

Herts Valleys Clinical Commissioning Group

Minutes of the Audit Committee

held on 30 July 2015 at 2.00pm

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
Rami Eliad	Board GP Member (Watford and Three Rivers)
Alison Gardner	Board Lay Member
Keith Hodge	Board GP Member (Dacorum)

In Attendance

Nicola Bell	Accountable Officer (<i>from item AC/65/15 onwards</i>)
Anna Blackman	Senior Statutory Auditor (PricewaterhouseCoopers LLP)
Lynn Hughes	Head of Corporate Governance
Diane Curbishley	Acting Director of Nursing and Quality
Claire Peacock	External Audit Manager (PricewaterhouseCoopers LLP)
Chris Rising	Internal Audit Senior Manager (Baker Tilly)
Alan Warren	Chief Finance Officer

AC/54/15 Welcome and Apologies

- 54.1 The Chairman welcomed everyone to the meeting.
- 54.2 Apologies for absence were received from Laura Weaver.

AC/55/15 Declaration of Interest

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

AC/56/15 Minutes from Previous Meeting

- 56.1 The minutes of the previous meeting held on 19 May 2015 were accepted as an accurate record.

AC/57/15 Matters Arising

- 57.1 There were no Matters Arising in addition to those included on the agenda.

AC/58/15 Action Log

- 58.1 It was agreed that all completed actions would be closed. The one open action AC/46.2/15 Outcome of Self-Assessment Audit Committee Effectiveness (future

training arrangements for Audit Committee members would remain open to allow A Warren and P Smith to discuss further). Agreed to remain open.

- 58.2 It was noted that A Gardner had attended Audit Committee training which had been carried out by HFMA which she found beneficial. A Gardner provided a verbal update on the areas covered at the one day training course and she was pleased to report that she could see areas which the CCG's Audit Committee followed best practice.

AC/59/15 To Agree Number of Meetings for Forthcoming Financial Year

- 59.1 It was agreed that a total of five meetings would be arranged: four meetings throughout the financial year of 2016/17 as well as an additional meeting at the end of the financial year to receive the Annual Report and Annual Accounts.

ACTION AC/59.1/15 (R While)

AC/60/15 Gifts and Hospitality Register

- 60.1 It was noted that there had been no declarations made to the Gifts and Hospitality Register since the last Audit Committee meeting.

- 60.2 Discussion took place around a media article which had been published in a national newspaper and the CCG investigation which had been initiated as a result of that. It was noted that Counter Fraud had worked with the CCG to raise awareness throughout the organisation with regards to the Bribery Act 2010 and declarations required by staff and members to the Gifts and Hospitality Register and the Conflict of Interest Register. There had also been information circulated at Commissioning Executive and to Chief Locality Officers for action as well as communication briefings which was noted. It was agreed that it was a personal responsibility of staff to declare any gifts and hospitality offered or accepted as well as any conflicts or potential conflicts of interest in line with the CCG Policies and when R While commences in post he would continue to improve awareness of reporting requirements and personal responsibilities going forward.

AC/61/15 Decision Register

- 61.1 L Hughes explained that the Decision Register included decisions that had been made in quarter one of 2015/16 by the Board Committees and Commissioning Executive as well as conflicts of interests declared against specific items. It was noted that when the decision register was being developed the governance arrangements in place by the System Resilience Group prevented entries being made on the Decision Register due to no formal minutes being recorded and the action logs that had been populated did not include identifiable decisions. K Hodge explained that the System Resilience Group members had requested that formal minutes were not taken for that Group but he agreed to raise at the next meeting the possibility of formal minutes being taken going forward in order that decisions can be included within quarterly updates to the Audit Committee going forward.

ACTION AC/61.1/15 (K Hodge)

- 61.2 The Committee welcomed and noted the Decision Register for continuation going forward.

ACTION AC/61.2/15 (R While)

AC/62/15 Review of Quality Account Report Statements

- 62.1 Due to the paper not being circulated in advance of the meeting it was agreed to defer the item to the next meeting. **ACTION AC/62/15 (D Curbishley)**

AC/63/15 Assurance Framework

- 63.1 D Curbishley presented the Assurance Framework which provided an end of year summary on the 2014/15 and introduced the proposed Assurance Framework risk areas for 2015/16 which had been agreed by Executive Team on 30 June 2015.

- 63.2 The end of year summary on the 2014/15 Assurance Framework was noted but the Chair of the Audit Committee raised concerns that the entire Board had not been involved in the formation of the 2014/15 Assurance Framework and there was not sufficient time to allow full discussion at the Board meeting held in Public in September 2015. It was agreed that there would be an hour session arranged to take place at the Board Development meeting on 20 August 2015 to allow the Board to discuss the Assurance Framework content before it was finalised and submitted to the Board for approval at the 3 September 2015 meeting.

ACTION AC/63.2/15 (L Hughes)

- 63.3 C Rising raised concerns that it was the end of July 2015 and the 2015/16 Assurance Framework had not been approved and that it was essential that the Assurance Framework was finalised as soon as possible and used effectively. He asked that his concern was included within the Annual Governance Statement when it is prepared for Audit Committee approval later in the financial year.

ACTION AC/63.3/15 (R While)

AC/64/15 Control Issues from Board Committees

- 64.1 S Bloom, Chair of Quality and Performance Committee explained that there had been queries raised at the last meeting with regards to the role of Quality and Performance Committee and the management of risks. He queried the role of the Quality and Performance Committee in relation to risk management. The Chair of the Audit Committee explained that it was the role of the Audit Committee to provide assurance to the Board on the management of risk and its Terms of Reference reflected that.

AC/65/15 Internal Audit Progress Report

- 65.1 The Internal Audit Progress Report was received. It was noted that the risk management audit identified three medium and two level priorities and particular focus was identified as the approval and continuation of the Board Assurance Framework. It was noted that greater concern had been raised with regards to the Continuing Healthcare Audit which identified one high, three medium and three low priorities with the greatest concern identified in relation to the governance of Continuing Healthcare.

AC/66/15 Annual Review Effectiveness of Internal Audit

66.1 It was noted that the CCG was considering the process of reviewing Internal Audit. Following discussion it was agreed that A summary of the effectiveness of Internal Audits would be provided by the Chief Financial Officer prior or following next Audit Committee meeting. **ACTION AC/66.1/15 (A Warren)**

AC/67/15 Outstanding Open Audit Actions Report

67.1 The Outstanding Open Audits Actions were noted. Discussion took place around the process currently in place and it was noted that there had been a delay with regards to information being included on the Audit Log but it was noted that improvements to the process had been recently made by Internal Audit. Internal Audit agreed to include the name and contact information of Action Owners on the Action Log going forward. **ACTION AC/67.1/15 (C Rising)**

AC/68/15 Annual External Audit Letter

before

 68.1 The Annual External Audit Letter was received and noted. It was agreed that arrangements would be made for the Annual External Audit Letter to be received by the Board at its next meeting on 3 September 2015 it is uploaded onto the CCG's website. **ACTION AC/68.1/15 (R While)**

AC/69/15 Counter Fraud Progress Report (Draft Annual Self Review Tool)

69.1 It was noted that the agenda had been agreed to include the Counter Fraud Progress Report but Laura Weaver had been unable to attend and had agreed with A Warren that the Draft Annual Self Review Tool would be included instead. It was agreed that if any members had any comments they wished to make in relation to the draft document to forward to A Warren/L Weaver. A Warren agreed to arrange for the document to be taken to a future Executive meeting for ownership. **ACTION AC/69.1/15 (All/A Warren)**

AC/70/15 Annual Review of Detailed Financial Policies

70.1 The annual review of detailed Financial Policies were agreed subject to the inclusion of amendments A Warren had received via email from Laura Weaver and the inclusion of reference to Joint Commissioning. **ACTION AC/70.1/15 (A Warren)**

70.2 It was also agreed that the Detailed Financial Policies would require a Constitution amend which would take place at the next opportunity in line with NHS England timetable. **ACTION AC/70.2/15 (R While)**

AC/71/15 Review of Bad Debt Right Offs, Tender Waivers and Losses and Compensations

71.1 A Warren reported that there had been no Bad Debt Right Offs, Tender Waivers and Losses and Compensations since the last Audit Committee meeting. It was noted

that the Tender Waiver form was had been included within the updated Detailed Financial Policies for ease of user reference.

AC/72/15 Financial Control Environment

72.1 A Warren explained that as part of an initiative to achieve financial resilience and sustainability, NHS England was promoting the assessment of financial governance and the control environment of CCGs. The draft documents had been prepared as an initial assessment of the CCG's Financial Control Environment and the Audit Committee was asked to review the documents prior to them being submitted to NHS England.

72.2 Discussion took place around the assessment document and C Rising raised concerns with regards to the Board Assurance Framework not having been approved to date. It was noted that there was further work required to improve financial assurance. A Warren referred to the additional information that the CCG had drafted to support the standard response to NHS England. Following discussion it was agreed that numbers 13 and 14 required amending to 'moderate' and numbers 17 and 18 required amending to 'good' and not excellent. It was also agreed that the standard document and the additional documentation would be checked to ensure consistency prior to it being submitted to NHS England. **ACTION**

AC/72.2/15 (A Warren)

AC/73/15 Any Risks Identified During the Meeting

73.1 There were no new risks identified for inclusion on the Corporate Risk Register of Board Assurance Framework.

AC/74/15 Any Other Business

74.1 There was no other notified business.

AC/75/15 Items for Cascade to Localities

75.1 It was agreed that the following three items would be cascaded as key messages to Localities:

- i) Gifts and Hospitality and Conflict of Interest Reporting Requirements
- ii) Financial Risk
- iii) Fraud New Standards of Assessments

AC/76/15 Date and Time of Next Meeting

76.1 The next meeting is scheduled to take place on 1 October at 10.00 in the Apsley Meeting Room, Hemel One, Boundary Way, Hemel Hempstead.