

Governing Body Paper Summary Sheet
Date of Meeting: 24 September 2013

For: Decision Discussion Noting

Item no and title:	GOV/13/09/21 Audit & Assurance Committee Minutes – July 2013
Author:	David Noyes, Director of Planning, Performance & Corporate Services
Lead Director/GP from CCG:	David Noyes, Director of Planning, Performance & Corporate Services
Executive summary:	<p>The Audit and Assurance Committee (AAC) of NHS Wiltshire CCG met on 23 July 2013. These minutes were agreed at the subsequent AAC meeting on 10 September 2013.</p> <p>The Governing Body is asked to note the minutes of the Audit and Assurance Committee.</p>
Evidence in support of arguments:	The minutes of CCG committees provide a record of the discussion and decisions taken. This provides information for the CCG Governing Body and stakeholders.
Who has been involved/contributed:	The minutes reflect the discussion and decision taken by those present at the meeting.
Communications Issues:	The minutes are available for release under the FOI Act.
Financial Implications:	None
Review arrangements:	AAC minutes are presented to the subsequent AAC meeting for approval.
Risk Management:	Minutes of the CCG committees supports governance arrangements.
National Policy / Legislation:	Good practice
What specific action do you wish the Governing Body to take?	The Governing Body to note the minutes.

**MINUTES OF WILTSHIRE AUDIT AND ASSURANCE COMMITTEE MEETING
HELD ON TUESDAY, 9 JULY 2013 AT 09:30
AT SOUTHGATE HOUSE, DEVIZES**

Present:

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

In Attendance:

Deborah Fielding DF Chief Officer
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
Duncan Laird DL External audit - KPMG
Tara Westcott TW External audit - KPMG
Tracey Spragg TS Counter Fraud
Keren Lovell KL Counter Fraud
Steve Perkins SP Deputy CFO
Roger Ringham RR Security Management Specialist
Susannah Long SL Governance and Risk Manager
Diana Hargreaves DJH Board Administrator

Apologies:

Lynn Pamment LP Internal audit, PwC

Item Number		Action
AAC/13/07/01	Welcome and apologies for absence PL welcomed everyone to the meeting and the Members introduced themselves.	
AAC/13/07/02	Declarations of Interest JR declared that he was one of the creditors on the Aged Debtors and Creditors list in Paper 16.	
AAC/13/07/03	Previous Minutes of AAC meeting held on 14 May 2013 CR had raised the issue of the auditing the Groups' performance. STr provided assurance stating that each Group would provide a quarterly update against performance which was recorded within the	

	<p>monthly Integrated Performance Reports. Specific issues would be picked up through the auditors and counter fraud to ensure there were no weaknesses of control and reported through the Governing Body and the other sub-committees. Internal Audit would be focusing on delivery of QIPP which would drill down into the Groups' delivery against agreed objectives.</p> <p>The Committee agreed and approved the minutes with the amendment recorded above.</p>	
AAC/13/07/04	<p>Matters Arising</p> <p>AAC/13/05/07 3rd para – internal audit had made the change. 5th para – work in progress as still some grey areas. Working hard to make it clearer. AAC/13/05/09 Will not be receiving national guidance until nearer the end of the year. The External Audit Plan will be uploaded following the guidance around Dec/Jan.</p>	
AAC/13/07/05	<p>Action Tracker</p> <p>TW apologised for not having the estimated number of days the External Audit fee provides for as requested at the last meeting but will present this at the next meeting.</p> <p>BaNES were reluctant to move their meetings so PD and LP will share the meetings between them.</p>	<p>KPMG</p> <p>PwC</p>
ITEMS FOR DISCUSSION/APPROVAL		
AAC/13/07/06	<p>Internal Audit Annual Plan</p> <p>PD presented the paper building on the plan presented at the last meeting and outlined where there had been changes and updates.</p> <p>Members raised concerns about the auditing of CSCSU-run areas and were informed that, while the CSU would do a level of work within their own controls, it was important to check that the CSU had robust controls in place to provide assurance to the CCG as commissioners.</p> <p>PD informed Members that their Risk Assessment had been developed in consultation with STr, to better understand the CCG as a whole, and was subject to change.</p> <p>The Committee discussed and approved the Internal Audit Plan.</p>	
AAC/13/07/07	<p>Internal Audit Tracking Report</p> <p>STr presented the report which updated the CCG on the audit work carried out by PwC under the NHS Wiltshire PCT Internal Audit Plan 2012/13 explaining that most of the items related to authorisation and have now been closed off. Of the items that related to the ongoing CCG agenda, QIPP and payments to practices had now been closed following new controls and processes being put in place</p> <p><i>(DF joined the meeting)</i></p>	

	The Committee acknowledged the actions on the internal tracking report.	
AAC/13/07/08	<p>Internal Audit Charter</p> <p>PD presented the paper explaining that the Charter is a formal document that defines the internal audit activity's purpose, authority and responsibility. STr confirmed that it provided the necessary assurance that was needed in relation to the internal audit process.</p> <p>The Committee approved the Internal Audit Charter.</p>	
AAC/13/07/09	<p>Local Counter Fraud Report</p> <p>TS gave a verbal update stating that there were still some grey areas around roles and responsibilities, although there was more clarity than there had been. NHS Protect had issued some guidance around responsibilities which dictated that patient fraud would be a CCG responsibility and NHS England would be responsible for contractor fraud. Any incidents of fraud would be reported to TS in the first instance and would be recorded on the national system that is in place. There is an e-learning package for counter fraud being developed which will be part of mandatory training for all staff.</p> <p>KL has been liaising with SL to look at a draft bribery policy for the CCG and they have both worked on the Standards of Business Conduct policy. KL stated that she will be handing over to TS, who will have responsibility for Swindon and Wiltshire, while KL will be concentrating on the training side in her organisation. PL thanked KL for her help, wished her luck in new role and welcomed TS.</p> <p>Members asked when a Counter Fraud plan would be produced and were informed that, because of the lack of prescriptive guidance, the plan would be quite loose at this stage. Members requested that the plan included the numbers of fraud cases in Wiltshire, weighted and benchmarked, in order to manage the potential risk.</p> <p>NHS Protect will be inspecting CCGs' procurement procedures in 2014/15 to ensure they are fit for purpose in terms of reducing fraud and bribery.</p> <p>Proactive work around primary care – split with NHS England. STr to pick up with the AT.</p> <p>The Committee accepted and discussed the paper.</p>	<p>TS</p> <p>STr</p>
AAC/13/07/10	<p>Local Security Management Service Workplan</p> <p>RR introduced himself as the Local Security Management Specialist (LSMS) for Wiltshire CCG, having previously worked in NHS Protect, and presented the workplan. Unlike Fraud, Security had no national body appointed so the local provider is Dorset and Somerset Counter Fraud and Security Management Service (DAS) and the contract for 2013/14 is for 50 days (5 days held as contingency) as outlined in the annual work plan.</p>	

	<p>Members commented:</p> <ul style="list-style-type: none"> • 0 days allocated on page 6 of the plan under Prevent and Deter. This was because the numbers of days within the plan had been tweaked to provide the most appropriate coverage. • Request for a timescale plan behind the number of days and prioritisation methodology. RR will work on this for future reporting to the Committee. • To ensure that there is no duplication of work between internal audit, fraud and security, there will be a framework developed demonstrating a uniform approach to the areas that need to be covered. <p>The Committee approved the Security Management Plan for 12/13.</p>	<p>RR</p> <p>RR/PD/TS</p>
<p>AAC/13/07/11</p>	<p>External Audit Technical Update</p> <p>TW presented the paper which updated Members on the key technical issues that had occurred since the last update in December 2012.</p> <p>In response to a query about the CCGs' involvement with Monitor, STr explained that, as commissioners, CCGs would need to work with all providers of health services to identify those services that must continue to be available should a provider be in financial distress. Foundation Trusts are required to report on their designated services and commissioners are required by 2016 to agree on those designated services either to be maintained or to be moved. Financial validation is the responsibility of Monitor while medical validation is the responsibility of NHS England.</p> <p>Members welcomed the update stating how important it was to capture the issues for which the CCG was responsible and which may impact on the organisation.</p> <p>MS expressed his concern about external organisations making decisions on specialist services in isolation and not engaging with the wider clinical community. The CCG needs to take the holistic view on the best outcomes for the community. It was decided that issues such of these would be discussed in the bi-monthly seminars taking place from October onwards.</p> <p>The Committee accepted and discussed the paper. The Committee welcomed the External Audit briefing and requested that this is continued.</p>	
<p>AAC/13/07/12</p>	<p>Review Assurance Framework and Risk Register</p> <p>SL presented the Board Assurance Framework (BAF) explaining that there had been two changes identified at A and F; issues around CSU assurance would be included on the BAF in future.</p> <p>STr responded to CR's concern that there was no action plan attached to D02 although it was a continuing risk, explaining that the CCG responds to over-performance on a day-to-day basis.</p>	

	<ul style="list-style-type: none"> • DF to request a Rectification Plan from the CSU, following discussions with John Wilderspin, to be closely monitored. • Although the contract is broken down into 8 different parts, finance colleagues have found it difficult to reconcile the financial costs with the service delivery. <p><i>(MM left the meeting briefly at 11.30 and returned at 11.34).</i></p> <ul style="list-style-type: none"> • Attain has been appointed to support the CSU's strategic planning through a single tender action waiver which will be recorded on a Request for Waiver of Standing Orders form. • NHS England has been informed of our concerns and is keeping a watching brief. • DJN holds monthly meetings with the CSU account manager and also maintains strong lines of communication with the CSU Directors. • DJN to provide the next report to the November AAC meeting. <p>The Committee accepted and discussed the paper. The Committee requested that regular updates are provided to the Audit and Assurance Committee.</p>	DJN
ITEMS FOR NOTING/APPROVAL		
AAC/13/07/16	<p>Aged Debtors and Creditors Report</p> <p>STr presented the report.</p> <p>The Committee noted the report.</p>	
AAC/13/07/17	<p>Losses and Special Payments Report</p> <p>None to report.</p> <p>The Committee acknowledged that there were no losses or special payments.</p>	
AAC/13/07/18	<p>Competitive Tender Waivers</p> <p>STr presented the paper explaining that the AAC is required to review all waivers of the CCG scheme of delegation to ensure that conflicts of interest are not being contravened and that value for money is being achieved.</p> <p>The appropriate place of care audit had been commissioned to be carried out by a specialist organisation.</p> <p>CR would have liked the waiver to have been brought to an earlier AAC meeting and noted that the request was neither signed nor dated.</p> <p>STr informed Members that there would be two further waivers coming through:</p> <ol style="list-style-type: none"> 1. Attain, as referred to in item AAC/13/07/15 overleaf. 2. TPP Consulting who have been commissioned to review the CCG's relationship with all partnerships and produce a 	

	<p>strengths and weaknesses report at a cost of £15k.</p> <p>The cost of the waivers fits within the running cost envelope and will be identified on the monthly financial reports.</p> <p>The Committee requested clarity on the breakdown of payments for the Community Transformation Programme between the CCG and Wiltshire Council.</p> <p>The Committee approved the one waiver presented.</p>	STr
AAC/13/07/19	<p>Any Other Business</p> <p>There was no other business and the meeting concluded at 11:45hrs.</p>	

Date of next Audit and Assurance Committee Meeting: 10 September 2013 (09:30 – 11:30hrs)