# Audit Committee Minutes

## TITLE OF REPORT:
Audit Committee Minutes

## AUTHOR:
Joe Leigh, Audit Committee Chair

## PRESENTED BY:
Joe Leigh, Audit Committee Chair

## PURPOSE OF PAPER:
To provide the Board with an update on the discussions at the Audit Committee meeting held on 29th April 2015.

## RECOMMENDATION TO THE BOARD:
The Board is asked to note the minutes.

## COMMITTEES/GROUPS PREVIOUSLY CONSULTED:
Audit Committee members.

## VIEW OF THE PATIENTS, CARERS OR THE PUBLIC, AND THE EXTENT OF THEIR INVOLVEMENT:
Patient views are not specifically sought as part of this report.

## EQUALITY IMPACT ASSESSMENT (EIA) COMPLETED & OUTCOME OF ASSESSMENT:
EIA and an assessment is not considered necessary for the report.
### MINUTES

**Audit Committee**

**Date:** 29 April 2015

**Time:** 2.00pm-3.30pm

**Venue:** Friends Meeting House, Main Meeting Room,

**Present:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joe Leigh (JL)</td>
<td>Vice Chair &amp; Lay Member Governance (Chair)</td>
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<tr>
<td>Alan Stephenson (AS)</td>
<td>Lay Member</td>
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<tr>
<td>Dr Charles Hendy (CH)</td>
<td>GP Board Member</td>
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<td>Dr Tarek Bakht (TB)</td>
<td>GP Board Member</td>
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</tbody>
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**In attendance:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>Annette Walker (AW)</td>
<td>Chief Finance Officer</td>
</tr>
<tr>
<td>Amanda Williams (AAW)</td>
<td>Head of Financial Accounting &amp; Reporting</td>
</tr>
<tr>
<td>Lisa Warner (LW)</td>
<td>Senior Internal Audit Manager, MIAA</td>
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<tr>
<td>Cath Robson (CR)</td>
<td>Local Counter Fraud Specialist</td>
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<tr>
<td>Tim Crowley (TC)</td>
<td>Director MIAA</td>
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<tr>
<td>Debra Chamberlain (DC)</td>
<td>External Audit Manager, KPMG</td>
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**Minutes by:**

| Linda Hughes (LH) | Personal Assistant |

<table>
<thead>
<tr>
<th>Minute No.</th>
<th>Topic</th>
<th>Action By</th>
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<tbody>
<tr>
<td>1.</td>
<td><strong>Apologies for Absence and Declarations of Interest</strong></td>
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<tr>
<td></td>
<td>There were no apologies for absence.</td>
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<td>2.</td>
<td><strong>Previous Minutes</strong></td>
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<td></td>
<td>The minutes of the last meeting held on 11 February 2015 were accepted as a true and accurate record.</td>
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<td>3.</td>
<td><strong>Matters arising from the minutes not otherwise on the agenda and review of action log</strong></td>
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<tr>
<td></td>
<td>5/11/14</td>
<td>AW</td>
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<td></td>
<td>Action 4.1 - AW reported that the original action could now be closed as the developments regarding GM Devolution will include discussions regarding a GM hosted arrangement. AW was attending a meeting that week where the risks to this would be discussed further. AW would be discussing any options with the Executive and would report to the Board at a future date.</td>
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<tr>
<td></td>
<td>5/11/14</td>
<td></td>
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<tr>
<td></td>
<td>Action 13</td>
<td></td>
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<tr>
<td></td>
<td>AW updated that the original action could now be closed as the</td>
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CCG’s approach to QIPP going forward was changing. An update had been given to the CCG Board on QIPP developments for 2015/16 at the April meeting and AW would be leading on QIPP.

4. **MIAA (Internal Audit)**

4.1 Internal Audit Progress Report.

LW provided an update in respect of assurances, key issues and progress against the Internal Audit Plan for 2014/15 including summaries of final internal audit reports issued since the previous Audit Committee meeting.

Outstanding audit recommendations

- Procurement Strategy - AW updated the committee regarding the procurement strategy, which is in draft and advised the Executive team would be visiting Oldham CCG to observe their processes.
- Driving Licence and Vehicle Insurance checks – AAW updated that it is in the draft policy to be agreed with a revised completion date.

**AAW to send out communication informing managers to check driving licences and insurance documents for all April travel claims and this will be done annually.**

The Audit Committee noted the report.

4.2 Director of Audit Opinion and Annual Report 2014/15

TC presented the report which provided an opinion based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation’s risk management, control and governance processes. It was noted that this would be achieved through a risk-based plan of work, agreed with management and approved by the Audit Committee which should provide a reasonable level of assurance subject to inherent limitations.

TC stated the purpose of the Director of Internal Audit Opinion was to contribute to the assurances available to the Accountable Officer and the Governing Body which would underpin the Governing Body’s own assessment of the effectiveness of the organisation’s system of internal control. The Opinion would assist the Governing Body in the completion of its Annual Governance Statement.

TC reported that the overall opinion from MIAA was that significant assurance can be given as there is a generally sound system of internal control designed to meet the organisation’s objectives, and that controls are generally being applied consistently.

The Audit Committee noted the report.

4.3 Internal Audit Plan – 2015/16

LW presented how MIAA would deliver internal audit services in 2015/16. The plan was based on MIAA’s local risk assessment and showed how their work aligns with Bolton CCG’s strategic risk assessment. The report included MIAA’s 3 year audit strategy and a detailed operational plan for 2015/16.
LW stated section 1 confirms that the risk based Internal Audit Plan had been developed in compliance with national standards and guidance. The report provided detail about the MIAA planning methodology and how the work carried out in the year informs the Director of Audit Opinion which in turn contributes to the Annual Governance Statement.

The local risk assessment in section 2 sets out the process MIAA have followed to arrive at the areas for review. The plan takes into account the CCG’s own risk and assurance framework, discussions with a wide range of officers and MIAA’s broader knowledge of the NHS.

2015/16 key areas of coverage are:
- Key Financial Systems including QIPP
- Continuing Healthcare follow up
- Assurance Framework
- Risk Maturity
- Serious Untoward Incidents
- Safeguarding
- Information Governance Toolkit
- Co-commissioning

LW stated the proposed fees for the 2015/16 plan are £31,680 no increase on the previous year.

LW also highlighted the risk areas to be kept under review:-
- CSU transition & implications
- Stakeholder engagement & partnership working
- Manchester devolved funding system
- Better Care Fund

The Audit Committee approved the internal audit plan for 2015/16

4.4 Anti-Fraud Annual Report 2014-15
CR presented the report which outlined the anti-fraud activities undertaken during 2014/15.

CR informed the anti-fraud performances in this year had provided a robust platform for the future. CR acknowledged the continued strong executive support from the Chief Financial Officer and Audit Committee in anti-fraud activity which supports effective fraud, bribery and corruption work and protects valuable NHS resources.

CR reported the 20015/16 plan would focus on compliance with the Bribery Act.

Staff surveys had been issued to all staff and the results would be reported at a future meeting along with the results of the National Fraud Initiative (NFI) data matches.

The Audit Committee noted the report.
4.5 Anti-Fraud Work Plan 2015-16
CR presented the report which outlined the anti-fraud work plan for 2015/16 which had been developed in compliance with known guidance and best practice.

The local risk assessment considers national and local fraud risk areas. The outcomes prioritised for 2015/16 comprised of:-
- Strategic Governance
- Inform & Involve
- Prevent and Deter
- Hold to Account

CR reported the proposed fees for the 2015/16 plan are £8k. Any referrals would go via the CFO. CCG’s required to complete a self-assessment toolkit in accordance with NHS Protect Standards.

TC informed there would be a “Conflicts of Interest” session being delivered at the Board Development session on the 12th June which would identify issues and any further work required in respect of emerging GP Federations.

**AW to liaise with Stephen Liversedge to discuss the best way forward for engaging with GP members regarding conflicts of interest in relation to emerging GP Federations considerations.**

The Audit Committee noted the report.

5. **Draft Annual Report, Annual Governance Statement and Pre Audited Annual Accounts for Review.**
The Committee received the draft versions of the annual report, annual governance statement and pre audited annual accounts.

These were submitted for comment prior to submission to the Board for final approval at the 22 May 2015 meeting. The Committee would also have an opportunity to review the final drafts at the Committee meeting prior to the Board meeting on 22 May 2015.

Discussion took place around the BFT contract over performance at the year end and this continues to be validated. Management would discuss with KPMG during the audit process.

The Audit Committee discussed the report. The final audited Annual Report, Governance Statement and Accounts would be presented at the next meeting on the 22 May for recommendation to the Board. JL requested to meet for 10 minutes with auditors and board members prior to the next meeting without senior CCG officers present.

**The Audit Committee discussed and commented on the documents. A pre meeting with the Audit Chair and auditors to be arranged prior to the meeting on 22 May.**
6. **External Audit Fee Letter 2015/16**

DC detailed the proposed audit work and fees for the 2015/16 financial year. The proposed indicative audit fee for 2015/16 is £56,250 which is a reduction of 25% to the fees applicable for 2014/15.

DC informed as the audit for 2014/15 was not yet completed the fees will be reviewed and updated as necessary and the CCG kept informed.

**The Audit Committee approved the proposed fees.**

7. **Board Assurance Framework (BAF) and Significant and High Risk Register – Quarter 4**

DS reported the draft quarter 4 BAF/Risk Register had been approved by the Executive Committee on 8 April 2015 following consultation with the Quality and Safety Committee and senior risk owners. The BAF and Risk Register had also been approved by the Governance and Risk Committee at its meeting on 10 April 2015.

The Committee reviewed the significant and high level risks for Quarter 4 in accordance with the CCG’s risk management strategy. It was noted that the high level risks will be reported to the Board on 22 May 2015.

DS reported 4 strategic high level risks and 5 significant risks remain at year end 2014/15. Members noted FR1 and FR2 risks at quarter 4 had been reduced to 12, significant, as financial balance for 2014/15 had been achieved. However, in Q1 from April 2015 both risks were back to high (FR1 – 16) and (FR6 – 15)

AS suggested Joint Commissioning and Co Commissioning risk are included in the MIAA Board Development session planned for 12 June. TC agreed conflict of interests and risks would be covered in this session.

**The Audit Committee noted the report and agreed that the format of the BAF to be discussed further for Q1.**

8. **Inspection of Corporate Registers**

Members reviewed the additions to the Corporate Registers since the last submission on 11th February 2015. The report included the following:-

- Register of Interest (additions highlighted in red).
- Register of Gifts and Hospitality.
- Waiver of Standing Financial Instructions Register.

The report had been discussed by the Executive at their meeting on 29th April 2015 and part of the report was used as the quarterly review (April) by the Executive on the Declarations of Interest received (as per Internal Audit recommendations). It was noted that the Declarations of Interest Register now includes interests declared by the GP membership.
Members had been reminded of the need to ensure all declarations of interest were up to date and declared as and when they arose.

**The Committee reviewed and approved the Corporate Registers report.**

9. **Minutes of Other Meetings:**
   The Committee noted the key items in the minutes from the following meetings:-
   
   9.1 Governance and Risk 23 Jan 2015  
   9.2 Draft Governance and Risk 10 Apr 2015

10. **Any Other Business**
    There was no further business discussed.

11. **Date of Next Meeting**
    Friday 22 May, 11am -12 noon Garden Room, Friends Meeting House

    **Future Meetings:-**
    Wednesday 30 September, 2.00pm-3.30pm Bevan Room

    **2016**
    Wednesday 27 January, 2.00pm-3.30pm Bevan Room