



Wiltshire

Clinical Commissioning Group

**MINUTES OF WILTSHIRE AUDIT AND ASSURANCE COMMITTEE MEETING
HELD ON TUESDAY, 8 SEPTEMBER 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
Steve Perkins	SP	Deputy Chief Financial Officer
Duncan Laird	DL	External audit, KPMG
Natalie Tarr	NT	Internal audit, PwC
Tracey Spragg	TS	Counter Fraud Specialist
Susannah Long	SL	Governance and Risk Manager
Diana Hargreaves	DJH	Board Administrator
Rob Hayday	RH	Associate Director, Performance and Corporate Services and Head of PMO

Apologies:

Paul Travers	PT	Security Management Specialist
David Noyes	DJN	Director of Planning, Performance and Corporate Services

Item Number	Item	Action
AAC/15/09/01	<p>Welcome and apologies for absence</p> <p>PL welcomed everybody to the meeting noting the apologies above.</p>	
AAC/15/09/02	<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>There were none declared.</p>	
AAC/15/09/03	<p>Previous Minutes</p> <p>AAC meeting held 7 July 2015</p> <p>The minutes were agreed as an accurate record.</p>	
AAC/15/09/04	<p>Matters Arising</p> <p>AACex/15/04/07 STr would be drafting a paper on GPs' remuneration</p>	

	<p>to go to the Remuneration Committee on 20 October so that Lay Members could better understand how GPs were compensated. STr would attend the meeting to speak to the paper and answer any questions, if needed.</p> <p>AAC15/01/05 In response to a Member asking when the BCF audit would be undertaken, STr said the CCG was still in discussions with the Council and the plan was for early October. Section 75 of the Health and Social Care Act required both parties in a pooled budget to be assured that funding was being used appropriately and giving value for money; an audit would be the most efficient way of doing this and Michael Hudson welcomed the position. STr said he would raise this matter again with the Council to firm up a date for the audit.</p> <p>The Committee agreed that it was a priority to have a discussion with the Council focused on Payment for Performance in the BCF. STr would draft a letter to be sent from PL, as Chair of the AAC, to Michael Hudson, seeking assurance and understanding of the controls that were operating under the BCF.</p>	<p>STr</p> <p>STr</p> <p>STr</p>
AAC/15/09/05	<p>Action Tracker</p> <p>The action tracker had been updated and now accurately reflected the outstanding and completed actions.</p>	
ITEMS FOR DECISION		
AAC/15/09/06	<p>Risk Management Strategy</p> <p>SL presented the revised Risk Management Strategy which had reached the end of the first three-year period (2012-2015). A full review had been undertaken and the new Risk Management Strategy (2015-2018), once approved by the Governing Body, would be reviewed on an annual basis. SL advised Members that, apart from a new risk management objective, there had been minimal changes, shown as green text in the document.</p> <p>SL defined risk appetite as the level of risk on the Risk Matrix that the CCG was willing to tolerate or expose itself to: and there were different risk appetites across the organisation. While happy with the content of the strategy, STr felt that 25 was too high a score and the scores needed to be dampened down.</p> <p>Members agreed that it was the role of this Committee to test the viability of the measures that other Committees had in place. Internal Audit would carry out a piece of work next year on the effectiveness of the Governing Body's sub-committees.</p> <p>It was important to distinguish between the clinical and financial risks and to emphasise the clinical risk element as being highly significant to the CCG.</p> <p>TS suggested that the strategy should make mention of the Counter Fraud and Bribery Policy and the Bribery Act. Members felt that clinical input into the review would be favourable.</p> <p>The Committee received and agreed the Risk Management</p>	<p>PwC</p> <p>SL</p>

	Strategy to go forward to the Governing Body for approval, with the above additions.	
AAC/15/09/07	<p>Other Leave Policy</p> <p>RH introduced the paper setting out the arrangements and entitlements for Other Leave, including inclement weather, parental leave, emergency domestic leave and compassionate leave</p> <p>TS advised Members that there was an increasing number of fraudulent incidents around Other Leave, where people had made false applications in order to get additional leave. TS would provide RH with a paragraph about fraud for inclusion in the policy.</p> <p>The Committee received and approved the policy with the addition of the above.</p>	TS
AAC/15/09/09	<p>Financial Control Environment Assessment</p> <p>SP presented the paper describing the financial control environment self-assessment tool used to assess the CCG's financial resilience and sustainability.</p> <p>In response to CR asking whether the process had been helpful, STr said that it was important to establish where CCGs were with the financial controls of their organisation. In table 1, NHSE had categorised the Financial Performance section as 'Improvement needed' and STr had challenged this with NHSE, as needing improvement because of the financial state of the organisation did not mean that the Finance Team were doing anything other than an excellent job.</p> <p>In section 4 of Appendix 1, the completion date should read March-16 rather than March-15.</p> <p>STr advised that the Chair of the AAC could not be the same person as the Chair of the Finance and Performance Committee: it was agreed that PJ would chair the latter committee. The option of extending the number of CCG lay members should be considered.</p> <p>The Committee received and approved the paper.</p>	STr/DJN
	ITEMS FOR DISCUSSION	
AAC/15/09/10	<p>Internal Audit Progress Report 15/16</p> <p>NT introduced the paper updating the Committee on the progress of 2015/16 internal audit reviews and key performance indicators.</p> <p>In the 2016/17 AAC meetings' planner, it would be advantageous to have a meeting in October, rather than September, as that would allow IA a greater opportunity to bring the early findings of the year to the Committee. STr to discuss with DJN/DJH.</p> <p>The Committee received and discussed the paper.</p>	STr/DJN/ DJH
AAC/15/09/11	Internal Audit Tracker 15/16	

	<p>NT presented the paper updating Members on all outstanding IA recommendations reported in the August tracker.</p> <p>Members commented:</p> <ul style="list-style-type: none"> • STr advised that an amended TOR for the Finance and Performance Committee would be brought to the October meeting • RH said that NHSPS would be producing a Business Continuity Plan in September, which would be tested and available for the next Building Tenants' Forum in October. The review of the CCG's business continuity plan is ongoing • The Quality directorate had cleared up many issues: good progress had been made • The presentation of the tracker had significantly improved the ability to view the content <p>The Committee received and discussed the paper.</p>	STr
<p>AAC/15/09/12</p>	<p>HR Objectives and Appraisals – final Internal Audit Report</p> <p>NT introduced the report, drawing Members' attention to the Executive Summary on page 1, particularly the two high risk findings.</p> <p>Members considered whether the process of organisational re-structure had influenced the high risk classification for the objective setting and appraisal undertaking, adding that setting objectives was of paramount importance for staff and this showed a very disturbing and worrying picture. STr agreed to provide an update on this at the next AAC meeting. There would be a paper taken to next week's EMT meeting about this and Members wanted their profound concerns expressed to the Executive, as it was an indication of a problem within the organisation.</p> <p>The Lay Members present agreed that the performance management process should also apply to them and they would raise this with Peter Jenkins, as CCG Chair.</p> <p>The Committee received and discussed the paper.</p>	<p style="text-align: center;">STr/RH</p> <p style="text-align: center;">CR/PL/MS</p>
<p>AAC/15/09/13</p>	<p>External Audit Technical Update</p> <p>DL presented the paper providing an update on key technical issues that had occurred since the last update in July 2015.</p> <p>In response to CR asking how our GP survey compared with other CCGs, DL said it compared quite well.</p> <p>PL asked about progress with the 2016/17 national tariff proposals. STr advised that there was a consultation out at the moment which needed to be responded to by this Friday (11 September). The objection thresholds for commissioners and providers to object to the pricing method had moved from 51% to 75%. STr expected that the tariff would continue in its current form with no significant change in the financial framework for 16/17.</p>	

	<p>The Committee discussed the most practical way of briefing Members on new NHSE assurance documents and agreed that executive summaries of these documents and/or a guidance tracker would be most useful. STr/DJN would consider of all the new guidance and information and bring summaries to the AAC.</p> <p>The Committee received and discussed the paper.</p>	STr/DJN
AAC/15/09/14	<p>Review Board Assurance Framework (BAF) and Risk Register (RR)</p> <p>SL introduced the BAF and updated RR.</p> <p>The BAF had no substantial changes, only minor tweaks.</p> <p>There were three new risks on the RR. STr said that the financial position of GWH was a challenge but that it was not impacting on patient safety at this time. AWP was experiencing a backing-up of patients, resulting in some having to go out of county again.</p> <p>Members agreed that it was difficult to keep the risks to recommend to the Governing Body down to just ten, with the organisation taking on more responsibility. The focus should be on what the CCG was doing about the risk, checking whether there had been any movement on the risk and the potential impact. As a result, it was decided to send all the risks to the Governing Body rather than just the Top 10.</p> <p>It would be helpful to insert, in bold, the name of the committee/group responding to the risk and who had the responsibility for progressing the risk, in the Progress Against Actions column; and to incorporate into the Risk Strategy.</p> <p>W - 14/043: waiting for MH's update in the Progress Against Actions column.</p> <p>The Committee received and discussed the paper.</p>	SL/DJN SL
AAC/15/09/15	<p>Review Gifts and Hospitality Register 2015/16</p> <p>SL presented the paper with the register used to record all offers of hospitality, gifts and sponsorship made to the CCG, whether accepted or declined.</p> <p>Members noticed that Sarum and WWYKD did not have any declarations on the register: however, NEW had many. SL advised that this was correct.</p> <p>SL said that there were two different registers held by the CCG – one for the organisation and a second for the pharmacists: everybody in the CCG would be making declarations in the future, as the register would be extended to include all staff.</p> <p>TS suggested that staff refreshed their knowledge about their responsibilities in relation to the Bribery Act and a reminder would go out to staff through 14 Days.</p>	TS

	The Committee received and discussed the paper.	
AAC/15/09/16	<p>Security Management Services Progress Report 15/16</p> <p>The Committee noted the report in PT's absence.</p> <p>The risk of the CCG not having CCTV had been assessed as low: the cameras were still in place, which would act as a deterrent.</p> <p>The Committee received and discussed the report in the absence of PT.</p>	
AAC/15/09/17	<p>Local Counter Fraud Progress Report 15/16</p> <p>TS introduced the report, updating the Committee on activity for April – August 2015.</p> <p>TS advised that the benchmarking data had not shown Wilts CCG as an outlier, when compared with similar-sized CCGs, although the level of granularity was not robust. TS would investigate other data sources to see if more detailed benchmarking data was available.</p> <p>The Committee received and discussed the paper.</p>	TS
AAC/15/09/18	<p>NHS Protect Standards for Commissioners Self-Review Toolkit</p> <p>TS presented the paper with the self-review toolkit, enabling CCGs to assess compliance with the NHS Protect Counter Fraud Standards for Commissioners, on an annual basis.</p> <p>TS explained the RAG rating, which was not straightforward, emphasising that each standard had to be read individually. It was difficult to understand the actions required to achieve a GREEN rating. As this was a new tool, it was unlikely that there would be any answers to queries until next year.</p> <p>An overall rating of AMBER had been submitted, which had been signed off by STR.</p> <p>The Committee received and discussed the paper.</p>	
	ITEMS FOR NOTING	
AAC/15/09/19	<p>Aged Debtors and Creditors Report</p> <p>STR introduced the paper informing the Committee about the current level of outstanding debtors and creditors as at 26 August 2015.</p> <p>Of note:</p> <ul style="list-style-type: none"> • Debtors - £488,000 related to one of the Winterbourne View clients, the funding for whom NHSE were refusing to pay. The CCG was in dispute with NHSE over this issue and we were currently continuing to pay for the individual this year • Creditors – The GWH amounts related to old-year invoices where the GWH had not provided the CCG with credit notes: the CCG was pushing to get this resolved 	

	The Committee received and noted the paper.	
AAC/15/09/20	Losses and Special Payments Report None to report.	
AAC/15/09/21	Competitive Tender Waivers None to report.	
AAC/15/09/22	Any Other Business Paper 8 had been removed from the agenda as work on this was ongoing. The updated CG Constitution, Prime Financial Instruments and Scheme of Delegation had to be submitted to NHSE by 6 November. There was no further business discussed and the meeting closed at 11:30hrs.	

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: 10 November 2015 09:30 – 11:30hrs