

**MINUTES OF A MEETING OF THE
AUDIT COMMITTEE
Thursday 9 February 2017 at 10.00 am
Heritage Room, Moor Lane Mills, Lancaster**

PRESENT:

Clive Unitt Lay Member, Lancashire North CCG (Chair)
Dr Mike Flanagan Secondary Care Doctor for the Governing Body, Lancashire North CCG
Sue McGraw Lay Member, Lancashire North CCG

In attendance:

Sharon Brock Local Anti-Fraud Specialist, MIAA
Barbara Carter Corporate Affairs Manager, Lancashire North CCG (Minutes)
Tim Cutler Partner, KPMG
Christopher Paisley Manager, KPMG
Kevin Parkinson Chief Finance Officer/Director of Governance, Lancashire North CCG
Liz Squires Senior Audit Manager, MIAA

Action

01/17 WELCOME AND INTRODUCTIONS

Clive Unitt (CU) welcomed members of the Audit Committee to the meeting.

02/17 APOLOGIES FOR ABSENCE

Apologies for absence were received from Louise Cobain, Mersey Internal Audit Agency (MIAA).

03/17 DECLARATIONS OF INTEREST

Declarations of interest were requested that would be relevant to the items to be discussed on the agenda. No declarations of interest were made. Recorded declarations of interest are reviewed and updated on a six monthly basis and can be viewed on Lancashire North CCG's (LNCCG) website.

04/17 MINUTES OF THE LAST MEETING HELD ON 10 NOVEMBER 2016

The minutes of the last meeting of the Audit Committee held on 10 November 2016 were agreed as a correct record.

05/17 **MATTERS ARISING INCLUDING REVIEW OF ACTION SHEET**

Action Sheet

The action sheet was reviewed and updated as follows:-

Item 48/16 - Counter Fraud - Anti-Fraud Progress Report. Complete.

06/17 **GOVERNANCE**

Contents List for Committee Annual Reports

Kevin Parkinson (KP) presented the paper. It was agreed to include under section 1.2. the Primary Care Co-Commissioning Joint Committee. There have been no other changes since the last report. Members were asked to approve the Contents List for Committee Annual Reports.

RESOLVED:

Members of the Audit Committee approved the Contents List for Committee Annual Reports.

Assurance Framework and Risk Register Update

KP presented the documents and explained that they are a much used set of documents. As the Audit Committee meets on a quarterly basis there are timing issues due to the fact that these documents are live and in constant use with new risks being added all the time. An effective system of risk management is in place for both strategic and operational risks which is maintained and reviewed regularly.

KP outlined the role of the Quality Improvement Committee (QIC) with regards to how higher risks are managed. It was noted that at a recent QIC meeting a Senior Manager was invited to attend the meeting to discuss a higher risk around the wider issues relating to CAMHS services. QIC members reported that it was very useful having the Senior Manager attend the meeting. A workshop is being held in June to refresh and align the Assurance Framework and Risk Register.

KP assured the Audit Committee that the approach and how business is undertaken by LNCCG will not change following the Boundary Change as all existing policies and procedures will continue.

RESOLVED:

The Audit Committee noted and agreed the following:-

- **Noted changes to risks as described, noted actions to mitigate and noted assurance provided that the CCG is**

noting and managing risk.

- **Agreed to receive updates in line with the Quality Improvement Committee reporting calendar.**

Losses and Compensations

Nothing to report.

Waivers of Constitution

KP reminded the Audit Committee that Waiver 009 was raised at the last meeting. Following changes to the local external audit arrangements in the Local Accountability Act 2014, NHS Trusts and CCGs need to procure and locally appoint their own auditors for 2017/18 and subsequent years. A single quote waiver has been produced in relation to the appointment of KPMG as the CCG's external Auditors for a further two years. The appointment was agreed by the Governing Body on the 18 October 2016 on the advice received from the CCG's Auditor Panel. The single quote waiver is now being processed by SBS.

Finance and Performance Group Minutes 25 October 2016

Minutes of the Finance and Performance Group were received for information.

Quality Improvement Committee Minutes 4 October 2016

Minutes of the Quality Improvement Committee were received for information.

The QIC agenda is split into two sections with the first section covering important items and the second section covering items for information.

CU raised a query on section 87/16 within the QIC minutes relating to the Safeguarding Report where it stated four recommendations were complete but only three were on the Audit report. Liz Squires (LS) agreed to check the report and report back to the Audit Committee.

LS

**** Post Meeting Note ****

LS confirmed that MIAA records have been checked and there are four Serious Untoward Incidents (SUI)/Safeguarding recommendations that have been implemented.

Internal Audit Progress Report

LS presented the Internal Audit Progress Report to the Audit Committee which provides an update in respect of the assurances, key issues and progress against the Internal Audit Plan for 2016/17. LS highlighted the following key areas:-

Conflicts of Interest - MIAA have assisted the CCG with revisions to the Conflicts of Interest Policy. The Governing Body approved the policy on the 20 December 2016.

Assurance Framework Benchmarking - LS confirmed that this work is done centrally by a specialist team. LS explained the purpose of MIAA's Insights was to enable individual organisations to understand how key elements of their Assurance Frameworks compare with other CCGs.

Information Governance Toolkit - Phase 1 involved review of the Midlands and Lancashire Commissioning Support Unit (MLCSU) methodology and action plan for delivery of the Information Governance (IG) Toolkit submission in March 2017. A formal report will be issued to the Audit Committee.

Consolidated Follow Up - LS outlined the table within the report which summarises the recommendations made and what action have been taken.

Work in Progress and Planned - LS listed various pieces of work that will be reported to the Audit Committee once completed.

External Quality Assessment Report

LS presented the Executive Summary for the External Quality Assessment of MIAA. MIAA is governed by the Public Sector Internal Audit Standards (PSIAS) which require periodic self-assessments and an assessment by an external person every five years.

MIAA Insight - LS agreed to circulate the MIAA Insight February 2017 edition to Audit Committee members following the meeting.

LS

**** Post Meeting Note ****

MIAA Insight February 2017 edition has been circulated to Audit Committee members.

08/17 **EXTERNAL AUDIT**

External Audit Plan

Chris Paisley (CP) presented the annual External Audit Plan for the year ended 31 March 2017 which outlines the risk assessment and audit approach for the CCG.

CU asked which body would be charged with approving the CCG's accounts. KP confirmed that currently the Membership Council have the authority to approve the annual accounts and annual report. From 1 April 2017 this will be assigned to the Governing Body subject to the Membership Council accepting the amendment at its meeting on 1 March 2017. This would ensure that a signed off version of the annual accounts and annual report would be available for the Auditors.

The Audit Committee noted the update.

External Audit Technical Update

CP presented the External Audit Technical Update and asked if there were any comments.

The Audit Committee noted the update.

09/17 **COUNTER FRAUD**

Anti-Fraud Progress Report

Sharon Brock (SB) presented the third Anti-Fraud Progress Report which highlights activities and outcomes for the Audit Committees attention.

The following two items were drawn to the Audit Committees attention:-

Submission of the NHS Protect Standards Self Review Tool (SRT) - previous deadlines for submission had been around 31 May. NHS Protect have now revised the next submission date to the 1 April 2017. SB confirmed that the submissions will be completed by the due date.

Scam e-mails - the Anti-Fraud Services were contacted by a Practice Manager from one of the medical centres regarding a scam e-mail. All necessary action has been taken and the fraud has been logged with Action Fraud.

Information Alerts - four alerts have been issued to the CCG and circulated to all staff relating to scam e-mails and bogus callers.

Conflicts of Interest - a Conflicts of Interest awareness session was

held for LNCCG staff on 18 January 2017.

Anti-Fraud Newsletter

Received for information.

10/17 **MATTERS TO BE DRAWN TO THE ATTENTION OF THE GOVERNING BODY**

There were no additional items to be drawn to the attention of the Governing Body.

11/17 **ANY OTHER BUSINESS**

It was agreed that an additional Audit Committee meeting would be arranged for the end of March 2017.

BC

KP reminded the Audit Committee that the meeting scheduled to be held on 23 May 2017 will be a single agenda item to sign off the accounts.

12/17 **DATE AND TIME OF NEXT MEETING**

Thursday 30 March 2017 at 10.00 am, Heritage Room, Moor Lane Mills, Lancaster.