

Audit Committee

Minutes from a meeting held on Monday 16th April 2007 at 3.30pm,
in the Committee Room

Present

Mr Richard Strang
Professor Sir Andrew Likierman

In attendance

Simon Young, Director of Finance
Jonathan McKee, Trust Secretary

Janine Combrinck, External Auditor (PKF (UK) LLP)
Deborah Cripps, Internal Auditors (Bentley Jennison)
Paul Craigie, Internal Auditors (Bentley Jennison)
Michael Musgrave, Local Counter Fraud Specialist (Bentley Jennison)

1. Chair's Opening Remarks

Richard Strang welcomed everyone to the meeting, especially Professor Sir Andrew Likierman, the former Chair of the Committee, thanking him for his previous work; Jonathan McKee, new Trust Secretary; Michael Musgrave, the new Local Counter Fraud Specialist. Everyone introduced themselves.

2. Apologies for absence

Ms Emma Satyamurti

3. Minutes of the last meeting

These were accepted

4 Matters arising

Annual Audit Report

Andrew Likierman had completed a preliminary draft

- Andrew Likierman to forward to Richard Strang and Simon Young for their contribution
- Richard and Simon to forward to Jonathan McKee for the Annual Report.

Engagement Letter

This had now been signed with the limit on liability removed.

Audit Committee Membership

Dr Caroline Elton was thanked for her work; Emma Satyamurti will continue as a member of the Committee.

- Board of Directors to confirm changes

Annual Schedule of Business

The timetable had been updated

Audit Committee terms of reference

A meeting is to be held on 2nd May with the Chair of the Audit Committee, Clinical Governance Committee and the Risk Management Committee to clarify roles and working relationships.

External Audit

This item should now read Richard Strang and not Andrew Likierman.

5 Monitor's Side Letter Recommendations

Deborah Cripps from Bentley Jennison had written to confirm that all outstanding items had been implemented and/or addressed and there were no further issues of concern. However, the final paragraph seems to contradict this assertion and the letter will be redrafted to correct this (and a typographical error)

- Deborah to re-issue letter

Cash flow

Simon Young confirmed that when the Annual Plan has been completed, future reports to the Board of Directors will show cashflow forecasts to March 2009

Risk Management

The reference to the Clinical Director should read the Trust Director

KPIs

The recommendation had been implemented (although this work would be ongoing)

6 Internal Audit Reports

a) Progress

Deborah Cripps reported that all the field work had now been done and that reports were in draft form and will be ready in May.

- Deborah to forward proposed 2007/8 plan to Simon Young next week

- Final plan to come to the June meeting of the Audit Committee

Workforce statistics will follow at a later date.

b) Financial Management & Budgetary Control

Deborah was pleased to announce that the trust had scored the best possible ratings. Richard offered his congratulations to Simon and his staff on behalf of the Audit Committee.

c) Performance Management

Richard was extremely concerned that there were several anomalies in the report, which said that the trust had performed poorly whereas the summary reported “substantial assurance” with minor recommendations this was not the case. Deborah apologised and promised to make amendments and re-circulate the paper.

- Jonathan and Simon to see that the final column “Manager responsible” is completed
- Deborah to re-issue the report with corrections and omissions addressed

7 Counter Fraud

Michael Musgrave from Bentley Jennison gave apologies from Andrew King who had hoped to be at the meeting. A full specification for this work had been sent to Richard Strang. For large complex trusts, a commitment of 133.5 days is sometimes suggested; however, this was felt to be inappropriate at this trust and 10 days had been agreed (plus any investigation days as required on top of this) as in prior years.

- Michael to meet Simon to finalise the work plan for 2007/2008 and bring to May meeting

8 Update on recommendations from Auditors and progress on action points

Simon Young presented a paper, which focused on the residue of the 2005/2006 recommendations. Richard explained he was seeking substantial assurance that this work was being undertaken. Janine was satisfied with progress on these items, considering the rest to have been done, or that they were impossible to complete (e.g. SHA arbitration on debtors). Satisfactory action on recommendations should ensure “substantial assurance” being reported next year where not the case this year.

Simon noted that the trust held approximately £1,200 across five locations in cash; most of this cash was for the payment of patient travel expenses (payable to any patient on benefits)

Simon explained that the trust had implemented new systems to chase up debtors. For student debt, systems had been significantly improved in the last two years; his department and the Education and Training department were working together to on remaining debtors.

9 UCLH Report on Payroll Services

The trust received only a final report, not a draft. The Human Resources department will review the payroll signatory list. When ESR is introduced in November all systems will in any case be revised.

The timesheets for temporary staff will be amended to add extra assurance that the authorised signatories at a department level are recognised by HR

10 Debtors

Simon noted that of the total number of debtors, 12 owed £400,000 of the total amount. There are no serious problems with debtors. Janine confirmed that in her opinion the position of the trust was reasonable. Simon reminded the meeting that his department was paying more attention to debtors and cash collection; and that the development of this system had been helpful. Simon noted that the transition of the Monroe Young Family Centre was being managed and this would entail additional work hereafter, since legal firms and local authorities often delay payment for this type of work.

11 Risk Register

Simon reported that he had just attended a meeting of the Risk Management Committee and brought a copy of the Risk Register to assure the Audit Committee that the task was in hand.

12 Risk Management Committee

Jonathan had circulated a report of forthcoming Risk Management Committee meetings.

- Following the meeting on the 2nd May, the Chairman of the Risk Management Committee to be invited to the Audit Committee on an annual basis to provide systems assurance
- Richard Strang to attend the Risk Management Committee to help him familiarise himself with the work of the committee.

13 Clinical Governance Committee

Jonathan had circulated a report of forthcoming Clinical Governance Committee meetings and minutes; these were noted.

- Following the meeting on the 2nd May, the Chairman of the Clinical Governance Committee to be invited to the Audit Committee on an annual basis to provide systems assurance

- Richard Strang to attend the Clinical Governance Committee to help him familiarise himself with the work of the committee.

Richard stressed that Commissioners are increasingly seeking assurance of value for money and that outcome monitoring was a critical component of the evidence the trust can provide. Even qualitative data is useful in the absence of quantitative data.

14 Any other business

None.

15 Date of Next Meeting

Tuesday 5th June 2007, 4.00pm – 6.00pm, Committee Room, Tavistock Centre.

The meeting closed at 17.00

Action points

Date for completion	Matter arising	Responsible	Current position	Date of meeting from which point originated
May 2007	Item 2.1.1. Annual Audit Report ➤ Andrew Likierman to write report in the first instance, followed by input from other members	Andrew Likierman	To be written by early May	26 th January 2007
April 2007	Item 5. Audit Committee – Change of Chair / Membership ➤ Either Emma Satyamurti or Caroline Elton to leave the Committee	Board of Directors	New membership to be confirmed by Board of Directors on 24 th April. Emma Satyamurti to remain on Audit Committee, Caroline Elton to leave.	26 th January 2007
5 th June 2007	Item 6. Annual Schedule of Agenda Items ➤ Whole timetable to be reviewed and represented starting from what the Audit Committee has to cover	Simon Young	To be done by Jonathan McKee and Simon Young following revision of Terms of Reference	26 th January 2007
5 th June 2007	Item 7. Audit Committee – Revised Terms of Reference ➤ A meeting of the Chairmen of Audit Committee, Clinical Governance Committee and Risk Management Committee be convened to clarify members' roles	Nick Temple	This meeting will be held on Wednesday 2 nd May from 12 until 1pm, in Nick Temple's office	26 th January 2007

15 th May 2007	<p>Item 9.c. Core Financial Controls</p> <ul style="list-style-type: none"> ➤ Electronic Scan Signature System was not yet in place ➤ Objectives and risks identified by the Auditors (under section 4 of the report on core financial controls) in the Risk Register 	<p>Simon Young</p> <p>Simon Young</p>	<p>Currently being implemented. To be completed by April / May</p> <p>To be done in May</p>	26 th January 2007
Every meeting	<p>Item 16. Minutes of Risk Management Committee Meetings of 12th December 2006 / 16th January 2007</p> <ul style="list-style-type: none"> ➤ In future minutes to be accompanied by meeting schedule and subsequent changes to the schedule if any 	Nick Temple	In papers	26 th January 2007
Every meeting	<p>Item 17. Minutes of Clinical Governance Committee Meetings of 28th November / 19th December 2006</p> <ul style="list-style-type: none"> ➤ In future minutes to be accompanied by meeting schedule and subsequent changes to the schedule if any 	Rob Senior	In papers	26 th January 2007
5 th June 2007 / 10 th September 2007	<p>Item 18. Dates of future meetings</p> <ul style="list-style-type: none"> ➤ Report on proposed policy for valuation of trust property to be discussed in summer 2007 	Simon Young	This will be at June or September meeting	26 th January 2007

5 th June 2007	Item 3. From External Audit – PKF ➤ Documented protocols arranged between internal and external auditors to be shared with Simon Young and Andrew Likierman	PKF Bentley Jennison	Further review needed. Will come to June meeting of Audit Committee	27 th June 2006
20 th May	Item 4. Matters arising – Annual Audit Report ➤ Andrew Likierman to forward preliminary draft to Richard Strang and Simon Young for their contribution ➤ Richard Strang and Simon Young to forward to Jonathan McKee for the Annual Report	Andrew Likierman Richard Strang Simon Young		16 th April 2007
24 th April	Item 4. Matters arising – Audit Committee Membership ➤ Board of Directors to confirm changes	Board of Directors	To be considered Tuesday 24 th May	16 th April 2007
24 th April	Item 5. Monitor’s Side Letter Recommendations ➤ Deborah Cripps to re-issue letter	Deborah Cripps		16 th April 2007
24 th April June 2007	Item 6a. Progress ➤ Deborah Cripps to forward plan to Simon Young ➤ Final plan to come to June meeting of Audit Committee	Deborah Cripps		16 th April 2007

	<p>Item 6c. Performance Management</p> <ul style="list-style-type: none"> ➤ Jonathan McKee and Simon Young to complete the final column “Manager responsible” ➤ Deborah Cripps to re-issue the report with corrections and omissions addressed 	<p>Jonathan McKee Simon Young</p> <p>Deborah Cripps</p>		16 th April 2007
5 th June	<p>Item 7. Counter Fraud</p> <ul style="list-style-type: none"> ➤ Michael Musgrave to meet Simon Young to finalise work plan for 2007 / 2008 and bring to June meeting of the Audit Committee 	<p>Michael Musgrave Simon Young</p>		16 th April 2007
	<p>Item 12. Risk Management Committee</p> <ul style="list-style-type: none"> ➤ Following the meeting on 2nd May, the Chairman of the Risk Management Committee to be invited to the Audit Committee on an annual basis to provide systems assurance ➤ Richard Strang to attend the Risk Management Committee to help him familiarise himself with the work of the Committee 	<p>Richard Strang</p> <p>Richard Strang</p>		16 th April 2007

