

**MINUTES OF AUDIT AND ASSURANCE COMMITTEE MEETING
HELD ON FRIDAY 18 MAY 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 Anna Collings	AC	GP, Vice Chair of NEW

In Attendance:

Steve Perkins	SP	Chief Financial Officer <i>(until 10.45hrs)</i>
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
Susannah Long	SL	Governance and Risk Manager
Peter Barber	PB	External Audit, Grant Thornton
Katie Whybray	KW	External Audit, Grant Thornton
Duncan Laird	DL	Internal Audit, KPMG <i>(from 9.30hrs)</i>
Rees Batley	RB	Internal Audit, KPMG
Andrew Morley	AM	Counter Fraud, TIAA
Paul Travers	PT	Security Management, Hampshire & Isle of Wight Fraud and Security Management Service
Ian Loveys	IL	Financial Accountant <i>(for item 22 only)</i>
Jenna Harvey	JH	Communications Manager <i>(until 9.50hrs)</i>
Jenny Hair	JHair	Workforce and OD Lead, Wiltshire Better Care Plan and Strategic Workforce Advisor <i>(for item 11 only)</i>
Dee Horscroft	DH	BSW STP - Apprenticeship Programme Manager <i>(for item 11 only)</i>
Sharon Woolley	SW	Board Administrator

Apologies:

Dr Mark Smithies	MS	Secondary Care Doctor
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Item Number	Item	Action
AAC/18/05/01	Welcome and apologies for absence PL welcomed everyone to the meeting. The above apology was noted.	
AAC/18/05/02	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/18/05/03	<p>Minutes from the meeting held on 13 March 2018 and the Extraordinary meeting on 24 April 2018 The minutes from the meeting held on 13 March 2018 and the Extraordinary meeting on 24 April 2018 were agreed to be accurate records.</p>	
AAC/18/05/04	<p>Matters Arising There were none.</p>	
AAC/18/05/05	<p>Action Tracker The action tracker was reviewed and updated.</p> <p>AAC/17/11/21.1 - SP informed Members that SBC was disputing some of the assessments made. The discussion would not escalate to the Chief Officer to Chief Officer stage until these disputes were resolved. ONGOING</p> <p>AAC/18/01/16 – Business Continuity Plan to be brought to the July Committee Meeting. ONGOING</p> <p>AAC/18/03/05 - SP reported that LP, SP and Dina McAlpine had attended the CHC meeting with Wiltshire Council, facilitated by Rachel Pearce, on 17/04/18. An action plan had been agreed of the key areas to resolve for the short and long term issues. A statement of intent letter had been received from Wiltshire Council on 26/04/18. LP advised that a meeting date was being sought for LP and DMcA to meet with Carlton Brand at Wiltshire Council to work through the CHC cases and the dispute resolutions. An update would be brought to the July Committee meeting. ONGOING</p>	<p>SP</p> <p>RH</p> <p>LP</p>
ITEMS FOR DECISION		
AAC/18/05/06	<p>External Audit ISA 260 Report and Audit Findings PB explained that the report presented the observations of the audit for 2017/18, which had reviewed the draft accounts. PB talked through the report and drew Members attention to a number of areas.</p> <p>In particular for noting:</p> <p>Page 3 provided the headlines, followed by the summary. At this point in time, no issues had been found. A number of recommendations had been made of suggested small adjustments and presentation changes. Grant Thornton anticipated issuing an unqualified audit opinion following the Committee meeting, as detailed in Appendix D.</p> <p>PB advised that the CCG had filed the accounts in a timely manner, supported by good quality papers. The CCG was in a strong financial position. Grant Thornton was content with the CCG's going concern view.</p> <p>Following the move to full delegation of primary care commissioning in April 2017, this would now be an area for audit. Testing at the year-end brought a clean set of results, bringing assurance of the process for the new area of responsibility.</p> <p>The challenge of working across the STP collaboration was noted as a risk in the key findings on page 13. The financial sustainability of the STP was a significant pressure. SP advised that although the first line of the third paragraph stated that the CCG would achieve a 'break-even position', the CCG expected to achieve its 1% accumulative surplus.</p> <p>PL wished to note a well done to the staff and managers at the CCG. The audit reflected a good state of health for the organisation.</p>	

<p>AAC/18/05/07</p>	<p>a) Audited Annual Accounts and Financial Statements SP advised that accounting standards required further approval of the going concern principle before the accounts were approved. No changes had been made since the Committee approved it at the March meeting. The letter of representation to the external auditors was also included in the paper.</p> <p>The Committee agreed the use of the going concern principle, the signing of the letter of representation and recommended the annual accounts for Governing Body approval.</p> <p>b) Annual Report 2017/18 and Annual Governance Statement – final submission JH reminded Members that the Annual Report had been approved in principle at the April meeting, acknowledging that some minor changes were still to be made. The cover sheet included a summary of those amendments made. Feedback received from NHS England had also been incorporated.</p> <p>This was the final version of the Annual Report to be approved by the Committee. It would be presented to the Private Session of the Governing Body on 22 May 2018.</p> <p>The Committee approved the final draft version of the Annual Report for 2017/18.</p> <p>The Committee thanked JH and SL for their work on the Annual Report.</p> <p>CR requested that an update on the formation of the Patient and Public Engagement Committee be brought to the Committee (as reference on page 73 of the Annual Report).</p> <p>ACTION: AAC/18/05/07 - Update on the formation of the Patient and Public Engagement Committee (sub Committee of the Governing Body) to be brought to the Committee.</p> <p><i>(9.50hrs - JH left the meeting)</i> <i>(9.50hrs – DH and JHair joined the meeting)</i></p>	<p>Sarah MacLennan</p>
<p>AAC/18/05/08</p>	<p>AAC Annual Report 2017/18 PL presented the draft annual report for the Committee, which summarised the work of the Committee over the last year. There were no issues arising to be aware of.</p> <p>The following amendment was suggested and would be made before being sent on for Governing Body approval.</p> <ul style="list-style-type: none"> Page 2 – fourth bullet under Internal Audit – change ‘recommendations are adhered in a timely manner’ to read ‘recommendations are implemented in a timely manner’. <p>ACTION: AAC/18/05/08 - Amend page 2 of the report from 'adhered to in a timely manner' to read 'implemented in a timely manner'. Amended report to be taken to the May Governing Body meeting for approval.</p> <p>The Committee approved the Annual Report from the Audit and Assurance Committee, with the suggested amendment.</p>	<p>SW</p>

<p>AAC/18/05/09</p>	<p>Annual Leave Policy RH reported that the Annual Leave Policy had been updated to include guidance for staff wishing to purchase additional leave. It had been a request at the Staff Partnership Forum to enquire if the appetite was there across the organisation, and this had been conclusive. FAQs had also been included to help staff understanding of the process. ConsultHR colleagues had been involved in the revision, and the Staff Partnership Forum had recommended it for adoption.</p> <p>Agreement of the policy by the Committee would see it launched on 1 June 2018. Work was underway with the Finance Team to ensure the process was in place to calculate the salary sacrifice for any purchases.</p> <p>The Committee approved the updated Annual Leave Policy.</p>	
ITEMS FOR DISCUSSION		
<p>AAC/18/05/10</p>	<p>Audit and Assurance Committee Self-Assessment PL reported that the Audit and Assurance checklist had been completed via an electronic process between PL, CR and MS. The completed checklist was noted by the Committee.</p> <p>The one area noted for improvement (marked as disagree) would be looked at, aligned with the Governing Body's recent discussions concerning making best use of meetings and feedback opportunities.</p> <p>ACTION: AAC/18/05/10 - Areas of improvement noted in the self-assessment to be considered and aligned with the recent Governing Body discussions.</p>	PL / MH
<p>AAC/18/05/11</p>	<p>STP Apprenticeship Activity The inclusion of this item upon the agenda followed a request at the March meeting to have more information about apprenticeship activity across the STP.</p> <p>JHair talked through the paper, which explained the new modern apprenticeship strategy introduced by the Government in April 2017, and the activity that was in place across the STP.</p> <p>The new strategy brought a different apprenticeship programme of work based training to new and existing staff, of all ages and any level. Majority of training now took place in the workplace. Employers paid towards a national apprenticeship levy fund, which could then be accessed to pay training providers for apprenticeships within their organisation. Those organisations with less than a £3m payroll cost did not have to pay into the levy, but could access it.</p> <p>As the STP Apprenticeship Lead, JHair reported that workforce was a challenge across the footprint. There was a need to 'grow our own' and attract new staff, as well as upskill and retain existing. The CCG paid £1k a month into the level, but had not yet used it. It was anticipated that there would be opportunities within the next few months for CCG posts.</p> <p>Health Education England funded DH's post, which had just been extended until June 2019. Now 18 months into the programme, good progress was visible across the STP and apprenticeship uptake was increasing. Partners were becoming more proactive, working collaboratively and planning and showing commitment for the next 12 months. The Local Workforce Action Board (LWAB - STP work stream group) monitored activity and challenged members to promote apprenticeships in support of the Five Year Forward View and its workforce challenges. The Apprentice Network (which reports to LWAB)</p>	

	<p>worked closely with the Community Education Providers Network (CEPN), primary care partners and the Nurse Association. Primary care did not contribute into the levy, but access to it was encouraged.</p> <p>The Committee requested that regular updates were brought to the meeting.</p> <p>ACTION: AAC/18/05/11 - Dee Horscroft to provide six monthly update to the Committee (to include Case Studies).</p> <p>The biggest risk to the programme was the misunderstanding of the apprenticeship approach, and therefore partners not making use of the training and levy. Details were being shared via partners, Practices, through the CEPN, Practice Manager Forums and through the CCG links. The levy fund could be accessed to fund placements for a viable role within the organisation. This was assessed by the education provider, and in some cases, the Institute of Apprenticeships.</p> <p><i>(10.18hrs JHair and DH left the meeting)</i></p>	Dee Horscroft
AAC/18/05/12	<p>Workforce Report</p> <p>RH talked through the key points from the Workforce Report, as listed in the paper summary sheet. Sickness absence had increased over the reported period. There had been a drive to improve Statutory and Mandatory training compliance, which had resulted in a slight increase. Module one of the Conflict of Interest training was to be completed by the end of May. Appraisal and objective setting reporting remained low.</p> <p>PL raised that lack of access to the network and Consult OD for those staff who worked from home would have affected training and reporting figures. MH was looking into access options, but the only solution may be having office based access.</p> <p>It was noted that the accuracy of the report data was to be reviewed as some role descriptions were incorrect.</p> <p>ACTION: AAC/18/05/12 - Staff data records to be reviewed and amended where needed with the CSU to ensure accurate. (Particularly for Dr Anna Collings)</p> <p>RH reported a good working relationship was in place with the HR Manager and HR Business Partner.</p> <p>CR questioned why there were six instances of reasons for leaving being unknown. RH explained that exit questionnaires were issued, but not always completed. A number of staff had left whilst out on sick leave.</p>	RH
AAC/18/05/13	<p>Review Risk Register (RR)</p> <p>SL reported that the Risk Register had been reviewed by each directorate and MH. The top 10 risks had been considered by EMT. They were presented to the Committee, along with a further eight to review to consider if movement was required.</p> <p>SP felt that risk four (CJ-17/049) concerning funding for the Diabetes Transformation Programme was not enough of a significant risk to warrant position four, especially above the vulnerable Practices risk. A review of the material impact was needed in relation to other risks. This had been a switch over point in the financial year, and risks needed to be refreshed to see if these continued to apply to 2018/19. The reference to 'ongoing' under deadline had been removed to ensure an appropriate timeframe was given.</p>	

	<p>The Committee agreed the top 10 risks, moving risk four out and promoting risk eleven.</p> <p>ACTION: AAC/18/05/13 - Risk 4 (CJ - 17/049) to be reviewed and re-evaluated. Amended register to be taken to May Governing Body meeting for noting.</p>	SL
AAC/18/05/14	<p>Internal Audit Annual Draft Plan and Fee 2018/19</p> <p>RB explained that the assessment of risks had been revised and a debate held with EMT on 3 May 2018 to ensure the scope for reviews was correct. It was a flexible plan that would adapt as needed. Timely reports would be presented to the Committee.</p> <p>CR questioned if six days allocated to the ‘partnership working and STP collaboration’ area was sufficient considering the number of significant issues and discussions currently taking place with Wiltshire Council and the STP. RB advised that EMT had also challenged this, and it had been agreed to revisit this in six months. The point was acknowledged and would be reconsidered.</p> <p>It was noted that Executive Leads were still to be agreed. MH would provide some suggestions.</p> <p>ACTION: AAC/18/05/14 - MH to send suggested Executive Leads to Rees Batley at KPMG to reference in the plan.</p>	MH
AAC/18/05/15	<p>Local Counter Fraud Annual Report 2017/18</p> <p>AM explained that Lorraine Bennett had prepared the report before moving areas. The self-review tool had been used to assess the CCG against the NHS Counter Fraud Authority’s Standards for Commissioners.</p> <p>AM went through tool rating outcomes. A number of amber outcomes were due to the CCG not having items to report and therefore could not progress to green; this was a problem with the tool design. AM would also meet with the CSU to review their involvement in areas to help move the outcomes into the green rating, areas such as pre-employment checks and the effective implementation of the process concerning the prevention of procurement fraud.</p> <p><i>(10.45hrs – SP left the meeting)</i></p> <p>Page 19 gave a summary of the types of issued referred over the last five years. AM felt that it illustrated that it had been busy for WCCG. LP queried what the issues had been to see a high number of referrals recorded.</p> <p>ACTION: AAC/18/05/15 - Activity over the last 5 years to be reviewed to better understand the higher demand on the service.</p> <p>Against outcome 1.8, the CCG was required as commissioners to obtain assurance from providers that they had adequate processes in place. Obtaining this from providers had also been an issue for the security contract. RH remarked that perhaps providers were confused about what was expected from them for both security and fraud assurance. The security work plan had this as a focus. The CSU’s involvement needed to be clarified.</p>	AM
AAC/18/05/16	<p>Security Management Services Work Plan and Risk Assessment 2018/19</p> <p>PT reported that gathering provider assurance was always an issue. The expectation of the CSU needed to be clearer to ensure a better result. Responses received are reviewed.</p>	

	<p>The work plan had been approved by RH and MH. RH explained that the plan was based around activities to improve the CCG. The self-assessment tool had been used.</p> <p>LP queried if surgeries and voluntary sector organisations were also asked for security assurance. PT explained that there had been lack of direction from NHS Protect previously, and it had focussed on larger, licenced organisations. LP felt that perhaps it was more constructive to be asking those smaller organisations, as larger establishments would have their own assurance processes in place. AM explained that there was a definite criteria in place to test providers for fraud information, which looked at those with a greater contract value and the self-review tool. LP felt that consideration should be given to testing smaller providers.</p>	
AAC/18/05/17	<p>Emerging External Issues Discussions on emerging issues had been covered under previous items.</p> <p>PL reported that a letter dated 27 February 2018 had been sent by NHS England to Audit Chairs (and copied to Accountable Officers and Chief Financial Officers) concerning the need for delegated commissioning to be audited. KPMG were aware of this and would be carrying out the audit in due course.</p>	
ITEMS FOR NOTING		
AAC/18/05/18	<p>Final Information Governance Toolkit Submission SL reported that the self-assessment against the Information Governance Toolkit had been completed and submitted on 28 March 2018. The paper reported on the findings of the self-assessment.</p> <p>The toolkit was expected to be replaced in its entirety for 2018/19.</p>	
AAC/18/05/19	<p>Information Governance Group meeting minutes (6 February 2018 and 8 March 2018) The minutes from the Information Governance Group meetings held on 6 February 2018 and 8 March 2018 were noted.</p>	
AAC/18/05/20	<p>Aged Receivables and Payables Report The Aged Receivables and Payables Report was noted.</p>	
AAC/18/05/21	<p>Losses and Special Payments Report There were none to report.</p> <p><i>(11.01hrs RH left the meeting)</i> <i>(11.01hrs Ian Loveys joined the meeting)</i></p>	
AAC/18/05/22	<p>Competitive Tender Waivers IL was in attendance to report on the recent Competitive Tender Waivers as shown in the paper and answer any questions.</p> <p>The Compleitive Tender Waivers report was noted.</p>	
AAC/18/05/23	<p>Any Other Business There were none.</p>	
	The meeting concluded at 11.07hrs	

**Date of next Audit and Assurance Committee Meeting:
Tuesday 10 July 2018, 09.15-11.00hrs**