

WELSH AMBULANCE SERVICES NHS TRUST**MINUTES OF THE OPEN MEETING OF THE AUDIT COMMITTEE OF THE
WELSH AMBULANCE SERVICES NHS TRUST HELD ON WEDNESDAY 30
MAY 2012 AT NEWTOWN AMBULANCE STATION AND VIDEO
CONFERENCING LINK FROM HQ, ST ASAPH****PRESENT :**

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| 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 :

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| Mr T Ashforth | Acting Corporate Accountant |
| Mr M Coe | Wales Audit Office |
| Mrs V De Zouche | KPMG |
| Mr S Fletcher | Non Executive Director and Chairman of the Board |
| Mrs J Gill | Financial Accountant |
| Mrs J Hardisty | Director of Workforce and OD |
| Mr D Harries | Internal Audit |
| Mr J Huxley | Assistant Corporate Secretary |
| Mr J Jones | Interim Director of Finance and ICT |
| Mr O Lotfy | Principal Auditor |
| Ms N Park | Non Executive Director |
| Mr P Sharman | Head of Audit and Assurance, NWSSP |
| Mrs D Sharp | Corporate Secretary |
| Ms V Stevens | KPMG |
| Mr D Turner | Staffside Representative (UNISON) |

APOLOGIES:

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|-------------------|-----------------------------------|
| Mr M Jose | Staffside Representative (UNISON) |
| Mr E Price-Morris | Chief Executive |

10/12 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 (open and closed) of the

Committee held on 22 February 2012 be confirmed as a correct record and it be noted that the outstanding action identified in the Committee's action log will be presented to future meetings of the Committee;

(3) the changes to the Gifts and Hospitality Policy, as suggested in the report, relating to the Bribery Act and legacy payments to staff as part of a will and testament, be recommended to the Trust Board for approval at its meeting on 1 June 2012;

(4) the Annual Report of the Committee for 2011/12 be recommended for submission to the meeting of the Trust Board on 1 June 2012, subject to one minor amendment regarding membership being notified to the Board;

(5) the changes made to the Scheme of Delegation be endorsed and recommended to the Trust Board for approval on 1 June 2012, subject to amendment and clarification of the terms of office in relation to two Non Executive Directors; and

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

11/12 COMMITTEE APPROVAL OF THE DRAFT ANNUAL ACCOUNTS 2011/12

The Committee gave detailed consideration to the Trust's accounts for the year ended 31 March 2012 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 Interim Director of Finance 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.

Particular reference was made to the warranty arrangements in respect of Hazardous Area Response Team (HART) vehicles and whether financial provision should be included in the accounts. The Committee concluded that the increase in liability to the Trust arising from the circumstances surrounding the completion of one of the vehicles was not sufficiently material to warrant any amendment to the Trust's accounts.

The Committee also referred to the Remuneration Report attached as Appendix 2 to the accounts and asked that the figures listed in the report be checked before the Board agreed the accounts at its meeting on 1 June 2012.

RESOLVED: That

(1) the Trust's Annual Accounts for 2011/12 be recommended for formal approval by the Trust Board on 1 June 2012; and

(2) the contents of the Remuneration Report be noted, subject to further clarification of the accuracy of the figures stated in the report before the Board meeting on 1 June 2012.

12/12 AUDIT OF FINANCIAL STATEMENT REPORT 2011/12 (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.

RESOLVED: That the Financial Statement Report be received.

13/12 ANNUAL GOVERNANCE STATEMENT/STANDARDS FOR HEALTH SERVICES/TRUST BOARD ANNUAL REPORT

(a) Annual Governance Statement

The draft Annual Governance Statement (AGS) had replaced the former Statement of Internal Control (SIC). In previous years assurance had been provided primarily from the SIC completed by Accountable Officers. For 2011-12, in line with changes to Treasury Guidance, the SIC had been replaced by an annual governance statement (AGS). The AGS was to be included in the Trust's accounts and annual report.

(b) Standards for Health Services

At the meeting of the Board in March 2012, it was agreed to establish a Scrutiny Panel, drawn from a small number of Executive/Non Executive Directors to meet and sign-off the

Standards for Health Services on behalf of the Board in support of the AGS.

The Scrutiny Panel met on 27 April 2012 and considered the draft AGS together with the Board Governance and Accountability Module. In endorsing the Governance and Accountability Module, the Panel made a number of comments in relation to the AGS which were reflected in the version circulated for consideration by the Committee. The document also included comments received from the Chief Executive and the wider Board membership.

(c) Trust Board Annual Report

The Committee was informed that an electronic draft of the Trust Board Annual Report 2011/12 had been circulated to all Board Members for comment. This was to be supplemented with the financial information following approval of the accounts. The Committee was asked to recommend approval of the draft to the Board in readiness for publication at the annual meeting of the Trust Board on 26 July 2012.

RESOLVED: That the Board be recommended to:

(1) endorse the Annual Governance Statement, and accordingly the Governance and Accountability Module Self Assessment; and

(2) the draft Annual Report, subject to appropriate adjustment to incorporate the necessary financial information following approval of the accounts.

14/12 SHARED SERVICES PARTNERSHIP TO VELINDRE TRUST

In considering the documentation relating to the Shared Services Partnership arrangements, the Committee was asked to consider whether the Trust should adhere to the requirement that had been placed upon all Local Health Boards, to refer all contracts that fell below £1m to the Minister for review prior to their approval. It was confirmed that this requirement did not apply to NHS Trust's, but if it did, would result in a more complicated and drawn out process for the Trust when developing large capital projects. In conclusion, it was decided to seek further clarification on this matter.

When considering the Trust's nomination for membership of the Shared Services Committee, members recommended that the Chief Executive should personally be an active member of the Shared Services Committee during the initial period of the Committee's development, and that he should only hand over

attendance to another nominated officer when he considered that the Committee had developed an effective modus operandi which would ensure that the Trust's interests would be protected.

RESOLVED: That the Board be advised to note that the following action was recommended by the Committee and approved by the Chairman under the urgency procedures contained in Standing Order No: 2.1:

(1) the Velindre NHS Trust Amended Regulations be noted;

(2) the following be approved:-

- **Standing Orders for the Shared Services Committee (including Scheme of Delegation), subject to further clarification being sought by the Trust's Director of Finance and ICT from the Director of Finance, NHS Wales regarding the requirement of the Trust to adhere to the additional monitoring arrangements put in place for contracts that fall below £1m;**
- **Memorandum of Cooperation;**
- **Accountability Agreement between Chair of the Shared Services Committee and the Director of Shared Services;**
- **Interface Agreement between the Chief Executive/Accountable Officer of Velindre NHS Trust and the Director/Accountable Officer of Shared Services;**
- **Hosting Agreement.**
- **Amendment to Trust Standing Orders as set out in Annex 7 of the report;**

(3) the Chief Executive, or his nominee, be nominated to represent the Trust on the Shared Services Committee; and

(4) the Governance and Accountability Module Self Assessment be endorsed.

15/12 INTERNAL AUDIT REPORTS

Prior to considering the Internal Audit Opinion and the draft Internal Audit Plan, Mr Phil Sharman, Head of Internal Audit and Assurance on behalf of the All Wales Shared Services

Partnership introduced himself to the Committee and gave an overview of his role, and that of the partnership, and the areas, in broad terms, where internal audit would be focussing its energy in the short to medium term.

One such area of focus, from an All Wales perspective, was to be on capital assurance, and discussions between Trust representatives and internal audit were due to commence shortly.

(a) Head of Internal Audit Opinion

A report setting out the Internal Audit Opinion informed the Committee that the Trust had received an assurance assessment equivalent to 'significant assurance' under categorisations used in previous years. Reference was made to the success of the establishment of a Scrutiny Panel which brought together the discussion surrounding the Annual Governance Statement, Standards for Health Services Self Assessment and the Governance and Accountability Module.

(b) Draft Internal Audit Plan 2012-13

Internal Audit submitted the draft Internal Audit Plan for the current year. In recognition that the All Wales Shared Services Partnership would become hosted by Velindre NHS Trust from 1 June 2012, the Director of Audit and Assurance was considering the audit needs for the Partnership and, through the Head of Internal Audit, would be keeping the Trust's Audit Committee updated on the impact of any changes that were subsequently agreed.

RESOLVED: That

(1) the Head of Internal Audit Opinion and Annual Report be received;

(2) the Draft Internal Audit Plan for 2012-13, be approved;

(3) a report be submitted to the next meeting of the Committee outlining proposals to undertake a capital assurance review; and

(4) confirmation of the timescale for the Vehicle Procurement follow up review be sent to the Wales Audit Office.

16/12 DISPOSAL OF SURPLUS EQUIPMENT

RESOLVED: That a further report be submitted to the next meeting of the Committee to include the Trust's Asset Register, the arrangements to control all Trust assets and to

highlight those assets which attract value for money upon disposal.

17/12 CORPORATE RISK REGISTER

RESOLVED: That

(1) the latest version of the Corporate Risk Register, as at May 2012, be noted;

(2) the further steps being taken to improve the risk management framework be noted and the closer integration of the risk profiling and business planning processes be supported; and

(3) further consideration be given to the format and accuracy of some of the information provided, particularly the relationship between the mitigating action taken and the severity/likelihood scoring.

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