

**Clinical Commissioning Group Governing Body  
Paper Summary Sheet  
Date of Meeting: 19 May 2015**

For: PUBLIC session  PRIVATE Session

For: Decision  Discussion  Noting

<b>Agenda Item and title:</b>	<b>GOV/15/05/09 AAC Annual Report 2014/15</b>
<b>Author:</b>	Peter Lucas, Audit & Assurance Committee Chair Simon Truelove, Chief Finance Officer
<b>Lead Director/GP from CCG:</b>	Peter Lucas, Audit & Assurance Committee Chair
<b>Executive summary:</b>	The Annual Report for the Audit and Assurance Committee presents a summarised view of the effectiveness of the committee throughout the financial year 2014/15. It defines the key aspects it has dealt with and what impact it has had on managing risk and ensuring that there is a strong internal control environment throughout the CCG.
<b>Evidence in support of arguments:</b>	Evidence can be sought from the minutes of the Audit Committee, Internal Audit Annual Report and external audits view of the organisation. The Annual Report also links to the AAC self-assessment process.
<b>Who has been involved/contributed:</b>	Members of the Audit & Assurance Committee.
<b>Cross Reference to Strategic Objectives:</b>	Achieve a sustainable health economy optimising appropriate use of resources for the delivery of efficient and effective healthcare.
<b>Engagement and Involvement:</b>	This is an internal document and has not received further engagement or involvement.
<b>Communications Issues:</b>	The Report should be treated as a public document and will be available for release under the FOI Act.
<b>Financial Implications:</b>	There are no direct financial implications.
<b>Review arrangements:</b>	The Report is produced annually.

<b>Risk Management:</b>	The Report provides assurance to the Governing Body on the agenda and business of the Audit & Assurance Committee.
<b>National Policy/ Legislation:</b>	The review of Audit Committee activities is good practice as guided by the Audit Committee Handbook.
<b>Equality &amp; Diversity:</b>	An Equality Impact Assessment has been carried out and no negative impact has been identified.
<b>Other External Assessment:</b>	None.
<b>What specific action do you wish the Governing Body to take?</b>	The Governing Body is asked to approve the AAC Annual Report.

# WILTSHIRE CLINICAL COMMISSIONING GROUP

## Audit and Assurance Committee

### Chair's Annual Report 2014/15

#### Summary for the Year

The Audit and Assurance Committee (AAC) for Wiltshire Clinical Commissioning Group (WCCG) continues to provide assurance to the CCG Governing Body on the control environment that operates across the organisation.

The Audit Committee continues to consist of the four lay members including the Nurse lay member and the Secondary Care representative lay member and a voting GP member of the CCG Governing Body. The Committee has met 6 times throughout the financial year and has discharged its responsibilities for scrutinising the risks and controls which has affected all aspects of the organisation's business. It has also invited clinical leaders of the CCG and Corporate Directors to separate meetings to present on how they identify and manage operational risk within their specific areas of work. This has been enlightening for the committee as they seek assurance on the application of the control environment across the CCG.

#### Principal review areas

This annual report is divided into five sections reflecting the five key duties of the Committee as set out in the terms of reference.

#### ***Governance, risk management and internal control***

In order to fulfil this duty the committee has undertaken the following:

- It has reviewed relevant guidance and disclosure statements issued by the Department of Health (DoH) and NHS England (NHSE).
- It has reviewed the Annual Governance Statement to ensure that it reflects the committee's view on the CCG's system of internal control. It has sought assurance from the Head of Internal Audit Opinion, External Audit opinion and other appropriate independent assurances in order to gain a view of the CCGs system of internal control.
- The Committee has reviewed the Assurance Framework. It believes that the framework used during the year was fit for purpose and has reviewed evidence to support this. The framework is in line with Department of Health expectations and has been reviewed by internal audit and will be reviewed by external audit to give additional assurance that this opinion is well founded.
- The Committee has reviewed the completeness of the risk management system and the extent to which it is embedded throughout the organisation. The Committee believes that while adequate systems for risk management are in place, more work is required to ensure that these are embedded throughout the whole organisation. The Committee's opinion is that this issue requires continuing executive management focus and support.

### ***Internal audit***

Throughout the year the Committee has worked effectively with internal audit to strengthen the CCG's internal control processes. The Committee has also in year:

- Received and considered the external audit review of the effectiveness of internal audit and considers the provision of the internal audit service sufficient in supporting the Committee in fulfilling its role
- Reviewed and approved the internal audit operational plan and more detailed programme of work at its April meeting
- Considered the major findings of internal audit and are assured that management will respond in a timely manner.
- The committee continues to challenge Directors on making sure that Internal Audit recommendations are adhered in a timely manner.
- The committee has requested work on new areas of work such as the Better Care Programme and Primary Care commissioning in formulating the plan for 2015/16

### ***External audit***

The CCG external Auditors are KPMG. The Committee reviewed and agreed the external audit's annual plan

The Committee has reviewed and commented on reports prepared by the external auditors.

The External Auditors will be producing their opinion of the 2014/15 accounts and annual report which will be reported through the ISA 260 report. This will be reported to the audit committee in May allowing the committee to recommend the accounts and annual report to the CCG Governing Body. All deadlines for the production of the accounts and annual report have been achieved.

### ***Management***

The Committee has continually challenged the assurance process when appropriate and has requested and received assurance reports from CCG management and various other sources both internally and externally throughout the year. This process has also included calling CCG Directors, Clinical Leaders and the Accountable Officer to account when considered necessary to obtain relevant assurance.

The committee has also been monitoring the performance of the commissioning support service provided by Central Southern Commissioning Support Service and has been seeking assurance from management that improvements in service delivery has been experienced.

## ***Annual Accounts***

The Committee has reviewed the process and controls the CCG has put in place to achieve its financial obligations throughout the year and has reviewed the changes in accounting policy that NHS England has promoted in 2014/15.

## ***Effectiveness of the Audit and Assurance Committee***

The Committee has been active during the year in carrying out its duty in providing the CCG Governing Body with assurance (or not) that effective internal control arrangements are in place. Specifically the Committee has:

- Reviewed its compliance with the *Audit Committee Handbook* and has undertaken a self-assessment. Actions arising from this self-assessment will be included in the April 2015 Audit Committee action plan.
- Cost/benefit analysis - It has not been possible to accurately quantify the benefits of the work of the Committee during the year as it is impossible to determine the financial impact of risks mitigated and costs avoided and the proportion of these that could be apportioned to the Committee work. However, in respect of the work of the Committee, it is clear that the risk profile of the CCG has been reduced. Furthermore the current and future costs associated with loss of reputation have also been mitigated as a result of the work performed by the Committee.

## ***Conclusion***

The Committee is of the opinion that this annual report is consistent with the draft Annual Governance Statement, the Head of Internal Audit Opinion and the external audit review and there are no matters that the Committee is aware of at this time that have not been disclosed appropriately.

**Equality Impact Analysis – the EIA form**

Title of the paper or Scheme: **Audit & Assurance Committee Annual Report 2014/15**

<b>For the record</b>	
Name of person leading this EIA Susannah Long, Governance & Risk Manager	Date completed 11 May 2015
Names of people involved in consideration of impact Peter Lucas, Audit & Assurance Committee Chair	
Name of director signing EIA Simon Truelove, Chief Finance Officer	Date signed 12 May 2015

What is the proposal? What outcomes/benefits are you hoping to achieve?  
 The Annual Report for the Audit and Assurance Committee presents a summarised view of the effectiveness of the committee throughout the financial year 2014/15. It defines the key aspects it has dealt with and what impact it has had on managing risk and ensuring that there is a strong internal control environment throughout the CCG

Who's it for?  
 Use by the members of AAC, the Governing Body and the Public.

How will this proposal meet the equality duties?  
 The Annual Report provides a summary of the role and performance of the AAC during 2014/15.

What are the barriers to meeting this potential?  
 There are no barriers.

**2 Who's using it** Refer to equality groups  
 Inspecting the performance of the CCG's Committees supports all equality groups.

What data/evidence do you have about who is or could be affected (e.g. equality monitoring, customer feedback, current service use, national/regional/local trends)?  
 As this document is a report on past performance it will not have a direct effect on equality groups.

How can you involve your customers in developing the proposal?  
 The Internal Audit and External Audit services attend the meetings of the AAC providing advice and scrutiny.

Who is missing? Do you need to fill any gaps in your data? (pause EIA if necessary)  
 N/A.

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**3 Impact**

Refer to dimensions of equality and equality groups

Show consideration of: age, disability, sex, transgender, marriage/civil partnership, maternity/pregnancy, race, religion/belief, sexual orientation and if appropriate: financial economic status, homelessness, political view

Using the information in parts 1 & 2 does the proposal:

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**a) Create an adverse impact which may affect some groups or individuals. Is it clear what this is?**

How can this be mitigated or justified?

There is no adverse impact.

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What can be done to change this impact?

N/A

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**b) Create benefit for a particular group. Is it clear what this is? Can you maximise the benefits for other groups?**

There is an equal benefit for all groups as this is a report on historic performance.

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Does further consultation need to be done? How will assumptions made in this Analysis be tested?

No further consultation is needed at this time.

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**4 So what?**

Link to business planning process

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What changes have you made in the course of this EIA?

None

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What will you do now and what will be included in future planning?

The AAC Annual Report (and supporting self-assessment) will be used to derive the AAC Plan for 15/16.

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When will this be reviewed?

The AAC Annual Report is an annual review.

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How will success be measured?

The CCG will continue to operate an Audit and Assurance Committee that challenges the CCG and provides assurance to the Governing Body.