

WELSH AMBULANCE SERVICES NHS TRUST

MINUTES OF THE OPEN MEETING OF THE AUDIT COMMITTEE OF THE WELSH AMBULANCE SERVICES NHS TRUST HELD ON WEDNESDAY 16 MARCH 2011 AT NEWTOWN AMBULANCE STATION AND VIA VIDEO CONFERENCE FROM HQ, ST ASAPH AND VANTAGE POINT HOUSE, CWMBRAN.

PRESENT :

Mr P James	Non Executive Director and Chair
Mr S Castledine	Non Executive Director
Mr D Evans	Non Executive Director

IN ATTENDANCE :

Mr A Butler	Shared Services Project
Ms K Charters	Staff Side Representative (UNISON) (Open Session only)
Mr D Davies	Audit Manager, MIAA
Mrs V de Zouche	KPMG
Mr S Fletcher	Non Executive Director and Chairman of the Board
Mr D Harries	Internal Audit, Shared Services
Mr J Huxley	Assistant Corporate Secretary
Mrs P Gaskill	Claims Manager (Items 5 (Open) and 4A (Closed) only)
Mrs J Gill	Financial Accountant
Mr L Hadow	Local Counter Fraud Specialist
Mr J Jones	Corporate Accountant
Mr R Lee	Regional Director, Central & West
Mrs J Palmer	Category Manager, BSP
Mr E Price-Morris	Chief Executive
Mr B Roberts	Staff Side Representative (UNITE) (Open Session only)
Mrs D Sharp	Corporate Secretary
Mr S Silcott	Shared Services Project
Ms V Stevens	KPMG
Mr T Woodhead	Director of Finance

APOLOGIES:

Mr J Morgan	Non-Executive Director
-------------	------------------------

05/11 PROCEDURAL MATTERS

The Chairman formally welcomed Mr A Butler, Mr S Silcott and Mr D Harries to the meeting.

RESOLVED: That

(1) the minutes of the special meeting of the Committee held on 13 January 2011 and the scheduled meeting held on 19 January 2011 be confirmed as a correct record and the following matters arising be noted and/or actioned:-

(a) Minute 01/11 (b) – 19 January (Open Session) – Consultancy Services

The Director of ICT had prepared a written submission to address questions raised by the Committee at the last meeting.

(b) Minute 04/11 (1)(b) – 19 January (Closed Session – Tender Update Report

Director of Finance/BSP/Corp Sec to action.

A paper was circulated to members of the Committee which set out a process for ensuring the award of tenders which required Board level approval in accordance with Standing Orders were identified and referred to the Trust Board for approval as required by the Trust's Standing Financial Instructions.

(2) the imminent publication of the new Wales Audit Committee Handbook be noted;

Corp Sec to arrange.

(3) the intention to publish on the Trust's website the expenses received, and declaration of interests made, by members of the Management Team, and also Non Executive Directors, be noted; and

(4) the criteria, as described in the report, advising Committees within the Board's Committee structure on the circumstances when it might be appropriate to refer business to the Audit Committee for detailed consideration, be approved.

Corp Sec to advise Committees

06/11 NHS SHARED SERVICES

Mr Andy Butler and Mr Stuart Silcott, who were part of the Shared Services Project, and Mr Dave Harries, Internal Auditor, Shared Services attended the meeting to provide information and assurance that internal audit services to the Trust from 1 April 2011 would be comparable with current standards, and ultimately

improved, under the shared services arrangements.

It was confirmed that a Head of Internal Audit services was to be appointed very shortly and the structure and delivery of the internal audit function would be shaped by this appointee. Mr Dave Harries would in future be the Trust's point of contact for internal audit matters and he gave the Committee an outline of how the arrangements would work and what level of service the Trust could expect. The Committee also asked that once the Head of Internal Audit was appointed they should be invited to attend a future meeting of the Committee to outline the future plans.

Members of the Committee asked a number of questions seeking clarification on various issues but made specific reference to the importance that the Trust, through the Audit Committee must be involved in setting the agenda for the Annual Audit Plan and decide what it wanted internal audit to review and report; this point was unanimously accepted. It was also accepted that the establishment of the shared services arrangements presented an opportunity for audit work to be undertaken and cover issues that involved more than one organisation within the NHS and beyond.

The Committee was also advised that revised Standing Orders, and other governance documents, would shortly be approved by the Minister and the Board was required to approve the changes before 31 March 2011. It was hoped that approval would be received to be able to present a report to the meeting of the Board on 31 March.

RESOLVED: That

(1) the arrangements for internal audit services with effect from 1 April 2011, as presented to the Committee, be noted and the Head of Internal Audit be invited to attend a future meeting of the Committee once appointed to outline future internal audit plans; and

Corp Sec/Director
of Finance to
action.
Corporate
Secretary

(2) when the revised Standing Orders, and other governance documents, receive Ministerial approval, the Chairman of the Board and this Committee, in consultation with the Corporate Secretary, consider the process to be adopted to ensure that the revised documents receive the approval of the Board within the required timescale.

07/11 FINANCE REPORT – MONTH 10

The Committee considered an update on the financial position of the Trust for the period to January 2011. The report presented by

the Director of Finance focussed on the income and expenditure for the period and the key risks which could impact on the financial situation up to the end of the financial year. Members of the Committee asked technical questions, namely the position regarding Air Ambulance funding, a position which needed urgent resolution, and also about the level of the Trust's cash balances.

RESOLVED: That the cumulative financial position as reported for the period to January 2011 (Month 10) and associated key risks and issues be noted.

08/11 DRAFT BUDGET 2010/11

The Director of Finance submitted a draft budget for 2011/12 which had, as far as possible this year, been aligned to the Trust's Annual Delivery Plan. The Committee considered a number of risks and assumptions associated with the draft budget and was advised that a zero based budgeting approach had been applied following the work by the Budget Review Group which had looked specifically into this matter.

Members focussed on the fact that the budget had been based on there being no delays in the handover of patients at hospitals and questioned whether this was a realistic position to take. It was acknowledged that this matter would result in either not meeting the performance standards or not achieving a balanced budget, but that a solution needed to be found through joint working and discussion with Local Health Boards, the Welsh Assembly Government and the Trust; such discussions were being held with a view to providing the incentives for this joint approach to be realised.

The Committee also discussed the need to receive budget information in the new financial year which identified budget performance on a month by month basis, rather than try and recover an overspend situation during the final three months of the year. In response, members were advised that the Management Team would be profiling costs, both fixed and variable, and also efficiency and productivity measures, and each Director would be responsible and accountable to deliver against these profiles.

Members acknowledged that the Trust now had a balanced budget for 2010/11, a business plan and linked budget for 2011/12. The Committee thanked those staff concerned for their work in achieving this position, whilst remaining concerned about the Trust's ability to achieve delivery given the associated risks and in particular handover delays.

RESOLVED:

That the Board be recommended to approve the draft budget for 2011/12 at its meeting on 31 March 2011.

Corp Sec/Director of Finance to refer to Board.

09/11 EXTERNAL AUDIT – PROGRESS REPORT AND DRAFT AUDIT STRATEGY 2011/12

The Trust's External Auditor circulated the draft Audit Strategy for 2011/12 as it related to the financial accounts aspect of work for next year. It was explained that it was not possible at this stage to confirm what performance work would be undertaken until further clarification had been obtained on what approach was to be adopted and which areas the Auditor General would wish to be covered. It was hoped that this could be confirmed at the next meeting of the Committee.

RESOLVED:

That the Draft Audit Strategy with regard to the financial element be received and it be noted that further clarification on the performance plan would be brought to the next meeting of the Committee on 24 May.

Corp Sec/Director of Finance to refer to Board.

11/11 EXTERNAL AUDIT – STRUCTURED ASSESSMENT – ANALYSIS

The Committee and the Board had approved the Structured Assessment at previous meetings but the Committee agreed to undertake further analysis of its findings and to make sure that it had responded appropriately to the recommendations contained within it.

It was suggested that one of the six recommendations should be considered at each future meeting of the Committee, although it was acknowledged that the Trust had already made significant progress on some of them eg business and financial planning arrangements and the ongoing development of the SWAFF.

RESOLVED: That

(1) the Corporate Secretary be asked to co-ordinate the presentation of reports at future meetings of the Committee on the recommendations listed in the Structured Assessment; and

Corp Sec/Management Team

(2) the Management Team be informed of this requirement to ensure that maximum support is provided, to report back to the Committee, and facilitate the attendance of appropriate

staff at meetings to enable the Committee to comprehensively scrutinise the recommendations.

12/11 WELSH RISK POOL ANNUAL REPORT 2010/11

RESOLVED: That the report be received and referred to the Trust Board for endorsement.

13/11 EXPENSES PAYMENTS TO CO-OPTED MEMBERS OF TRUST COMMITTEES (I.E. NON EMPLOYEES AND THOSE WHO ARE NOT REPRESENTATIVES OF THE TRUST)

All members of the Committee and those attendees employed by the Trust declared an interest in this matter as it related to the payment of travel and subsistence expenses in connection with their work for the Trust.

The Corporate Secretary submitted a report recommending that travelling expenses should be reimbursed to co-opted members who attend meetings and who were formally appointed to Trust Committees. The report also suggested mileage rates which were being applied by the Betsi Cadwaladr University Health Board.

Whilst the Committee was in agreement to the payment of expenses to co-opted members, it felt that the range of rates being paid for the various categories of staff relating to a number of differing circumstances needed to be reviewed to simplify the whole system. However, Members acknowledged the historical background and emotion attached to this subject but nevertheless concluded that it would be useful to look at the details and see how the matter could be moved forward.

The Committee was reminded that the Director of Workforce and OD had been asked to conduct such a review at the January meeting and would be reporting on it in due course.

RESOLVED: That the payment of travel expenses to co-opted members be adopted, subject to a further report to the Committee from the Director of Workforce and OD following the review of travel and subsistence arrangements within the Trust.

Corp Sec/Director of Workforce and OD

NOTE: Reports supporting the information contained in these minutes can be found on the Trust's website, www.ambulance.wales.nhs.uk