

Title of paper:	Audit Committee Minutes November 2014 and January 2015		
Author:	Justin Dix, Governing Body Secretary		
Exec Lead:	Matthew Knight, Chief Finance Officer		
Date:	27 th February 2015		
Meeting:	Governing Body		
Agenda item:	19	Attachment:	13
For:	Information		
<p>Executive Summary:</p> <p>Key issues from these meetings are as follows:</p> <ul style="list-style-type: none"> • A revised hospitality, gifts and inducements policy was approved • Good progress was being made against audit actions • Risk maturity had been reviewed and actions agreed, principally around training of staff • There had been good progress on systems to ensure accurate CHC payments • Proposals to strengthen the CCG's conflict of interest policies had been received • There was good progress on preparing the annual report • A risk appetite statement had been agreed to go to the Governing Body as part of a revised risk management strategy • There was an emerging governance framework around financial recovery proposals 			
<p>Compliance section</p> <p>Please identify any significant issues relating to the following</p>			
Risk Register and Assurance Framework	<p>The risk appetite statement will be incorporated into the next iteration of the risk management strategy.</p> <p>Financial recovery is on the CCG risk register</p>		
Patient and Public Engagement	<p>No specific issues</p>		

Patient Safety & Quality	No specific issues
Financial implications	Financial recovery is on the CCG risk register
Conflicts of interest	Proposals to strengthen the CCG's conflict of interest policies had been received. As this policy is part of the CCG's constitution, a constitutional amendment will be required.
Information Governance	No specific issues
Equality and Diversity	No specific issues
Any other legal or compliance issues	None
Accompanying papers (please list): Audit Committee minutes for November 2014 (final) and January 2015 (draft)	
Summary: What is the Governing Body being asked to do and why? To NOTE the attached minutes and highlighted issues.	

Surrey Downs Clinical Commissioning Group

Meeting: Audit Committee

Date and time: 14th Nov 2014, 10.30am

Present

Peter Collis, Chair
Gavin Cookman
Alison Pointu

In attendance

Miles Freeman, Chief Officer
Matthew Knight, Chief Finance Officer
Justin Dix (Minutes)
Dr Simon Williams
Jade Brelsford

Internal Audit

Clarence Mpofo

External Audit

Christian Heeger
James Thirgood

Counter Fraud

Andrew Morley

1. Welcome and Introductions

James Thirgood was welcomed as the new External Audit lead working with Christian Heeger.

2. Apologies for absence

Giles Parrat sent his apologies due to a clash with a meeting at another CCG.

AC141114/001

3. Declaration of interests

Gavin Cookman declared a change of interests as he had accepted a role in a company providing insurance broking for people with long term conditions such as Diabetes, Cystic Fibrosis, Alzheimer's. This did not do any work with the NHS and he did not believe there was a conflict. However, he had resigned from the Board of Diabetes UK. The change would be noted at the next Governing Body and the register updated accordingly.

AC141114/002

4. Quorum

The meeting was declared quorate.

5. Minutes of the last meeting

These were noted as an accurate record other than (in relation to appointment of external auditors):

AC141114/003

- Para 019 – Should read April 2017 not April 2015
- Para 021 – the last year would be to March 2017 but completing the audit work for that year up to May 2017

6. Matters arising and open actions on the action log

The actions were reviewed.

AC141114/004

AC260914/14 - The pharmaceutical industry honorariums were discussed and it was noted that there had not been any responses to this, as opposed to positive assurance of nil relevant interests. It was noted that regulatory activity involved NHS England and the GMC (General Medical Council).

AC141114/005

Justin Dix had followed up with the two heads of medicines management and had been told that they were not aware of any honorariums, but could not provide further or absolute assurance.

AC141114/006

Gavin Cookman asked if we were confident that we could identify the appropriate target groups who might be in receipt of honorariums. Justin Dix said that the communications had been sent to all the clinical leads that the CCG paid directly.

AC141114/007

It was agreed that CCG clinical leads should be subject to positive assurance and should therefore all be asked to fill out individual annual declarations.

AC141114/008

Action Justin Dix

Dr Williams said that GPs were not used to dealing with this issue and did not always recognise it. Support and training would be needed to take this forward properly.

AC141114/009

Following further discussion it was agreed that Dr Fuller should write to all practices highlighting this issue, probably jointly with the LMC.

AC141114/010

Action Dr Fuller

Justin Dix was asked to re-check the hospitality position with regards to Governing Body members as members of the committee could not remember seeing any request to declare gifts and hospitality.

AC141114/011

Action Justin Dix

AC260914/59 Risk appetite – it was noted that the Executive had agreed the need for a risk appetite statement but the key issue was agreeing what it would look like and the level of detail it would go into.

AC141114/012

Actions for closure: These were agreed but there would be further actions relating to Disclosure and Barring within the CCG (see below). AC141114/013

Hospitality, Gifts and Inducements Policy AC141114/014

The revised version of the policy was AGREED as most of the changes were housekeeping. AC141114/015

Miles Freeman however said that there was a need for more ongoing work to integrate policies and to make them more robust in terms of the previous discussions about ownership in the wider GP community. AC141114/016

5.2 was noted as containing a reference to a paragraph that did not exist ("3c above"). Justin Dix would correct this before issuing the final version. AC141114/017

Gavin Cookman said that he felt that a future iteration of the policy needed an additional clause that required individuals to seek assurance if they were in doubt and not make assumptions that they met the policy; in particular we should be requiring people to seek prior approval e.g. for sponsorship. AC141114/018

It was queried whether the hospitality register should be published on the CCG website and was part of the scheme of publication. It was agreed that it should be and should be published quarterly. AC141114/019

Action Justin Dix / Jade Brelsford

CHC Payments Update AC141114/020

Matthew Knight spoke to this item. Considerable work had been done to bring this up to date using an external contractor. There was now a plan to meet the necessary deadlines by the end of December in most cases but there was a lot of dependency on third parties. AC141114/021

Andrew Morley updated the committee on the work that had been done on high cost contracts which had identified some accounting errors and documentation problems relating to care home invoicing. AC141114/022

Miles Freeman noted that, other than emergency placements, new contracts were much more robust. There was however a lot of ongoing work required on contracts across the board. AC141114/023

Alison Pointu queried whether this meant that all placements were being reviewed, and it was agreed there needed to be more work on this. To be on the agenda for a further written report in January. AC141114/024

Action Matthew Knight

7. Draft Annual Report and Accounts project plan

Matthew Knight presented the project plan. His aim was to demonstrate a clear linkage between the CCG's planning and commissioning activities and the annual report and get ownership of the membership. There would be a presentation to the Council of Members next week to this effect, including getting a small group of people involved in the member's report. AC141114/025

<p>It was noted that there was scope for referencing material already available on the website rather than including this in the report itself, which would help to make it slimmer.</p>	AC141114/026
<p>Matthew Knight said that work would be done between now and the next Audit Committee to update or replace all the sections of the report that were fairly straightforward to reduce the workload in the final weeks leading up to submission.</p>	AC141114/027
<p>It was agreed to bring this work in progress to the January meeting.</p>	AC141114/028
<p>Action Justin Dix</p>	
<p>The deadline for the submission of accounts was noted as May 29th and an audit committee would be needed prior to this. Drafts needed to be submitted towards the end of April so an Audit Committee would also be needed to review this submission.</p>	AC141114/029
<p>Action Justin Dix</p>	
<p>Gavin Cookman asked for an earlier Remuneration and Nominations Committee to sign off on remuneration, although it was noted this might not include pensions which were outside the CCG's control.</p>	AC141114/030
<p>8. Counter Fraud Progress Report</p>	
<p>Andrew Morley updated on issues in his report.</p>	AC141114/031
<p>It was noted that no further action would be taken by a local acute trust in respect of an individual who had been identified as having committed prescription fraud. They were being supported to deal with their personal issues by their employer and the decision not to publicise was supported by the committee as it would not bring any benefits to the wider population and might harm the individual's rehabilitation. It was clear that the Surrey Downs GP involved had acted properly in respect to this case.</p>	AC141114/032
<p>Case 180 – query about overcharge – there was almost certainly insufficient evidence to take this case forward.</p>	AC141114/033
<p>Proactive work – training sessions were planned between now and the end of the year, one for Continuing Healthcare as a team and one for the rest of the organisation.</p>	AC141114/034
<p>9. Fraud and Whistleblowing Awareness report</p>	
<p>This was noted. There was considerable scope for improvement and hopefully future surveys would highlight that training and other initiatives were having an effect.</p>	AC141114/035
<p>It was queried whether staff should go straight to counter fraud when they had concerns, and following discussion it was felt this was appropriate in order to give staff confidence that they could approach someone without prejudice. There was a help line and other ways of contacting the service confidentially.</p>	AC141114/036
<p>It was noted that NHS England had only just appointed someone to lead on counter fraud for GPs.</p>	AC141114/037

Andrew Morley was offered an open invitation to attend team briefing or provide materials relating to counter fraud that the communications team could circulate. AC141114/038

Andrew Morley added that North East Hants and Farnham CCG had contacted him last week about a potential fraud in relation to CHC where personal care was being charged for but not provided. He would keep the committee updated on this. AC141114/039

10. Internal Audit Charter

Clarence Mpofo spoke to this; It had been updated against revised public sector internal audit standards. The Audit Committee could build in additional Key Performance indicators by agreement if it was felt these were needed. AC141114/040

Peter Collis asked if there would be an annual report against these standards and it was confirmed there would be. AC141114/041

Peter Collis noted that Giles Parratt had been unable to attend on a number of occasions and asked that this be reviewed as the committee would normally expect the Head of Internal Audit to be in attendance. Matthew Knight would raise this with him. AC141114/042

Action Matthew Knight

It was noted that the first draft of the following year's audit plan should be available in January. This would be based on the risks identified by the CCG in its assurance framework and risk register. AC141114/043

11. Internal Audit Plan, Progress Report, Internal Audit Reports and review of outstanding actions

Three new reports had been concluded, these were: AC141114/044

- Business Continuity and Emergency Preparedness (Reasonable Assurance.
- Public and Patient Engagement Review (Reasonable Assurance)
- Governing Body Assurance Framework and Risk Management (Reasonable Assurance)

These reports were discussed in some detail. Residual issues were: AC141114/045

- Patient engagement had been acknowledged at Governing Body level and the loss of lay members in this area was An acknowledged risk – interviews were scheduled for 2nd December.
- It was noted that the Exec had signed off on the comms strategy and was receiving reports. The strategy would go to the Governing Body in December.
- The appointment of an engagement manager within the comms team was seen as a a big step forward in this area.
- It was noted that Datix had been agreed this week as the risk management software solution for the CCG.

- Risks within the collaborative context were an issue which could need some attention. Miles Freeman noted that there were some risks shared across each CCG. It was agreed that Dr Fuller should ask the collaborative to establish a risk register for services that were commissioned collaboratively.

Action Dr Fuller

Existing audit actions were noted and had been updated recently between the CCG and the Internal Auditors. Gavin Cookman noted the delay in resolving some of these and asked for discipline in hitting agreed deadlines. AC141114/046

Matthew Knight spoke on the issue of CSU handover of DBS checks. An audit had shown almost no evidence of the required checks in the form of a database other than the CCG's own entries and this, along with the absence of any paper checks, was felt to be a significant lapse. AC141114/047

The Audit Committee was highly critical of this failure on the part of South CSU and was now putting alternative arrangements in place. This should be completed by the end of the year. It was agreed that an update should be provided to the next Audit Committee at the end of January. AC141114/048

Action Matthew Knight

It was agreed this should be noted as a Serious Incident and a letter sent to South CSU setting out the CCG's concerns. AC141114/049

Action Alison Pointu / Matthew Knight

It was agreed that the Executive should provide an action plan on this issue and undertake a risk assessment of the staff who needed DBS checks. It was also agreed that this should include registration checks for registered practitioners in the CCG's employ as South CSU had only given verbal assurance in this area and there was felt to be a need to check this matter thoroughly as well. AC141114/050

Action Alison McQuillan

12. External audit update

Christian Heeger spoke to this. A formal plan for year-end would come to the January Audit Committee with an agreed timetable, with the majority of the early work completed by this stage. AC141114/051

The challenge questions under "emerging issues" were noted. AC141114/052

There was an extensive discussion on reviews of the Governing Body and Committee effectiveness. It was noted that these had not been done since the start of the CCG and it was agreed that Dr Fuller as the CCG Chair should agree how the CCG would evaluate its performance at Governing Body and Committee level. It was noted that the best practice standard was to do this with external facilitation every third year. AC141114/053

Action Dr Fuller

<p>There were a number of tools available to the CCG including those developed by the Good Governance Institute and Diabetes UK. Miles Freeman noted that this work could be shared with the Area Team as part of the assurance process.</p>	AC141114/054
<p>13. External Audit Value Statement</p>	
<p>Christian Heeger took the committee through the statement circulated with the meeting papers. This was AGREED by the committee.</p>	AC141114/055
<p>It was noted that Grant Thornton offered workshops on developing risk appetite statements.</p>	AC141114/056
<p>14. Risk Maturity Assessment</p>	
<p>Justin Dix spoke to this. Not everyone had had an opportunity to do the scoring but the paper presented the range along with median and mean scores from those that had.</p>	AC141114/057
<p>Following discussion it was agreed to use average scores. There was some improvement on the previous year but also a lot of room for further improvement.</p>	AC141114/058
<p>It was agreed that although this was a very useful exercise that would support some of the assurance in the annual report, there also needed to be some developmental actions arising from it. It may also require discussion in a more detailed forum. Miles Freeman agreed to bring back a report to the next meeting giving some proposed actions against each of the lines.</p>	AC141114/059
<p>Action Miles Freeman</p>	
<p>In general the biggest challenge was felt to be embedding the culture of risk throughout the organisation.</p>	AC141114/060
<p>15. Governing Body Assurance Framework and Risk Register</p>	
<p>The entry on financial balance was noted as being in need of updating ahead of the December Governing Body.</p>	AC141114/061
<p>Achieving benefits from change programmes was noted as being a major issue. It was noted that the Service Redesign Team had been severely affected by turnover and this needed discussion with the Governing Body.</p>	AC141114/062
<p>16. Policies update</p>	
<p>Justin Dix outlined the discussions on the paper that had taken place at the Executive Committee earlier in the week. In broad terms the paper had been agreed with the committee noting the need for some policies to be developed urgently, others requiring review, and others for future consideration. However, it was agreed that there was scope to integrate a number of policies and this was part of the ongoing work in this area.</p>	AC141114/063

17. Delegated limits

The paper giving delegated limits for contract and invoicing authority was noted. Matthew Knight updated the committee and said this was in the process of being updated so that it could go to the December Governing Body.

AC141114/064

There was an issue with SBS and the audit trail – SBS would not recognise these limits. A sample audit as part of the internal audit plan could be used to give some assurance that limits were being observed. It was felt that there was scope for improvements to SBS as a system in this area and Matthew Knight would see if there was an SBS user group for this.

AC141114/065

Gavin Cookman asked about £30m limit and said he would expect this to come to Governing Body. Miles Freeman said this would only be for existing contracts such as Epsom St Helier and not for new contracts.

AC141114/066

18. CCG Audit Committees Joint Working

Peter Collis noted there had been discussion in the past about joint Audit Committees and other collaboration. Joint membership had been suggested as an idea but Peter Collis said he did not feel this was appropriate at this time. It was agreed to revisit this as policy developed.

AC141114/067

19. Any other business

There was no other business

AC141114/068

20. Matters to be drawn to the attention of the Governing Body

Due to time constraints, Peter Collis would address this outside the meeting with Justin Dix.

AC141114/069

AC141114/070

21. Dates of future meetings

These were:

AC141114/071

AC141114/072

- 30th January, 10.30 am
- 27th March, 10.30 am

Justin Dix would set future meeting dates around Governing Body Seminars.

AC141114/073

Surrey Downs Clinical Commissioning Group

Meeting: Audit Committee

Date and time: 11.15, 30th January 2015

Present

Peter Collis (Chair)
Gavin Cookman
Alison Pointu

In attendance

Miles Freeman
Matthew Knight
Justin Dix (minutes)

Dr Simon Williams

Counter Fraud: Andrew Morley

Internal audit: Giles Parrat, Clarence
Mpofu

External Audit: Christian Heeger, James
Thirgood

- | | |
|---|----------------|
| 1. Welcome and introductions | AC30-01-15/001 |
| Peter Collis welcomed everyone to the meeting. | |
| 2. Apologies for absence | AC30-01-15/002 |
| There were no apologies for absence | |
| 3. Declaration of interests | AC30-01-15/003 |
| There were no declarations of interest relevant to the meeting. | |
| 4. Quorum | AC30-01-15/004 |
| The meeting was declared quorate | |
| 5. Minutes of the last meeting (14th November 2014) | AC30-01-15/005 |
| These were agreed as an accurate record. | |

6. Matters arising and action logs

AC141114/08 – Honorariums for clinical leads - there was an outstanding administrative task in terms of getting clinical leads to complete the necessary paperwork, and it was agreed this should be completed by the end of March. Keep action open.

AC30-01-15/006

AC141114/10 – One locality had received a presentation from Justin Dix and Dr Fuller had spoken to member practices. It was agreed that the existing action should be kept open and completed as it was important for audit purposes to have something in writing from the Chair of the Governing Body to all GPs.

AC30-01-15/007

AC141114/11 – hospitality forms for Governing Body members - agreed for closure

AC30-01-15/008

AC141114/19 – publishing the hospitality register in the CCG website - agreed for closure as this will be taking part from next month with the re-launched CCG website

AC30-01-15/009

AC141114/45 CCG Collaborative to establish its own risk register – noted that this would be considered at the next meeting of the collaborative. Currently CCGs in Surrey did inform each other of significant risks for inclusion on each other's risk registers but this was not a formalised arrangement. Keep open.

AC30-01-15/010

AC141114/53 – Governing Body Development. Justin Dix explained the two approaches currently being considered using survey monkey and external facilitation as appropriate. Miles Freeman said that external facilitation was essential given the new agenda the CCG faced. Lay members agreed and said that the Invitation To Tender (ITT) looked fit for purpose, but emphasised the need for Governing Body ownership.

AC30-01-15/011

It was agreed that Audit Committee members would be asked to comment to Justin Dix on the ITT. There would be a separate discussion about whether to proceed with survey monkey as well.

AC30-01-15/012

All other items on the action log were on agenda.

AC30-01-15/013

7. CHC Payments (AC141114/24)

Matthew Knight spoke to the paper in the pack. There was still work needed on getting the full benefits from the database which would take a few more weeks to resolve. Other than that, the CHC payments position was much improved.

AC30-01-15/014

Gavin Cookman asked when the issues in the paper would be resolved and whether there would be any risks during this period. It was confirmed that this would take about three months and the risks were being actively managed in the interim. Agreed there should be a brief verbal update at the next meeting; keep action open.

AC30-01-15/015

8. Disclosure and Barring (AC141114/49&50)

The response from South CSU was noted. The CCG was planning to respond. The reply was not felt to have addressed all the issues but the CCG had its own processes in place and it was not felt to be worth pursuing compensation.

AC30-01-15/016

There had been further issues with TUPE which highlighted wider deficiencies in the HR service that had been provided and could still have consequences. Matthew Knight was responding to this.

AC30-01-15/017

The Audit Committee's view was that as these were legacy issues the Executive could respond as it saw fit, but the committee felt that it had assurance regarding current in-house arrangements.

AC30-01-15/018

On this basis actions AC141114/49 and 50 on the action log could be closed.

AC30-01-15/019

9. Draft Annual Report and Accounts (AC141114/24)

Justin Dix gave an update on progress with developing the annual report and tabled the sections that were now available in draft form. These were noted. In overall terms there was clarity about who was responsible for each section and a commitment to delivering the draft ahead of schedule.

AC30-01-15/020

It was agreed that all the sections would be brought together in a cohesive way and cross referenced and branded to ensure a consistent approach. Jade Brelsford as Head of Comms had been given an editorial role in this respect. It was also noted that an early meeting had taken place with the nominated GP leads regarding the Member Practices' Report and that this work was in hand.

AC30-01-15/021

Miles Freeman said that the major concern was there was a clear narrative around the financial challenges that the CCG faced, and that this was consistent with those of other partners in the system.

AC30-01-15/022

It was agreed that the committee would be happy to see a final draft at a later stage but did not need to review the detail of work in progress.

AC30-01-15/023

Gavin Cookman highlighted the importance of a good quality remuneration report that was subject to proper governance.

AC30-01-15/024

The external auditors commended the CCG's proactive approach noting that a lot of CCGs are leaving preparation of the annual report until the last minute.

AC30-01-15/025

10. Annual Report and accounts sign-off

It was agreed that the Audit Committee meeting to sign off the annual report and accounts would take place as planned on Friday 22nd May. It was agreed to keep the scheduled March meeting in place but there would need to be an earlier date in late April to sign off the draft, probably by Teleconference.

AC30-01-15/026

Action Justin Dix

11. Audit Committee annual reporting requirements

Justin Dix highlighted that the CCG's own risk management strategy required each committee to produce an annual report on its work. It was agreed that this could be done through a review of the minutes and papers which Justin Dix had already taken as part of existing audit work, and that the committee could agree a narrative around this at its March meeting.

AC30-01-15/027

Action Justin Dix

12. Conflict of interest guidance

The paper provided to the committee was NOTED. Miles Freeman commented that this was required for primary care commissioning purposes as well as for a more general need to enhance governance.

AC30-01-15/028

Peter Collis specifically highlighted the training issue which he felt was of significant importance.

AC30-01-15/029

Miles Freeman noted that the CCG would need to see where it was going with the vanguard bid as this had the potential to radically change the approach that was required.

AC30-01-15/030

Gavin Cookman said that the CCG did need to improve its systems and processes in this area. He noted that there was a Conflict Of Interest issue in the counter fraud report that showed some people do not understand COI. This would need leadership from the Executive.

AC30-01-15/031

It was queried how we would check compliance? There needed to be some process around this. Miles Freeman noted that publishing of GP income would help to make the issue more visible. This will be something we need to monitor for internal processes.

AC30-01-15/032

Gavin Cookman commented that the media will be very focused on this issue. If we are allowed to take on a co-commissioning role we can expect to be under scrutiny. The Primary Care Committee would have a role but was not the whole answer and there were also issues with historical cases that might emerge.

AC30-01-15/033

It was queried where the boundaries between CCG and practice level conflicts were and Justin Dix said that there was one legal view that the nature of the membership arrangements made the CCG responsible for all conflicts of interest that might exist in a member GP practice. However this had not been definitively established,

AC30-01-15/034

Alison Pointu noted that the guidance indicated a potentially larger role for the secondary care clinician and nurse on the Governing Body. AC30-01-15/035

Gavin Cookman said that there was potential for a lot of pre-existing issues to become apparent and that the CCG may need to consider an amnesty on historical cases. AC30-01-15/036

Miles Freeman reiterated that this will not be clear cut – it will be a learning process and we will need to take national and local advice. AC30-01-15/037

Peter Collis reiterated the need for a letter from the clinical Chair on this as it was very important that GPs understood their responsibilities. AC30-01-15/038

13. Counter fraud progress report

Andrew Morley highlighted some key points from his report. AC30-01-15/039

- A report just issued (258) raised contractual rather than counter fraud issues that the CCG may wish to review. AC30-01-15/040
- 005 – stolen prescription pads – was still an active case and police were undertaking an arrest. Gavin Cookman asked if prescription theft was an issue nationally and it was confirmed that it was. AC30-01-15/041

Dr Williams suggested there was a need for education events at locality level to address issues about practice awareness of potential prescription pad theft and fraud. Andrew Morley said this should be coming from NHS England Local Security Management Service. In the absence of this it was felt that multi-practice training days would be useful rather than doing it at an individual practice level. Dr Williams said that this would need a practical focus e.g. management of printers where prescription pads were stored. AC30-01-15/042

A National Fraud Initiative was planned – this was a major national initiative and CCGs will get their local data to review before publication. AC30-01-15/043

CHC – Andrew Morley reported that there were two further reports being finalised. AC30-01-15/044

There had been two security alerts since the last report – one of these involved Dorset GPs where practices had been receiving Trojan emails with bogus invoices that when clicked opened all the practice's bank account details. Peter Collis asked how we informed practices of these issues? It was noted that this was technically an NHS England responsibility but practices were used to getting advice from CCGs. On this basis Matthew Knight said that we could consider putting relevant information in start the week but would need to check if there were any national planned comms on this. AC30-01-15/045

Action Matthew Knight and Andrew Morley

There was another common fraud at the moment involving fake receivers of bankrupt companies who had been issuing bogus invoices – the CCGs’ finance teams have been alerted. AC30-01-15/046

Proactive training with the medicines management team was also taking place. AC30-01-15/047

14. Internal audit plan progress report

Clarence Mpofu gave an update. AC30-01-15/048

- It was noted that the plan is on target in overall terms. AC30-01-15/049

- QIPP work was going through the report stage at the moment – this may result in limited assurance but the auditors were aware that this may duplicate other work in the patch. AC30-01-15/050

- Corporate Governance report – there were no high priority issues – actions were being followed up. Positive controls had been in place on Conflict of Interest to date, although it was appreciated that this would be different going forward. AC30-01-15/051

- The timing of the Continuing Health Care audit may need to change if it is to be provided in a timely fashion AC30-01-15/052

- Final reports were generally positive and this will feed into the Head of internal Audit opinion. AC30-01-15/053

- Follow ups to audit reports were set out in a table – There were 43 agreed actions and 36 have been effectively implemented – 7 were outstanding, none of them high priority. AC30-01-15/054

- Next year ‘s draft plan was to go to the Exec in February but comments would be welcome. AC30-01-15/055

- Various briefings had been supplied since last time – including Conflict of Interest. One was coming out shortly on quality and safety committees. AC30-01-15/056

It was noted that capacity in terms of days could be switched between audits if required and there were also five days contingency that were not used. AC30-01-15/057

Gavin Cookman asked about the governance audit and how well embedded policies were. Justin Dix said that in response to this audit he was meeting with policy owners to include that information on the spreadsheet that he had shared at previous meetings. Peter Collis suggested that policy owners make a statement that accounts for what they have done over the last year as part of the relevant committee annual report. This was agreed. AC30-01-15/058

Action Justin Dix

15. External audit update

Christian Heeger said he had met with Matthew Knight and Dan Brown to understand the current position with the accounts and have a plan in place to complete the external audit work. Early testing would take place in the middle of march and expenditure work would run through to May. It was noted that there would be a qualification in the Value For Money report because of the forecast deficit although not the accounts unless something untoward was identified. This would not impact on going concern.

AC30-01-15/059

Grant Thornton offered to share a draft of the Section 19 letter when appropriate i.e. around the time of the draft accounts in April.

AC30-01-15/060

Miles Freeman asked if a deficit control total agreed with NHSE automatically lead to qualification and it was confirmed that it does as breakeven is a legal requirement. It may affect next year and future years until financial balance is achieved.

AC30-01-15/061

Matthew Knight noted that the CCG was still waiting for a meeting with the regional team to agree a financial envelope and timescale for financial recovery.

AC30-01-15/062

16. Statement of risk appetite

It was noted that this had been discussed extensively. It was generally felt to be fit for purpose but individual managers needed to look at specific risks in terms of their individual responsibilities. They would need to build managed risk into programme management and risks of any projects they were working on.

AC30-01-15/063

It was AGREED to recommend the statement on risk appetite to the Governing Body.

AC30-01-15/064

Gavin Cookman agreed to circulate examples of risk appetite statements that he was aware of to assist with the development of this work.

AC30-01-15/065

Action Gavin Cookman

17. Risk Maturity Action Plan

This was noted. Miles Freeman asked committee members for feedback before then taking this back to exec.

AC30-01-15/066

18. Governing Body Assurance Framework and Risk Register

Justin Dix gave a verbal update; the risk register and assurance framework would be updated for the next Governing Body meeting. The detail of the quality risks would however be available at the quality meeting next week.

AC30-01-15/067

It was noted that the CCG needed to build more capacity into the programmes it would be undertaking to manage risk and existing management costs were a limitation which would need to be addressed, as other CCGs were taking a broader view of the costs association with programme management.

AC30-01-15/068

- 19. Policies update**
Discussed under AC30-01-15/38 above. AC30-01-15/069
- 20. Governance arrangements for financial recovery**
Matthew Knight gave a brief update as this would be covered in detail in the later seminar. Deloitte would be presenting on their work in progress. Miles Freeman said there would be a need to delineate closely between the role of the Executive and audit committee and distinguish between programmes. AC30-01-15/070
The need for a risk based approach was stressed. AC30-01-15/071
James Thirgood said that it was important to make sure the Annual Report reflected this as a thread throughout the report and that the CCG's financial recovery was seen as one of the significant aspects of the year. AC30-01-15/072
- 21. Individual Funding Requests – Feedback from the Surrey Priorities Committee on 27.01.15**
Peter Collis reiterated this was a useful report and it was confirmed this was being followed up with a workshop to see how compliant Surrey was with best practice. AC30-01-15/073
- 22. Any other urgent business**
Matthew Knight noted that there had been £900 worth of minor financial losses relating to ombudsman judgements. AC30-01-15/074
Matthew Knight noted that Deloitte have produced a very extensive report on SAS Type II outsourced business processes, which he had reviewed, regarding a number of technical fixes required in the CSU IT service. He has gone back to the CSU and asked for recovery plan and a report against this. AC30-01-15/075
- 23. Matters to be highlighted for the Governing Body**
The following key issues were highlighted for Governing Body attention: AC30-01-15/076
- CHC
 - Conflict of Interest
 - Annual Report
 - Risk Appetite statements
 - Financial Recovery
- 24.** There was some confusion over the date of the next meeting which Justin Dix was asked to check. AC30-01-15/077