

**Governing Body Paper Summary Sheet**  
**Date of Meeting: 23 July 2013**

For: Decision  Discussion  Noting

<b>Agenda item and title:</b>	<b>GOV/13/07/17 Audit &amp; Assurance Committee Minutes – May 2013</b>
<b>Author:</b>	David Noyes, Director of Planning, Performance & Corporate Services
<b>Lead Director/GP from CCG:</b>	David Noyes, Director of Planning, Performance & Corporate Services
<b>Executive summary:</b>	<p>The Audit and Assurance Committee (AAC) of NHS Wiltshire CCG met on 14 May 2013. These minutes were agreed at the subsequent AAC meeting on 9 July 2013.</p> <p>The Governing Body is asked to note the minutes of the Audit and Assurance Committee.</p>
<b>Evidence in support of arguments:</b>	The minutes of CCG committees provide a record of the discussion and decisions taken. This provides information for the CCG Governing Body and stakeholders.
<b>Who has been involved/contributed:</b>	The minutes reflect the discussion and decision taken by those present at the meeting.
<b>Communications Issues:</b>	The minutes are available for release under the FOI Act.
<b>Financial Implications:</b>	None
<b>Review arrangements:</b>	AAC minutes are presented to the subsequent AAC meeting for approval.
<b>Risk Management:</b>	Minutes of the CCG committees supports governance arrangements.
<b>National Policy / Legislation:</b>	Good practice
<b>Next Steps:</b>	None

**MINUTES OF WILTSHIRE AUDIT AND ASSURANCE COMMITTEE MEETING  
HELD ON TUESDAY, 14 MAY 2013 AT 09:30  
AT SOUTHGATE HOUSE, DEVIZES**

**Present:**

Peter Lucas                    PL     Chair, Lay Member  
Christine Reid                CR     Vice Chair, Lay Member

**In Attendance:**

Simon Truelove                STR    Chief Financial Officer  
Dr Jonathan Rayner          JR     GP Vice Chair, NEW  
Dr Mark Smithies            MS     Secondary Care Doctor  
Mary Monnington            MM     Registered Nurse  
David Noyes                  DJN    Director of Corporate Services, Planning and Performance  
Paul Dalton                  PD     Internal audit, PwC  
Jonathan Brown              JB     External audit - KPMG  
Tara Westcott                TW     External audit - KPMG  
Tracey Spragg                TS     Counter Fraud  
Steve Perkins                SP     Deputy CFO  
Susannah Long              SL     Governance and Risk Manager  
Christine Sworder          CS     Temp Board Administrator

**Apologies:**

Lynn Pamment                LP     Internal audit, PwC  
Keren Lovell                  KL     Counter Fraud  
Diana Hargreaves          DJH    Board Administrator

Item Number		Action
AAC/13/05/01	<p><b>Welcome and apologies for absence</b> Apologies were received from Lynn Pamment and Keren Lovell who had sent colleagues to represent them.</p> <p>The chair welcomed the new members to what is the first full Audit &amp; Assurance Committee of the CCG. Thanks were expressed for the continuity provided by the Audit team.</p>	
AAC/13/05/02	<p><b>Declaration of Interest</b> None declared</p>	
AAC/13/05/03	<p><b>Previous Minutes</b> It was noted that the previous meeting had not been quorate. PL and STR accepted the minutes as a true record. Audit Committee members ratified the decisions taken by the Chair.</p>	
AAC/13/05/04	<p><b>Matters Arising</b> No additional matters arising.</p>	

AAC/13/05/05	<p><b>Action Tracker</b> It was agreed that the action tracker was complete.</p>	
<b>ITEMS FOR DECISION</b>		
AAC/13/05/06	<p>The Committee agreed the dates as proposed.</p> <p>STr advised there is a clash between Wiltshire CCG dates and those at BaNES CCG. This means that the Audit team would have to split across the two meetings, with senior PwC partner not available to attend every meeting. The Committee considered it impractical to change the day of the meeting given that Wiltshire CCG clinicians are available on Tuesdays but agreed that it may be possible to vary the time of the meeting.</p> <p>STr agreed to speak with PwC and BaNES CCG regarding coverage.</p> <p>PL asked that the proposed dates to be put into diaries. Timing may alter.</p>	<p>STr</p> <p>All</p>
AAC/13/05/07	<p><b>Internal Audit Annual Plan and Fee</b> PD introduced the Plan developed between PwC, STr and DJN at £45,100 for a 110 day plan.</p> <p>MS asked why PwC does not meet international auditing standards as stated on page 4 of the plan. The Committee was advised that the Department of Health and National Audit bodies ensure that UK standards align as closely as possible with international standards.</p> <p>JB added that the PwC internal audit methodology is fully compliant with UK standards. DJN suggested the wording be amended to "...aligned and comply with UK standards..." to provide clarity and confidence. PD agreed to make this change.</p> <p>CR queried the balance across various projects e.g. Continuing Care has 10 days allocation, but Transformation isn't mentioned. STr advised that there is flexibility within the plan as scope of individual audits is agreed.</p> <p>STr highlighted that the CCG may be paying charges which should go to the Area Teams. Examples where all the costs had been billed to CCG have already been identified. This is compounded by implementation of the new ledger.</p> <p>PL suggested that the QIPP audit review should be brought forward, to quarter 2 as performance against QIPP will be vital for quality, transformation and finance. STr suggested waiting until QIPP programmes are embedded, with monitoring via the PMO and reporting in the Integrated Performance Report.</p> <p>It was agreed that the QIPP audit (VE2) should be brought forward to early Quarter 3 with the review of the new general ledger system undertaken in mid-June. PD agreed to update the Plan.</p> <p>The Internal Audit Plan was accepted.</p>	<p>PwC</p> <p>PwC</p>

<p><b>AAC/13/05/08</b></p>	<p><b>Update on Local Counter Fraud Annual Work Plan</b>  TS reported that there are too many questions regarding the National Counter Fraud plans to fix lines of demarcation and produce a local plan. NHS England have now commissioned Deloittes. Counter fraud for primary care sits with NHS England.</p> <p>Until the National picture is resolved it is impossible to set the local objectives and the Counter Fraud Team are more reactive than proactive.</p> <p>DJN advised that arrangements are being considered for the supply of the Local Security Management Service which has a different but linked functionality to Counter Fraud. TS confirmed that the CCG has a responsibility to monitor Providers counter fraud and security arrangements. STr advised that continuity with the previous providers for counter fraud and LSMS would give stability.</p> <p>It is the responsibility of ALL staff to be vigilant against bribery and fraud. TS reported that she already had suitable material that could be included within induction. SP suggested that this would be suitable for inclusion in the HfMA training that is being rolled out in the CCG. TS, SP and SL agreed to meet and discuss training arrangements.</p> <p>The meeting accepted these comments and requested an update on local work and clarity on the National agenda at the July 2013 meeting.</p> <p>The Committee requested that the lack of a Counter Fraud plan be recorded as a low level risk on the Risk Register.</p>	<p>TS/SP/SL</p> <p>TS</p> <p>STr</p>
<p><b>AAC/13/05/09</b></p>	<p><b>External Audit Fee letter</b>  JB explained External Audit have been appointed by the Audit Commission for all CCG. External Audit work is to some extent end loaded towards the accounts.</p> <p>A formal external audit plan will be provided in due course after the new guidance, expected within the month, has been provided.</p> <p>MM asked how many days the fee of £99,000 covers. JB advised that this is a national set fee by the Audit Commission rather than a fee worked up from a number of days. However, JB agreed to provide an estimated number of days for the next meeting. STr also asked if it was possible to be given an understanding of what areas would be covered as the CCG would like some input into work streams. JB advised that this would be based on the risk profile of the CCG.</p> <p>STr stated that all major contracts had been signed by 30<sup>th</sup> April, and he felt that we had a robust contract signing process. CSU had also provided a good level of service, with benefits coming from economies of scale. There will be a 6 month review of CSU performance the contract being for 18 month commencing on 1<sup>st</sup> April 2013. There are some issues and services levels vary. The Strategic Planning service is a concern, with the CCG feeling unsupported in planning for 2014/15. The smaller CCG appear to be receiving more support.</p>	<p>JB</p> <p>JB</p>

	<p>The CSU is contracted to the CCG for a sum of £3.9million. The Committee agreed that performance of the CSU contract should be reported to and discussed at the Audit Committee. DJN agreed to report to the Committee.</p> <p>The Committee noted the External Audit Annual Audit Fee 2013/14 letter.</p>	DJN
	<b>ITEMS FOR DISCUSSION</b>	
<b>AAC/13/05/10</b>	<p><b>Wilts PCT Internal Audit Reports</b> Two reports were presented by PD.</p> <p><b>Contracting in year:</b> At March 2013 identified 4 medium risks. These are addressed by the action within the CCG to maintain a register of contracts.</p> <p><b>Clinical Commissioning Group Update:</b> At Oct 2012, 2 medium and 3 low risks (Reduced from May 2012 1 high and 4 medium risks) DJN stated that the plan to assess the training needs of Directors and Non-Executive Directors was not yet developed. However, SP advised that a comprehensive training package (HfMA) would be launched on Friday.</p> <p>The Committee noted the PCT internal audit reports.</p>	
<b>AAC/13/05/11</b>	<p><b>Internal Audit Tracking Report</b> PD advised that the report draws the 35 recommendations from the PCT audit reports with the exception of the Financial Systems audit, as there is a new ledger, and the Closure Plan, as this is not relevant. Members commented that the size of this document makes it very difficult to read and understand.</p> <p>The committee recognized that this is a useful management tool, expecting PwC to approach relevant managers for updates against the recommendations and from this work bring to the Committee, by exception, those recommendations that have not been completed within date. This would be an appropriate risk-based approach and may lead to days being brought forward in the audit plan.</p> <p>STr agreed to work with internal audit to create a report, and highlight ongoing issues and movements.</p>	<p>PwC</p> <p>PwC / STr</p>
<b>AAC/13/05/12</b>	<p><b>Local Counter Fraud Report</b></p> <p>TS gave an update on Counter Fraud.</p>	
<b>AAC/13/05/13</b>	<p><b>Review Assurance Framework and Risk Register</b></p> <p>DJN introduced the Board Assurance Framework (BAF). Strategic objectives have been identified by DJN and STr to reflect the vision and aims of the CCG.</p> <p>SL explained that three strategic objectives do not have issues against them at this time and require further input from the Executive Team. It was suggested that a 'reviewed on' date should be added.</p>	SL

	<p>SL was asked to explain the difference between the BAF and the Risk Register. The Risk Register is a list of current and real risks that have been identified, analysed and actively monitored as appropriate risk treatment actions are undertaken. The BAF represents issues that may impact on the completion of strategic objectives. These issues are assessed to determine the controls in place and the assurances of those controls. Any gaps in control or gaps in assurance will be addressed by an assigned Director Lead. Issues can include many different risks that, as realised, would appear on the Risk Register. The BAF attempts to identify and test controls in advance of the crystallisation of risks.</p> <p>The Committee agreed that the Transformation project should be added to the BAF.</p> <p>MM identified that risk W-13/014 on the Risk Register should state section 136 instead of section 146. SL agreed to amend this.</p> <p>F-13/006 STr explained we had applied for a grant for capital funding from the Department of Health. The capital funding would then be granted to the Local Authority. Previously this has been granted out of revenue resources by the PCT but the CCG is seeking to make use of new capital flexibilities.</p> <p>C-13/004 DJN explained that there appears to be some inertia in the use of PMO mechanisms and without their full engagement the CCG project delivery is at risk.</p> <p>The Committee recognised that this is a 'young' document and greater importance will be given to its use as linkages with business planning and resourcing are evidenced.</p> <p>It was agreed that the Governing Body will be informed of the top 10 scoring risks.</p>	<p>SL</p> <p>SL</p> <p>DJN/SL</p>
<b>ITEMS FOR NOTING</b>		
<p><b>AAC/13/05/14</b></p>	<p><b>Any Other Business</b></p> <ul style="list-style-type: none"> <li>• <b>Final PCT AAC Meeting minutes</b> The minutes were noted.</li> </ul>	

**Date of next Audit and Assurance Committee Meeting: 09 July 2013 (09:30 – 11:30hrs )**