

# Minutes

**MEETING:** Agency Board

**DATE:** Thursday 23 June 2011

**TIME:** 12.30 pm

**VENUE:** Specialty Schools Room, Beechill House, NIMDTA

## Present

### Members

Mr A Joynes (Chairman)

Mrs J Eve

Dr RJ Atkinson (via teleconference link)

Dr J Marley

### Officers

Dr T McMurray (Chief Executive/Postgraduate Medical Dean)

Mr T Hutchinson (Finance Manager)

Dr D Hussey (Postgraduate Dental Dean)

Dr C Loughrey (Director for Postgraduate GP Education)

Ms R Campbell (Human Resources Manager)

Ms M Roberts (Administrative Director)

### By Invitation

Mrs C McKeown (Internal Audit)

Mr J Poole (KPMG)

Ms E McGurk (KPMG)

Mr D Lynn (NIAO)

Mr M McCarey (Corporate Governance Manager, NIMDTA)

### In Attendance

Mrs P Dardis

## 1 APOLOGIES

Mrs A Eggert

## 2 DECLARATION OF MEMBERS INTERESTS

None declared.

### **3 ANNOUNCEMENTS**

The newly appointed Chairman, Mr Alistair Joynes, formally introduced himself to the attendees. Dr Atkinson was in attendance via teleconference link and members were also joined by representatives from Internal Audit, KPMG and NIAO attending for the business of the Audit Sub Committee.

He thanked Mrs Judith Eve for all her work as Acting Chairman which had been greatly appreciated. Dr John Marley was also thanked for stepping into the role of Acting Chairman of the Audit Sub Committee to fill the gap left by Mrs Eve to enable her to fill the role of Acting Chairman to the Board.

It was agreed that Mr Joynes would conduct Item 4 – Business of the Audit Sub Committee and Mrs Eve would sign off on the Financial Statements for Year Ended 31 March 2011 in her role as Acting Chairman for the previous year.

Mrs Eve informed the Board that the Public Appointments Unit had appointed a new non-executive member but the appointment would not be confirmed until after the vetting procedure was complete.

### **4 BUSINESS OF THE AUDIT SUB COMMITTEE**

#### **4.1 Unconfirmed Minutes of the Meeting held on 12 May 2011 (Paper B11/09)**

The Audit Committee which met on 12 May 2011 had not been quorate. Though it was confirmed that the minutes of the May meeting were a true record, they could not be confirmed and signed off until they had been formally submitted to the next meeting of the Audit Sub Committee.

#### **4.2 Draft Annual Report 2010/11 (Paper B11/10)**

Members received and discussed a further tabled copy of the Annual Report which had been updated to include the minor revisions which had been suggested by the Department at the Accountability Review meeting held on 22 June.

The Board accepted and approved the Annual Report.

### **4.3 Draft Financial Statements for Year Ended 31 March 2011 (Paper B11/11)**

The Finance Manager reviewed the content of the Financial Statements, which had been circulated in advance of the meeting.

The two main targets to be met were breakeven and prompt payment compliance. It was noted that the Agency had met its break-even target which fell within the required 0.25 percent. The Agency had achieved 94.2% prompt payment compliance for the year, which fell slightly short of the required 95% target. Mr Hutchinson informed members that the Finance Department were currently on target for this year.

The Board formally accepted and adopted the Financial Statements subject to the minor revisions highlighted by Mrs C McKeown from Internal Audit.

The Chairman congratulated Mr Hutchinson and the Finance Team on bringing the accounts in on budget and achieving break-even compliance.

### **4.4 Draft 2010/11 Report to those Charged with Governance (Paper B11/12)**

Mr J Poole (KPMG) presented the draft report for the year ended 31 March 2011 which had been tabled.

It was anticipated that an unqualified financial and regularity opinion would be issued on the accounts.

The Accounting Officers' statement on Internal Control had been reviewed and it was confirmed that there were no inconsistencies between the statement and that of the Audit work.

Seven priority 1 and two priority 2 weaknesses had been identified. The following key risks were noted and discussed:

- Ability to meet faster closing deadlines
- Compliance with breakeven targets
- Regularity and procurement
- Superannuable pay accrual
- Ongoing impact of Review of Public Administration
- Declaration of Interests
- Statement of Internal Control
- Compliance with statutory targets
- Completion of disclosure checklists

The Executive summary made particular reference to key risk 2 and 3.

#### Key Risk 2: Compliance with breakeven targets

The draft accounts submitted on 16 May by the Agency had reported achieving a surplus of £148K (0.278%) against its RRL for the year ended 31 March 2011. However, following the processing of the audit adjustments outlined in the report, it was noted that the Agency now met the breakeven statutory target of 0.25%.

#### Key Risk 3: Regularity and Procurement

A number of transactions which breach procurement guidelines, specifically, the requirement of the mini-code to obtain four quotations for individual purchases of £2k and over, had been identified. However, the report concluded that mitigating factors identified had enabled an unqualified regularity opinion to be issued.

It was recommended that all purchases of £2k and over should be supported by quotations from alternative suppliers.

The use of private sector venues should only be considered when there was no viable alternative and should be supported by a written requisition in advance documenting the need and approved by the Chief Executive.

All single tender actions should be supported with the appropriate documented authorisation in advance of the order.

It was also recommended that the level of staff authorised to order and approve purchases be considered.

The Administrative Director informed the Auditors and members that Senior Management had received, considered and approved a revised Authorisation Framework and Guidance for Staff on the Purchasing of Goods and Services at the June meeting. The guidance had been circulated to all staff.

#### Completion of disclosure checklists

It was recommended that the Agency should complete the disclosure checklists as part of their quality review of accounts prior to submission for audit.

**4.5 Letter of Representation for Year Ended 31 March 2011 (Paper B11/13)**

Members and Auditors received and discussed the content of the Letter of Representation which had been signed off by the Chief Executive in his capacity as the Accountable Officer for the Agency.

**4.6 Internal Audit Plan 2011/12 – 2013/14 (Paper B11/14)**

Mrs C McKeown from Internal Audit presented the three-year plan which would be refreshed and reviewed on an annual basis. She had met with the Administrative Director and Finance Manager before producing the plan to discuss the scope of the work involved and would also be meeting with Mr Gregg from the sponsor branch at the beginning of August.

It was noted that the Department had decided to raise the threshold for substantive compliance from 70% to 75%.

Members received, discussed and approved the three-year audit plan.

*The representatives from Internal Audit, KPMG and the NIAO left the meeting at the conclusion of Item 4, Business of the Audit Sub-Committee. The Chairman thanked the representatives for attending.*

**5 MINUTES OF LAST BOARD MEETING (Paper B11/15)**

Minutes of the last meeting held on 14 April 2011, copies of which had been circulated prior to the meeting, were approved.

**6 MATTERS ARISING**

Item 7 – Budget Report

A meeting had taken place with Mrs Diane Taylor from the sponsor branch to discuss the proposed efficiency measures. The Administrative Director updated the Board on the outcome of the discussions. The Minister had not as yet signed off on the delivery plan.

**7 FINANCIAL UPDATE**

**Budget Report**

The Finance Manager gave a verbal update on the draft budget for 2011/12 – 2014/15 which had previously been presented to the

June Board meeting.

Mr Hutchinson informed the Board that the budget position had improved significantly following proposals from the Department to increase the initial allocation for 2011/12 from £51.493m to £52.5m, these proposals had however not been formally approved by the Minister. The outlook for the subsequent three years remains uncertain as the indicative cash allocations take no account of potential salary and other cost pressures.

## **8 PERFORMANCE MANAGEMENT FRAMEWORK**

The Corporate Services Manager joined the meeting for discussion of Item 8.

Mr McCarey gave a presentation and tabled a short paper summarising the Agency's Performance Management Framework.

Mr McCarey answered questions from the members on the content of the framework. The Board supported the framework which would be kept under review.

The Chairman thanked Mr McCarey on behalf of the Board.

## **9 REVISED EQUALITY SCHEME (Paper B11/16)**

Members received, discussed and approved the revised Equality Scheme which had been submitted for consideration to the Equality Commission by the required deadline of 1 May but required the formal approval of the Board.

## **10 ANY OTHER BUSINESS**

### Industrial Tribunal Claim

The Administrative Director informed members that a trainee had lodged tribunal papers citing discrimination on grounds of age, gender, religious affiliation, political opinion and disability. The Agency had responded and had sent a comprehensive reply to the Tribunals (Industrial Tribunals and Fair Employment Tribunal). The Board would be kept informed of further developments.

### The Review of the Working Environment

Ms Roberts further informed the members that the report on the Review of the Working Environment, carried out on behalf of NIMDTA by the Beeches Management Centre, had been reviewed by Senior Management. The Chairman would be provided with a

copy of the report and further consideration given to the report at the next meeting of the Board.

**11 DATE OF NEXT MEETING**

Thursday 15 September 2011 @ 2.30 pm, Specialty Schools Room

A pre-meeting of Non-Executive Members would commence from 1.15 pm.

The provisional date of 9 September would no longer be required.

**DATES FOR 2011/12**

After discussion on the frequency of the meetings, it was agreed to arrange further dates for 2011/12 at the September Board meeting which it was hoped would be attended by the new Non-Executive member.