that assurance had been provided, however, about the risk issues in the report re: back-up timeliness. In response to a query from the Audit Committee Non-Executive Director Chair on whether the report also covered data security, Internal Audit advised that resilience had not been tested although physical access issues had been. The MBP Infrastructure Manager also provided assurance that points 1 and 2 of the specific high risk action 1 in the report had already been actioned (re: battery states). The PPPC Non-Executive Director Chair requested that a detailed project plan be developed for

DEF/ CIO

ACIO

addressing the findings of this Internal Audit report, containing timelines (to be circulated to the Audit Committee for information). This led on to a further discussion in which the Audit Committee Non-Executive Director Chair requested explicitly that milestone dates be included in all future Internal Audit reports, for each action contained – it was agreed to trial this accordingly;

IA

- (2) **safety checks in ED** (*medium risk*) – the Deputy Chief Operating Officer and the Head of Nursing ED attended to respond to any Audit Committee questions on paper K2. The report had reviewed the use of the safety checklist in ED, and Internal Audit advised that the initial planned review had been deferred while awaiting electronic roll-out of that checklist – due to a further delay in roll-out (now scheduled for 4 months' time: May 2020) a review had therefore been undertaken of the current situation – this context was relevant because many of the resulting recommendations related to the manual nature of the process. Internal Audit felt that the position would change therefore once the electronic checklist was implemented. Internal Audit also recognised the relatively-small sample involved, and noted their view that regular clinical interventions were taking place. In discussion on paper K2, the Audit Committee Non-Executive Director Chair requested assurance on whether electronic roll-out would address the risks in the report, and on how those risks were being managed in the interim period – this latter point was responded to by the Head of Nursing ED, who also clarified that the report related to the documentation of care not the actual giving of that care. She advised that the checklist was audited every month by the matrons, and that those audit metrics had recently been made more stringent. The Nurse in charge also undertook a daily sample of notes, and the Internal Audit report at paper K2 was being shared with staff and discussed at the ESM Quality and Safety Board. The QOC Non-Executive Director Chair expressed his strong wish for NerveCentre to contain a failsafe mechanism by which the patient could not progress unless the safety checklist had been completed. Although noting the remedial actions now outlined by the Deputy Chief Operating Officer, the PPPC Non-Executive Director Chair emphasised his concerns that the control document – if that was the role of the safety checklist – was not currently being completed to demonstrate that the patient had been treated safely. He also commented on the risks associated with systems in transition. Given the safety nature of the findings, the QOC Non-Executive Director Chair proposed that QOC now take ownership of the issues within this Internal Audit review. He agreed to progress this accordingly with the Medical Director and the Chief Nurse and seek an interim report from them for the February 2020 QOC focusing on the safety measures currently in place, with a follow-up report then in May/June 2020 on the new electronic system including the requested NerveCentre failsafe. The Audit Committee Non-Executive Director Chair advised that the Audit Committee recognised the risk, the current circumstances, and the mitigating actions in place, and was happy for the issues to be progressed through QOC. She reiterated the need, however, for UHL leads to action the findings from Internal Audit reports.

QOC
NED
CHAIR

[iii] **service line management/PLICS** (*medium risk*) – the Interim Chief Financial Officer advised that he would be able to respond to any Audit Committee questions on paper K3. Internal Audit considered that progress had been made since their previous review of service line *reporting* in 2015/16, and advised that the functionality of the IQVIA system now being used by UHL should enable the Trust to move forward. Issues remained, however, re: engagement and use. The Audit Committee Non-Executive Director Chair requested that all Internal Audit reports explicitly identify who was the Executive Lead, and

IA

[iv] **financial systems 2019/20** (*medium risk*) – the Interim Chief Financial Officer advised that he would be able to respond to any Audit Committee questions on paper K4. Four main areas had been reviewed in this report: control account reconciliations; salary overpayments and private patient income; follow-up on cash management findings, and purchase to pay data analytics. The high risk finding related to private patient debts, and was considered by Internal Audit to be primarily a resourcing issue. In discussion on the report, the Audit Committee Non-Executive Director Chair queried whether any reconciliation was done between the forecast and the balance sheet, by either Internal or External Audit, and she emphasised the need for assurance that the numbers in the report were consistent with those reported to FIC. In response to a further query from the PPPC Non-Executive Director Chair re: private patient debts over 365 days, the Interim Chief Financial Officer noted his intention to engage a specialist external company to improve

the position. The PPC Non-Executive Director Chair welcomed the 'low' risk findings on cash management.

- Resolved – that (A) all future Internal Audit reviews include:** IA
- (1) milestone dates be included for all findings, and
 - (2) explicit clarification of who was the Executive Director lead for the report;
- (B) with regard to the report on 'compliance within IT data centres':**
- (1) Non-Executive Directors be provided with assurance that the data centres (including generator replacement) featured appropriately early in the Trust's reconfiguration programme plans; ACIO/DEF
 - (2) a detailed project plan for addressing the findings of this Internal Audit review – including timelines – be developed and circulated to Audit Committee members for information outside the meeting, and ACIO
- (C) with regard to the report on 'safety checks in the Emergency Department', it be agreed that QOC would assume future ownership of this report and receive an update on safety issues, specifically:** QOC NED CHAIR
- (1) a report to the February 2020 QOC on the interim safety measures currently in place, ahead of the planned electronic roll-out, and
 - (2) a follow-up report to the May/June 2020 QOC re: introduction of the electronic system, including the provision of a failsafe mechanism on NerveCentre so that patients could not progress unless the safety checklist had been completed.

8/20 ITEMS FOR ASSURANCE

8/20/1 Counter Fraud Progress Report

Paper L comprised the Counter Fraud progress report for January 2020, noting that work was on schedule. The Audit Committee Non-Executive Director thanked the outgoing Local Counter Fraud Specialist for his knowledgeable and pragmatic approach, noting that this was his last UHL Audit Committee meeting. The Audit Committee welcomed the progress made on the NFI exercise, including contact from the Trust's payroll lead.

Resolved – that the Counter Fraud update for January 2020 be noted.

8/20/2 Discretionary Procurement Actions

The Head of Procurement and Supplies attended for discussion on paper M, which listed all instances in which regular procurement processes had been waived in the period November 2019 – January 2020. This information was presented to the Audit Committee for transparency in line with the requirements of the Trust's Standing Orders. The FIC Non-Executive Director Chair commented that the list seemed to be increasing, and the Head of Procurement and Supplies agreed to include trend information in the next report. Non-Executive Directors queried whether a threshold of £25k was too low, and the Audit Committee Non-Executive Director Chair requested that – after the annual accounts work had concluded – an Audit Committee session be scheduled to look at the 'procurement journey' and the controls in place. The PPC Non-Executive Director Chair also requested that in future reports, discretionary procurement actions be listed by value rather than date.

Resolved – that (A) the next iteration of the report be amended to: HoP&S

- (1) include trend information;
- (2) sort the list by value rather than date, and

(B) a session on the 'procurement journey' and the various controls in place, be included on a future Audit Committee meeting after the annual accounts work had concluded. ICFO

9/20 ITEMS FOR NOTING

Resolved – that the Minutes from the following meetings be noted for information, at DCLA

papers O1 – R respectively:

- (1) Quality and Outcomes Committee 24.10.19 and 28.11.19;
- (2) People, Process and Performance Committee 24.10.19 and 28.11.19;
- (3) Finance and Investment Committee 31.10.19 and 28.11.19, and
- (4) Charitable Funds Committee 5.12.19.

DCLA

10/20 ANY OTHER BUSINESS

There were no items of any other business.

11/20 IDENTIFICATION OF ANY KEY ISSUES FOR THE ATTENTION OF THE TRUST BOARD

Resolved – that the following items be brought to the attention of the Trust Board:-

- (1) the recommended items in Minutes 1/20 and 2/20;
- (2) the items in public Minute 7/20/7 and private Minutes 7/20/2 and 7/20/3.

12/20 DATE OF NEXT MEETING

Resolved – that the next meeting of the Audit Committee be held on Friday 6 March 2020 at 9am in the C J Bond Room, Clinical Education Centre, Leicester Royal Infirmary.

The meeting closed at 12.24pm

Helen Stokes

Corporate and Committee Services Manager

Cumulative Record of Members' Attendance (2019-20 to date):

Members:

Name	Possible	Actual	%
K Jenkins	5	5	100
I Crowe	5	5	100
A Johnson	5	5	100
M Traynor	5	4	80

In attendance:

Name	Possible	Actual	%
C Benham (until 11.12.19)	4	3	75
S Lazarus (from 12.12.19)	1	1	100
N Sone	5	4	80
J Shuter (from 13.1.20)	1	1	100
P Traynor (until 31.10.19)	3	3	100
S Ward	5	5	100