

**NHS EAST LANCASHIRE CCG
AUDIT COMMITTEE**

**Minutes of the meeting held
Monday, 8 December 2014, 12:30pm in Meeting Room 1, Walshaw House**

Present	Tom Wolstencroft	TW	Lay Advisor – Governance – Chair
	Dr Phil Huxley	PH	GP Clinical Lead- Pendle
	Michelle Pilling	MP	Lay Advisor - Quality and Patient Engagement
	Dr Richard Robinson	RR	GP Clinical Lead - Hyndburn
In Attendance	Fiona Blatcher	FB	Associate Director,, Grant Thornton,
	Angela Brown	AB	Director of Corporate Business
	Simon Hardman	SH	External Audit Manager, Grant Thornton,
	Kirsty Hollis	KH	Deputy Chief Finance Officer ELCCG
	David Swift	DS	Technical Adviser to the Audit Committee
	Lisa Warner	LW	Internal Audit Manager MiAA
	Mark Youlton	MY	Chief Finance Officer ELCCG
	Elizabeth Houghton	EH	Corporate Administration- Minutes

Min. No.	Item	Action
14.084	Welcome & Introductions The Chair welcomed members to the meeting and introductions followed.	
14.085	Apologies There were no apologies	
14.086	Governance: <ul style="list-style-type: none"> ▪ Declarations of Interest – there were no items declared ▪ Quoracy- The meeting was declared quorate ▪ Recording – members consented to the proceedings being recorded to support post meeting administration 	
14.087	Minutes of the meeting held on 13 October 2014 The minutes were approved as a correct record	
14.088	Action Matrix The Action Matrix version 16 was reviewed <u>Re/14.060 Quality & Safety Minutes</u> it was noted that discussions around this action are ongoing <u>Re 14.080 External Audit Plan</u> it was noted that this_would be presented to a future meeting when timescales had been clarified Completed actions were noted and would be removed from the matrix and this would be refreshed	

<p>14.090</p>	<p>Lessons learned- Annual Report and Accounts</p> <p>Deputy Chief Finance Officer(KH) presented a paper to support this discussion, members noted that:</p> <ul style="list-style-type: none"> ○ the year end 2013-14 had been achieved successfully with the cooperation of all related colleagues in LCSU, NHSE and the External Auditor ○ ELCCG had met all financial targets for the period, ○ late stage issue of guidance had had a serious impact on all aspects of year end preparation.eg Guidance affected classification of expenditure prior to definitive guidance being available and The External Auditor is unable to sign off accounts until the final version of the manual is available ○ These points had been formally referred to NHSE and KH anticipated that progress would be made on this point in the current year ○ KH and SH had attended a conference with NHSE and were confident that there was a renewed commitment to have all the guidance with fewer changes available in a manual at the earliest stage <p>In the ensuing discussion, SA observed a 'fickle shift between draft and final accounts, MY advised that the CCG undertakes an agreement of balances exercises monthly which assists final reconciliations</p> <p>TW enquired as to whether proposed changes in the CSU would have an impact this year, MY advised that the CCG had a transition plan in place and that the CSU team were embedded here so were familiar with the CCGs accounting processes</p> <p>The Lay Advisor, Quality & Patient Engagement welcomed a good and helpful report</p> <p>KH was thanked for her report.</p>	
<p>14.091</p>	<p>Year – End timetable</p> <p>The Deputy Chief Finance Officer presented a report including timetable elements. The Committee noted with concern that the period in which final accounts can be produced has been shortened by one week to meet parliamentary timescales. There followed discussion and points noted included changes to ELCCG Constitution had removed the obligation for Accounts to be approved by Council of Members. The late spring bank holiday also compromises arrangements</p> <p>It was agreed that the dates for Audit Committee and Governing Body would need careful coordination. The External Audit Manager, SH, suggested the possibility of Draft accounts being presented to an April meeting of the Audit Committee and a further meeting to receive Final Accounts for review prior to their being submitted to Governing Body.</p> <p>It was noted that the CCGs 2015 meeting programme would be scheduled following any decision by this Committee and that all relevant meetings MUST be quorate- this schedule would be available with papers for the next meeting</p> <p>KH was thanked for this report</p>	

<p>14.092</p>	<p>Financial Position - update</p> <p>The Chief Finance Officer spoke to the Financial Report to 31-10-14</p> <p>He noted that at this stage of the year the CCG was forecast to achieve targets. He advised members that the pressures are being experienced in the same areas as hitherto: elective activity, ambulatory care, non-elective activity is very high and severe pressures in A&E and primary care; other issues are ongoing – reducing the Community Health Partnership and Property Services charges and adjusting to High number of patients who are meeting CHC criteria</p> <p>TW enquired as to whether this Committee needed to take a view about spending some non-recurrent monies- there had been a positive response from third sector organisations who had received monies- it was agreed that the matter would be considered by Governing Body and that a more formal response would be needed from organisations which detailed how the fund had been applied</p> <p>MY was thanked for his report</p>	
<p>14.093</p>	<p>Six monthly review – payroll errors</p> <p>Deputy Chief Finance Officer(KH) presented a report. The Committee noted that two of the reported errors related to non-notification by staff of bank changes and that no error had resulted in financial loss. The report provides assurance that the payroll systems provided by ELFS are being monitored and this will be provided on a 6/12 monthly basis.</p> <p>The report was received for information and KH was thanked.</p>	
<p>14.094</p>	<p>Proposed changes to Audit Committee Membership</p> <p>Director of Corporate Business presented this report, which following recent and anticipated changes resulting from implementation of the CCGs Succession Strategy. The paper outlines concomitant changes to the membership of the Audit Committee and was received for information and with immediate effect. This will be used to update the Terms of reference when next called.</p> <p>The changes were noted and agreed.</p> <p>PHX raised the question of where Co-commissioning and related potential conflicts of interest would fit in the Audit Committees oversight. AB reported that a proposal for consideration prior to Christmas – timing is reacting to guidance as it is issued. CoCommissioning arrangements will require another committee of the Board – there is a role for Audit but guidance is still awaited which will inform the CCGs response, the full picture is awaited within 3/12 months.</p> <p>MY advised the need to adjust the practicalities of process with respect to eg SFIs and Schemes of Delegation given that ELCCG will have a Clinical Chair and Chief Clinical Officer wef 01-01-15, MY will be the Senior member of the Board who is not involved clinically.</p> <p>There was general consensus that ELCCG would not wish to adopt a laissez faire approach to future potential conflict of interest. SH indicated that Co-Commissioning would be a topic for a future Key Issues bulletin</p> <p>AB was thanked for this report</p>	

<p>14.095</p>	<p>Risk Management</p> <p>The Director of Corporate Services(AB) presented this report ,the committee were asked to receive the report and to note that the role of Audit is to ensure that risk management processes are embedded throughout the CCG and working well. This summary information highlights this and is extracted from an electronic report used by the CSU as a more robust and systematic process of providing assurance – the current rating is ‘sufficiently assured’. AB advised that this was a first cut version and it is intended that future reports would focus eg on identifying gaps or reviewing controls</p> <p>Members noted that all the actions identified in Appendix 1 to the report were completed satisfactorily.</p> <p>TW raised a query as to whether the NWS service was resilient in their current state of escalation. MP reported that she had just attended a deep –dive meeting with NWS and that the CCG were looking at ways of working closer with the organisation- the present demands on the system were certainly causing problems for the service? Re ambulance service – how resilient are they in present escalated circumstances PHx added that he understood from discussions elsewhere that there was considerable scrutiny of NWS Processes.</p> <p>PHX asked for assurance that staff changes in Risk Management would not cause gaps in identifying risks or review, AB assured that this circumstance was covered.</p> <p>AB was thanked for this report</p>	
<p>14.096</p>	<p>Quality & Safety Committee Minutes 12-11-14</p> <p>The Lay Advisor- Quality and Patient Engagement presented these minutes as Chair of the committee.</p> <p>Members of the committee were requested to note:</p> <ul style="list-style-type: none"> ○ the report relating to Childrens’ Services and that referral processes involving CAMHS and LCFT were being streamlined and that other resource neutral improvements were being made ○ ELHT were appointing additional microbiologists to support HCAs work ○ Update on CalderstonesFT there is considerable work ongoing and an overarching quality improvement plan is established <p>MP was thanked for this report</p>	
<p>14.097</p>	<p>HFMA Briefing Paper</p> <p>KH presented a paper The Future of Local Public Audit for information.</p>	
<p>14.098</p>	<p>Internal Audit Progress report</p> <p>The Internal Audit Manager, MiAA (LW) presented a progress report : The committee noted that:</p> <ul style="list-style-type: none"> ○ The final report on Clinical procurement indicated overall significant assurance – The auditor has proposed that the clinical procurement policy is reviewed and a strategy developed, this had been accepted and would be produced by 31-03-15 ○ A follow up of all previous internal audit recommendations shows that all are completed. 	

	<ul style="list-style-type: none"> ○ Work in progress continues on CSU Contract Management, QIPP and Financial Systems, these will be completed by December and reported to next Audit Committee ○ The Auditor proposed a change to plan relating to audit of BCF and agreed with MY, given that initial submission not yet approved this requires a replacement audit within the year. <p>The Auditor was thanked for this report</p>	
14.099	<p>Assurance Framework - benchmarking</p> <p>The Committee received an Assurance Framework benchmarking report based on a review of 17 CCGs. ELCCG is reference 3 on the graph and showing as majority of risks covered. It was noted that there is an action to add public engagement, patient engagement and redesign of services to the ELCCG Assurance Framework- particularly given the emergence of co-commissioning.</p>	
14.100	<p>External Audit – Progress report</p> <p>The External Audit Manager, Grant Thornton ,SH presented this report , he drew members attention in particular to pg 5 and 6 which reported progress as The Auditor would expect at this stage. Members noted that there was a meeting to follow with KH to plan interim work and final accounts audit.</p> <p>The report contained advice on emerging issues including BCF and this was intended to act as an aide memoire by ELCCG and to ensure that plans were in place to respond to these issues. Particular reference was made to the BCF Checklist on pg13</p> <p>Technical Adviser to the Audit Committee DS proposed that a formal report summarising the ELCCGs position in relation to these items could be made to the next meeting of the Audit Committee.</p> <p>SH was thanked for this report</p>	
14.101	<p>VFM Conclusion Approach</p> <p>This report was presented by Associate Director, Grant Thornton, FB who advised the Committee that the equivalent paper presented in the previous year had focussed on the formation and development of the CCG. This year the paper indicated evidence which would be sought in any organisation and meeting criteria set out by the Audit Commission – the paper was received for information and FB was thanked for presenting it.</p>	
14.102	<p>Any other business</p> <ul style="list-style-type: none"> • There were no new items for inclusion in the risk register 	
14.103	<p>Date, Time & Venue of Next Meeting</p> <p>This was confirmed as Monday 9 February 2015 at 12:30pm in Meeting Room 1, Walshaw House- (schedule of future meetings to follow)</p>	