



## TRUST BOARD

### Minutes of a meeting held at Devon House, Heartlands Hospital at 2pm on Wednesday 11<sup>th</sup> June 2008

**PRESENT:**

Mr C Wilkinson ( <i>Chairman</i> )	Mr M Goldman
Mr D Bucknall	Mr R Harris
Ms M Coalter	Mr P Hensel
Dr I Cunliffe	Dr H Rayner
Ms A East	Mr R Samuda
Mrs B Fenton	Dr S Woolley

**IN ATTENDANCE:** Mrs M Pittaway (*Minutes*)  
Mr A Stokes

Action

#### 08.82 1. APOLOGIES

Apologies were received from Ms Najma Hafeez and Professor Chris Ham.

#### 08.83 2. ANNUAL REPORT AND ACCOUNTS FOR 2007/08

Mr Samuda informed the Board that Audit Committee had met in earlier in the day and had approved the Annual Accounts for 2007/08 with the support of the Auditors, PricewaterhouseCoopers. The Board were further informed that the process had been more difficult this year, due to outstanding payroll issues and that additional costs had been incurred in fees to PwC.

The Board were advised that Payroll had been a weak area for some time. In future if an area was deemed to have 'no assurance' it had been agreed that this would be flagged up by Internal Audit, escalated as necessary and remedial action put in place. A list of recommendations would be produced to add to the existing recommendations from Internal Audit and the Board were informed that these should then be implemented as quickly as possible this year. This was to ensure that should an area be designated as having 'no assurance', remedial action could quickly be taken, with the aim of achieving 'limited assurance' in the first instance and thence moving on to 'full assurance' in the shortest possible timescale.

The Board were informed that PwC had now accepted the evidence provided on Payroll and that Internal Audit were satisfied.

Ms Coalter informed the Board that one of the issues flagged up by Internal Audit had been the shortcomings of the paper-based recording systems currently used in Payroll and the need for Payroll to move towards electronic recording systems. In the short-term, Ms Coalter advised the meeting that

some documentation was now being completed on-line and she was liaising with Andy Laverick, the Director of IT, to seek his advice on the most effective way to implement plans to store the Trust's 10,000 personnel files electronically. To this end Ms Coalter advised the Board that an action plan would be drawn up together with an investment business plan for its delivery.

MC

The Chairman advised the Board that he had received negative feedback concerning Payroll from some members of staff who had informed him that they were still not receiving the correct amount of pay each month. This was not an audit issue, however. Ms Coalter responded that the action plan would take account of these issues and reiterated the need to push forward with IT resources towards the implementation of electronic systems which should reduce the number of instances where errors occurred.

The Board were advised that the Auditors had examined records from 2003/04 which included the move to the Consultant Contract and the Agenda for Change. They had tested what had been paid prior to implementation, how salaries had been assimilated and the salaries subsequently paid. Good Hope Hospital had implemented these differently, prior to the merger in 2007, and Good Hope Hospital's payroll contracts had been outsourced.

The Board were informed that Internal Audit had agreed the action plan for Payroll and that this had now been signed off. They would be coming in to the Trust over the summer in order to review its implementation. The Trust's aim, in agreement with the Internal Auditors, was to move from 'no assurance' to a position of 'limited assurance' over the summer period.

Ms Coalter would bring back a report on progress to the September Audit Committee.

MC

Ms Coalter further informed the Board that the business case being prepared included the technology required for the proposed electronic personnel records system and also an accommodation review. The accommodation currently occupied by Payroll was unsuitable and it was planned to move staff to more appropriate accommodation and also to begin to implement basic electronic storage of paperwork later in the year. The major changes were planned to take place in approximately 18 months time.

In response to a question as to whether the IT department would still have the capacity to deliver against other items that it had been requested to implement, in addition to the major work for Payroll, Mr Goldman responded that Mr Laverick had already scheduled this into his programme. However, if there was a need to accelerate the work on Payroll then there might have to be some rescheduling. The Board could be assured that the Trust would implement the Internal Auditors' action plan within the prescribed timescale in order to achieve 'limited assurance' and avoid a recurrence of this year's situation with either the Internal or External Auditors

Ms Coalter advised the Board that Internal Audit would also be asked to advise what would be required in order to achieve 'significant assurance'. Mr Samuda stated that service line reporting would also add to this.

Mr Stokes then informed the Board of the brief changes made to the Accounts subsequent to the agreement by Audit Committee who had met earlier in the day:

PACS

**THIS MINUTE IS RESERVED UNDER SECTION 43 OF THE  
FREEDOM OF INFORMATION ACT 2000**

Mr Stokes informed the Board that be two further additions that had been suggested by PwC for inclusion in the Report & Accounts:

1. Disabilities

Some additional wording on the way that the Trust managed disabilities had been suggested by the auditors. This would be added.

2. Records of attendance at Board meetings

PwC suggested that a table should be included in the Annual Report & Accounts indicating the number of Board meetings held during the year and the record of attendance of Board members. Whilst the Trust was under no obligation to disclose this information the Board nevertheless felt that it should be available. Mr Stokes agreed to discuss this further with PwC as the Board felt that disclosure should be based upon the record of attendance at the 12 scheduled meetings, excluding the Extraordinary Board meetings that had been arranged on an ad hoc basis.

A question was raised concerning the availability of information, should this be requested, on membership etc. of Board Sub-Committees. It was agreed that requests for information should be referred to the Company Secretary in the first instance.

AS

Mrs Fenton then drew the Board's attention to the Income and Expenditure Account for 2007/08 showing an increase in the Trust's income of 8%, which included a net reduction in last year's CIP target. Mrs Fenton further informed the Board that the Trust's balance sheet and financial statements showed that the Trust had performed well as a business.

Questions were invited.

**Q** In terms of communicating the Trust's capital programme to staff, where are we at present?

**A** Mr Goldman responded that meetings had taken place at every level of the organisation and that presentations would be made to South Staffs, BENPCT and Solihull PCT. The Trust's plans had recently received excellent media coverage, in particular with regard to the successful merger with Good Hope Hospital.

**Q** Having read the Chairman's and the Chief Executive's statements in the Annual Report, the Trust's financial strengths are not highlighted in these. Why is this?

**A** The Trust has to provide different messages to different audiences and the Chairman's statement has to cover certain things. For example, in the past the Trust has had to concentrate on meeting Government targets. However the AGM will be held on Monday 15<sup>th</sup> September 2008 and a press notice will be put out in advance of this meeting. The AGM will be an opportunity to emphasise some of the points being made as to the financial strength of the organisation.

The Chairman asked the Board if they agreed that the Annual Report and Accounts for 2007/08 should be signed off. The Board agreed and the Annual

Report and Accounts were signed off by the Chairman, Mr Goldman and Mr Stokes.

**08.84 4. ANY OTHER BUSINESS**

There being no other business, the meeting was closed.

**08.85 5. DATE OF NEXT MEETING**

Tuesday 1<sup>st</sup> July 2008.

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**Chairman**