

BIRMINGHAM EAST AND NORTH PCT

AUDIT COMMITTEE

Minutes of the meeting of the Audit Committee held on 10 January 2008 in the Boardroom at Waterlinks House at 10.00 am

Present Mark Ford (MF)– Non Executive Director
Nicola Lloyd (NL)– Chairman
Richard Miner (RM) – Non Executive Director

In Attendance Carol Brown (CB) – Counter Fraud
Mike Burns (MB)– Associate Director of Finance
Paul Dudfield (PD) – Internal Audit
Gill Edwards (GE)– External Audit
John Gregory (JG) – External Audit
R Choudry (RC) – Internal Audit
Hilary Wood – Head of Corporate Services

BEN	Apologies	Action
07/42	Apologies were received from Brendan O'Brien and Jonathan Tringham	
BEN	Minutes of Previous Meeting	
07/43	The minutes of the meeting held on 1 November 2007 were approved and signed by the Chairman	
BEN	Matters Arising	
07/44	07/26 – the meeting has taken place and there was now a timetable for action. The meeting had taken place with NEDs. Annual report – It had been agreed Julian Simcox would take the lead, JT would provide the financial element	
	07/27 – NL and JD were still to meet.	NL/JD
	07/37 – R17 the action had now been resolved R19 on going to be monitored Directors now received the full tracking report	
	GE would find out if AAL could be received sooner	GE
	07/38 – on going Overpayment by payroll providers – ESR had now been implemented, all of the changes had been made to the master file, HR had taken control of the changes process. There had been 100% check that employees were on the right pay scale, nominal roles would be going to budget holders on a monthly basis. Resources needed to be identified to provide the training for budget holders.	
	Mandatory training for authorised signatories had started this week, failure to attend would result in authority being withdrawn. Termination forms would have to be attached to establishment control forms before recruitment to posts would be approved. CB was in the process of providing a full set of payroll guidance notes which would be distributed to all managers.	

The retendering process for payroll provider was being managed by Sue Rose. At the moment this was a pan Birmingham service and there needed to be agreement about whether this continued.

07/39 – the report had been agreed by JT and forwarded to Directors.

BEN Draft Annual Report

07/45 This was discussed in great detail and alterations would be made following this meeting and the report would go to the January Board.

NL/HW

BEN Report from External Audit

07/46 *Recommendation Tracking Report*

The typeface had been changed to identify items where there had been amendments or movements. There was concern expressed that there were still a large number of items with no resolution. A number of these related to the final accounts process and therefore could not be resolved until year end. It was proposed that there should be a separate section of the report on which these items would be listed. This would make the tracking report more relevant.

GE/MB

R17 – there was concern about the comment ‘recommendation will not be implemented’ as the Board had discussions on risk on a regular basis. There needed to be a mechanism in place to give EA confidence that risk management training was being undertaken. It was agreed that GE would be given details of relevant Board development sessions.

HW/MP

Audit Progress Report

GE reported everything was on track and that she wished to put on record the excellent support she was receiving from Jo Thurston on the ALE process.

BEN Report from Internal Audit

07/47 It was reported that the process was behind schedule, however actions were being taken to ensure work was completed by year end. This would however concentrate work into the final three months of the year.

The work around SSA was on going and progress would be closely monitored to ensure it was completed over the next 2 months. It was confirmed that IA had a similar tracking report to EA’s and that this should become part of their report to future Audit meetings.

Concern was expressed that there was a risk of staff being overwhelmed and the Chair stated that EA and IA must liaise closely to ensure that their work was staged and did not adversely impact on individuals particularly within Ken Washington’s team.

It was agreed that MB, GE and PD should meet outside of this meeting to agree a week by week plan between now and the end of the financial year.

MB/GE/
PD

Feedback on Self Assessment Exercise

There were 57 items in total, 14 classified as ‘must do’ although none of these required action.

There were 35 ‘should do’ items, 14 of which required action, and 8 ‘could

do' items, 7 requiring action.

There was discussion about the items requiring actions and PD would make amendments and circulate to Committee members prior to the next meeting. PD

Should do

Specific actions identified

17 – PD would do a paper for the next Audit meeting PD

18 – Annual review of report formats would take place at the May 08 meeting

19 – NL/JD would do a paper for the Board NL/JD

Could do

Specific actions identified

14 – this would be a standing item on the agenda HW

29 – MB and NL to discuss a mechanism outside of this meeting NL/MB

37 –item for the next agenda would be a discussion on which IA performance measures should be reported to the Committee. HW

39 – PD to do a paper for the next meeting. PD

55 – frequency of meetings to be reviewed annually in September

Commissioning Strategy Final Report

Significant assurance had been given for this. There were some areas for improvement and these would be on the tracking report.

The Commissioning team were congratulated for their work on this strategy.

Assurance Framework and Risk Register Final Report

This report had been given significant assurance overall. There were some actions required but none of any significance.

It was noted that there was not a risk register for the SSA and that this should be addressed as a matter of urgency. MB undertook to find out more about the situation and inform members. MB

It was agreed that all sub committees should be reviewing their Terms of Reference. MB undertook to investigate with David Stenson whether this was being done. He would report back to the next meeting. MB

This review process was underway for the Audit Committee would be an item on the annual work plan for January.

BEN Report from Local Counter Fraud Service
07/48 Work was on track with 119 days having been completed out of 153 planned. CB continued to attend as part of the Trust induction process. She had undertaken sessions for individual groups of staff including nurses and practices in Sheldon. Articles had also been included in Cascade and Health News. The annual staff survey had been sent to 10% of staff and CB was investigating the responses received.

A publicity pack on the counter fraud policy had been sent to every member

of staff. The use of remaining counter fraud days had been discussed with JT and it was agreed to focus on health tourism. The guidance from the DoH was very vague but had been sent to all practices in the PCT. CB would concentrate on 15 practices in the Eastern region of BEN which she would visit to discuss the guidance.

The code of business conduct policy had been updated and the whistleblowing policy was going through the process of being approved. The payroll procedures and guidance was being worked on. The LRME exercise had been completed and the return made to CFSMS a month early. The NFI exercise had been completed.

An update was given on the 5 investigations completed. One of the cases had just gone to court and the individual had been given a six month sentence suspended for 12 months and 100 hours community service. There was some evidence that this individual was employed by a practice in BENPCT and this was being investigated. A closure report would be presented to the next meeting and circulated as a deterrent. CB

CB gave a brief synopsis of the other cases. MB would liaise with her about staff training in relation to payroll and working hours. CB/MB

Closure Reports

Anonymised versions would be distributed. CB confirmed she briefed JT on any cases when she began an investigation and agreed to send alerts out to all Directors and NL as Chair. CB

BEN Tender Waiver Reports

07/49 It was agreed this item would be deferred to the next meeting, and MB would prepare a more detailed report. MB

BEN Creditor Non Payment Expenditure

07/50 *Update on Controls in Place*

Authorised signatory training was now in place as mentioned earlier. The processes around creditor payments were being improved. There would be feedback at the next meeting following the IA audit. MB/PD

BEN Terms of Reference

07/51 There were discussions about the current terms of reference and suggested amendments. These would be made following the meeting and an amended draft emailed out to members. NL/HW

NL would discuss IG&P's TOR with Janet Down to ensure that there was no overlap or omissions between Audit and IG&P. NL/JD

BEN Date of Next Meeting

07/52 Thursday 6 March 2008 at 10.00 am in the Boardroom at Waterlinks House.

Chairman's signature

Date