

Audit and Governance Committee

**Minutes of the Audit and Governance Committee Meeting
Held on 1 August 2018
Boardroom Capability House, Wrest Park, Silsoe, Bedfordshire MK45 4HR**

Members Present:

Saqhib Ali	Lay Member – Audit and Governance (Chair)	SA
Alison Borrett	Lay Member – Patient and Public Engagement (Dialled in)	AB

Others in attendance

Malcolm Miller	Acting Chief Finance Officer	MM
Janet Young	Governance & Risk Manager	JY
Sharon Birdie	Senior Audit Manager -TIAA	SB
Kevin Limm	Director TIAA Internal Auditors	KL
Marcus Ward	Grant Thornton, External Auditors	MW
Anne Murray	Director of Nursing and Quality – Governing Body Registered Nurse	AM
David McNeil	Associate Director of Governance, Risk and Corporate Services	DMc

Apologies:

Jane Meggitt	Director of Governance, Risk and Corporate Services	JM
Roland Ginn	Lay Member – Finance and Performance	RG
Paul Grady	Grant Thornton, External Auditor	PG

1.0 & 2.0	<p>Welcome and Apologies for absence</p> <p>The Chair welcomed all members and attendees to the meeting. AM was welcomed as the clinical voice to the committee in position of Registered Nurse of the Governing Body.</p> <p>Apologies were received and noted as above.</p> <p>The meeting was NOT quorate due to the Lay Member of Finance and Performance sending apologies.</p>	Action
3.0	<p>Declarations of Interest</p> <p>There were no declarations declared.</p> <p>The committee noted the membership Conflicts of Interest log.</p>	
4.0	<p>Minutes of the Meeting held on 13 June 2018</p> <p>The minutes of the meeting held on 13 June were confirmed as an accurate reflection of the meeting and were signed by the Chair of the Committee.</p>	

5.0	<p>Actions from the Meeting Held on 13 June 2018 Updates for all the actions had been received and considered by members. The Committee agreed that they should all be closed.</p> <p>All actions are logged and archived appropriately on the live action tracker.</p>	
6.0	<p>Internal Audit Progress Report SB presented the report which gave the committee an update of progress against the approved Internal Audit Plan 2018-19.</p> <p>The committee's attention was drawn to Appendix B and Appendix C for the NHS Sector briefing materials based on external publications and TIAA client briefings for noting.</p> <p>SB stated that as of 23 July 2018, two audits have been completed; one audit from quarter one (Payments to Clinical Leads) and one from quarter two (GDPR –Compliance). Two of the remaining audits planned for quarter one are in progress. The draft for one of these (Prescribing/ Medicines Management) is to be issued prior to the Audit Committee and for the review of Patient Involvement, further evidence from the Head of Communications and Engagement is required.</p> <p>SB noted that it has been agreed with the Chief Finance Officer that the proposed quarter three audit relating to Sustainability and Transformation Partnership (STP) be undertaken in quarter two, with an opening meeting scheduled for July 2018.</p> <p>It was noted that TIAA have liaised with Grant Thornton and have arranged to meet to discuss work on key financial systems and financial reporting in quarter three and continue to liaise with the Local Counter Fraud Specialists.</p> <p>SB noted that no Priority 1 recommendations have been made since the previous Progress Report. The status of previous internal audit recommendations was reported to the 13 June 2018 meeting of the Audit and Governance and identified that 14 out of 15 recommendations had been implemented. One priority two recommendation relating to GP Payments (from the 2017/18 Internal Audit Plan) was due for implementation by 30 June 2018, specifically relating to the presentation of activity reports to the Joint Primary Co-Commissioning Committee. We are currently waiting for an update from management on this and, subject to a response being received in time, will update the Audit and Governance Committee as necessary.</p> <p>JY confirmed that since the report has been circulated to committee members this outstanding response has been completed.</p> <p>SA noted that there is a number of embedded documents and links to papers within appendix 2 that would not open. SB confirmed that should these be required and pertinent to the report these will be shared separately, in this instance the report will be shared to HD who will offer to the committee following the meeting for information.</p> <p>Action AC008: SB to share the embedded report to HD for committee circulation for information.</p>	

	The Audit & Governance Committee noted the Progress Report	
7.0	<p>External Audit Progress report and Sector Update</p> <p>MW presented the report providing the committee with a progress update of the External Audit.</p> <p>MW noted that all deliverables have been issued for 2017/18 and therefore have concluded work on the 2017/18 financial year. External Audit will now begin to look to the 2018/19 financial year and begin the planning processes for the audit.</p> <p>It was noted that the formal work will begin later in the year and in the meantime regular discussions with management will take place to inform the risk assessment for the 2017/18 financial and value for money audits; and reviews of board papers and latest financial/ operational performance reports will be in action.</p> <p>MW noted that Grant Thornton hosted key finance officers from NHS Bedfordshire, Milton Keynes and Luton CCGs at the Milton Keynes office on 16 July 2018. The meeting was to reflect on the first year as the external auditors, celebrate success and to share best practice and learning to identify areas for improvement to ensure the audit process continues to be smooth and effective in 2018/19.</p> <p>MW stated that he had met with Internal Audit to discuss areas of their work in 2018/19.</p> <p>The committee were informed of the recent Audit Committee members' event which took place on 13 April 2018 and was hosted by NHS Luton CCG. Topics of discussion included the STP and how NHS Bedfordshire, Milton Keynes and Luton CCGs can work together to deliver services to residents. Attendees from Grant Thornton included our Clinical Commissioning Groups southern lead, Sarah Ironmonger.</p> <p>MW drew the committee's attention to the summary of emerging national issues and developments in the report that are relevant to note as a CCG.</p> <p>The committee noted the update from the External Auditors</p>	
8.0	<p>Governing Body Assurance Framework and Corporate Risk Register</p> <p>JY presented the report that gave update to the Audit and Governance Committee on the development of new strategic objectives for 2018/19, creation of a refreshed Governing Body Assurance Framework and the risks currently populating the Corporate Risk Register.</p> <p>JY noted that The Governing Body ratified the 2018/19 Strategic Objectives at their meeting on the 5 July 2018 and the Executive Committee discussed and agreed the principal goals to their achievement on the 28 June.</p> <p>Since that time, work has been on-going with the senior management team to risk assess the strategic objectives and to populate any risks on the 2018/19 Governing Body Assurance Framework. The committee noted the new strategic objectives as detailed within the paper.</p> <p>JY mentioned that at the last meeting, clarifications regarding the risk scoring were requested. JY tabled a risk scoring information sheet showing a table used</p>	

for purposes of determining scores for risk impact and likelihood. It was accompanied by two further tables, offering specific interpretations of likelihood and impact scoring for the committee's information.

Action AC009: Tabled papers to be circulated electronically to the committee for the information of those members absent or dialling in to the committee meeting. JY/ HD.

JY referred to the recent PWC report (as discussed at item 10.0) stating that there are some recommendations for risk management to consider. As the GBAF must be the Governing Body's primary assurance tool, the Audit and Governance Committee should approve the removal of risks from the GBAF and be notified of all changes to ratings.

It was also suggested that improving the GBAF content can be aided by the addition of a dashboard to accompany the front sheet of papers offering the Governing Body a clear summary of the direction of travel for each risk.

JY noted that this piece of work has already been actioned, the new GBAF dashboard was tabled to the committee for information.

The committee reviewed the CRR noting that this has been updated following agreed changes through the Risk Management Committee. The last review of the CRR took place on 2 July 2018 at the Risk Management Committee and Executive Committee on the 28 June.

JY noted that six new risks have been escalated in this reporting period:-

- Risk 116b – the risk of judicial review around on-going negotiations with Putnoe Medical Centre (Jane Meggitt)
- Risk 118- the risk the CCG fails to recruit a clinical replacement of the CCG Chair. (Jane Meggitt)
- Risk 119 – the risks to patient safety identified following misdiagnosis and unnecessary prescribing by a single clinician within an older persons MH Team. (Anne Murray/Maria Laffan)
- Risk 120 – the risk of lack of commissioned services to support patients on high dose prescription opiates to manage withdrawal and provide psychological support. (Anne Murray/Maria Laffan)
- Risk 121 – the risk that the CCG may not be able to identify and deliver £26m savings in 2018/19 (Malcolm Miller)
- Risk 122 – the risk that the substantial variation of the stroke pathway may be subject to public consultation but there is little scope for consultation as just one safe model of care and one outcome available. (Jane Meggitt)

The committee raised concerns over the controls within the CRR and asked as to why some controls have been in place for a long period of time yet are not having impact or reducing the risk likelihood. The committee requested that the

	<p>Risk Management Committee give further scrutiny to the CRR and task the risk leads to revisit the controls and actions to ensure that these are fit for purpose.</p> <p>Action AC010: JY to share request of committee to RMC, with regards to asking for further scrutiny and challenge over the controls that are in place for the high scored risks.</p> <p>The Audit & Governance Committee noted that the report demonstrates that the CCG has a robust risk management framework in place to capture and manage strategic and operational risks and the CCG has successfully understood, mitigated and monitored the risks it faces.</p>	
<p>9.0</p>	<p>Financial Resilience Letter MM presented the letter as received from Andy Leary – Director of Financial Resilience NHSE, on the 6 July 2018.</p> <p>The letter stated that a need for improved NSHE communications to the CCGs, and Audit Committee Chairs in particular on important areas of financial resilience work should be enhanced.</p> <p>The CCG self-assessment financial control and governance questionnaire as referred to in the report was reviewed by the committee. The letter strongly advised that the questionnaire is completed, working alongside the local NHSE DCO office to resolve issues identified.</p> <p>The committee noted that the questionnaire is a lengthy task with 85 questions in total, with tabs for each quarter and an annual tab for completion. MM stated that submission one was required for submission by July.</p> <p>MM noted that the actions and progress on the questionnaire and letter will be shared at the Special Measures meetings.</p> <p>SA stated that he, as Committee Chair, would share the assurances to the Governing Body on the financial resilience methods as discussed in the letter received.</p> <p>The committee noted the report and requirement of assessment completion.</p>	
<p>10.0</p>	<p>Draft PWC Report – <i>Management in Confidence</i></p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	

11.0	Any Other Business No other items of business were raised.	
12.0	Date of Next Meeting Wednesday 10 October 2018 13.00 – 15.00 Room 208 Endeavour House, Wrest Park, MK45 4HR	
The meeting closed at 14.20		