

## Minutes

### Committee members present:

Peter Collis, Lay Member for Governance  
Jonathan Perkins, Lay Member for Governance  
Dr Andrew Sharpe, GP Member

### Others in attendance:

Dan Brown, Acting Chief Finance Officer  
Justin Dix, Governing Body Secretary

Clarence Mpofu, Head of Internal Audit, TIAA  
Simon Darby, Audit Manager, TIAA

Melanie Aflatt, Counter fraud Manager, TIAA

Joe Farnell, Audit Manager KPMG

**Chair:** Peter Collis

**Minute taker:** Justin Dix

**Meeting started:** 12.30pm

**Meeting finished:** 3.05pm

### 1. Meeting Matters

#### 1.1. Welcome and Introductions

Mike Brooks (Guildford and Waverley CCG Audit Chair) and Paul Hopper (North West Surrey CCG Audit Chair) were welcomed to the meeting

AC/220917/001

## 1.2. Apologies for Absence

Matthew Tait, Debbie Stubberfield and Andrew Demetriades

AC/220917/002

## 1.3. Quorum

The meeting was quorate.

AC/220917/003

## 1.4. Attendees interests relevant to the meeting

Committee members were reminded of their obligation to declare any interest they may have on any issues arising at committee meetings which might conflict with the business of Surrey Downs Clinical Commissioning Group.

AC/220917/004

Declarations declared by members of the Audit Committee are listed in the CCG's Register of Interests. The Register is available either via the secretary to the governing body or the CCG website at the following link:

AC/220917/005

<http://www.surreydownsccg.nhs.uk/media/53186/01-register-of-interests.pdf>

## 1.5. Minutes of the last meeting

Para 027 – incorrect spelling of Joe Farnell. Otherwise the minutes were agreed as an accurate record.

AC/220917/006

## 1.6. Matters arising and action log amendments

AC/07/07/17/070 - Counter Fraud Report - Pharmaceutical fraud due to over-ordering and repeat prescribing. Not yet taken forward. Keep action open.

AC/220917/007

AC/07/0717/067 - External Audit - Half an hour to be scheduled with KMPG and TIAA before the scheduled audit committee in September. This had taken place so action can be closed, but new action for a further meeting to be scheduled after the January meeting. Joe Fallon said this would be useful in terms of flagging up any issues with annual reporting e.g. in March.

AC/220917/008

**Action Justin Dix**

AC/070707/074 - Counter Fraud Report - Melanie Aflatt to send link for an online cyber-crime awareness survey to Justin Dix. Completed, can be closed.

AC/220917/009

AC070717/020 - Lifting of Directions - Justin Dix to check with NHS England to see if other CCG's had been successful in having their directions lifted. Update given on log, action can be closed.

AC/220917/010

044 GDPR – There was a discussion about shared roles across the three CCGs but the most important priority was felt to be completing a gap analysis and scoping future service requirements. Can be closed but put on risk register and keep action 044 below open.

AC/220917/011

**Action Justin Dix**

AC070717/021- Lifting of Directions - Financial Controls Assurance Framework. Peter Collis gave a brief overview of this. It had been a useful exercise but there was no sign at the moment that it would be required this year by NHS England. It was agreed to take the views of the incoming Surrey Heartlands CFO on the matter. Action can be closed.	AC/220917/012
AC070717/031- Lifting of Directions - To formally identify the range of models used elsewhere. Not a priority, action can be closed.	AC/220917/013
AC070717/04 - Benchmarking of Surrey Downs against other CCGs in line with recent National Audit Office Report – noted that a paper was going to the Governing Body next week on this. Action can be closed.	AC/220917/014
AC070717/043 - General Data Protection Regulations (GDPR). Prepare a briefing paper exploring capacity requirement for a joined up IG service in light of GDPR. It was noted that this was being led by the Director of Corporate Governance at NW Surrey CCG following a recent discussion at the Joint Executive Team. Action can be closed.	AC/220917/015
AC070717/044 - General Data Protection Regulations (GDPR) Risk of non-compliance across the 3 CCG's due to lack of planning and capacity. Agreed this remained an issue and should be kept open.	AC/220917/016
AC070717/048 - Cyber Security Update - General awareness briefing reminding staff of the relevant It – not completed, keep action open.	AC/220917/017
AC070717/078 - Conflicts of Interest - Update Whistle Blowing Policy. Going to Remcom next week, can be closed	AC/220917/018
AC070717/083 - Internal Controls - Dan Brown to ask Julian Wilmshurst - Smith to produce a a regularly updated procurement timetable. Clarified that this was now going regularly to LMT and EMT. Justin Dix to follow up. Keep open.	AC/220917/019
AC070717/30 – Joint Audit Committee - Joint workshop to be coordinated with the other CCG's in September. Superseded, can be closed.	AC/220917/020
AC310317/74 - Conflict of interest - Revise link on P26 of policy. Completed, can be closed.	AC/220917/021

## **2. Strategic and Change Updates**

### **2.1. CCG Joint arrangements**

#### **2.1.1. General update (Verbal)**

The workshop for the three Governing Bodies the previous week had been positive and the focus was on pace of change and providing assurance to member practices. There was a general view that the three CCGs would need to merge eventually but localities would need to be strong and to have confidence that there would be local sensitivity.	AC/220917/022
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Matthew Tait would now be working on the next steps in the process. Flexibility would be required as this was worked through even if this meant taking a practical approach to governance arrangements. AC/220917/023

The need to incorporate the complexities of East Surrey was noted. Common policies and procedures would be a key issue. In the interim the executive appointments process was now imminent. AC/220917/024

It was noted that the arrangements for devolution were going to the three CCGs governing bodies and this would include confirmation of nominated delegates. It was highlighted that this was within the context of the shadow year. Jonathan Perkins felt that there would need to be a change over time in Governing Body membership. AC/220917/025

### **2.1.2. Feedback from NW Surrey and Guildford and Waverley Audit Committees**

It was felt positive to be able to compare and contrast different audit committees and attend each other's meetings. There was an opportunity to learn from each other's best practice. AC/220917/026

There had been a discussion this morning in the Surrey Downs Finance and Performance Committee about the need to have a joined up approach to planning for 2018/19, and respective control totals in the light of a probable requirement for a joint Surrey Heartlands Financial Recovery Plan. AC/220917/027

Mike Brooks noted that the statutory audit work would need to be done in organisational domains as long as the statutory bodies remained separate but that in the interests of effectiveness everything that could be done jointly should be. This was agreed. AC/220917/028

Paul Hopper said that the substance of the Accountable Care Systems approach needed to be in place to give confidence to an actual merger of CCGs. These processes might need to run side by side and acknowledge the different approaches in each locality. Dr Sharpe noted that the focus of primary care was on the strength of localities and the difference this made to the day to day work of GPs. AC/220917/029

It was noted that there is formal guidance on mergers and dissolution and that this was embodied in the relevant legislation. AC/220917/030

## **3. Audit**

### **3.1. Internal Audit**

#### **3.1.1. Update and new audit reports**

Clarence Mpofo talked through the audit update. AC/220917/031

Three reports had been issued:

AC/220917/032

- QIPP and Service Transformation
- Governing Body Assurance Framework (GBAF) and Risk Management
- Cyber Security

With regards to service transformation it was noted that there was a very challenging QIPP target that was 5% of total commissioning expenditure. There was currently a large component of unidentified QIPP and work was ongoing to identify more.

AC/220917/033

Programme Management Office (PMO) team vacancies were felt to be a risk. Dan Brown reported that the Acting Head of the PMO, Julian Wilmshurst-Smith, has confidence that this can be managed. He has held the team together and nurtured talent. The Acting role is expected to be for the foreseeable future. Some interim support was being recruited. It was difficult to recruit substantively given the imminent expected merger of functions under Phase 2 of the change programme. Committee members were however concerned at the staffing situation and it was agreed to draft a risk around transition staffing in specific areas such as the PMO.

AC/220917/034

**Action – Justin Dix**

With regards to the GBAF and risk management a small range of housekeeping issues had been identified but no serious problems. There would be a post implementation review as part of year end work. It was felt that the audit had been beneficial to the risk manager, Helen Hobson..

AC/220917/035

Cyber Security. It was noted that CSW (Central South West – the new IT provider) were producing good reports e.g. on lockouts and forced updates. There would also be a need to focus on the CHC system (Broadcare) and systems interfaces.

AC/220917/036

Staff awareness was felt to be a major issue, particularly with regard to not opening suspicious email attachments.

AC/220917/037

Dr Sharpe noted the need to look at GP IT as well. There was some scope for using free ransomware which would help practices to be more resilient. However it was cautioned that although free, companies were often in the habit of producing loss leader offers in the hope of attracting future business. This would therefore still need to be subject to oversight and procurement rules if done by the CCG on behalf of practices.

AC/220917/038

It was agreed that Justin Dix, Dan Brown and Dr Sharpe would review this in the Information Governance Steering Group and escalate this to the new CFO when in post.

AC/220917/039

**Action Justin Dix, Dan Brown and Dr Sharpe**

Melanie Aflatt reported that TIAA had an online elearning package for cyber security – this could be rolled out across all three CCGs and even to GP practices. It takes approximately 25 minutes to complete and staff are issued with individual links which can be monitored for compliance. AC/220917/040

**Action - JD to escalate to Joint Executive Team for approval**

Progress against internal audit plan – this was noted, specifically it was highlighted that the plan was on target. However the proposed audit of the STP's governance and change programmes was not felt to be timely and it was agreed that Clarence Mpofo and Simon Darby would meet with Dan Brown and Justin Dix about alternative use of audit days. AC/220917/041

**Action Clarence Mpofo**

Guidance on managing the annual Conflict of Interest Audit – this was not nationally mandated and there will be a discussion between auditors and CCGs about whether to take a targeted or broad approach. There were some options about what issues to look at. There was a particular issue around how Conflict of Interest would be managed in localities. AC/220917/042

Better Care Fund – the audit had been undertaken by Surrey County Council and TIAA have not had sight of this. It was believed to be centred on social care and process rather than health and Value for Money. Clarence Mpofo would follow up. AC/220917/043

**Action Clarence Mpofo**

**3.1.2. Outstanding actions from earlier audits**

The committee noted that there was a sustained effort to ensure that audit recommendations were implemented and closed appropriately and this was commended. At the moment there were only three outstanding recommendations although this would grow with the latest batch of reports and recommendations. AC/220917/044

Although a specially commissioned audit, it was noted that the review of Personal Health Budgets was also key and should be shared across all three CCGs. AC/220917/045

**3.2. External Audit**

**3.2.1. Verbal Update report**

Joe Farnell said that there would be a formal audit plan in January for the end of year. This would include all the key areas including forecasts and financial reports and liaison with internal audit. The timing of this looked as expected. AC/220917/046

Dan Brown asked if KPMG would be doing fieldwork before the end of the calendar year. Joe Farnell said this was unlikely as the auditors preferred to have information up to an including month 9. This was felt to be appropriate. Some risk assessment questions might emerge before then. The timetable would be similar with the other two CCGs. AC/220917/047

It was noted that Value For Money may be an area for review where CCGs are collaborating and providing assistance to each other. EA will highlight emerging risks but experience to date is this is manageable providing the approach to use of resources is sound. The risk around governance during the current transition was highlighted, as was any mutual support around redundancies and sharing stranded costs where contracts were terminated. AC/220917/048

Joe Farnell said that any joint performance issues might need to be looked at by External Audit where these were referenced as they would have to sign off on the propriety of this. AC/220917/049

Paul Hopper noted that joint working and transition would need to be explicit in the audit plan. Dan Brown queried whether, given the potential overlap in the Heartlands CCGs in terms of cross-trading or financial brokerage, Joe Farnell would be responsible for all three CCG Heartlands audits i.e. having one senior engagement manager would create both an efficiency and give greater assurance. Joe Farnell explained the resourcing for the audits was not yet agreed but noted the point and agreed to raise internally in KPMG. AC/220917/050

**Action Joe Farnell**

**4. Information Governance**

**4.1. Cyber Security Audit**

This had already been discussed under the audit item. AC/220917/051

**4.2. IG Toolkit**

It was noted that the second half of the year would see significant activity in this area, particularly around asset audits and staff training. There would be a report on the level of compliance and risks at the next meeting. AC/220917/052

**4.3. Information Governance Steering Group feedback**

There had been two meetings of the IG Steering Group since the last meeting, mainly focused on establishing the baseline position for the toolkit. AC/220917/053

**4.4. GDPR (General Data Protection Regulation)**

It was noted that this work now sat with the Joint Executive Team but as per the action log, would need to be monitored to see that it was addressed during the transitional period. AC/220917/054

**5. Standards of Business Conduct**

## 5.1. Counter Fraud Report

The Counter Fraud report was noted. AC/220917/055

Areas covered were: AC/220917/056

- Anti-Fraud, Bribery and Corruption Policy
- Training
- Cyber Crime Awareness Training

The proposed proactive work programme covered the following areas: AC/220917/057

- Continuing Health Care
- Prescribing Fraud risk
- Checks for interim staff
- Provider anti-crime arrangements
- Declarations of interests

It was noted that Justin Dix and Helen Hobson had met with Melanie Aflatt to review policies and it was hoped that it would be possible to align policies and procedures across the 3 CCGs who still shared the same counter fraud provider. AC/220917/058

Thematic review PHBs - The CCG has been fully engaged in this review which is progressing well. The final date for data to be uploaded is 29 September 2017 and following this it is anticipated that the report on the results will be available for the CCG and the audit Committee. One outcome will be that guidance needs to be given to staff re potential for fraud. AC/220917/059

Out of pocket expenses in pharmacies – TIAA reported some success in recovering over claimed amounts. Outlying claims could be reviewed. Although a small area the sums involved could run into £000's. This was part of the counter fraud work done normally with meds management. AC/220917/060

The specific case regarding lost files in Continuing Health Care was continuing to be progressed. It had proved possible to interview the individual concerned and a report would be produced in October. AC/220917/061

## 5.2. Conflict of interest

The briefing note was discussed. The system was working well internally but staff compliance was relatively low (32%) and this needed to be pursued. There were still technical issues with the reporting for GPs which was being pursued. AC/220917/062

The next quarterly report was due on the 13<sup>th</sup> October. AC/220917/063

## 6. Internal Controls

### 6.1. Risk Management Strategy



This had been produced across the three CCGs and had been lead by Guildford and Waverley using the Surrey Downs policy as a basis. AC/220917/064

It was felt to be a good start but needs more work on it. In particular an editorial review for consistency was required. The process for identifying target risk scores and establishing risk tolerance also needed to be clearer. Comments were invited on the strategy to Justin Dix. AC/220917/065

## **6.2. Risk report**

The Risk Report was noted. This was felt to be improving and more consistent with the agenda of the committee. AC/220917/066

It was agreed that Eileen Clark should be asked to look at the risk around Pandemic Flu to ensure this was fit for purpose. AC/220917/067

**Action Justin Dix**

## **6.3. Incident management**

The report was noted. AC/220917/068

## **6.4. Debts and Debt write-offs**

There were no new debts or debt write-off issues to report. AC/220917/069

## **7. Other matters**

### **7.1. Committee Effectiveness**

The joint process with the other Surrey Heartlands CCGs was noted. AC/220917/070

### **7.2. Any other urgent business**

There was no other urgent business. AC/220917/071

### **7.3. Items to highlight to the Governing Body**

The following items were flagged: AC/220917/072

- The importance of maintaining good governance through the transitional period
- General risk around transition and business continuity
- Cyber security
- Effectiveness in closing audit actions

### **7.4. Dates of future meetings**

It was agreed to keep this under review – it was assumed there will be a joint meeting at some point. AC/220917/073

