

WELSH AMBULANCE SERVICES NHS TRUST

MINUTES OF THE OPEN MEETING OF THE AUDIT COMMITTEE OF THE WELSH AMBULANCE SERVICES NHS TRUST HELD ON WEDNESDAY 29 MAY 2013 AT TRUST HEADQUARTERS, ST ASAPH, VIDEO CONFERENCING LINK FROM VANTAGE POINT HOUSE, CWMBRAN, CONWAY HOUSE, SWANSEA AND VIA TELEPHONE AND SKYPE

PRESENT :

Mr S Castledine	Non Executive Director and Chair
Mr D Evans	Non Executive Director
Dr K Fitzpatrick	Non Executive Director

IN ATTENDANCE :

Mr M Coe	Wales Audit Office
Mrs V De Zouche	KPMG
Mrs P Doble	Head of Operational HR (Left after Minute 10/13)
Mr I Emptage	Category Manager, Procurement Services
Mr S Fletcher	Non Executive Director and Chairman of the Board
Mrs J Gill	Financial Accountant
Mr D Harries	Internal Audit
Mr J Huxley	Assistant Corporate Secretary
Mr J Jones	Corporate Accountant
Mr M Jose	Staff side Representative (UNISON)
Mr O Lotfy	Principal Auditor
Mr E Price-Morris	Chief Executive
Mrs P Roseblade	Director of Finance and ICT
Mr P Sharman	Head of Internal Audit, Shared Services (Left after Minute 09/13)
Mrs D Sharp	Corporate Secretary (Left after Minute 09/13)
Ms V Stevens	KPMG

APOLOGIES:

Mr J Morgan	Non Executive Director
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05/13 PROCEDURAL MATTERS

RESOLVED: That

(1) it be noted that there were no declarations made under the Code of Conduct ;

(2) the minutes of the meeting (open and closed) of the Committee held on 20 February 2013 be confirmed as a correct record, and the following matters arising from the minutes be actioned:-

(a) Minute 01/13 (bii) (Open) – NHS Direct Recruitment

The Director of Finance and ICT reported that a recruitment process in NHS Direct was ongoing but the service was not up to establishment at present. The committee discussed the reasons behind the current difficulties in recruiting suitable staff to fill the vacancies eg possible reduction in Clinical Contact Centres and current debate about 111/0845 services.

(b) Minute 01/13 (c) (Open) – Health and Safety Thematic Review

It was reported that the draft report following this review had been issued to the Director of Workforce and OD at the end of April 2013 for comment. The final report would be presented to a future meeting of the committee.

(c) Minute 04/13 (2) (Closed) – Internal Audit Progress Report (Audit Review Tracking System)

The Corporate Secretary reported that discussions had been held with colleagues from the Betsi Cadwalladr University Health Board about the use of a system to track progress of audit review reports. Corporate Services staff had received the associated templates and were currently loading data onto them to test whether the system would be suitable for use by the Trust. Members would be given a demonstration in the near future and a further update would come to the next meeting of this committee.

(d) Minute 06/13 (2) (Closed) – Counter Fraud Progress Report

It was confirmed that the matter referred to in the minute was the subject of consideration under counter fraud procedures and no action was required by the Director of Service Delivery.

(e) the verbal updates from the action log be noted and in respect of the future of Counter Fraud, the Director of Finance and ICT would be having further discussions, both on a national and local level, to make progress with this development, and in respect of Minute 01/13 (9) (Open) – Air Ambulance SLA, the Director of Finance and ICT agreed that an update report would be available on this subject at the September meeting of the committee.

(3) the Annual Report of the Committee for 2012/13 be recommended for submission to the meeting of the Trust Board on 5 June 2013;

(4) the Trust Board be recommended to endorse the Governance and Accountability Module self assessment for 2012/13 at its meeting on 5 June 2013;

(5) the draft minute outlining the discussions held at the meeting of the Strategic Planning Committee on 2 May 2013 relating to financial matters, be noted;

(6) the current version of the Annual Business Plan for the Committee for 2013/14 be noted; and

(7) it be noted that no business has been referred to the Committee for consideration from other bodies within the Committee structure;

(9) the verbal updates in respect of the action log be noted and in respect of Minute No. 22/12 (closed) – Medical Gases – the Director of Service Delivery in conjunction with the Director of Finance and ICT be asked to produce a short report for the next meeting of the Committee setting out the outcomes of the Audit; and in respect of Minute 26/12 (Closed) – Air Ambulance SLA it was noted by Member that it was intended that this would be presented to the next meeting of the Committee in May.

06/13 COMMITTEE APPROVAL OF THE DRAFT ANNUAL ACCOUNTS 2012/13

The Committee gave detailed consideration to the Trust's accounts for the year ended 31 March 2013 which had been prepared by the Trust to comply with International Financial Reporting Standards under Schedule 9, Section 178, Paragraph 3 (1) of the National Health Service (Wales) Act 2006.

The Corporate Accountant, on behalf of the Director of Finance and ICT, introduced specific areas in the Accounts and highlighted where changes had occurred to income and

expenditure when compared to the previous year's accounts. A number of points of clarification were raised and these were responded to at the meeting.

Specific reference was made to a write-off of costs by the District Valuer in relation to the Hazardous Area Response Team (HART) building and the Make Ready Depot building at Dobshill, both of which represented large figures. Members agreed to receive a briefing note to confirm the costs associated with these buildings.

RESOLVED: That

(1) the Trust's Annual Accounts for 2012/13 be recommended for formal approval by the Trust Board on 5 June 2013;

(2) the contents of the Remuneration Report be noted; and

(3) a briefing note be sent to members of the committee to explain the write-off of costs in relation to the buildings for the HART and at Dobshill.

**07/13 AUDIT OF FINANCIAL STATEMENT REPORT
(KPMG OPINION)**

On behalf of the Auditor General for Wales, KPMG representatives presented a financial statement report providing an opinion on whether the Trust's financial statements were true and fair, had been properly prepared and income and expenditure had been applied for the purposes for which it was intended by the National Assembly for Wales.

The Statement confirmed that it was the Auditor General's intention to issue an unqualified certificate and to report on the financial statements once the Trust had approved the Accounts and provided Letters of Representation.

Upon considering the Statement, members requested further information as to how the audit process was conducted and concluded that a development day for all members of the Board, but specifically for Audit Committee members, would be a useful way to understand the process.

RESOLVED: That

(1) the Trust Board be recommended to receive the Financial Statement Report and, as part of the approval of the Annual Accounts for 2012/13, sign the Letters of Representation; and

(2) a development day be organised as quickly as possible

for members of the committee, and the wider Board membership, about the process of audit adopted by the External Auditor.

08/13 ANNUAL GOVERNANCE STATEMENT

As part of the Trust's Annual Accounts for 2012/13, the Trust was required to prepare an Annual Governance Statement confirming its performance during the year in relation to its risk management arrangements, the internal and external auditor's opinion with regard to control measures and assurance and the overall level of support to the Board and the decision making processes.

The Corporate Secretary introduced the Statement and members were advised to submit any comments or amendments urgently to allow time to prepare it to be included with the Trust's Annual Accounts which were to be considered by the Board on 5 June 2013. Specific reference was made to the section describing the funding allocation arrangements during the year and members agreed that the wording of this section needed revising to make the position clearer. In addition, members noted that revised wording would be forthcoming in relation to equality and diversity and the role of the Quality, Safety and Governance Committee.

RESOLVED: That

(1) any amendments or comments on the Annual Governance Statement be forwarded to the Corporate Secretary urgently; and

(2) subject to any further amendments over and above those discussed at the meeting in relation to the funding allocation, equality and diversity and the Quality, Safety and Governance Committee, the Annual Governance Statement for 2012/13, be recommended for approval by the Trust Board at its meeting on 5 June 2013.

09/13 IMPLEMENTATION OF THE DATIX RISK MANAGEMENT SYSTEM

The Corporate Secretary reminded the Committee that, at the meeting in February 2013, members had received a presentation on the possible use of a risk management system using Datix. The Committee asked the Corporate Secretary to undertake further work as to how the system could be introduced and advised that it should be done having regard to established programme management methods.

The Committee was advised that the management team had considered the proposal in detail, including the benefits,

constraints and considerations. The management team agreed that the implementation should be focussed initially on one directorate and that a project team be established to analyse the results of the pilot and agree a plan to include training prior to the roll out of the system to other directorates. It was anticipated that the pilot would take three months to complete before any meaningful feedback information became available.

RESOLVED: That

(1) the endorsement of the proposals confirmed in the report by the Management Team at its meeting on 25 April 2013, be noted; and

(2) it be noted that work is being progressed to pilot the system in the Workforce and OD directorate prior to the intended roll out across the Trust.

10/13 SICKNESS MANAGEMENT – PAYMENTS TO STAFF

The Committee had requested a report on this matter following previous discussions about the payment of staff for unsocial hours whilst off sick. Members were aware of the circumstances surrounding this subject but had asked for confirmation of the value of any overpayment to staff, whether any staff were continuing to be paid, and what decisions had been made to recover the overpayments.

In response, the Head of HR confirmed that a group of relevant staff and staffside representatives had been established to agree a methodology of identifying the reference period to determine the unsocial hours payment when a member of staff was off sick. When this methodology had been determined, it would then be possible to assess the impact retrospectively.

Members were anxious to ensure that the Trust was not continuing to make payments incorrectly and, therefore, requested a swift resolution to the matter. The Chief Executive undertook to investigate the situation with a view to finding a solution by no later than the end of June.

RESOLVED:

That members of the Committee receive a note by no later than the end of June confirming that the situation has been resolved, including details of the settlement reached and the repayment arrangements.

11/13 TENDER 0317 – FLEET ORGANISATION REVIEW CONSULTANCY

The Committee has requested a report outlining the tendering process that had been followed in connection with acquisition of consultancy work in relation to the Fleet organisation review. A full report was submitted by the Category Manager of the Shared Services Partnership for consideration by the Committee.

Members asked a number of questions about the milestones that were set during the process and considered whether there had been scope to undertake the exercise more quickly. Members concluded that the process had been conducted satisfactorily but perhaps in future the preparation of the tender specification could be completed could be done before the commencement of the process rather than during it.

RESOLVED: That the report be noted and the advice regarding the preparation of the tender specification be communicated to those staff who are involved preparing specification documents.

12/13 INTERNAL AUDIT REPORTS

(a) Head of Internal Audit Opinion and Annual Report 2012/13

In the report to the Committee, the Head of Internal Audit was able to confirm that the Board could take reasonable assurance from the report and, in section 4, commented upon the risk based audit assignments, including those that required specific management attention.

RESOLVED: That the Head of Internal Audit Opinion and Annual Report for 2012/13 be received and the Board be asked to adopt the reports.

(b) Internal Audit Operational Plan 2013/14 and Audit Strategy 2013/16

RESOLVED: That the Internal Audit Operational Plan 2013/14 and Audit Strategy 2013/16 be received and the Board be asked to adopt the report.

RESOLUTION TO MEET IN CLOSED SESSION

Representatives of the press and other members of the public were excluded from the remainder of the meeting having regard to the confidential nature of the business to be transacted in accordance with the requirements of Section 1(2) of the Public Bodies (Admissions to Meetings) Act 1960.

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