

Governing Body

25 January 2017

Details	Part 1	X	Part 2		Agenda Item No.	11
Title of Paper:	Audit Committee Report					
Board Member:	Chris Wild, Lay Member for Finance and Audit					
Author:	Danny Lansley, Corporate Governance Manager					
Presenter:	David McCann, Lay Member for Patient and Public Involvement					
Please indicate:	For Decision		For Information		For Discussion	X

Executive Summary

Summary	This paper provides an outline of the matters discussed and assurances sought and decisions ratified at the last Audit Committee meeting. This report aims to provide information and assurance to the Governing Body that a robust, effective governance system is in place and that the Committee is discharging its responsibilities.					
Risk	High		Medium	X	Low	
	Failure by the Board to understand governance risks could result in material failure of the organisation to achieve its strategic objectives alongside failure to discharge statutory responsibilities resulting in sanction or legal challenges.					
Recommendations	The Committee is asked to: <ul style="list-style-type: none"> Note the Forward Plan and provide any comments for consideration as regular items. 					

Strategic themes

To deliver improved outcomes and reduce health inequalities for patients through better preventative strategies	
To deliver service re-design in priority areas through innovation	
To develop primary care to become excellent and high performing commissioners	
To develop the CCG leadership to work with the Local Authority to be excellent integrated commissioners	
To develop robust and effective working relationships with all stakeholders and partners to drive integrated commissioning	
To deliver long term financial sustainability through effective commissioning and innovative investment across the wider system	
To develop and influence the provider landscape through development of a Locality Care Organisation (LCO)	
Equality Analysis Assessed?	Supports NHS Bury CCG Governance arrangements X

Audit Committee Report

1. Introduction and Background

The last meeting of the Audit Committee was held on 2nd December 2016. Representatives from External Audit (KPMG) and Internal Audit (MIAA) were in attendance. The meeting was chaired by David McCann in the absence of Chris Wild.

In addition the Audit Committee members have met separately on 18th January 2017 to review an updated version of the Governing Body Assurance Framework.

2. Further Information

Key points for the Governing Body to note are as follows:

Risk – Committee members considered the Corporate Risk Register and were confident that all risks were being managed. There was a discussion about financial risks to the organisation. Some of these were covered on the Governing Body Assurance Frameworks relating to the locality plan and the delivery of surplus is scored under 15 and so wasn't reported on the Corporate Risk Register presented.

Internal Audit – The Committee discussed the QIPP Audit which had received limited assurance. Assurance was given around the project feasibility process and how this would be changed going forward. Schemes will also be monitored for their transformational value.

The Committee also approved changes to the Audit Plan for 2016/17. An audit on the Improvement and Assessment Framework has been replaced with a look at Conflicts of Interest Management – a statutory audit is a new NHS England requirement. A second audit on recovery of costs for overseas visitors will replace the planned audit on system resilience groups.

External Audit – Our external auditors gave an update on the planning for the audit of the 2016/17 financial statements. Areas of focus will be around primary care finances – following delegated commissioning and the resilience of financial plans.

The Committee noted the decision of the Governing Body to re-appoint KPMG for another one year term. As external auditor to both Bury Council and the CCG, members talked around how best to use their expertise and develop the relationship as closer working develops.

The Committee also received a regular financial update. Although this will have been superseded more up-to date reports.

Governing Body Assurance Framework – The Governing Body Assurance Framework was discussed but an updated version was requested outside of the meeting cycle. An additional meeting was held on 18 January with members of the Audit Committee to review an updated version of the GBAF.

David McCann

Lay Member for Patient and Public Involvement
Deputy Chair – Audit Committee