

MINUTES of the Audit Committees

(as approved on 01 October 2015)

This is a meeting of the Audit Committees of five CCGs. Items apply to all five CCGs, unless indicated otherwise

Thursday 2 July 2015, 12.10

Rooms 5.4, 15 Marylebone Road, London NW1

Members in attendance

All five CCGs

Philip Young (PY) Lay member for audit & governance CWHHE, Chair

Central London CCG

Michael Morton (MM) Lay Member

West London CCG

Alan Hakim (AH) Secondary Care Consultant, CWHH

Hammersmith and Fulham CCG

Rohan Hewavisenti (RH), via 'phone Lay member

Hounslow CCG

Trevor Woolley (TW), via 'phone Lay member

Ealing CCG

Raj Chandok (RC) GP member, Ealing CCG

John Riordan (JR) Secondary Care Consultant, Ealing CCG

Non Members in attendance

Philip Johnstone Director, KPMG External Audit, CWHH CCGs

Charlotte Goldrich Audit Manager, External Audit, CWHH CCGs

Nick Atkinson Head of Internal Audit, Baker Tilly

Gemma Higginson Assistant Manager, Counter-Fraud, Baker Tilly

Charlie Nicholl Consultant, Counter-Fraud, Baker Tilly

Matthew Bazeley MD, CL CCG

David Tomlinson (DT) Interim Chief Finance Officer, CWHHE CCGs

Ben Westmancott (BW) Director of Compliance, CWHHE CCGs

Hakan Akozecz (HA) Director of IT (item 8 only)

David Thomas (DaTh) Head of IT Operations (item 8 only)

Simon Carney (SC) Interim Governance Officer, CWHHE (Secretary)

Minutes

Business Items		Action
1. Welcome/apologies		
1.1.	Apologies were received from Clare Parker, Kathryn Magson, Tim Spicer, Mohini Parmar, Ruth O'Hare and Fiona Butler. Victoria Stark, lay member for WL CCG, would replace Simon Tucker on the Committee.	
2. Declaration of interests		
2.1.	No other interests were identified beyond those declared previously.	
3. Minutes of meeting – 26 May 2015		
3.1.	The minutes were approved as a true and accurate record of the meeting.	
4. Matters arising and action log		
4.1	[no.3] CSS Transition financial position: the report had been discussed at the Collaboration Board and those comments were being taken on Board before being tabled at Governing Bodies. Kathryn Magson was working on the final content with Bernard Quinn.	DT
4.2	[no.10] Contracts Register: Andrew Burgess was developing a comprehensive register. Once complete, that would be presented at the Finance & Performance Committees. David Tomlinson agreed to clarify Tom Challenor's view that such a register had already been developed for BHH.	
5. Internal Audit Progress reports / update on 15/16 IA strategy and plan		
5.1	Nick Atkinson introduced the item, reporting that 18 out of the 19 outstanding 2014/15 recommendations were being implemented, with the remaining one being of a low priority. NA also reported that Baker Tilly were adopting the global branding of RSM Tenon from October 2015 but this represented a change in name only – there had been no change of ownership nor to the personnel involved with the CCGs.	NA BW
5.2	The Ealing CCG Financial Feeder systems audit had gone well and resulted in no significant findings. NA reported that there were, however, some concerns within the sector regarding the interface with NHSE and how it potentially cuts across organisations' ownership and control of their ledgers.	
5.3	The Conflicts of Interest report contained somewhat trickier issues, compounded by the steady advance towards full delegation of primary care commissioning. Baker Tilly's wider work within the sector was seeing increasing numbers of complaints from providers about perceived conflicts of interest.	
5.4	The Chair expressed his disappointment that he was not consulted on the scope and content of the report, given his roles on and experience with the Audit and Investment Committees. His strong view that a 'Part II' report was required to look at the more complex issues that were arising from GP Federations. NA reported that the review of primary care co-commissioning, planned for September 2015, was the ideal candidate. The Committee agreed that Lay Members would be consulted from the scoping stage onwards. The Committee also agreed that the Conflicts of Interest review before them should be circulated to all Governing Body members.	
5.5	NA offered to hold workshop discussions on conflicts of interest issues with	

	<p>Governing Bodies. The Committee was supportive of this and that recent examples of good practice be incorporated into the proceedings, eg Ealing CCG's approach to its cardiology procurement, Central London's approach to the arising conflicts mid-way through its ophthalmology procurement and so on.</p>	
5.6	<p>The Committee also discussed the need for the Investment Committee's role to be re-focussed and agreed with the auditor's recommendation that it is engaged with the management of conflicts from the outset of procurements. Similarly, the (Audit) Committee agreed that getting the Investment Committee's role in correct relation to the joint-Primary Care Co-commissioning Board was essential.</p>	
5.7	<p>NA took the Committee through the BAF mapping, explaining that it highlighted area where assurance mechanisms are not as clear as they could be. The Committee noted, with thanks, that it represented the start of the process to define the mechanisms rather than an end point.</p>	
5.8	<p>NA set out the updates to the IA plan and strategy, including the planned work on the Better Care Fund, Contracts Register and joint-Primary Care Co-commissioning Board Reviews.</p>	
5.9	<p>The Chair asked the Committee to note that Baker Tilly were to be commissioned to review CL CCG's interaction with the GP Federation and that any lessons learned would be shared with the other CCGs.</p>	
<p>6. Local Counter-Fraud Strategies – progress report / 2014/15 annual report</p>		
6.1	<p>Gemma Higginson introduced the item and, in discussion, assured the Committee that the mechanisms that were in place in key areas that address the risks of fraud by misrepresentation.</p>	
6.2	<p>The Committee expressed its continuing concerns regarding the lack of visibility of fraud cases throughout the NHS and its uneasiness, despite the inclusion of Counter-Fraud work in NHSE's internal audit contract, about the lack of a considered and structured approach. The fact that there were no reported frauds, or fraud-related whistle-blowing, in the system was felt to be an unrealistic picture. The Chair agreed that he would raise the matter again at the National Audit Chairs' meeting.</p>	<p>Chair</p>
6.3	<p>The Committee asked the Counter-Fraud team whether it was geared for CF issues arising from the move to fully-delegated Primary Care Commissioning. GH reported that preparations were already in hand and the main focus was ensuring that Federations' are committed to implementing robust CF frameworks and systems.</p>	
<p>7. Single Tender Waiver Process</p>		
7.1	<p>David Tomlinson updated the Committee on progress with producing the revised process and reported that the proposal would be tabled for the next meeting. All other issues were discussed under Item 10.</p>	<p>DT</p>

8. Cyber Security assurance (in attendance, Hakan Akozec and David Thomas)		
8.1	Hakan Akozec introduced the item and presented the report and its key findings. Hakan confirmed that all recommendations were to be implemented by the end of July.	
8.2	In discussion, HA explained the reasons behind there being a lengthier process for completing recommendation 011-2, namely the large volume, the requirement to do each individually and manually, coupled with the need to do each out-of-hours so as not to disrupt day-to-day business. HA also confirmed that there was no evidence to suggest that NHS systems were particularly targeted by attackers but, despite this, felt there was no room for complacency. The Committees agreed.	
8.3	The Committees agreed that the next two reports testing internal and external penetration testing to be tabled at the Committee.	BW / HA
9. Briefing on National Fraud Initiative Matches		
9.1	Gemma Higginson introduced the paper and gave the Committees an overview of the matches arising out of the latest biennial exercise and explaining that a match can be perfectly legitimate and care was required to explore each one.	
9.2	A number of matches were recorded as 'outstanding' and the Committees agreed that a six week wait for responses from Payroll was unacceptable. David Tomlinson agreed to chase.	DT
9.3	The Committees were keen to explore what other data approaches were available as potential tools in this area. Nick Atkinson agreed to look at the relative priority of that work on the back of the final outcome of the NFI.	NA
10. Single Tender Waivers		
10.1	The Committee noted the paper. The Committee was concerned that the WL CCG application appeared to have been approved post-contract. The Committee felt strongly that this behaviour should be penalised, perhaps as a disciplinary matter in the new procedures (see item 7 above). David Tomlinson agreed to investigate the matter and report back to the Committee.	DT
10.2	The Committee discussed the STW that supporting the development of the GP Federation in West London. The Committee agreed that a view of Federation development work across the CCGs should be brought together in a single paper, highlighting both bought-in initiatives and those that drew on existing resources and expertise within CCGs. Without this, the Committee felt unable to judge the added value of such procured services.	DT
10.3	[Post-meeting note: the Committee asked whether the West London CCG procurement had been put before the Investment Committee – it had, on 23 April 2015.]	
11. Annual Audit Letters		
11.1	The Committees noted that the letters had been issued on time and in line with the scale fees. It was noted that David Tomlinson and Helen Troalen were taking forward the medium term recommendations.	DT / HT

12. Any Other Business	
12.1	There was no other business.
Dates of next meetings:	
Date and time of future meeting: Thursday 01 October 2015, 10.00-11.30.	