

Herts Valleys Clinical Commissioning Group

Approved Minutes of the Audit Committee

held on 31 March 2015 at 10am

in the Apsley Meeting Room, 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
Keith Hodge	Board GP Member (Dacorum)

In Attendance

Laura Abel	Assistant to Head of Corporate Governance
Nicola Bell	Accountable Officer
Jan Norman	Director of Nursing and Quality (<i>from item 31/15</i>)
Claire Peacock	External Audit Manager (PricewaterhouseCooper)
Chris Rising	Internal Audit Senior Manager (Baker Tilly)
Bradley Vaughan	Internal Audit Senior Manager (Baker Tilly)
Alan Warren	Chief Finance Officer

AC/20/15 Welcome and Apologies

- 20.1 The Chairman welcomed everyone to the meeting.
- 20.2 Apologies for absence were received from A Blackman, R Eliad, L Hughes and L Weaver.

AC/21/15 Declaration of Interest

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

AC/22/15 Minutes from Previous Meeting

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

AC/23/15 Matters Arising and Action Log

23.1 Matters Arising

There were no matters arising in addition to those included on the agenda.

23.2 Action Log

It was agreed that all completed actions would be closed.

AC/1.2/15 *Welcome and Apologies* - A Warren explained that L Weaver would not be required to attend each Audit Committee meeting, although an update report

would be submitted. It was agreed that any specific issues would be resolved outside of the routine meetings. Agreed to close.

AC/8.2/15 Process and Timetable: 2014/15 Statutory Financial Statements and Annual Report – Due to the report not being finalised it was agreed that the draft Annual Report and Annual Accounts including the Annual Governance Statement would be circulated virtually to members for approval prior to submission to External Audit on 23 April 2015.

AC/24/15 Gifts and Hospitality Register

24.1 It was noted that there had been no new entries made to the Gifts and Hospitality Register since the last meeting. A discussion took place around the lack of entries made and C Rising highlighted the need for increased transparency with Co-Commissioning. It was agreed to raise this again at the Commissioning Executive meeting and with the Locality Chairs. **ACTION AC/24.1/15 (L Hughes)**

AC/25/15 Control Issues from other Board Committees

25.1 It was noted that it was good practice to alert the Audit Committee of any issues raised at other CCG Committees. S Bloom and A Gardner, as Chairs of the Quality and Performance Committee and Patient and Public Involvement Committee had not raised any concerns for Audit Committee's attention since the last meeting.

AC/26/15 Audit Committee Draft Workplan 2015/16

26.1 A Warren presented the draft Workplan on behalf of L Hughes which was noted. It was agreed to move the Counter Fraud Annual Report to the 19 May 2015 meeting. As a consequence of the External Auditors changing at the end of July 2015 the Review of the Effectiveness of External Audit would not be take place in October 2015 it would be put back to the first meeting of 2016.

AC/27/15 Bad Debt Write-offs and Losses and Compensations

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

AC/28/15 Tender Waivers

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

AC/29/15 Annual Internal Audit Strategy

29.1 C Rising presented the Annual Internal Audit Strategy which was noted. The need to review processes throughout the audit cycle was discussed. In response to a request from S Bloom, it was agreed that an audit of Co-Commissioning of Primary Care would take place in 2016/17 as well as 2017/18.

ACTION AC/29.1/15 (C Rising)

29.2 The delivery of the Financial Plans Audit was discussed in relation to the Quality, Innovation, Productivity, Prevention (QIPP) achievement to plan. It was agreed that

C Rising would attend the Quality and Performance Committee to present the scope of the audit and that the Quality and Performance Committee would review the recommendations as part of its monitoring of QIPP going forward.

ACTION AC/29.2/15 (L Hughes/C Rising)

29.3 In response S Bloom's query with regards to the impact of the 'Your Care, Your Future' Strategic Review it was agreed that C Rising would add a note to the Internal Audit Strategy that the plan would be reviewed in early 2016/17 to take account of any changes to the CCG Strategy.

ACTION AC/29.3/15 (C Rising)

29.4 In response to N Bell's query, C Rising explained that the Procurement audit was beneficial to give assurance around conflicts of interest, particularly with the commencement of Co-Commissioning. In response to A Gardner's query it was agreed that the number of days allocated to the Procurement audit would be increased.

ACTION AC/29.4/15 (C Rising)

29.5 In response to A Gardner's query, C Rising agreed to check the Strategic Objective referenced at BAF 4.1.

ACTION AC/29.5/15 (C Rising)

29.6 In response to the Audit Committee Chairman's query with regards to the Payroll audit, A Warren explained that the payroll service had been provided by East and North Hertfordshire Clinical Commissioning Group since October 2014. The audit aimed to provide assurance around electronic staff records and would form part of the national report. C Rising explained that Baker Tilly were the internal auditors for that and he would arrange to share the scope of the audit prior to its commencement.

ACTION AC/29.6/15 (C Rising)

29.7 Following discussion the Internal Audit Strategy was approved.

AC/30/15 Internal Audit Progress Report

30.1 C Rising presented the Internal Audit Progress report which was noted. He highlighted the red rated QIPP report which was discussed at length. It was agreed that L Gaffney and A Keen would be invited to attend the next Audit Committee to provide an update on actions and assurance around the robustness of processes within the 2015/16 Plan.

ACTION AC/30.1/15 (L Gaffney/A Keen)

30.2 Attention was drawn to the four draft reports issued since the last meeting. It was noted that there were no significant issues that had arisen from them. In response to N Bell's request, C Rising agreed to supply her with a copy of the draft Partnerships report.

ACTION AC/30.2/15 (C Rising)

30.3 C Rising explained that Internal Audit expected to provide an unqualified opinion, however, the red rated QIPP report was noted.

AC/31/15 Annual Review of the Effectiveness of Internal Audit

31.1 It was agreed that a questionnaire would be circulated to Members for completion in order that the outcome can be reported to the next meeting.

ACTION AC/31.1/15 (L Hughes)

AC/32/15 External Audit Progress Report

32.1 C Peacock explained that PricewaterhouseCooper planned to commence the year end audit on 23 April 2014. Despite the tight deadline to complete the audit, it was noted that there were no issues to report. A Warren added that the main difference to 2013/14 was the addition of the lease for the CCG's office space at Hemel One, Boundary Way, Hemel Hempstead.

32.2 In response to P Smith's query, A Warren confirmed that he had circulated the Pensions Agency data to GP colleagues and there was no anticipated impact on the approval of the annual accounts in relation to that.

AC/33/15 External Audit Planning Letter 2015/16

33.1 A Warren explained that BDO would commence as the CCG's External Auditors from August 2015 on a two year contract from August 2015 and he presented their Planning Letter for 2015/16, which was noted.

AC/34/15 Review and Approval of the Annual Workplan for Counter Fraud

34.1 B Vaughan presented the Counter Fraud Workplan for 2015/16, which was noted.

AC/35/15 Discharge of Audit Committee Duties

35.1 The Audit Committee Chairman explained that the Discharge of Audit Committee Duties was covered by the Annual Workplan. In response to N Bell's query, C Rising suggested that the Committee could undertake more risk management 'deep dives' based on the Board Assurance Framework. The Audit Committee Chairman and N Bell agreed to consider this outside of the meeting in order that a structure could be put in place for robust challenge of risk management processes to take place going forward. **ACTION AC/35.1/15 (N Bell/P Smith)**

AC/36/15 Internal Audit Recommendation Tracker

36.1 The Internal Audit Recommendation Tracker, which included one overdue item 'Data Quality Policy' as at 25 March 2015. It was noted that the CCG had appointed a new Head of Business Intelligence and Performance in February 2015 who had been requested to produce the Data Quality policy which was noted.

36.2 C Rising confirmed that Internal Audit would test that the actions had been completed. **ACTION AC/36.2/15 (C Rising)**

AC/37/15 Any Risks Highlighted During the Meeting

37.1 There were no new risks noted for inclusion on to the Corporate Risk Register.

AC/38/15 Any Other Business

38.1 C Peacock reminded the Committee of the timetable for signing the Annual Report and Annual Accounts. It was noted that A Warren planned to present a paper at the next the Board meeting to request delegated authority to the Accountable Officer

and the Audit Committee unless there were any significant issues that the Board needed to be made aware of prior to sign off. **ACTION AC/38.1/15 (A Warren)**

AC/39/15 Date and Time of Next Meeting

39.1 The next meeting is scheduled to take place on Tuesday 19 May 2015 at 9.30am in the Apsley Meeting Room, Hemel One, Boundary Way, Hemel Hempstead.