

**MINUTES OF A MEETING OF THE  
AUDIT COMMITTEE  
Thursday 10 November 2016 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:**

Jessica Boothroyd	Manager, Public Sector Audit, KPMG
Sharon Brock	Local Anti-Fraud Specialist, MIAA
Barbara Carter	Corporate Affairs Manager, Lancashire North CCG (Minutes)
Joanne Naylor	Quality and Performance Support Officer, Midlands and Lancashire CSU
Kevin Parkinson	Chief Finance Officer/Director of Governance, Lancashire North CCG
Liz Squires	Senior Audit Manager, MIAA
Margaret Williams	Chief Nurse, Lancashire North CCG

**Action**

**38/16 WELCOME AND INTRODUCTIONS**

Clive Unitt (CU) welcomed members of the Audit Committee to the meeting. Margaret Williams (MW), Chief Nurse and Joanne Naylor (JN), Quality and Performance Support Officer, Midlands and Lancashire CSU were also welcomed to the meeting.

**39/16 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Louise Cobain, MIAA and Tim Cutler, Partner, KPMG

**40/16 DECLARATIONS OF INTEREST**

There were no declarations of interest relating to items on the agenda. Recorded declarations of interest are reviewed and updated quarterly and can be viewed on Lancashire North CCG's (LNCCG) website.

## 41/16 **SAFEGUARDING/SERIOUS UNTOWARD INCIDENTS AUDIT REPORT**

MW gave a verbal update on the Safeguarding/Serious Untoward Incidents (SUIs) Audit Report which was part of the 2015/16 Internal Audit Plan to review the arrangements for SUIs and Safeguarding. MW confirmed that the majority of the recommendations were around structures, capacity and Disclosure and Barring Services (DBS). It was noted that at every point LNCCG Safeguarding Services have been safe.

The Quality Improvement Committee also receives progress updates on a regular basis. MW highlighted the following recommendations and confirmed what action had been taken:-

Serious Untoward Incidents - this recommendation has been actioned by the Executive Team, Quality Improvement Committee and Governing Body.

Safeguarding - there is currently no Named GP for Safeguarding. This is being picked up through Boundary Change. MW explained that nationally this is a problem.

Disclosure and Barring Services (DBS) - this recommendation has been resolved. The Safeguarding Team have actioned this recommendation and taken it further than was required.

Mandatory Training - complete.

Policies and Procedures - Serious Untoward Incidents - these have now gone through the Quality Improvement Committee and ratified by the Governing Body.

CCG Staff Safeguarding Knowledge - still being worked on. A number of these policies are Lancashire-wide. Policies are in place but a refresh is being undertaken.

Policies and Procedures - Safeguarding - this recommendation is linked to CCG Staff Safeguarding Knowledge above.

As this report was limited, MIAA have agreed to do a re-test. Kevin Parkinson (KP) requested that it be completed within this financial year.

## 42/16 **ASSURANCE FRAMEWORK AND RISK REGISTER UPDATE**

MW updated the Audit Committee of changes to the Assurance Framework (AF) and Risk Register (RR) which provides assurance around Risk Management. The report provided an update on changes since the Audit Committee received its last update on 11 August 2016 with information dated 20 July 2016.

Assurance Framework - since 20 July 2016 there have been five new risks added to the register, one reduced risk, two increased risks and no closed risks. There are eight red risks out of fourteen risks on the AF register. The changes/updates to adequacy of controls table confirmed that the CCG are confident with the controls in place.

MW gave some background information to the red areas within the gaps in control and assurance and stated that there are a lot of risks outside of the CCG's control but these risks are being maintained.

Risk Register - since 20 July 2016 there have been eleven new risks added, one reduced risk, no increased risks and three closed risks.

The gaps in control and assurance register provided assurance that they are being maintained by the CCG.

Discussions were held on the type of report the Audit Committee requires. KP explained that different committees require reports for various reasons. It was agreed that the Audit Committee continues to receive this version of the report as it provides assurance to the Audit Committee.

**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.**

MW and JN left the meeting at this point.

43/16 **MINUTES OF THE LAST MEETING HELD ON 11 AUGUST 2016**

The minutes of the last meeting of the Audit Committee held on 11 August 2016 were agreed as a correct record subject to the following amendment:-

Page 4, item 33/16, External Audit Report - the final sentence to read - It is proposed to diarise regular catch up meetings.

**MATTERS ARISING INCLUDING REVIEW OF ACTION SHEET**

44/16 Action Sheet

The action sheet was reviewed and updated.

## 45/16 **GOVERNANCE**

### Losses and Compensations

Kevin Parkinson (KP) confirmed that the CCG holds a Losses and Special Payments Register. At present there are no entries in the register.

### Waivers of Constitution

KP explained the historical background to Waiver 008 which is an extension to an existing contract for transfer of patient's information eg tests, developed with a bespoke company. A single quote waiver was required due to the specialist nature of the software.

KP informed the Audit Committee that following changes to the local external audit arrangements in the Local Accountability Act 2014, NHS Trust and CCG's need to procure and locally appoint their own auditors for 2017/18 and subsequent years. A new single quote waiver is being 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. This will be reported formally at the next Audit Committee.

### Finance and Performance Group Minutes 28 June 2016, 26 July 2016, 30 August 2016 and 27 September 2016

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

### Quality Improvement Committee Minutes 7 June 2016 and 2 August 2016

Minutes of the Quality Improvement Committee were received for information.

## 46/16 **INTERNAL AUDIT**

### Internal Audit Progress Report

Liz Squires (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:-

Website - a periodic quality review of the CCG's website is required to ensure that publications are updated. This will be actioned via the Boundary Change Group work plan.

Conflicts of Interest - MIAA are assisting the CCG with revisions to the Conflicts of Interest Policy. The deadline for this document to

be received by the CCG is 25 November 2016. The Governing Body will receive the draft policy on the 20 December 2016 for ratification.

Scoping Meeting - a meeting is scheduled to be held next week around Vanguards and Partnership Working.

Better Care Together (BCT) - no issues anticipated.

Consolidated Follow Up - LS explained the reasons why the table does not add up. One of the SUIs and Safeguarding recommendations has been removed and therefore there will be 21 and not 22 recommendations carried forward to the next report.

Fees - it was requested that the additional work be kept in line with the agreed fee for 2016/17. Audit Committee approval was sought for the following two reviews to be resourced from the days previously allocated for Committee Effectiveness, NHS England Self Certification and Financial Control Evaluation Self-Assessment. The Audit Committee approved this request.

Appendix B - confirmation was received that the plan would be delivered by March 2017.

#### 47/16 **EXTERNAL AUDIT**

##### External Audit Technical Update Report

Jessica Boothroyd (JB) provided an outline of the key items within the External Audit Technical Update which provides a summary of issues which impact on the health sector as follows:-

Operational and Planning Guidance for 2017/18 and 2018/19 - this guidance has been released early and covers two years rather than one and will better enable NHS bodies and local partners to plan effectively for 2017/18 and beyond.

Department of Health Group Accounting Manual 2016 to 2017 - the manual now includes mandatory accounting guidance. Published changes in year are limited for CCGs.

NHS Action to Strengthen Trusts and CCGs Financial and Operational Performance for 2016/17 - JB raised this for awareness purposes and stated that the NHS has announced that it is taking action to dramatically cut the annual Trust deficit.

Extra £25m for NHS Organisations in England to improve Mental Health Services for Children and Young People - LNCCG will need to make the required submissions by March 2017 to secure this additional funding.

CU asked if there was any further guidance on STPs. JB confirmed

that there was no further insight to offer at this stage.

48/16 **COUNTER FRAUD**

Anti-Fraud Progress Report

Sharon Brock (SB) presented the second Anti-Fraud Progress Report which highlights activities and outcomes for the Audit Committee's attention. Two prevent and deter items were drawn to the Audit Committees attention.

Information Alerts - two alerts have been issued to the CCG and circulated to all staff relating to event management companies offering free places and the second alert related to scam e-mails.

Sharon Brock agreed to provide a briefing paper following the cyber-crime event that is being held next week.

**SB**

Anti-Fraud Newsletter

Received for information.

Recent Cases Publication

Received for information.

49/16 **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.

50/16 **ANY OTHER BUSINESS**

Karen Wheatcroft (KW) will be commencing maternity leave. Louise Cobain will be the Director Lead in the absence of KW.

JB announced that this was her last meeting as she is leaving KPMG to work in the NHS. Chris Paisley will be attending future meetings.

51/16 **DATE AND TIME OF NEXT MEETING**

Thursday 9 February 2016 at 10.00 am, Heritage Room, Moor Lane Mills, Lancaster.