

**Minutes of the Meeting of the Audit Committee
held on Thursday 9 October 2014
at King's Court, Chapel Street, King's Lynn**

Present:	Hilary De Lyon (HDL)	Lay Member (Audit), Chair
	Penny Sutton (PS)	Lay Member PPI
In Attendance:	John Ingham (JI)	CFO
	Jean Clark (JC)	Interim Head of Governance
	Emma Kriehn-Morris (EKM)	Finance Manager
	Sarah Boxall (SB)	Corporate Affairs Support
	Rob Murray (RM)	External Audit, Ernst & Young
	Kevin Limn (KL)	Internal Audit, TIAA
	Lisa George (LG)	Local Counter Fraud Specialist, TIAA

		Action
14.23	Declarations of Interest No new declarations were raised.	
14.24	Apologies for absence Apologies were received from: Dr Tony Burgess, GP Governing Body Member WNCCG, Nicola Meeks, TIAA Internal Audit, Helen Devlin, EY External Audit	
14.25	Minutes of the Last Meetings held on 30 July 2014 Amendments to the minutes were proposed: Page 3 – 14.08 should read “qualified accounts” Page 5 – 14.12 replace “problem” with “governance implications “ and corrections to minor errors The minutes were APPROVED with these amendments.	
14.26	Confirmation of Any Part of the Minutes Exempt Under the FoI Act There was none confirmed as exempt.	
14.27	Action log The action log was reviewed. 6 - The Expenses Policy will be re-sent to Remco for final sign off. 8 - Progress was being made with the Training Needs Analysis. 31 - There had been a lengthy session with the CSU in June reflecting on year end, a helpful session with Helen Devlin and a session with the Area Team in September John Ingham agreed to bring a summary of learning to the next Audit Committee meeting which will inform next year’s audit plan. Hilary De Lyon noted that Health & Safety should be a standing item on the agenda. The Committee NOTED the action log. ACTION 1: To send the revised Expenses Policy to RemCo for final sign off.	JC

	<p>ACTION 2: To bring a summary of year end learning to the next Audit Committee meeting.</p>	<p>JI</p>
<p>14.28</p>	<p>Audit Committee Self-Assessment The results of the self-assessment was presented, along with a proposed action plan. It was agreed that the three members should meet together to discuss the differences in their results.</p> <p>It was suggested that members meet with external auditors twice a year - at year end and earlier in year to discuss the audit plan to alert members to risks and meet with internal auditors after the next meeting. The auditors said they were happy to meet together if this made it easier.</p> <p>Rob Murray said non audit work was included in updates, but he would ensure this is better clarified. He would discuss with John Ingham whether a policy was needed, or whether the work can be discussed in advance.</p> <p>Lisa George noted that West Norfolk CCG hadn't received any reports from NHS Protect as there hadn't been any inspections, but she would request benchmarking reports in the meantime. She had raised this at a LCFS forum. NHS England are intending to issue standards for commissioner; standards for providers were under review.</p> <p>Members agreed to reflect on the meeting's effectiveness at the end of this meeting.</p> <p>The Committee NOTED the action log</p> <p>ACTION 3: To meet to discuss self-assessment results</p> <p>ACTION 4: To organise private meetings with auditors</p>	<p style="text-align: center;">HDL/ PS/TB</p> <p style="text-align: center;">HDL/ PS/TB</p>
<p>14.29</p>	<p>External Audit Rob Murray gave a verbal briefing.</p> <p>EY were asking the Audit Commission for an additional sum for extra work undertaken last year end. A lower figure has been agreed. He would circulate a letter regarding this.</p> <p>Planning for next year's audit was at an early stage. Internal strategy meetings between the auditors and CCGs would take place. He was meeting John Ingham on 18th November and hoped to issue the audit plan by the end of January. The timetable was very tight this year and it would be good to do as much work in advance as possible. He suggested three visits to break up the work.</p> <p>Emerging risks – Rob Murray commented on a meeting last week between the National Audit Office, NHS England and audit suppliers. Last year there were late guidance problems. Next year there would be the tightening financial position across</p>	

	<p>the NHS, continuing with agreement of balances, Better Care Fund and the financial capacity in NHS England - their re-structuring might impact on capacity. In addition, there were the changes to the audit regime – from 1st April, the Audit Commission would cease to exist and functions were being passed to a number of different bodies.</p> <p>The Committee NOTED the report.</p>	
<p>14.30</p>	<p>Internal Audit</p> <p><u>Progress Report</u></p> <p>Kevin Limn presented the report. The Care Homes report was due shortly, delayed due to the lead auditor being unwell. The timetable for the collaborative commissioning audit had changed and was commencing next week. The Third party review on safeguarding was now complete and due to be issued, with only control weaknesses but not limited assurance.</p> <p><u>QIPP Report</u></p> <p>This gave reasonable assurance and the management responses had been agreed.</p> <p>Hilary De Lyon said she was re-assured with the management comment that work was starting much earlier and that there would be a pipeline of projects on-going. Kevin Limn agreed that as the CCG matured, it would be easier to build in to business processes.</p> <p>John Ingham noted that Alasdair Willett had introduced robust process but these were not yet embedded. CLEX had signed off the new QIPP process and would bring clinical engagement to QIPP schemes. The first step was to get recurrent delivery.</p> <p>Jean Clark added that the new Finance & Performance Committee would add extra scrutiny.</p> <p>Hilary De Lyon asked if there was a change in provider attitude and that they saw the value. John Ingham explained that the CPT process at the Queen Elizabeth Hospital ensured that it was tied in. The key was engagement with GP members.</p> <p>Penny Sutton asked about the Cancer Drugs Fund. John Ingham explained that CCGs were currently not part of this.</p> <p><u>Financial Reporting & Budgetary Control Report</u></p> <p>This gave Substantial opinion with only two recommendations which were merely points for management to consider. This was a positive audit and they were very happy with the ability to reconcile the actual financial opinion. There was a minor recommendation to put policies in place and provide a governance framework.</p> <p>Kevin Limn said he had the full list of recommendations from last year and was adding these to the portal system and had already mapped them into the new projects for this year. He would bring the tracker to the November meeting.</p>	

	The Committee NOTED the report.	
14.31	<p>Counter Fraud</p> <p><u>Progress Report</u></p> <p>Lisa George had met with John Ingham and Jean Clark progress was in accordance with plan. There was a good engagement with the CCG. She had carried out staff training and a session was planned with the Governing Body in December. Newsletters and leaflets were available to staff. Policies had been reviewed. She will be conducting a joint proactive audit with colleagues on continuing health care.</p> <p>Hilary De Lyon asked about staff attendance at training sessions. Sarah Boxall was flagging those who still required training. Feedback had been very positive.</p> <p>Hilary De Lyon asked about the newsletter. This would be circulated to all staff and there were sufficient hard copies to post to GP members and attach electronically to CCG matters.</p> <p>Lisa George would be issuing a fraud awareness survey. Last year's had had poor response. Jean Clark agreed to chase staff to respond.</p> <p>Hilary De Lyon asked about GPs. Lisa George explained this was the responsibility of NHS England, although CCGs and TIAA would wish to support this and was happy to attend a practice manager's forum.</p> <p>John Ingham described the investigation that took place last year on the equipment store (ICES). The council process had been a long one. There was a sense that there was scope for fraud and questions whether the council's response was sufficiently robust. He was convening a meeting of the CFOs and governance leads in Norfolk CCGs with the council and counter fraud to review the findings and would report back to the Audit Committee. The ICES contract was also under financial pressure.</p> <p><u>Counter Fraud Policy</u></p> <p>The policy had been updated and reviewed by Lisa George. The Committee recommended it for approval in line with the Scheme of Delegation.</p> <p><u>Whistleblowing Policy</u></p> <p>The policy had been updated and reviewed by Lisa George. The Committee recommended it for approval in line with the Scheme of Delegation.</p> <p>Hilary De Lyon noted that whistleblowing was limited for this organisation but was more concerning for providers and asked what information the CCG received on providers' whistleblowing cultures. Lisa George said she could liaise with counter fraud colleagues at provider organisations. Jean Clark clarified that there was a clause in the standard NHS contract and this is where whistleblowing was monitored. Provider Boards would need to be reassured. Kevin Limn added that it depended on the level it was reported in the provider organisations and is one of the aspects reviewed by CQC.</p>	

	<p>Penny Sutton added that the CCG was signed up to Patient Opinion and this would be one avenue of reporting. Jean Clark will ensure Lisa George is linked in to this.</p> <p>ACTION 5: For Lisa George to attend a Practice Manager’s Forum</p> <p>ACTION 6: To follow up with the Area Team about their arrangements for counter fraud.</p> <p>ACTION 7: To convene a meeting between NCC, CFOs and governance leads to review the findings of the equipment store review and report back to the Audit Committee.</p> <p>The Committee NOTED the report and RECOMMENDED the policies for approval.</p>	<p style="text-align: center;">JC</p> <p style="text-align: center;">JI</p> <p style="text-align: center;">JI</p>
<p>14.32</p>	<p><u>Proposed Constitution Changes</u></p> <p>Jean Clark summarised the proposed changes to the Constitution, including the establishment of two new committees.</p> <p>Conflicts of Interest Committee – the committee noted that there had been relatively few instances which would mean the committee would need to meet every 2 months. Kevin Limn suggested that the committee could be called on an extraordinary basis. Using a checklist in the policy could raise the need to convene. The committee could also meet virtually. It was agreed to hold a minimum of 4 meetings a year, akin to RemCo. There was no need for a Vice Chair.</p> <p>Finance Committee: - the auditors agreed that most CCGs were establishing a finance committee, given that financial duties were such a key risk. This was a good step, recognising that responsibility for financial management still sat with the executive. John Ingham added that the committee would free up time for the Governing Body to focus on strategic issues.</p> <p>Penny Sutton suggested reviewing the terms of reference of the Drugs & Therapeutics Committee.</p> <p>The Committee NOTED the proposed constitution changes.</p>	
<p>14.33</p>	<p>Risk Management</p> <p><u>Governing Body Assurance Framework and Corporate Risk Register</u></p> <p>Jean Clark presented the current iteration of the GBAF and Corporate Risk Register. The latter was currently being audited. She acknowledged that they still needed improvements. Both Executive Team and Patient Safety Clinical Quality Committee regularly review the relevant risks. Risk owners were taking ownership of the risks and approaching her to update the risks. One of TIAA’s recommendations from last year’s review was to use peer support. The CCG has set up a reciprocal system with Norwich CCG to ensure better scrutiny of risk management. Jean Clark tabled an example. She clarified that members of the Audit Committee were asked to review the risk registers and ask how the CCG has come to the conclusion that the risk was being well managed. There were helpful questions in the NHS Audit Committee Handbook, page 21. The registers themselves should help drive the Audit Committee</p>	

	<p>agenda.</p> <p>Penny Sutton noted her concern with the cumbersome method of updating risks.</p> <p><u>Risk management framework and policy</u> Jean Clark explained that the revised risk policy better detailed the movement of risks between the Corporate Risk Register and the GBAF, based on risk appetite as this has not been clear in the past. The GBAF was the home of strategic risks and significant operational risks which impacted on strategy and the Corporate Risk Register was the home of operational risks.</p> <p>The Governing Body had proposed that risk appetite was dependant on the type of risk (i.e. quality, safety, regulatory, reputation, finance), each having its own threshold; therefore determining what is escalated to the GBAF. Kevin Limn suggested that this may overly complicate the administration of risk registers and often risks were inter-related; instead the risk target column could relate to each risk appetite as it was personal to individual risks. Jean Clark agreed to make this change to page 18 and to produce a “scrutiny checklist” for risk owners.</p> <p>John Ingham noted the need to increase the challenge internally with risk owners, including with risk appetite.</p> <p>The Committee NOTED the Corporate Risk Register and GBAF and RECOMMENDED the Risk Management Framework and Policy for approval, with the proposed amendments.</p> <p>ACTION 8: To produce a scrutiny checklist for risk owners</p>	JC
<p>14.34</p>	<p>Financial Risk Sharing Agreement</p> <p>John Ingham explained that there was a risk sharing agreement in place with Norfolk wide CCGs for 2013/14. The CFOs had reviewed this arrangement as they had a better understanding of the financial arrangements. He was proposing a slimmed down version which required recommendation to the Governing Body for approval.</p> <p>Penny Sutton asked for clarification on stroke being part of neuro-rehabilitation, Eastern Pathology Alliance and transport costs, which John Ingham provided.</p> <p>The Committee RECOMMENDED the Risk Sharing Agreement to the Governing Body for approval.</p>	
<p>14.35</p>	<p>Information Governance</p> <p><u>IG Chair’s Report</u> John Ingham presented the Chair’s Report. Unfortunately Dr Burgess, Caldicott Guardian, had been unable to attend, but the SIRO and Caldicott Guardian would be discussing issues outside of the committee.</p> <p>Kevin Limn noted that West Norfolk was the only CCG to have established an IG Committee and it was seen as good practice.</p>	

	The Committee NOTED the report.	
14.36	<p>Tender Waivers</p> <p>John Ingham explained that linked to the Patient Transport Service was a call handling service managed by East of England Ambulance Service Trust (EEAST). ERS Medical had taken this service on from EEAST along with the Patient Transport Service and now the CCG had gone out to single tender. Advice had been secured from the procurement team at the CSU. John Ingham would circulate the paper.</p> <p>The Committee NOTED the single tender award.</p> <p>ACTION 9: To circulate the paper on the single tender award</p>	JI
14.37	<p>Losses & Compensations</p> <p>There were none to report since the last meeting.</p>	
14.38	The Committee NOTED the Information Governance Committee minutes.	
14.39	<p>Any Other Business</p> <p>The members reflected on the effectiveness of the meeting, finding it useful and were satisfied with the outcomes. The auditors confirmed that the meetings were in line with those of other local CCGs.</p>	
	The next meeting was to be confirmed in January 2015.	