

Meeting: Governing Body			
Meeting Date	27 September 2017	Action	Receive
Item No.	9	Confidential	No
Title	Audit Committee Chair's Report		
Presented By	Chris Wild, Lay Member Audit and Audit Committee Chair		
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Clinical Lead	-		

Executive Summary
<p>This paper is presented to the Governing Body to provide an update of the Audit Committee meeting held on 1 September 2017.</p> <p>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.</p>
Recommendations
<p>It is recommended that the Governing Body</p> <ul style="list-style-type: none"> • Receive the update provided; and • Receive the reports provided for assurance.

Links to CCG Strategic Objectives	
To empower patients so that they want to, and do, take responsibility for their own healthcare. This includes prevention, self-care and navigation of the system.	<input type="checkbox"/>
To deliver system wide transformation in priority areas through innovation	<input type="checkbox"/>
To develop Primary Care to become excellent and high performing commissioners	<input type="checkbox"/>
To work with the Local Authority to establish a single commissioning organisation	<input type="checkbox"/>
To maintain and further develop robust and effective working relationships with all stakeholders and partners to drive integrated commissioning.	<input type="checkbox"/>
To deliver long term financial sustainability in partnership with all stakeholders through innovative investment which will benefit the whole Bury economy.	<input type="checkbox"/>
To develop the Locality Care Organisation to a level of maturity such that it can consistently deliver high quality services in line with Commissioner's intentions.	<input type="checkbox"/>
Supports NHS Bury CCG Governance arrangements	<input checked="" type="checkbox"/>
Does this report seek to address any of the risks included on the Governing Body Assurance Framework? If yes, state which risk below:	No
GBAF – not applicable	

Implications						
Are there any quality, safeguarding or patient experience implications?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any conflicts of interest arising from the proposal or decision being requested?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any financial Implications?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Has an Equality, Privacy or Quality Impact Assessment been completed?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Is an Equality, Privacy or Quality Impact Assessment required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any associated risks?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Are the risks on the CCG's risk register?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>

Governance and Reporting		
Meeting	Date	Outcome
Audit Committee	01/09/2017	The Committee discussed the items included in the update.

Audit Committee Report

1. Introduction and Background

- 1.1 The Audit Committee Report is presented to the Governing Body to provide assurance on the areas considered by the Audit Committee at its last meeting, held on 2 June 2017.
- 1.2 It is also intended to direct the attention of the Governing Body to specific areas of concern, where these are identified through the Audit Committee's review and scrutiny.

2. Background

- 3.1 The Audit Committee is comprised of the following voting members:
 - Lay Member for Finance and Audit (Chair);
 - Lay Member for Patient and Public Involvement; and
 - Lay Member for Quality and Performance.
- 3.2 In addition, representatives from External Audit (KPMG) and Internal Audit (MIAA), including Counter Fraud and officers of the CCG are invited as attendees to provide relevant updates on the agenda items.
- 3.3 The meeting was quorate.

3. Audit Committee Update

- 3.1 There was a full and detailed discussion on a range of standard agenda items and the following points are brought to the attention of the Governing Body:
 - **Governance**
- 3.2 The Audit Committee received an updated Corporate Register report which includes:
 - Declarations of Interests;
 - Gifts and Hospitality;
 - Losses and Special Payments; and
 - Register of Procurements.
- 3.3 The Audit Committee supported the publication of the registers as required in line with national guidance.
- 3.4 The Audit Committee also received the following three policies for review and recommendation to the Governing Body:
 - Conflicts of Interest Policy;
 - Gifts and Hospitality Policy; and
 - Whistleblowing Policy.
- 3.5 The Audit Committee discussed the changes to these policies in the context of national guidance and supported:

- continued declaration of interests in respect of all employees, contractors and members of the CCG and not limiting this to decision makers; and
- the limit for acceptance and no requirement to declare gifts from sources including patients, families and service users (not suppliers or contractors) at £50 in line with guidance.

3.6 The Audit Committee also received an update report in respect to the CCG's workplan to deliver against the Information Governance Toolkit.

- **Governing Body Assurance Framework**

3.7 The Audit Committee received the Governing Body Assurance Framework (GBAF) and was advised that following the ratification of the Strategic Objectives by the Governing Body in July 2017, and initial piece of work has been undertaken to map the principal risks recorded within the 2016-17 GBAF to the new framework.

3.8 The Audit Committee supported the next steps to enable continued development of the document including deep dive reviews to be undertaken with each risk owner and an updated report to be presented to the Governing Body.

3.9 The Audit Committee acknowledged that GBAF would remain a very dynamic document during 2017-18.

- **Risk**

3.10 The Risk Closure Report was considered by the Audit Committee.

3.11 The report continues to reflect the discussions that have occurred not only through the risk owner, but also at the relevant oversight committee, which was noted as helpful and provides the level of assurance required for the Audit Committee to consider in totality

3.12 The report was commended by Mersey Internal Audit Colleagues.

3.13 The Audit Committee supported the closure of the following risks:

- KPI_SD_C_B14 Cancer 62 day waits – Consultant decision to upgrade their priority status
- KPI_SD_C_B5_QP A&E waiting time(PAHT 4 hour wait)
- KPI_SD_F_01 Delivery of surplus in line with the financial plan
- RR_B_C_52 APMS Contract Retender
- RR_HR_C_51 Resilience Capacity and Staffing
- RR_Q_C_42 Information Governance GP and Social Care Data
- RR_Q_C_54 CQC Inspection
- RR_S_C_30 CAMHS Tier4
- RR_S_C_50 Capita Primary Care Support Services
- RR_SD_C_08 Equality Analysis

- RR_SD_C_09 Failure to meet EDHR Regulatory Duties
 - RR_SD_C_53 Delegated Commissioning – Contractual Knowledge
- 3.14 The Corporate Risk register was also presented and the Audit Committee was advised on the 5 risks that were assessed at a level 15 or above and included on the paper.
- 3.15 Audit Committee members were satisfied on the level of assurance provided within the report and supporting discussion.
- **Internal Audit**
- 3.16 The Audit Committee were advised of the fieldwork that is being undertaken on the following Internal Audits:
- Personal Health Budgets; and
 - Outputs from Action Plans – CQC and other bodies
- 3.17 Two benchmarking reports in respect to Conflicts of Interest and Governing Body Assurance Frameworks were also presented for information.
- **Counter Fraud**
- 3.18 The Audit Committee were advised that the Counter Fraud plan remains on track, the existing investigations are on-going and a new investigation has been commenced.
- **External Audit**
- 3.19 Mr Rashpal Khangura, External Auditor, presented the Annual Audit Letter 2016-17 which formally reflects the outcome as previously noted, of the previous year's audit.
- 3.20 Reflecting that the CCG is now working under a formal Engagement Letter and not the public Sector Audit Standard, the Audit Committee was advised that this report will no longer be produced.
- 3.21 The technical update provided was also considered and the Committee focused on the imminent General Data Protection Regulations (GDPR) and their impact on the CCG.
- 3.22 The Committee was advised that this is being discussed through the CCG's Information Governance Operational Group (IGOG) and also at a Greater Manchester level.

Lisa Featherstone
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September 2017