

# HFMA Audit Committee Conference



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## Changing for the future

14 November 2017 – 110 Rochester Row, London

The NHS continues to face one of the most challenging periods in its history with huge pressures on finances, along with unprecedented organisational and structural change, putting significant pressure on NHS organisations. The need for strong leadership and good governance is vital and the role of the Audit Committee is becoming increasingly important in ensuring the success of every NHS organisation across the local health economy.

This one-day event will provide essential practical guidance and a useful forum for discussion for chairs and members of the Audit Committee.

### PROGRAMME

#### 09.00 Registration, coffee and networking

#### 10.00 Chair's welcome and introduction

*Phil Taylor, deputy chair, NHS Sheffield CCG and chair of HFMA's Chair, Non-Executive Director and Lay Member Faculty*

#### 10.05 KEYNOTE ADDRESS:

*Paul Dillon-Robinson, former director of internal audit & risk at the House of Commons*

Before joining the House of Commons in 2008, Paul spent 17 years in internal audit in the NHS, the last eight of which were running an internal audit and counter fraud consortium, South Coast Audit, providing services to 45 organisations and managing up to 90 staff. During this time, Paul was active nationally in promoting good governance, risk management and effective audit committees. He was a trustee of the HFMA and awarded one of the first honorary fellowships.

In 2008, Paul joined the House of Commons and, amongst other things, was involved in the Legg review of Members' expenses and was became a Clerk Adviser to the Straw Committee looking at the governance of the House. He has also chaired the ICAEW's Public Sector Audit committee for a number of years, with issues around local public audit.

Paul will share his experiences of working within the House of Commons, drawing comparisons between internal audit within the NHS and outside it and detailing how the NHS might learn from other sectors. This session will focus on the impact of internal audit, when working in a sector under huge financial pressure, and will explore some of the challenges that are faced in considering value for money, audit and sign off. Paul will also look at comparing competition for external audit and concerns around tendering for external auditors and will outline the practical steps to good risk management.

#### 10.50 Coffee and networking

#### 11.20 Attempting to organise uncertainty: dealing with the primary risks embodied in today's NHS

*Paul Moore, director of governance & quality improvement, Sherwood Forest Hospitals NHS FT*

Risk management encompasses every aspect of healthcare governance, from reporting and responding to complaints or adverse events, to audit, and the construction of guidelines and risk frameworks. The audit committee have the responsibility to oversee the implementation of an effective risk strategy within their organisations, ensuring that risk is kept under prudent control at all times, opportunities grasped, and potential losses minimised for service users, employees and stakeholders.

Paul Moore is an experienced director of quality governance and senior nurse, and is well known for his work in healthcare risk, governance and safety management.

In this session Paul will:

- help delegates understand in broad terms the concept of risk, and how we could raise the standard of risk management to meet tomorrow's healthcare governance challenges
- stretch our thinking on the application of risk appetite in contemporary healthcare
- reflect on priorities for improving your capacity to handle risk

## 12.05 Lunch and networking

## 13.05 SUB-PLenary WORKSHOPS

*Please choose one from the list below to attend*

### **WORKSHOP 1: Conflicts of interest - good practice, pitfalls and effective management**

*Suzy Smith, audit manager, NAO Local Audit Code and Guidance – Health*

The NAO recently published a blog 'Managing conflicts of interest and keeping public trust and draws on its investigations to illustrate the different types and consequences of conflicts of interest, outlining good practice management and how to report a conflict of interest. Managing conflicts of interest is becoming even more challenging within a rapidly changing landscape of complex service delivery models, opening public service provision to private and third sector suppliers, delegating to and empowering local bodies and increased partnership working through various means including Sustainable Transformation Partnerships and 'Blue Light Collaboration'. Reforms under the Health and Social Care Act 2012, giving local health professionals a key role in commissioning health services, have also increased the potential for conflicts of interest.

The NAO will join us in an interactive workshop that will:

- include a presentation from the NAO that summarises and highlights the key messages from blog and investigations
- enable delegates to share examples of COI that have been highlighted within commissioning organisations
- discuss examples of good practice and highlight key findings of success from these examples
- focus on what audit committees should be looking for and what good practices they should be following to implement within their individual organisations
- give insight into COI from working across STPs
- touch on the revised guidance from NHS England in June 2017

The workshop is designed to give delegates the opportunity to take part in table discussions and will include a quiz to ensure the session is as interactive as possible.

### **WORKSHOP 2: STP governance in action: emerging approaches**

*Sam Simpson, director of finance, Cheshire & Merseyside STP, Tim Crowley, managing director, MIAA and Lisa Robertson, research manager, HFMA*

Since the announcement of sustainability and transformation plans (STP) in December 2015, there has been much activity in establishing relationships and plans for each footprint. With plans completed by the end of 2016, the focus is now on implementation and action. Now there is a shift in effort as areas turn their visions into reality and STPs take shape in a financial and care context that is already very demanding.

There remain huge question marks over how these new partnerships can be governed – especially as the regulatory focus remains firmly on individual organisations. Key issues are being grappled with across the country. For example, how do STPs take forward plans in a way that enables them to make as rapid progress as possible without having to refer every single decision back to the board of their constituent organisations? Governance models must be clear, robust and flexible to support the fundamental changes required and audit committees play a key role in ensuring these are appropriately developed.

Lisa will outline the key messages from the recent NHS financial temperature check and HFMA briefings on STP governance arrangements. Sam will share her experiences so far; how the Cheshire and Merseyside STP is evolving and how the development of effective governance to support system-level working is progressing.

Tim will facilitate discussion on how the audit committee might need to reset its focus, priorities and workplan in a system setting. He will share practical examples of building an STP focus into audit plans and enabling audit committees across a system to share risks and assurance issues. He will also explore how existing committee arrangements can be redesigned to release leadership capacity and the part the audit committee can play in driving that redesign. There will also be the opportunity for you to share your own experiences and reflect on how STP governance arrangements are developing.

### **WORKSHOP 3: GDPR – how can you best prepare for May 2018**

*Iain Bourne, associate director: data protection consultant, Grant Thornton UK LLP*

From 25 May 2018, all NHS organisations and arm's-length bodies will need to demonstrate compliance with new General Data Protection Regulation (GDPR) requirements.

Iain Bourne, associate director and data protection consultant at Grant Thornton UK LLP will join us in this workshop to:

- give an overview of why the GDPR has emerged and the changes that matter to the audit committee
- advise on how your organisations should react
- consider how the ICO is likely to respond and carry out GDPR Audits
- explain Brexit implications for the GDPR
- touch on the data Protection Bill: what's in it and what does it do?

#### **14:05 Coffee break**

#### **14:25 The audit committee and cyber security: What can we learn from “WannaCry”?**

*Robert White, director, National Audit Office*

Friday 12 May 2017 marks an unforgettable date for the public and private sectors, as thousands of organisations across the world fell victim to the “WannaCry” cyber-attack. In the UK, the NHS became the highest profile victim of the ransomware attack, with many organisations affected resulting in a disruption to patient services. The attack dominated media headlines in the UK and highlighted serious issues of cyber security and risk prevention processes within NHS organisations.

The National Audit Office (NAO) has undertaken an investigation into the attack, looking at organisations both affected and not.

Robert will join us to:

- discuss the impact on the health service; what went wrong, who was affected and why
- explain why some organisations were affected and others not
- highlight the role played by national bodies
- share examples of things organisations did to protect themselves
- highlight the lessons learned; readiness, resilience and cyber hygiene
- give us insight into the role of audit committees and their responsibilities regarding prevention, how to manage risks and how to ensure processes are working successfully on the ground

#### **15:10 PANEL LED DISCUSSION: The future role of the audit committee – how do we manage change and transformation?**

*Rachel Hopwood, audit chair, Countess of Chester Hospital NHS FT, Peter Dillon, audit chair, Royal Devon and Exeter NHS FT, Arthur Ferry, audit chair for East Berkshire CCGs and Nigel Foster, director of finance, Frimley Health NHS FT*

In this closing session, delegates will have the opportunity to ask the panel questions on their personal view on the future role of the audit committee. Topics covered will include:

- change in structures of the NHS through ACSs and STPs
- how do we ensure strong governance for individual organisations in a shared arrangement?
- should we be sharing governance across ACSs?
- how it's working on the ground within different organisations
- how to best prepare for future change and transformation effectively

To keep this session as interactive as possible, we advise delegates to prepare questions of their own for Q&A to promote discussion and debate.

#### **16.00 Chair's summary and close**