

**MINUTES OF WILTSHIRE AUDIT AND ASSURANCE COMMITTEE MEETING  
HELD ON TUESDAY, 17 MAY 2016 AT 09:30  
AT SOUTHGATE HOUSE, DEVIZES**

**Present:**

Peter Lucas	PL	Chair, Lay Member
Mark Smithies	MS	Secondary Care Doctor
Dr Anna Collings	AC	GP Vice Chair, NEW
Christine Reid	CR	Vice Chair, Lay Member

**In Attendance:**

Simon Truelove	STr	Chief Financial Officer
David Noyes	DN	Director of Planning, Performance and Corporate Services
Steve Perkins	SP	Deputy Chief Financial Officer
Susannah Long	SL	Governance and Risk Manager
Duncan Laird	DL	Manager, External audit, KPMG
Jonathan Brown	JB	Director, External audit, KPMG
Natalie Tarr	NT	Internal audit, PwC

**Apologies:**

Paul Travers	PT	Security Management Specialist
Barry Hards	BH	Security Management Specialist

Item Number	Item	Action
AAC/16/05/01	<b>Welcome and apologies for absence</b> Round table introductions were made and apologies were noted as above. PL noted that the CCG now has a new Nurse Member. DN will establish whether Jill Crook will be attending AAC.	<b>DN</b>
AAC/16/05/02	<b>Declarations of Interest</b> Members were reminded of their obligation to declare any interest they may have on any issues arising at the meeting which might conflict with the business of Wiltshire CCG. No declarations were made.	
AAC/16/05/03	<b>Previous Minutes</b> The minutes of the previous meetings held on 15 March 2016 and 19 April 2016 were approved.	
AAC/16/05/04	<b>Matters Arising</b> None.	
AAC/16/05/05	<b>Action Tracker</b> All action points have been completed or are listed on the agenda.	

<b>ITEMS FOR DECISION</b>		
<b>AAC/16/05/06</b>	<p><b>Annual Report and Annual Accounts 2015/16</b>            DJN presented the draft annual report and accounts. The documents have been reviewed and amendments have been made to reflect the comments from NHSE and External Audit.</p> <p>Significant Control Issues: PL referred to page 90 of the Performance report, requesting the paragraph relating to internal audit recommendations is rephrased.</p> <p><b>The Committee received the report and agreed to recommend it to the May Governing Body</b></p>	<b>DN</b>
<b>AAC/16/05/07</b>	<p><b>External Audit ISA 260 Report and Management Representation Letter</b>            JB introduced the External Audit ISA 260 report and provided a summary detailing the external audit findings. No issues have been highlighted from the audit, which was significantly more detailed compared to the previous year. DL praised the Finance team on the production of the accounts. The value for money work focused on the Financial Recovery Plan and the Better Care Fund both of which were well managed and the governance arrangements were strong.</p> <p>DL reported that there was one audit difference on the agreement of balances, however, it was not an error on the CCG side. The mismatch involved Oxford Health treating income from the CCG as a pre-payment for a service that was yet to commence. STr advised that the CCG will not be paying Oxford Health in 2016/17.</p> <p>STr expressed thanks to the KMPG audit team for the in-depth approach with the audit and the support provided to the Finance team.</p> <p>STr also thanked Ian Loveys (Financial Accountant) for his hard work and effort on the production of the accounts.</p> <p>PL also expressed thanks to KPMG and the Finance Team for enabling the CCG to demonstrate financial achievement.</p> <p><b>The Committee received and discussed the report and agreed the Management Representation Letter for signature.</b></p>	
<b>AAC/16/05/08</b>	<p><b>AAC Annual Report for the Audit and Assurance Committee</b>            PL summarised the Annual Report providing an overview of the specific issues the committee dealt with during the year, stating that the AAC is working well.</p> <p><b>The Committee received and agreed the report.</b></p>	
<b>AAC/16/05/09</b>	<p><b>Internal Audit Plan 16/17 and Charter</b>            NT provided a summary of the updated audit plan and presented the Internal Audit Charter.</p> <p><b>The Committee received and agreed the audit plan, noting the Charter.</b></p>	

AAC/16/05/10	<p><b>Scheme of Reservation and Delegation – Item held for next meeting</b> Item deferred to meeting on 12 July 2016</p>	
AAC/16/05/11	<p><b>Security Management Policy Amendment (Lockdown Protocol)</b> DJN explained the reasoning for the requirement for a Lockdown Protocol with risk of terrorist attacks although the organisation is a low risk.</p> <p><b>The Committee received the report and agreed to the policy amendment.</b></p>	
<b>ITEMS FOR DISCUSSION</b>		
AAC/16/05/12	<p><b>Internal Audit Annual Report 15/16</b> NT presented the final Internal Audit Annual Report 15/16, which had a couple of amendments to the report shared at the March meeting.</p> <p>ST referred to the actions post review and internal audits; advising that the CCG is in a good position with the implementation of the new appraisal process and the new Section 75 agreement with the Better Care Fund.</p> <p>A discussion was held relating to the contract management services provided by the CSU; concerns were expressed with the support from the CSU regarding continuity of service and the impact on the CCG bridging the gap in service. ST referred to commissioning arrangements for Primary Care and the requirement for everyone to work more effectively.</p> <p><b>The Committee received and accepted the report.</b></p>	
AAC/16/05/13	<p><b>Internal Audit Final Reports</b> NT presented the headlines and summary of the findings for Better Care Fund (BCF) Continuing Healthcare (CHC), Risk Management and Information Governance internal audit reports.</p> <p>BCF: The summary of findings and recommendations was discussed. ST advised that a new s75 agreement is being written and there will be a follow-up audit of BCF in 2016/17.</p> <p>CHC: This report has been reviewed and agreed by Dina McAlpine (DMcA), Director of Quality. Risks have been identified and the commitment to working on the recommendations has been noted. AAC asked that the audit report be taken to the Quality and Clinical Governance Committee for consideration.</p> <p>Risk Management and Governance: The overview noted 1 medium and 1 low risk recommendation:</p> <ul style="list-style-type: none"> <li>• Medium Risk: The Governing Body top 10 risk register and Directorate risk registers are not updated sufficiently and have due dates that are in past. The actions against the risks are not specific, measurable, achievable, relevant and time bound (SMART)</li> </ul>	<b>MS/CR</b>

	<ul style="list-style-type: none"> <li>• Low Risk: The Board Assurance Framework has a lack of information regarding actions and due dates in place to reduce risks.</li> </ul> <p>STr summarised the actions the Executive Management Team have undertaken, reviewing the Directorate Dashboards to identify and recognise the key information required and the risk to the directorate. The Dashboards can be used by the Accountable Officer at 1:1 meetings, at EMT, at the Finance &amp; Performance Committee and to inform the Integrated Performance Report.</p> <p>A discussion was held around the attendance of directors at AAC to provide assurance, with an invitation extended to James Roach to provide an overview on the Better Care Fund. It was queried if there was a duplication of reporting, as assurance is provided at the Bi-monthly Finance &amp; Performance Committee. AAC agreed to consider connecting the two meetings to prevent duplication. STr agreed to look into this suggestion.</p> <p>Information Governance: The audit was carried out at a point before all relevant evidence was uploaded. Evidence was uploaded for submission which has cleared one recommendation of the report.</p> <p><b>The Committee received and discussed the reports.</b></p>	<b>STr</b>
<b>AAC/16/05/14</b>	<p><b>Internal Audit Recommendation Tracker 15/16</b></p> <p>This report provides an update on all outstanding internal audit recommendations. NT reported that there had been significant improvement with closing and validating actions and these will be reviewed again in six months.</p> <p><b>The Committee received and noted the report.</b></p>	
<b>AAC/16/05/15</b>	<p><b>Local Counter Fraud Annual Report 15/16</b></p> <p>TS provided a summary on all the Counter Fraud activity for year with a trend and data analysis to inform activity for the 16/17 Counter Fraud work plan. The CCG has not had any internal fraud reported; however Wiltshire has a high risk for patient fraud.</p> <p>A discussion was held relating to patient fraud; there is no clarity regarding responsibility for fraud between the CCG and NHSE. However, more proactive work is required with training for GPs and pharmacists to detect and prevent fraud. Fraud within practices is the responsibility of the Police but the Police will not undertake proactive counter fraud training.</p> <p><b>The Committee received and discussed the report.</b></p>	
<b>AAC/16/05/16</b>	<p><b>Local Counter Fraud Draft Annual Plan 16/17</b></p> <p>TS presented the local counter fraud draft annual plan. There is ongoing work with private providers.</p> <p><b>The Committee received and discussed the plan.</b></p>	

AAC/16/05/17	<p><b>Security Management Service Annual Report 15/16</b> DN presented the annual report in PT's absence.</p> <p><b>The Committee received and discussed the report.</b></p>	
AAC/16/05/18	<p><b>LSMS Contract Novation</b> DN detailed the current LSMS is hosted by Dorset Healthcare, but due to a merger with TIAA, there is an opportunity for us to novate our contract and secure a cheaper and more effective service.</p>	
AAC/16/05/19	<p><b>External Audit Procurement Update</b> STr provided a summary on the external audit procurement process following further information from the Department of Health. The committee was asked to consider a joint procurement process with Swindon, Gloucestershire and BANES CCGs, with support from the CSU's procurement team. The outcome of this proposal is to reduce the number of presentations required by external auditors. Each of the CCGs would have separate contracts and would be able to make separate decisions on their audit provider.</p> <p>STr will submit the proposal to the Governing Body for approval including the procurement timetable (with dates) and milestones.</p> <p><b>The Committee received and noted the report agreeing the way forward.</b></p>	<b>STr</b>
AAC/16/05/20	<p><b>Review Board Assurance Framework (BAF) and Risk Register (RR)</b> The BAF is currently under review for the new financial year and will be presented to the next meeting.</p> <p>A discussion was held relating to the top 10 risks. Concerns were expressed relating to the Wiltshire Healthcare contract due to go live on 1 July 2016. STr responded that the Director for NEW has been working with the team, to ensure mobilisation of the contract and delivery of the services; however, should issues arise this will be reported on the risk register.</p> <p><b>The Committee agreed the 'Top 10' risks to present to the Governing Body.</b></p>	
AAC/16/05/21	<p><b>AAC Self-Assessment 15/16</b> The assessment for 2015/16 will be undertaken after the meeting and reported to the next meeting.</p>	
<b>ITEMS FOR NOTING</b>		
AAC/16/05/22	<p><b>Information Governance Group meeting minutes 17 March 2016</b></p> <p><b>The Committee received and noted the minutes.</b></p>	
AAC/16/05/23	<p><b>Aged Receivable and Payables Report</b></p> <p><b>The Committee received and noted the report.</b></p>	

AAC/16/05/24	<b>Counter Fraud Digest</b> The Committee received and noted the report.	
AAC/16/05/25	<b>Losses and Special Payments Report – None</b>	
AAC/16/05/26	<b>Competitive Tender Waives – None</b>	
AAC/16/05/27	<b>Any Other Business</b> None	

**Date of next Audit and Assurance Committee Meeting: 12 July 2016 09:30 – 11:30hrs**