



**Surrey Downs
Clinical Commissioning Group**

*Audit Committee
19th January, 12.30pm
Cedar Room, Cedar Court, Leatherhead*

Minutes

Committee members present:

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

Others in attendance:

Debbie Stubberfield, Governing Body Nurse
Karen McDowell, Chief Finance Officer
Dan Brown, Head of Finance
Justin Dix, Governing Body Secretary

Clarence Mpfu, Head of Internal Audit, TIAA

Melanie Alflatt, Counter fraud Manager, TIAA

Neil Hewitson, Director, KPMG
Ian Livingstone, 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	
Neil Hewitson (KPMG) and Ian Livingstone (KPMG) were welcomed to the meeting	AC/190118/001
1.2. Apologies for Absence	
Matthew Tait, Accountable Officer	AC/190118/002
1.3. Quorum	
The meeting was quorate.	AC/190118/003
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/190118/004
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: http://www.surreydownsccg.nhs.uk/media/53186/01-register-of-interests.pdf	AC/190118/005
Justin Dix was asked to check the MES declare link as some members of the committee had reported difficulties accessing this.	AC/190118/006
1.5. Minutes of the last meeting	
These were agreed as an accurate record subject to the following amendments:	AC/190118/007
<ul style="list-style-type: none"> • 034 – “tea” should be “team” • Correction to name – Aflatt should be Alflatt 	
1.6. Matters arising and action log amendments	
AC220917/067 Pandemic Flu – Can be closed, has been completed	AC/190118/008
AC/07/07/17/070 Pharmaceutical fraud due to over-ordering and repeat prescribing. Keep open.	AC/190118/009
AC/220917/008 - Private meeting with auditors Requested for March Meeting, keep open.	AC/190118/010
AC/220917/011 GDPR Gap analysis – Can be closed. The implications of indemnity issues should form part of the work of the IGSG. This would be reflected in the IG Toolkit arrangements going forward.	AC/190118/011
AC/220917/034 - Team capacity issues on risk register – agreed for closure	AC/190118/012

AC/220917/038 Ransomware - Dr Sharpe reported that a joint IT meeting under the STP banner had been arranged and this was on the agenda for that meeting. Can be closed. AC/190118/013

040 – Cyber Security online training - Keep open and recirculate link. Send reminders and check compliance AC/190118/014

AC/220917/041 Use of released audit days – Karen McDowell would circulate via Justin Dix – can be closed AC/190118/015

AC/220917/043 - BCF Audit. Has been completed, agreed for closure. AC/190118/016

AC/220917/050 - External audit plan - Single KPMG approach across three CCGs - can be closed AC/190118/017

AC070717/048 - Cyber Security Update - combine with earlier cyber action and close AC/190118/018

2. Strategic and Change Updates

2.1. CCG Joint arrangements

2.1.1. General update (Verbal)

Peter Collis reported that Audit chairs were seeking to co-ordinate their work but had not always been able to attend each other's meetings. Work was taking place within the overall programme of meetings "in common" to ensure there was only one audit committee meeting. The workshop the previous week had been very helpful in taking this forward. AC/190118/019

Debbie Stubberfield noted that the Quality Committee chairs had met the previous day to take this work forward and had come up with some proposals for co-ordinating quality across Surrey Heartlands. AC/190118/020

3. Audit

3.1. Internal Audit

3.1.1. Update and new audit reports

Clarence Mpofu noted that there were five final reports giving reasonable assurance. There was an emerging theme regarding the work on bringing together the three CCGs. AC/190118/021

- Workforce – recommendations centred on appraisals and increasing the levels of compliance, and aligning this to strategic direction. AC/190118/022

- CHC – an improvement on the limited assurance report the previous year, although still work to do on outstanding reviews. Debbie Stubberfield said there had been a detailed presentation on the quality assurance framework for CHC at the quality committee earlier today and a recent parliamentary select committee report on this issue. It was expected that there would be further guidance on this from NHSE. AC/190118/023
- PPE –This contained a number of recommendations. These focused on compliance with new statutory guidance and demonstrating this to the Governing Body. Debbie Stubberfield confirmed that there would be an action plan arising from this and a need to balance STP wide and local engagement. Development would depend on the bringing together of the workforce in the three CCGs. Peter Collis emphasised the need for a flexible workforce that could deal with surges in demand in this area. AC/190118/024
- Key financial systems – minor control issues only, in particular keeping SBS up to date. Karen McDowell said that the restructure was presenting challenges to the SBS hierarchy management and there would inevitably be a lag in keeping this up to date. Jonathan Perkins recommended that this should be risk managed particularly in regards to procurement. AC/190118/025
- Contract Management – there remain issues with the contract database and managing smaller contracts on a risk based approach. Auditors asked that this approach be described in more detail. AC/190118/026

With respect to the progress against the internal audit plan, Clarence Mpofo noted that this was currently very good. AC/190118/027

Collaborative approach to audit – this was felt to be more joined up than in the past. Peter Collis said that audit committee chairs were in favour of ensuring that all relevant material was shared. AC/190118/028

Benchmarking and lessons learned – the reports were noted. Justin Dix to ensure that the relevant material is circulated and that the SIRO and Caldecott guardian roles were clear in the context of joint working. AC/190118/029

Action Justin Dix

3.1.2. Outstanding actions from earlier audits

47 out of 54 recommendations had been implemented. A further 50 would come from recently issued reports. There would be a need to ensure that recommendations across the three CCGs were co-ordinated. Clarence Mpofo confirmed there would be a joined up approach with RSM to avoid duplication. AC/190118/030

Karen McDowell emphasised the need to ensure that the transition process did not cause a slowdown in closing audit recommendations. Karen McDowell would pick these recommendations up with Donna Derby. AC/190118/031

Action Karen McDowell

Jonathan Perkins asked about the HR report – he queried why the action was the same for objectives and appraisals. Clarence Mpofu said this was correct as appraisal and objective setting was the same process. AC/190118/032

Contracts – Jonathan Perkins asked about subcontractor assurance. Clarence Mpofu said this would need a further piece of work both in relation to quality and finance. It was also a strategic issue in relation to assurance of ACPs. Karen McDowell said this would need to be picked up in the new management arrangements and she would review what arrangements were currently in place to see if they were robust. AC/190118/033

Action Karen McDowell

3.2. External Audit

3.2.1. Verbal Update report

Ian Livingstone gave an overview of the external audit process in respect of giving two opinions on the robustness of the accounts and value for money respectively. AC/190118/034

- There were two mandated risks – fraud arising from internal controls and fraudulent revenue recognition. AC/190118/035
- In terms of the VFM conclusion the single executive structure would be reviewed to ensure the governance arrangements were robust and developing. AC/190118/036
- Extra work would be done on opening balances as this was KPMG's first year of audit. Karen McDowell asked if some of the checks relating to this could start sooner rather than later and this was agreed. AC/190118/037

It was confirmed that there would be three separate audit processes for this year to reflect the work of the three statutory bodies. These should be diarised as soon as possible. AC/190118/038

The apportionment of costs across the three CCGs under new joint management arrangements would form part of the audit arrangements and would ensure that the established principles were being followed. AC/190118/039

4. Information Governance

4.1. Information Governance Steering Group feedback

Dr Sharpe and Justin Dix fed back on the work of the IG Steering Group. AC/190118/040
There had been issues with the level of service provided by the CSU and this had impacted on some key areas.

Concern was expressed about staff changes around the compliance manager role which was not helpful at this time of year. AC/190118/041

As was normal at this time of year there was still a push on IG Training compliance. AC/190118/042

The audit of the IG Toolkit had not highlighted anything unexpected for this time of year. AC/190118/043

4.4. GDPR (General Data Protection Regulation)

A gap analysis and preparatory work was being carried out by the CSU and work was also being co-ordinated across the three Surrey Heartlands CCGs, including awareness for Governing Bodies. AC/190118/044

Generally speaking the revisions to the IG toolkit should pick up the compliance issues, in particular the need for a Data Protection Officer and the risks around significantly increased potential levels of fines. However until more assurance was available the committee was concerned about the risks around GDPR. AC/190118/045

5. Standards of Business Conduct

5.1. Counter Fraud Report

Melanie Alflatt spoke to her progress report. Key issues were as follows: AC/190118/046

- Intranet publicity for counter fraud work – it was hoped to replicate this work across all three CCGs although there were complications in Surrey Downs as the CCG did not have a functioning intranet. AC/190118/047

- Cyber awareness training – 87 out of 247 staff have completed the TIAA online tool. Justin Dix and Melanie Alflatt to pick up outside the meeting. AC/190118/048

Action Justin Dix / Melanie Alflatt

- Dr Sharpe to raise in IG Steering Group whether there was any scope for undertaking this training in primary care. AC/190118/049

Action Dr Sharpe

- The thematic review of Personal Health Budgets has been concluded, highlighting good practice from elsewhere that could be used locally. AC/190118/050

- Melanie Alflatt gave an update on a counter fraud investigation in CHC and noted the outcome, which was there was insufficient evidence to proceed. This related to information governance rather than financial or other fraud and the Information Commissioner's Office (ICO) had been fully briefed and would not be taking any action in relation to data protection issues that had been raised. AC/190118/051
- Melanie Alflatt noted that there were increasing delays in getting decisions on counter fraud prosecutions. AC/190118/052

6.1. Scheme of Delegation

The amended scheme of delegation was discussed. It was important to ensure that this kept pace with the recent Executive Director appointments. It would go to the Governing Body the following week for ratification. AC/190118/053

It was noted that Head of Finance should be Deputy Chief Finance Officer and CFO should read CFO or Deputy CFO. To be amended prior to goig to Governing Body. AC/190118/054

6.2. Risk report

It was noted that the range and level of risks was fairly static. AC/190118/055

The risk report was noted. AC/190118/056

6.4. Debts and Debt write-offs

There were no new debts or debt write-offs to report. AC/190118/057

7. Other matters

7.2. Any other urgent business

There was no other business. AC/190118/058

7.3. Items to highlight to the Governing Body

It was agreed to highlight the following: AC/190118/059

- Cyber security and follow up to staff and GP practices
- GDPR and gap analysis
- Outstanding audit recommendations and not losing pace during transition
- Annual reporting arrangements generally and need for delegation for signing off annual report
- IG toolkit risk of compliance
- Internal audit arrangements

7.4. Dates of future meetings

The next meeting was on the 9th March.

AC/190118/060