



Blood and Transplant

NHS Blood and Transplant

Expenditure Controls Committee

Annual Report 2016/17

1 PURPOSE OF THE REPORT

The Expenditure Controls Committee has prepared this report to the Board in order demonstrate how the Committee has satisfied its terms of reference during 2016/17.

2 CONSTITUTION

The Expenditure Controls Committee was established by the Board in July 2011 to comply with Department of Health requirements regarding internal approvals for professional services expenditure. The Committee is an executive committee of the Board but has no executive powers other than those specifically delegated to it in the terms of reference.

3 OVERVIEW

The duties of the Expenditure Controls Committee are:

- To approve and endorse expenditure on professional services within the limits established by the scheme of delegation.
- To review quarterly forecasts of professional services expenditure submitted to the Department of Health.
- To ensure that an audit trail is provided to demonstrate that authorisation of professional services expenditure has been applied in line with Department of Health requirements.
- To receive reports on all professional services expenditure and so ensure that approvals have been sought as required by Department of Health controls.

4 MEMBERSHIP

The Expenditure Controls Committee membership in respect of the financial year 2016/17 was:

Ian Trenholm Chief Executive, NHSBT and Chair

Charles St. John Non-Executive Director
Rob Bradburn Director of Finance, NHSBT

The following individual(s) are normally in attendance at meetings:

Mark Taylor Assistant Director Planning & Performance NHSBT

5 COMPLIANCE WITH TERMS OF REFERENCE

Formal meetings of the Expenditure Controls Committee were held on:

25th July 2016
21st October 2016
19th January 2017
26th April 2017

All meetings during 2016/17 were quorate.

6 DUTIES AND FINDINGS

Over the 4 meetings held during 2016/17, the following matters were discussed and appropriate decisions taken by the Committee:

- The Committee received quarterly reports at each meeting detailing the type and value of expenditure incurred in the prior quarter(s) and also planned expenditure for the remaining quarter(s) of the financial year.
- Spend below £30k is reviewed and approved retrospectively by the committee, where it is over this level, ECC members are asked to provide approval off-line for prospective spend on each occasion.
- DH issued an update to the guidance in July 2013 (Government and DH Efficiency Controls – Guidance for Arm's-Length Bodies), which supersedes the previous version of December 2012, however our previous delegations remain broadly unchanged and consistent with both our ToR and issued internal guidance.
- In line with Department of Health guidance issued to Arms-Length Bodies, Internal Audit have been engaged to undertake a review of Professional Services expenditure and confirm that expenditure was sourced from non programme funding – formerly grant in aid funds (i.e. blood prices), at the end of each quarter.
- The information provided to the Committee is reviewed and discussed at the quarterly meeting and approval of the Committee is provided subject to assurance having been given that the expenditure incurred has been within the ambit and spirit of the guidance and advice received by the Authority. The Committee approved the findings at each of the 4 meetings during 2016/17.
- At the end of quarter 4 2016/17, the members of the ECC considered whether the committee needed to continue in its current form. It was recognised that since its inception in 2011/12, the committee has functioned as intended, by making specific areas of spend visible and subject to further authorisation. Over this period, NHSBT has benefited from significant autonomy, and with much of its spend price led, the focus has been on ensuring that programme funding is purposed to the front-line. As part of the ECC's ToR and in conjunction with DH rules in this area,

professional services spend has been subject to routine quarterly audit reviews, which continue to return substantial assurance. On this basis, the committee of the ECC, agreed that the process would be revised, audits would no longer be undertaken and the quarterly review meetings would be stood down. The offline approvals process for spend over £30k would however be retained, and there would be a formal review at year end. This revised approach was seen as a more proportionate response to the area of professional services spend, while still continuing to retain governance/assurance. DH were informed of the decision and have not objected to the revised approach.

- Internal Audit reports are produced on a quarterly basis and a substantial rating for each of the first three quarters, did not identify any exceptions to the guidance from the Department, namely that where expenditure was incurred from Programme Funding sources it had been authorised in line with the standing arrangements issued by the Department. On the basis of the revised approach described above, the quarter 4 report (January – March 2017), was stood down.

7 WORKPLAN 2017/18

The Committee will meet annually and will follow a standard agenda as per the meetings in 2016/17.

8 CONCLUSION

The Expenditure Controls Committee has complied with its terms of reference during 2016/17.

Ian Trenholm
Chair of the NHSBT Expenditure Controls Committee
November 2017