

AUDIT COMMITTEE
Minutes of Meeting Held
10.00 Friday 30 July 2004
Executive Meeting Room, Normandy Court, Hemel Hempstead

Membership:	Martin Saunders (Chair) Ailsa Bernard Said Namdarkhan	Non-Executive Director
In Attendance:	Vince Doherty Tony Bettridge Dorothy Murphy (Minutes)	Interim Director of Finance Financial Controller PA to Finance Director (Acting)
Auditors:	Kay Storey Rob Murray Doug Freeman)	Audit commission Audit Commission PS Audit Services

Present:	In Attendance:	
Martin Saunders (Chair) (MS)	Vince Doherty (VD)	Kay Storey (KS)
Ailsa Bernard (AB)	Tony Bettridge (TB)	Rob Murray (RM)
Said Namdarkhan (SN)	Angela Lacey-Smith (Minutes)	Doug Freeman (DF)
	Nicola Moore (part of meeting)	

1.	APOLOGIES - None
2.	MINUTES OF MEETING HELD 7 MAY 2004 AGREED: The Minutes were agreed.
3.	MATTERS ARISING (Not included in the agenda)
3.1	Audit Committee Induction Pack Update (Minute 3.0) <ul style="list-style-type: none"> • VD provided summary regarding Audit Commission FAQs on Financial Management. • Draft was circulated, on which members were requested to provide comments to VD.
3.2	Marie Curie Research Wing (Minute 3.0) <ul style="list-style-type: none"> • Background summary was provided regarding this charity on which clarification was being sought on the purpose of the funds and how they were donated. • Graham Reid, Acting Divisional Manager, was following this up but should this information not be forthcoming, VD would take responsibility. • Legal arrangements were all in order but clarity was required on whether there were any implications for the Trust.
3.3	Review of Staffing Establishments (Minute 4.2) <ul style="list-style-type: none"> • VD provided summary regarding nursing and agency/bank manpower. • There were significant differences between the nursing manpower report and the finance establishment. • Most of this was due to omissions from the manpower report which were being addressed. • There was a classification issue around some nursing posts, some of which were MTO posts. • This had proved a valuable exercise in understanding the differences and there was now the need to ensure that nursing manpower included correct data.

3.4	Risk Based Reviews (Minute 5.0) <ul style="list-style-type: none"> • Agreement was required on best use of the 5 manpower days allocated to risk reviews. • 3 priority areas had been identified which the committee was requested to consider as good utilization of these days: <ul style="list-style-type: none"> - Medical Equipment (in terms of procurement, management and maintenance) - A requirement from the HSE to undertake work on Clinical Governance; - Clinical Coding where it was felt there was a risk (potentially a significant financial risk)
3.5	Tracking of Mobile Medical Equipment (Minute 5.0) A response was awaited from the Chief Executive to communication sent by MS, which would be copied to VD.
3.6	Statement of Internal Control (Minute 6.0) It was noted that this had now been completed and signed off as required.
4.	EXTERNAL AUDIT
4.1	2004/05 Audit Plan KS provided summary to plan circulated from which it was noted that this was still in draft format until finally approved by the Audit Committee. Key Points: <ul style="list-style-type: none"> • Fees for 2002/04 were in respect of 17 months of work. • P4. Aspects of Corporate Governance on which work was required were highlighted. • Also work which required but not in respect of CHAI requirements. • A request was made that the SHA be involved in local risk based work. • Agenda for Change (AFC) would be included, to include Consultant Contract, e-booking and PCT prescribing, focusing on the acute side. • P5: CHAI work requirements – 3 main topics would be covered in this area notably A&E, ward staffing and Day Surgery. • Work on data quality would also be undertaken. AGREED: That work should proceed as outlined.
4.2	Audit Progress Report <ul style="list-style-type: none"> • Two pieces of work were still ongoing (under performance and outpatients, where more detailed work was underway). • Some follow-ups were nearing completion.
4.3	Draft HRG and Reference Costs Report <ul style="list-style-type: none"> • It was noted that normally only finally agreed reports were brought to the Audit Committee. • The final Draft HRG report had been brought for comment. • Data and information was still awaited, notably from Planning which had resulted in the lengthy delay. AGREED: <ul style="list-style-type: none"> • That agendas, minutes and attachments would be issued much earlier. • That the Committee should be kept informed on a timely basis of relevant issues or topics. • That documents should be provided to the Management Executive prior to coming to the Audit Committee. • That VD in liaison with Louise Gaffney, would report to relevant Non-Executive Directors that this could now be finalized.

5.	INTERNAL AUDIT
5.1	<p>Annual Internal Audit Report 2003/04 DF provided summary to report circulated.</p> <ul style="list-style-type: none"> • The Capital Contract report was about to be finalized. • Follow up was required on IM&T draft reports which DF would progress. • Mobile phones response was required from Facilities Divisional Manager. <p>AGREED That the Annual Internal Audit Report report 2003/04 be noted.</p>
5.2	<p>Progress Report (May to July 2004) DF circulated amended Appendix 1 (Audit Plan 04/05 Outturn Statement as at July 04). It was noted that VD and the HR Director were currently discussing NHSP and whether this should remain with the Trust or be incorporated into a separate, wider NHS authority.</p> <p>AGREED</p> <ul style="list-style-type: none"> • That the Committee would endorse the proposal that NHSP should remain within the Trust but that they should adopt Trust policies and procedures. • That a review of NHSP should take place and that the Executive Team should be requested to consider this in detail and put forward recommendations to the Audit Committee.
5.3	<p>Confirmation that High Risk Recommendations Implemented It was confirmed that this had been undertaken as required.</p>
6.	<p>CONTROLS ASSURANCE AND RISK MANAGEMENT Nicola Moore, Trust Risk Manager, provided summary. The following points were noted:</p> <ul style="list-style-type: none"> • The Trust Risk Register was now in place, although this was embryonic • The Top 10 Risks did not represent totality, but this would evolve and develop; • The register was being populated reactively; • There was scope to be more dynamic and at higher levels; • 5 risks highlighted all related to medical equipment; • An audit was due to take place on medical equipment; • Risks identified by audit needed to be placed on the Risk Register. • The Annual Risk Report was now available and would be placed on the Trust web site. • Divisional risk reports and strategies had also been produced. • Reporting arrangements for 2004/05 were not yet available but the Trust would be working to the Action Plans as drawn up. • The need for strategic risks to be placed on the Risk Register was stressed for which a process had yet to be devised and agreed. <p>AGREED: That Controls Assurance and Risk Management would appear on the Audit Committee as a regular agenda item but relevant data only should be provided together with a brief summary for inclusion with committee papers, to include SUIs.</p>
7.	<p>DECLARATION OF INTERESTS REGISTER The Schedule was noted.</p>
8.	<p>HOSPITALITY/GIFTS REGISTER SUMMARY It was noted that none had been received since the last return.</p>

9.	TENDER/QUOTATIONS WAIVER REGISTER SUMMARY This was noted.
10.	TRUST SEAL REGISTER This was noted.
11.	LOSSES & COMPENSATION SCHEDULE This was noted.
12.	ANY OTHER BUSINESS – None
	DATE OF NEXT MEETING Date; Friday 5 November 2004 Time: 10.00 Venue: Executive Meeting Room, Normandy Court, Hemel Hempstead.

AUDIT COMMITTEE
1000 Friday 30 July 2004

ACTION POINTS

Item No	Item	Action Required	Person Responsible	Timescale
4.	4.3 Draft HRG and Reference Cost Report	<ul style="list-style-type: none"> Follow up on recommendations in draft report so it can be finalized. 	Louise Gaffney Vince Doherty	Before next meeting (5 th November)
5.	5.1 Internal Audit	<ul style="list-style-type: none"> Follow up required on IM&T draft reports Mobile phones response required from Facilities Divisional Manager. 	Doug Freeman Doug Freeman	
	5.2 Progress Report	<ul style="list-style-type: none"> A review of NHSP to take place for consideration by the Executive Team and recommendations provided to the Audit Committee. 	Rob Allan/ Vince Doherty	
6.	Controls Assurance and Risk Management	<ul style="list-style-type: none"> Controls Assurance and Risk Management to appear on the Audit Committee agenda as a regular item; relevant data to be accompanied by a brief summary report for inclusion with committee papers, to include SUIs. 	Nicola Moore	Ongoing