

Meeting: Governing Body			
Meeting Date	26 September 2018	Action	Receive
Item No.	13a	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 the 7th September 2018.</p> <p>This paper provides an outline of the matters discussed, 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 approval or assurance, as indicated.

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	07/09/2018	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 7th September 2018.
- 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 Apologies were received from the Lay Member for Quality and Performance, however 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 Three policies were submitted to the Audit Committee for their review and subsequent recommendation to the Governing Body:
 - Conflicts of Interest
 - Gifts and Hospitality
 - Whistleblowing

- 3.5 The Audit Committee was advised that the changes incorporated into the policies reflected:
- General administration changes on how to access the policies from the CCG's Headquarters;
 - Updates required following the introduction of GDPR; and
 - Incorporation of feedback from the Internal Audits completed in March 2018, specifically in respect to Gifts and Hospitality.

3.6 The Audit Committee supported the recommendation of the Policies to the Governing Body for approval.

- **Information Governance**

3.7 Members invited GMSS IG Lead to provide an update on the implementation of GDPR across the CCG.

3.8 In summary, the Committee was advised that whilst GDPR became effective from May 2018, there is no specific date for completion of all required actions; however the CCG would be required to demonstrate that reasonable steps are being undertaken to achieve compliance.

3.9 Advised that an implementation plan is in place, which reflects the commissioning requirements as set out on the Information Commissioners Office (ICO) website, the Committee was assured that the CCG's compliance with the IG Toolkit at level 2 and the agreed work programme provide a robust foundation from which the CCG will build.

- **Governing Body Assurance Framework**

3.10 The Audit Committee was advised that a request had been made for the format of the report to be re-considered, particularly in respect to reflecting on whether risks should be reported by changes in their level of assurance or level of risk and that a benchmarking exercise against other GBAF reports and review of publications in respect to Board Assurance Frameworks was being undertaken.

3.11 The GBAF narrative was shared with Audit Committee members at the meeting and the Committee was advised that all GBAF risks had been reviewed with the respective risk owners and the overall position reflect 9 risks assessed as a significant level of risk, 5 risks identified as a high level of risk and the following two risks reducing in risk level:

- GB1819_PR_3.1 CCG and Local Authority – Culture Priorities and Drivers had reduced from a level 20 to level 15 risk; and
- GB1819_PR_4.5 OCO Pooling Opportunities during 2018/19 had reduced from a level 16 to level 12 risk.

3.12 It was agreed the updated GBAF would be progressed under chair's action for recommendation to the Governing Body.

- **Corporate Risk Register**

3.13 The latest Corporate Risk Register was presented to the Committee.

3.14 The Committee was advised that there are now 4 risks now included on the Corporate Risk Register, representing 20% of the operational risks captured on the CCG's risk register. Of these risks, 2 are new risks assessed as level 20 risks, 1 risk had increased from a level 20 to level 25 and one risk had been escalated to the CRR following a routine review which saw the associated risk level increase to a level 16.

3.15 The Committee reported high levels of confidence in the arrangements for reviewing risks through the respective Committees, particularly the deep dive process, with escalation onto the CRR for review by the Audit Committee as required.

3.16 Additional clarity was requested on the Finance Risks, specifically the risk relating to medium term investments and transformation due to this increasing to a level 25 risk. Following detailed discussion with the Chief Finance Officer, the Committee noted the continued significant concerns that had resulted in the increase but also recognised that actions are underway that will help to manage and reduce the level of risk.

3.17 The overall profile of the Corporate Risk Register was noted and the report was recommended for discussion at the Governing Body meeting.

- **Risk Closure Report**

3.18 The latest Risk Closure Report was presented to the Committee.

3.19 The Committee supported the closure of the 2017/18 financial risk.

- **Internal Audit**

3.20 The latest Internal Audit Progress Report was presented to the Committee.

3.21 It was reported that since the previous meeting of the Audit Committee, a review in respect to Care Home Quality Assurance had been completed and reported as providing Substantial Assurance with 3 medium and 1 low level recommendations identified.

3.22 Members received details of events, briefing notes and benchmarking exercises which may be of interest to the Audit Committee and were invited to attend the Audit Committee Members Event on 2nd November 2018.

3.23 The Committee also supported a change to the CCG's Annual Internal Audit Plan following the national directive for an Internal Audit of Delegated Commissioning to be undertaken in year.

- **Counter Fraud**

- 3.24 An updated against the Anti-Fraud Annual Plan was presented to the Committee, which was noted as being on-track.
- 3.25 An update on the latest Anti-Fraud issues for the CCG's consideration was also provided.

- **External Audit**

- 3.26 Members were advised that External Audit activity to date has been minimal; however planning is now underway to support the end of year review process.
- 3.27 The Audit Committee's attention was also directed to the information provided in respect to the Annual Assessment and BCF guidance.

- **Chief Finance Officer Update**

- 3.32 The Chief Finance Officer provided an update on the Month 4 financial position and advised the Audit Committee of the work being progressed at Executive level with the LCA in respect to Programme 6, which is integral to the transformation agenda.

Chris Wild
Lay Member Audit and Audit Committee Chair

September 2018