

**MINUTES OF WILTSHIRE AUDIT AND ASSURANCE COMMITTEE MEETING
HELD ON TUESDAY, 10 NOVEMBER 2015 AT 09:30
AT SOUTHGATE HOUSE, DEVIZES**

Present:

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

In Attendance:

Simon Truelove	STr	Chief Financial Officer
David Noyes	DJN	Director of Planning, Performance and Corporate Services
Steve Perkins	SP	Deputy Chief Financial Officer
Jonathan Brown	JB	External audit, KPMG
Lynne Baber	LB	Internal audit, PwC
Natalie Tarr	NT	Internal audit, PwC
Susannah Long	SL	Governance and Risk Manager
Diana Hargreaves	DJH	Board Administrator

Apologies:

Paul Travers	PT	Security Management Specialist
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Item Number	Item	Action
AAC/15/11/01	<p>Welcome and apologies for absence</p> <p>PL welcomed everybody to the meeting noting the apology above.</p>	
AAC/15/11/02	<p>Declarations of Interest</p> <p>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.</p> <p>Paper 10 to be taken at the end of the meeting as PwC and KPMG would potentially be conflicted.</p>	
AAC/15/11/03	<p>Previous Minutes</p> <p>AAC meeting held 8 September 2015</p> <p>The minutes were agreed as an accurate record.</p>	
AAC/15/11/04	Matters Arising	

	Members felt that the actions on the action tracker needed to be dealt with before the meeting, as there were many completed items.	
AAC/15/11/05	<p>Action Tracker</p> <p>AACex15/04/07 – Paper would be going to Rem Com on 24 November. COMPLETE.</p> <p>AAC/15/01/05 – The audit had taken place and the results would be brought to the January AAC, and enacted upon before then. ONGOING.</p> <p>AAC/15/01/05 – The CCG had met with Jane Scott, Maggie Rae and Keith Humphries about the BCP financial dispute and there was no resolution as a result. COMPLETE.</p> <p>AAC/15/09/06 – Audit to bring a report on the effectiveness of the Governing Body sub-committees to the January meeting. PwC</p> <p>AAC/15/09/06 – COMPLETE.</p> <p>AAC/15/09/07 – COMPLETE.</p> <p>AAC/15/09/09 – On the agenda. COMPLETE.</p> <p>AAC/15/09/10 – COMPLETE.</p> <p>AAC/15/09/11 – Amended TOR for the Finance and Performance Committee would be brought to the January meeting. PwC</p> <p>AAC/15/09/12 – Workforce report at the next Governing Body meeting. COMPLETE.</p> <p>AAC/15/09/12 – Lay Members had spoken to PJ. COMPLETE.</p> <p>AAC/15/09/13 – The new assurance framework from NHSE would be brought to the January meeting. STr</p> <p>AAC/15/09/14 – SL to have completed by the January meeting. STr</p> <p>AAC/15/09/15 – COMPLETE. SL</p> <p>AAC/15/09/17 – TS to update at the January meeting. TS</p>	
	ITEMS FOR DECISION	
AAC/15/11/06	<p>Information Governance (IG) Management Framework</p> <p>STr introduced the paper describing the requirement to have in place a document detailing how the CCG would effectively manage Information Governance, complying with Department of Health standards and relevant legislation.</p> <p>Members commented:</p> <ul style="list-style-type: none"> • In response to PL asking how IG would be tested, STr said that audit was the way to be assured; and to challenge incidents to establish why they had happened • The CSU was working on changing the CCG file structure to increase efficiency • There would be a record-keeping policy in place by which staff would abide <p>The Committee received the report and approved the IG Management Framework.</p>	
	ITEMS FOR DISCUSSION	
AAC/15/11/07	Assurance on processes in place to meet increasing demand for FNC and CHC	

	<p>PL explained to DMcA the reason behind requesting the Directors to attend the AAC meetings periodically, in order to assure Members on processes in place to manage risk within their Directorates.</p> <p>DMcA reported on the following:</p> <ul style="list-style-type: none"> • CHC was forecasting an underspend at month 7 position, with a fairly stable patient number base - 226 • Fast Track rate at month 7 - 66. • Tensions re CHC with WC who believed that not enough patients were being funded • Variances in the conversion rate; the aim was for 1 in 3 checklists to convert to full assessment • DMcA had been looking through the checklists to see which ones were positive • Important to train nurses to correctly assess; robust gatekeeping at the entry point was vital • A dedicated nurse was reviewing Fast Track at the moment; Fast Track conversion rate was 94% at Q2 • Staff in CHC had experienced a period of change and a lack of leadership in the last year; however, senior appointments had been made recently, as well as additional nurses • DMcA would be meeting with James Cawley from WC to jointly agree the CHC Operational Policy • The vision for CHC next year was to fully integrate with the Quality team and with CCG colleagues who were contracting with providers • WC were requesting funding for patients to assist with attending appointments, which sat outside CHC and FNC; no resolution to this dispute had been reached • There was a strong audit process for CHC cases internally and externally, embedded within the Operational Policy, and with clinical involvement in the appeals panels, currently chaired by Mary Monnington with DMcA as back-up • Only 3 appeals currently and a small number of low level complaints about process and not about decisions <p>PL thanked DMcA for bringing the report to assure the Committee.</p> <p>The Committee received and discussed the report.</p>	
<p>AAC/15/11/08</p>	<p>Internal Audit Progress Report 15/16</p> <p>LB presented the report updating the Committee on progress with 2015/16 internal audit reviews and key performance indicators.</p> <p>The Committee received the paper.</p>	
<p>AAC/15/11/09</p>	<p>Internal Audit Tracker 15/16</p> <p>NT introduced the paper updating the Committee on all outstanding internal audit recommendations reported in the last meeting.</p> <p>CR asked why the Committee was still looking at open recommendations from 13/14 and 14/15; STr said that these must be</p>	

	<p>cleared by the January meeting.</p> <p>MS was concerned that the Quality team was being held responsible for the quality part of the contracts. Although this issue would be raised within the Quality and Clinical Governance Committee, it should also be raised throughout the organisation, as the commissioning function must be integrated with the clinical function.</p> <p>The Committee received and discussed the paper.</p>	
AAC/15/11/10	<p>Audit of panel for procurement of External Auditors</p> <p>This paper was deferred to the end of the meeting.</p>	
AAC/15/11/11	<p>External Audit Technical Update</p> <p>JB presented the report providing an update on key technical issues that had occurred since the last technical update in September 2015.</p> <p>Members commented:</p> <ul style="list-style-type: none"> • The consensus was that the tariff had seen its day • STr asked how audit organisations were able to sign off NHS organisations' accounts, as going concerns, bearing in mind the NHS' current financial position. JB responded saying that the guidance from Monitor stated that the auditors should be assured about an organisation's ability to deliver service continuity • It was likely that the Comprehensive Spending Review would be giving more money to the NHS on the basis of an organisation's robust systems plan <p>The Committee received and discussed the paper.</p>	
AAC/15/11/12	<p>Internal Audit – QIPP Review</p> <p>NT introduced the final internal audit report relating to the internal audit review of Wiltshire CCG's QIPP performance.</p> <p>CR asked who was responsible for QIPP's underperformance. DJN responded by saying that the report was positive as, although there was work to do in terms of implementation, the design of the process was good.</p> <p>It was noted that, on p4 of the report, the Development RAG for the BCF was now showing red.</p> <p>PL said that the PMO was being used to report on progress with the CCG's Financial Recovery Plan, which would be robustly reviewed and rigorous re the delivery of milestones.</p> <p>The Committee received and discussed the paper.</p>	
AAC/15/11/13	<p>Internal Audit Report – Contract Performance</p> <p>LB presented the report detailing the outcome of the internal audit review of Wiltshire CCG's contract performance process.</p>	

	<p>STr informed the Committee that a business case was being constructed for removal of the Provider Performance Management contract from the CSU, to be brought in-house. This business case would be submitted to NHSE and it would take some time before a decision on whether to allow the CCG to take the PPM contract in-house was arrived at.</p> <p>The Committee received and discussed the report.</p>	
AAC/15/11/14	<p>Review Board Assurance Framework (BAF) and Risk Register (RR)</p> <p>SL introduced the BAF and RR.</p> <p>Members commented:</p> <ul style="list-style-type: none"> • C – 14/035 Consequence should be raised to 5 making a score of 20 – not a consequence of 5 – adjust. • C – 14/038 Likelihood to be raised from 4 to 5 making a score of 20 • STr/DJN/SL to go through the risks in order to cleanse the register <p>The Committee received and discussed the paper and agreed to recommend the Top 10 risks to the Governing Body.</p>	<p>SL</p> <p>STr/DJN/SL</p>
AAC/15/11/15	<p>Security Management Services Progress Report 15/16</p> <p>The Committee received and noted the paper in PT's absence.</p>	
	ITEMS FOR NOTING	
AAC/15/11/16	<p>Update on Financial Controls Environment Assessment</p> <p>The Committee received and noted the paper.</p>	
AAC/15/11/17	<p>Update to CCG Banking Arrangements</p> <p>The Committee received and noted the paper.</p>	
AAC/15/11/18	<p>Annual Accounts 2015/16 – submission dates and process</p> <p>The Committee received and noted the paper.</p>	
AAC/15/11/19	<p>Information Governance Group meeting minutes</p> <p>The Committee received and noted the minutes.</p>	
AAC/15/11/20	<p>Aged Debtors and Creditors Report</p> <p>STr went through the reasons for the debtors and creditors' figures. The sum of £819k against NHSE related to a Winterbourne View client and NHSE was refusing to accept the charge. It was suggested that our local Area Team could step in and support the CCG in this matter.</p> <p>The Committee received and noted the paper.</p>	

AAC/15/11/21	<p>Losses and Special Payments Report</p> <p>STr explained the background to the special payment.</p> <p>The Committee received and noted the paper.</p>	
AAC/15/11/22	<p>Competitive Tender Waivers</p> <p>None.</p>	
AAC/15/11/23	<p>Any Other Business</p> <p>It was suggested that one tender process, across the 4 CCGs, for the procurement of External Auditors would be a pragmatic approach.</p> <p><i>PwC and KPMG left the meeting.</i></p> <p>Paper 10 – STr introduced the paper and the Members agreed to recommend to the Governing Body that the Audit and Assurance Committee undertake the function of the auditor panel.</p> <p>There was no further business discussed and the meeting closed at 11:35hrs.</p>	

ITEMS FOR INFORMATION - The following papers are for information only and will not be discussed at the meeting. Printed copies can be made available to members. Should you have any questions regarding any of the papers, please contact the author.

Date of next Audit and Assurance Committee Meeting: 12 January 2015 09:30 – 11:30hrs