

Birmingham & Solihull Mental Health NHS Foundation Trust

AUDIT COMMITTEE

Minutes of the Meeting held on Tuesday 1st February 2011
In the Executive Meeting Room, B1 Trust Headquarters

In attendance

Members of the Audit Committee

Sukhbinder Singh Heer (SSH)	Chair of Audit / Non Executive Director (in the Chair)
Stan Baldwin (SB)	Non Executive Director
David Boden (DB)	Non Executive Director

Directors/Officers of the Trust

Georgina Dean (GD)	Director of Finance
Julie Hipkiss (JH)	Notetaker

External Auditors

Alison Breadon (AB)	Pricewaterhouse Coopers
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1. Apologies for absence

Stella Layton (SL)	Non Executive Director
Alison Lord (AL)	Non Executive Director
Chris Tidman (CT)	Executive Director of Resources/Deputy CEO
Gill Harrad (GH)	Trust Solicitor
Tracey Wright (TW)	Deloitte
Peter Lewis (PL)	Executive Medical Director
Denise Wilson (DW)	Executive Director of Quality, Improvement & Patient Experience
Frances Allcock (FA)	Executive Director of Organisational Development & Performance Improvement

The Chair expressed his sincere apologies of the necessity of cancelling the meeting scheduled for 27 January and thanked those present for attending to review the revised External Audit Plan.

The Chair thanked PWC, SL and DB for their attendance and input at the ad hoc meeting held on 25 January to review and revise the Audit Plan.

2. Minutes of the last meeting - Thursday 16 December 2010

The Minutes were approved as a true and accurate record.

3. Matters arising (not on Agenda) and Progress Log

Action Log Review

Sep 10, Item 4.3 Internal Audit report on ESR

It was agreed to keep this action open for FA to update at the meeting in March. GD advised that the responsibility for inputting into ESR was transferring to the Finance Team as this was felt more appropriate.

Dec 10 Item 4.3 Key Financial Controls & Fixed Assets Report

It was agreed to keep this action open for GH to update at the meeting in March. GD advised that it was not usual to collect nil returns but that she had passed this message onto GH as she had not been at the last meeting.

The following actions were discharged:

Dec 10, Item 6.1 External Audit – update report

This item is on the agenda under item 4.1

4. External Audit

4.1 Audit Plan

The Committee received the revised plan. Changes have been made to the plan following feedback received from the Audit Committee. The revised plan includes the key audit risks that could impact on the audit work on the accounts, quality account and value for money opinion plus changes on how PWC will communicate with the Audit Committee and Trust Board.

It was noted that PWC were presenting to the Board at the Seminar Session in February around quality and governance and again in June following the submission of the Quality Account.

The following was noted:

- Financial Pressures

It was requested that the paragraph highlighting the risk around the potential change from forecast outturn could impact on the FRR reflects that our expected outcome is a 3.

ACTION: AB to reflect this comment in the final plan

- Estates

Concern was raised that where services are decommissioned from buildings that are leased and the risk of not being able to release our commitment to the lease. Management confirmed that this was being considered and gave assurances that vacant property was monitored by the Capital Review Group.

- Termination benefits

It was noted that new structures within the divisions were currently being announced. This would allow the Trust to review provisions needed. It was agreed that Finance should share detailed workings with PWC so that PWC could comment on the risks at the next meeting.

**ACTION: GD to share Finance workings with PWC.
PWC to comment on the risks before the next meeting.**

- Finance Reporting

PWC have provided detailed feedback on the 09/10 accounts and changes are being incorporated in the template accounts for 10/11. The interim audit has now been completed and there are no exceptions to report.

PWC have completed detailed work on PFI and are satisfied it is being account for correctly. It was highlighted that the Trust needed to consider how segmental reporting was shown in the accounts and this needed some thought. It was agreed a short paper would be prepared and shared at the next Audit Committee.

ACTION: GD to prepare paper on Segmental Reporting to come to the next meeting.

- Board Reporting
PWC will be giving their views and feedback to the Trust Board in June on Board Reporting. In particular looking at the link between information at a service line level and the Board.
- RiO Implementation
The RiO project is an audit risk due to the additional expenditure being included in the accounts and that as a large project, the governance of how projects are managed is scrutinised against whether they are value for money. This will also apply to the Yardley Green project.

It was requested that it be clearly identified the difference between the RiO project being an IT related project and Yardley Green being a Capital project.

ACTION: AB to reflect this comment in the final plan

- Revenue Recognition and Management of Override of Controls
It was noted that both these areas are included in any large organisation as a mandatory risk by auditing standards.
- Audit Fees
It was agreed to include as estimated figure of between £7-10k for the Quality Report Assurance.

ACTION: AB to include this in the final report

It was noted that the fees do not include the Charitable Funds accounts and that these are required to be examined yearly but that this would be an opportunity to make alternative arrangements.

SSH requested that it be clearly stated that should the Trust had not made any further requests and that any further audits not included in the plan had an agreed protocol.

ACTION: AB to bring a protocol for approval to the next meeting

- Appendix D
It was requested that an additional box be included to indicate the Audit Plan being approved.

ACTION: AB to include this additional box in the diagram

It was agreed that AB would make the amendments as suggested above and send the final version through to SSH and GD (copied to JH) for approval and presenting to the full Audit Committee on 10 March.

5. Any Other Business

There was no further business discussed.

6. Private Meeting with Auditors – if Required

This was not required, however the Chair welcomed ad hoc informal meetings with PWC.

7. Date Time of Next Meeting

Thursday 10 March 2011, 3.00 – 5.00pm, Seminar Room, B1

Julie Hipkiss, February 2011

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Approved as a correct record (signed)

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Name

Date