

Audit and Finance Committee**Appendix B**

Minutes of the Audit and Finance Committee meeting held Friday 13 July 2012 at 10.00 am in the Board Room, Trust HQ, Level 3, Academic Centre, John Radcliffe Hospital

Present	Mr Alisdair Cameron	AC	In the Chair
	Mrs Anne Tutt	AT	Non-executive Director
	Mr Chris Goard	CG	Non-executive Director
In attendance	Mr Mark Mansfield	MM	Director of Finance and Procurement
	Sir Jonathan Michael	JM	Chief Executive
	Mr Andrew Stevens	AS	Director of Planning and Information
	Ms Eileen Walsh	EW	Director of Assurance
	Mr Richard Wheeler	RW	Deputy Director of Finance (Technical)
Audit	Mrs Maria Grindley	MG	Audit Commission
	Mr Michael Yeats	MY	Audit Commission
Minutes:	Mr Ade Kadiri	AK	Deputy Head of Corporate Governance
	Mrs Judith Lawton	JL	Interim Company Secretary
Apologies	None		

Declarations There were no declarations of interest

Part I

The Chairman welcomed everyone to the meeting.

AFC41/12 Minutes of the Audit and Finance Committee meeting held on 1 June 2012

The minutes of the meeting were approved as a correct record of the proceedings subject to the following amendment:

Page 3, AFC35/2012, 6th para, 1st sentence to read: 'Referring to the Bribery Act 2012, Anne Tutt asked whether management was confident the Trust had implemented all the requirements.'

AFC42/12 Matters arising from the Minutes, work plan and action log

The action log was received and noted. The following updates were given:

AFC63/11 Update on EPR implementation

The Director of Planning and Information reported that the data quality issues relating to the implementation of the project were being monitored on an operational basis by the EPR Clinical and Operational Steering Group and that the stabilisation progress was continuing with progress made in a number of key areas. The key outstanding areas of management focus and effort were the primary targeted lists (PTLs) and commissioning of data.

Alisdair Cameron stated that he wanted to understand the risks and a clear plan for resolution. Regular reporting to the Board had been had been supplemented by Non-Executive walk rounds. Detailed plans were in place to address all the issues, including comparator advice with other Trusts on 18 weeks which had been difficult as an early adopter and Maternity and A&E were now stabilised. Work was now focusing on the next stage of the build, including training and that he would be pleased to provide detailed plans to the Committee.

The Chairman suggested Internal Audit be asked to assess whether the Trust's plans were robust enough, to consider data quality, and to determine whether lessons from the earlier problems have been learnt. Mr Goard asked if the Trust was receiving enough resource from the supplier, Cerner. Anne Tutt asked for confirmation on the timescales for addressing the risks. The paper coming forward to the Board in September 2012 was divided into two parts: the six month review was to consider what lessons had been learnt, and the second part was a business case for the next twelve to eighteen months, mapping out the benefit realisation programme, and changes in the governance arrangements. The Chief Executive pointed out that the Trust would need to consider the future risks associated with the closing down of Connecting for Health in March 2013. The contract with Cerner would run until 2015, and steps were being taken towards adopting a shared approach to re-procurement across the South. Any risks would need to be incorporated into the revised Board Assurance Framework in September.

Action

Internal Audit be asked to incorporate the EPR contract and implementation into their work plan (MM)

Future risks associated with the closing down of Connecting for Health in March 2013 to be incorporated into the revised BAF in September (AS)

AC4/12 Provision of Internal Audit and Counter Fraud Services

Mr Mansfield reminded the Committee that the internal audit and counter fraud contract with CEAC ended on 31 July 2012, after which KPMG would commence for internal audit and counter-fraud. He had met their engagement team, and agreed the process of planning for both areas of work. A draft plan would be in place in early August for consideration by the Committee at its next meeting on 14 September. Mrs Grindley stated that she intended to speak to KPMG about the plan in mid-August,. Internal Audit had been invited to the Trust Management Executive on 23 August to allow a collective review of the draft plan.

Action: (MM)

Internal audit plan and counter-fraud draft plan to come forward to the Committee in September 2012.

AC44/12 Chairman's Business

The Chairman asked that the agenda, including a summary of each item, should be circulated to members four weeks in advance of the meeting, and that there should always be a review of the forward agenda. Ten days before each meeting, there should be a teleconference or meeting between the

Chairman and the Director of Finance and Procurement to review the papers drafted.

Audit Section

AFC45/12 Internal Audit Progress Report

It was **resolved** to receive and note the report

AFC 46/12 External Audit

Audit Commission Annual Governance Report, incorporating Letter of Representation

The report and action plan was received.

Interim Memorandum on review of Financial Systems: The recommendations and management responses to the audit were appended to the report, which was provided for information.

Quality Accounts: Mrs Grindley reported that there were no issues of significance identified. The quality account was considered to be consistent with the requirements set out in the NHS (Quality Accounts) Regulations 2010 and the NHS (Quality Accounts amendment regulations 2011). The report was accepted.

PBR Assurance Report 2011/12: Mrs Grindley highlighted the PBR audit programme and the report presented contained the findings of the national assurance audit at OUH. Progress Report: Referring to the progress report, Mrs Grindley reminded the Committee that she would be transitioning to Ernst & Young. External Auditor appointment for the Trust had not yet been confirmed and therefore the planning for the 2012/13 work could not commence.

Development section

AFC47/12 Annual Audit Agenda and Timetable

The Committee welcomed the opportunity to consider the template agenda and timetable. Anne Tutt suggested that the Committee would find it helpful to conduct a series of planned "deep dives" which could be agreed at the start of the year, whilst ensuring the Committee had flexibility to consider other risks that arise in year.

On the Annual Audit Letter, Mrs Grindley confirmed she was happy for this to be presented to the Committee in July.

The Committee wanted to have oversight of the process being applied to clinical audit through reporting from the Quality committee. Anne Tutt asked about the approach to whistleblowing in the consideration of counter-fraud activities. The Director of Finance and Procurement indicated that KPMG's approach to counter fraud could be considered when the plan was presented in September.

The Director of Finance and Procurement indicated that the timing of the Board on 12 June 2013 meant the 8 May 2013 meeting may need to be moved to later in the month to accommodate the strict deadlines for submission of audited Annual Report and Accounts.

Action: (MM)

Annual Audit Agenda and Timetable to be updated following members comments and come back for consideration at the September Audit Committee

AFC48/12 Any Other Business

There was none discussed.

AFC49/12 Date of Next Meeting

Friday 14 September at 10 am