

THE SHREWSBURY AND TELFORD HOSPITAL NHS TRUST

AUDIT COMMITTEE MEETING

Thursday 10th May 2012

MINUTES

Present:	Dennis Jones (Chair) Sue Assar Simon Walford	Non-Executive Director Non-Executive Director Non-Executive Director
In attendance:	Julia Clarke Chris Benham	Director of Compliance & Risk Management Assistant Director of Finance (Financial Accounting)
Apologies:	Neil Nisbet Dr Ashley Fraser	Finance Director Medical Director
Secretary:	Marie Devitt	PA to Director of Compliance & Risk Management

2012.45 Members to Declare Interests in any of the Following Items

There were no declarations of interest.

2012.46 Annual Accounts 2011/12

Chris Benham presented the Annual Accounts for 2011/12 and the Committee were asked to recommend that the Accounts be presented to the Trust Board for approval. It was noted that the Accounts had been submitted to the Department of Health on time.

The Committee were advised that KPMG were due to start a two week audit from 14 May 2012, and Chris Benham confirmed that he was not anticipating any problems.

It was noted that the Statement of Comprehensive Income for year ended 31 March 2012 showed a small surplus of £59,000, however the cumulative breakeven had not been achieved. It was pointed out that KPMG would comment on this as part of their audit.

The External Financial Limit had been achieved and the Committee were advised that the Capital Resource Limit was under-spent by approximately £1 million.

Chris Benham drew the Committee's attention to the 2010-11 column, and it was noted that it had been restated due to changes to accounting rules and charitable funds being received and recorded. There were no other reasons for restatement. KPMG were happy with the restated numbers as covered in their interim audit work.

With regard to deferred income, the Committee were advised that there were two main items to note:

- £750,000 Educational funding;
- £3 million relating to the Cancer Centre

Chris also drew attention to the fixed asset revaluation increase and how this could be an issue for KPMG in the final audit report.

In answer to Sue Assar's query, it was confirmed that the £6 million received from the SHA had been included under "Other operating revenue".

Dennis Jones queried the adjusted retained surplus and it was confirmed that this figure would be published in the Trust's Annual Report.

Chris Benham confirmed that on the Statement of Financial Position as at 31 March 2012, on page 2, under the heading Current Liabilities it should read, "Current assets less net current liabilities" rather than, "Non-current assets less..."

Action: Chris Benham to amend sentence to, "Current assets less net current liabilities".

The Committee noted the £2 million new PDC received, on the Statement of Changes in Taxpayers Equity on page 3.

The Committee were advised that a slight change had been made to note 1.10 on page 9, based on external guidance received.

Chris Benham informed the Committee of the EU Emissions Trading Scheme, introduced by the Government, and it was noted that this had been included in the notes as 1.20 on page 12.

Dennis Jones queried note 3 regarding segmented reporting and Chris Benham confirmed that the Trust would include the relevant financial report disclosures within segmented reporting notes from next year.

Sue Assar highlighted the increase in consultancy expenditure, under note 8 on page 19, and raised concern that this may draw unnecessary attention. It was suggested that an explanation should be included, outlining the benefits from this increase.

In answer to Dennis Jones' query, it was confirmed that, under Employee Benefits, "Board members" included Non-Executive Directors.

The Committee very briefly discussed Operating Leases, under note 9 on page 20, and Chris Benham advised that there may be a lease issue to note around Sterile Services.

Employee Benefits and staff numbers, under note 10 on page 21, were discussed and it was pointed out that WTE costs had increased by 0.9%, due to increments. Dennis Jones queried the 25% increase in non-permanent staff and whether this figure was correct, given that Trust had been reducing non-permanent staff numbers. It was agreed that Chris Benham would look into this.

Action: Chris Benham to check that non-permanent staff figures were correct.

Chris Benham pointed out that under note 10.3, the average working days lost for 2010-11 should read 10 days lost.

Chris Benham updated the Committee on the Better Payment Practice Code, note 11 on page 23, and it was acknowledged that significant improvements had been made. It was confirmed that under note 11.1, Non-NHS Payables, it should read, "Percentage of Non-NHS Trade Invoices Paid Within Target."

Dennis Jones suggested that it would be useful for pages 24 and 25 to include gridlines.

Action: Chris Benham to include gridlines on pages 24 and 25.

The Committee were advised that under note 16.1 on page 27, under the heading Amortisation, it should read, "At 1 April 2011" rather than, "2010".

The Committee discussed note 28 on page 34, and it was noted that deferred income for the Cancer Centre was shown and it was noted that Non-NHS Payable capital had increased due to the inclusion of the purchase of the replacement Linac.

The Committee were content for the draft accounts to continue on to the Trust Board for approval, subject to minor amendment.

It was agreed that it would be useful to include a note within the Accounts and Annual Report relating to charitable donations.

The draft Annual Accounts were **ACCEPTED** by the Committee.

2012.47 High Level Analytical Review of Annual Accounts 2011/12

The Committee received the High Level Analytical Review of the Annual Accounts for 2011/12 for information.

It was agreed that Chris Benham would check the £1.2 million figure against PWC was correct, under note 8.

Action: *Chris Benham to check £1.2 million figure against PWC.*

It was agreed that Chris Benham would check that the pre-payment of Council Tax for 2010/11 was correct.

Action: *Chris Benham to check pre-payment of Council Tax for 2010/11 was correct.*

The Committee thanked Chris Benham and the Finance Team for producing clear and well presented Annual Accounts and High Level Analytical Review.

The Committee **NOTED** the paper.

2012.48 Annual Governance Statement 2011/12

Julia Clarke presented the Annual Governance Statement 2011/12 and it was noted that suggested amendments had been made following the last meeting. The amendments had also been agreed by the Chief Executive.

Julia Clarke confirmed that no comments had been received from the SHA.

The Committee **ACCEPTED** the report.

2012.49 Any Other Business – none.

2012.50 Date of Next Meeting

Thursday 7th June 2012, at 1 pm in Seminar Room 1, SECC, RSH.

AUDIT COMMITTEE MEETING

Thursday 10 May 2012

Syndicate Room 6, SECC, RSH

ACTIONS

Minute	Action	By Whom
2012.46 – Annual Accounts 2011/12	To amend sentence to, “Current assets less net current liabilities”.	Chris Benham
	To check that non-permanent staff figures were correct.	Chris Benham
	To include gridlines on pages 24 and 25.	Chris Benham
2012.47 – High Level Analytical Review of Annual Accounts 2011/12	To check £1.2 million figure against PWC.	Chris Benham
	To check pre-payment of Council Tax for 2010/11 was correct.	Chris Benham