

Herts Valleys Clinical Commissioning Group

Minutes of the Audit Committee

held on 9 October 2014 2014 at 10am

in the Apsley Meeting Room, Second Floor

Hemel One, Hemel Hempstead

Present

Paul Smith	Chairman of the Committee (Board Lay Member – Governance)
Stuart Bloom	Board Lay Member
Alison Gardner	Board Lay Member
Dr Keith Hodge	Board GP Member (Dacorum)
Dr Rami Eliad	Board GP Member (Watford and Three Rivers)

In Attendance

Chris Rising	Internal Audit Senior Manager (Baker Tilly)
Lynn Hughes	Interim Board Secretary
Jan Norman	Director of Nursing and Quality
Alan Warren	Chief Finance Officer
Laura Weaver	Local Counter Fraud Specialist (Baker Tilly)
Nicola Bell	Accountable Officer
Dawn Crump	Risk Manager

AC/54/14 Welcome and Apologies

- 54.1 The Chairman welcomed everyone to the meeting.
- 54.2 Apologies for absence were received from Claire Peacock and Katie Griffin, PricewaterhouseCoopers (PwC).

AC/55/14 Declaration of Interest

- 55.1 There were no interests declared in relation to open items on the agenda.

AC/56/14 Minutes from Previous Meeting

- 56.1 The minutes of the previous meeting were accepted as an accurate record.

AC/57/14 Matters Arising and Action Log

- 57.1 **Matters Arising (Aged Debt Report)**
The Aged Debt report which included no entries over 90 days was noted.

- 57.2 **Action Log**
It was agreed to close all completed actions on the Action Log. Open actions were discussed in turn:

AC/9.4/14 External Auditors Report. It was agreed that a benchmark report on the CCG's position against CCG's locally and nationally would be presented to the Quality and Performance Committee prior to the end of the financial year. Agreed to close.

AC/38.1/14 Number of Board Meetings for 2015/16. Noted that the Board meeting dates for 2015/16 were planned to be reported to the next Board meeting in November 2014 and that the Board Committee dates would be finalised following that. Agreed to close.

AC/45.1/14 Audit Commission Information on change in Statutory Auditors from 2015/16. Noted that PWC working with finance regarding a non-audit work. Agreed to close.

AC/48.1.3/14 Update on Outstanding Audit Items. It was agreed that as a result of the data currently being unavailable a report on the breakdown of CHC activity would be scheduled for inclusion in the Audit Committee workplan for Spring 2015. Agreed to close.

AC/51.1/14 Risks Highlighted During the Meeting. As a result of D Crump attending the meeting to present an update on the risk management process it was agreed to close this action.

AC/58/14 Gifts and Hospitality Register

58.1 It was noted that there had been no entries made to the Gifts and Hospitality Register since the last meeting.

58.2 In response to M Edward's query, it was noted that entries for dinner attendances to external functions require declaring to the Head of Corporate Governance.

58.3 It was noted that L Weaver had plans in place to raise awareness on compliance to the CCG's Gifts and Hospitality policy and the Bribery Act (2010).

AC/59/14 Bad Debt Write-offs and Losses and Compensations

59.1 It was noted that there had been no Bad Debt Write-offs or Losses and Compensations made since the last meeting.

AC/60/14 Tender Waivers

60.1 It was noted there had been no Tender Waivers since the last meeting.

AC/61/14 Process and Timetable: 2014/15 Statutory Financial Statements and Annual Report

61.1 The Process and Timetable for the 2014/15 Statutory Financial Statements and Annual Report was noted which had been drafted in line with guidance received from NHS England earlier in the year. It was noted that the timetable would be followed subject to any revised guidance being received from NHS England.

61.2 It was noted that an Audit Committee would be scheduled to take place near the end of May 2015 when the External Auditors ISA 260 Report would be received. It was agreed that the May 2015 date would be finalised following further discussions with PWC. **ACTION AC/61.2/14 (A Warren, L Hughes)**

61.3 In response to the Committee Chair's request it was agreed that the Annual Governance Statement was required to be presented in draft form ideally to the January 2015 meeting if it was ready by that date.

ACTION AC/61.3/14 (A Warren)

61.4 It was also agreed that the Annual Report required incorporating into the Timetable and presented to the Audit Committee for review and approval.

ACTION AC/61.4/14 (A Warren)

61.5 In response to the Committee Chair's query with regards to the format and standard of the Annual Report, A Warren agreed to liaise with PwC over examples of best practice for the CCG to consult in preparation of their 2014/15 Annual Report.

ACTION AC/61.5/14 (A Warren)

AC/62/14 2014/15 Accounting Policies and Approach

62.1 The Accounting Policies and Approach which the CCG expected to follow for the production of the 2014/15 Annual Accounts were noted. It was noted that there was a possibility that some capital transactions will be recognised in 2014/15 in which case capital accounting policies would apply.

62.2 In response to A Gardner's query, A Warren explained that the CCG does not have any Private Finance Initiative liabilities and that all notes were required to be included even when they did not apply.

AC/63/14 Internal Audit Progress Report

63.1 C Rising presented the Internal Audit Progress report which was noted to have improved on the position reported at the last meeting.

63.2 Reference was drawn to the Organisational Development Audit Plan rated as 'amber/red' and the eight medium priority recommendations in relation to that.

63.3 It was agreed that future reports would highlight all audits that had been produced and not acted upon within 28 days. **ACTION AC/63.3/14 (C Rising)**

AC/64/14 Response from Audit Commission on query regarding change in Statutory Auditors from 2015/16

64.1 The letter from the Audit Commission of 9 September 2014 which outlined the consultation arrangements in place with regards to the Audit Commission's proposal to appoint BDP LLP as the CCG's External Auditor from 2015/16 for two years with effect from 1 April 2015 was noted.

AC/65/14 Local Counter Fraud Progress Report

65.1 The Local Counter Fraud progress report was noted.

65.2 In response to the Committee Chair's query, L Weaver confirmed that employees from the CSU who had transferred to the CCG had received Local Counter Fraud Induction training.

65.3 In response to S Bloom's query with regards to the visitor and migrant NHS cost recovery and the process to follow if overseas visitors/migrants present

at GP surgeries requesting treatment, L Weaver explained that GP Practices had been advised to see those patients.

- 65.4 Following a discussion with regards to L Weaver's care at home concerns it was agreed she would discuss her concerns further with J Norman outside the meeting. **ACTION AC/65.4/14 (L Weaver)**

AC/66/14 Assurance Framework

- 66.1 J Norman introduced D Crump who had recently joined the CCG as a Risk Manager. It was noted that there had been four changes to the Head of Risk Management during the year and as a consequence of that work was ongoing to strengthen and embed the risk management operational and reporting processes.

- 66.2 It was noted that the Board Assurance Framework (BAF) had been reviewed in conjunction with risk owners. In response to the Committee Chair's query, it was noted that the BAF had not been reviewed in conjunction with the Corporate Risk Register (CRR) on this occasion but the process planned going forward required this to take place.

- 66.3 In response to the Committee Chair's request it was agreed that additional narrative would be included within the Executive Summary for future reports on the BAF and CRR to the Audit Committee. It was also agreed that the Terms of Reference of the Risk Management Group, details of membership and levels of attendance would be presented to the next meeting. **ACTION AC/66.3/14 (J Norman, D Crump)**

- 66.4 In response to the Committee Chair's query, C Rising explained that risk management at the CCG was not at the level of other CCGs but that was understandable in his opinion due to the number of changes to the Head of Risk Management. Following discussion it was agreed that the Internal Risk Audit would be rescheduled. **ACTION AC/66.4/14 (C Rising, J Norman)**

AC/67/14 Audit Recommendation Tracker

- 67.1 The Internal Audit Recommendation Tracker which included no overdue items at 20 September 2014 was noted. It was also noted that there were eight open recommendations out of a total of 15 currently recorded on the system where the target dates had been extended from the original target dates.

- 67.2 A Warren explained that the Internal Audit Recommendation Tracker was now presented and discussed at Executive Team meetings and responsible Directors with overdue items were invited to attend Audit Committee meetings to provide reasons for failing to meet agreed target dates.

- 67.3 It was agreed that future Internal Audit Recommendation Tracker reports would include RAG ratings. **ACTION AC/67.3/14 (A Warren)**

- 67.4 In response to S Bloom's query with regards to GP Adult Safeguarding Training, J Norman explained that there was a multi-faceted approach which included online and face to face training with new appointed GPs receiving Adult Safeguarding training at induction.

AC/68/14 Any Risks Highlighted During the Meeting

- 68.1 It was agreed that the overdue Internal Audit information would be shared with the Head of Risk Management who would discuss with risk owners at departmental meetings as part of the CRR process going forward.
ACTION AC/68.1/14 (A Warren, D Crump)

AC/69/14 Any Other Business

- 69.1 **Clinical Audit**
In response to the Committee Chair's query it was agreed that the list of Clinical Audits would be presented to the next meeting.
ACTION AC/69.1/14 (J Norman)

- 69.2 It was also agreed that details of outcomes from provider Clinical Audits will be provided for consideration of inclusion in to the CCG's Annual Governance Statement.
ACTION AC/69.2/14 (J Norman)

AC/70/14 Date and Time of Next Meeting

- 70.1 The next meeting is scheduled to take place on Thursday, 15 January 2014 at 10am in the Apsley Meeting Room, Hemel One, Boundary Way, Hemel Hempstead.