

**MINUTES OF AUDIT AND ASSURANCE COMMITTEE MEETING
HELD ON TUESDAY 13 MARCH 2018 AT 09:15hrs
AT SOUTHGATE HOUSE, DEVIZES**

Voting Members Present:

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 of NEW

In Attendance:

Steve Perkins	SP	Chief Financial Officer
Linda Prosser	LP	Interim Chief Officer
Mark Harris	MH	Chief Operating Officer
Rob Hayday	RH	Associate Director of Performance, Corporate Services and Head of PMO
Peter Barber	PB	External Audit, Grant Thornton
Lynne Baber	LBa	Internal Audit, PwC
Rosie Fisher	RF	Internal Audit, PwC
Will Smith	WS	Security Management Services, TIAA
Tony Hall	TH	Counter Fraud, TIAA
Jenna Harvey	JH	Communications Manager (until 10:18hrs)
Sharon Woolley	SW	Board Administrator

Apologies:

Lorraine Bennett	LBen	Counter Fraud, TIAA
Katie Whybray	KW	External Audit, Grant Thornton
Susannah Long	SL	Governance and Risk Manager
Sujata McNab	SMcN	Deputy Chief Financial Officer

Item Number	Item	Action
AAC/18/03/01	Welcome and apologies for absence PL welcomed everyone to the meeting. The above apologies were noted.	
AAC/18/03/02	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 declared. The meeting was quorate.	
AAC/18/03/03	Minutes from the meeting held on 9 January 2018 The minutes from the meeting held on 9 January 2018 were agreed to be an accurate record.	

AAC/18/03/04	<p>Matters Arising</p> <p>a) Internal Audit Report – Continuing Healthcare (CHC)</p> <p>MS had written to PL as Chair of the Audit and Assurance Committee to formally raise his growing concerns of the ongoing CHC dispute with Wiltshire Council and the indications noted in the internal audit report. This was to be discussed under Any Other Business.</p>	
AAC/18/03/05	<p>Action Tracker</p> <p>The action tracker was reviewed and updated.</p> <p>AAC/17/11/21.1 - SP clarified that this action referred to the ongoing dispute with Swindon Borough Council over residence of CHC patients. The CCG had continued to fund patient care. Although there was now no ongoing financial risk to the CCG, a Chief Officer to Chief Officer meeting was now needed to resolve this ongoing dispute.</p> <p>The ongoing dispute with Wiltshire Council concerning the six cases was to be noted as a separate action.</p> <p>ACTION: AAC/18/03/05 – The outstanding issue of six patient charges disputes with Wiltshire Council to be resolved. (Initially raised in November 2016).</p>	LP
ITEMS FOR DECISION		
AAC/18/03/06	<p>Delegated Approval for Information Governance Toolkit for Submission</p> <p>SP informed Members that the CCG's Information Governance Toolkit was to be submitted by the end of March 2018. The Information Governance Group were monitoring the submission, good progress was being made with support from the CSU. A copy of the final submission would be brought to the next meeting.</p> <p>ACTION: AAC/18/03/06 - Final Information Governance Toolkit submission to be brought to the May Committee meeting for information.</p> <p>SP asked the Committee to delegate approval of the Toolkit submission to him as SIRO.</p> <p>The Audit and Assurance Committee noted progress with the Information Governance Toolkit for 2017/18 and approved delegation for the submission to SIRO.</p>	SP
AAC/18/03/07	<p>Use of Going Concern Principle</p> <p>SP presented the paper and explained that the Going Concern Principle was a fundamental principle used in the preparation of the CCG's accounts. No change was expected in the commissioning landscape.</p> <p>PB advised that using the principle would highlight any funding issues going forward following the preparation of the accounts. It ensured that the cash position was sufficient and liabilities would be met over the period.</p> <p>The paper was to give additional assurance to Members and the general public, and to provide an explicit reaffirmation, additional to the audit report. The use of the principle and preparation of the annual accounts was in line with accounting and reporting standards and Department of Health requirements.</p> <p>The Committee ratified the decision made by the Executive Management Team on the use of the going concern assumption to prepare the financial statements.</p>	

<p>AAC/18/03/08</p>	<p>Equality and Diversity Compliance Report RH explained that the CCG was required to publish relevant information to demonstrate compliance with the Equality Act 2010 and the Public Section Equality Duty.</p> <p>The CCG continued to engage patients and stakeholders as part of its approach to developing strategies and service transformation. The Equality Delivery System (EDS2) assessment results were shown in annex two, and confirmed compliance. Information from this report would be included within the CCG's Annual Report.</p> <p>CR felt that although compliance was demonstrated, equality and diversity reporting seemed to be of less significance for the organisation, and no longer included external partners. LP suggested that the CCG's energy, constructive attention and questions be directed to the Local Authority whilst they work on the refresh of the Joint Strategic Needs Assessment.</p> <p>The Committee received and approved the Equality and Diversity Compliance Report.</p>	
<p>AAC/18/03/09</p>	<p>Parental Leave Policy RH advised that the Parental Leave Policy had been refreshed, with support and guidance from ConsultHR colleagues. The amendments made were highlighted in the executive summary of the paper and shown in green within the policy.</p> <p>The Committee approved the Parental Leave Policy.</p>	
<p>AAC/18/03/10</p>	<p>Retirement Policy RH informed Members that the Retirement Policy had reached its renewal date and had been reviewed to ensure it remained fit for CCG purpose. Revisions were made to governance directions and pension information.</p> <p>The Committee approved the Retirement Policy.</p>	
<p>AAC/18/03/11</p>	<p>Archiving PCT Policies – Phase Two RH referred to the list of Clinical Policies included within the paper, which were recommended for archiving. Relevant colleagues from CHC, Medicines Management and Quality had been engaged in the review.</p> <p>A number of CHC operational policies had been taken off the list by the CHC team, and would now be included upon the corporate policy register.</p> <p>MS asked for clarification that the CCG was not withdrawing any subsequent CHC policies that would impact existing live service protocol. RH reiterated that staff were involved in the assessment of policies, but took the action to confirm with the CHC team. It was acknowledged that policies were being archived, and not destroyed.</p> <p>ACTION: AAC/18/03/11 - RH to reaffirm with CHC team that CHC policies listed for archive are no longer active and withdrawing will not impact existing live service protocol.</p> <p>The Committee approved the list of policies for archive, following confirmation from the CHC team that all could be withdrawn.</p>	
<p>AAC/18/03/12</p>	<p>Security Management Policy RH presented the Security Management Policy in the absence of SL.</p>	

	<p>WS and SL had reviewed the policy to ensure it reflected current legal requirements. The policy interlinked with a number of other policies, and now clarified the role of NHS Property Services as Landlord.</p> <p>The Committee approved the Security Management Policy.</p>	
ITEMS FOR DISCUSSION		
<p>AAC/18/03/13</p>	<p>Emerging External Issues</p> <p>The recent nerve agent incident in Salisbury had dominated the scene for Wiltshire. LP assured Members that Salisbury NHS Foundation Trust (SFT) services had not been compromised during this time, mainly due to the extra lengths all staff involved in managing the incident had gone to. This major incident had followed additional pressures for services in dealing with snow fall across the county.</p> <p>LP advised that there would be a major review of the management of the incident, but the CCG's involvement in this was unknown at this time. The CCG was currently learning from the snow incident to ensure this was strengthened for the next occurrence.</p> <p>MS was aware that there had been difficulty in staffing the Intensive Care Unit at SFT, which the Quality Team would follow up during review meetings, jointly with NHS England. Although NHS England commissioned ICU services, it had impacted upon services commissioned by the CCG.</p>	
<p>AAC/18/03/14</p>	<p>Review Board Assurance Framework (BAF) and Risk Register (RR)</p> <p>MH explained that the gaps in assurance and gaps in control detailed in the BAF would be incorporated into the Annual Report. A number of actions that were in progress would continue into the next financial year. The Executive Management Team had been asked to review the actions and identify any new risks emerging.</p> <p>At the January Committee meeting, two risks were agreed as joint position one. Risk P-17/046 would be reviewed following the intervention work.</p> <p>It was noted that the review date on some risks was significantly historical. Additional detail was requested for risk A-15/034.</p> <p>ACTION: AAC/18/03/14.0 - Risk register review dates to be updated as appropriate.</p> <p>ACTION: AAC/18/03/14.1 - Additional detail to be added to risk A-15/034.</p>	<p>MH</p> <p>SL</p>
<p>AAC/18/03/15</p>	<p>Draft Annual Report and Accounts and Annual Governance Statement</p> <p>The working draft of the 2017/18 Annual Report and Accounts had been circulated to give assurance to Members that the CCG was on course to meet the NHS England deadline.</p> <p>JH explained that the draft was to provide Members with an opportunity to comment on the document so far, but acknowledged that there were gaps until year end information was available. Red copy was last year's text which requires updating.</p> <p>The final draft would be brought to the April meeting, and the document for sign off would be brought to the May meeting.</p> <p>The following amendments/additions were suggested:</p> <ul style="list-style-type: none"> Percentage figures to be added to the coloured areas of the Performance Analysis indication table. 	

	<p>MS noted that information about the apprenticeship levy had been included in the Sector Update. Apprenticeship take up should be encouraged, especially amongst providers to assist with workforce challenges. MH recommended an update from Jenny Hair, the CCG's workforce lead concerning apprenticeship levels amongst providers.</p> <p>ACTION: AAC/18/03/17 - Jenny Hair (Workforce Lead for the CCG) to provide information on apprenticeship activity amongst providers.</p>	Jenny Hair / MH
<p>AAC/18/03/19 <i>(item moved)</i></p>	<p>Internal Audit Reports</p> <p>a) Risk Management Workshop Report RF explained that the Risk Management Workshop had been held on 8 January 2018, and had focussed on the culture and aspirations of risk management. Page 4 listed the identified actions and techniques to encourage an improved risk management culture amongst the staff team.</p> <p>It was suggested that a more targeted session could be beneficial for specific teams or programmes of work.</p> <p>b) Information Governance – GDPR Report RF advised that a GDPR workshop had been held on 31 January 2018 with interested CCG parties. The self-assessment was undertaken during the workshop, with this report as the outcome from those discussions. It provided a snapshot of the CCG's readiness for GDPR. A reasonable plan needed to be in place by 25 May 2018 to demonstrate the CCG was working towards the implementation.</p> <p>c) Conflict of Interest Report RF reported that PwC had assessed the CCG against NHS England's conflict of interest guidance as released earlier last year. A follow up review has now been carried out against the further guidance released in July 2017.</p> <p>Pages 13 and 14 indicated the CCG's progress on its implementation of the Managing Conflict of Interest guidance. One medium risk was found against sponsorship; tighter controls were needed.</p> <p>d) Business Continuity Report RF explained that this report had been marked as a high risk rated report. PwC had reviewed the CCG's ability to respond against business continuity plans in place, which had highlighted issues. The executive summary on page 5 listed the current year findings.</p> <p>LP acknowledged the report and its findings, which highlighted actions for the CCG to improve upon in this area.</p>	
<p>AAC/18/03/18</p>	<p>Internal Audit Annual Report 2017/18 LBa reported that the CCG had been assessed as 'generally satisfactory', which was a good result. The profiles of the nine reports completed over the year were listed on page 7. This would feed into the Annual Governance Statement. Commentary around the high risk report would be expected to be included within the Annual Report and Accounts.</p> <p>Excellent progress had been made on the follow up work. 30 of the 32 agreed actions had been implemented and closed (the report incorrectly stated 31).</p>	
<p>AAC/18/03/20</p>	<p>Internal Audit Annual Draft Plan and Fee 2018/19 SP wished to thank PwC for their work and support over the last few years as the CCG's internal auditors. KPMG had won the contract, and would commence as the new internal auditors from 1 April 2018.</p>	

<p>AAC/18/03/21</p>	<p>Local Counter Fraud Work Plan 2018/19 TH was in attendance to present the work plan in LBen's absence.</p> <p>It was a generic CCG one year work plan, which took into account the uncertainties around the STP etc. It would remain a live document to enable items to be changed as they are identified throughout the year. The work plan met the requirements of the NHS Counter Fraud Authority Standards for Commissioners.</p> <p>The Fraud Risk Assessment highlighted the areas of focus for 2018/19; Personal Health Budgets and Conflict of Interest, as well as other areas of ongoing work such as Cyber Crime. It was noted that this contract provided 23 days of support, but additional could be purchased if required.</p> <p>The Committee approved the Local Counter Fraud Work Plan for 2018/19.</p> <p>a) Personal Health Budget Report TH informed Members that Personal Health Budgets (PHB) brought a £1.5m a year risk to CCG's. The planned expansion of PHB's would increase this financial and internal audit risk. Sufficient control elements needed to be in place. LP agreed that, although integration of PHB's was the way forward, it created a challenge on assumptions of the methodology used and reducing the CCGs control. Well managed PHB's would cost less.</p> <p>PB advised that as part of the external audit account work, a sound test of a small element of spend could be carried out. It was evident that CCG's was taking steps towards transformation. LBa added that a proportionate control framework would be needed that was more outcome focused.</p> <p>TH advised that the report benchmarked CCGs, it focussed on good practice and dissemination. The work plan would follow up on the recommended actions.</p> <p>CR felt that PHBs was an area to be better understood regarding what the CCG was providing, and what they would be provided under integrated PHB's. MS suggested that this be an area for consideration of the Quality and Clinical Governance Committee.</p> <p>ACTION: AAC/18/03/21a - MS to raise Personal Health Budgets as an item for the Quality and Clinical Governance Committee.</p>	<p>MS</p>
<p>AAC/18/03/22</p>	<p>Security Management Services Annual Report 2017/18 The annual report provided an update against the security management work plan to give assurance to Members.</p> <p>WS reported that RH and SL had undertaken a self-review, which was attached to the report as an appendix.</p> <p>Work also continued to support the CCG against reported petty thefts, and to a GP practice in Warminster.</p> <p>MH advised that there would be a change in company managing the Security Management Contract from 1 April 2018 following recent procurement of the service. The Committee thanked WS for his support.</p>	
<p>ITEMS FOR NOTING</p>		
<p>AAC/18/03/23</p>	<p>Audit and Assurance Committee Work Plan 2018/19 The Committee noted the Audit and Assurance Committee Work Plan for 2018/19.</p>	

AAC/18/03/24	<p>Information Governance Group meeting minutes (8 December 2017 and 16 January 2018) The notes from the Information Governance Group meetings held on 8 December 2017 and 16 January 2018 were received and noted.</p>	
AAC/18/03/25	<p>Accounting Policies The Committee noted the updated accounting policies.</p>	
AAC/18/03/26	<p>Aged Receivables and Payables Report The Committee received and noted the report.</p>	
AAC/18/03/27	<p>Losses and Special Payments Report The Committee received and noted the report.</p>	
AAC/18/03/28	<p>Competitive Tender Waivers There were none to report.</p>	
AAC/18/03/29	<p>Any Other Business</p> <p>a) Ongoing CCG:Local Authority Patient Charges Dispute MS had sent a letter to PL as Chair of the Committee to raise his concerns about the ongoing patient charges dispute. A copy of the letter was tabled for all Members. These were cases, who by agreement were not CHC eligible.</p> <p>PL agreed that this was a long standing issue that needed urgent resolve.</p> <p>MS referred to the Internal Audit Annual Report, which listed five medium risks for CHC. Of the top 18 risks on the register, four were related to CHC.</p> <p>MS felt that the Committee and CCG needed to be assured that behaviours at Wiltshire Council indicated that integration would be successful.</p> <p>LP advised that a letter was being drafted to send to Council Leader, Baroness Jane Scott and Cllr Jerry Wickham suggesting clear ways to progress the ongoing issue, including honouring previous agreements.</p> <p>A discussion on the matter took place and the following areas were suggested for where progress should be sought:</p> <ol style="list-style-type: none"> 1. Agreeing a dispute resolution policy. 2. Implementation of current policies and framework. <p>MS agreed to provide an anonymised case study to LP to support the letter to Wiltshire Council.</p> <p>ACTION: AAC/18/03/29 - MS to provide LP with an anonymised case study to be used to support the letter to Wiltshire Council.</p> <p>LP/RSH would write to Jane Scott prior to a joint meeting between the CCG and Wiltshire Council. It was agreed that confirmed commitment from the Council to the actions above would enable the joint post arrangements to continue. It was hoped this would be known before the Governing Body meeting being held on 27 March 2018.</p>	MS
	The meeting concluded at 11.38hrs	

**Date of next Audit and Assurance Committee Meeting:
Tuesday 24 April 2018, 09.30-10.30hrs**