

**Minutes of the 20th Expenditure Controls Committee
held at 09.45 on Monday 25th July 2016
Venue – meeting held by Telecon**

Present: Mr C St John
Mr I Trenholm
Mr R Bradburn
Mr M Taylor

1.0 APOLOGIES

No apologies were received.

2.0 MINUTES OF THE LAST MEETING

The minutes of the meeting held on the 29th April 2016 were reviewed and approved.

**3.0 INTERNAL AUDIT – DH EXPENDITURE CONTROLS REPORT:
QUARTER 4 (2015/16)**

MT presented the Q4 report and the ECC noted that there was a rating of “substantial”, which maintained the rating seen during the first three quarters of the year. IA audit will be notified that the report can now be classified as final.

**MT
action**

MT noted s3.1-s3.2, where a number of invoices (five) had not been stamped as matched and input by finance. The committee noted that this type of comment had been seen previously and asked for clarification on the cause and that an action be put in place to prevent its further recurrence.

**MT
action**

**4.0 PROFESSIONAL SERVICES – ANALYSIS OF EXPENDITURE
APRIL – JUNE 2016.**

MT presented the Quarter 1 paper summarising the professional services expenditure through to the end of June 2016. The paper details the spend by category (professional services; legal services; internal/external audit and contingent labour) within appendix A-C and the overall pattern and type of spend being incurred over the period was noted.

The ECC held a brief discussion on the history of the ERG controls (established by Treasury/DH), the exemptions that NHSBT operates under and also the relationship between spend funded through blood prices and programme funding. CStJ requested that the structure of the financial summary within the report be amended for future meetings to more closely reflect the exemptions by funding stream ie in the form of a “cascade”, which IA could also align their report to.

**MT
action**

There was a short review of the appendices A & B (professional services / contingent labour), during which there was a concern raised that elements of organisational spend might potentially be coded to other non-professional services nominal's ie ATOS (contingent labour) and CSM/ODT (transformation spend). It was agreed that this should be tested for completeness and if necessary the Q1 position would be re-stated at the next quarterly review (April – September 2016).

**MT
action**

MT confirmed that there had not been any non-frontline expenditure from programme funding (formerly referred to as GIA) sources. DH approval was not therefore required for expenditure incurred by the Authority at quarter 1 / 2016/17.

5.0 **APPROVAL OF EXPENDITURE**

The ECC gave their approval that the expenditure from both programme funding and income from prices had been consistent with DH guidance. MT stated that following the review meeting, and in line with normal practice, the ECC papers would be forwarded to the DH.

**MT
action**

6.0 **ANY OTHER BUSINESS**

RB informed the ECC that there had been a discussion with DH (re Commercial Accelerator – Contingent Labour Expenditure), where the option of a review by McKinsey had been offered, to optimise NHSBT's use of contingent labour. Following internal discussion and in consideration of our operational requirements – transformation/front-line work, and a belief that many of the prospective interventions on offer were already being implemented, the offer of a review had been declined. Despite this, it is to be expected that the HMT initiative, to reduce CL costs (-20%) by the end of the CSR period will be implemented in some form. It is likely that the existing ERG control mechanisms would as a result be reviewed and a revised set of guidance be issued to ALB's in the near future. No specific actions were identified at this stage.

7.0 **DATE OF NEXT MEETING**

The date of the next meeting is 21st October 2016.