

<b>Meeting: Governing Body</b>			
<b>Meeting Date</b>	24 January 2018	<b>Action</b>	Receive
<b>Item No.</b>	13a	<b>Confidential</b>	No
<b>Title</b>	Audit Committee Chair's Report		
<b>Presented By</b>	Chris Wild, Lay Member Audit and Audit Committee Chair		
<b>Author</b>	Emma Kennett, Corporate Affairs and Governance Manager		
<b>Clinical Lead</b>	-		

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

<b>Links to CCG Strategic Objectives</b>	
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	01/12/2017	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 1 December 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

- 2.1 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.
- 2.2 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.
- 2.3 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 update on Corporate Registers which included:
  - 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.
  - **Policies**
- 3.4 The Business Continuity Management Plan and associated Policy were reviewed by the Committee in order to ensure that the strategic and operational arrangements were robust in order to support the Business Continuity of NHS Bury CCG.
- 3.5 It was noted that it was a requirement to test business continuity plans at least annually before the end of March 2018. The Committee agreed that it would be useful to receive

any findings/ lessons learnt once the annual test had been undertaken. This should include evidence to demonstrate that the supporting infrastructure was in place and that it was operating effectively.

- **Information Governance**

3.6 Members received an update report in relation to information governance activity following the recent Information Governance Operational Group held on the 29<sup>th</sup> November 2017.

3.7 It was reported that Dr Gordon Mackinnon had attended his last IGOG on the 29<sup>th</sup> November 2017 in his role as Caldicott Guardian and Chair of the group. Dr Kiran Patel was now the new Caldicott Guardian and Chair of the group and attended the IGOG 'shadowing' Dr Mackinnon. Dr Patel had attended a full day course on Caldicott Guardian Training on the 12<sup>th</sup> September 2017.

3.8 In terms of the IG toolkit, this year the audit / assessment would take place in February 2018. 10 requirements would be audited across the 4 areas of the IG Toolkit. The 4 areas were 1) IG Management 2) Confidentiality and Data Protection Assurance 3) information Security Assurance 4) Clinical Information Assurance.

- **Governing Body Assurance Framework**

3.9 Members received a report to advise on the current levels of risk and continued actions to enable the delivery of the organisation's strategic objectives.

3.10 It was noted that a review of all risks had been undertaken and 8 risks had been carried forward from the 2016/2017 GBAF into the report which were presented across 4 of the 7 strategic objectives.

3.11 In terms of the 8 risks included on the GBAF, 7 of these risks present a significant level of risk (15 or above) in terms of delivery of the strategic objectives with 1 presenting a high level of risk (level 8-12) to delivery of the CCG's objectives.

3.12 It was highlighted that a number of new principal risks had been identified and would be developed for future reports. These principal risks included: -

- Development of the new governance arrangements to support the CCG and LA move towards its One Commissioning Organisation function (SO4)
- Delivery of the Transformation Plan and associated best use of the transformation fund to deliver the required outcomes(SO5)
- Urgent Care System and Economy Risk (SO2)

- **Corporate Risk Register**

3.13 The latest Corporate Risk Register was presented to the Committee. It was highlighted that the report represented the risk status as at the end of October 2017 and there were currently five risks on the Corporate Risk Register, of which one was a new risk which

related to a significant unforeseen financial risk in Primary Care Prescribing. It was noted that there was no change in terms of the direction of travel in respect of the Corporate Risks.

- **Risk Closure Report**

3.14 The latest Risk Closure Report was presented to the Committee. There were 6 risks which have been recommended for closure by the risk lead/workstream/responsible committee. These risks were: -

- RR\_B\_C\_60 Primary Care Cultural Shift
- RR\_Q\_F\_06 New Build re: Uplands Health Centre – Structure
- RR\_S\_QS\_4112 Hour A&E Trolley Waits
- RR\_SD\_C\_59 Primary Care Duties
- RR\_SD\_C\_64 Reidentification software - access authentication
- RR\_SD\_C\_65 GP Practice requesting and receiving NHS Number with no legitimate reason.

- **Internal Audit**

3.15 The latest Internal Audit Progress report was presented to the Committee. The report provided an update in respect of the assurances, key issues and progress against the Internal Audit Plan for 2017/18. It was reported that since the previous meeting of the Audit Committee, the Personal Health Budgets Report had been issued and this area had received Limited Assurance. A detailed discussion took place in an attempt to understand the factors contributing to this rating which mainly related to lack of documentation to support processes. A number of actions had been identified in order to improve upon this position.

- **Counter Fraud**

3.16 A pre meeting between Lay Members and the Counter Fraud Specialist took place in advance of the Audit Committee meeting to update on the latest fraud investigations.

- **External Audit**

3.17 An update on progress made against the External Plan for 2017/18 was provided. The significant risks associated with the audit were set out. It was noted that given national issues with service auditor reports covering co-commissioning expenditure in 2016/17, and indications these would continue partially into 2017/18, assurance over the completeness, existence and accuracy of this material area of expenditure presents a risk of material misstatement in 2017/18.

**Chris Wild**  
**Lay Member Audit and Audit Committee Chair**

**January 2018**