

**NHS West Essex Clinical Commissioning Group  
Audit Committee Meeting**

**Date:** 20<sup>th</sup> March 2019  
**Time:** 9.30 am to 12.30  
**Location:** Board room, Spencer Close, St Margaret's Hospital, Epping, CM16 6TN.

**Present:** Stephen King (Chair) Lay Member, Governance  
 David McConnell Lay Member, Primary Care

**In attendance:**

Dan Bonner	Senior Manager, Mazars
Andy Lang	Counter Fraud Specialist, Mazars
Dr Kamal Bishai	CCG Vice Chair
Jane Marley	Head of Information Governance – Basildon & Brentwood CCG
Grainne Stephenson	Corporate Governance & Risk Manager
Simone Surgenor	Head of Governance and Corporate Services
Ali Azam	Manager, Public Sector & Healthcare, KPMG
John Leslie	Interim Director of Finance and Contracting
Sue Dikmen	Financial Control Manager
Andy Marendaz	Head of Financial Planning & Reporting
Debra Smith	Minutes

**Apologies:** Andrew Geldard Chief Officer  
 Dr Angus Henderson GP Board Member, Deputy Chief Medical Officer  
 Ian Tompkins Associate Director Corporate Services  
 Jane Kinniburgh Director of Quality and Nursing

Item No	Agenda Item	Actions
001/19	<b>Chairs welcome</b>	
002/19	<b>Apologies for absence</b>  Apologies noted as above.	
003/19	<b>Declarations of interest</b>  SK reminded committee members of their obligation to declare any interest they may have on any issues arising at committee meetings which might conflict with the business of West Essex clinical commissioning group.  <b>Declarations of interest from sub committees.</b>  No declarations of interest were made by members of the Committee in relation to the specific agenda items.	

	<p>The Committee noted the Register of Interests and Register of Interests Breach log.</p>	
<p><b>004/19</b></p>	<p><b>Minutes of the last meeting</b> 14<sup>th</sup> November 2018 and matters arising</p> <p>The minutes of the meeting held on the 14<sup>th</sup> November were recorded as a true and accurate record.</p> <p>Matters Arising</p> <p>The Conflicts of Interest Guidance states that declarations of interest and gifts and hospitality should be made by all employees – this will have consequences for practices and Simone agreed to provide an update on the position at the January meeting following discussion with Primary Care on recommended process for practice staff.</p> <p style="text-align: right;"><b>Action:</b> Simone Surgenor</p> <p>Registers of Interests will be presented to all future meetings. Action closed.</p> <p>118/18 Emergency Planning, Resilience and Response (EPRR) NHS England Cores Standards - CCG's Chief Officer is responsible for ensuring that the Accountable Emergency Officer discharges his responsibilities and Andrew Geldard undertakes both these roles – Ian Tompkins reported that Grainne Stephenson is currently liaising with the EPRR management team. It was agreed that this action will remain open as the document has not yet been amended. <b>20/03/19</b> Following contact with the Emergency Planning, Resilience and Response (EPRR) Team Grainne Stephenson is waiting for a response.</p> <p style="text-align: right;"><b>Action:</b> Grainne Stephenson</p> <p>120/18 Board Assurance Framework – strategic risks – Grainne Stephenson confirmed this action will be covered under agenda item 16. Action closed.</p> <p>138/18 Internal Audit Progress Report – The Children's contract management audit was shared by Jane Kinniburgh and Simone Surgenor is completing follow-ups with the IR35 audit. Action closed.</p> <p>143/18 Corporate Governance Manual</p> <p>The Constitution and Corporate Governance Manual proposed amendments were discussed at the December Board Development session and the Executive Committee on 10<sup>th</sup> January 2019. A paper was also presented at Part 2 of the January Board and, following November's audit Committee, NHS England has now extended WECCG's response time to the end of May 2019. This action will be covered under agenda item 12. Action closed.</p> <p>Simone Surgenor will liaise with James Roach, ICP Programme Director, regarding delegations to the ICP and any actions that may enable the ICP as the main strategic goal for next year. <b>20/03/19</b> Action outstanding.</p>	<p>SS</p> <p>GS</p>

		SS
	<p style="text-align: right;"><b>Action:</b> Simone Surgenor</p> <p>Simone Surgenor drew the Committee's attention to paragraph 6.5.2.4 of the Constitution which refers to primary care commissioning decisions and the Lay Members and Secondary Care Consultants each carrying two votes. She recommended that this is removed and should be replaced with one person one vote. The Committee agreed with this recommendation. Simone Surgenor confirmed this action will be covered under agenda item 12. Action closed.</p>	
144/18	Business Critical Model	
	<p>Simone Surgenor advised that since distribution of the papers, she has met with colleagues and Essex County Council and is developing new policy/guidance, along with training for staff. This work will integrate assurance processes regarding reliability, data protection etc and will link to the asset registers.</p> <p>The Committee noted an improved list of business critical models and that a final paper with guidance will be presented at the next meeting. <b>20/03/19</b> Action outstanding.</p>	
	<b>Action:</b> Simone Surgenor	SS
145/18	Risk Report	
	<p>Ian Tompkins presented the risk report and advised that all operational risks were reviewed by the Executive Committee and quality, nursing, clinical and maternity risks were reviewed by the Quality Committee in November. A report on red risks will also be presented to the Board on 29<sup>th</sup> November.</p> <p>Ian Tompkins advised the Committee that there is a new operational risk relating to the urgent care procurement exercise which is now in the mobilisation stage.</p> <p>The following comments were noted which Ian Tompkins agreed to follow up:</p> <ul style="list-style-type: none"> <li>• Risk W228, Nursing &amp; Quality, regarding requests for a PHB to be considered on an individual basis – David McConnell noted that this is showing a project closure date of January 2019 and Ian Tompkins agreed to follow up whether this will be complete by that date.</li> <li>• Risk W6 regarding Primary Care access – David McConnell noted that this refers to Keyhealth and Osler House surgeries which no longer exist and Ian Tompkins agreed to feed this back.</li> <li>• Risk W219, Transformation, regarding the closure of King George's A&amp;E – David McConnell noted that there are no current controls and suggested that action needs to be taken. It was thought that the Local Delivery Board should be responsible for this as their remit is urgent care services and Ian Tompkins agreed to follow this up.</li> <li>• Risk W215 regarding transformation savings – Dan Bonner noted that transformation savings from the 2018/19 programme may not be delivered. This risk has been stagnant since 2017 and would be expected to move as the year end approaches to demonstrate the risk is</li> </ul>	

	<p>being assessed and Ian Tompkins agreed to follow this up. Stephen King also queried how risk management and assurance processes in the STP feed in to the CCG.</p> <p>Grainne Stephenson confirmed the above actions will be covered under agenda item 15. Actions closed.</p> <p>It was agreed that Ian Tompkins, with support from Dean Westcott, would report back to the Committee how the STP risk management process will be handled and to clarify the Audit Committee's responsibility in terms of seeking assurance over the process. <b>20/03/19</b> Action outstanding.</p> <p style="text-align: right;"><b>Action:</b> Ian Tompkins</p> <p>147/18 Terms of Reference</p> <p>Simone Surgenor confirmed this action will be covered under agenda item 17. Action closed.</p> <p>148/18 Audit Committee Self-Assessment Checklist</p> <p>Grainne Stephenson confirmed this action will be covered under agenda item 18. Action closed.</p>	IT
<p><b>005/19</b></p> <p><b>006/19</b></p>	<p><b>Agenda Item</b></p> <p><b>Sustainability and Transformation Partnership Update</b></p> <p>No update available.</p> <p><b>Internal Audit and Counter Fraud Items (for noting)</b></p> <p><b>Internal Audit Progress Report</b></p> <p>Dan Bonner provided an update to the Committee on the internal audit activity undertaken since the Audit Committee November meeting. The Committee noted the Internal Audit Progress report. Dan advised the System Wide Capacity Planning Review, Personal Health Budgets review and the proposed review of Cyber Security have been deferred until post April.</p> <p>Dan Bonner reported 95 days of the 2018/19 Internal Audit Plan has been delivered and fieldwork has been completed in respect of the reviews of the Key Financial Systems and CQC Integrated System Inspection. Draft reports have been issued in respect of reviews of Primary Care Governance; Financial System Key Controls; and IR35 Tax Compliance. Final reports have been issued in respect of reviews of Governance, Assurance Framework and Risk Management; Quality Governance and the Data Security Protection (DSP) toolkit. The Committee noted the recommendations detailed in the report.</p> <p>Following the completion of each audit, a report is issued to management</p>	

	<p>incorporating recommendations for improvement in controls and management response to those recommendations. Dan Bonner confirmed a total of eight recommendations had been implemented/superseded, resulting in one audit (Governance, Assurance Framework and Risk Management) being removed from the schedule. There are 10 follow up recommendations outstanding.</p> <p>Dan Bonner advised due to Mazars' current contract ending on the 31<sup>st</sup> March 2019, a handover meeting has been arranged with West Midlands Ambulance Service, tomorrow 21<sup>st</sup> March 2019, who will be taking control of the contract with effect from 1<sup>st</sup> April 2019. The planning process is yet to be finalised. John Leslie will confirm who within the CCG will be responsible for this contract going forward and provide a report detailing what has progressed and what is outstanding and the plan for 2019/2020. Dan Bonner will share a copy of last years agreed plan with John Leslie for reference.</p> <p style="text-align: right;"><b>Action:</b> John Leslie/Dan Bonner</p> <p><b>007/19 Draft Head of Internal Audit Opinion</b></p> <p>Dan Bonner referred to the Draft Head of Internal Audit Opinion and draft Annual Report which the CCG are required to submit to NHSE by 5pm on the 15<sup>th</sup> March 2019. The report provides 'satisfactory assurance'. Dan reminded the Committee Mazars reserve the right to make changes to the report if necessary.</p> <p><b>008/19 LCFS and LSMS Annual Report</b></p> <p>The Local Counter Fraud Specialist and Local Security Management Services reports were noted. Andy Lang highlighted 30 days had been delivered and 8 reactive days, with no current Reactive Counter Fraud Cases open and no referrals under consideration. The total value of fraud for the year is £106.73 identified. There are 5 amber standards. Stephen King referred to item 3.4 and requested clarification regarding the organisation ensuring there are processes in place to monitor any external agencies and their pre-employment checks that are undertaken. Simone Surgenor confirmed this is covered within the temporary staff policy, with Managers having overall responsibility.</p> <p>Stephen King referred to item 2.2 and 2.4 page 7 regarding fraud and bribery awareness, and Simone will confirm the CCG has a Counter Fraud Policy in place.</p> <p>Andy Lang highlighted the Fraud Survey was issued but a response was not received. The Annual Report confirms a Fraud Survey was not issued for 2018/19. Andy will confirm to Simone when the survey was issued and Simone will investigate.</p> <p style="text-align: right;"><b>Action:</b> Andy Lang/Simone Surgenor</p> <p>Dan Bonner and Andy Lang will follow up with Charlie Roberts regarding amber risks 1.10 and 1.4 to ensure they are correct.</p> <p style="text-align: right;"><b>Action:</b> Dan Bonner/Andy Lang</p>	<p>AL/SS</p> <p>AL/SS</p>
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<p>009/19</p> <p>010/19</p>	<p>Investigations</p> <p>Andy Lang confirmed there are no referrals under consideration and no open cases; therefore there are no concerns to handover.</p> <p>Dan Bonner confirmed Nicole McLaughlin will be attending the handover meeting taking place tomorrow with WMAS to discuss the Counter fraud handover arrangements.</p> <p><b><u>External Audit Progress Report</u></b></p> <p>Ali Azam referred to the External Audit Progress report circulated with the agenda and the report was noted. Since the last Audit Committee meeting in November an audit meeting with CCG Management took place to discuss KPMGs approach to the 2018-2019 Audit. Based on evidence received so far all items were in line with expectations and there are no items to carry forward. The Interim Audit Report has also been carried out, the audit included: review of all key expenditure streams; documentation and walkthrough of all core financial transaction streams; early testing of primary care commissioning expenditure; completion of month 9 testing over key contracts and commence a review of the Value for Money assessment. No significant risks were identified.</p> <p>Sue Dikmen confirmed the timetable for the annual report is already underway.</p> <p><b><u>Information Governance Update</u></b></p> <p>Jane Marley referred to the Freedom of Information requests summary table which includes figures up to 8<sup>th</sup> March and confirmed Q4 figures are still being finalised. The average response time is improving and no breaches were reported. The team did not respond to any Brexit Freedom of Information Requests as this information would be classed as commercially sensitive. There is now an STP FOI process in place.</p> <p>General Data Protection Regulations (GPDR)</p> <p>Jane Marley reported the team continue to work with colleagues advising and assisting in implementing new processes and procedures to meet the new higher standards the GPDR has brought in. Face to face training will take place next year.</p> <p>Jane Marley highlighted there are currently a high number of staff who have not completed the annual IG training, which forms part of the 70 of the 130 mandatory assertions the CCG needs to provide evidence as being completed. Stephen King requested Grainne Stephenson contact all staff who has not yet completed the mandatory IG training.</p> <p style="text-align: right;"><b>Action:</b> Grainne Stephenson</p> <p>The Information Asset Registers have now been completed and a consolidated Asset Register was sent to John Leslie as SIRO on the 6<sup>th</sup> March for sign off.</p>	<p>GS</p>
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011/19	<p><b><u>Emergency Planning Resilience and Response Update</u></b></p> <p>Grainne Stephenson presented the Emergency Planning and Resilience and Response update report which provides an update on the progress against the Emergency Planning Team’s 2018/-2019 work plan. Grainne explained this is the interim report and the full report will be presented at the next Audit Committee.</p> <p>The EPPR team are working with the Essex Resilient Forum and the Local Health Resilience Partnership to ensure that the planning requirements for health around EU Exit are being addressed.</p> <p>Grainne confirmed WECCG now have 10 trained loggists following Loggist and Refresher training that took place on the 18<sup>th</sup> March.</p>	
012/19	<p><b><u>Whistleblowing Policy and Annual Whistle Blowing Report</u></b></p> <p>Simone Surgenor explained following the commencement of our new HR Business partner and their policies a decision was taken to retain the CCGs current Whistle Blowing Policy. Dan Bonner asked as a CCG what assurances are the new service providing regarding the processes they are operating on the CCG’s behalf and if these controls are being operated correctly. Simone Surgenor will liaise with Dan Bonner to ensure the correct information is being provided.</p> <p>Stephen King requested an annual whistle blowing report should be presented to the Committee and could be completed via email if required for the annual report.</p> <p style="text-align: right;"><b>Action:</b> Simone Surgenor</p>	SS
013/19	<p><b><u>Review Accounting Policies</u></b></p> <p>Sue Dikmen reminded the Committee that there is an annual request to be able to remove from the standard document any accounting policies that do not apply to the CCG. There are no significant changes to the policies. There are two new accounting standards IFRS9 and IFSR15 relating to contracts and financial instruments but it is not anticipated that the changes will affect WECCG.</p>	
014/19	<p><b><u>Constitution and Corporate Governance Manual</u></b></p> <p>Simone Surgenor presented an update to the Committee regarding the governance review of the Constitution and Corporate Governance Manual. Amendments to the CCGs Corporate Governance Manual have been addressed alongside the main Constitution. The committee were asked to note the following key changes:</p> <ul style="list-style-type: none"> <li>• Voting</li> <li>• The name of the Corporate Governance Manual and its future format</li> <li>• The geographical area covered by the CCG, not it is part of the STP</li> <li>• Membership meetings</li> <li>• Practice representatives</li> </ul>	

<p>015/19</p>	<ul style="list-style-type: none"> <li>• Procedures for making decisions</li> <li>• Accountable Officer</li> <li>• Remuneration Committee</li> <li>• Committees of the Governing Body</li> <li>• Primary Care Commissioning Committee</li> <li>• Procurement</li> </ul> <p>NHSE issued a new standard template in September which has been used for the update. The draft Constitution will be presented to the Part 1 Board meeting for approval and if approved, will go out to membership and the LMC for consultation.</p> <p>Stephen King requested clarification of paragraph 2 1.4. 4 which Simone agreed to provide.</p> <p style="text-align: right;"><b>Action:</b> Simone Surgenor</p> <p>The following comments were highlighted:</p> <ul style="list-style-type: none"> <li>• Paragraph 1.4.2 – at least half (50%) of all Governing Body Members formally request that the amendments <i>be out</i> (not by put)</li> <li>• Paragraph 2.4 - electronic meetings should be available for all meetings</li> <li>• Paragraph 2.10 – Primary Care Commissioning Committee should be subject to the CCGs Corporate Governance Manual Scheme of Reservation and Delegation (SoRN). It was agreed members should have one vote and not two.</li> </ul> <p>Sue Dikmen will share with Simone Surgenor information regarding the limits for co-commissioning payments for the Primary Care Committee from the Scheme of Delegation received from North East Essex to ensure this is included in the Constitution.</p> <p style="text-align: right;"><b>Action:</b> Sue Dikmen/Simone Surgenor</p>	<p>SS</p> <p>SD/SS</p>
	<p><b><u>Annual Governance Statement</u></b></p> <p>Grainne Stephenson noted the draft version of the Annual Governance Statement for 2018-2019 which will form part of the Annual Report and Accounts for this period.</p> <p>The Committee reviewed the report and the following points were highlighted:</p> <ul style="list-style-type: none"> <li>• Page 11 – Finance and Performance Committee Member – roles – Lay Member - should be Primary Care and not Finance</li> <li>• Page 13 – Remuneration Committee – add Lay Member – Primary Care to the members</li> <li>• Page 14 – Primary Care Commissioning Committee – add Vice Chair to Lay Member – Governance and remove Vice Chair</li> <li>• Page 4 Practice Membership Meetings to confirm how often</li> <li>• Page 4 WE PPE should confirm how many we had</li> <li>• Page 5 Board Membership – should be clinical members, members and attendees</li> </ul>	

<p>016/19</p>	<ul style="list-style-type: none"> <li>• Page – Discharge of Satisfactory Functions: can we reflect in this paragraph the CCGs assurance process to ensure we have discharged our statutory duties</li> <li>• Page 17 – Deterrents for Risks Arising: The following sentence should be reflective to all staff: <i>The CCGs Standing Orders, Standing Financial Instructions and policies and procedures place an obligation on all employees, lay members and office holders to act in accordance with best practice in order to prevent fraud, bribery and corruption.</i></li> <li>• Page 26 – The Information Governance Statement is being re-written by the IG Team for all 7 CCGs</li> <li>• Page 27 – Business Critical Models – Stephen King suggested contingent wording would be helpful</li> </ul> <p><b><u>Business Critical Model</u></b></p> <p>This agenda item has been deferred to the July Committee.</p> <p style="text-align: right;"><b>Action:</b> Simone Surgenor</p>	
<p>017/19</p>	<p><b><u>Risk Report</u></b></p> <p>Grainne Stephenson noted the Risk Report which provides the latest version of the operational risk register following a review by the Exec Committee on the 7th March 2019. All risks were reviewed and a number of changes were made including condensing down of some of the quality risks. The monthly reports will be updated to reflect the changes.</p> <p>The following comments were noted covering the items listed under the action log ref: 145/18:</p> <ul style="list-style-type: none"> <li>• Risk W226, Nursing &amp; Quality, regarding requests for a PHB to be considered on an individual basis – action closed.</li> <li>• Risk W6 regarding Primary Care Access for Keyhealth and Osler House no longer exists – action closed – risk removed</li> <li>• Risk W219, Transformation, regarding the closure of King George’s A&amp;E- no further information has been received – action closed</li> <li>• Risk W215 – regarding transformation savings - Head of PMO has reduced the risk to an amber level due to QIPP achievement being 87% at month 11, risk action closed.</li> </ul>	
<p>018/19</p>	<p><b><u>Board Assurance Framework</u></b></p> <p>Grainne Stephenson noted the Board Assurance Framework for 2018-2019 based on the CCG’s identified strategic objects for this period. Due to indicators in the Operational Plan, which will inform the strategic risks, the report will be reviewed once the Strategic Risks have been received.</p> <p>David McConnell referred to page 3 regarding 33% of the Patient Population will be signed up to GP Online services by March should be by October. Grainne agreed to check this date and update accordingly.</p>	

	<p style="text-align: right;"><b>Action:</b> Grainne Stephenson</p> <p><b>019/19</b>    <b><u>Terms of Reference</u></b></p> <p>Simone Surgenor reported the draft Terms of Reference are included in the Constitution. No requested changes to the Terms of Reference were raised.</p> <p><b>020/19</b>    <b><u>Audit Committee Self-Assessment Checklist</u></b></p> <p>Grainne Stephenson referred to action 141/18 and asked the Committee to please return completed self-assessment check lists if not already done so.</p> <p>Grainne also confirmed copies of the latest version of the Handbook had now been received.</p> <p><b>021/19</b>    <b><u>Annual Report and Accounts</u></b></p> <p>Simone Surgenor noted the Annual Report and Accounts 2018-2019 which includes an updated timetable.</p> <p><b>022/19</b>    <b><u>Procurement Register</u></b></p> <p>Simone Surgenor noted the Procurement Register and presented the following waivers for noting:</p> <ul style="list-style-type: none"> <li>• 116 – GPEA Stellar Healthcare Winter Pressure Appointments</li> <li>• 119 – Children’s LD Services Contract</li> <li>• 120 – Project Management Support</li> <li>• 113 – Good Governance Institute</li> <li>• 126 – Telephone Network</li> <li>• 124 – Rheumatology GPwSI Service</li> </ul> <p>The Committee noted the Procurement Register and the above waivers and the following comments were made:</p> <ul style="list-style-type: none"> <li>• 105 – Stephen King suggested as HUC have been awarded the Contract this should be updated</li> <li>• 108 – ICA(P) MSK/COPD/Urgent Care - not completed as not yet awarded</li> <li>• 109 – IAPT – awaiting further update from Attain</li> <li>• The value of Waiver 119 for the Children’s Contract was challenged and Simone agreed to request clarification from the Children’s team.</li> </ul> <p style="text-align: right;"><b>Action:</b> Simone Surgenor</p> <ul style="list-style-type: none"> <li>• Stephen King requested assurance due diligence was undertaken on Waiver 120 ‘Project Management Support’ and Simone Surgenor agreed to follow this up with Geoff Roberts, Assistant Director of Estates &amp; IT.</li> </ul> <p style="text-align: right;"><b>Action:</b> Simone Surgenor</p>	
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<p><b>023/19</b></p>	<p><b><u>Losses and Compensations</u></b></p> <p>Sue Dikmen confirmed there are no losses and compensations to report.</p>	
<p><b>024/19</b></p>	<p><b><u>Gifts and Hospitality Register</u></b></p> <p>Grainne Stephenson noted the Gifts and Hospitality Register. There are an additional 5 records to be noted.</p>	
<p><b>025/19</b></p>	<p><b><u>Audit Committee Workplan</u></b></p> <p>Stephen King noted the Audit Committee Work Plan and requested further dates to March 2020 to be included.</p> <p style="text-align: right;"><b>Action:</b> Debra Smith</p>	
<p><b>026/19</b></p>	<p><b><u>Items to be reported to the Board</u></b></p> <p>The Committee requested the change of Internal Audit Provider to West Midlands Ambulance Service should be noted to the Board.</p> <p style="text-align: right;"><b>Action:</b> John Leslie</p>	
<p><b>027/19</b></p>	<p><b><u>Any other business</u></b></p> <p>Stephen King thanked Mazars for their years of excellent service.</p> <p>John Leslie reported that due to co-commissioning the BACS limit has been increased to £12 million per month from £10 million per month.</p>	
<p><b>028/19</b></p>	<p><b>Date and time of the next meeting:</b></p> <p>The next meeting of the Audit Committee will take place 09.30 am on Wednesday 17<sup>th</sup> July 2019 in the Board Room, WECCG, Spencer Close, St Margaret's Hospital, The Plain, Epping, CM16 6TN.</p>	