

Minutes of the Audit Committee Meeting
held at 2pm on Friday 19th July 2011
in the Cardiology Seminar Room, Bedford Hospital

Present: Mr I Pickering Non Executive Director (Chair)
 Mr D Gear Non Executive Director
 Mr G Johns Non Executive Director
 Mr K Lewis Non-Executive Director

In attendance

Mr D Richards Interim Director of Finance
 Mr R Valks Financial Controller
 Mr A Dickinson Trust Board Secretary (Secretary)
 Mr P King Engagement Lead, Audit Commission, (External Audit)
 Mr C Pettitt Engagement Manager, Audit Commission, (External Audit)
 Mr C Rising Senior Manager, RSM Tenon (Internal Audit)

1. Apologies for Absence

Mr T Merritt Head of Internal Audit, RSM Tenon (Internal Audit)
 Miss E Jones Director of Nursing & Patient Services

2. Declarations of Interest

There were no new Declarations of Interest.

3. Minutes of the previous meetings

3.1 Meeting held on 24th May 2011

These were agreed as a correct record.

3.2 Meeting held on 3rd June 2011

These were agreed as a correct record.

4. Matters Arising

4.1 Electronic Discharge Summaries

The Committee received the update paper considered at the EMB earlier in the week and welcomed the improvement. It noted that there had been issues with the portal which was the responsibility of the PCT and supported option 3. The Committee asked for a similar report to be available for its September meeting, reserving the right to ask the appropriate Associate Medical Director to attend, but if the current upward progress was maintained it was agreed that this matter would no longer need to be pursued by this Committee.

5. Action Log

111. Information Governance Toolkit – The position was noted. It was agreed to bring this matter back to the September meeting.

120. Bribery Policy – the Trust Board Secretary confirmed that the revised Fraud, Corruption and Bribery Policy had been approved by the EMB the previous day.

It was noted that the other items on the action log were either on the agenda or not due at this stage.

6. Governance and Risk issues

6.1 Revised Audit Committee Handbook

The Senior Manager circulated a further copy of the RSM Tenon briefing on this and advised that in addition to the checklist in the handbook, RSMT had prepared one of their own which he agreed to make available in time to be circulated to members of the Committee for completion and report back at the September meeting. This would also cover the issue of the effectiveness of the Committee.

6.2 Annual Report of the Audit Committee for 2010/11

This was agreed as an accurate record of what had happened in the year and it was also agreed that it should be included in the Committee's report to the next meeting of the Trust Board. It was agreed that it would be helpful to have a set of objectives for the year against which to assess their effectiveness. The Senior Manager agreed to make available examples from other Trusts which included priorities from Internal Audit work and Committees' own priorities. A local example would be discharge summaries.

6.3 Risk and Assurances

The Trust Board Secretary advised that the Assurance Framework had been reviewed by the Executive Directors and would be on the agenda for the Trust Board the following week. It was agreed that this Committee had an important role in receiving assurance that the process for the Assurance Framework was appropriate and working effectively.

6.4 Raising Concerns at Work - Concerns Raised July 2009 to June 2011

The Committee received the report and was surprised at the small numbers listed. The Trust Board Secretary confirmed that the process, sometimes known as whistle blowing, only came into effect when issues had not been dealt with by management or staff believed that they would not be dealt with by management. Such instances should be rare. It was noted that the policy was due for renewal and at that stage the Committee suggested that it should be republicised and that management should consider the report and come to a view as to whether the process was effective and whether there were any particular themes which needed attention.

7. Finance Issues

7.1 Internal Audit

7.1.1 Annual Report 2010/11

The Senior Manager explained that this was consolidation of what had been received by the committee earlier in the year. There were no new issues, but he drew attention to the number of reports which had only an amber/red assurance which indicated potential control weaknesses. It was important therefore that the recommendations in the report were implemented so that assurance improved. He agreed to provide a report to the next meeting of the Committee outlining which recommendations had been implemented and which were still outstanding and make this available on a routine basis going forward.

7.1.2 Progress Report

This was received. The Senior Manager confirmed that he anticipated being able to bring the finalised version of the reports currently in draft to the next meeting of the Committee. He confirmed that the audit plan had been discussed with the Director of Nursing & Patient Services and the version included in the report reflected those discussions. The plan was approved although the Interim Director of Finance stressed the importance of there being some flexibility to deal with issues as they emerged. The Committee supported this dynamic approach to the programme. In relation to the audit on procurement cards, the Interim Director of Finance advised that some process issues had been identified but they were not material and they were being pursued.

7.2 External Audit

7.2.1 Annual Audit Letter

The Engagement Lead confirmed that this summarised the events of the year and was a more public-facing document than the more detailed reports received e.g. the annual report to those charged with governance. The Committee agreed the contents of the letter and

that it should be on the agenda for the next meeting of the Trust Board and subsequently published on the Trust's website.

7.2.2 Annual Governance Report

The Trust Board Secretary apologised for not circulating this with the agenda. The latest version incorporated comments on audit of the annual quality account. Copies would be made available to members. The Chairman confirmed that the issues raised in the previous report had been discussed at the Board and the Committee and the Board were aware of the issues contained within the report.

7.2.3 External Assurance on the Trust's Quality Account

The Engagement Manager confirmed that the work done confirmed that the trust had in place arrangements to satisfy itself that the Quality Account was fairly stated and in accordance with the Department of Health's requirements and testing of two performance indicators supported that view. There were however some recommendations for improvement. He confirmed that this was a relatively positive report and in line with that submitted to other Trusts. The Committee asked for assurance that the data issues had been corrected and for a report on implementing the recommendations.

7.2.4 Audit Commission Update

The Engagement Lead explained the current position with regard to the future of the Audit Commission.

7.2.5 Charitable Funds Annual Fee letter

The Financial Controller advised that the accounts were ready for audit well within the deadline and the only outstanding issue was preparation of the annual report. It was suggested that there should be a special meeting of the Charitable Funds Committee in August to sign the accounts off prior to audit.

7.2.6 Payment by Results – Data Assurance Framework

The Committee noted the report that for this Trust this would be carried out in September by specialist consultants and that on the basis of the findings the national report would be published probably at the end of the year.

7.3 Counterfraud

The Senior Manager advised that there was one reactive investigation in progress.

7.4 Waivers of Standing Orders

The schedule of buying waivers was approved. The Interim Director of Finance would however review the overall process.

7.5 Schedule of Losses and Compensation

The schedule was approved. The Trust Board Secretary provided the background to the loss caused by service failure which was a recommendation for a payment by the Parliamentary and Health Services Ombudsman.

8. Documents Received

The following documents were noted.

- 8.1 Government announces extension of International Accounting Standard 27 to all NHS organisations
- 8.2 Client Briefing 11.11 - RSM Tenon
- 8.3 Client Briefing 12.11 - RSM Tenon

9. Items to report to the Trust Board

- Electronic discharge summaries
- Internal Audit plan

- Assurance Framework process
- Raising concerns
- Annual Audit letter
- Annual report

10. Date, Time and Place of Future Meetings

The next meeting of the Audit Committee would take place on the 20th September 2011 2pm in the Committee Room.

11. Private Meeting with external audit

The Committee Members had a private meeting with the External Auditor.

Dictated Alan Dickinson 23.07.11

Transcribed Rosemary Roberts 27.07.11