

**MINUTES OF AUDIT AND ASSURANCE COMMITTEE MEETING
HELD ON TUESDAY 12 SEPTEMBER 2017 AT 09:15hrs
AT SOUTHGATE HOUSE, DEVIZES**

Voting Members Present:

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| Peter Lucas | PL | Chair, Lay Member for Audit and Governance |
| Christine Reid | CR | Vice Chair, Lay Member for Patient and Public Involvement |
| Dr Mark Smithies | MS | Secondary Care Doctor |
| Dr Anna Collings | AC | GP Vice Chair, NEW |

In Attendance:

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| Steve Perkins | SP | Chief Financial Officer |
| Susannah Long | SL | Governance and Risk Manager |
| Rob Hayday | RH | Associate Director of Performance, Corporate Services and Head of PMO |
| Natalie Tarr | NT | Internal Audit, PwC |
| Peter Barber | PB | External Audit, Grant Thornton |
| Rosie Fisher | RF | Internal Audit, PwC |
| Sharon Woolley | SW | Board Administrator |

Apologies:

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| Linda Prosser | LP | Interim Chief Officer |
| Sujata McNab | SM | Deputy Chief Financial Officer |
| Lynne Baber | LBa | Internal Audit, PwC |
| Lorraine Bennett | LB | Local Counter Fraud Specialist, TIAA |

| Item Number | Item | Action |
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| AAC/17/09/01 | Welcome and apologies for absence PL welcomed everyone to the meeting. The above apologies were noted. | |
| AAC/17/09/02 | Declarations of Interest 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. (This included any relevant interests previously declared on the Register of Interests). There were none. | |
| AAC/17/09/03 | Minutes from the meeting held on 11 July 2017 The minutes from the meeting held on 11 July 2017 were agreed as an accurate record, with the amendment of adding Jenny Hair to the attendance list. | |
| AAC/17/09/04 | Matters Arising There were none. | |
| AAC/17/09/05 | Action Tracker All actions were marked as closed or completed. | |

| ITEMS FOR DECISION | |
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| AAC/17/09/06 | <p>Standards of Business Conduct Policy SL explained that the managing conflicts of interest statutory guidance had been updated by NHS England in June 2017 for immediate implementation. No further updates were expected.</p> <p>The Policy had received minor updates to reflect the new guidance. The next review of the Policy would be in three years.</p> <p>The Committee approved the Standards of Business Conduct Policy.</p> |
| AAC/17/09/07 | <p>Information Governance Group</p> <p>a) Caldicott and SIRO Annual Report As the Senior Information Risk Officer for the CCG, SP explained that the report recorded how the CCG had performed, any incidents, the organisations learning and training.</p> <p>SL explained that the bulleted list on page three of the report indicated the work that the CCG would need to complete to support the implementation of the new General Data Protection Regulation. The CCG's policies would need to be amended in due course.</p> <p>MS queried if the recent issues concerning communications with Practices and the provision of personal identifiable data that flows through the 'grumpy/pleased' email process had been addressed as referenced in the report. SP explained that there had been a change to the Grumpy Doctor mailbox to ensure that issues raised were not going wider than needed. The GP Information Governance Group had reviewed this. SL explained that page four summarised the reported incidents. RH informed Members that the Data Flow Map was to be reviewed.</p> <p>ACTION: AAC/17/09/07.0 - RH to review data flow map for a record of the flow of personal identifiable data from GPs to CCG and prompt Information Asset Owners to record this on this register if not already recorded.</p> <p>A correction to page two was noted – the second paragraph and title should reference 'Senior Information Risk Officer'.</p> <p>ACTION: AAC/17/09/07.1 – A correction to the second paragraph on page two - title should reference 'Senior Information Risk Officer'.</p> <p>AC asked if training was yet in place more appropriate to the different levels and different organisations. SL reported that NHS Digital had just reissued the training. The training modules had changed and were to first be reviewed by the Information Governance Group.</p> <p>The Committee approved the Caldicott and SIRO Annual Report.</p> <p>b) Terms of Reference SL reported that the Information Governance Group has carried out the annual review of their Terms of Reference and minor changes have been made.</p> <p>The Committee approved the Information Governance Group</p> |

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| | Terms of Reference. | |
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| AAC/17/09/08 | <p>Learning and Development Policy SL explained that the Learning and Development Policy had reached its review date. Minor tweaks shown in green had been made to ensure it remained fit for purpose.</p> <p>The training portal, Consult OD, was now referenced in the policy. RH explained that Consult OD was the portal being used to record statutory mandatory training for all staff. The portal provided substantial intelligence to Managers to form the workforce reports. Phase two of its implementation could bring improved management of the appraisal and objective setting process.</p> <p>The Committee approved the Learning and Development Policy.</p> | |
| AAC/17/09/09 | <p>Travel and Expenses Policy RH explained that the Travel and Expenses Policy was aligned to Agenda for Change expenses rates and the e-Expenses system. The Policy reflected the development of the online expenses system and the move to electronic Duty of Care management. The Staff Partnership Forum had been briefed on its review and minor changes.</p> <p>PL questioned if expenses had been less with this Policy in place. SP felt that there may have actually been an increase due to the STP work etc, but that e-Expenses had tightened up the process.</p> <p>The Committee approved the Travel and Expenses Policy.</p> | |
| AAC/17/09/10 | <p>External Audit Annual Audit Letter from KPMG The Annual Audit letter had been produced by KPMG as part of their statutory responsibilities for the work undertaken during 2016/17. SP reported that the two bullets on page one were the key points to note. KPMG had reported a good position for the CCG. SP gave credit to all staff who had worked hard to bring the positive outcome. On approval, the letter would be published upon the CCG's website.</p> <p>The Committee approved the External Audit Annual Letter from KPMG.</p> | |
| ITEMS FOR DISCUSSION | | |
| AAC/17/09/11 | <p>Review Board Assurance Framework (BAF) and Risk Register (RR) SL reported that there were no updates to the BAF to draw Members attention to.</p> <p>The Risk Register was now in its new format of one risk per page. Mark Harris had reviewed the whole register to synchronise the view of consequences. The paper indicated the top ten risks to recommend for approval by the Governing Body.</p> <p>ACTION: AAC/17/09/11.0 – SL to ensure that target scores are added against each risk and Corporate Services Workforce risk updated.</p> <p>PL referred to risk P-17/046. He felt this accurately reflected the current environment. AC felt that this risk needed to also take into account the knock on effect and consequences to secondary care, as well as the impact to other practices.</p> <p>ACTION: AAC/17/09/11.1– SL to review risk P-17/046 with Jo Cullen to reflect secondary care impact.</p> | <p>SL</p> <p>SL</p> |

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| | <p>PL questioned the status of the patient transport contract (risk A-15/062). SP explained that this was a performance issue for the Finance and Performance Committee to monitor and issues should be raised with the Contract Manager. SP reported that additional funding had been agreed with Arriva through the collaborative CCG agreement. Three of the four CCG's had provided additional monies to help stabilise Arriva. The monies were not to increase service capacity, but to ensure continued provision. The market may need to be tested in collaboration with other CCG's. Voluntary schemes may be considered. As a volunteer driver for his local Link Scheme, PL had noticed that the Link service had seen an increase in demand from the public and felt that perhaps that was due to people having difficulty getting hold of the Arriva service.</p> <p>PB informed Members that AAC Chairs at other CCG's had raised the need to challenge the register to ensure that those risks captured were appropriately categorised and were being addressed. PB suggested that it may be beneficial for a review of the last 12 months to be undertaken of the BAF and RR to see how risks were processed and if they could have been identified earlier. The top ten risks over the 12 months would be identified. It was also suggested that Directors should be routinely invited to attend AAC to provide further explanation of their directorate risks. This would provide additional assurance to the Committee.</p> <p>ACTION: AAC/17/09/11.2 – SL to review the last 12 months of the BAF and RR with each Directorate. The top ten risks over the 12 months to be identified.</p> <p>ACTION: AAC/17/09/11.3 – Directors to be routinely invited to attend AAC meetings to provide further explanation of their directorate risks.</p> | <p>SL</p> <p>SW</p> |
| <p>AAC/17/09/12</p> | <p>Internal Audit Progress Report 2017/18</p> <p>NT provided an update against the progress bullets shown on page three of the report. Since the meeting papers were circulated, the Risk Management Report, Community Contracts and Children's CHC reports had been circulated to Directors for comment. NT had spoken with Jo Cullen and would now be drafting a terms of reference for the Primary Care Co-Commissioning and Urgent Care audits. The governance would be reviewed as part of the fully delegated review.</p> <p>NT explained that the KPI's shown in Appendix A would be regularly updated. Appendix C referenced the General Data Protection Regulation. This would be a significant piece of work for the CCG. PwC would be happy to assist if required.</p> <p>RF reported that a draft report had been prepared with Ted Wilson and Dina McAlpine concerning the Children's CHC audit. An initial audit had been completed. The CCG's management of Virgin Care had been raised as a control issue. Virgin Care were a relatively new provider. This audit had been prioritised to be undertaken after they had been operational for 12 months.</p> <p>RF explained that the preparation for the Risk Management workshop was underway; a date for the session was to be found. It felt that it would be beneficial to hold this session alongside the review of the Risk Register.</p> | |
| <p>AAC/17/09/13</p> | <p>External Audit Progress Report 2017/18</p> <p>PB explained that the report gave the latest position against the work plan. There had been no major changes.</p> <p>Grant Thornton had recently appointed a replacement Manager. Katie Whybray was due to start at the end of September. It had been brought to PB's attention that there was a possible conflict of interest for Katie through her friendship</p> | |

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| | <p>with Louise Luke, a member of the CCG's Finance Team. This was currently being clarified before Katie was confirmed as the contact lead for Wiltshire CCG.</p> <p>Page seven onwards of the report looked at emerging issues for the AAC and wider CCG to be aware of. PB reported that the set-up of companies had increased. Page eight reviewed the Capped Expenditure Process. These drastic proposals could severely impact CCG's, especially across the South West.</p> | |
| AAC/17/09/14 | <p>Local Counter Fraud Progress Report 2017/18 SP presented the Counter Fraud report in LB's absence.</p> <p>Page three provided a summary of proactive activity, with further detail shown on page four. TIAA had now launched their online cyber fraud training module. 43% of Wiltshire CCG staff had completed the training to date.</p> <p>A thematic review of personal health budgets was underway across the CCG. A report would be brought to the Committee when available.</p> <p>ACTION: AAC/17/09/14 – Report concerning the personal health budget review to be brought to the Committee when available.</p> <p>Page six gave an update against the agreed actions, which were on track.</p> | LB |
| ITEMS FOR NOTING | | |
| AAC/17/09/15 | <p>Proposed 2018/19 Committee Meeting Dates The proposed AAC meeting dates were noted.</p> | |
| AAC/17/09/16 | <p>Information Governance Group meeting minutes (16 May 2017 and 18 July 2017) The notes from the Information Governance Group meetings held on 16 May 2017 and 18 July 2017 were received and noted.</p> | |
| AAC/17/09/17 | <p>Aged Receivables and Payables Report SP updated Members on the ongoing issue with Swindon Borough Council concerning eligible CHC patients. It had been a challenge, but the CCG was now engaged in legal conversation with the Council. The issue may have to escalate to Chief Officer and Chief Executive level. The debt had been noted in last year's accounts, so would not affect this year's position.</p> <p>The timings of payments from Wiltshire Council was an issue, this was due to the different teams dealing with payments at the Council.</p> <p>AWP's invoice had been noted under 0-30 days. This included a patient care invoice for £850k, which had been sent to Wiltshire, Salford and Somerset CCG's. AWP were trying to get recompense from a CCG. The patient was registered in Somerset so this was not seen as Wiltshire's responsibility. AWP had not engaged with any CCG to discuss this. This had escalated to NHS England.</p> <p>The Committee received and noted the report.</p> | |
| AAC/17/09/18 | <p>Losses and Special Payments Report There was no Losses and Special Payments Report.</p> | |
| AAC/17/09/19 | <p>Competitive Tender Waivers SP reported that there were two tender waivers for review.</p> | |

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| | The Committee received and noted the report. | |
| AAC/17/09/20 | <p>Any Other Business There was none.</p> <p><i>(RF, NT and PB left the meeting)</i></p> | |
| PRIVATE ITEM FOR DECISION | | |
| AAC/17/09/21 | <p>Internal Audit Procurement SP explained that the Internal Audit Contract with PwC would end in April 2018. A one year extension had already been granted to align with BaNES, Gloucester and Swindon CCGs. It was proposed that the contract be tendered collaboratively to share the costs of the procurement. Each organisation would continue to award their own contract.</p> <p>Page four listed the frameworks that were available to use, each providing a different scope and boundary. It had been agreed that the East of England framework would be used.</p> <p>The Internal Audit contract would be for three years, with a one year extension opportunity. Page five indicated the timetable. A recommendation would be brought to AAC in November, with a decision to be made by the Governing Body in December.</p> <p>The service specification had been included in the paper, but the envelope and resources had not been defined to ensure the provider would show their service level and their understanding of CCG business. The process would follow that as used for the External Audit procurement. PL and SP would be members of the panel.</p> <p>It was noted that PwC had provided an exceptional service to date.</p> <p>The counter fraud and security service markets would be tested soon.</p> <p>The Committee approved the adoption of the Audit and Consultancy Audit Services framework, the timetable, the service specification and evaluation criteria and PL and SP being involved in the bid evaluation.</p> | |
| | The meeting concluded at 10.30hrs | |

**Date of next Audit and Assurance Committee Meeting:
Tuesday 14 November 2017, 09.15 - 11.00hrs**