

**REPORT TO THE MERTON CLINICAL COMMISSIONING GROUP
GOVERNING BODY**

Date of Meeting: 20th May 2016

Agenda No: 6.1

Attachment: 05

Title of Document: Approved Minutes of the Audit and Governance Committee	Purpose of Report: For Note/Discussion
Date, author details: As per details on each attachment.	
Executive Summary: The minutes of the following meeting is attached: 20.01.16 This item will also include a verbal summary from the Committee Chair regarding key issues, risks and mitigations.	
Key sections for particular note (paragraph/page), areas of concern etc: Whole document	
Recommendation(s): For Note & Discussion	
Committees which have previously discussed/agreed the report: N/A	
Financial Implications: N/A	
Implications for CCG Governing Body: N/A	
How has the Patient voice been considered in development of this paper: N/A	
Other Implications: N/A	
Equality Assessment: N/A	
Information Privacy Issues: N/A	
Communication Plan: All formal committee minutes are posted on the CCG's website as part of the Governing Body papers	

**Merton Clinical Commissioning Group
Audit and Governance Committee**

Notes of the meeting held on Wednesday 20th January 2016

Present:-
Members

PD	Peter Derrick	MCCG Lay Member (Chair)
SP	Stephen Powis	MCCG Secondary Care Consultant
ST	Sally Thomson	MCCG Independence Nurse Member

In attendance

AM	Dr Andrew Murray	CCG Clinical Chair
AD	Adam Doyle	Chief Officer
CC	Cynthia Cardozo	Chief Finance Officer
FW	Faiza Waheed	Deputy Chief Finance Officer
DM	David May	Internal Auditor - RSM
CL	Carl Watson	Counter Fraud – RSM
MC-S	Martin Campbell-Smith	Head of Accounting, Reporting & Control - SECSU
DC	David Cotter	Principal Associate Corporate Affairs and Governance – SECSU
TB	Terri Burns	Senior Associate Corporate Affairs and Governance – SECSU (Item 5.2)
CE	Claire Edgeworth	Senior Associate – Information Governance, SECSU (Item 6.2)
YH	Yvonne Hylton	SECSU (Minutes)

1.	<u>Introduction and Apologies</u> Peter Derrick (PD) welcomed all to the meeting. Apologies were received from Clare Gummatt (Lay Member PPI) and Sarah Ironmonger (External Auditor Grant Thornton)	
2.	<u>Declaration of Interest</u> Andrew Murray declared an interest to be added to the Register, Trustee for Health and Hope UK. With the additional interest the Register was approved as an accurate record.	
3.	<u>Minutes of the meeting held on 17 September 2015</u> The minutes were approved as an accurate record of the meeting.	
4.	<u>Action Log of the meeting held on 17 September 2015</u> The action log was reviewed and all actions were discharged.	
5.	For Approval	
5.1	<u>Terms of Reference (Revised)</u> Changes to the CCG Constitution including revisions to the GB Committees ToR were approved by the Governing Body on 3 November 2015.	

	<p>At that time it was agreed that the ToR would be reviewed by the relevant Committee to provide an opportunity for changes and when agreed re-submitted for formal approval by the Governing Body.</p> <p>DC advised that an error in the ToR contained within the Constitution, relating to the Membership, had been corrected in the version presented to the meeting.</p> <p><u>Recommendation</u> The Committee is asked to approve the ToR.</p> <p>Following full review of the changes the ToR were agreed with a recommendation for formal approval at the next meeting of the Governing Body in Public.</p>	
5.2	<p><u>Board Assurance Framework</u> Terri Burns, SECSU presented the Board Assurance Framework (BAF) and Corporate Risk Register Q3 to the meeting and outlined the key points for note.</p> <p>Risk 1009 relating to Children Looked After has been removed from the Governing Body Assurance Framework. With the agreement of the Clinical Quality Committee the risk has been amalgamated with Risk 1012 as part of the safeguarding children risk.</p> <p>There has been some movement in risk ratings, particularly the increases of risks 954, 798 and 938 and the decreases of risks 958 and 792 from Red to Amber.</p> <p>Additional risks have been drafted and will be added to the register once the Chief Officer has reviewed these. They include IT re-procurement and primary care.</p> <p><u>Comments</u> SP stated that Risk 955 achievement of Local Quality Standards did not fully reflect the risk and asked that it is reviewed. AD said that all risks are due to be reviewed for 2016/17 however in light of the current financial position of the provider organisations in south west London AD will review.</p> <p>DM commented that the impact of Continuing Healthcare should be reflected as a strategic risk and escalated to the BAF. AD said that the Q3 risk register was presented and the feedback on the current financial and quality position and options for the future delivery of a CHC service in Merton would be discussed at the GB meeting on 26.1.16.</p> <p><u>Recommendation</u> The Committee is requested to note the Q3 risk register and recommend approval of the BAF to the Governing Body.</p> <p>The recommendation was agreed subject to the changes noted above.</p> <p>TB left the meeting</p>	AD

5.3	<p><u>SECSU Service Auditor Report 2015/16</u> Martin Campbell-Smith, SECSU presented the Service Auditor Report 15/16 for review and approval by the Committee.</p> <p>The report covers the period 1 July to 30 September 2015 and includes a letter from the SECSU in response to the exceptions identified and key timelines.</p> <p>Exceptions have been identified in two areas: Access to ISFE and accuracy of VAT returns. For access to ISFE, Deloitte qualified the control objective; however, on accuracy of VAT returns the control objective was not qualified.</p> <p>The Committee asked if the VAT return exception related to Merton CCG and MC-S confirmed that it did not.</p> <p>The Chair asked if CC was content with the report. CC responded that the scope of the audit was beyond the CCGs control, and covered a number of Trusts and CCGs. The report was not equivalent to an Internal Audit report; however DM confirmed that the report would feed into the Head of Internal Audit Opinion the first draft of which will be issued in February.</p> <p>MC-S updated that the SAR report for the period October 15 to February 16 will be issued on the 20th April 16. The period of March 16 will be covered by a letter of assurance.</p> <p>NHSE have confirmed the dates for timeline for submission of the Annual Accounts as:-</p> <ul style="list-style-type: none"> - Draft 'unaudited' accounts by 22 April 2015 - Final 'audited' accounts 27 May 2015 <p>AD confirmed that the CCG had noted the dates and would be aligned to the internal governance structure.</p> <p><u>Recommendation</u> The Committee is asked to approve the report.</p> <p>Approved</p>	
6.	For Review	
6.1	<p><u>Financial Control Environment Assessment Update</u> Feedback from NHSE has been received on the financial control self-assessment carried out in August 2015. Four areas have been identified as requiring attention across the majority of CCGs which will be specific focus for NHSE.</p> <p>The Committee noted a summary of MCCG's position which showed that there were two areas assessed as 'Amber':-</p> <ul style="list-style-type: none"> - Alignment with activity and provider contracts - In-year financial performance <p>CC recommended that the actions against the FCEA are reviewed every six months. Internal audit will also audit this next year.</p>	

	<p>The Committee reviewed the updated financial checklist including recovery actions agreed and progress made.</p> <p>PD asked that a further update is brought to the Audit & Governance Committee in June 2016.</p> <p><u>Recommendation</u> The Committee is asked to note the update and approve the updated financial checklist.</p> <p>Approved</p>	CC
7.	For Note	
7.1	<p><u>Freedom of Information Q4 (2014/15) and Q1 (2015/16)</u> AD presented two reports for noting by the Committee, the first is the Q4 report for 2014/15 and the second covers Q1 of 2015/16.</p> <p>The Q2 report for 2015/16 has been finalised and will be presented to the next meeting and quarterly thereafter.</p> <p>Freedom of Information requests are managed on behalf of MCCG by the SECSU and aligned to the Complaints service to highlight emerging trends and themes in Merton.</p> <p>The FOI Act 2000 states that applicants should be given a response within 20 working days. Good practice guidance suggests that at least an 85% response should be achieved.</p> <p><u>Q4 2014/15</u> The total number of FOI requests received during the year 2014/15 was 260 which were in line with the number received by CCGs across South West London. 62 requests were received in Q4 of which 55 of were round robins and 7 were specific to Merton, covering topics relating to mental health and consultancies.</p> <p>The average response rate across the year was 94.5% with the lowest performance at 89% in Q2.</p> <p><u>Q1 2015/16</u> 65 requests were received in Q1 which is almost the same number received in Q1 of 2014/15 (67). 64 of the requests were round robins.</p> <p>The requests received in Q1 were more complex in nature and coincided with a change of lead in the CSU. This combination led to some minor delays in responses but the CCG still achieved 89% response rate which is above the recommended 85%.</p> <p>There was also an increase in the number of requests relating to Corporate Information, Finance and commissioned services which accounts for around 72% of all requests received.</p> <p>In response to questions raised by Clare Gummatt, regarding the delays in responses, AD said that he would update CG, noting that the CCG was above the 85% standard, at their next meeting.</p> <p><u>Recommendation</u></p>	AD

		<p>The Committee is asked to note the report.</p> <p>Noted</p>	
7.2	<p><u>Information Governance Update</u> The Chair welcomed Claire Edgeworth, SECSU to the meeting.</p> <p>The report provided an update on the work undertaken by the Information Governance Steering Group in Q1, 2 and 3 including a Staff Survey to gauge the level of understanding and training needs of staff.</p> <p>All CCGs must achieve Level 2 of the IG Toolkit by 31 March 2016. MCCG are currently at 59% which is Level 2, however an internal 'stretch' target to achieve Level 3 which the CCG is working towards.</p> <p>PD expressed concern at the high number of documents and information relating to Information Governance. CE accepted this and said that they are necessary data is collect to achievement of the IG Toolkit. Once the Toolkit is embedded into business as usual the aim is for a 'working document' for use by staff with expertise provided by the IG Team.</p> <p><u>Recommendation</u> The Committee is asked to note the IG update and progress towards the IG Toolkit.</p> <p>Noted</p>		
7.3	<p><u>Planning for Commencement of the Local Audit Arrangements</u> NHSE has advised that CCGs will select and appoint their own auditors and directly manage their contracts for the audits for the financial year starting April 2017, with the legislation requiring that the auditors are appointed by 31 December 2016.</p> <p>CC said that a SWL approach will be considered and a plan developed and brought back to the Committee.</p> <p><u>Recommendation</u> The Committee is asked to note the report.</p> <p>Noted</p>	CC	
3	Auditors' Report		
8.1	<p><u>External Audit Report</u> PD referred to the retirement of Sue Exton, External Audit Lead at the end of December 2015 and that a new Lead, Sarah Ironmonger, would attend future meetings.</p> <p>In accordance with the ToR, PD had met with both External and Internal Auditors on 10 December and no issues were raised at that time.</p> <p><u>Recommendation</u> The Committee is asked to note the report.</p> <p>Noted</p>		

	8.2	<p><u>Internal Audit Report</u> DM introduced the report.</p> <p>Three audits from the 15/16 Audit plan have been finalised and reported to this audit committee. They are:</p> <ul style="list-style-type: none"> • QIPP – Amber/Green • Patient & Public Engagement – Green • Financial Ledger and Payroll Feeder Systems - Green <p><u>IA Plan 2016/17</u> The draft plan will be shared with the CCG in March for Directors and Managers to feedback on the areas to be audited in 2016/17 prior to approval of the work plan by the Audit & Governance Committee.</p> <p><u>Primary Care Co-Commissioning</u> Feedback from the PCC workshop held in November 2015 was shared for information.</p> <p>AD said that the PCC financial due diligence report had been received and would be reviewed at the next Finance Committee and Governing Body meeting.</p> <p><u>Recommendation</u> The Committee is asked to note the update.</p> <p>Noted</p>	
	8.3	<p><u>Local Counter Fraud Progress report</u> The National Fraud exercise has been completed and will be reported back to the next meeting of the Audit & Governance Committee.</p> <p>Two Fraud Risks have been escalated on the CCG risk profile since this last meeting. These relate to Cyber Crime and Medicines Management.</p> <p>PD asked if the escalated risks were specific to MCCG and CW confirmed that they were not.</p> <p><u>Recommendation</u> The Committee is asked to note the report.</p> <p>Noted</p>	
9	Any Other Business		
	9.1	<u>Date of next meeting</u> - 17 March 2016.	
	9.2	<p><u>Annual Accounts Reporting Timetable</u> NHSE have confirmed the annual accounts submission dates for 2015/16:-</p> <ul style="list-style-type: none"> - 22 April – Draft ‘unaudited’ accounts - 27 May – Final ‘audited’ accounts 	

		The Chair asked that the dates of the Audit & Governance Committee are aligned to meet the external audit timetable.	CC
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Agreed as an accurate account of the meeting held on the 20 January 2016

Mr Peter Derrick – Chairman

Date: