

**MINUTES OF MEETING OF THE AUDIT COMMITTEE
GOLDEN JUBILEE NATIONAL HOSPITAL
HELD ON 13 FEBRUARY 2007 AT 10.00AM**

Present: Donald McNeill (DM) - Chair
Peter Ramsay (PR) - Non Executive Director
Ken Thomson (KT) - Non Executive Director
Hilary Mounfield (HM) - Non Executive Director

In Attendance: David Watt (DW) - KPMG
Joanne McWilliams (JM) - PWC
Alan Gray (AG) - PWC
Julie Carter (JC) - Director of Finance
Jill Young (JY) - Chief Executive
Lindsay Burley (LB) - Chair, NWTC Board
Lily Bryson (Lily B) - Assistant Director of Finance

Peter Ramsay (PR) - Non Executive Director
June Rogers (JR) - Director of Business Services

Scott Haldane (SH) - Director of Finance
NHSScotlandNSS
John Francis (JF) - Project Leader SSS
Cameron Revie (CR) - PWC

Minutes: Joan Coleman

Apologies: There were no apologies

1 SHARED SUPPORT SERVICES (PRESENTATION FROM NSS TEAM):

Scott Haldane, Director of Finance NSS and John Francis, Project Leader for Shared Support Services Project attended the meeting and gave a presentation. Concerns were raised at the last Board meeting on the future direction of this project and also at the Scottish Executive Audit Forum which was attended by HM, DM and Ken Thomson, Non Executive Director. Following the presentation, DM and HM asked what was the mandate to move forward with this project. A Project Board Meeting, chaired by John Burns, Chief Executive of Dumfries & Galloway populated by a cross section of the service is meeting on Friday 16 February following which the NSS Board can assess responses.

HM and JR left the meeting following the presentation and discussion.

2 MINUTES OF PREVIOUS MEETING:

Minutes of the meeting held on 13 November were approved, subject to the undernoted amendment:

4 EXTERNAL AUDIT (KPMG) – ANNUAL PLAN:
Amended to read "an efficient governance plan".

3 MATTERS ARISING:

There were no matters arising.

4 INTERNAL AUDIT (PwC) – PROGRESS REPORT:

AG advised contingency time is available and it was proposed to utilise this time to provide support in a briefing session for the Audit Committee with regard to governance, best Audit Committee practice and future work plans. Governance arrangements in support of the annual statement of internal control could also be addressed. The Beardmore Hotel was excluded from key financial controls as it is subject to a separate assignment currently in progress. Capital planning which has been an area of concern in the past, focused on Estates,

the NWTC Board and equipment. Four recommendations were highlighted. DM asked if JY and the Non-Executive Board Members feel the reports that come to the Board allow monitoring of expenditure. JY confirmed this. Audit Committee agreed reports identified expenditure, although PR requested Board Reports should perhaps highlight in more detail areas where there are delays in spend. JC agreed to incorporate.

Report noted

5 EXTERNAL AUDIT ANNUAL PLAN (KMPG):

Since the last Audit Committee meeting, Audit Scotland has issued a revised consultation framework in draft. During planning work, there are a number of areas where KPMG will be looking to modify their approach. There are no major issues arising and a draft report will be prepared. DM found the format of the report helpful and easy to read.

6 FOLLOW UP UPDATE:

Lily B advised that work was ongoing with regard to the finalisation of the follow-up report and that work still required to be undertaken with regard to the external audit outstanding recommendations. A final version will be presented to the next audit committee.

7 NATIONAL FRAUD INITIATIVE – UPDATE:

Paper noted

8 CIPFA – RISK OF FRAUD REPORT:

The Senior Management Team will look at CIPFA recommendations and a report will be brought to the Audit Committee.

9 REVIEW OF BOARD STANDING FINANCIAL INSTRUCTIONS/STANDING ORDERS

Standing Financial Instructions

JC highlighted key changes to the SFI's. Approval limits have been changed with General Managers increased to £5000 as from 1 April 2007. Car expenses for Department Managers of £1000 to be amended to £250. Page 52, point A amended to read "will be forwarded to the Risk & Management Committee". The authorisation limit for the Chief Executive under 'other' category was questioned, and it was agreed to find out what exactly this covered and if possible reduce.

Action: JC

Standing Orders:

LB asked for her title to be corrected. DM asked how staff would be aware of new SFI's and Standing orders. JC confirmed that senior managers would sign that they have read, received and understood the Reports. Communications would be asked to draft a staff information leaflet. Page 25 to be amended to "2 staff representatives from the Hospital and 1 from the Hotel". JC will amend to go to the Board.

10 FINAL ACCOUNTS – 2006/07 – TIMETABLE:

Accounts to be signed off at Board meeting on 21 June.

11 DATE OF NEXT AUDIT COMMITTEE MEETING:

1 May 2007 then 14 June, prior to the accounts being signed off on 21 June.