

**MINUTES OF AUDIT AND ASSURANCE COMMITTEE EXTRAORDINARY MEETING
HELD ON TUESDAY 24 APRIL 2018 AT 09:00hrs
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 Anna Collings	AC	GP, Vice Chair of NEW

In Attendance:

Linda Prosser	LP	Interim Chief Officer
Mark Harris	MH	Chief Operating Officer
Sujata McNab	SMcN	Deputy Chief Financial Officer
Rob Hayday	RH	Associate Director of Performance, Corporate Services and Head of PMO
Susannah Long	SL	Governance and Risk Manager
Jenna Harvey	JHy	Communications Manager
Ian Loveys	IL	Financial Accountant
Sharon Woolley	SW	Board Administrator

Apologies:

Steve Perkins	SP	Chief Financial Officer
Dr Mark Smithies	MS	Secondary Care Doctor

Item Number	Item	Action
AACex/18/04/01	Welcome and apologies for absence PL welcomed everyone to the meeting. The above apologies were noted.	
AACex/18/04/02	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.	
ITEMS FOR DECISION		
AACex/18/04/03	Draft Annual Accounts 2017/18 SMcN presented the draft accounts for 2017/18, which complied with the prescribed Annual Reporting Guidance from NHS England. As the CCG did not generate a profit, the finances were primarily about expenditure, and accounting 'income' was fairly limited. Although this provided a negative position in the statements, the CCG had operated well within its defined limits. Funding provided by NHS England was drawn down on a monthly basis. SMcN referred to page 7 of the report and the Accounting Policies notes.	

Although a national direction, the CCG provided a local view. The going concern approach had been used, as approved at the March Committee meeting. Note 1.4 referred to the CCGs major accounting judgement of the Better Care Fund, which has been determined as a 'jointly controlled operation', acknowledging that the CCG recognised its own share and control of the liabilities and assets. There were also a number of areas where estimates of substantial costs were used due to the time lag in final information becoming available. The main areas being prescribing and non-contracted activity.

Note 2 gave a headline of the CCGs accounts and achievements. A planned surplus of £57k had been overachieved following the release of the £2.9m headroom monies, and the £619k benefit of the category M drugs coming to the CCG. This would be available for draw down; a business case would need to be submitted to NHS England. Running costs incurred equated to £9,910,000 against the £10,623,000 allocated, an achievement against the QIPP scheme. Primary Care had a small residual underspend that had been brought into the overall CCG brought forward position, but could be drawn down. Shared costs of delivering delegated commissioning were being clarified across the CCG.

Note 6 analysed the CCGs operating expenditure, which indicated some large movements. Services from Foundation Trusts had decreased by £3.3m, partly due to a full year effect of the Community contract; 3 months of GWH spend in 2016/17 of approximately £9m. This was offset by RUH and SFT increases. Services from NHS Trusts had increased by £4.3m, largely due to an increased spend with AWP and the full year impact of the Daisy Unit, Improving Access to Psychological Therapies funding and new investments. Services from Whole of Government (WGA) Bodies had increased by £14.1m due to the full year impact of the community service contract with Wiltshire Health and Care.

CR queried the recording of the funding contributed to the STP within the statements. SMcN confirmed that this formed part of the Services from Foundation Trusts line, and was less than £100k last year. LP explained that the STP shortfall was made up of the deficits of GWH, SFT and AWP, which were reported in their own accounts.

The Purchase of Healthcare from non-NHS bodies had decreased by £3.5m due to payments being made to Wiltshire Council for Funded Nursing Care in 2017/18.

The Committee was made aware of the increase in trade and other receivables from £2,920,000 to £4,280,000. This was due to £1.3m of maternity pathway NHS prepayments, underperformance credits of NHS accrued income and non-NHS and other WGA accrued income.

The CCG had £29k cash at year end, well within the NHS England target of £587,500.

Note 15 stated that trade payables had increased by £10.7m compared to 2016/17. NHS payables and accruals increased by £2m. Non NHS and other WGA accruals increased by £7.2m, of this £2.7m were new accruals relating to Primary Care and £4m of other accruals in areas not accrued in previous years. Other payables and accruals increased by £1.5m, largely due to new Primary Care payables – pension contributions and prescribing costs.

The Committee thanked SMcN and IL for a good, clear set of annual accounts and explanation.

	The Committee approved the Draft Annual Accounts for 2017/18.	
AACex/18/04/04	<p>External Audit Management Assurances SMcN explained that this paper was to comply with the International Auditing Standards and to provide External Auditors, Grant Thornton, with a clear understanding of the management processes in place.</p> <p>Managers had responded to the questions posed by Grant Thornton, considering the operational risks and systems in place. EMT reviewed the response at its meeting on 23 April 2018. An additional staff training element was to be added, but otherwise there were no other changes to the document presented to the Committee.</p> <p>PL informed Members that as Chair of the Committee, he had also undertaken a similar exercise at the request of Grant Thornton.</p> <p>The Committee ratified the assurances provided by the CCG Management Team against the areas identified by Grant Thornton.</p>	
AACex/18/04/05	<p>Draft Annual Report 2017/18 JHy reported that the Annual Report had received a significant update since the March meeting, incorporating the suggested changes. A number of areas (shown in blue in the document) still await year end data. Due to stipulated deadlines, this latest version had been submitted to NHS England on 20 April 2018.</p> <p>The final Annual Report and Accounts would be presented to the Committee on 18 May and to the Governing Body Private Session on 22 May 2018. The final report was to be submitted to NHS England on 25 May 2018. Changes would be highlighted for easy cross-reference.</p> <p>The following amendments to the report were noted:</p> <ul style="list-style-type: none"> • Page 2 – Amend the start date for LP to June 2017 and the leaving date of Tracey Cox to May 2017. • Page 11 – Comparison chart legend to refer to 2016/17 and 2017/18 • Page 24 – Better Care Fund section – capitals needed for Clinical Commissioning Group • Page 25 – Delayed Transfer of Care figures to be included • Page 70 – Amend committee list for Dr Andrew Girdher – remove AAC and add Remuneration Committee. <p>ACTION: AACex/18/04/05 – Suggested amendments to be made to the Annual Report.</p> <p>PL thanked JHy and SL for the work done on the Report, which reflected a good year for the CCG.</p> <p>The Committee approved the final draft of the Annual Report for 2017/18, with the suggested amendments.</p>	JHy
AACex/18/04/06	<p>Any Other Business There were none.</p>	
	The meeting concluded at 09.32hrs	

**Date of next Audit and Assurance Committee Meeting:
Friday 18 May 2018, 09.15-11.00hrs**