

MINUTES of the Audit Committees

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

Thursday 01 October 2015, 12.05
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 (up to and including item 8)
	West London CCG
Alan Hakim (AH)	Secondary Care Consultant, CWHH
	Ealing CCG
Raj Chandok (RC)	GP member, Ealing CCG
Non Members in attendance	
Nick Atkinson	Head of Internal Audit, Baker Tilly
Charlie Nicholl	Consultant, Counter-Fraud, Baker Tilly
Mohini Parmar	Chair, Ealing CCG (up to and including Item 8)
Ruth O'Hare	Chair, CL CCG
Neville Purssell	Vice Chair, CL CCG
Clare Parker	Chief Officer, CWHHE
Keith Edmunds (KE)	Chief Finance Officer, CWHHE CCGs
Ben Westmancott (BW)	Director of Compliance, CWHHE CCGs
Helen Troalen	Deputy CFO, CWHHE (Item 5 only)
Aidan Fallon (AF)	Interim Head of Strategic Governance, CWHHE (Item 8 only)
Simon Carney (SC)	Head of Corporate Governance, CWHHE (Secretary)

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Minutes

Business Items		Action
1. Welcome/apologies		
1.1	Apologies were received from Rohan Hewavisenti, Trevor Woolley, John Riordan, Victoria Stark, Tim Spicer, and Fiona Butler.	
1.2	The Chair repeated his observation that, once again, Lay Member attendance was poor and not good enough. It was vital that the review of Lay Member roles and coverage across the CCGs was undertaken with due haste.	
1.3	It was noted that Hounslow and Hammersmith and Fulham CCGs were inquorate for the meeting and decisions would need ratification in correspondence, thereafter highlighted in the minutes.	
2. Declaration of interests		
2.1.	No other interests were identified beyond those declared previously.	
3. Minutes of meeting – 02 July 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.1] CSS Transition financial position: the Committees noted the revised approach being taken by the CWHHE SMT, as agreed at the September H&F CCG Governing Body meeting.	
4.2	[no.3] Contracts Register: the Chair reported that he had reviewed the Contracts Register provided for Ealing CCG and found that it lacking, notably of the smaller contracts. The Committees felt that the lack of visibility of the totality of contracts represented a significant risk. They agreed that (a) each CCG’s contract register should be provided to the relevant Managing Director for their review (of content and coverage) and (b) a position paper should be tabled that sets out how contracts across the five CCGs are managed, with a view to thereafter auditing current processes and practice. It should also elucidate how Governing Bodies are / will be assured on quality and cost issues, mechanisms for flagging when procurements are due for review (eg fifteen months before a contract is due to end) and the hierarchy of reporting on them.	(a) <u>Andrew Burgess</u> (b) <u>CP / Andrew Burgess / SMT</u>
4.3	[5.8 of the minutes] Primary Care Co-Commissioning and Counter-Fraud: Nick Atkinson reported that he had requested formal feedback from NHS England on what it was doing on counter-fraud to assure the Primary Care Co-Commissioners, asking for a comparison between the frauds reported during the final two years of Primary Care Trusts against the months since. NA agreed to share the response and data once these had been received.	NA
4.4	[no.6] Counter-fraud reporting: the Chair reported that he had raised this at the Primary Care Co-Commissioning Joint Committees and asked that a paper be tabled for the Joint Committees’ consideration.	
4.5	[no.7] Single Tender Waivers: the Committees noted that the paper had been deferred to January to allow the new Chief Financial Officer the opportunity to review matters. Nick Atkinson reported that the Internal Audit report on engaging consultants would be distributed in the very near future. The main findings were	

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4.6	<p>that the audit trail supporting performance management of consultants was lacking, the processes relating to how engagements are agreed and documents were patchy, with many entered into retrospectively (ie after work had commenced). However, the audit had not found any evidence to support any improper charges, billing practices and so on.</p> <p>[no.11] NFI matches: Charlie Nicholls reported that all of the data have been received and none of it was found to be a cause for concern. New matching criteria were awaited from the Home Office.</p>	
5. Controlled environment for Finance Assessment (In attendance: Helen Troalen)		
5.1	Helen Troalen introduced the paper and gave the Committees an overview of how the self-assessment was undertaken. HT reported that, following the Chief Officer's approval, the draft assessments were reviewed by Internal Audit and sent to the External Auditors and NHS England for feedback.	HT/NA
5.2	The Audit Committees' approval of the self-assessment ratings for each CCG was an NHS England requirement.	
5.3	Overall, feedback received had been that the CWHHE CCGs had been more self-critical than others. However, the Chief Officer and the Finance Team preferred to err on that side of caution than not and felt that the assessments were fair and robust.	
5.4	<p>Specific issues raised by NHSE were:</p> <ul style="list-style-type: none"> • against the rating on no.3 - the Imperial contract, whilst agreed, had not at that time been signed formally. Clare Parker felt assured, however, that the framework was sound and that, in view of the imminence of the signing, the 'good' rating was robust; and • the 'moderate' rating applied to the Finance Teams was thought to be too harsh by NHSE. However, taking account of the operation for seven months under an Interim CFO and that in-housing had only happen a year ago, this rating was felt to be about right for that point in time. 	
5.5	The Committees discussed the assessments in detail, in particular the utility of the exercise for those managing the financial environment. HT felt that shining a light on all of the issues was valuable. The Committees agreed that consideration should be given to building in the actions arising out of the assessments into the Internal Audit recommendation tracker system, to aid focus on implementation.	
5.6	Subject to the caveat that the record recognises that the veracity and quality of provider data remained untested during the exercise, the Committees agreed the self-assessments.	
Ratified by H&F CCG and Hounslow CCGs in correspondence		
6. Audit Committee Annual Work Plan		
6.1	Keith Edmunds introduced the item, stating that such a work plan had been useful in other organisations. He thanked Nick Atkinson for generously providing such a useful template for CWHHE to plagiarise.	

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6.2	<p>The Committees agreed the work plan, with thanks.</p> <p>Ratified by H&F CCG and Hounslow CCGs in correspondence</p>	
7. Revised Conflicts of Interest Policy (In attendance: Aidan Fallon)		
7.1	Aidan Fallon introduced the item, explaining that the revised draft had been produced following a review of how policy and practice had changed over the two years since it was first written.	BW
7.2	<p>The Committees discussed in detail the revised policy. Subject to the actions and amendments agreed, as set out at Annex A, the Committees welcomed the draft and agreed that the revised version should be circulated for final agreement with the Committees in correspondence.</p> <p>Ratified by H&F CCG and Hounslow CCGs in correspondence</p>	
8. Internal Audit Progress Report		
8.1	Nick Atkinson introduced the report to the Committees and presented its main findings.	
8.2	The Committees expressed their concern regarding Information Governance Toolkit , whereby the self-assessments could not, necessarily, be supported by clear and consistent evidence. NA explained that Internal Audit would be reviewing CCGs' submissions prior to them being sent to NHS England so to help ensure that documentation is collated consistently. An action plan was to be agreed by the IG Working Group with progress to be reported via the Chief Officer to Governing Bodies.	
8.3	The Committees noted the report, with thanks.	
9. Local Counter Fraud Specialist Progress Report		
9.1	Charlie Nicholls introduced the item and reported that, over all, the CWHHE CCGs had achieved a 'Green' rating.	
9.2	The Committees discussed how exposed GP practices were to the emerging telephony fraud identified in the report. They were assured by the considered view that the risk was low; the current and planned fraud awareness activity at a practice level being a key mitigation.	
9.3	The Committee noted the report, with thanks.	
10. Controls of CCG Consultancy Expenditure – Operational arrangements for London		
10.1	Keith Edmunds introduced the paper.	BW
10.2	The Committees noted the revised process and thresholds for NHS England's scrutiny and approval. The Committees were keen to understand where post-project reviews fitted in to the CCGs' processes and whether there was an obligation for such reviews to be published.	
11. Single Tender Waivers		
11.1	The Committees noted that retrospective approvals appeared to remain an issue. Clare Parker assured the Committee that, in the most part, formal agreement had	

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	been given via other routes and that the delay rested on processing the paperwork (that was before the Committees). The Committee agreed that, in such cases, the approval emails should be added to the papers tabled at the Audit Committees,	CP
12. Annual Audit Letter – final, as sent, Ealing CCG:		
12.1	The Committees noted the letter, with thanks.	
13. Issues to raise to Governing Bodies		
13.1	The Committees agreed that the issues regarding IG Assurance and difficulties in achieving quoracy should be flagged.	
14. Any other business		
14.1	There was no other business	
Dates of next meetings:		
Date and time of future meeting: Thursday 14 January 2016, 10.00-11.30.		

ATTACHED: Annex A – Agreed revisions to Conflicts of Interest Policy