

## Joint Federated Audit Committee

### MINUTES

**Friday 5<sup>th</sup> May 2017 from 09:00 – 12:00**  
**Meeting Room 2, King Edward VII Hospital**

<b>Present</b>	
Arthur Ferry (AF)	Chair and Lay Member for Governance WAM CCG (Chair)
Sally Kemp (SK)	Lay Member for Governance – Bracknell and Ascot CCG
Karen Maskell (KM)	Lay Member for PPI, Bracknell and Ascot CCG

<b>In Attendance</b>	
Nigel Foster (NF)	Director of Finance and Performance, East Berkshire CCGs
Debbie Fraser (DF)	Associate Director of Finance, East Berkshire CCGs (via conference call)
Anshu Varma (AV)	Head of Corporate Services, East Berkshire CCGs
Emma Butler (EB)	Internal Audit, PwC
Jo Greengrass (JG)	Associate Director of Quality and Nursing, East Berkshire CCGs (left the meeting at 10:25)
Lucy Trevett (LT)	Assistant Manager, Public Sector Assurance, External Audit BDO
Sam Knollys (SKn)	Director, Healthcare Advisory Team, PwC (joined the meeting at 09:35)
Barry Eadle (BE)	Local Counter Fraud Specialist - TIAA (joined the meeting at 10:05 and left the meeting at 10:55)
Richard Buckley (RB)	Head of Finance Control and CSU Support (joined the meeting at 10:55)
Lynn Pringle (LP)	Business Manager, Exec Team (taking the minutes)

<b>Apologies</b>	
Robert Cooper (RC)	Lay Member for WAM CCG
Mike Connolly (MC)	Lay Member for Slough CCG
Janine Combrinck	Director RI / Public Sector Assurance BDO

<b>Item</b>	<b>Subject</b>	<b>Action</b>
1.	<b>Welcome and apologies for absence</b>  The apologies are noted as above.	
2.	<b>Conflicts of interest in relation to the agenda</b>  There were no conflicts of interest declared.	
3.	<b>Minutes of the Audit Committee held on 10<sup>th</sup> February 2017</b>  The minutes of the meeting held on 10 <sup>th</sup> February 2017 were approved as a true and accurate record of the meeting with the following amendments:	<b>Approved</b>

	<p><u>Page 3 Item 6b third paragraph</u></p> <p>Further clarification was requested for the following paragraph:</p> <p><i>Frimley Health was reported as being non-compliant with significant issues. This doesn't have an impact directly on the CCG's audit but was listed for information. CCGs would keep an eye on this.</i></p> <p>This relates to a report cited in the external audit briefing. At this point in time two Trusts had merged and it was difficult for a merged Trust operating on two systems to have one consistent set of records. This is being focused upon within the STP.</p> <p>It was noted by the Audit Committee that Slough CCG is not represented. It was confirmed that Mike Connolly could be contacted by email regarding the Annual Report if necessary.</p>	
4.	<p><b>Matters Arising and Action Log</b></p> <p>The action log was reviewed and outstanding actions updated or closed.</p>	
5.	<p><b>Risk and Assurance Framework</b></p> <p>a) Review the Assurance Framework</p> <p>Of the fourteen risk scenarios on the Assurance Framework all have remained unchanged in terms of the net risk exposure rating. The areas in red are the updates that the Executive Team have provided on the Assurance Framework. NF and JG are meeting to review the changes that were suggested at the previous audit meeting. It will be helpful to reflect how the STP is working into our Assurance Framework; it is now timely to think in this context.</p> <p><b>Action: JG will re-send the Assurance Framework to the Committee for agreement when the further changes have been made.</b></p> <p>There was a comment from the previous Audit meeting that we are not capturing the challenge regarding rising demand sufficiently in our Assurance Framework.</p> <p><u>RS14</u>  <i><b>IF</b> the CCG partnership working arrangements fail to identify and uncover any threats to the financial sustainability of our local NHS providers and local authorities,  <b>THEN</b> we may not be able to commission the right services in the right settings with the right outcomes for our patients at an affordable price.</i></p> <p>NF suggested that the THEN sentence is adapted to reflect the ultimate consequence for our population.</p> <p><b>Action: JG to adapt the wording on RS14 as above.</b></p> <p>Partnership working – the STP should be coming through clearly and is not updated for this version. Our success or failure is very much around the success or failure of the STP.</p> <p>There was discussion regarding the need for an STP Risk Register, however, the governance would need to be clarified.</p> <p>It was recognised that we have made significant strides in the efficiency of the</p>	<p><b>JG</b></p> <p><b>JG</b></p>

	<p>PMO; the weaknesses that were flagged have been actioned. It was noted that there is now a substantive AD of Contracts and Performance – Ian Murdock, which will be a key strength going into 2017/18.</p> <p>b) STP Governance</p> <p>There are two draft documents attached to this paper to inform the Audit Committee around how the thinking is developing around governance across the STP. It is well recognised nationally that getting STP governance correct is a big challenge. One of the key features of our STP is close working with local authorities. There is no guide to follow presently and we do have the opportunity to mould this. The intention is by the time we get to June and out of purdah there will be a more finalised version.</p> <p><b>Action: SK requested NF to provide a couple of scenarios regarding what the Governing Bodies would need to do so the pathway is clear – i.e. the graphic pathway structure of how bodies report in.</b></p> <p>c) STP Assurance Brochure</p> <p>SKn explained the work that has been done recently with Herts and Essex STPs regarding diagnostic and governance reviews.</p> <p>Diagnostic review – looking in detail at the readiness of the plans, detailed milestones and financial phasing.</p> <p>Governance review – given the scale and number of organisations involved and the need to adhere to appropriate good governance. There should be a publicly available document from Herts and Essex so we can share their learning. An observation from the consulting team was the golden thread between people saying the right thing in the boardroom but not following through with their actions.</p> <p>Concern was expressed regarding representation from NEDs and Lay Members and how this goes forward, in particular notwithstanding that the paper was in draft and subject to further refinement it was concerning that the top Board/Group as outlined had no lay representation whatsoever.</p>	<p>NF</p>
<p>6.</p>	<p><b>External Audit Update</b></p> <p>a) External Audit Progress Report</p> <p>The team started on site on Tuesday as planned. Materiality has been reduced from what was reported at the planning stage in February from 2% to 1.8%. This is due to the heightened interest in the accounts following the communication from the Department of Health in terms of meeting year end positions.</p> <p>There was a very useful meeting with NF and DF last month in terms of the STP. This work is still very much in progress and almost at draft reporting stage; there are no surprises in the report, there is still some way to go in terms of implementation.</p> <p>Sector updates – publications (page 11 of the report) – there are delegated commissioning case studies now available on NHS England websites.</p>	
<p>7.</p>	<p><b>Internal Audit Update</b></p> <p>a) Internal Audit Progress Report &amp; 2016/17</p> <p>b) Head of Internal Audit Opinion</p>	

	<p>Conflict of Interest audit - All work has been concluded, this work was mandated by NHS England. BCF – there were some key control focus areas for BCF moving forward. Corporate Governance and Risk Management – Lay Members were thanked for their input, and their interviews are reflected in the findings.</p> <p>It was noted that this report is the summary and the action plan is included in the full report.</p> <p><b>Action: Circulate the full report.</b></p> <p>It was noted that there was a challenge in receiving completed client satisfaction surveys.</p> <p><b>Action: EB to re-send the client satisfaction surveys out.</b></p> <p>Struggle getting client satisfaction surveys back. NF and AF are on the red list. They are shorter. Emma to resend emails for client satisfaction. Action.</p> <p>Tracker which compares results year on year – page 15, there is one amber arrow and three red arrows up which indicates things are getting worse and this is not the narrative. Grey arrows would be more suitable than red arrows.</p> <p>Page 15 – tracker which compares results year on year – one amber arrow and three red arrows going up – looks like things getting worse this is not the narrative. The degree of findings is something I look forward to – improving the way we do things. Grey arrows should replace red arrows.</p>	<p><b>EB</b></p> <p><b>EB</b></p>
<p>8.</p>	<p><b>Security and Counter fraud Audit</b></p> <p>a) 2016/17 LCFS Annual Report</p> <p>Summary of Rating Outcome for Berkshire East CCGs (Strategic Governance) – B&amp;A have a red outcome, it has not been able to get full engagement and compliance, this is because one organisation leads on those contracts.</p> <p>b) 2017/18 LCFS Annual Work Plan</p> <p>This has been agreed at 19 days but we have kept it at 17 days proactive – this is what is being paid for. 2 days are set aside for reactive. We are separately invoiced separately for those 2 days. Reactive days are billed only if they are used.</p> <p>c) Self-renewal tool – should read <i>self-review</i> tool - B&amp;A CCG, Slough CCG, WAM CCG</p> <p>There has been one submitted for each organisation. Every member of the organisation was sent an email to ensure compliance with 2.1. AV confirmed that we do have an induction process now in place.</p> <p>d) Fraud Digest is noted by the Audit Committee.</p> <p>e) 2017/18 Security Management Annual Work Plan</p> <p>AF queried what the numbers refer to in the security risk assessment.</p> <p><b>Action: AV to make a key which explains the numbering system noted</b></p>	<p><b>AV</b></p>

	<p><b>above.</b></p> <p>NF explained that we will overspend the budget on security management due to incidents involving an abusive patient.</p>	
9.	<p><b>Governance</b></p> <p>a) 16/17 Draft Annual Report – Review Governance Statement</p> <p>There was discussion around the Connected Care section and the need to make it more interesting and bring it to life. Similar with the CAMHS conferences – nothing noted around progress.</p> <p><b>Action: Please send any amendments to the Annual Report to AV as soon as possible.</b></p> <p>b) 16/17 Draft Annual Accounts</p> <p>There are three sets of accounts for our three CCGs. Richard Buckley has moved across from the CSU and he has been preparing these.</p> <p>Staff days lost – numbers not available, NHS England will issue imminently.</p> <p>Page 19 – Slough CCG – Farnham Road Practice/Surgery – name of practice needs consistency.</p> <p>NF recognised that people had worked incredibly hard in a short space of time to achieve a lot of work.</p> <p>The Audit Committee should receive the final annual accounts by Friday 19<sup>th</sup> May or at the latest by Monday 22<sup>nd</sup> May.</p>	All
10.	<p><b>Financial Focus</b></p> <p>a) Aged Debtors over £10k and over 90 days overdue</p> <p>B&amp;A – there is still an ongoing issue around Urgent Care – NF is chasing. One Medicare Ltd – we incur prescribing costs – Kath Haversham is raising in contract meeting.</p> <p>Frimley Health SCAS handover charges – NF has agreed to set those off against invoices we have had from Frimley Health for approximately the same value.</p> <p>New Vision of Care – no dispute from the Trust – it is going in the right direction. Frimley Home Oxygen – no reason they are not paying.</p> <p>b) Aged Creditors over £10k and over 90 days overdue.</p> <p>B&amp;A - not changed. Slough and WAM have reduced. RB will be chasing these up.</p> <p><b>Action: Add the previous value in the report so trends can be seen.</b></p>	RB
11.	<p><b>Single Tender Waivers and Use of Seal</b></p> <p>a) Single Tender Waiver 2016/17</p> <p>There was no discussion regarding this item.</p>	

	<p>b) Single Tender Waiver 2017/18</p> <p>Due to the volume of the STWs it was recognised that a cover paper would have been helpful.</p> <p>The STWs for Symbol UK Ltd, NVISAGE and Evolutio Care Innovations Ltd were shared for noting. There are six documents relating to the procurement process with Thames Valley Hospice, these have gone through Business Planning and Clinical Commissioning Committee as part of the QIPP programme.</p> <p><b>Action: DF to design an amended form for June SFIs.</b></p> <p>Audit Committee noted the above STWs but indicated that it would be helpful to have clarity on the process followed.</p> <p>c) Use of Seal</p> <p>The Seal has not been used since the last Audit Committee.</p>	<b>DF</b>
12.	<p><b>Losses and Special Payments</b></p> <p>The Audit Committee noted that a Slough CCG laptop had been stolen from a home address.</p>	
13.	<p><b>Any Other Business</b></p> <p><u>CSU Service Auditor Report</u></p> <p>AF reflected upon controls not being used – there had been a sample size of 25 with 2 errors where controls had not been followed and a sample size of 2 with 1 not approved by the right source.</p> <p><b>Action: NF to investigate and come back to Audit Committee as an AOB at the next meeting on 25 May.</b></p>	<b>NF</b>
14.	<p><b>Date and time of next meeting</b></p> <p>25<sup>th</sup> May 2017 in Meeting Room 2 (Henry Room), King Edward VII Hospital, Windsor.</p>	