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

**Date:**        **18th September 2019**
**Time:**        **9.30 am to 12.30**
**Location:**    **Board room, Spencer Close, St Margaret's Hospital, Epping, CM16 6TN.**

**Present:**

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| Stephen King (Chair) | (SK) | Lay Member, Governance |
| David McConnell | (DMc) | Lay Member, Primary Care |

**In attendance:**

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| John Leslie | (JL) | Interim Director of Finance and Contracting |
| Andrew Geldard | (AG) | Chief Officer |
| Dr Kamal Bishai | (KB) | GP Board Member |
| Jane Marley | (JM) | Head of Information Governance – Basildon & Brentwood CCG |
| Grainne Stephenson | (GS) | Corporate Governance & Risk Manager |
| Debbie Griggs | (DG) | Deputy Director of Finance, Contracts & Performance |
| Sue Dikmen | (SD) | Financial Control Manager |
| Dan Bonner | (DB) | Senior Manager, West Midlands Ambulance Service |
| Simone Surgenor | (SS) | Head of Governance and Corporate Services (Company Secretary) |
| Ali Azam | (AA) | Manager, Public Sector & Healthcare, KPMG |
| Colin Larby | (CL) | Deputy Head of Audit Assurance, West Midlands Ambulance Service |
| Debra Smith | (DS) | Minutes |

**Apologies:**

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| Jane Kinniburgh | (JK) | Director of Quality and Nursing |
| Fleur Nieboer | (FB) | Partner, Audit & Assurance, Public Sector & Healthcare, KPMG LLP |
| Ian Tompkins | (IT) | Director Corporate Services |
| Eleni Gill | (EG) | Lead Counter Fraud Manager, West Midlands Ambulance Service |

| Item No | Agenda Item | Actions |
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| 075/19 | **1  Chairs Welcome**<br><br>**Apologies for absence**<br><br>Apologies noted as above. | |
| 076/19 | **2 Declarations of interest**<br><br>No declarations of interest were made by members of the Committee in relation to the specific agenda items.<br><br>**2.i Register of Interests**<br><br>The Committee noted the Register of Interests.  GS confirmed a completed | |

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| | Declaration of Interest form has been received from Ali Azam, KPMG.<br><br>**2.ii Gifts and Hospitality Register**<br><br>The Committee noted the Gifts and Hospitality Register, with no additional Declarations added.  SS will ask the Communications team to circulate a reminder to staff regarding receiving Gifts and Hospitality.<br><br><div align="right">**Action:  SS**</div> | |
| 077/19 | **3  Minutes of the last meeting 17<sup>th</sup> July 2019**<br><br>The minutes of the meeting held on the 17<sup>th</sup> July were recorded as a true and accurate record with no amendments. | |
| 078/19 | **4  Matters Arising (not covered by items on the agenda)**<br><br>**107/18 Conflicts of Interest**<br><br>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.  SS will share relevant information by email and confirm who are decision makers and if they need to complete a Declaration of Interest, and if this should go through the Primary Care Committee.  SS confirmed guidance has been offered to Primary Care Network Leads.  Action closed.<br><br>**118/18  Emergency Planning, Resilience and Response (EPRR)**<br><br>AG confirmed Ian Tompkins is the Accountable Emergency Officer.  Action Closed.<br><br>**145/15 Risk Report STP**<br><br>The STP Risk Report will be covered under agenda item 17.  Action closed.<br><br>**034/19 Mazars Head of Internal Audit Opinion and Closing Statement**<br><br>Colin Larby confirmed Primary Care Governance is included within the Audit Plan and does not need to be included in the Primary Care agenda until the annual review.  Action closed.<br><br>Advice and guidance will be provided to Peter Wightman, John Leslie and David McConnell to confirm what should be included within the Primary Care Committee agenda.<br><br><div align="right">**Action:** CL</div> | |

**035/19 Proposed Security Plan**

CL confirmed security risk assessment and 3 focus areas of high risk will be covered under agenda item 6.ii.  Action closed.

**038/19 Annual Report**

SS confirmed Governance around procurement within the STP will be covered under agenda item 16.  Action closed.

**043/19 Risk Report**

SS confirmed the STP Risk Register will be covered under agenda item 17. Action closed.

**058/19 Internal Audit Progress Report – work plan**

Colin Larby confirmed governance and how decisions are made around Personal Health Budgets can be incorporated within the work plan.  Action closed.

**STP and ICP Workplan coverage**

SS confirmed a STP Task and Finish Group is being arranged in relation to STP Governance and a draft ICP Governance paper will be presented to the Board part 2 meeting taking place on 26th September outlining ICP Governance.  SS requested this to be a standing agenda item from November.

**Action:** DS

**059/19  Local Counter Progress Report**

SK confirmed the Counter Fraud, Bribery and Corruption Policy has been approved.  Action closed.

**062/19 STP Update**

DG confirmed the Medium Term Plan for the STP was presented to the July Finance and Performance Committee.  Action closed.

DG confirmed the procurement standstill period for STP Pathology concluded on the 15th July 2019 with no challenges.

PAH procurement team are formalising the engagement under the Legal Advisors Framework.  Action closed.

**065/19  Procurement Register – Waiver 131**

SS confirmed waiver 131 was a duplication of waiver 130.  Action closed.

**066/19 Whistle Blowing Policy**

SS confirmed the Whistle Blowing Policy is with the HR team to be ratified and signed off.  Action closed.

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| | **068/19 Business Critical Model**<br><br>SS confirmed requested amendments had been made.  Action closed.<br><br>**071/19 Review of the Risk Management Policy**<br><br>This action will be covered under agenda item 14.  Action closed.<br><br>**072/19 Workplan**<br><br>This action will be covered under agenda.  Action closed.<br><br>**073/19 Items to be reported to the Board**<br><br>The requested items have been shared with the Board.  Action closed. | |
| 079/19 | **Agenda Items**<br><br>**5  External Auditors**<br><br>The Committee noted the External Auditors report.  AA reported since the July Audit Committee the field work for MHIS has been completed and a closure meeting with management has taken place.  The conclusion of the MHIS audit work will be presented to the Audit Committee in November.<br><br>A planning meeting with finance will be scheduled regarding the plan for the 19/20 audit; and the draft 2019/20 External Audit Plan.  The 2019/20 external audit plan will be presented to the Audit Committee in November.<br><br><div align="right">**Action:**  AA</div><br>Debbie Griggs will present a draft 19/20 year end timetable to the Audit Committee meeting in November.<br><br><div align="right">**Action:**  DG</div> | |
| 080/19 | **6  Internal Audit and Counter Fraud Items**<br><br>**6.i Internal Audit Progress Report**<br><br>The Committee noted the Internal Audit Progress report.  The report provides the committee with a summary update on progress against the internal audit plan, summarises the results of completed work to date and progress against previously managed actions.  Dan Bonner reported the plan is progressing with the Cyber Security audit fieldwork now nearing completion.  Dates have been agreed for 3 other audits to take place, however, the audits have been delayed in starting.  A meeting to discuss the undertaking of the Procurement Compliance audit has been arranged. The committee noted that Dan was now getting the engagement he requested in his report.<br><br>Dan Bonner referred to the outstanding follow ups – recommendations which | |

have reduced from 25 to 9. AG will update the Executive Committee regarding the 9 outstanding recommendations.

**Action:** AG

SS requested regular monthly meetings with Dan Bonner.  SS referred to risk WECCG18/03 and explained the final version of the Constitution has been sent to NHSE and the CCG are waiting for the approval letter.

**Action:**  SS/DB

**6.ii Local Counter Fraud Specialist and Local Security Management System Progress Report**

Colin Larby presented the Counter Fraud Progress report on behalf of Eleni Gill.  The Committee noted the report.  The report provides an update to the Committee on the counter fraud and security management activity since the last meeting.  Colin reported one referral has been received which Eleni Gill has actioned.  The attempted fraud was intercepted which resulted in no fraud taking place, and circumstances will be investigated further.

Following on from a high number of phishing emails targeted at NHS staff, guidance regarding phishing emails has been circulated to staff.

Fraud training sessions for staff will take place on 8th October 2019.

A physical security inspection of Spencer Close took place in July 2019 and no issues were raised.  Colin will share the full report with Grainne Stephenson and present the full report to the next Audit Committee.  Grainne Stephenson will present the full report to the Executive Committee.

SK requested a risk-based  Security Management plan which CL will follow up.

**Action:**  CL/GS

SK requested Ian Tompkins present an update to the next Committee meeting regarding security management for the whole site of St Margaret's Hospital.

**Action:**  IT

Grainne Stephenson will share the reviewed Security Management Policy with the Committee.

**Action:**  GS

**6.iii Assurance Definitions Report**

The Committee noted the Assurance Definitions Report which was undertaken following feedback from clients with the aim to provide clarity on what each assurance opinion means and some new definitions have been implemented. The Committee agreed to accept and proceed with the new definitions.

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| **081/19** | **7 Information Governance Update**<br><br>The Committee noted the Information Governance update.  Jane Marley highlighted the following key messages:<br><br>• Following a recent trial of a new way of co-ordinating FOI's the process has reverted back to the previous way of working<br>• The UK Regulator has made a change to its guidance on when to respond to subject access requests<br>• IG Policies are being reviews.  The framework has specific guidance around sharing between Health and Care Organisations within STP's and regions.<br>• IG Training – to avoid issues of uncompleted training the CCG is currently looking to move the completion date from the end of March to the end of January.  SS will follow up with Ian Tompkins if a training session could be run during a staff briefing<br><div align="right">**Action:** SS</div><br>Jane Marley reported Attain have advised as Jane Marley is DPO for practices the IG team cannot be involved in any procurement as this would raise a Conflict of Interest. Simone Surgenor will investigate this further and review the advice from Attain.   Jane Marley to share the email received from Attain with Simone Surgenor.<br><div align="right">**Action:**  JM/SS</div><br>*Jane Marley left the meeting.* | |
| **082/19** | **8 STP Update**<br><br>Debbie Griggs advised a further draft Medium Term Financial Plan submission is Thursday 19th September 2019.<br><br>John Leslie reported PAH are currently off track against the financial plan and are implementing a regional wide recovery programme.<br><br>Stephen King referred to the STP Plan presented at the Board Development day and questioned if the CCG have an approval process in place for the plan. The Committee agreed Simone Surgenor, Stephen King, David McConnell and Andrew Geldard would meet with Beverly Flowers and Iain McBeth, STP, to discuss formal arrangements for approval and sign off of plans.<br><div align="right">**Action:** SS/SK/AG/DMc</div> | |
| **083/19** | **9  Clinical Assurance Report**<br><br>The Clinical Assurance Report was deferred to the November meeting. | |
| **084/19** | **10  Constitution and Corporate Governance Manual update**<br><br>Simone Surgenor confirmed NHSE have asked for additional changes to the submitted Constitution, the Primary Care Upper approval limit was raised, | |

which NHSE have now issued guidance for.

All Terms of Reference are expected to be updated over the coming months.

**11 Business Critical Model**

**085/19**

Simone Surgenor explained a template is being tried and tested for review. Dan Bonner and Simone Surgenor will discuss further regarding compliance with the McPherson report and how the CCG evidence that.

**Action:** SS/DB

**12 Risk Report**

**086/19**

The Committee noted the risk report. The report provides the Committee with the latest version of the Operational Risk Register following a review in August 2019. Grainne Stephenson highlighted one of the two IAPT targets have been removed.

David McConnell referred to page 1, risk W239, and Grainne agreed to follow up with the Peter Wightman, Director of Primary Care and Localities, and confirm the substance behind the concern. AG suggested risk rating should be a Primary Care Committee agenda item to regularly contribute to the assessment.

**Action:** GS

David McConnell referred to page 2, risk W215 and proposed that the IT is the new risk.

Stephen King referred to risk W199, Mental Health, ADHD, regarding the current contract ending in August, which Debbie Griggs agreed to follow up with Toni Coles, Director of Transformation, and Joanne Reay, MH lead.

**Action:** DG

Grainne agreed to provide an update to the November Audit Committee regarding risks W210, W222, W227 and W257. Grainne confirmed the risks are in relation to Emergency preparedness and monitored and reviewed quarterly by the Essex Emergency Planning team.

**Action:** GS

Dan Bonner asked how risks on the STP risk register link to the CCG register, Simone Surgenor confirmed work is in progress.

**13 Board Assurance Framework**

**087/19**

The Committee noted the Board Assurance Framework report. The report provides the Committee with an updated version of the Board Assurance Framework for 2019.20. It was noted that revised strategic priorities have still to be agreed with the board.

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| **088/19** | **14  Review of the  Risk Management Policy**<br><br>Following the Committees request in July regarding the review of the Risk Management Policy, the review is being presented to the Board Development meeting in October to discuss in more detail. | |
| **089/19** | **15  Procurement Register**<br><br>The Committee noted the procurement register and waivers 136, 137 and 143. No issues were raised by the Committee.  Stephen King requested the date when the waiver was raised should be included within the spreadsheet.<br><br>**Action:  SS** | |
| **090/19** | **16  STP Hosting Agreement**<br><br>The Committee noted the STP PMO report.  .  Stephen requested Simone complete a list of questions that would be helpful to discuss with STP colleagues at the meeting to be arranged.<br><br>**Action:  SS** | |
| **091/19** | **17  STP Risk Register**<br><br>The Committee noted the STP Risk Register.  The register highlighted the strategic risks.  . | |
| **092/19** | **18  Revised WECCG Procurement Policy**<br><br>The Committee noted the revised WECCG Procurement Policy.  SK requested a summary of sign off limits be included within the policy.  Simone confirmed there will always be a lead provider on joint procurements.  SK asked if WECCG are required by regulations to take environmental and social responsibilities into account, which Simone agreed to investigate further.  Ali Azam will investigate if the CCG are required to consider and feedback if it is requirement of Audit Disclosure.<br>**Action: SS/AA** | |
| **093/19** | **19  Losses and Compensations**<br><br>Sue Dikmen confirmed there are no Losses and Compensations to report. | |
| **094/19** | **20  Audit Committee Workplan**<br><br>The Committee noted the workplan.  The workplan should be updated to the March 2021<br><br>**Action:  GS** | |
| **095/19** | | |

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| **096/19** | **21 Items to be reported to the Board**<br><br>The Committee considered regular business and agreed there are no items to report to the Board.<br><br>**22 AOB**<br><br>No items were raised under AOB. | |
| | **23 Date and time of the next meeting:**<br><br>The next meeting of the Audit Committee will take place 09.30 am on Wednesday 20th November 2019 in the Board Room, WECCG, Spencer Close, St Margaret's Hospital, The Plain, Epping, CM16 6TN. | |