

GOVERNING BODY MEETING – TUESDAY 20 SEPTEMBER 2016

MINUTES TO BE RECEIVED

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| Title of Meeting | AUDIT COMMITTEE MEETING |
| Date of Meeting | 12 July 2016 |
| Status (ratified/draft) | Draft |
| CCG Representatives | See minutes |

Summary of key issues discussed:

- Update on the requirements for CCGs to appoint their own local auditors by 31 December 2016.
- Review of the following revised CCG Policies:
 - Whistleblowing Policy
 - Anti-Fraud Policy
 - Conflicts of Interest Policy
 - Commercial Sponsorship Policy
- An update on the CCG's committee efficiency and effectiveness review
- An update on implementation of the internal audit plan

Matters requiring action by Governing Body

| Details: | By whom: | Timescale: |
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| None | | |

Recommendation

The Governing Body is asked to review and note the contents of the minutes.

**Paul Olive
Lay Member (Governance)
Audit Committee Chair**

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD ON TUESDAY 12 JULY 2016 AT 10.30pm
IN THE CCG BOARDROOM, NHS OFFICES, DERBY ROAD, WESHAM**

Present:

Mr Paul Olive, Lay Member – Governance (Audit Committee Chair)
Mr Kevin Toole, Lay Member – Patient and Public Engagement

In attendance:

Mr Andrew Harrison, Chief Finance Officer
Mr David Walsh, Finance Manager
Ms Elizabeth Bateman, Finance Officer
Mrs Elizabeth Squires, Senior Manager, MIAA

| No. | |
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| 1) | Apologies for absence: Dr Ian Stewart, Secondary Care Doctor |
| 2) | Declarations of Interest There were no declarations of interest relating to items on the agenda. |
| 3) | Any other matters of urgent business The Chair advised that he had received a communication from NHS England regarding the requirement for CCGs to appoint their own local auditors by 31/12/16. NHS England had written to CFOs to request an update on how the CCG was progressing with this process and asked to be sighted on any areas where there was a risk of this deadline not being achieved. A Harrison advised that he would be responding to NHS England confirming that FWCCG was on track to make an appointment by 31/12/16. Liz Bateman confirmed that a paper would be presented at the next meeting of the Audit Committee on 4 October 2016 with a recommendation to the Governing Body on 22 November 2016 on the appointment. |
| 4) | Minutes of the last meeting held on 24 May 2016 The minutes of the meeting held on 24 May 2016 were accepted as a correct record. |
| 5) | Matters Arising Members reviewed the content of the action sheet. |
| 6) | <p>Review of action sheet</p> <p><u>Item 1 – Transaction relating to Vanguard</u> A Harrison advised that the Strategic Partnership Board had agreed the budget allocation for Vanguard and there were named budget leads to sign off spend below £100k; any spend above £100k had to be signed off by the Board.</p> <p><u>Item 13 – Clinical Information to Audit Committee</u> Members discussed the process for the provision of clinical information to the Audit Committee. This included regular feedback from the Chief Nursing Officer, updates from KPMG and MIAA and regular receipt of the Risk Register. It was agreed that a standing item be included on future agendas including reference to the top 5 clinical risks on the risk register and that the matter be kept under review as to whether this was providing sufficient assurance to the committee.</p> <p style="text-align: right;"><i>Action: P Bowling to amend the agenda</i></p> |

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| 7) | <p>Audit Committee workplan 2016/17</p> <p>It was agreed that the governance workplan be included on the next Audit Committee meeting agenda.</p> <p style="text-align: right;"><i>Action: P Bowling</i></p> <p>A Harrison advised that the Annual Audit Letter 2015/16 had been issued by KPMG. He intended to review the content of the letter, circulate to members for comment and then arrange for the document to be uploaded to the website before the end of July 2016. The final version would be presented to the Audit Committee at the next meeting.</p> <p style="text-align: right;"><i>Action: A Harrison/P Bowling</i></p> |
| 8) | <p>Revised CCG Policies for Review</p> <p>D Walsh introduced the item and advised that this review of policies took into account new and strengthened guidance recently issued by NHS England:</p> <ul style="list-style-type: none"> ○ Managing Conflicts of Interest: Revised statutory guidance for CCGs (issued by NHS England 28 June 2016). ○ Freedom to speak up in Primary Care (guidance issued by NHS England). <p>This guidance also recommended the appointment of two new key roles: Conflicts of Interest Guardian and Freedom to Speak Up Guardian. It was confirmed that a communications plan would be developed to ensure that the revised policies were communicated and embedded within the organisation. Members welcomed the introduction of the Policy Working Group which had reviewed the draft policies.</p> <p>8.1) Whistleblowing Policy</p> <p>Members reviewed the content of the policy and recommended the following amendments:</p> <ol style="list-style-type: none"> 1) Review and strengthen wording in section 2.1 which states that the policy applies to members of the public, patient and other stakeholders..... 2) As policy relates to Primary Care, suggest giving consideration to seeking views of Member Practices on the policy document either via the Practice Managers Forum or the Council of Members 3) Amend/strengthen the flowchart 4) Prepare scenarios and run these through the flowchart to test it. 5) Policy review date to correspond line with dates of Audit Committee meetings. <p>In response to the recommendation in the NHSE guidance to consider the appointment of a 'Freedom to Speak Up Guardian' the Committee recommended that the Lay Member (PPE) undertake this role but suggested that further guidance be sought from NHSE as to the appropriateness of this.</p> <p>It was confirmed that the amended policy took into account comments from the Anti-Fraud Specialist and satisfied all the requirements of the new guidance.</p> <p>Members requested that the Policy be amended in line with the discussion, circulated to members of the Committee with tracked changes, and recommended for approval by the Governing Body as its next meeting in September 2016.</p> <p>8.2) Anti-Fraud Policy</p> <p>It was confirmed that the updated policy reflected the comments of the Anti-Fraud Specialist and was recommended for approval by the Governing Body at its next meeting in September.</p> <p>8.3) Conflicts of Interest Policy</p> <p>Members reviewed the content of the policy and noted that whilst the document had been updated in terms of the new guidance it remained work in progress as a number of the areas of change were subject to further clarity, in particular the requirement for Member Practices to declare interests and how these would be managed. Other comments made</p> |

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| | <p>by the committee included:</p> <ul style="list-style-type: none"> • Whilst the new guidance recommended six monthly monitoring of registers of interests, it was suggested that the CCG continue to monitor on a quarterly basis; • Where a sub-committee is established, the parent committee should be aware of any conflicts of interest of any individuals on the sub-committee. • Where conflicts of interest have been established at the preparation of the agenda stage, care should be taken when distributing papers. • Raising items under Any Other Business should be avoided and if unavoidable, care should be taken about seeking declarations of interest/decision making on those items. <p>Members considered the requirement to appoint a Conflicts of Interest Guardian, and in accordance with the recommendation in the new Statutory Guidance, the Audit Committee recommended that the Audit Committee Chair be appointed to the role.</p> <p>It was agreed that further work continue to revisions to the document in order that it be re-presented for approval at the next meeting. <i>Action: D Walsh/P Bowling</i></p> <p>8.4) Draft Commercial Sponsorship The Audit Committee reviewed and supported the content of the policy subject to amendments regarding clarity of reporting lines/escalation process. <i>P Bowling to feedback comments to J Lonsdale.</i></p> |
| 9) | <p>CCG Committee Efficiency and Effectiveness Review and Constitutional Implications D Walsh updated the Committee on progress to date. The recommendations of the review had been discussed at each Committee of the Governing Body and a summary of feedback was presented. The Audit Committee was invited to review the work undertaken by each of the Committees and make appropriate recommendations for consideration by the Governing Body.</p> <p>The Committee requested that A Harrison and D Walsh review the feedback/outcomes from each committee and sense check as a whole. <i>Action A Harrison/D Walsh</i></p> <p>In addition it was confirmed that committee effectiveness reviews had been undertaken by the Audit Committee, Clinical Commissioning Committee, Quality Improvement Committee and Finance and Performance Committee. The Council of Members had a session planned for that evening. The Remuneration Committee's review of effectiveness session had had to be postponed and was being re-arranged. The Primary Care Commissioning Committee had agreed to utilise its MIAA reviews as its review in 2015/16. The Governing Body were planning an Away Day.</p> <p>A suggestion was made that the outcomes of the review be linked to the work done by the Governing Body earlier in the year as part of the NEOS work.</p> <p>Members received the report, noted the contents and requested that the matter be drawn to a conclusion, supported by appropriate training for Committee Chairs and Secretaries, at the Governing Body Away Day or next Governing Body meeting.</p> |
| 10) | <p>Internal Audit Progress Report Liz Squires presented a verbal update on implementation of the internal audit plan. Current activity included scoping the specialist commissioning review and the CSU contract management review. MIAA were facilitating a committee effectiveness review with the Council of Members that evening.</p> <p>Discussion took place regarding work ongoing to gather information to support the internal</p> |

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| | <p>audit reviews on New Models of Care and Vanguard.</p> <p>Liz offered the support of MIAA in terms of benchmarking and invited suggestions of any areas where this would be useful.</p> |
| 11) | <p>Matters to be referred to other Committees</p> <p>The updated policies on Whistleblowing and Anti-Fraud, Bribery and Corruption be presented at the next Governing Body meeting for approval.</p> |
| 12) | <p>External Audit – Health Technical Update</p> <p>Members reviewed and noted the contents of the update. It was agreed that a copy be sent to members of the Governing Body bringing to their attention the items on Digital Health, New Models of Care (New York model), partnerships and GP referrals.</p> <p style="text-align: right;"><i>Action: P Bowling</i></p> |
| 13) | <p>Annual Report of the Medicines Group</p> <p>Members received and noted the contents of the Annual Report of the Medicines Group for the year ended 31 March 2016. The Chair suggested including a paragraph on looking forward. It was noted that there was no lay or patient representative on the membership of the group. It was suggested that the Medicines Group be asked to consider this or to seek input from the people’s panel on key decisions where appropriate.</p> <p style="text-align: right;"><i>Action: P Bowling to feedback comments to J Lonsdale</i></p> |
| 14) | <p>Any Other Items of urgent Business</p> <p>There were no other items of business raised.</p> |
| 15) | <p>Date and Time of Next meeting:-</p> <ul style="list-style-type: none"> • Tuesday 4 October at 9.30am in the Boardroom at Wesham |