

**NHS EAST LANCASHIRE CCG  
AUDIT COMMITTEE**

**Minutes of the meeting held  
Monday, 13 October 2014, 12:30pm in Meeting Room 1, Walshaw House**

<b>Present</b>	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
<b>In attendance</b>	Fiona Blatcher	FB	Associate Director,, Grant Thornton,
	Roger Causer	RC	Chief Fraud Manager MIAA
	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
14.066	<p><b>Welcome &amp; Introductions</b></p> <p>The Chair welcomed members to the meeting and introductions followed.</p>	
14.067	<p><b>Apologies</b></p> <p>Apologies were received from Angela Brown.</p>	
14.068	<p><b>Governance:</b></p> <ul style="list-style-type: none"> <li>▪ Declarations of Interest – there were no items declared</li> <li>▪ Quoracy- The meeting was declared quorate</li> <li>▪ Recording – members consented to the proceedings being recorded to support post meeting administration</li> </ul>	
14.069	<p><b>Minutes of the meeting held on 11 August 2014</b></p> <p>The minutes of the meeting were reviewed and, subject to the substantive version being amended to note that :</p> <ul style="list-style-type: none"> <li>○ Page 1 Michelle Pilling had tendered apologies prior to the meeting, and</li> <li>○ Page 2 the word 'and' deleted from minute 14.058/line8</li> </ul> <p>The minutes were approved as a correct record.</p> <p>Dates of future meetings were noted and the Chair advised that additional meetings may be scheduled once the Audit Timetable had been submitted and approved.</p>	

14.070	<p><b>Action Matrix</b></p> <p>The Action Matrix v14 was reviewed in discussion and the following points noted:</p> <p><b>Re14.049 / Annual Report and Accounts</b> a report from the Auditor - lessons learned will now be presented in December.</p> <p><b>Re 14.067 Succession Planning</b> it was noted that Dr Richard Robinson replaced Dr Motupalli as a member of the Audit Committee and was present at the meeting and that Dr Tom Mackenzie would attend future meetings when Dr Phil Huxley took up the role of Chair wef January 2015- action completed, remove from matrix</p> <p>The Action Matrix will be refreshed</p>	
14.071	<p><b>Matters arising</b></p> <p>Re 14.058/ Minutes of the Quality &amp; Safety Committee (QSC) – page 2</p> <p>The Lay Advisor - Quality and Patient Engagement (MP) referred to consistency check of the minutes which had indicated that a member's conflict of interest had been recorded but that they had not been recorded as present at the meeting. She proposed that there presented an opportunity to improve processes; following discussion, it was agreed that it is incumbent on individual members to check draft minutes but the Chair's responsibility to ensure overall accuracy, and consistency</p>	
14.072	<p><b>Review of misleading web-based annual report and accounts 2013/14</b></p> <p>MY referred to a paper which had been circulated for information outlining a review undertaken by MLCSU following an incident in which the EL CCGs Accounts published initially on its website were not the same as those signed by the Auditor- the Committee noted the conclusions of the review and the CSUs indication of commitment to learning from this incident to avoid future recurrence.</p> <p>In discussion, members indicated an expectation that lessons learned would have been indicated and a concern that there was no indication as to where the report had been circulated in the CSU or assurance as to how this had been audited.</p> <p>MY commented that the CCG would certainly seek greater assurance and input into audit programmes in any future contracts for these services.</p>	
14.073	<p><b>LCFS Progress report</b></p> <p>Roger Causey presented a detailed MIAA Anti-Fraud Services Report which had been circulated prior to the meeting, he indicated that he had met MY earlier to review the findings.</p> <p>The Committee noted that in the remaining 6 months of the current financial year a number of objectives listed in the work plan would be met.</p> <p>Of particular note were</p> <ul style="list-style-type: none"> <li>○ am AFS training programme to include staff, governing body members and practice managers</li> <li>○ Update of the AF&amp;C Policy A change to the planned local fraud risk exercise from CHC to LES- the latter represents a greater fraud risk to the CCG eg Minor Ailments Scheme in Pharmacies which is claim driven and is relevant to the Pharmacy First promotion.</li> </ul>	

	<p>The Committee were assured by RC that the outstanding elements of the work plan set out in appendix A would be completed in the 6 months remaining in this financial year.</p> <p>The Chair thanked RC for his report.</p>	
<p><b>14.074</b></p>	<p><b>Quality &amp; Safety Committee Minutes 10 September 2014</b></p> <p>Michelle Pilling – presented the minutes of the meeting which she had chaired and points to note included:</p> <ul style="list-style-type: none"> <li>○ Challenging 14 day RtT targets for Cancer – work ongoing to understand breaches by tumour site</li> <li>○ CAMHS on risk register regularly reflects red update by Dr Tim Morris on pressures ( particularly tier 4 beds)</li> <li>○ Stroke Services update- noted that wider work on Hyper acute services</li> <li>○ Update on use of restraint- new system being introduced later in the year which should improve reporting</li> <li>○ NWAS, concerns had been expressed regarding deteriorating service- steps are being taken by NWAS to improve performance overall</li> </ul> <p>PH noted that in the discussion re CAMHS gaps in service and poor performance were reported by Dr Morris and he observed, from the Audit Committee perspective that there seemed to have been much discussion but actions not evident. MP responded that the issues were robustly reviewed by the CCG at weekly risk review meetings.</p> <p>The Chair advised that for Audit Committee purposes this was satisfactory assurance and that MP should escalate matters of continuing concern to Governing Body via the Q&amp;SC.</p> <p>The Chair thanked MP for her report.</p>	
<p><b>14.075</b></p>	<p><b>Financial Position - update</b></p> <p>The Chief Finance Officer ( MY) spoke to the Financial report to Governing Body which had been circulated prior to the meeting</p> <p>At this point, MY forecasted that 2014-15 financial targets would be achieved and he identified a series of current issues for members of the Committee to note as follows:</p> <ul style="list-style-type: none"> <li>● Current element of overspend with trusts mainly ELHT and Airedale –</li> <li>● Non-elective – high but is reducing</li> <li>● Elective 18 week RTT(referral to treatment time) currently there is a national push – ELHT attempting to do this early in the year, NHSE have provided additional funds to achieve target by November 14. ELCCG will pay across to trust when specific additional work has been identified.</li> <li>● Ambulatory Care – new pathway which ELCCG had asserted in contract discussions shouldn't cost more but re attendance for treatment is driving up costs.</li> <li>● Growth in CHC – overspend £3m - 15% growth- there are issues to challenge, including a high level of accrual which is not matched by invoices at this level</li> <li>● Winter Planning now System Resilience ( i.e. year round system resilience across health and social care) – improved collaborative working across PL</li> </ul>	

	<p>–a number of schemes have been agreed which will be funded to GPs, trusts, NWSAS etc.- wider discussions across health economy and ELCCG is looking to contribute funding , subject to LDG agreement</p> <ul style="list-style-type: none"> <li>• Property Services – ongoing – letter indicating that increased cost pressures will be funded by CCGs – this has been applied without evidence MY is seeking to meet DoF</li> <li>• Community Health Partnerships raised at GB – assumed level of funding from CCG in 13-14 tripled and reduced – not met – when this was raised at GB and subsequent press coverage has resulted in a meeting with senior accountants being arranged for the following Friday</li> <li>• Capital programme – nationally focussed around landlord and customer capital – we are developing a CCG estate picture – we have to manage this strategically within ELancs - charges are passed to CCG by property services regardless of how /why costs are incurred.eg ColneHC – owned by Property Services – we have to meet any capital costs which they wish to incur.</li> <li>• ELCCG has set up an Estates Group involving Eric Wright as key estates partner- they have provided a map of the estate and they will expand this to include wider public sector estate- they will draft an estates strategy – aim to maximise the use of vacant space where biggest savings can be demonstrated.</li> <li>• Property Services have been viewing available space in Walshaw House; MY hopes that external boards will be erected advertising vacant spaces.</li> <li>• Looking ahead to 2017 and end of lease options for ELCCG.</li> <li>• There is no longer an estates support particular to East Lancashire.</li> <li>• MP queried Eric Wright interest- MY advised that Eric Wright retains preferred developer status and with no foreseeable opportunity for new developments from which they can benefit.</li> </ul> <p>The Chair thanked MY for his report</p>	
<p><b>14.076</b></p>	<p><b>Waivers /Losses Quarterly Report.</b></p> <p>Deputy Chief Finance officer (KH) spoke to a Quarterly update v 21 – to September 30 2014.</p> <p>The Committee noted that 4STWs had been authorised total value of £90,000. Four STWs authorised totalling £90,000, these related to temporary staffing payment's and also CAMTABs to be used in early dementia diagnosis.</p> <p>The Chair thanked KH for her report.</p>	
<p><b>14.078</b></p>	<p><b>Internal Audit Progress report (October 2014)</b></p> <p>Internal Audit Manager MiAA ( LW) spoke to a report which had been circulated prior to the meeting</p> <p>The Committee noted that a final report on Provider Contract Management had been issued, together with a draft review of Procurement.</p> <p>LW reported that the CCG had evidenced good provider management processes and that there were two low priority recommendations: (i) to update organisation chart to show embedded CSU staff and (ii) to update the ToRs of provider contract meetings.</p> <p>Further items of note included:</p>	

	<ul style="list-style-type: none"> <li>• Other work ongoing as in plan include a CSU audit of contract management and the Auditor was about to start work on QIPP</li> <li>• With the exception of one item relating to Conflicts of Interest and constitution All the recommendations related to the assurance and risk management framework had been cleared; LW had spoken to AB – this text is currently being revised for inclusion in an amended constitution to be submitted to NHSE for approval by November</li> <li>• A General update of training events appended with the report.</li> </ul> <p>Technical Adviser to the Audit Committee ( DS) raised the following queries:  Re: the level of assurance indicated in the final report as significant following discussion of the Auditors own terms, and given that the outstanding item remains beyond the control of the CCG, LW agreed that the level be changed to high and that the final report would be re-issued.  <b>It was agreed: that the level of assurance be amended to ‘High’ by The Internal Auditor and that the Final Report be re-issued.</b></p> <p>Re: Table on p2 of the report, the QIPP/CIP audit had been moved from September to December, <b>this action was now agreed.</b></p> <p>Re: Appendix B1 a discussion followed on significance of green- identified by LW as representing that the projects are on track and will be completed by March. It was accepted that this represents the Auditors’ significant assurance that the programme will be completed by the end of the year</p> <p>Re: Qualified staff , the figure related to the whole service, a figure which applied to the staff working with ELCCG was requested from the Auditor together with an additional quality measure indicating the number of days worked;  <b>It was agreed that LW would incorporate these points in a future report.</b></p> <p>The Lay Advisor - Quality and Patient Engagement ( MP) thanked LW for including an event schedule which she had found helpful – LW will forward an e-version for members’ future reference.</p> <p>The Chair thanked LW for her report.</p>	<p>AB/LW</p> <p>LW</p> <p>LW</p> <p>LW</p>
14.079	<p><b>Internal Audit- Briefing notes – sustainability, Human factors</b></p> <p>LW referred to two briefing notes which had been circulated- these covered current areas of interest in the NHS.</p> <p><b>The notes were received for information and for use by the CCG in internal review .</b></p> <p>The Chair thanked LW for her contribution to discussion and review.</p>	
14.080	<p><b>External Audit – Progress report</b></p> <p>The Associate Director, Grant Thornton (FB) requested that The Audit Committee noted progress to date and advised that an Audit Plan would be presented for discussion at the December meeting.</p>	FB
14.081	<p><b>External Audit –key issues bulletin</b></p>	

	<p>The External Audit Manager, Grant Thornton, (SH) spoke to a paper: 'Key issues for CCGs', based on the company's work nationally.'</p> <p><b>The paper was received for information;</b></p> <p>With particular reference to item 4: Better Care Fund 9 BCF) SH indicated that <i>in extenso</i> hard copies of this report are from SH and FB and that an electronic link could be circulated after the meeting.</p> <p>The Chair thanked SH for his contribution to discussion and review.</p>	<b>SH</b>		
14.082	<p><b>Any other business</b></p> <ul style="list-style-type: none"> <li>• There were no new items for inclusion in the risk register</li> </ul>			
14.083	<p><b>Date, Time &amp; Venue of Next Meeting</b></p> <p>This was confirmed as <b>Monday 8 December 2014 at 12:30pm</b> in Meeting Room 1, Walshaw House</p> <p><b>Future meetings:</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <li>• 9 February</li> </ul> </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <li>• To be advised</li> </ul> </td> </tr> </table>	<ul style="list-style-type: none"> <li>• 9 February</li> </ul>	<ul style="list-style-type: none"> <li>• To be advised</li> </ul>	
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