

MINUTES

**The 56th Meeting of the NHSBT Governance and Audit Committee Meeting
Held on Friday 20 January 2017
West End Donor Centre, Board Room, 26 Margaret Street, London, W1W 8NB**

Present: Roy Griffins (**RG**) – Non Executive Director (NED) **Chairman**
Keith Rigg (**KR**) - NED

Apologies: Charles St John (**CSJ**) NED
Shaun Williams (**SW**) NED
Kay Ellis (**KE**) DH
Jamie Moore (**JM**) NHSBT

In Attendance:

Ian Bateman (**IB**) NHSBT
Rob Bradburn (**RBr**) NHSBT
Ele Brown (**EB**) NAO
Gareth Davies (**GD**) Mazars
Denise Dourado (**DD**) NHSBT
David Evans (**DE**) NHSBT
Karen Finlayson (**KF**) PwC
Linda Haigh (**LH**) NHSBT
Ben Hume (**BH**) NHSBT
Sally Johnson (**SJ**) NHSBT
Gail Miflin (**GM**) NHSBT
Ella Poppitt (**EP**) NHSBT
Aaron Powell (**AP**) NHSBT
Richard Rackham (**RR**) NHSBT
Jonathan Sawyer (**JS**) PwC
Ann Smith (**AS**) NHSBT (Minutes)

Action

Declarations of Conflict of Interest

Members confirmed that they had no conflicts of interest.

Risk Presentation – Organ Donation Transplantation (ODT)

An overview of the presentation was given noting the top priority was to provide a safe, sustainable service, meeting NHSBT's 2020 targets and creating an ODT Hub, which will bring lots of change, in particular challenges in the change of working patterns (i.e. 24 hour working) for Specialist Nurses in Organ Donation (SNODs). The ODT Risk Register has been successfully incorporated into NHSBT's refreshed risk management system and BH highlighted the recently added risk concerning the difficulties associated with the legal definition of an organ for transplant as a 'product'. The presentation concluded that there has been no identified impact on donation levels following media stories of the NHS under strain.

Chairman's Introduction

RG welcomed all to the meeting, informing attendees that SW and CSJ had reviewed papers and had been given the opportunity to comment to RG, ahead of the meeting.

Minutes of the 55th Meeting Held Tuesday 8th November 2016

The minutes were signed as a true and accurate record.

Matters Arising

The outstanding actions were updated and closed to the GAC. RG requested that all actions updates or closures are to be requested and updated/closed more frequently, ahead of scheduled meetings.

1 Clinical Governance

17-03 Clinical Governance Report

- Paediatric red cell exchange service has been introduced in Leeds providing regular exchange transfusion for patients following NICE guidance, recommending apheresis red cell exchange procedures for patients with sickle cell disease.
- An information incident involving the incorrect transfer of 137 blood donor records to the Welsh Blood Service was identified. The 137 registered donors have been sent a letter explaining the error with no responses received to date.
- The Human Tissue Authority (HTA) has challenged the issue of blood samples taken pre mortem from patients for the Quality in Organ donation (QUOD) research bio bank. Discussions are ongoing with the HTA and NHSBT seeking legal advice.
- The Department of Health (DH) have advised that organ retrieval should not go ahead a donor is known to be pregnant. Transplant Centres will be sent letters advising them of this decision pending QC advice.
- The Safety of Blood, Tissues and Organs (SaBTO) Committee will consider the guidelines for 'Microbiological Safety of Human Organ, Tissues & Cells' which have been updated.

17-04 Serious Incident (SI) update

- ODT Cytomegalovirus (CMV) incident (INC1840). A recipient of a pancreas died from CMV disease following an incorrect CMV result. The Root Cause Analysis (RCA) documents from both NHBST and Public Health England (PHE) have been submitted to the pre inquest review. A meeting will be arranged with PHE to look at joint learning from the incident. The inquest date is May 2017.
- Manufacturing & Logistics National Transfusion Microbiology Reference Laboratory (NTMRL) incident (INC 71660). The incident was identified where the testing of blood samples occurred outside the manufacturers' recommended timeframes. The validation and testing of samples is almost complete and is scheduled to conclude in March 2017.

2 Quality Assurance

Management Quality Review (MQR) – Oral

IB noted a total of 18 inspections will take place in 2017/18. IB assured the GAC that Quality Assurance were happy with the amount of inspections scheduled and would review all inspection timings. A full MQR report will be submitted to the March 2017 GAC.

Non Executive Director Site Visit - Oral

A list will be circulated for potential NED visits to sites after inspection by regulators. To make the optimum use of individuals' time, the visits will be short and concise.

3	Business Continuity	
17-05	<u>Business Continuity Update Report</u>	
	<ul style="list-style-type: none"> RR assured the GAC that previous concerns regarding Mandatory Training compliance through the Shine Academy has improved. KR observed that Health and Safety mandatory training figures were slightly lower. The lower figure is partly due to the availability of course dates and venues. The British Standards Institute (BSI) audit was completed in December 2016. The retention of the ISO22301 certification and re-certification has been achieved. The number of minor non-conformities will be resolved. Eleven minor non-conformities have been raised by the auditors, which will be addressed in the next few months; these were mainly concerning Business Impact Analyses, Risk and the Eye Bank. Action: RR to distribute the audit. The National Emergency Team Exercise - Exercise Tardigrade commenced in October 2016. Business Continuity was not involved in the debrief but noted that a draft paper will be submitted to the Executive team (ET). 	RR

4	External Audit	
17-06	<u>External Audit Plan</u>	
	<p>The final version of the external audit plan is complete within the timetable and fees have been finalised. GD talked to the audit plan noting when and how the plan will be delivered. The timetable comprises an interim visit commencing January 2017. There is no change to the plan and the outcome of the interim visit will be submitted to the March 2017 GAC meeting. A final visit will commence in May 2017 with certification planned for June 2017. A meeting is arranged in early June 2017 to meet with the ET and Finance, prior to the sign off accounts scheduled for the June 2017 GAC meeting.</p> <p>RG questioned the respective roles of Internal Audit and External Audit, particularly with regard to duplication between PwC, NAO and Mazars. He asked that overlaps be avoided. In the event of disagreement, the GAC will be consulted. Oversight of the Transformation Programme was clarified and the GAC were assured the Transformation Programme was being effectively controlled.</p>	

5	Internal Audit	
17-07	<u>Internal Audit Progress Report</u>	
	<p>Nine reports have been issued in respect of the 2016/17 audit plan. Audits currently at the fieldwork stage are progressing well. The ODT Duty Office Interim report is reported as Moderate Assurance. The Key Financial Control Review is part of the continuous auditing process, which tests key controls to assess whether they are operating effectively in Quarter 1 and Quarter 2. A moderate level of assurance has been given. KR noted the Culture & Human Factors reviews have been deferred to the 2017/18 audit plan. The deferral was due to capacity and organisational change.</p> <p>The timing of the Transformation Programme and Internal Audit were noted with consideration to the Board report. The GAC will be sent an early draft of the suggested 2017/18 Internal Audit Plan. Action: PwC to send an early draft of the suggested 2017/18 Internal Audit plan to the GAC members.</p>	PwC

17-08	<u>Review Outstanding and Overdue Internal Audit Actions</u>	
	<ul style="list-style-type: none"> Review of IT strategy - Centres of excellence have been created around new technologies in partnership with external implementation partners, with the exception of the ERP Centre of Excellence. This was not due to be finalised until March 2017 at the earliest. This has been delayed as we reconsider the 	

approach to an external partner for this product and an extension is requested. The GAC agreed to an extension to June 2017.

- Recruitment to new ICT architecture and delivery roles following completion of collective consultation to address the ICT skills gap. Due to challenges in recruiting the right people, an extension has been requested. The GAC agreed to an extension to June 2017.
- IT Resilience and Disaster Recovery - IT Resilience and Disaster Recovery – Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) have been established and agreed with the business for all business critical systems. A project is being initiated for a tool to assist with the configuration mapping of the systems. This is currently being completed manually. The action is delayed and the GAC agreed to an extension to March 2017.

Government Internal Audit Agency (GIAA) Arrangement Update - Ora/

The Board is appointed to govern NHBST as an ALB. Internal audit is one of the key assurance streams within its governance framework and (via GAC) is accountable for defining and implementing the service that it requires.

Historically we have chosen to outsource both the Head of Internal Audit and the supporting resource because we value the independence that is then brought to the "Head of" role and the breadth / depth of multi industry and functional expertise that organisations such as PwC can deploy and tendered the service every 3-5 years.

When DH's shared internal service, the Health Group Internal Audit Service (HGIAS), was established, we agreed that we could retain our existing arrangements with PwC under the HGIAS arrangements (PwC are contracted to HGIAS and hence our service is formally provided and invoiced by HGIAS).

The same principle now applies as we move to GIAA arrangements rather than HGIAS. GIAA also have PwC under contract and we have confirmed that we can retain exactly the same service / arrangements. Once settled down we will then reconsider. Under GIAA arrangements, they have a number of providers contracted including PwC. We therefore intend to conduct a mini competition for the service from 1 April 2018 amongst the suppliers contracted to GIAA.

In the meantime, PwC have refreshed their team and have brought in a new manager to provide a different outlook/challenge given that, as a result of the above, we have been with PwC for quite some time without formally re-competing the service.

6

Transformation Programme

17-09

Transformation Programme Risk Summary Report

The ICT recruitment process, capability and capacity to support and maintain the new platforms is presented to the TPB on a monthly basis. KR noted his concerns regarding the slow ICT recruitment process. AP acknowledged KR's concerns, noting that there the impact on the programme was being mitigated through the use of external partners and steps were being taken to address the problem. RBr noted the recruitment concerns would be added to the Board update.

DE advised that Greg Methven will start in the role as Director of Manufacturing and Logistics on 6 February 2017.

Respond to Internal Audit Findings - Ora/

RG noted the loss with regard to the departure of Colin Evans (PwC) and DD who recently announced her plans to leave NHSBT. RG questioned succession arrangements and material risk to the programme. DD gave assurance to the GAC that succession arrangements were in place for her departure in April 2017.

KF confirmed Neal Murray (NM) will replace Colin Evans, noting that NM has a wealth of experience and subject to approval, will commence in the role on 3 February 2017.

7 17-10	Risk Management Update <u>Risk Management Update</u>	<p>EP presented the progress report. Risk Leads from each service area undertook a review of their risk registers and transferred the validated data across into the new risk register template during October and November 2016. The data transfer will be completed by the end of January 2017. Training sessions and face to face meetings have been held with Covalent, the suppliers of the web-based risk management system, to identify and agree an effective process for embedding this system within NHSBT. A draft risk management manual has been produced which pulls together a number of the current risk management documents. The design of the intranet page has been agreed in principle and the necessary implementation work is progressing and will be complete at the end of the 2016/17 financial year. A full update will be reported at the March 2017 GAC. Action: Add the Non Executive Directors (NEDs) to the Covalent Risk software, with permissions to view Risks.</p>	EP
	<u>Risk Interdependencies – Audit and Risk Committee (ARC) – Oral</u>	<p>Value regarding the DH/ARC concentration on interdependencies amongst ALBs was noted. Links with our regulators are considered constructive and fundamental to NHSBTs management of risk. NHSBT need to establish an effective way to ensure NHSBT prime risks are escalated to the DH, so that its ARC are alerted. Action: Prepare a presentation to present NHBSTs risk and risk interdependencies to the ALBs on the 28th February.</p>	EP
17-20	<u>NHSBT Corporate Risk Register (CRR)</u>	<p>EP presented an overview of the detail and current position of NHSBT’s corporate risk register. Key Performance Indicators (KPI’s) associated with the corporate risk register and how best to report them was discussed, noting that inserting the CRR into the Board Performance report would ensure that all reporting would be ‘in one place’. Action: EP to send the CRR to the Finance Director for summary of the Board Performance report. KR asked if this addition reflected risk scoring; did it give an accurate current picture. Action: EP will check outstanding actions with Risk Leads and to bring the outcome to the March 2017 GAC meeting.</p>	EP
17-11	8 <u>Board Performance Report</u>	<p>RBr gave a verbal update on the December 2016 report which was submitted to the Board on 19 January 2017, noting little change between the November 2016 and December 2016 reports. DD advised that the Stock Management projects and the CSM Project are reflected as “red” status in the report but it is on track to go to Amber status in January 2017. No concerns were raised.</p>	EP
9	9 <u>Information Technology (IT) Update - Oral</u>	<ul style="list-style-type: none"> • AP reported a continuation of improvement in the Service Desk performance, regarding the backlog of requests. • There were no Priority 1 issues in the past month. • Focus remains on the Transformation Programme which, is progressing well. • Activity, which is not part of the Transformation Programme, continues as scheduled e.g. Pulse releases, ongoing changes to the network and regular scheduled changes. • AP acknowledged the previous discussion of recruiting permanent IT staff, in section 6 of the minutes. 	EP

10 Committee Business

- 17-13 GAC Terms of Reference (ToR)
The GAC were asked to review final changes to the ToR, which was approved. It was noted that the January 2017 GAC was officially SW's last meeting and was thanked for his contribution to the Committee. **Action:** AS to invite the next newly appointed NED to GAC meetings.

AS

11 Chair's Action (for discussion only as required)

There were no Chair's actions to report.

12 Papers for information

- 17-14 Losses and Special Payments
17-15 Waivers
17-16 Information Governance report
17-17 Clinical Audit plan update report
17-18 Health and Safety report
17-19 Clinical Governance report – August/September 2016

17-18 - Health and Safety report noted:

- KR noted some areas of the organisation were not as compliant as others. DE assured the GAC that action had been taken to improve the areas in question, with an expected improvement in attendance figures within six months.

13 Any Other Business

No further business to report.

14 Review the effectiveness of the meeting

The following points were noted:

- The number of attendees (18) was reckoned to be a good practical size.
- Attendees leaving or arriving for before/after their section worked well.

Dates of Meetings in 2017

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