

<b>Title of Meeting:</b>	<b>Governing Body</b>			<b>Agenda Item: 9.1</b>									
<b>Date of Meeting:</b>	29 October 2020			<table border="1"> <tr> <th colspan="2">Session (Tick)</th> </tr> <tr> <td>Public</td> <td>X</td> </tr> <tr> <td>Private</td> <td></td> </tr> <tr> <td>Workshop</td> <td></td> </tr> </table>		Session (Tick)		Public	X	Private		Workshop	
Session (Tick)													
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<b>Paper Title:</b>	<b>Audit Committee Key Messages</b>												
<b>Responsible Governing Body Member Lead</b> Ken Readshaw, Lay Member for Audit & Governance and Audit Committee Chair			<b>Report Author and Job Title</b> Ken Readshaw, Lay Member for Audit & Governance and Chair of the Audit Committee										
<b>Purpose (this paper if for)</b>	<b>Decision</b>		<b>Discussion</b>	<b>Assurance</b>	<b>Information</b>								
				X									
<b>Has the report (or variation of it) been presented to another Committee / Meeting?</b> If yes, state the Committee / Meeting: No.													
<b>Executive Summary</b> The Audit Committee provides the Governing Body with an independent and objective view of the CCG's financial systems, financial information and compliance with laws, regulations and directions governing the CCG in so far as they relate to finance, risk management systems and emergency planning arrangements.  Key Messages from the meeting held on 17 September 2020 are attached at Appendix A. Confirmed Minutes of the meeting held on 16 July 2020 are attached at Appendix B.													
<b>Recommendations</b> The Governing Body is asked to receive the report as assurance.													
<b>Monitoring</b> An assurance report on key topics discussed at the Audit Committee will be brought to each Governing Body meeting.													
<b>Any statutory / regulatory / legal / NHS Constitution implications</b>		The Audit Committee is accountable to the Governing Body and is required to provide key messages and confirmed minutes from all of its meetings.											
<b>Management of Conflicts of Interest</b>		No conflicts of interest have been identified prior to the meeting.											
<b>Communication / Public &amp; Patient Engagement</b>		Key Messages are published with the Governing Body Papers and any additional update is noted in the minutes, which are also published on the CCG's website.											
<b>Financial / resource implications</b>		None identified.											
<b>Significant Risks to Consider</b>		No significant risks to consider.											
<b>Outcome of Impact Assessments completed</b>		Not applicable.											

**Ken Readshaw, Lay Member for Audit and Governance and Audit Committee Chair**

## **Audit Committee**

### **Key Messages**

The Audit Committee held their inaugural meeting on 17 September 2020. Key Messages include:

### **Approvals**

- Counter fraud annual plan 2020/21.
- Information Governance work plan 2020/21.
- Postponement of Internal Audit of 'Quality Strategy and Assurance processes.

### **Other Matters**

- Reviewed draft risks for Governing Body Assurance Framework process.
- Reviewed each committees work plans. Work plans of Joint Committees with other organisations will also be reviewed by the Audit Committee in future.
- Significant progress made in reducing outstanding Internal Audit recommendations.
- External Audit advised that there will be changes to the Value for Money audit process this year.

**Ken Readshaw, Lay Member for Audit and Governance and Audit Committee Chair**

## NORTH YORKSHIRE CLINICAL COMMISSIONING GROUP

### Audit Committee

Tuesday 16 July 2020

14:00 – 16:00

Present	
Ken Readshaw	Lay Member for Audit (Chair)
Dr Ian Woods	Secondary Care Doctor (Vice Chair)
Sheenagh Powell	Lay Member for Finance
Dr Chris Ives	GP Governing Body Member

In Attendance	
Dr Charles Parker	Clinical Chair
Jane Hawkard	Chief Finance Officer
Dilani Gamble	Deputy CFO
Julie Warren	Director of Corporate Services, Governance & Performance
Kim Betts	Internal Audit Manager, Audit Yorkshire
Helen Kemp-Taylor	Managing Director & Head of Internal Audit, Audit Yorkshire
Sasha Sencier	Senior Governance Manager And Board Secretary to the Governing Body
Sue Peckitt	Chief Nurse
James Collins	Mazars (for item 8.0)
Campbell Dearden	Mazars
Mark Kirkham	Mazars
Catherine Gibson	(Secretariat)

### 1.0 Apologies for Absence and Quorum

Apologies were received from: Alec Cowell, Deputy Director of Financial Services & Reporting and Ross Woodley, Mazars.

The Chair confirmed that the meeting is quorate, taking into account any apologies for absence.

#### **Audit Committee:**

Noted attendance and apologies and confirmed the meeting is quorate under the requirements set out within the Terms of Reference.

### 2.0 Declarations of Interest in Relation to the Business of the Meeting

The Chair 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

NHS North Yorkshire CCG. It was noted there were no declarations of interest in relation to the business of the meeting.

**Audit Committee:**

Noted that no declarations of interest were made in relation to the business of the meeting.

**3.0 Minutes of the meeting held on 23 June 2020**

Minutes of the meeting held on 23 June 2020 were reviewed by the Audit Committee for accuracy; minor amendments were noted, including:

Page 5, item 4.3 to read; The Lay Member for Finance queried the unadjusted misstatement of £1.5m and asked if there was any more information particularly around the background. Mazars stated this is around disputed imbalances between the providers and the Commissioners and purely means classification between the NHS and non NHS lines.

Page 8, item 5.7 to read; The Committee approved the Statutory Accounts, Annual governance statement and Annual Report (for each of the 3 CCGs).

**Action:**

- **Catherine Gibson would amend the minutes of the meeting held on 23 June 2020.**

**Audit Committee:**

Approved the minutes, subject to the above amendment.

**3.1 Matters arising from the Minutes**

The action log was reviewed by the Audit Committee. All outstanding actions were complete and could be removed from the log.

**4.0 External Auditors**

**4.1 Financial Issues Update (by exception)**

Jane Hawkard presented a verbal summary of the financial performance against the plan at month 2 and the forecast to month 4. Also included was information on expected expenditure up to month 4 which would be used by NHSE to “true up” overall CCG expenditure enabling CCGs to breakeven through the months of Covid. There is still uncertainty about the financial regime for months 5 to 12 and more guidance is expected shortly.

Covid expenditure continues to be monitored on a weekly basis at Directors.

**Audit Committee:**

Noted the above and felt assured on the actions being taken.

## **4.2 Single Tender Waiver - Estates Rationalisation Proposal Scope of works and fee proposal Extended Access**

Jane Hawkard presented a summary of the Single Tender Waiver which had been agreed by the Accountable Officer and CFO on the recommendation received at Directors. This had already been received and reviewed at the meeting of Finance, Performance, Contracting & Commissioning Committee. The update is presented to the Committee for discussion and note. The Chair acknowledged that the report seemed to fulfil the criteria and therefore did not highlight any material issues to bring to the Committee's attention.

### **Audit Committee:**

Noted the above and felt assured on the actions being taken.

## **5.0 Corporate and Governance**

### **5.1 Risk Registers Review and Board Assurance Framework**

Sasha Sencier presented a verbal update to the Committee on Risk Registers and Board Assurance Framework progress.

- The Governing Body approved the Risk Management Strategy on 25 June 2020.
- Implementation of the strategy had been planned as a staged approach.
- The Audit Committee would receive the GBAF and Risk Registers in their entirety twice per year, in September and again in February.

### **Audit Committee:**

Noted the above.

### **5.2 Legal Updates Report**

Julie Warren presented a verbal update to the Committee.

- Legal service is now hosted by NYCCG (from 1 April 2020) – MOU and Legal Services Agreement have been updated and signed off by NYCCG & ERYCCG.
- Implementation of Liberty Protection Safeguards (LPS) under the Mental Capacity Act (MCA) is delayed. Implementation was originally planned for 1 October 2020. We await an update on the new implementation date.
- Despite the restrictions in place due to Covid-19 the legal team continue to work with the CCG's best interest's assessor to prepare community DoLS applications for submission to the Court of Protection.
- NYCCG currently has 4 contentious cases before the Court of Protection.

### **Audit Committee:**

Noted the above.

Jane Hawkard left the meeting at 14:34 p.m.

### **5.3 IG Update and DPO Update report**

There was nothing to report.

### **5.4 NHSE Conflict of Interest Returns**

Sasha Sencier presented a verbal update to the Committee.

- The Improvement and Assessment Framework (IAF) includes a conflicts of interest indicator to assess CCGs' compliance with the requirements of the revised statutory guidance on managing conflicts of interest for CCGs. CCGs are required to demonstrate compliance with the conflicts of interest indicator through an annual and quarterly self-certification submission.
- Under normal circumstances the Audit Committee received this report as assurance that the CCG is complying with the statutory guidance set out by NHS England, however it should be noted that due to Covid-19 NHSE have agreed that CCG's could put on hold the requirement to update the registers.
- The Governance team have used the time to engage with the Clinical Chair of the CCG, the Audit Chair and GPs to develop and implement a more streamlined approach.
- It was reported we are on track to rolling out this approach over the coming month, however it should be noted that supporting the rollout and gathering data back from all staff across the CCG and also all GP Partners and Directors of the 51 GP Practices will be a significant piece of work carried out by only 2 members of staff.

#### **Audit Committee:**

Noted the above.

### **5.5 List of policies and timescales reserved to the Committee (as required)**

The Senior Governance Manager is working with the Corporate Manager to undertake a piece of work to list the policies reserved to the Committee including timescales which will be appended to the forward plan.

#### **Audit Committee:**

Noted the above.

### **6.0 Counter Fraud**

Rosie Dickinson presented a summary of the Counter Fraud Annual Report 2019/20 previously circulated and taken as read. Key items were highlighted;

The report summarised the work undertaken by the Counter Fraud team during 2019/20 on behalf of Scarborough and Ryedale CCG, Hambleton, Richmondshire and Whitby CCG and Harrogate and Rural District CCG.

The report described the counter fraud activities which were undertaken for each organisation within the areas of work set out by the NHS Counter Fraud Authority – Strategic Governance, Inform and Involve, Prevent and Deter and Hold to Account.

A copy of the complete SRT submission for the CCG was attached to the report and shared for information.

Four editions of the Anti-Crime Newsletter were published and distributed to the CCGs during 2019/20. The content of the newsletters varied each issue. The initial newsletter of the year provided readers with information and advice regarding the dangers of Spoofing, details of the Proceeds of Crime Act and specific NHS fraud cases of interest.

Prevent and Deter - this sets out the requirements in relation to discouraging individuals who may be tempted to commit crime against the NHS and ensuring that opportunities for crime to occur are minimised.

No fraud referrals were received for Hambleton, Richmondshire and Whitby CCG or Harrogate and Rural District CCG. One referral was received for Scarborough and Ryedale CCG around Misuse of “Other Leave” and Qualification Concerns.

Delivery of counter fraud awareness training to staff took place at several venues across the area. Further training will take place on 31 July 2020.

**Audit Committee:**

Noted the above and felt assured on the actions being taken.

## **7.0 Internal Audit**

### **7.1 Annual Review of the Audit Charter**

Kim Betts presented a summary of the report previously circulated and taken as read.

The Internal Audit Charter sets out the authority of Internal Audit to operate and provide internal audit services to the CCG. It is a requirement of the Public Sector Internal Audit Standards (PSIAS) and is reviewed annually.

It was confirmed no amendments to the wording have been required to the Audit Charter.

A discussion took place around the (GBAF) Governing Body Assurance Framework. Kim Betts was confident that things were going in the right direction and there were no concerns to bring to the Committee’s attention.

**Audit Committee:**

Noted the above.

## **7.2 Audit Recommendations Progress Report**

Kim Betts presented a summary of the report previously circulated and taken as read. The update is presented to the Committee for discussion and assurance.

The paper provided an update on the status and progress in implementing audit recommendations at the CCG. Kim Betts drew attention to Appendix A within the report which summarised the status of outstanding audit recommendations by audit area and priority.

It should be noted since the last report, 52 actions have been either closed or merged following the merger of the CCGs to ensure there is not duplication. 4 of the closed actions were completed by the date of the final audit report. The outstanding major recommendations related to a CHC audit.

Jane Hawkard reported there are currently around 70 recommendations which remain outstanding on the Auditors NKI system. It was noted that the NKI system updating is going to be taken over by Tanja Entwistle to update based on information provided by Managers. This should improve the closure rate of recommendations.

A report of recommendations outstanding while be received by Directors in early August.

In terms of the major risks reported on CHC assurance was provided that action has been taken with regards to these items and will be highlighted in more detail in the next report.

### **Audit Committee:**

Noted the above.

## **7.3 Internal Audit Progress Report 2020/21**

Kim Betts shared a summary of the report previously circulated and taken as read.

The Internal Audit Operational Plan for 2020/21 was agreed by the Audit Committee in February 2020. The report set out performance against agreed plan and identified the scope of work undertaken and the assurances provided.

Following notification of agreement by Directors and due to the current financial regime, it was noted that CQUIN and Contract Management audit would be cancelled as a result of current Covid19 contracting arrangements. Further discussions would need to take place with Executive Directors to consider how best we can continue to use that contingency.

### **Audit Committee:**

Noted the above and felt assured on the actions being taken.

## **8.0 External Audit**



- 8.1 Annual Audit Letter NHS Harrogate and Rural District Clinical Commissioning Group**
- 8.2 Audit Letter NHS Hambleton and Richmondshire Clinical Commissioning Group**
- 8.3 Annual Audit Letter NHS Scarborough and Ryedale Clinical Commissioning Group**

The Annual Audit Letters for (each of the 3 CCG's) for the year ended 31 March 2020 were presented to the Committee to note.

James Collins pointed out that their work has provided them with the assurance sought and there was nothing inconsistent or any material issues to bring to the Committee's attention.

The Chair made reference to the consolidation schedules detailed within the SR CCG report. It was reported that the CCG's consolidation schedules were consistent with the audited financial statements except for some identified differences between the audited financial statements and the Accounts Consolidation Template.

James Collins drew the Committee's attention to the completion of the Mental Health Investment Standards work and a discussion took place. A question was raised on whether the reports have been signed off positively and clearly this had been ruled out in conclusion with the statements and we will discuss those findings at the committee in September.

Dilani Gamble confirmed that we have now received letters from NHSE acknowledging the MHIS position for all three CCGs for 2018/19. The letters also stated that the independent review of MHIS will be repeated for 2019/20. The expectation is that given all CCGs will have had a chance to consider the recommendations from their reporting accountants on 2018/19, there would be a significant improvement in the number of clean opinions in 2019/20.

**Audit Committee:**

Noted the above.

**9.0 Information Governance Steering Group (IGSG Minutes / Plan Update**

Julie Warren provided a verbal update from the initial meeting that took place on 24 June 2020.

- Terms of Reference had been approved. It was agreed that Julie Warren would act as deputy Caldicott until a Deputy Director of Nursing, Quality and Clinical Governance was appointed.
- Two incidents had occurred since 1 April 2020 and they were currently being investigated.
- Cyber security had been added to the agenda going forward.

- Building administrators are to review paper records in offices and access restrictions to them. Information to be provided to next meeting if possible given office access limitations.

**Audit Committee:**

Noted the above.

**10.0 Forward Planner**

A copy of the forward planner had been reviewed prior to the meeting and there were no additional amendments to note.

**Audit Committee:**

Noted the above.

**11.0 Any Other Business**

There being no other business the Chair declared the meeting closed.

**12.0 Date and Time of Next Meeting**

Thursday 17 September 2020, 14:00 p.m.

**Audit Committee:**

Noted the above.

**Follow up actions**

The actions required as detailed in these minutes are attached at Appendix A.

**Appendix A**

**North Yorkshire Clinical Commissioning Group  
Actions from the Audit Committee on 23 June 2020**

Meeting Date	Item	Action	Responsibility	Action Completed / Due to be Completed (as applicable)
23 June 2020	5.5 NHS Harrogate and Rural District Clinical Commissioning Group 2019/20 Annual Report  5.6 NHS Scarborough and Ryedale Clinical Commissioning Group 2019/20 Statutory Accounts  5.7 NHS Hambleton, Richmondshire and Whitby Clinical Commissioning Group 2019/20 Statutory Accounts	Statutory Accounts for the three North Yorkshire CCGs were presented to the Committee for approval.  The Committee formally approved Statutory Accounts, Annual Governance Statements and Annual Reports of HaRD CCG, HRW CCG and SR CCG and will be submitted to NHS England on 25 June and shared at a combined Annual General Meeting later in the year.		Completed

Meeting Date	Item	Action	Responsibility	Action Completed / Due to be Completed (as applicable)
16 July 2020	3.0 Minutes of the meeting held on 23 June 2020	Catherine Gibson to amend the minutes.		Completed