

Herts Valleys Clinical Commissioning Group Annual Audit Committee Report

Executive Summary

This purpose of this paper is to provide the Board and Accountable Officer with the audit committee's opinion on the assurances around control, risk management and governance in support of the governance statement, and annual report and accounts for 2014-15.

The Board is requested to note this report.

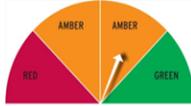
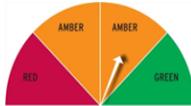
Background

1. At the beginning of the year the Committee agreed the internal audit plan which had been developed jointly between management and the internal auditors, and has monitored progress against the audit plan, and the management responses to those audits. The Committee is content that the plan has been largely completed as approved and that management implementation of actions is now timely.
2. Detail of the audits carried out in the year is attached. Overall the Head of Internal Audit has provided an unqualified opinion. There has been one Red rated audit during the year, which related to the governance and planning of the QIPP programme. Management actions have been identified to address this and the Committee is scheduled to review progress against these actions at its next meeting. Amber-red ratings were received on Organisational Development, and Performance Management of Providers.
3. The Committee has approved and monitored progress against its anti-fraud plan. This area is satisfactory to date. Going forward, there is an intention to deploy fraud awareness more widely in the localities, although there are no known issues.
4. The process around conflicts of interest has been considered and there is no evidence of CCG decisions being improperly influenced.
5. At the time of writing, no significant accounting issues have been identified, though late guidance from NHS England remains a concern, in particular, where it relates to any financial settlements with providers.
6. No major changes in accounting policy have been identified, though again this is always subject to direction from NHS England.
7. The Committee has monitored the evolution of the Board Assurance Framework and the risk management process and has agreed a series of BAF reviews during 2015-16, which it is believed should provide greater assurance around management actions, and promote wider Board engagement on these issues.

Summary

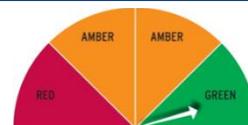
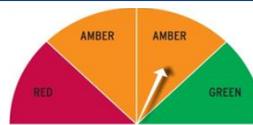
The Committee is not aware of any significant issues that should prevent the Accountable Officer from signing the accounts. QIPP should be discussed in the governance statement since this is not just a red rated audit but an area of significant performance shortfall.

Appendix A: Internal Audit Opinion and Recommendations Summary 2014/2015

Assignment	Executive lead	Opinion issued	Actions agreed		
			H	M	L
Conflicts of Interest	Director of Nursing		0	3	1
Safeguarding Adults	Director of Nursing		0	4	5
Key Financial Controls	Chief Finance Officer		0	1	1
Performance Management of Providers	Director of Commissioning		1	3	3
Process to Support QIPP Delivery	Chief Finance Officer		3	8	3
Practice Engagement	Director of Commissioning		0	2	2
Partnerships Review (draft)	Accountable Officer Director of Commissioning	ADVISORY	0	0	7
Risk Management & Assurance (draft)	Director of Nursing		0	3	2
Payroll (draft)	Chief Finance Officer		0	3	8
Information Governance (draft)	Chief Finance Officer	Advisory	4	9	3
Management of Continuing Healthcare Claims (draft)	Director of Nursing		1	3	3

Appendix A: Internal Audit Opinion and Recommendations Summary 2014/2015

We use the following levels of opinion classification within our internal audit reports



Taking account of the issues identified, the Board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Action needs to be taken to ensure this risk is managed.

Taking account of the issues identified, whilst the Board can take some assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective, action needs to be taken to ensure this risk is managed.

Taking account of the issues identified, the Board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However we have identified issues that, if not addressed, increase the likelihood of the risk materialising.

Taking account of the issues identified, the Board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.