

East Berkshire Audit Committee

MINUTES

**Friday 9th November 2018 from 09:00 – 12:00
In Meeting Room 2, King Edward VII Hospital**

Present:		
Arthur Ferry	AF	Lay Member for Governance, East Berkshire CCG (Chair)
Sally Kemp	SK	Lay Member for Governance, East Berkshire CCG
Clive Bowman	CB	Lay Member for Governance, East Berkshire CCG
Debbie Fraser	DF	Deputy Director of Finance, East Berkshire CCGs
Dean Gibbs	DG	Senior Manager, KPMG
Emma Butler	EB	Director, PwC
Anshu Varma	AV	Head of Corporate Affairs, East Berkshire CCG
Mike Connolly	MC	Lay Member, PPI (in part)
David Rowlands	DR	HR Manager, NHS South, Central & West – ConsultHR (in part) (deputising for Andrew Mitchell)
Jo Greengrass	JG	Associate Director for Quality, East Berkshire CCG
Lorraine Bennett	LB	Counter Fraud Manager, TIAA
Lynn Pringle	LP	Business Manager, Executive Team (taking the minutes)

Apologies:		
Joanne Lees	JL	Director, KPMG
James Earle	JE	Manager, PwC

Item		Action
1.	<p>Welcome and apologies for absence</p> <p>AF welcomed everyone to the meeting and apologies were noted as above. The meeting was noted as quorate.</p>	
2.	<p>Conflicts of interest in relation to the agenda (Chair).</p> <p>There were no further conflicts of interest stated in relation to the agenda.</p>	
3.	<p>Minutes of the Audit Committees held on 7th September 2018.</p> <p>The minutes of East Berkshire Audit Committee held on 7th September 2018 were agreed as a true record of the meeting with no revisions to be made.</p> <p><u>Page 2 – Item 5.2 – Deep Dives – to consider a deep dive for November 2018.</u></p> <p>This will be discussed under item number 12 - Any Other Business.</p>	
4.	<p>Matters Arising</p> <p>The action log was reviewed and outstanding actions updated or closed.</p> <p>There was a concern raised regarding the impact on the primary care team when they are spending significant amounts of time dealing with vulnerable practices, the capacity to service routine business could be compromised.</p> <p>Action: CB will write to the CCG members of the Primary Care Commissioning Committee regarding decision making for the scale of support for vulnerable practices and how it is evidenced.</p>	

	<p><u>Response for Action 119 – Cyber Security Update</u></p> <p>It was noted that this update is for the first quarter of the financial year (dated April 2018) which is 5 months' out of date which does not provide sufficient assurance.</p>	
<p>5.</p> <p>5.1</p>	<p><u>Internal Audit Update</u></p> <p><u>Internal Audit Update Report</u></p> <p>Following the September 2018 Audit Committee fieldwork has commenced and is nearing completion on Core Financial Systems and QIPP and PMO. The intention was to present the reports from these reviews at this Committee; however, there were delays receiving information and obtaining time with key individuals. This was due to resource constraints rather than due to a failure of CCG staff not engaging. The reports will be circulated as soon as the final reports are issued and it will not be necessary to wait until the next Audit Committee.</p> <p><u>Estates</u></p> <p>There are three medium risk findings have been agreed with Simon Jones. They are around the governance structure, terms of reference and reporting of estates projects. This will link into the ICS Estates Delivery Group and the CCG reporting to the Capital Planning and Development Committee and then will come to Governing Body.</p> <p>EB read out James Earle's notes to the Audit Committee:</p> <p><i>There are plans underway to appoint a Transformation Director for the CCG; who will be a non-voting attendee of the Governing Body and the Executive Management Team. Once appointed the idea is to set up a Transformation Board of which the Capital Planning and Delivery Group will be a sub group and will also report into the ICS Estates Strategy Group. The Transformation Board will then report into the Business Planning and Clinical Commissioning Committee which is a sub-committee of the Governing Body. This is a provisional level of discussion. This should ensure the CCG can provide full and proper oversight of Estates projects – the key risk was assuring the governance, oversight and reporting in the CCG was strong and clear enough.</i></p> <p>Page 4 provides a snapshot of progress made against the plan for each audit. There are five audit actions outstanding.</p> <p>AF queried the statement:</p> <p><i>As part of our review of ICS Governance in 2017/18 highlighted that CCG staff are likely to be resource constrained as the system becomes more mature, especially in areas such as PMO and Estates where there is more system wide working.</i></p> <p>EB explained there is some pressure on CCG staff in terms of the amount of work and the impact of system wide working; alongside the reduction in running costs which needs consideration SK reflected that staff turnover and sickness is also increasing; the headcount turnover is double the national average. This risk is rated as 8 on the Assurance Framework which Audit Committee members considered not high enough.</p> <p>Action: Have a discussion with the Clinical Chief Officer regarding his views on workforce and retaining staff.</p> <p>SK suggested whether a deep dive into the delivery capacity of the CCG (CCG workforce) could be considered.</p>	<p>AF</p>
<p>5.2</p>	<p><u>Review of Audit Actions</u></p>	

	<p>There are two ongoing actions for 2015/16 and all actions are closed for 2017/18.</p> <p>Primary Care Commissioning – finding no.3 – Inappropriate authorisation of a credit notes – AF raised a concern regarding this finding. DF explained that it is a national system problem that cannot be fixed but suggested a proposal to retrospectively review the credit notes.</p> <p>Action: Change the wording to state occasional retrospective reviews will be undertaken.</p> <p>Action: The risk to be highlighted as an internal audit action. DF to write to SBS concerning this issue stating that it is an audit recommendation and request for some resolution.</p> <p>Decision: It was agreed by members of Audit Committee that the audit actions section of the financial resilience paper can move from amber to green.</p>	<p>AV</p> <p>DF</p> <p>DF</p>
<p>6.</p> <p>6.1</p> <p>6.2</p>	<p><u>Security and Counter Fraud</u></p> <p><u>Review of Counter Fraud Update</u></p> <p>LB explained that the progress report is the same one that came to the last committee meeting as there were queries to be discussed further.</p> <p><u>Action No. 114 – Investigate what is done regarding individuals claiming treatment to which they are not entitled.</u></p> <p>LB explained that everyone is entitled to free primary care; the issue of charging comes up in secondary care.</p> <p>Secondary care – for emergencies individuals would get taken to A&E. If the individual is admitted or referred from primary into secondary care then there is the responsibility to establish if the individual is eligible for free treatment. There is an overseas patient team at Royal Berks and BHFT.</p> <p>Action: LB to investigate the arrangements for FHFT.</p> <p><u>Action No 115 – Primary Care – A GP Practice informed the CFS of an incident involving a practice manager and specifically a conviction of fraud, not NHS related. There was no loss to the NHS or the GP practice in this instance and the matter had been reported to the police, therefore no further action was necessary – feedback requested regarding safeguards in place.</u></p> <p>LB explained that the conviction was imposed during the individual's employment with the GP practice. A query was raised regarding Practice Managers and whether they are DBS checked.</p> <p>Action: AV to check if Practice Managers are DBS checked.</p> <p>Audit Committee members noted the progress report.</p> <p><u>Fraud, Bribery and Corruption Policy</u></p> <p>This has been updated to reflect current guidance.</p> <p>Audit Committee members approved the Fraud, Bribery and Corruption Policy.</p>	<p>LB</p> <p>AV</p>

6.3	<p><u>Security Annual Work Plan</u></p> <p>The report builds upon the work which was provided to the Committee for September. There are four areas of work that have been undertaken this financial year. Appendix 1 demonstrates the progress of each work stream.</p> <p>Action: Investigate lockdown procedures at King Edward VII Hospital.</p> <p>CB requested more evidence regarding health and safety procedures.</p> <p>Action: The Health and Safety Report (Incident Report) that goes to Quality Committee to be presented at the next Audit Committee in February 2019.</p>	<p>AV</p> <p>AV</p>
7.	<p><u>Committee Governance</u></p> <p>7.1 <u>Audit Committee Annual Report</u></p> <p>Audit Committee approved the Annual Report for 2017/18 and recommended that it be presented at the next Governing Body meeting in December 2018.</p> <p>7.2 <u>Audit Committee Self-Assessment</u></p> <p>Audit Committee members agreed the use of the checklist to self-assess the effectiveness of Audit Committee.</p> <p>7.3 <u>Whistleblowing Review</u></p> <p>MC confirmed he had not been formally contacted by any staff member from East Berkshire CCG regarding whistleblowing. MC recommended that some form of specific notification goes to staff so everyone is aware of the procedure to contact him. AV confirmed that at the staff induction meeting in January this will be shared verbally with new staff if the CCO is in agreement and an exit questionnaire is being developed with three specific questions relating to whistleblowing.</p> <p>Action: It was recommended that the whistleblowing policy has further links included to the Bullying and Harassment and Equality and Diversity policies.</p> <p>Question No. 2 on page 3 – there should be four options available only.</p> <p>7.4 <u>EU GDPR Update</u></p> <p>Audit Committee members noted the updates to the GDPR action plan and progress made to date.</p>	<p>AV</p>
8.	<p><u>Financial Focus</u></p> <p>8.1 <u>Aged Debtors over £10k and over 90 days overdue</u></p> <p>Audit Committee noted the position on Aged Debt.</p> <p>8.2 <u>Aged Creditors over £10k and over 90 days overdue</u></p> <p>Audit Committee noted the position on Aged Credt.</p>	
9.	<p><u>Risk and Assurance</u></p>	

<p>9.1</p>	<p><u>Risk and Assurance Framework</u></p> <p>JG explained the wording of the Assurance Framework has changed following the request from Fiona Slevin-Brown at a recent governing body meeting.</p> <p>CB requested clarification of the reason for the re-wording of the framework and it was decided that this will be discussed at the governing body meeting in December.</p> <p>Action: There are concerns that the framework does not cover our risk and assurances particularly as it may be diluting responsibility when moving to an ICS level. Add the assurance framework to the governing body agenda in December for discussion on this topic.</p> <p>Action: JG to meet with Andy Brooks to discuss the change to language used in the framework.</p> <p>RS03: Workforce – SK expressed that there is significant pressure on the CCG team and an increasing pressure with nursing – not a stable workforce position. EB confirmed there are red flags scattered with workforce throughout the CCG.</p> <p>Action: Raise risk RS03 to be reviewed.</p>	<p>JG/AV</p> <p>JG</p> <p>JG</p>
<p>9.2</p>	<p><u>Workforce Report</u></p> <p>David Rowlands attended the meeting as Andrew Mitchell is on annual leave and discussed the report with Audit Committee members.</p> <p>A high turnover of staff was highlighted – 24.7% compared with CCGs’ nationally – 15%.</p> <p>Audit Committee noted the workforce report and noted additional work will be undertaken to identify why turnover and long term sickness has increased.</p>	
<p>10.</p>	<p><u>Single Tender Waivers and Use of Seal</u></p>	
<p>10.1</p>	<p><u>Single Tender Waivers 2018/19 and Log</u></p> <p><u>Braid Consultancy Connected Care Single Tender Waiver</u></p> <p>Significant concerns were raised regarding this single tender waiver regarding the justification that this is the only supplier able to undertake this work. The intention is to build key relationships with academia and commercial partners around innovation, however, there are many organisations who develop and key relationships.</p> <p>Action: With the concerns raised it is suggested that Audit Committee lodge an objection to the single tender waiver as expressed and clarification for the basis of the single tender waiver and how this ‘role’ fits with the Connected Care programme (as below). DF to feedback to Nigel Foster to get a response to the points stated below.</p> <ul style="list-style-type: none"> ➤ Whilst the paperwork mentioned the wearables project and the suppliers’ involvement, it was not clear whether this was a continuation of a previous contract related to the services commissioned in this STW e.g. bid development – confirmation required. ➤ There are many others in this field whom could undertake this role, the NHS Academic Health Science Network and its centres has the responsibility for linking NHS with appropriate universities and commercial partners and funding 	<p>DF</p>

	<p>streams. Therefore it is not clear whether using an external vendor is clearly justified.</p> <ul style="list-style-type: none"> ➤ The role appears to be a generic relationship manager and innovation support role, however, it is not clear with the exception of the PHR wearables work stream that there is clear justification why this is not going out for competitive tender in the free market. The business case approval states there will be clearly defined packages of work, which doesn't seem to fit with the definition of the role. ➤ The role does not appear to be a time-limited project management role, rather more of a permanent member of staff. ➤ It is not clear how any emerging risks to East Berkshire CCG of technological project 'creep' is being mitigated. ➤ It is understood that more administrative support may be required, but not clear that a contractor should shoulder the responsibility for bidding. ➤ The scope as laid out under the 'clear scope' heading in the NHS Business case, shown below– is there agreement for this scope and hence this role within the agreed Connected programme? <ul style="list-style-type: none"> ○ Being able to respond to bids and support where deemed appropriate - by CIO Frimley STP & Connected Care/Programme Lead Transformation (Frimley) or Chief Finance Office for Frimley Health & East Berkshire CCG. ○ Managing the relationship with Edinburgh University to support with the patient facing technology and engaging with professors and graduates to support the successful implementation of a patient portal. ○ Provide support as and when called upon to deliver packages of work for the patient health record work stream within Connected Care. ○ Forging relationships with academics at institutes such as Oxford, Surrey and Exeter to support pieces of work that require academic oversight. <p>10.2 <u>CENIGMA Limited Single Tender Waiver</u></p> <p>The CENIGMA single tender waiver was noted by Audit Committee.</p> <p>10.3 <u>Seal not used since last Audit Committee.</u></p> <p>This was noted by Audit Committee.</p>	
<p>11.</p> <p>11.1</p>	<p><u>Losses and Special Payments</u></p> <p><u>Losses and Special Payments Report</u></p> <p>It was requested that any concerns regarding the Losses and Special Payments report be addressed to DF.</p>	
<p>12.</p> <p>12.1</p>	<p>Any Other Business</p> <p>There were no further items discussed.</p>	

The next meeting will be held on Friday 08 February 2019 from 09:00 – 12:00 in Meeting Room 2, King Edward VII Hospital, Windsor, SL4 3DP.