

## DRAFT MINUTES

The 55<sup>th</sup> Meeting of the NHSBT Governance and Audit Committee Meeting  
Held on Tuesday 8th November 2016  
West End Donor Centre, Board Room, 26 Margaret Street, London, W1W 8NB

**Present:** Roy Griffins (RG) – Chairman  
Keith Rigg (KR)  
Charles St John (CSJ)  
Shaun Williams (SW)

**Apologies:** Mike Stredder (MS) NHSBT

**In Attendance:**

Ian Bateman (IB)	NHSBT
Rob Bradburn (RBr)	NHSBT
Ele Brown (EB)	NAO
Gareth Davies (GD)	MAZARS
Denise Dourado (DD)	NHSBT
Kay Ellis (KE)	DH
Colin Evans (CE)	PwC
David Evans (DE)	NHSBT
Karen Finlayson (KF)	PwC
Linda Haigh (LH)	NHSBT
David Hakin (DH)	NAO
Catherine Howell (CH)	NHSBT
Sally Johnson (SJ)	NHSBT
Peter Lidstone (PL)	NHSBT
Gail Mifflin (GM)	NHSBT
Jamie Moore (JM)	NHSBT
Ella Poppitt (EP)	NHSBT
Aaron Powell (AP)	NHSBT
Richard Rackham (RR)	NHSBT
Jazz Sehmi (JS)	NHSBT (Observing)
Ann Smith (AS)	NHSBT (Minutes)
Lynda Stark (LS)	NHSBT (Observing)
Andrew Weal (AW)	NHSBT
Huw Williams (HW)	NHSBT

Action

**Declarations of Conflict of Interest**

Members confirmed that they had no conflicts of interest.

**Risk Presentation – Therapeutic Apheresis Services (presentation)**

CH gave an overview of the Board Assurance Framework for Therapeutic Apheresis Services (TAS). TAS provides over 6,000 apheresis procedures per year saving and improving lives of approximately 1,300 patients. TAS consistently reaches a high level of Patient Satisfaction, with a Topbox score of 99%. In 2017 TAS will undertake a strategy refresh and the strategic intent is to become the NHS preferred provider of high quality, cost effective apheresis services. The TAS National service is delivered regionally. New services have recently been established in Birmingham and London. KR asked if further growth is planned in the near future. CH confirmed that plans are underway to expand service provision in Birmingham within 2 years and expand services from Great Ormond Street Hospital, London. CH noted it was TAS's long term

ambition to establish an adult unit in London. CH summarised the presentation noting an exemplary record in regulatory compliance and a strong culture of Governance, quality and patient safety, including controlling and managing risk.

### **Chairman's Introduction**

RG welcomed all to the meeting, including Ele Brown from the National Audit Office, Lynda Stark and Jazz Sehmi – observing.

### **Minutes of the 54<sup>th</sup> Meeting Held 13 September 2016**

The minutes were signed as a true and accurate record.

### **Matters Arising**

The outstanding actions were closed to the GAC.

1

## **Clinical Governance**

### Clinical Governance Report – Oral

NHSBT employs 735 nurses who are all required to revalidate under the new Nursing and Midwifery Council (NMC) processes, which came into force on 1 April 2016. Between April and the end of September 2016, 130 nurses were required to revalidate. All 130 successfully completed the process, with only one being asked to provide further information prior to revalidation being confirmed by the NMC. Positive feedback was noted by nurses that had used NHSBT support at the time of revalidation.

Safety of Blood, Tissues and Organs (SaBTO) recommend a universal screening of blood components for HEV. RG asked if this measure would have a financial impact on NHSBT. RBr confirmed there would be a financial impact and noted NHSBT must be clear on the process. HW assured the GAC a co-ordinated approach would be delivered by 1 April 2017 and the Board would be involved in all cost and blood price implications.

### Serious Incident (SI) update - Oral

NHSBT were notified that a pancreas recipient had died of a Cytomegalovirus (CMV) infection. The Root Cause Analysis (RCA) concluded on Tuesday 27 September 2016 as was a joint RCA between NHSBT and the Public Health England (PHE) laboratory. NHSBT are currently awaiting a response from PHE.

A second SI was reported by the National Transfusion Microbiology Reference Laboratory (NTMRL). The incident was classified as an SI due to potential reputational issues. The validation of tests are pending.

2

## **Quality Assurance**

16-99

### Management Quality Review

Two Major findings were cited in the Filton Investigational Medical Products (IMP) inspection. One related to clean room design and operation and the second related to NHSBT's failure to implement agreed actions from similar findings raised during an IMP inspection at the Birmingham site earlier this year.

UK Accreditation Service (UKAS) assessment ISO15189 is progressing well. The Histocompatibility and Immunogenetics (H&I) laboratories have provisional dates for their UKAS assessments in December 2016, January and February 2017. Preparations are ongoing led by the H&I national management team, with QA support.

SW questioned the major failure regarding failing to implement agreed actions. IB assured the GAC this is an area NHSBT is generally good at but this event has demonstrated that improvements need to be made in the sharing of inspection information. This event related to a specific area and an action plan has been

developed and being managed to address the issues. KR shared his concern regarding overdue documents, mainly in the South West region. IB responded that plans are currently in place to resolve the issue and Executive Directors are chasing down the issues personally, assisted by QA.

### 3 Business Continuity

16-100

#### Business Continuity Update Report

There are a number of unique functions operating out of the NHSBT Liverpool site which indicate "single points of failure" and therefore require particular consideration with respect to business resilience and risk. RR informed the GAC of the recommendations, contingencies and the next steps that are in place.

Exercise Tardigrade was an Executive level mass casualty exercise, responding to two exploding devices and a single marauding gunman; similar to attacks in Belgium, France and Germany in recent months. As part of exercise play, blood stock was reduced to zero for O Negative red cells and A Negative platelets within some centres, with traffic congestion as a result of the attack creating difficulties in resupply for the affected centres. **Actions:** Lessons learned will be fully briefed to the Executive Team (ET) and a report will be submitted to the GAC ahead of the January 2017 meeting. A review of the minimum blood stocks will be submitted to both the Board and the GAC, featuring in the Business Continuity update in January 2017.

RR

### 4 IT Governance (IT)

#### IT Update - Oral

Following on from the update to the GAC in September 2016, AP confirmed that the IT systems remain stable and performance is good with the Service Desk, meeting industry-wide benchmarks with strong overall metrics.

Good progress has been made in the IT recruitment programme, with 13 of the 30 roles now filled. AP noted that the calibre of candidates has been strong.

### 5 Internal Audit

16-101

#### Internal Audit Progress Report

At this stage of the 2016/17 audit programme, eight final reports have been issued. Work focused on the six serious incidents that have occurred since 1st April 2014 - July 2016. Good practice in relation to: the availability of policies, the use of Qpulse, quality assurance reviews of incidents and effective incident reporting channels throughout NHSBT was noted and a rating of substantial was recorded.

There had been a high level review of NHSBT's approach to Digital. Its report recommended that based on the responses to the Digital Fitness Assessment, NHSBT should review four areas where gaps were identified: Customer experience, Process, Technology, and Innovation. AP is currently leading on a report which will outline a clear strategy.

16-102

#### Review Outstanding and Overdue Internal Audit Actions

The GAC receives reports of all Medium and High priority audit points outstanding. There were 13 points outstanding on the report:

- 4 from the Information Security Review. Extensions are requested to 31 October.
- 2 from the IT Strategy. Extensions are requested to 30 November.
- 2 from Risk Management. Extensions are requested to 30 November and 30 April.
- 4 from IT Resilience and Disaster Recovery. Extensions are requested to

November and January.

- 1 from Sales and Billing. An extension is requested to April 2018 (As CSM/ CRM is required to address the audit point). **Billing is now closed to the GAC. The GAC agreed to give extensions as requested.**

16-103

#### International Blood Group Reference Laboratory (IBGRL) – Royalties

Parts of NHSBT, such as the International Blood Group Reference Laboratory (IBGRL), share intellectual property with partner organisations in exchange for royalties. Suitably robust royalty agreements should be in place in all cases to formalise these arrangements. Internal Audit reviewed the design and operation of relevant processes for a sample of agreements, to ascertain the strength of the control environment operating in this area. The overall rating for the report is Limited. HW assured the GAC that his team are working towards the April 2017 deadline to resolve the issue but with attempted collection of any missing revenue prioritised to before end of 2016 if possible.

## 6 Transformation Programme

16-104

### Transformation Programme Risk Summary Report

The focus of risk mitigation within the portfolio remains upon two key areas; ICT capability and the Business supply chain expertise primarily for Core Systems Modernisation (CSM), which remains under scrutiny. **Action:** For regular clarification and continued assurance for the GAC, DD agreed to send the report on a monthly basis to all Board Directors, Execs and NEDs (including the four GAC members).

DD/DE

CE covered areas of feedback for the Core Systems Modernisation programmes and ODT Hub programmes. CE noted the significant move forward in planning, the identification and monitoring of high level risks and Governance for both programmes. CE acknowledged areas of focus for the programmes, including more focused reporting of risks, monitoring the overall complexity and scale of change and technical IT resources. CSJ thanked CE for the update but suggested that a rolling program of work would add more value than a more in-depth snapshot at a certain date. [commenting that CE's expertise should not focus on one area but should be used to guide both programmes; and could be followed up in more detail as an action]. The feedback will be discussed at the next TPB meeting. The GAC requested that they would like to see the conclusion from the TPB meeting. **Action:** DE to update the GAC at the January 2017 GAC meeting with a short summary from the TPB response to the feedback. The GAC will continue to monitor the programmes. **Action:** CE to submit a report to the GAC at the end of the year, which will track the journeys of both programmes.

DE

CE

## 7 Risk Management Update

16-105

### Risk Management Update

- The August 2016 Risk Management Committee (RMC), agreed the content of a draft Risk Management Standing Operating Procedure (SOP).
- The first of two training days to supervisors has taken place with Covalent, the supplier of the web based risk management module.
- Risk leads have been asked to review and update their risk registers to ensure they are accurate and current prior to being added to the system and based on the newly agreed risk register template. It is anticipated that work will commence during December 2016 to move the registers onto the Covalent system.
- A workshop was held with the Executive Team (ET) on the 12 October to discuss risk focussing on the themes "what would stop us providing blood/organs/specialist services etc". The actions from that meeting will be taken forward to Senior Management Teams (SMTs).

Action

Audit and Risk Committee (ARC/DH) Risk meeting – Oral

The ARC/DH session placed a lot of emphasise on the subject of cyber security. For complete assurance, RG noted he would like NHSBT's cyber security audited in this financial year, 2016-2017. **Action:** PwC to add a cyber security audit to this year's plan.

PwC

**8 Integrated Governance**

16-106 Board Performance Report

No issues / concerns raised by the GAC re any governance, control or risk issues that the report might indicate.

16-107 Sustainability Annual Report

NHSBT is about to launch its new Sustainability Strategy through to 2025. The new strategy will commit NHSBT to a further 50% reduction in its carbon emissions by 2025 alongside other objectives such as zero waste to landfill. CSJ asked if the new Sustainability Strategy will be presented to the Board? RBr said this had not been intended but suggested that the launch document would be copied to Board members.

16-108 Equality and Diversity Annual Report

The report provides an annual update of activities achieved in respect of equality, diversity and inclusion through the delivery of the Single Equality Scheme 2015-2019. The report also summarises the annual review of the Workforce Race Equality Scheme Indicators developed by NHS England. It is expected that all Boards of ALBs will scrutinise progress for these indicators. NHSBT has increased the number of Black Asian and Minority Ethnic (BAME) employees in senior leadership positions in line with targets set for a 15% increase over 2015. Progress with the actions contained within the Single Equality Scheme (SES) and Workforce Race Equality Standard (WRES) will continue to be monitored at the Equality and Diversity Working Group to ensure NHSBT delivers better outcomes for patients and communities and a better working environment for employees which is inclusive, fair and diverse. The GAC asked that the figure to be added to the next Board agenda.

16-109 Clinical Claims Annual Report

The report was taken as read. EP noted a clinical claims report will be presented to the ET once an appraisal of the options is completed. The report will outline proposed changes to the management of clinical claims.

**9 External Audit**

16-110 External Audit Progress Report

The External Progress report addressed the proposed financial statement audit approach for NHSBT for the year ending 31 March 2017. Mazars have attended site visits and met with previous framework partner, Deloitte. A meeting is scheduled in mid November 2016 to meet the Non Executive Directors (NED's). A timetable is set out and comprises an interim visit which commences in January 2017 and a final visit commencing in May 2017. Certification is planned for June 2017. **Action:** GD to organise a meeting with NED's, NHSBT Directors and Mazars two weeks before the June 2017 sign off meeting.

GD

RBr asked that Mazars review their PwC internal audit work regarding their annual review of key financial controls and to indicate what, if any reliance, they would place on this work.

**10 Chair's Action (for discussion only as required)**

There were no Chair's action to report.

**11 Papers for information**

- 16-111 Losses and Special Payments
- 16-112 Waivers
- 16-113 Clinical Audit Update report
- 16-114 Mandatory training Annual Report
- 16-115 PwC Internal Annual Report
- 16-116 Clinical Governance Report- *previously submitted to the Board*

**13 Any Other Business**

No further business to report.

**14 Review the effectiveness of the meeting**

**Dates of Meetings in 2017 – *Post meeting note:*** *The March 2017 meeting has been re-arranged to take place on Friday 17 March 2017 at the West End Donor Centre.*

DRAFT

Date/Time	Venue	GAC Papers for submission
<b>Friday 20 January 2017</b> <b>09.30 hrs – 13.00 hrs</b>	West End Donor Centre Board Room	Monday 9 January 2017
<b>Friday 17 March 2017</b> <b>09.30 hrs – 13.00 hrs</b>	West End Donor Centre Board Room	Monday 6 March 2017
<b>Friday 23 June 2017</b> <b>09.30 hrs – 13.00 hrs</b>	West End Donor Centre Board Room	Monday 12 June 2017
<b>Friday 15 September 2017</b> <b>09.30 hrs – 13.00 hrs</b>	West End Donor Centre Board Room	Monday 4 September 2017
<b>Tuesday 7 November 2017</b> <b>09.30 hrs – 13.00 hrs</b>	West End Donor Centre Board Room	Wednesday 25 October 2017