

<b>Meeting: Governing Body (Meeting in Public)</b>			
<b>Meeting Date</b>	22 January 2020	<b>Action</b>	Receive
<b>Item No.</b>	10a	<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, Head of Corporate Affairs and Governance		
<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 the 6 December 2019.</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>
<b>Recommendations</b>
<p>It is recommended that the Governing Body:</p> <ul style="list-style-type: none"> <li>Receive the update provided</li> </ul>

<b>Links to CCG Strategic Objectives</b>	
<p><b>SO1 People and Place</b> To enable the people of Bury to live in a place where they can co-create their own good health and well-being and to provide good quality care when it is needed to help people return to the best possible quality of life</p>	<input checked="" type="checkbox"/>
<p><b>SO2 Inclusive Growth</b> To increase the productivity of Bury's economy by enabling all Bury people to contribute to and benefit from growth by accessing good jobs with good career prospects and through commissioning for social value</p>	<input checked="" type="checkbox"/>
<p><b>SO3 Budget</b> To deliver a balanced budget for 2019/20</p>	<input checked="" type="checkbox"/>
<p><b>SO4 Staff Wellbeing</b> To increase the involvement and wellbeing of all staff in scope of the OCO.</p>	<input checked="" type="checkbox"/>
<p>Does this report seek to address any of the risks included on the Governing Body Assurance Framework? If yes, state which risk below:</p>	

<b>Implications</b>						
Are there any quality, safeguarding or patient experience implications?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>

<b>Implications</b>						
Has any engagement (clinical, stakeholder or public/patient) been undertaken in relation to this report?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Have any departments/organisations who will be affected been consulted?	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 including Conflicts of Interest?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" 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"/>

<b>Governance and Reporting</b>		
<b>Meeting</b>	<b>Date</b>	<b>Outcome</b>
Audit Committee	6 December 2019	Reflection of discussion at meeting

## **Audit Committee Chair's Report**

### **1. Introduction and Background**

- 1.1 The Audit Committee Chair's Report is presented to the Governing Body to provide assurance on the areas considered by the Audit Committee at its last meeting, held on the 6 December 2019.
- 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 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:

### **4.0 Governing Body Assurance Framework 2019/20**

- 4.1 The latest Governing Body Assurance Framework report was presented to the Audit Committee.
- 4.2 It was noted that since the last presentation of the GBAF to the Audit Committee in September 2019 a review of all 10 risks had been undertaken and the current risk profile of these was summarised as:
- 7 remain at a significant level of current risk (level 15 or above) to delivery of the CCG's Strategic Objectives;
  - 3 remain at a high level of current risk (level 8-12) to delivery of the CCG's Strategic Objectives.
- 4.3 The Committee was informed that 3 risks had now been assigned to the Strategic Commissioning Board and were discussed at the Strategic Commissioning Board meeting on the 2<sup>nd</sup> December 2019. There was also work ongoing in relation to risk as part of the System Board developments which involved managing in a slightly different way given the different partners.

4.4 The Board Assurance Framework was included on today's Governing Body agenda for discussion.

## **5.0 Corporate Risk Register**

5.1 The latest Corporate Risk Register was submitted to the Audit Committee.

5.2 It was highlighted that there were currently 5 risks included on the Corporate Risk Register (operational risks) at level 15 or above, excluding those reported through the Governing Body Assurance Framework (strategic risks) as follows: -

- Growth in elective waits;
- Autistic Spectrum Conditions Assessment – Work force capacity to maintain waiting times;
- PCFT - Mixed Sex Accommodation (SSA breaches);
- Embedding Lessons Learnt in Practice from SI Investigations (New); and
- Datix: Resource requirements to maximise optimization (New).

5.3 The Corporate Risk Register was included on today's Governing Body agenda for discussion.

## **6.0 Risk Closure Report**

6.1 The latest Risk Closure report was presented to the Audit Committee.

6.2 The report presented the rationale for closure of the risks and ordinarily would include extracts from minutes of the corresponding meeting recommending the risk closure to provide an additional level of assurance to the Committee, however the risk recommended for closure was not assigned to a Committee and therefore the feedback is from the risk owner as the programme lead for the work area.

6.3 There was one risk included within the report (OR\_HR\_01 BI Service Provision), which was first identified in June 2018 as one of the CCG's Human Resources/ staffing risks. This risk materialised because of recent changes to staffing levels and associated knowledge loss in the BI department. The issues identified were:

- 4 out of 5 staff had left or were due to leave the organisation;
- Posts are specialised; and
- Difficulty in recruiting.

6.4 It was noted that this risk had remained a level 9 risk since June 2018, however following reassessment in September 2019, this risk has reduced to its target level of 6 as the vacant posts for the BI Service have now been successfully recruited to and therefore there is no current threat to service delivery. Two staff members from BI had recently been successful in achieving awards at the recent CCG BAFTA ceremony which was testament to the significant work now being undertaken within this area.

6.5 The Committee approved the closure of this risk.

## **7. CORPORATE REGISTERS**

7.1 The latest report in relation to Corporate Registers.

7.2 This paper presented an update on each of the Corporate Registers, including: -

- Conflicts of Interests (Membership, Governing Body, Sub-Committee and Employees)
- Hospitality, Sponsorship and Gifts
- Losses, Write-Offs and Special Payments
- Procurement Register
- Waivers of Tenders and Standing Orders

7.3 It was reported that the deadline for completion of the annual Conflicts of Interest training was the 31st January 2020.

7.4 The waivers considered by the Finance, Contracting & Procurement Committee on the 19<sup>th</sup> September and 21<sup>st</sup> November 2019 were referenced within the report and were circulated on email to members following the meeting to provide assurance that appropriate processes were being followed in respect of procurement and awarding of contracts.

## **8 Information Governance Update**

8.1 An update was provided to the Audit Committee following the Information Governance Operational Group (IGOG) meeting held on the 13<sup>th</sup> November 2019.

8.2 It was noted that a number of key areas were reviewed by IGOG which included agenda items in relation to: -

- Terms of Reference
- IG Incident Reporting
- Training
- Data Protection and Security Toolkit
- Internal Audit of Data Security and Protection Toolkit
- IG Support to General Practice and the LCO
- Privacy Impact Assessments
- IG issues

## **9 Pooled Budget**

9.1 An update on the current work underway in relation to Pooled Budgets between the CCG and Council.

9.2 It was noted that the Section 75 documentation would be reviewed by KPMG in the first instance prior to being shared with Audit Committee members.

9.3 A general discussion took place regarding how the pooled arrangements would work and what this would mean for invoicing and contingent liabilities.

## **10. Internal Audit Progress**

- 10.1 The latest Internal Audit Progress report was presented to the Committee. It was reported that since the last meeting of the Audit Committee, final reviews had been issued in respect of GMSS Effective Monitoring Arrangements (substantial assurance) and Primary Care Contract Oversight & Management Functions (substantial assurance).
- 10.2 Members discussed in detail the Primary Care Contract Oversight & Management Functions review and the reference made within the report about the CCG not having their own targeted programme for list maintenance and sought clarification about what this statement meant and what exact risks were posed as a result of this. It highlighted that it was not clear exactly what was being tested as a result of this element of the review in light of NHS England responsibilities in this area. It was reported that the practice lists were important to the CCG from a budget perspective however the responsibility for this area sat with NHS England. An action was identified to speak to the CCG's Primary Care Team to gain assurance from NHS England about the exact list maintenance arrangements in place across Bury practices. A further discussion would take place at the Primary Care Commissioning Committee
- 10.3 Internal Audit explained what was being covered as part of the Primary Care Contract Audit in relation to patients moving out of area and remaining on GP practice lists. It was highlighted that the term "list maintenance" could span much wider therefore the use of terminology needed to be more accurate.
- 10.4 Members discussed a request for a piece of work to be undertaken in relation to the Complex Case Panel. Mr Wild enquired whether Personal Health Budgets would form part of any review in this area. It was agreed that scoping work should be undertaken in relation to the Complex Case Panel work in terms of how this will fit with the existing embedding of clinical / professional decision making in commissioning items included on the audit plan. The risk register should also be reviewed to assess whether Complex Care is recorded.

## **11 Internal Audit Plan**

- 11.1 A report was submitted in relation to the potential Internal Audit Plan coverage for 2020/21. It was reported that the full plan would be submitted to the Audit Committee meeting in March 2020.
- 11.2 There was an action for a meeting with Lay Members to be arranged to discuss the plan in greater detail. This was arranged for the 26<sup>th</sup> February 2020.

## **12 External Audit Procurement**

- 12.1 Members received copies of a report that confirmed the appointment of KPMG as auditors following the decision made by the CCG's Governing Body in September 2019 as a result of the virtual Audit Committee decision reached on the 11<sup>th</sup> November 2019.

12.2 It was noted the virtual decision reached by the Audit Committee on the 11<sup>th</sup> November 2019 that recommended bidder KPMG for the provision of external audit services was subsequently approved by the Governing Body on the 27<sup>th</sup> November 2019.

### **13. External Audit Update**

13.1 It was reported that work would be commencing in relation to the audit and details of these proposals would be shared with members on email during January 2020

### **14 Mental Health Standard**

14.1 A verbal update was provided on the work undertaken in relation to the Mental Health Standard. A general discussion took place regarding the audit opinion.

### **15 Chief Finance Officer Update**

15.1 Finance Committee Minutes

15.2 Members received minutes of the Finance, Contracting and Procurement Committee meeting held on the 20 September 2019.

**Chris Wild**  
**Lay Member – Finance and Audit**  
**January 2020**