

Borders NHS Board**STATUTORY AND OTHER COMMITTEE MINUTES****Aim**

To raise awareness of the Board on the range of matters being discussed by various statutory and other committees.

Background

The Board receives the approved minutes from a range of governance and partnership committees.

Summary

Committee minutes attached are:-

- Strategy & Performance Committee: 29.09.11
- Audit Committee: 21.09.11

Recommendation

The Board is asked to **note** the various committee minutes.

Policy/Strategy Implications	As detailed within the individual minutes.
Consultation	Not applicable
Consultation with Professional Committees	Not applicable
Risk Assessment	As detailed within the individual minutes.
Compliance with Board Policy requirements on Equality and Diversity	As detailed within the individual minutes.
Resource/Staffing Implications	As detailed within the individual minutes.

Approved by

Name	Designation	Name	Designation
Calum Campbell	Chief Executive		

Author(s)

Name	Designation	Name	Designation
Iris Bishop	Board Secretary & Executive Assistant		

Borders NHS Board



Minutes of a meeting of the **Strategy & Performance Committee** held on Thursday 29 September 2011 at 1.00pm in the Town Hall, Jedburgh.

Present:

Mr J Raine	Mr C Campbell
Mrs C Duthie	Mrs C Gillie
Mrs J Edey	Dr E Baijal
Mr D Davidson	Mrs J Davidson
Cllr S Scott	Mrs J Smyth
Mr A Lucas	Dr R Cameron
Mrs P Alexander	Mrs S Wright
Dr D Steele	Mr D McLuckie
Mr J Hammond	

In Attendance: Miss I Bishop

1. **Apologies and Announcements**

Apologies had been received from Edwina Cameron.

The Chair commented on the NHS Borders Annual Review that had been held earlier that day. Calum Campbell advised that NHS Borders had been well guided on the structure of the event. The Chair noted that the Annual Review could be more informal when there was no Ministerial presence.

Dr Doreen Steele commented that she thought the Board were well prepared. Calum Campbell advised that Yvonne Summers, Scottish Government Performance Manager, had attended a briefing session the previous week and had been asked if there were any specific performance issues that should be mentioned.

Cllr Sandy Scott commented that both Edwina Cameron and John Hammond had presented their items well.

Pat Alexander commented that a lot of discussion had focused on joint services and she enquired if it would have been helpful to have had Local Authority input. June Smyth advised that the criteria for the Annual Review was very clear in that it was an NHS review and the NHS was expected to respond to questions as far as it could without referring to partner agencies.

Dr Ross Cameron commented that for previous Annual Reviews that had been chaired by a Minister the Board would receive a letter giving feedback on the event and any appropriate future actions to be taken. Calum Campbell advised the Board would receive a letter giving feedback and highlighting any actions for the future.

2. **Declarations of Interest**

There were no declarations of interest.

3. **Minutes of Previous Meeting**

The minutes of the previous meeting of the Strategy & Performance Committee held on 4 August 2011 were amended and approved.

4. **Matters Arising**

Minute 5: Property & Asset Management Strategy: David Davidson thanked David McLuckie for the explanatory email regarding the establishment of categories.

Minute 9: Key Performance Indicator Scorecard: Calum Campbell advised that the organisation would continue to push very hard on dental DNAs.

The **STRATEGY & PERFORMANCE COMMITTEE** noted the action tracker.

5. **NHS Borders Contribution to SEAT Work**

June Smyth advised that the purpose of the paper was to raise awareness of the performance and planning framework of the South East and Tayside (SEAT) Group. This had been touched on previously through the efficiency programme work. Mrs Smyth commented on the regional basis workstreams and the input and engagement of NHS Borders to those workstreams. Mrs Smyth further highlighted that the SEAT Annual Report had just been finalised and would be submitted to the next Board meeting in December.

Julia Edey commented that in recent press cuttings there had been reports of a Non Executive Director in Edinburgh querying the value of SEAT and the disproportionate amount of effort it required. She enquired if there was an issue to be addressed. Calum Campbell reported that the comments had been made by the Employee Director in NHS Lothian who had been speaking as a Staff Side Representative and not as a Non Executive member of NHS Lothian.

Catherine Duthie enquired if there was any input to SEAT from the Non Territorial Health Boards such as the Scottish Ambulance Service. June Smyth advised that Boards such as the Scottish Ambulance Service had representatives at SEAT meetings and on the efficiency workstreams and other planning forums if relevant. She confirmed that they did have input to the way in which services were designed.

The **STRATEGY & PERFORMANCE COMMITTEE** noted the update on NHS Borders contribution to SEAT working.

6. **Financial Monitoring Report for the 5 Months period to 31 August 2011**

Carol Gillie reported on the financial performance for the first five months in the financial year at the end of August 2011 reporting a £1.1m outturn in excess of operational budgets. Mrs Gillie advised that she continued to forecast a breakeven at the year end.

Mrs Gillie highlighted several issues including: external healthcare providers overspend of £0.7m derived mainly from unplanned activity and the primary care contract with NHS Lothian; overspend on prescribing and monitoring by the Medicines Resource Group; Estates & Facilities overspend; control measures put in place to cope with unforeseen shortfalls in the efficiency programme.

With regard to the capital programme, approved by the Board in June 2011, the proceeds of property sales up to the value of £478,000 could be included. She advised that the main capital expenditure from the programme was the new Jedburgh Health Centre.

In summary Mrs Gillie advised that the organisation was overspent due to pressures on a number of operational budgets. She further advised that spending commitments had been minimised to assist Clinical Boards and Support Services to achieve a break-even position at the end of the financial year.

Mrs Gillie reported that the Spending Review and Draft Budget had been released the previous week. With regard to the draft Budget in respect of revenue, NHS Borders had received a letter from Derek Feeley advising of a 2.15% uplift for the next financial year. Mrs Gillie advised that the 0.15% was linked to an increase in the Change Fund, with 1% of the uplift being deemed for access or waiting times funding which will be moved in to the baseline funding for the organisation. The remaining 1% uplift was for the organisation to address inflation pressures. Mrs Gillie confirmed that some other Boards had a higher uplift which was connected to prison services provision within their areas and others were NRAC gainers. With regard to capital there was no information available on a Board by Board basis, however Mrs Gillie had spoken with the Scottish Government who had confirmed that a provision had been set aside in the capital budget for the Lauder and Roxburgh St Health Centres.

Julia Edey enquired how close the organisation was to achieving the efficiency programme. Mrs Gillie advised that £5.3m had been confirmed as achievable by Clinical Boards and those schemes were progressing.

Julia Edey commented that she was disappointed that the “spend to save” initiative had had to be withdrawn. Calum Campbell advised that the continuation of the “spend to save” initiative could no longer be justified and reported that further control measures had been put in place to assist the organisation to achieve financial break-even.

Dr Doreen Steele enquired how much of the £7.7m approved funding not yet underway was available. Mrs Gillie advised that she produced a forecast with the General Managers and Support Services. The contingency fund of £2.5m in total, the Board had set aside in the financial plan, was included within the £7.7m, however she cautioned that a certain proportion of that fund was already allocated but not yet spent such as proportions of the Change Fund.

Catherine Duthie enquired with regard to the retention of proceeds from the sales of properties if that provision was only valid for the current financial year. Mrs Gillie advised that the provision was linked to the capital budget for this financial year only. For sales going forward in the next financial year the organisation would be asked to pass all proceeds to the Scottish Government for the central capital fund until the organisation had exceeded its' contribution level of £1.4m. Any sales proceeds above £1.4m would then be retained by the organisation.

David Davidson enquired if there was an explanation for the bidding and scoring process used for deprivation. The Chair commented that the Technical Advisory Group on Resource Allocation (TAGRA) process was currently looking at morbidity and mortality rates and remote and rural areas. The Chair commented that TAGRA had recently debated whether reports should be anonymised in future in order to ensure the integrity of the process.

David Davidson suggested that in working with colleagues in the local authority it might be possible to work up a reasonable case to put before TAGRA if the organisations were clear on the processes to be followed and the elements to be focused upon in submissions.

Jane Davidson commented that the NRAC formula could only ever divide a single pot of monies and in terms of deprivation in Borders would always be relative to eg Glasgow. She further advised that Borders was approximately £10m above its' NRAC allocation as the formula currently stands.

Cllr Sandy Scott commented that he welcomed the news that the organisation was projecting to breakeven, even through there was currently a £1.1m overspend. Cllr Scott further commented that he had met with Dr Mitchell GP in Jedburgh recently and had noted the good progress being made with regard to the new Jedburgh Health Centre building.

Pat Alexander sought clarification of the primary and community services overspend due to excess staffing due to service redesign. She enquired how, as the organisation had no compulsory redundancy, it was dealing with excess staff and associated costs. June Smyth gave an example of the exercise that had been carried out by the Productivity & Benchmarking Group to look at workforce planning and activity analysis including the use of workforce tools such as six step methodology to help inform future Christmas Trees of staffing establishments. She explained that through discussion and benchmarking of services to other similar services in other Boards in Scotland revised Christmas trees of staffing establishments and skill mixes had been produced. She advised that these models had now been approved and were moving to the implementation phase. Mrs Smyth further advised that posts were being replaced on a fixed term basis until the new establishments were fully compliant and that although it would take some time to achieve the new agreed staffing models this was being done in a planned way and in partnership.

David McLuckie advised with regard to property sales the first tranche of property identified as surplus to requirements had been placed on the open market, however there had been no formal interest received. He advised that the Princes St, Hawick, property was progressing and asked the Board to consider the possibility of any offers in order to assist the sale in the current financial year.

The **STRATEGY & PERFORMANCE COMMITTEE** noted the financial performance for the first five months of the financial year.

7. **Key Performance Indicator Scorecard**

June Smyth identified areas of strong performance and where the organisation was currently off trajectory including the Allied Health Professions (AHP) waiting times which continued to be of concern. Mrs Smyth advised that further graphs had been included in the report to demonstrate the flows within that service area. Mrs Smyth highlighted page 16 and the delayed discharges report which focused on a point in time. There was a slight improvement on the previous month.

The Chair commented with regard to the figures on delayed discharges that he had quoted the figures in the report in his presentation to the Community Health & Care Partnership (CH&CP) seminar but alternative figures were quoted by others. Calum Campbell advised that the local authority counted the delayed discharges figures differently to NHS Borders and he was keen that a single counting method was used and agreed by both organisations at the next CH&CP meeting. Mr Campbell noted that improvements were being made in respect of delayed discharges however these were slow in coming to fruition.

June Smyth advised of the robust joint information system called Eddison which had originated in Tayside but was now rolled out across Scotland for delayed discharges. This system enabled both Social Work and Health staff to update and share information regarding delayed discharge cases. The information contained within the report was pulled from the data on Eddison. Julia Edey commented on the delayed discharges graph on page 17 which suggested that performance was declining. Mr Campbell commented that over a 12 month period performance was actually improving with a reduction in patients waiting over 6 weeks and bed days being lost.

David Davidson suggested that at the recent seminar during one of the small discussion groups it had been suggested that there was a delay in patients being admitted to the care and healthcare system. Julia Edey suggested the point that was being made was that the social work team were at the end of the queue with regard to preparing for someone to be discharged and she suggested that the NHS could do better in involving social work earlier in the process.

Adrian Lucas commented on the locally set performance targets for theatres comparing them to the audit report that had been undertaken recently which had advised that performance was satisfactory. June Smyth commented that new indicators had been set for a 25% utilisation target for theatres and advised that the audit report had not focused on utilisation but had focused on national comparable data.

Adrian Lucas asked what the organisation was trying to measure in respect of consultant and nurse led outpatient review to new ratios. Mrs Smyth advised that this was the new patient first time attendance and then the review or follow up appointment and commented that it had been found that quite a lot of the time there was no need for a follow up appointment. She advised that the measure had highlighted that there was often too much referral taking place. Mrs Smyth gave the example of the target for Cardiology whereby a new patient would be expected to be seen twice, however they were currently being seen 3 times and in the past had had up to 6 follow up reviews. Adrian Lucas enquired if there were any financial implications. Carol Gillie commented that there was more capacity and that in reality if a patient was seen more times than necessary then they were in effect delaying someone else from being seen in a timely manner.

Pat Alexander commented that with regard to delayed discharges she had had a conversation with Holly Irwin, Locality Manager and had been reassured to hear how seriously the delayed discharges matter was being taken in Primary & Community Services. Mrs Alexander advised that Mrs Irwin had made the point that it was important to anticipate the likely needs of patients and put in place an assessment as early as possible. Calum Campbell commented that the service would know 24, 48 or 72 hours post operatively what the care needs of a patient would be and he suggested involving social work at that early stage to assist them in planning and providing the appropriate aftercare to enhance a smooth transition from acute to community care. Jane Davidson advised that there was rigorous work taking place regarding discharge planning.

Dr Eric Baijal suggested that there was a bigger strategic issue to be addressed in that both the NHS and the local authority perceived risks to patients/clients differently. He commented that in the NHS the perceived risk to patients was through HAI, environment, etc and for the local authority the perceived risk was inappropriate support in the community. He suggested both organisations needed to be explicit on the issue of risk. Pat Alexander commented that there were also the issues of patient choice and carer perspectives.

Dr Ross Cameron saw a need for hospital care to be tightly defined and would not accept that a patient should remain in a hospital bed when their care requirements were no longer secondary care requirements.

Calum Campbell suggested having a conversation on delayed discharges with Jane Douglas of Scottish Borders Council and to comment on the fact that there was no Patient Choice Policy in NHS Scotland. He advised that the local authority had a Patient Choice Policy but the NHS did not and noted the need to work together to assist patients/clients to move from the acute care setting into an alternative care home if necessary whilst waiting for a place at their first choice of care home.

Julia Edey and Dr Ross Cameron confirmed that this suggestion had been agreed previously but had not been enforced. Dr Cameron further advised that there was one exclusion within the agreement which was if a consultant stated in writing that more than one move would have an adverse effect on the patient. Calum Campbell suggested that this be monitored and the local authority be asked how they were managing it. It was agreed that June Smyth and Jane Davidson would raise these matters with local authority colleagues.

John Hammond referred to the AHP waiting times and in particular physiotherapy waiting times. He noted that the Physiotherapy Department was based in the Borders General Hospital (BGH) and assumed that many orthopaedic patients in the BGH would require intense physiotherapy treatment. He sought assurance that patient recovery was not being compromised through AHP waiting times. Calum Campbell advised that patients within the BGH were not waiting for physiotherapy treatment. He advised that waiting times affected out patients and not in patients and further reported that an Occupational Therapist had been piloted in a community hospital over the weekend to further support patients.

John Hammond enquired with regard to Hand Hygiene what the percentage of replies had been. Sheena Wright commented that compliance was at 85% on Ward 6 and in Community Hospitals. Calum Campbell said that he would prefer a 100% compliance rate and noted that compliance levels were high and the organisation was moving to zero tolerance. Sheena Wright advised that overall the organisation was achieving a 96.3% compliance rating according to the national audit. June Smyth advised that performance in this area was being driven through the Clinical Boards' performance scorecards and quarterly reviews. She further advised that only 43% of data had been returned from the Community Hospitals and indications were that monitoring was not taking place. Sheena Wright would be meeting with Sam Whiting, Infection Control Manager to discuss scheduling of auditing in this area.

Dr Doreen Steele referred to the Podiatry service and enquired how far in advance appointments were scheduled. Jane Davidson commented that with regard to AHP Did Not Attend (DNA) rates those were measured in compliance with the DNA policy. She further commented that reminders and follow ups for out patients were undertaken. Dr Steele welcomed the clarification that DNA rates were being monitored. Calum Campbell reminded the Board of the current policy for DNAs advising

that seven days notice was a reasonable offer of an appointment and that one DNA would remove a patient from the appointments list unless they were a child or vulnerable adult. Mr Campbell reiterated that DNA rates would reduce with a more robust approach and confirmed that letters were sent and NHS 24 was also used to remind patients of appointments.

Dr Doreen Steele enquired about the average dental lists and sought clarification if figures referred to all dental practices having an average dental list of 1500 patients. Dr Ross Cameron advised that 1500 patients was an ambitious target set for the Salaried GDP service. He advised that patients were not taken on to the Salaried GDP list until there was appropriate capacity to treat them. Some dentists were currently working at the 1500 patients level however, due to sickness and maternity leave, elements of the service were currently operating below capacity but it remained an aspiration to get the salaried service up to 1500.

Dr Doreen Steele suggested some patients may prefer to be registered but not treated. Dr Cameron advised that it would be inappropriate to register patients now and give them an appointment for December 2012. Many patients remained currently registered as private patients with dentists but were awaiting the opportunity to move to an NHS dentist.

Cllr Sandy Scott commented that at the Annual Review meeting held earlier that day Dr Ross Cameron had advised that 15 people would be employed with regard to dementia awareness and he enquired if one more physiotherapist could be employed and one less dementia awareness person. Jane Davidson advised that at this point in time there was no requirement to employ an additional physiotherapist. She commented that from a workforce and skill mix perspective and in taking into consideration the current maternity and sickness absence within that cohort of staff some additional resource was being made available to address this in the short term.

The Chair commented that at a recent NHS Scotland Chairs meeting the Cabinet Secretary for Health, Wellbeing and Cities Strategy had paid tribute to Boards across Scotland for their remarkable achievement in progressing the 18 weeks waiting times target and she had commented that Scotland was the only country where the graph was heading in the right direction.

The **STRATEGY & PERFORMANCE COMMITTEE** noted the September Key Performance Indicator Scorecard.

8. Any Other Business

Risk Seminar: June Smyth advised that following the Board Development & Strategy Session held in early September which had focused on risk, some early results had been received which were being worked through and it was intended to report to the Audit Committee in December 2011. June Smyth further advised that it was intended to align risk reporting to the management reporting cycle and submit reports to the Strategy & Performance Committee twice a year for review.

The **STRATEGY & PERFORMANCE COMMITTEE** noted the update.

9. Date and Time of Next Meeting

The Chair confirmed that the next meeting of the Strategy & Performance Committee would be held on Thursday 8 December 2011 at 12.30 in the Board Room, Newstead.



Minutes of a Meeting of **Borders NHS Board Audit Committee** held on Wednesday, 21st September 2011 at 2 p.m. in the Board Room, Newstead.

Present: Mrs J Edey (Chair)
Mr A Lucas
Dr D Steele

In Attendance: Dr E Baijal, Joint Director of Public Health (Item 8.1)
Mr C Brown, Partner, Scott-Moncrieff
Mr M Campbell Smith, Audit Manager
Mr D Davidson, Non Executive Director
Mr D Eardley, Audit Manager, Scott-Moncrieff
Mrs B Everitt, Personal Assistant to Director of Finance
Mrs C Hughes, Theatre Manager (Item 6.3)
Mrs C Gillie, Director of Finance
Mr A McLean, Acting Senior Finance Manager
Mr D McLuckie, Director of Estates & Facilities (Item 6.2)
Mrs L Paterson, Resilience Manager
Dr T Patterson, Consultant in Public Health Medicine
Mr S Renwick, Chair, Audit Committee, NHS Lothian
Ms S Swan, Acting Deputy Director of Finance
Mr D Woods, Chief Internal Auditor

1. **Introduction, Apologies and Welcome**

Julia Edey welcomed those present to the meeting, in particular to Chris Brown and David Eardley, the Board's new External Auditors and Steve Renwick, Chair of NHS Lothian Audit Committee. No apologies were received.

2. **Declaration of Interest**

There were no declarations of interest.

3. **Minutes of Previous Meeting: 23rd June 2011**

The minutes were approved as an accurate record.

4. **Matters Arising**

- *Action Tracker*

David Davidson referred to item 5.4 from the meeting held on 23rd June 2011 and in particular around the medicine returned by patients to the Pharmacy Department. David suggested that this could be used by charities that provide to less well-off countries. Susan Swan agreed to pick this up with Alison Wilson.

Susan Swan advised that items 6.2 and 6.3 from the meeting held on 23rd June 2011 were still being pursued.

The Committee noted the action tracker and updates.

5. Fraud & Payment Verification

5.1 *National Fraud Initiative (NFI) - Update*

Susan Swan advised that previous practice had been to review only recommended matches, however a recommendation from PricewaterhouseCoopers was to investigate all matches which had been agreed. David Woods referred to Audit Scotland guidance where it stated that only recommended matches required reviewing. It was noted that Susan Swan and Carol Gillie would be discussing this issue at their next meeting with Scott-Moncrieff.

Susan went on to give a local update within NHS Borders where it was noted there had been an alleged theft of podiatry equipment from one of the health centres which the police are currently investigating. There were also two cases being discussed with Counter Fraud Services around time sheet irregularity.

5.2 *CFS Quarterly Report to 30 June 2011*

Susan Swan spoke to this item. Susan highlighted the new format of the report which now gives more information to the Audit Committee and other Governance Committees on the level of referrals and the subject/nature of referrals being put forward to Counter Fraud Services. Susan referred to page 12 about the review of patient exemption checking that had been undertaken. It was noted that no issues had been identified and the recommendations were being submitted to Board Directors of Finance.

Julia Edey referred to the pilot with NHS Greater Glasgow & Clyde and felt that it would be worthwhile getting feedback as it could be something that could be replicated in Borders. Julia also commented on the reference to income from overseas visitors and asked where this is identified. Carol Gillie replied that this information is contained within the Board finance report rolled together with other income as this area does not equate to a huge amount of money. Carol agreed to circulate this information around the Committee.

The Committee noted the report.

5.3 *CFS Proactive Plans 2011/12*

Susan Swan spoke to this item. Susan referred to the fraud system assessment methodology that will be getting rolled out to Boards prior to March 2012 and advised that Borders is currently awaiting a date for this. It was also noted that work is ongoing with Human Resources to arrange the Counter Fraud Prevention workshop.

Julia Edey enquired how the CFS article would be circulated to staff as NHS Borders do not have a staff journal to include this in. Carol Gillie replied that there is both the Team Brief and Weekly Staff Update that is circulated throughout the organisation and this could be included within either of these. Julia asked where else the proactive plans were circulated. Susan advised that they are discussed by Human Resources at their monthly meeting. Doreen Steele highlighted that the report is not only about fraud but also about theft and slippage within the organisation and felt that it could be beneficial for the Area Partnership Forum and Staff Governance Committee to also have sight of this. Doreen also made reference to the scoping project that will be undertaken around procurement fraud. Julia commented that the majority of purchases will be made through national contracts, however there would be a need to ensure that local companies used, for example taxi firms, have gone through the correct selection process. Susan confirmed that the Procurement Steering Group ensure that all processes are in place and are reviewed on a regular basis. Doreen also commented on the scoping project to identify locum claims that could be subject to fraudulent abuse or error. Carol confirmed that Human Resources have a process in place to follow before appointing a locum doctor. Carol added that it is also the intention to implement a bank service for doctors across Scotland to reduce costs whilst allowing services to be sustained.

The Committee noted the report.

5.4 *CFS Intelligence Alert:*

- *2011/08*
Susan Swan spoke to this item which was an alert about non-presented cheque fraud. Susan confirmed that there is a process in place to cancel outstanding cheques with the banks after a period of 6 months. It was noted that monthly bank reconciliations are also undertaken.
- *SOCA Alert AIA455N*
Susan Swan spoke to this item which was an alert on the misuse of uniforms. Susan confirmed that this had been issued to the Laundry and that she had also spoken with Human Resources around the uniform policy to ensure staff who are issued with a uniform are aware of their responsibilities.
- *NAFN Intelligence Bulletin 13*
Susan Swan spoke to this item which was an alert on direct debit fraud involving share trading. Susan confirmed that there are no direct debit instructions on any of the bank accounts for NHS Borders.

The Committee noted the alerts.

5.5 *Payment Verification Report to 30 June 2011*

Susan Swan reported that there is progress with PSD to achieve a more user friendly format. Susan referred to ophthalmic within the executive summary and advised that she is following up to get feedback on the issues raised.

Julia Edey commented that the pharmacy data appeared to be slipping behind again. Susan agreed to prepare letter on behalf of Julia highlighting the Audit Committee's concern around this.

The Committee noted the report.

5.6 *Medical Payment Verification Report to 30 June 2011*

Susan Swan spoke to this item and advised the Committee that there were no areas of concern. It was noted that QOF visits would be taking place from 5th September 2011. Julia Edey commented that this was not a helpful document and felt that some of the information contained within it was not relevant to NHS Borders.

The Committee noted the report.

6. **Internal Audit**6.1 *2011/12 Internal Audit Plan Progress Report*

David Woods reported that the plan was on track and progressing well. It was noted that 5 final reports had been issued since the last meeting. David went on to give an update on the appeals for upgrading staff within the department to put them on a par with other Boards across Scotland. It was noted that the appeal had been rejected and that an appeal would be made against this decision. An outcome is awaited from the Job Evaluation Unit.

The Committee noted the report.

6.2 *Internal Audit Report – Property Transactions*

Martin Campbell Smith introduced this report that had an overall satisfactory rating. Martin advised that there had been one disposal made during 2010/11 and went over the background of this transaction. It was noted that this had been graded a B rating due to a higher offer previously being given to what the property had been sold for. Martin also referred to the issue around approval of the Property Strategy and advised that this is being addressed and had gone to the Board meeting on 4th August 2011 for review. David McLuckie referred to the property

transaction and confirmed that impairment rules had been adhered to which allowed the property to be sold below the valuation with no detriment to NHS Borders.

The Committee noted the report.

6.3 *Internal Audit Report – Operating Theatres*

Martin Campbell Smith introduced this report that had an overall satisfactory rating. Martin reported that there is some scope for improvement as highlighted by the LEAN project but confirmed that reasonable controls are in place. It was noted that there were issues relating to the quality of data in performance indicators but this was being addressed by the Planning & Performance Department. Martin explained that there were also issues with the usage of theatres and these not being used to potential capacity.

Christine Hughes advised that she was content with the report and that the LEAN work had identified weaknesses. Christine confirmed that national guidance was being following and that NHS Borders are currently sitting at 1%, with the national average being 3%. It was noted that work is ongoing on usage to increase capacity on lists. David Davidson showed concern around the data for cancelled operations not being fully reliable and cancellations due to patients not receiving adequate pre-assessment checks before surgery. Christine replied that the Sapphire system is used for cancelling operations and that there are currently a large number of reasons for these which need to be narrowed down. It was noted that work is ongoing to make this information more understandable. Christine confirmed that there had been issues with anaesthetic cover due to annual leave and maternity leave but these are now being resolved and this clinic is now seen as a priority as over 50% of pre-assessment patients require to be seen by an anaesthetist. Christine advised that the cancellation rate in DPU is 3% for August which would hopefully be the start of a downward trend. The Committee discussed the reporting line and it was noted that any cancellations that effect clinical care should be reported through the Clinical Governance Committee and non clinical cancellations/deferments should be reported through the Strategy & Performance Committee. Post LEAN information would be reported through the Director of Efficiency's report.

The Committee noted the report.

7. **External Audit**

7.1 *Introduction*

Chris Brown tabled a paper as an introduction to Scott Moncrieff and took the Committee through this. Chris highlighted that Scott Moncrieff's approach should be consistent with what NHS Borders have received in the past. Chris went over the key audit outputs and the timing of these. It was noted that there was a meeting with Audit Scotland the following week to see what the focus is for External Audit over the next three years. Chris advised that he would be happy to receive feedback on the performance and service provided by Scott Moncrieff.

7.2 *Audit Plan 2011/12*

It was noted that this would be presented at the December meeting.

7.3 *Audit Scotland Report: Review of Community Health Partnerships*

Carol Gillie spoke to this report which was following a review undertaken by Audit Scotland late 2010. Carol advised that the audit was to consider if Community Health Partnerships have delivered what they were asked to do, Carol went on to highlight the key messages within the report. Carol explained that this had been seen by the Risk Management Board who had recommended that report be noted by the Audit Committee and taken forward by the Community Health & Partnership Board (CHCP). It was noted that it had been considered by the CHCP in June and that a workshop had been arranged for the following week to look at the action on how to improve partnership working going forward. It was noted that a suite of reporting is also being developed to provide the CHCP with an overview of joint working. Julia felt that it would be helpful for Jane Davidson, joint Chair of the CHCP, to attend the December or March Audit Committee to provide feedback on actions within the report that have been addressed. Calum

Campbell stressed the need to firstly discuss and agree how we jointly provide management information. Calum advised that an action plan for the next 12 months would also be developed and the CHCP would be asked to provide assurance that this is being taken forward. Chris Brown added that time could be built into Scott Moncrieff's work plan to monitor the action plan if required.

The Committee noted the report.

7.4 *Audit Scotland Report: Code of Audit Practice*

Carol Gillie spoke to this report which had been issued in May 2011 and had been circulated to the Audit Committee for noting. Chris Brown added that there were no major changes from the old Code of Audit Practice that the Committee needed to be aware of and confirmed Scott-Moncrieff would be working to this code.

The Committee noted the report.

8. Governance and Assurance

8.1 *Resilience Group and Business Continuity Update*

Julia Edey referred to previous discussion at the March meeting and a request for an update on issues that had been addressed. It was noted that the report provided an update on the audit report as well as further information on the work of the Resilience Committee. David Davidson introduced the presentation as Chair of the Resilience Committee and advised that a business workshop was due to take place on 6th October 2011 as it was a vital concern for NHS Borders that the message had not reached all members of staff at every level. Eric Baijal referred to the four main issues within the audit report, namely testing of business continuity plans, profile of business continuity, checking compliance with the Civil Contingencies Act and availability of business continuity plans. Eric advised that an exercise is being put in place for 2011/12 to test plans, a Business Continuity Manager has been appointed to raise the profile, a self-assessment on the Civil Contingencies Act has been undertaken and plans will be available off site and off line to ensure that the organisation can still function following an IT failure. Eric went over the resilience agenda where it was noted that a governance structure is in place and the Committee is supported by operational groups. Eric added that there is also more engagement from other external bodies which the organisation can learn and benefit from.

Adrian Lucas commented that he felt he had been provided with reassurance from the update. Doreen Steele reiterated this comment. Julia Edey enquired about the reporting structure for the Resilience Committee. Lorna Patterson replied that it reports to the Risk Management Board who in turn report to the Audit Committee through their minutes. Julia felt that it would be helpful to receive an update via the half yearly update provided by the Risk Management Board. Calum Campbell asked the Committee if they would be content to sign off the annual work plan. Julia confirmed that she would be happy to do this but would like to see updates on the work plan as part of the routine reporting suite. Tim Patterson commented that he felt that the monitoring of the work plan should remain with the Resilience Committee but regular reporting into the Audit Committee would be helpful. Eric stressed risk's relationship with business continuity and the need to keep direct reporting to the Risk Management Board. Calum suggested that reporting be done twice a year to the Audit Committee, the first to sign off the work plan and the second to receive a half yearly update. This was agreed. Carol Gillie highlighted that this will change the Code of Corporate Governance and the Terms of Reference for the Resilience Committee. Adrian Lucas felt it would also be helpful if the Resilience Committee also submit an annual report as do the other Governance Committees. This was agreed.

The Committee noted the report.

8.2 *Draft Audit Committee Work Plan 2011/12*

Susan Swan reported that the work plan for 2011/12 had not been formally signed-off. Susan advised that this would be amended accordingly following today's discussion around External Audit's work plan, CHCP reporting in March or December and sign-off of the Resilience

Committee work plan and half yearly update. Doreen Steele suggested adding Audit Committee self assessment to the work plan. This was agreed to be added for March.

The Committee approved the work plan for 2011/12.

8.3 *Audit Follow-Up Report*

Andy McLean spoke to this report that gave an update on progress on the audit recommendations. Andy referred to External Audit recommendations where it was noted that 8 were outstanding as at September 2011. Andy highlighted that a number of these are related to the CHCP and that where there are outstanding recommendations they are working to get an update. Andy went over the Internal Audit recommendations where it was noted that there was a total of 23 that had not been fully implemented, 9 of which were partially implemented, 13 not yet due for implementation and 1 not yet implemented. Andy also took the Committee through the outstanding issues within the Statement on Internal Control.

Julia Edey commented that she was pleased to see that there had been a review and refresh of the statutory training programme as well as the progress that is being made on SSTS which would be excellent in helping to eliminate fraud.

The Committee noted the report.

8.4 *Debtors Write-Off Schedule to 31st August 2011*

Andy McLean referred to discussion at the last meeting where it had been requested to include 2009/10 data within the report to use as a benchmark. Andy highlighted that there had been a dramatic reduction in debts that are being written-off. Andy explained that this can largely be attributed to the chip and pin functionality to facilitate the collection of income at source with respect to dental treatment along with asking any new significant laundry customers to pay a deposit prior to any work being undertaken. Julia Edey showed surprise to see the figures recorded against private patients. Susan Swan confirmed that they are following up with the individual consultants to ensure that patients are supplied with a sufficient level of information around what the various charges will be so they can decide whether to continue with the treatment or not.

The Committee noted the report.

9. **Items for Noting**

10.1 *Minutes of Risk Management Board: 19th April 2011 and 21st June 2011 (Draft)*

Julia Edey commented on the issue that kept arising around replacement of the windows at the BGH. Calum Campbell stressed that the windows within the BGH would not be replaced, however recognised that there was a need to manage patients with certain requirements.

The Committee noted the minutes of the Risk Management Board.

10.2 *Minutes of Information Governance Committee: 7th June 2011*

No issues were raised within the minutes.

The Committee noted the minutes of the Information Governance Committee.

10.3 *Technical Bulletin 2011/2*

Susan Swan spoke to this item. Susan referred to the section on disclosing exit packages and senior staff bonuses and confirmed that NHS Borders are compliant in this area.

The Committee noted the Technical Bulletin.

11. **Any Other Business**

None.

12. **Date of Next Meeting**

Wednesday, 14th December 2011 @ 2 p.m., Board Room, Newstead.

BE
4/10/11