

DRAFT

WELSH AMBULANCE SERVICES NHS TRUST

**MINUTES OF THE OPEN MEETING OF THE AUDIT COMMITTEE OF THE
WELSH AMBULANCE SERVICES NHS TRUST HELD ON WEDNESDAY 22
FEBRUARY 2012 AT NEWTOWN AMBULANCE STATION AND VIDEO
CONFERENCING LINK FROM HQ, ST ASAPH**

PRESENT :

Mr P James	Non Executive Director and Chair
Mr D Evans	Non Executive Director
Mr J Morgan	Non Executive Director

IN ATTENDANCE :

Mrs V De Zouche	KPMG
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	Staffside Representative (UNISON)
Mr O Lotfy	Principal Auditor
Mrs S Owens	Relationship Manager, Shared Services Partnership
Mrs D Sharp	Corporate Secretary
Ms V Stevens	KPMG
Mr D Turner	Staffside Representative (UNISON)
Mr D Walliker	ICT Operations Manager
Mr T Woodhead	Director of Finance

APOLOGIES:

Mr S Castledine	Non Executive Director
Mr E Price-Morris	Chief Executive

Prior to the commencement of the formal business of the Committee, the Chairman extended best wishes and a speedy recovery to Stuart Castledine following recent medical treatment.

01/12 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 of the Committee held on 6 December 2011 be confirmed as a correct record and the further action agreed in relation to the following Minutes be noted;

Open Session

(a) Minute 27/11 (7) – WAO Report

It was reported that the Trust had not received formal notification from the Welsh Government to confirm that the Trust had met its break-even duty in full. It was agreed that this should be followed up as a matter of urgency;

(b) Minute 29/11 (2) – Calculation and Payment of Increments

A written report was requested at the next meeting of the Committee on 30 May 2012 to inform members why the ESR system failed to automatically arrange these payments;

(c) Minute 31/11 (3) – Surplus Equipment

A written report was requested at the next meeting of the Committee on 30 May informing members how non fleet assets eg ICT equipment were disposed of.

Closed Session

Minute 40/11 – Air Ambulance Charity

The Committee requested that a revised legal agreement be presented to the next meeting of the Committee on 30 May 2012.

(3) the terms of reference of the WASPF and the amendments to the Trust's SO's/SFI's to cover WASPF's functions and responsibilities, be recommended for approval by the Trust Board at its meeting on 15 March 2012;

(4) the schedule of declarations by members and staff under the Gifts and Hospitality Policy be received and the intention of the Corporate Secretary to make only minor amendments to the Policy be noted;

(5) the programme of committee business for 2012 be noted ;

(6) the arrangements to hold the Audit Committee workshop on Monday 27 February 2012 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

02/12 EXTERNAL AUDIT – PROGRESS REPORT

RESOLVED: That the progress report be received.

03/12 INTERNAL AUDIT CHARTER AND STRATEGY

The Committee was informed by the Internal Auditor that both documents had been based on model documents and had been refreshed to cover recent changes to internal audit arrangements. The Welsh Government would release both documents under Ministerial Letter in due course.

RESOLVED: That the Internal Audit Charter and Strategy be received.

04/12 FINANCE REPORT – MONTH 10 2011/12 AND ANNUAL ACCOUNTS UPDATE

The Director of Finance presented the finance report for Month 10 showing a retained deficit for the period of £0.096m; this was an improvement of £0.42m on the previous month.

The Committee was updated on two recent developments, the first had resulted in an underspend of £1.5m for the year (£1.25m up to Month 10) following a WG instruction to assume that the depreciation allocation now formed part of the overall revenue resource limit rather than being treated as a ring-fenced allocation. Secondly, in previous months, the Trust had assumed that funding included the disputed deduction with the Welsh Specialised Services Committee (WHSSC) of £1m in respect of notional efficiency review savings. However, for Month 10, income had been assumed to exclude this, leading to an adverse impact in month of £0.83m.

In response to these developments, the Committee viewed that it was totally unsatisfactory to be informed by the Welsh Government about the depreciation adjustment so late in the financial year and, with regard to the WHSSC change, it was recognised that there was still a risk of £250K, about which the Chief Executive was still pursuing.

Members also referred to the need for a new Efficiency Review to be undertaken. They were informed that the Welsh Audit Office would be carrying out a value for money review into Unscheduled Care in Wales. KPMG were asked to feedback members' desire

for a refresh of the efficiency review to inform this work. The Chief Executive informed the Committee that an internal piece of work had begun to start the review. With regard to the handover of patients at hospitals, Members expressed the view that this should be directly funded from the Welsh Government rather than go through the Health Boards.

Reference was also made to the variances between budgets and actual expenditure in relation to fleet maintenance, ambulance car expenditure and fleet fuel costs which amounted to approximately £1.5m. It was suggested that the budgets might have been incorrect from the beginning but Members requested that a review of fleet data to control the overspend be included in the Fleet Management review that had already been commissioned.

The Committee also received information with regard to the arrangements for the External Auditor to prepare the 2011/12 Accounts for approval later in the year together with the proposed timetable for undertaking the preparatory work.

RESOLVED: That

(1) the cumulative financial position as reported for month 10 and the associated key risks and issues, in particular the WHSCC abatement and handover waiting times, be noted;

(2) the Board be recommended to consider funding responsibility, a revised efficiency review and funding process;

(3) the Chief Executive be asked to amend the terms of reference of the current fleet review to include an analysis of the overspend in that area of the Service, and a further report be presented to the next meeting of the Committee outlining the progress made;

(4) the Chief Executive advise the Board on 15 March, as part of the Finance Report, what the current situation is in relation to funding for the Olympic and Paralympic Games; and

(5) the arrangements and timetable for completing the work towards the approval of the Accounts for 2011/12 be noted.

05/12 DRAFT ASSURANCE FRAMEWORK

The Corporate Secretary informed the Committee that work had been ongoing throughout the year to develop the Trust's overall Risk and Assurance Framework. Part of this work had focused on pulling together an overarching document which captured and

provided clarity on the various elements that made up the overall framework.

A copy of the draft Assurance Framework was circulated to members which identified a structure and process that enabled the Trust to focus on the risks to achieving its most important strategic objectives and to map out both the key controls in place to manage them and also how they had gained sufficient assurance about their effectiveness.

In order to finalise the document, further work was required to align it to the new management structure and to await further information on the requirements to move from a Statement of Internal Control to an Annual Governance Statement. It was anticipated that a final draft of the Framework would be available for the next meeting of the Committee on 30 May for recommendation to the Board on 1 June for approval.

RESOLVED:

That the draft Assurance Framework be noted at this stage and a final draft be presented to the next meeting on 30 May with a view to recommending it for approval by the Board on 1 June 2012.

06/12 DRAFT RISK MANAGEMENT POLICY AND STRATEGY

This document was presented as draft at this stage and the Committee was invited to comment on its contents in preparation for an amended version to come to a future meeting of the Committee and subsequently to be approved by the Trust Board.

Further work to finalise the document was necessary to align it to the new management structure and where the responsibilities for risk management would rest under the new arrangements.

RESOLVED:

That the draft Risk Management Policy and Strategy be noted at this stage and a final draft be presented to the next meeting on 30 May with a view to recommending it for approval by the Board on 1 June 2012.

07/12 DRAFT HEALTH AND SAFETY POLICY AND DRAFT HEALTH AND SAFETY PLAN

Similar to the previous item, the draft Health and Safety Policy and draft Health and Safety Plan were presented as draft at this stage and the Committee was invited to comment on the contents in preparation for an amended version of the documents to come

to a future meeting of the Committee and for the Policy to be approved by the Trust Board.

RESOLVED: That

(1) the draft Risk Management Policy be noted at this stage and a final draft be presented to the next meeting on 30 May with a view to recommending it for approval by the Board on 1 June 2012; and

(2) guidance be provided to Non Executive Directors, Lead Executives and Senior Managers on the obligations and expectations of Board 'Champions' in relation to individual functions of the Service.

08/12 MOBILE TELEPHONY – PERSONAL USE

Mr D Evans declared an interest in relation to this matter on the basis that he held shares in one of the telephony companies under discussion.

The National ICT Operations Manager provided information to supplement a report that the Committee had considered at a previous meeting. It informed members of the number of mobile phones in circulation in the Trust, the arrangements to identify and the billing arrangements for private calls and confirmation of the suppliers of mobile phones in the Trust.

RESOLVED: That the report be noted.

09/12 MEDICAL GASES – UPDATE

The Committee received a report identifying the progress that had been made in improving the supply and control of medical gas usage by the Trust and the tracking of cylinders at both Trust locations and at hospitals. It was confirmed that internal audit had now received the information to commence the audit of the new arrangements and this would be progressed as quickly as possible.

RESOLVED:

That the revised arrangements and the financial savings achieved be noted.

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