

Item

**Minutes of the Meeting of the CCG Audit Committee
Wednesday, 25th July 2018 1.00pm – 4.00pm
WNCCG Offices, King's Court, Chapel Street, King's Lynn**

Present:

Revd Hilary De Lyon (Meeting Chair)	Deputy Chair & Lay Member (Audit)	(HDL)
Tim Bishop	Governing Body Lay Member	(TBi)

In attendance:

Heather Farley	Head of Corporate Affairs	(HF)
Howard Martin	Chief Finance Officer	(HM)
Barry Pryke	External Auditor, TIAA (to item 18.77)	(BP)
Neil Abbott	Internal Auditor, TIAA	(NA)
Cathy Hudson	Governance Officer (Minutes)	(CHu)

Apologies:

Emma Kriehn-Morris	Deputy Chief Finance Officer	(EKM)
Kevin Limn	Internal Auditor, TIAA	(KL)
Dr Imran Ahmed	Governing Body GP Member	(IA)
Zoe Thompson	External Auditor, BDO	(ZT)
Lisa George	Counter Fraud, TIAA	(LG)

ACTION

Welcome

HDL welcomed those present to the meeting and informed them this would be her last Audit Committee meeting as she would be leaving the organisation at the end of September.

18.71 Declarations of Interest

HDL reminded those present of their obligation to declare any interest they may have on any issues arising at committee meetings which might conflict with the business of West Norfolk Clinical Commissioning Group.

The register of interests for members of the Committee was made available as a paper and noted by the committee.

No additional declarations were required beyond those on the register.

18.72 Apologies for Absence

Apologies were received as above.

18.73 Minutes of Last Meetings

- a) **25th April 2018** Slight amendment to initials on first page. Subject to this change the minutes were agreed as an accurate record.
- b) **23rd May 2018** The minutes were agreed as an accurate record.

18.74 Confirmation of any part of the Minutes that is currently considered Freedom of Information Act (FOIA) exempt

None

18.75 Action Log

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16/18 (Formalise agreement with NEL CSU for their office accommodation at WNCCG) – There are two outstanding issues; licensing agreement with Norwich CCG where the inflationary increase needs to be agreed and with Arden and Gem as they cannot sign any licensing agreements as these need to be signed by NHS England. A new action for these issues will be opened to allow the original action to close as this is now complete.

17/72 (Training for Audit Committee members in Norfolk and Waveney to be discussed) - An email has gone out to canvass a date. NA and BP will send their availability to get a date agreed as soon as possible. Once a date is agreed this item can be closed.

17/83 (A suggestion be made that the new policy be agreed by health and social care and that all new packages be agreed by all parties) – The policy has been sent to Internal Audit and tracker action completed. This item can now be closed.

17/84 (Look into whether there had been any duplicate payments) – The group at risk of the duplicate payments had been identified and was small. Finance are now aware. A duplicate payments test is being created following work by internal audit. Action can be closed.

17/87 (Discuss the presentation of the data for the 17/18 summary) – On agenda for today's meeting. Action can be closed.

17/88 (Present the STP mapping work to the Committee) – The map is up to date. This item can be closed.

18/04 (Share detail on the thresholds for journals with MW. He will then discuss with the team) – It has been agreed with EKM that she will receive a journal self-approval report from the CSU. This will be reviewed and any queries will be discussed with staff. This item can now be closed.

18/05 (Discuss with the Director of Nursing and Quality to see if an update to an action on the GBAF can be given sooner) – This item has been discussed and can be closed.

18/13 (Give an update on the review of the Equality and Diversity policy) – The policy has been distributed to staff. Action can be closed.

18/17 (HF to share 'lessons learned' output from CSU handover process) – On agenda for today's meeting but report not complete.

18/18 (Obtain written clarification of the permission from NHS England for record) – Action can be closed.

18/19 (Forward draft letter of Representation to HDL) – Action can be closed.

18/20 (Update the agreement of balances outstanding items and an opinion from the auditors on whether the numbers included in our accounts are reasonable) – Action can be closed.

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18/21 (Provide HDL with an update report on effectiveness for the October Meeting) For next meeting.

18/23 (Take the view back to the STP to start a discussion) – Has been discussed at the Governing Body and the involvement of patients and public has been discussed. Can be closed.

18/25 (Add columns for modules 1/2/3 Conflict of Interest training) – Only module one is reportable to NHS England. The other two modules are logged on a different tab as required by certain post holders only. This is monitored for Corporate Affairs. Item can be closed.

18/26 (Provide HDL an explanation as to how the spend Protection of Social Care, listed under Operating Expenses, went from £0 in 2016/17 to £846k in 2017/18) – Has been complete. Action can be closed.

18.76 Internal Audit

a) **Progress Report** – Three audits were planned for Q1. One of these has been completed, the GDPR Compliance audit. Substantial assurance was given for this audit. The committee thanked Julie Sherwood for all of her hard work in preparation for the audit. Two others are progressing. Safeguarding children field work has been completed and safeguarding adults work is ongoing. There are 10 audit recommendations outstanding. The summary section of the report is monitored by HF who forwards on any recommended actions to the relevant department.

b) **Strategic and Annual Internal Audit and Counter Fraud Plans 2018/19 to 2021/22** – NA highlighted page 4, Partnership and collaborative working was previously scheduled for 2018/19. This has now been brought into 2018/19 to look at the JSCC and its sub committees. The review will look at how it makes decisions. This review has been allocated 10 days, 2 days from the Primary Care Delegated Commissioning Audit from each CCG. The Primary Care Delegated Commissioning review was planned due to this being mandated by NHS England for this year. NHS England have now said this does not need to be included if not yet planned. This is included for Norfolk CCG's. The Continuing Healthcare audit will now take place every year. This will also include Personal Health Budgets. Both Adults and Children's Safeguarding will be audited for 2018/19. There is allocation for a CCG specific audit. There has been a suggestion that establishment control is looked at. This will be a short audit and will leave some time for another area to be looked at, at a later date.

ACTION – HF will circulate a Local Security Management report and annual plan to the Committee members

HF

18.77 External Audit

a) **Progress Report** – BP highlighted that following completion of the audit some briefing sessions have taken place with HF, EKM and HDL. Meetings are planned to go through the plan for next year.

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ACTION - HDL asked if the BDO report could include the same kind of questions as the previous auditors' briefing had done, since the committee had found these useful. **BP**

- b) **Annual Audit Letter** - The wording of the annual audit letter had been modified for clarity. The content remained the same. The letter will be going to September Governing Body.

At this point, BP left the meeting.

18.78 Counter Fraud

- a) **Freedom to Speak Up/Whistleblowing Policy** – HF had made the changes to the policy recommended by TIAA. TB asked if the wording to 18.14 can be amended to be clear on how issues are brought to Governing Body.

ACTION – HF will look into the management of reporting issues raised to Governing Body and change the wording in the policy for clarity. **HF**

18.79 Agree Revised Annual Work Plan

Following a meeting with KL, HDL had made recommendations for changes to the Annual Work Plan. Some items had been listed to be seen twice a year and these will now be annually. TB expressed concerns with some items being 'As Required'. HF explained the plan is seen during the planning stage for every meeting and if an update was required this would be put on to the agenda. STP Governance in particular was an item that would be monitored closely so this would be returned to a standing item on every meeting. Other recommended changes to the plan were agreed.

18.80 Risk Management

- a) **GBAF** – The GBAF contained 4 red risks. One risk has increased and two new risks had been added. HF had completed a piece of work looking at the movement of risks over the course of a year. The outcome of this showed that WNCCG do monitor risks regularly and keep them up to date.
- b) **CRR** – The risk rating to item 4.8 has been decreased as the CCG now has an up to date contract register. There was an increase to item 4.1 as a new toolkit has been implemented and as this was new and not been used in the past HF felt it appropriate to increase the risk of risk of breach of patient confidentiality. TB queried the wording on item 1.12, a new risk. The use of the word 'excessive' seemed inappropriate. The wording had been given to the CCGs countywide however HF would take that back to the risk owner.
- c) **Risk Analysis** - HF had completed a piece of work looking at the movement of risks over the course of a year. The outcome of this showed that WNCCG do monitor their risks regularly and keep them up to date.

Action: HF to ask risk owner to review the word 'excessive' in CRR 1.12 **HF**

18.81 Conflicts of Interest Committee Chair's Report

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- a) **25th April 2018 – Final** – The committee noted the contents of the minutes.
- b) **10th July 2018 – Draft** – The committee noted the contents of the minutes.
- c) **Terms of Reference** – HF had updated the TOR for its annual approval. HF told the committee she would be making an amendment to the membership. An additional note will be added to say ‘the chair will be chosen from amongst the GB members of the Conflict of Interest subcommittee’. The committee discussed the difference between the term Lay Member and Non-Executive member. For clarity, the wording will change to say the Secondary Care Doctor.
- d) **Annual Work Plan** – The committee noted the contents of the annual work plan.

18.82 Information Governance Chair’s Report

- a) **10th July 2018 – Draft** – The committee noted the contents of the minutes.
- b) **Terms of Reference** – HF highlighted a change in the roles of the Head of Corporate Affairs and the Governance Manager in the meeting preparation along with the addition of DPIA and Cyber Security. The committee noted the changes.
- c) **Annual work plan** - The committee noted the contents of the annual work plan.

18.83 Tender Waivers, Losses & Compensations – Wheelchair Service

The provider of wheelchair services to West Norfolk CCG, Bartram Associates Ltd, had gone into administration on July 11th. The contract had been awarded to them 18 months ago. The request is to commission a service from NCH&C for 8 months. NCH&C currently provide the service elsewhere in Norfolk. Concerns were raised over the initial procurement process when the contract was given to Bartrams. The team have worked hard to get the issue sorted quickly to prevent any further distress to patients affected.

18.84 Changes to Standing Financial Instructions and Accounting Policies

None to report.

18.85 Section 136 Chatterton House

HM reported on his concerns that a business case for a S 136 Unit had been agreed in principle without capital funding being available. The Committee members recalled that they had made clear that the capital funding was a necessary requirement before the bid could proceed. Despite this, agreement to proceed had been given to the NSFT. The CFO would prepare a report for circulation as soon as possible.

Change to classification of running costs

The CFO explained that running costs had not been correctly apportioned as part of the running costs, and that this would be corrected to maximise the allowance.

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The Committee members recalled that they had made clear that the capital funding was a necessary requirement before the bid could proceed. Discussions are taking place with NHS England and with the Borough Council of King's Lynn and West Norfolk who may be willing to fund the unit. An investigation on how this could have happened has been conducted by HM and he will be preparing a paper with his findings. The business case was seen by Governing Body and an agreement to approve subject to funding being awarded was made. Agreement to go ahead was given to NSFT anyway. Once the error had been identified NSFT had been contacted but by this time the works were underway.

HDL thanked HM for the work he had done looking into the error.

ACTION - HM will complete his report and share this with committee members as soon as possible.

HM

18.86 Commissioning Support Unit Contract – Lessons Learnt

A paper was produced for the Mobilisation Board as an overview on how the transition from NEL CSU to Arden & Gem CSU and any lessons learnt. An overview on the IT area would be produced separately.

18.87 Change to Classification of Running Costs

HM explained to the committee that running costs allowances are a separate allocation given to the CCG. The running cost allowance for West Norfolk CCG is just under £3.7m. Over the last few years, West Norfolk CCG have not been correctly portioning the corporate costs between Admin (running costs) and programme (non-running costs). This had meant that Admin costs had an overspend last year of around £200k - £300k. The paper aimed to set out the creation of a policy to ensure the running cost allowance is maximised. The policy has been written using HM Treasury guidance. New structures have been created within the organisation and revised running costs using these changes will be produced.

18.88 Policy Tracker

A programme of works is in place for Information Governance and HR polices. The IG polices are being worked on by CSU and should be complete by October 31st. The HR polices are being worked on across Norfolk with CCGs working together.

18.89 Reflection on the meeting and action on Governing Body Question

TB thanked HDL for her valuable contribution to the Audit Committee during her time as chair.
 NA also thanked HDL and passed on his good wishes.
 HDL told the members that she had recently been elected as a Vice President for the Royal Society of Medicine.

18.70 Date of Next Meeting

The next meeting of the Audit Committee will be on Wednesday 24th October 2018.

There being no further business the meeting concluded at 2.55pm