

**Minutes of the 21st Expenditure Controls Committee
held at 13.00 on Friday 21st October 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 20th July 2016 were reviewed and approved. MT confirmed that all of actions had been completed and provided assurance that the accounts receivable process for stamping invoices as proof of matching, was in place and working correctly.

3.0 INTERNAL AUDIT – TERMS OF REFERENCE: EXPENDITURE CONTROLS COMPLIANCE (2016/17)

MT presented the document, which essentially re-states the scope of the quarterly review's undertaken by the audit team. The ECC were satisfied that the ToR continued to accurately reflect the spirit and intention of the ERG controls. MT agreed to request a number of minor presentational changes eg terminology of the DH funding (Programme, as opposed to GIA) and to revise the submission date for the Q1 report, which had not been met by the auditors.

**MT
action**

4.0 INTERNAL AUDIT – DH EXPENDITURE CONTROLS REPORT: QUARTER 1 (2016/17)

MT noted that the Q1 report was not yet available and was overdue as at the date of the telecon, versus internal audit's planned submission date. No reason had been provided for the delay. MT agreed to follow up and confirmed that the report would be submitted offline to the ECC, for approval, once received.

**MT
action**

5.0 PROFESSIONAL SERVICES – ANALYSIS OF EXPENDITURE APRIL – SEPTEMBER 2016.

MT presented the Quarter 2 paper summarising the professional services expenditure through to the end of September 2016. The paper details the spend by category (professional services; legal services; internal/external audit, contingent labour and external services other) within appendix A-D.

This quarter's report had been restructured to improve the focus on programme funded expenditure and was well received by the ECC. As part of the review, the overall pattern and type of spend being incurred over the period was noted eg specifically the areas/suppliers in support of both ODT's project and routine activities.

MT noted that during quarter 2, there had been one request for ECC approval of spend, with regard to Q Associates (approval provided).

RB advised, that there had been spend against the supplier Ivar Jacobson International – training for Core Systems Modernisation, which should have received approval from the ECC (=>£30k). MT advised that this spend did not appear within the report as it had been coded to a training nominal. The ECC discussed whether there was a risk that other spend on “professional services” was not being reported through to the committee (eg coded elsewhere). MT agreed to discuss with the auditors, whether their next quarterly review should sample a wider array of spend across NHSBT, to provide further assurance.

**MT
action**

MT confirmed that as per the Quarter 2 on professional services, 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 2 / 2016/17.

6.0 APPROVAL OF EXPENDITURE

The ECC gave their approval that the expenditure from both programme funding and income from prizes 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**

7.0 ANY OTHER BUSINESS

RB noted that there had not been any further developments regarding the previous discussion with DH (re Commercial Accelerator – Contingent Labour Expenditure), where the option of a review by McKinsey had been offered (and subsequently declined), to optimise NHSBT's use of contingent labour.

8.0 DATE OF NEXT MEETING

The date of the next meeting is Thursday 19th January 2017