

## AUDIT COMMITTEE

Minutes of the meeting held on Monday, 19 October 2015, at Walshaw House

**PRESENT:** Tom Wolstencroft Lay Advisor, Governance – Chair  
 Michelle Pilling Lay Member, Quality & Patient Engagement  
 Dr Richard Robinson GP Clinical Lead - Hyndburn  
 Dr Tom Mackenzie GP Clinical Lead - Rossendale

**In Attendance:**  
 Fiona Blatcher Associate Director, Grant Thornton  
 Sofia Iqbal Grant Thornton  
 Angela Brown Director of Corporate Business  
 David Swift Lay Advisor  
 Lisa Warner Senior Internal Audit Manager, MIAA  
 Kirsty Hollis Deputy Chief Finance Officer  
 Fiona Cluskey Business Support Officer - Minutes

Minute Ref:		ACTION
15:73	<p><b>Welcome, Introductions &amp; Chairs Update</b></p> <p>The Chair welcomed all members to the meeting.</p>	
15:74	<p><b>Apologies</b></p> <p>Apologies were received from Mark Youlton, Sharon Brock and Karan Wheatcroft.</p>	
15:75	<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>▪ Declarations of Interest – there were none received.</li> <li>▪ Quoracy – the meeting was quorate.</li> </ul>	
15:76	<p><b>Minutes of the meetings held on 17 August 2015</b></p> <p>Fiona Blatcher requested an amendment to page 4 of the minutes under section 15:62 External Audit Progress Report. This should read as follows:</p> <p>The new proposals relate to proper arrangements for economy, efficiency and effectiveness and emphasis would be working with partners and other third partners and a paper would be presented to the Audit Committee following the consultation. The Chair asked if the proposal would be the final outcome or would there be room for discussion. The expectation was that it will be a final document.</p>	
15:77	<p><b>Action Matrix</b></p> <p><b>15:61</b> Members agreed to the change; however David Swift queried the TOR's. Lisa Warner to progress with David Swift outside this meeting.</p> <p><b>15:66</b> Kirsty Hollis has not heard anything on the submission which has been made.</p>	

	It was agreed to remove 15:67 and 15:69 from the action matrix as items are complete.	
<b>15:78</b>	<p><b>Financial Position Statement</b></p> <p>Kirsty Hollis, Deputy Chief Finance Officer advised Members that we have just finished month 6, September with a surplus of £7.5m, an estimate of £4m over.</p> <p>The CCG is currently experiencing under trades at Airedale who are under performing on non-elective activity. The Telehealth programme appears to be starting to have an impact on this.</p> <p>There is currently a £2.2m QIPP gap on this year's programme of £9m and the CCG is looking at programmes around individual patient activity to make savings.</p> <p>Prescribing is fluctuating; the month 5 position was at £300k which has now reduced to £75k.</p> <p>NHS England including Specialist Commissioning, CCG and Primary Care are starting to see some pressures; we are expecting NHS England to ask the CCG what else can be done with the surplus. Mark Youlton and Kirsty Hollis have had discussion with Ian Currell on this how we can manage this if approached, we would like assurance we will still have access to the money in the future if we assign some this year to NHS England.</p>	
<b>15:79</b>	<p><b>Financial Control Environment Assessment</b></p> <p>Kirsty Hollis informed members that this has been completed and to date no feedback has been received.</p>	
<b>15:80</b>	<p><b>Losses/Waivers Quarterly Report</b></p> <p>Kirsty Hollis asked members if there were any questions on the submitted paper which covers quarter 2 (01 July – 30 September 2015). There were no queries were raised by members.</p> <p>Table 2.0 in the paper details that 3 single tender waivers were authorised to the value of £32,440.00 with the reason of continuation of contracts for service. The CCG has recorded no losses and compensations as at 30 September 2015.</p>	
<b>15:81</b>	<p><b>Quality &amp; Safety Committee Minutes of 09 September 2015</b></p> <p>Michelle Pilling, Lay Member and Chair of the Quality &amp; Safety Committee presented the minutes of the meeting held on 09 September 2015 and highlighted key discussion points.</p> <p>There has been notification of a dip in performance at the ELHT emergency department. Junior doctor and locum doctor's changeover days are particularly impacting and actions have been put in place as result which it is hoped to have a positive effect. The Integrated business report highlighted that there has now been an extension of the Calderstones contract, there are concerns of safe staffing, retention and recruitment. Pediatric patients waiting times have increased however there have been no further 52 week breaches. A&amp;E figures are low for July and August 2015. The 62 day referral to treatment target is still underperforming, however showed a slight improvement in September 2015. There have been 3 MRSA cases to date, 2 cases involve the same patient at ELHT then Blackpool and there are ongoing discussions as to who this case is assigned to. Ambulance calls are still underperforming;</p>	

	<p>the Lancashire wide targets are being hit but not NWS targets. The risk register was reviewed, there are currently 18 risks, one of which was closed in August, and there were also discussions re CAMHS tier 4 beds. The AQUA Quarter 4 report was received and discussed and there was a compassion week evaluation. Ongoing discussions were held relating to the Health Visitor position with the planned changes to services. There are lots of concerns about effects of these changes; it has now become a standing item on the Quality and Safety agenda. Two policies were ratified, Serious Incidents and Being Open and Duty of Candor.</p> <p>The Chair asked if the Health Visitor service changes have been added to the risk register, which Angela Brown and Ryan Catlow confirmed it had been. It was put to members that some items of discussion in this meeting were confidential and how did this work with Governing Body papers which are released to the public. Angela Brown made comment that the meetings are summarised before going to Governing Body, which is public, this is to avoid the need of lots and papers and to take out confidential items. The Chair asked for members ideas on how to move this forward.</p>	
<b>15:82</b>	<p><b>Internal Audit Progress Report</b></p> <p>Lisa Warner presented the Internal Audit Progress Report and highlighted the key messages for the Audit Committees attention.</p> <p>The CCG has established robust processes for Serious Untoward Incidents (SUI's) and a number of recommendations have been made, finalising the draft policy on management SUI's, producing procedure notes to reflect the operational roles in serious untoward incident management, obtaining and recording explanations from providers for the late reporting of serious incidents, documenting the key points arising from the teleconferences with providers, the Serious Incident Review Group minutes should clearly set out any actions arising to confirm closure of incidents. It was reported that when SUI's are reported late, the reason for reporting late is also to be recorded, key points on tele conferences are however being reported.</p> <p>The follow up of previous recommendations show the QIPP actions are in place, the Local Delivery Group approve QIPP schemes and the CCG is working with BwD CCG on identification and prioritisation process to ensure processes are robust across the two CCG's. The Contract management recommendations are next due in March 2016.</p> <p>Lisa made comment that it is felt East Lancashire has good processes in place for SUI's which is recognised.</p> <p>The chair reflected that Safeguarding in East Lancashire is also working well, and that East Lancashire is an exemplar for others.</p>	
<b>15:83</b>	<p><b>External Audit Progress Report</b></p> <p>Fiona Blatcher presented the External Audit Progress Report, she advised members there are a few areas to highlight. Simon Hardman's replacement should be announced by the end of October 2015. The 2015/16 audit has not yet started; detailed work will begin in January 2016.</p>	

	<p>The Value for money (VfM) approach will be changing, the outcome of a national consultation will provide further details but the report has not yet been published. It will be shared with members when received.</p> <p>The Department of Health has issued a manual for Group Accounts which is available to CCG's. Fiona highlighted that this is available earlier than it has been before with a new structure to annual the report, the Accounting for the Better Care Fund now has additional guidance which there may be queries over.</p> <p>On 30 September 2015 the Department of Health issued new guidance stating that CCG's are to appoint their own external auditors for 2018 onwards, Fiona made reference that the CCG need to be aware this and will need to start an internal process to ensure are ready for this change.</p> <p>Fiona asked members for any further questions.</p> <p>Michelle Pilling asked if there will be a collective decision on auditors to which the reply was not within the NHS but in Local Government. The chair asked if any feedback can be done through networks, Kirsty Hollis suggested this may lead to a conflict of interest.</p> <p>Fiona also informed members that the regulations would allow CCG's to work together for this new process.</p>	
<p><b>15:84</b></p>	<p><b>CCG Assurance Framework Benchmarking</b></p> <p>Lisa Warner apologised to members for the late submission of this report which is an insight for CCG's to understand how key elements of their framework compares with others, she then took members through key points of the report.</p> <p>The report identifies the CCG's top 10 risk themes, this is similar to the review which was undertaken last year and shows 2 of the top 3 risks remain the same.</p> <p>East Lancashire CCG has at least one risk in six of the top 10 themes, the graph in the document shows that East Lancashire CCG sits in middle of the overall risk profile. Financial Duties was identified as a high risk</p> <p>Angela Brown commented to members that last year's report was taken to last year's assurance meeting; it is a useful tool to use for cross checking the focus areas for the CCG. The 18 risks we currently have is the highest the CCG has had as an organization which can be viewed in two ways – that it is a high number of risks or that as an organization we are better at identifying these.</p> <p>The chair asked Lisa how we are categorised against the other 44 organisation's, is it better to be in top, bottom, or middle, how will the public perceive this as the graph is a very visual tool.</p>	
<p><b>15:85</b></p>	<p><b>CCG Governance Framework</b></p> <p>Angela Brown, Director of Corporate Business presented the Governance Framework to members.</p> <p>Each year a review of business reporting arrangements is done to ensure they are fit for purpose. Appendix A is a set of charts to show how committees sit together and that each of the five localities have their own reporting arrangements and how Pennine Lancashire reports into East Lancashire CCG. The Patient Partnership Board is a new board to draw together patient and public views, which reports into the Governing Body</p> <p>Michelle Pilling queried PPG Networks show on one of the five Locality structures and should this be on all of them. It was agreed an amendment would be made so PPG shows on all five.</p>	

15:86	<p><b>Risk Register/Assurance Framework Update</b></p> <p>Ryan Catlow, Compliance and Resilience Manager asked members for any questions on the report or framework. As previously mentioned there are 19 risks on the East Lancashire CCG full risk register. Ryan informed members that all risks on the risk register are subject to a detailed review at each Risk Management and Information Governance Group meeting with detailed reporting on a bi-monthly basis to the Quality and Safety Committee in relation to the management of those risks.</p> <p>The assurance framework provides the current position as at 29 September 2015, East Lancashire has an overall assurance level of 2, based on a detailed assessment of each risk, which indicates it is sufficiently assured.</p> <p>The chair commented to members that these are good examples of how things have evolved in relation to the systems and processes in place in relation to risk management.</p>	
15:87	<p><b>Emergency Planning</b></p> <p>Ryan Catlow Compliance and Resilience Manager talked members through a presentation on the Provision of Assurance in Relation to Emergency Planning Resilience and Response Arrangements. The CCG has a specific role to play in emergency planning as part of the Civil Contingencies Act (Category Two Responder Co-operating Body) and Health and Social Care Act 2012 (Emergency Preparedness Framework 2013). The CCG report annually on 38 core standards, which Ryan manages operationally. The presentation detailed the CCG's role and responsibilities, standards and approach, levers, key areas, 2015/16 Compliance, improvement plans and pandemic influenza. East Lancashire CCG is fully compliant with all of the 38 areas and has an improvement plan in place in relation to pandemic influenza. From a provider point of view all providers had elements of pandemic influenza preparedness within their improvement plans along with training and redevelopment of plans. Ryan informed members that this year NHS England has asked for a deep dive into pandemic influenza and that we are working with other providers to complete this, which includes the development of a Pandemic Influenza exercise across the health economy.</p> <p>David Swift queried the numbers on slide showing the 2016/16 compliance and asked if Airedale should be on this slide. Ryan clarified that the number of core standards with which an organisation needed to demonstrate compliance against was linked to the organisation's status (acute, mental health, commissioner etc.) and also that an organisation could only provide a statement of full compliance if any improvement plans would be completed within a six month period. In relation to the inclusion of Airedale, both Ryan and Angela highlighted that Airedale would provide their assurances through their lead commissioner arrangements, although it was noted that having an awareness of their compliance level would be helpful.</p> <p>Kirsty Hollis asked what are NHS England's responsibilities for pandemic influenza and also the CCG's, would the CCG cover the cost of wasted vaccines. It seems the answer is no but NHS England are not joined with CCG's on how to manage the vaccines. Angela Brown has agreed to feed this back to NHS England.</p>	
15:88	<p><b>MIAA Insight Update</b></p>	

	Lisa Warner presented the MIAA Insight update report, she wanted to bring members attention to the briefing notes on cyber security.	
<b>15:89</b>	<p><b>Any Other Business</b></p> <p>Kirsty Hollis wanted to update members on the Preston Court Case which she is involved in, she is not appearing in court as scheduled due to the defendant changing her plea. The CCG will receive a letter advising the outcome of the case and no further a but will no longer be required in court</p> <p>The Chair thanked members for all their support and informed them that his 3 year term is at its end. He let members of the group know that is has been an enjoyable term, although challenging at times. The Chair is sorry to be leaving but wishes David Swift the very best for the future.</p> <p>Angela Brown, on behalf of her Governing Body colleagues thanked the Chair for his work over the last 3 years and offered best wishes for the future.</p>	
<b>15:90</b>	<p><b>Date of Next Meeting</b></p> <p>The next meeting was confirmed as <b>Monday, 21 December 2015, 12:30pm</b> in Meeting Room 1 at Walshaw House.</p>	

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