

WELSH AMBULANCE SERVICES NHS TRUST

MINUTES OF THE OPEN MEETING OF THE AUDIT COMMITTEE OF THE WELSH AMBULANCE SERVICES NHS TRUST HELD ON TUESDAY 24 MAY 2011 AT NEWTOWN AMBULANCE STATION AND VIA VIDEO CONFERENCE FROM HQ, ST ASAPH.

PRESENT :

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

IN ATTENDANCE :

Mrs K Baggott	KPMG
Mr M Coe	Welsh Audit Office
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 J Gill	Financial Accountant
Mr L Haddow	Local Counter Fraud Specialist
Mr J Jones	Corporate Accountant
Mr R Lee	Regional Director, Central & West
Mr O Lofty	Principal Auditor
Mrs J Palmer	Category Manager, BSP
Mrs D Sharp	Corporate Secretary
Ms V Stevens	KPMG
Mr T Woodhead	Director of Finance

APOLOGIES:

Mr D Turner	Staff Side Representative (UNISON)
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14/11 PROCEDURAL MATTERS

RESOLVED: That

(1) the minutes of the meeting of the Committee held on 16 March 2011 be confirmed as a correct record;

(2) members be invited to submit their views, independently to the Corporate Secretary, on the New Wales Audit Committee Handbook, particularly in relation to identifying

any areas of work for detailed review, comments received being taken forward via a training session in the autumn to be facilitated by internal and external auditors;

(3) following the Structured Assessment, the Committee agreed to receive individual presentations at future meetings from the appropriate Directorate representatives in response to the areas for development that had been identified in the assessment;

Corp Sec to consider a programme for presentations.

(4) the receipt of revised Standing Orders (SO's) and Standing Financial Instructions (SFI's) from the Wales Government be noted, and that key changes would be identified and circulated electronically for comment to Audit Committee members prior to a report being submitted to the Board meeting on 28 July 2011;

Corp Sec to circulate SO's/SFI's and refer to July Board.

(5) the criteria for referring matters to this Committee for review be expanded to advise Committees to be clear about what they are seeking from the Audit Committee when referring matters; additionally any relevant criteria from the revised Audit Committee Handbook be included; and

Corporate Secretary (JH)

(6) the Trust's self assessment in respect of the Governance and Accountability - Module 1 and Standards 1, 22 and 23 of the Standards for Health Services be approved, and it be noted that the Committee recommended that, in future, the current individual processes to collect information for the Governance and Accountability Module and the Standards for Health Services be amalgamated into a single exercise to avoid any unnecessary duplication.

Corp Sec/Clinical Director to notify relevant body/persons of the Committee's views.

15/11 COMMITTEE APPROVAL OF THE DRAFT ANNUAL ACCOUNTS 2010/11

The Committee gave detailed consideration to the Trust's accounts for the year ended 31 March 2011 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 Committee also received an analysis of expenditure and an NHS Trust Memorandum Statement.

The Corporate Accountant introduced specific areas in the Accounts and highlighted where changes had been made to income and expenditure when compared to the previous year's accounts. A number of points of clarification were raised and a number of these were responded to at the meeting. However, additional information was requested by individual members as follows, to be sent to all members of the Committee in the near

future:-

(a) Page 19 of the Accounts – A breakdown be provided of the overall cost of the Health Courier Service (HCS) and this Committee look into the desirability or otherwise of using agency staff to undertake HCS duties;

(b) Page 19 of the Accounts – A breakdown of those posts/costs contained within the Medical staff, the Director and administrative cost headings;

(c) Page 26 of the Accounts – Further information required to explain why operational vehicles are available to be commissioned into service from a procurement point of view but remain non operational until much later in the year waiting for further minor work to be completed; and

(d) Page 26 of the Accounts – A breakdown of the figures regarding the Trust assets, as confirmed in the Accounts, be referred to the Board for consideration.

RESOLVED: That

(1) the Trust's accounts for 2010/11, together with the Statement on Internal Control, be recommended for formal approval by the Trust Board;

Dir of
Finance/Corp Sec
to refer to Board,

(2) thanks be extended to the Corporate Accountant and his team for producing a professional set of accounts and for the hard work that had gone into producing them; and

(3) the further information listed in (a) to (d) of the minute (as set out above), be sent to all members of the Committee.

Director of
Finance

16/11 AUDIT OF FINANCIAL STATEMENT REPORT

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.

RESOLVED: That the Financial Statement Report be received.

**17/11 EXTERNAL AUDIT – PROGRESS REPORT AND DRAFT
AUDIT STRATEGY**

Members recalled that in March 2011, the External Auditor presented the External Audit Strategy as it related to the financial accounts work to be undertaken in 2011. At this meeting, the Committee considered an updated report which included work to be undertaken relating to the performance audit, which completed the plan of audit work for the year.

The Plan confirmed that the external auditor would be focussing on the areas of clinical engagement, data quality, information governance and the achievement of cost saving plans.

In considering the Plan, reference was made to the impending publication of the 'Informing Healthcare Report', sometime in June, and the need to refer to this report in the discussions on the ICT Strategy which was due to be held at a Board Development session in July.

RESOLVED: That

(1) the External Audit Plan for 2011/12 be approved;

(2) the Committee looks forward to receiving details of the audit work at the next and subsequent meetings of the Committee; and

(3) when available, the 'Informing Healthcare Report' be used to inform discussions about the Trust's ICT Strategy.

Director of ICT to include in future report

**18/11 FINANCE REPORT FOR THE PERIOD ENDING 30 APRIL 2011
– MONTH 1**

In reporting the financial position at Month one, the Director of Finance advised the Committee that it was too early in the year to draw any trends and themes from the performance, although there were one or two areas which had been identified for specific consideration and action.

The Director of Finance reported that after Month one, the Trust was reporting an adverse variance against the financial plan of £0.198m. A number of risks to the Trust were identified in the report which also included a list of assumptions that had been made in determining the month end position, including the potential impact of 'no loss' linked to A4C assimilation.

Reference was made to the level of overspend in the Central &

West Region and the Committee received information as to what action was being taken to reduce it. The Interim Director of Emergency Services was currently analysing the demand profile in certain parts of the Region and how this information could be used to develop options to improve service delivery and, in turn, the financial situation.

RESOLVED: That

(1) the cumulative financial position as reported for Month one outturn for April 2011 and associated key risks and issues be noted;

(2) it be noted that a further report on the financial position, particularly relating to the Central & West Region, will be considered at a future meeting of the Strategic Planning Committee, and by this Committee in fulfilling its scrutiny function; and

Director of
Finance

(3) the implications for the Trust in relation to the proposal to introduce a system for redress, be included in future financial reports to the Committee.

Director of
Finance/Clinical
Director

19/11 RISK MANAGEMENT FRAMEWORK

The Corporate Secretary presented a Risk Management Framework which set out the arrangements to develop risk registers and monitoring arrangements including escalation. It was reported that the Quality, Safety and Governance Committee had decided to consider further, at its next meeting, whether it should monitor all Directorate Risk Registers rather than rely on the Level 3 Panels, at least until their role and operation had become more embedded within the new committee system.

The Committee welcomed the framework covering risk management issues and noted the views of the Quality, Safety and Governance Committee. Members were content to rely on that Committee to decide the future course of action with regard to Directorate Risk Registers, recognising that the committee system needed time to bed down.

RESOLVED: That the Risk Management Framework be supported, noting a possible amendment to the framework by the Quality, Safety and Governance Committee.

**20/11 THE DISPOSAL OF SURPLUS EQUIPMENT –
PROCUREMENT ADVICE**

The Category Manager for the North Wales Business Support Partnership presented a report outlining the process and

procedure for disposing of surplus equipment on behalf of the Trust. Members discussed the balance to be struck between making sure that the Trust achieved the best possible return from disposing of equipment and as quickly as possible, against the requirement to comply with national procurement regulations and procedures that applied to public service organisations. However, the Committee was unanimous in its view that any monies accrued from disposals should be maximised to achieve the best possible return for the Trust.

RESOLVED: That

(1) the procedure put forward in the report be utilised by the Trust to dispose of its surplus equipment; and

(2) a standard agreement to be drawn up by Procurement Services be used in all cases where surplus equipment is sold to a party outside of the Trust.

Category Manager
(BSP)/Director of
Finance to action.

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