

**Minutes of the Meeting of the Audit Committee
held on Wednesday 14 January 2015
at King's Court, Chapel Street, King's Lynn**

Present: Hilary De Lyon (HDL) Lay Member (Audit), Chair
Penny Sutton (PS) Lay Member PPI
Tony Burgess (TB) GP Governing Body member

In Attendance: John Ingham (JI) CFO
Jean Clark (JC) Interim Head of Governance
Emma Kriehn-Morris (EKM) Finance Manager
Mark Hodgson (MH) External Audit, Ernst & Young
Helen Devlin (HD) External Audit, Ernst & Young
Neil Abbott (NA) Internal Audit, TIAA

		Action
15.1	Declarations of Interest No new declarations were raised.	
15.2	Apologies for absence Apologies were received from: Kevin Limn and Nicola Meeks, TIAA Internal Audit, Rob Murray, EY External Audit Hilary De Lyon was pleased to announce that the CCG had been successful in recruiting Rob Bennett as the additional member of audit committee. He will attend the March meeting. Hilary De Lyon noted the issue with late papers and that the committee had been booked too near the Christmas and New Year holidays. Mark Hodgson noted he was now the EY lead for the CCG, rather than Rob Murray. Hilary De Lyon welcomed both Mark and Neil Abbott to the meeting and gave the committee's appreciation for Rob's support over last 18 months.	
15.3	Minutes of the Last Meetings held on 9 October 2014 Hilary De Lyon suggested any typos were to be given to Jean Clark directly. An amendments to the minutes was proposed: 14.30 – add "in QIPP" to "saw the value" The minutes were APPROVED with this amendment.	
15.4	Confirmation of Any Part of the Minutes Exempt Under the Fol Act There was no part of the minutes confirmed as exempt.	
15.5	Action log The action log was reviewed. Hilary De Lyon added actions from minutes that had not appeared on the action list. Committee reflection on meeting should be a standing item on the agenda. Attendees	

	<p>could also complete the Audit Committee self-assessment.</p> <p>GP Governing Body members needed to receive counter fraud training as they had missed the December date. Hilary De Lyon would write to them to stress the importance. It was suggested that Lisa George provide on-line training.</p> <p>The Committee NOTED the action log.</p>	
<p>15.6</p>	<p>External Audit</p> <p>Mark Hodgson introduced himself and explained that he was responsible for Norwich CCG and GWY CCG last year. As he and Rob Murray also support local authority contracts, it made sense for him to provide support to all Norfolk CCGs. There was consistency across the team with Helen Devlin and Nichola Smith carrying out the audit work. He had been an engagement lead for 8-9 years and with QEH for 5 years. One of his Suffolk clients had scored highest on a quality review.</p> <p>EY said they were close to having an audit plan this year and would be bringing this to the next meeting. Dates had been booked for the auditors and the Audit Committee had been agreed for 27th May. There were no significant audit risks at the moment, but there were risks nationally – financial resilience, break even targets and an expectation that more CCGs would be in financial problems.</p> <p>Hilary De Lyon asked about the article on whistleblowing on page 5 of the briefing note. Mark Hodgson agreed it was difficult to stipulate routes to provide rights of access to provider staff into a contract clause in a standard contract, but suggested the commissioner’s whistleblowing policy was available to provider staff. Mark Hodgson noted that the NHS was unique in having counter fraud provision so provider staff could be encouraged to report to their Local Counter Fraud Specialist.</p> <p>Penny Sutton asked about smaller contracts. It was agreed to flag whistleblowing on the website and raise with all providers.</p> <p>The Committee NOTED the report.</p>	
<p>15.7</p>	<p>Year End Process</p> <p>Emma Kriehn-Morris presented the paper and said the CCG was happy with the outcome of last year’s audit process and with the support from EY. The NHS England planning workshops were helpful. She believed the CCG was in a strong position coming up to year end, but noted the anticipated issues on the final page, particularly the tight timetable and SBS. She requested any information on accounting for PropCo leases.</p> <p>Mark Hodgson said the draft guidance for this year contained no substantive changes and some helpful changes in relation to the remuneration report. The final guidance should be released shortly. In answer to an email question posed by Rob Bennett, Helen Devlin explained that another audit visit was arranged for early March and they would be meeting with the finance team in April. There was an open dialogue and a great dealing of planning had already been carried out.</p>	

	<p>Hilary De Lyon noted there had been many complaints at the recent Audit Chairs' workshop about the shortened timetable.</p> <p>The Committee NOTED the report.</p>	
<p>15.8</p>	<p>Review of Serco finance processes</p> <p>John Ingham explained that previously some gaps in controls had been flagged. This paper outlined the actions taken. As Serco was a third party contractor, the CCG would receive a Service Auditor Report (SAR) but very late in the day. This was the CCG's way of supplementing this assurance.</p> <p>Emma Kriehn-Morris had carried out a review of the services provided by Serco, including Locally Enhanced Services (LES), and had met with Serco and embedded changes. West Norfolk CCG was only the second CCG to ask for this simple change which provided good control. She had shared this with the finance deputies in the other Norfolk CCGs. The commissioning team was now leading the review of each LES.</p> <p>Neil Abbott said he had carried out an audit on GP payments and had some helpful points to share. He recommended a register of decisions.</p> <p>Tony Burgess felt it was a sensible approach to GP payments.</p> <p>The Committee NOTED the report.</p>	
<p>15.9</p>	<p>Internal Audit</p> <p><u>Progress audit</u></p> <p>Neil Abbott updated the committee. TIAA had issued 5 out of 12 audit reports; 3 since the last Audit Committee. The two third party reports on adult and children's safeguarding were given reasonable assurance opinion while the Care Homes quality audit was given limited assurance. They were on track for completion of the plan and delivery of the Head of Internal Audit Opinion. He had been involved with setting up the continuing healthcare audit liaising with Kay Matthews at NELCSU. The CSU had stopped the CCG's auditors accessing the CSU sites following guidance from NHS England. This was a problem with all CSUs, but NEL CSU seemed to be less flexible. Instead the auditors were reviewing selected records and Broadcare at each CCG site which was problematic.</p> <p>John Ingham explained this had come to light at the beginning of December when TIAA commenced the audit on key financial systems. NHS England had sent a letter explaining they were commissioning Deloitte to carry out Service Auditor Report (SARs) for CSUs. In principle this made sense provided CCGs could gain appropriate assurance from the SAR. However, the Norfolk CCGs were concerned that the SAR would not sample each CCG sufficiently nor cover continuing healthcare. The issue also applied to external auditors. There was a CFO meeting on Monday which Harry Turner from the CSU was attending.</p>	

Hilary De Lyon asked if it was worth raising nationally as the Audit Chair.
Jean Clark asked about the portal for follow up of recommendations. Neil Abbott explained this was still in development.

The Committee **NOTED** the report.

Adult Safeguarding

Penny Sutton noted that the Patient Safety Clinical Quality Committee (PSCQ) had been pushing for local figures.

Hilary De Lyon noted that there were actions with deadlines that had passed and actions with several owners. Tony Burgess agreed that PSCQ would follow these up.

The Committee **NOTED** the report.

Children's Safeguarding

Tony Burgess had met with the GYW CCG safeguarding team to discuss the Memorandum Of Understanding (MoU) because it needed to be renewed and to reflect the support for the safeguarding doctor vacancy. He noted that 50% of safeguarding doctor posts around the country were vacant. GWY CCG were seeking Royal College of Paediatrics and Child Health guidance on different ways of supporting this function. Children were being safeguarded, but the strategic leadership and development of protocols was missing. In addition, the named nurse was retiring next year. All this was reflected on the risk registers.

The Committee **NOTED** the report.

Care Homes

The audit had been carried out when the Care Home lead had just been appointed and some of the recommendations had been actioned. Penny Sutton assured the committee that Sarah Taylor was progressing the remaining actions. Tony Burgess noted that the responsibility for residential homes sat with Norfolk County Council but the CCG did have placements in residential homes and so this posed a risk as the council team was too small to replicate Sarah's work.

Neil Abbott noted a role for Lisa George with regard to payments and would include this in a sample. Tony Burgess said in discussion with the continuing healthcare team there was an understanding that reviews needed to happen more frequently than annually as these patients change frequently. He was feeling more assured.

Hilary De Lyon asked if Care Homes could be a deep dive at the March meeting and this was agreed.

The Committee **NOTED** the report.

Briefing Papers

Members thanked TIAA for the helpful briefing papers. In relation to conflicts of interest, Tony Burgess noted concerns with excluding GPs from discussions and it made a nonsense of clinical commissioning. It would be better to record conflicts in an

	<p>open way rather than exclude the GPs.</p> <p><u>Internal Audit self-assessment</u> It was agreed that committee members could address this as part of their self-assessment discussion. John Ingham, Emma Kriehn-Morris and Jean Clark could complete the questionnaire in addition.</p> <p>ACTION 1: To follow up internal audit reports at PSCQ committee</p> <p>ACTION 2: To write to NHS England about the problems with auditors accessing CSU sites</p> <p>ACTION 3: To complete internal audit self-assessment as part of Audit Committee assessment</p> <p>ACTION 4: To agenda a deep dive on care homes at the March meeting</p>	<p style="text-align: center;">TB HDL ALL JC</p>
<p>15.10</p>	<p>Proposed Constitution Changes Jean Clark outlined the changes proposed in the paper.</p> <p>Members noted the lay member reference needed to be amended to Non Executive. And “appointed” rather than “shared with”.</p> <p>Hilary De Lyon asked if external audit would review the chairing of the Council of Members and whether it remained a conflict. Last year, EY had noted an informal concern when reflecting on the approval of accounts. Audit Committee members felt it was helpful to have a chair with experience but control over agendas and management of the discussion could possible create a conflict of interest. The ease with which members could challenge governing body decisions might be compromised. Council of Member have not raised this as yet, but it was important to recognise the potential risk. The newly established Conflict of Interest Committee could take a view.</p> <p>The Committee NOTED the proposed constitution changes.</p> <p>ACTION 5: To comment on the issue of Governing Body and Council of Members having the same chair.</p>	<p style="text-align: center;">MH</p>
<p>15.11</p>	<p>Risk Management</p> <p><u>Governing Body Assurance Framework and Corporate Risk Register</u> Jean Clark noted the iterative changes in the two risk registers. Kevin Limn was starting his audit on Thursday.</p> <p>Members discussed specific risks around the Contingency Planning Team (CPT) timelines and commented on a number of risks.</p> <p><u>Risk Intelligent organisation</u> Hilary De Lyon explained the process shared at the recent Audit Chairs’ workshop and suggested the CCG used it for assessing the risk intelligence of the organisation.</p>	

	<p>It was agreed to add to the agenda of the next meeting in March.</p> <p>The Committee NOTED the registers.</p> <p>ACTION 6: To add Risk Intelligent Organisation framework to the March agenda</p>	JC
15.12	<p>Health & Safety</p> <p>Jean Clark updated the committee on progress in Health & Safety. She noted she had a NEBOSH qualification in addition to the competent Health & Safety support received from the Borough Council.</p> <p>The Committee NOTED the report.</p>	
15.13	<p>Emergency Preparedness Resilience and Response (EPRR) Assurance</p> <p>Jean Clark presented the assurance on the organisation's EPRR arrangements and highlighted the work of Nikki Bartrum and colleagues holding daily silver calls to ensure the system was resilient.</p> <p>John Ingham noted that a lot of work had gone into this small paper.</p> <p>The Audit Committee thanked all those involved in EPRR.</p> <p>The Committee NOTED the report.</p>	
15.14	<p>Information Governance</p> <p><u>IG Chair's Report</u></p> <p>John Ingham presented the Chair's report. He noted a recent IG breach by an agency member of staff sharing a password. The gap in the process was the lack of IG training. Senior Management Team had reminded all staff to carry out their mandatory and statutory training and the induction process had been revised, with particular focus on agency staff and interims.</p> <p>The Committee had discussed the difficulties with conducting Clinical Audit with the Health & Social Care Act, yet contractually it was important for the CCG to carry out clinical audits of prior approvals, re-admissions etc. With patient identifiable information the only solution was individual patient consent. This was a live issue across the country. Jean Clark was speaking to the IG lead at QEH.</p> <p>The Committee NOTED the report.</p>	
15.15	<p>Tender Waivers</p> <p>There were none to report since the last meeting</p>	
15.16	<p>Losses & Compensations</p> <p>There were none to report since the last meeting.</p>	
15.17	<p>The Committee NOTED the Information Governance Committee minutes.</p>	
15.18	<p>Any Other Business</p>	

	Reflection on the meeting There were no comments members wished to make on the meeting.	
	The next meeting was to be confirmed 11th March 2015	