

Title of Meeting:	Governing Body			Agenda Item: 9.1								
Date of Meeting:	24 June 2021			<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)												
Public	X											
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Workshop												
Paper Title:	Audit Committee Key Messages											
Responsible Governing Body Member Lead Ken Readshaw, Lay Member for Audit & Governance and Audit Committee Chair		Report Author and Job Title Ken Readshaw, Lay Member for Audit & Governance and Chair of the Audit Committee										
Purpose (this paper if for)	<table border="1"> <tr> <th>Decision</th> <th>Discussion</th> <th>Assurance</th> <th>Information</th> </tr> <tr> <td></td> <td></td> <td>X</td> <td></td> </tr> </table>				Decision	Discussion	Assurance	Information			X	
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		X										
Has the report (or variation of it) been presented to another Committee / Meeting? If yes, state the Committee / Meeting: No.												
Executive Summary <p>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.</p> <p>Key Messages from the meeting held on 8 June 2021 are attached at Appendix A. Confirmed Minutes of the meeting held on 27 April 2021 are attached at Appendix B.</p>												
Recommendations <p>The Governing Body is asked to receive the report as assurance.</p>												
Monitoring <p>An assurance report on key topics discussed at the Audit Committee will be brought to each Governing Body meeting.</p>												
Any statutory / regulatory / legal / NHS Constitution implications		The Audit Committee is accountable to the Governing Body and is required to provide key messages and confirmed minutes from all of its meetings.										
Management of Conflicts of Interest		No conflicts of interest have been identified prior to the meeting.										
Communication / Public & Patient Engagement		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.										
Financial / resource implications		None identified.										
Significant Risks to Consider		No significant risks to consider.										
Outcome of Impact Assessments completed		Not applicable.										

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

Audit Committee

Key Messages to North Yorkshire CCG Governing Body

8 June 2021

The Committee met on Tuesday 8 June 2021, using Teams Meeting facility over the internet. The committee was quorate, and there were no new declarations of interest with regards to the agenda.

Minutes of the meeting held on 27 April were reviewed by the Committee: for accuracy and were approved as a true and accurate record.

Approvals

- The Committee approved the final version of the NHS North Yorkshire CCG Final Accounts and Financial Statements.
- The Committee approved the final version of the NHS North Yorkshire CCG Final Annual Report and Annual Governance Statement. The Accountable Officer passed on her thanks to members of staff who have worked hard to deliver this in difficult circumstances. A notable achievement.
- NY CCG Audit Committee Terms of Reference.
- The Committee received a copy of the Internal Audit Draft Operational Plan 2021-22 which presented the proposed Operational Audit Plan 2021/22 and the three-year Strategic Audit Plan for 2019/20 to 2021/22. In creating this plan, consideration has been given to those audits previously agreed for the third year of the Strategic Plan, together with any new risks arising. It was noted that a number of days have therefore been included for transitional work required as part of the movement towards becoming an ICS. The Committee approved the proposed Internal Audit Operational Plan 2021-22.

Other Matters

- The Committee received a verbal Financial Issues Update.
- The Committee received a copy of the Internal Audit – Progress Report Audit Report summarising audits issued in final since the last Audit Committee meeting.
- The Committee received a copy of the Internal Audit Recommendations Status Report. The report outlined CCG progress with the implementation of Internal Audit Recommendations. There are 5 open recommendations and a total of 6 recommendations have been completed since the last report.
- The Committee were presented with a copy of the 2020/2021 Internal Audit Annual Report and Head of Audit Opinion report which summarised the activity undertaken in relation to 2020/2021 Internal Audit Operational Plan and included the Head of Audit Opinion for 2020/2021, which confirms an overall opinion of Significant Assurance has been awarded. The Committee passed on their thanks to members of staff who have worked hard to deliver this in difficult circumstances. A notable achievement.

- The Committee were presented with a copy of the External Audit Completion Report for the year ended 31 March 2021 and expressed their thanks to members of staff who have assisted them during the audit.
- The Committee received a Counter Fraud Progress Report which summarised the Counter Fraud work that has taken place since the last Audit Committee and a copy of the most recent Counter Fraud Newsletter was appended to the report.
- The Committee received a copy of the Annual Counter Fraud Report 2020/2021. The report provided an overview of the recently completed Counter Fraud Functional Standard Return, and a full copy of the submission was appended to the report.
- The enclosed minutes of discussions at the Information Governance Steering Group (IGSG) held on 28 April 2020 were presented to the Committee for assurance.
- Four Rebate Schemes were noted for information.

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

NORTH YORKSHIRE CLINICAL COMMISSIONING GROUP

Audit Committee

Tuesday 27 April 2021

13:00

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

In Attendance	
Jane Hawkard	Chief Finance Officer (Member only)
Sue Peckitt	Chief Nurse
Julie Warren	Director of Corporate Services, Governance & Performance
Alec Cowell	Deputy Director of Financial Services & Reporting (for items 4.2, 4.3a, 4.4 and 5.7)
Sasha Sencier	Senior Governance Manager And Board Secretary to the Governing Body
Helen Darwin	HR Manager
Rosie Dickinson	Counter Fraud (for items 6.1 and 6.2)
Kim Betts	Internal Audit Manager, Audit Yorkshire (for items 7.1 & 7.2)
Campbell Dearden	Mazars
Mark Kirkham	Mazars (for item 8.1)
Shaun Fleming	Counter Fraud Specialist (for item 6.2)
Catherine Gibson	(Secretariat)

Apologies	
No apologies received	

1.0 Apologies for Absence and Quorum

There were no apologies received.

The Chair confirmed that the meeting is quorate, considering any apologies for absence.

Audit Committee:

Noted attendance 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 there were no declarations of interest in relation to the business of the meeting.

3.0 Minutes of the meeting held on 23 February 2021

Minutes of the meeting held on 23 February 2021 were reviewed by the Audit Committee: for accuracy and agreed as a true and accurate record.

Audit Committee:

Approved the minutes.

3.1 Matters arising from the Minutes

The action log was reviewed by the Audit Committee. All outstanding actions were included on the agenda and therefore could be removed except for.

- EPRR Desktop Exercises: Deferred until August 2021.
- Information Governance Policies A list of policies to be approved by the committee, together with their review dates to be provided by Sasha Sencier for July 2021.

Audit Committee February Meeting - Action Arising from the Information Governance Policies.

Assistant Director of Financial Services & Reporting received a response from the partners at NECS to the question raised on security of taking meeting notes in MS Teams.

The formal advice from NHSD is that it is a local IG risk assessment. The platform itself is in the UK and appropriately protected, however as it can be accessed from personal devices very easily, then there is a significant risk of data leakage via this route. Therefore, it would not be considered for anything sensitive unless individuals felt the controls, they have in place are adequate.

Action:

- **Julie Warren would seek clarification at the Assurance Group on security of taking meeting notes in MS Teams extending that discussion to One Drive as both are somewhat similar.**

4.1 Financial Issues Update (by exception) and Year End Update

Chief Finance Officer presented a verbal financial summary to the Committee this confirmed:

- NY&Y Financial Planning 2021/22 & NY CCG Draft Plan Months 1 to 6 (H1) presented at FPCCC. The plan included estimates of prescribing and CHC growth in excess of national allocations due to historic performance which resulted in the need for a savings programme (QIPP) of £3.7m being achieved in H1.
- A discussion took place around the Mental Health Investment Plan and on ongoing piece of work with (Tees, Esk and Wear Valley) TEWV around improving their Quality Standards. The Chief Nurse will monitor those critical issues and keep the Quality Committee updated on progress.

Audit Committee:

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

4.2 Year End Update

It was reported all the draft submissions made to NHS England on 27 April 2021 were achieved in the deadline timescales.

4.3A. Draft Accounts and Financial Statements

Assistant Director for Financial Services and Reporting took the Committee through the accounts in some detail and explained the variances between 20/21 and 19/20 accounts. It was reported that all the draft submissions made to NHS England on 27 April 2021 were achieved in the deadline timescales. There have been no changes to the overall layout of the statutory accounts since last year, there have been no new accounting standards to implement, and it was confirmed that the last 12 months remained largely similar to the previous 12 months this included.

- Primary Statement of Comprehensive Net Expenditure for the year ended 31st March 2021 on page 3.
- Statement of Financial Position as of 31st March 2021 shown on page 4.
- Drew attention to page 14 and 15 around Employee Benefits and Staff Numbers.
- Better Payment Practice Code all actions have been achieved.
- Operating Leases significant leasing arrangements are for office accommodation and explained the variances over the last two years.
- Details of related party transactions including which employees/member GPs have made a declaration of interest.

Overall, the Chief Finance Officer felt it was a good report, there are a few areas still to be finalised, for example salary information and consultancy costs which will be going in shortly.

The Chair was happy with the draft accounts and he looked forward to seeing the final version at the next meeting.

Audit Committee:

Noted the Draft Statutory Accounts and Financial Statements of NHS North Yorkshire Clinical Commissioning Group and passed on their thanks to members of staff who have worked hard to deliver this in difficult circumstances. A notable achievement.

4.3B. Draft Annual Report and Annual Governance Statement

The Committee acknowledged all the hard work Sasha Sencier, Board Secretary/Senior Governance Manager and Tanja Entwistle, Corporate and Governance Manager have completed on the Annual Report. It was reported that all the draft submissions made to NHS England on 27 April 2021 were achieved in the deadline timescales.

- It was noted there are 6 audits that have been given an opinion of 'high assurance'. The Executive Directors are exceptionally proud of the dedication and commitment of staff to achieve these high standards, particularly considering that the CCG went through a merger process 12 months prior and dealing with the pandemic. Julie Warren was hopeful we can replicate some of this as we move into closer partnership working as an ICP and ICS.
- The draft Annual Report and AGS will be reviewed by our external auditors in May 2021.
- The Audit Committee will approve the final draft on 8 June 2021 and then the report will be resubmitted to NHS England for final approval by 9am on 15 June 2020. Once final feedback has been received by NHS England, the final report will be published on the CCG website, as per guidance from NHS England. A slight error was noted within the paper the papers say May meeting, but this was changed to June.

Audit Committee:

Noted the Draft Annual Report and Annual Governance Statement (AGS) of NHS North Yorkshire Clinical Commissioning Group and passed on their thanks to members of staff who have worked hard to deliver this in difficult circumstances. A notable achievement.

4.4 Going Concern Declaration

The Going Concern Declaration was presented to the Committee for assurance that management has considered and formed a view on the 'going concern' status of NHS North Yorkshire CCG.

Audit Committee:

Noted the assurance provided on the CCG producing it's 2020/21 financial accounts on a going concern basis.

4.5 Declaration from Management & those charged with Governance

A summary of the Declaration was presented to the Committee for assurance and updated to take account of the changes that have occurred over the last 12 months.

Audit Committee Members were asked if they had any questions, concerns, or comments regarding the above update. No questions, concerns or comments were noted, and the Committee were happy to approve.

Audit Committee:

Approved the declaration from Management and those charged with governance.

4.6 NHS North Yorkshire CCG Tender Waiver - GPIT Bridging Agreements

The Committee received and supported a Single Tender Waiver regarding GPIT Bridging Arrangements.

Audit Committee:

Supported the above.

4.7 Losses & Special Payments

Assistant Director for Financial Services and Reporting presented a summary of the Losses & Special Payments for assurance outlining losses arising since the last report, namely £13,198 sales income, and £90.53 petty cash. It was noted that officers had not been into offices to check for petty cash receipts due to Covid and there may be receipts which ultimately reduce this amount.

The Committee also noted the update on legacy debt, with regards to Durham CCG and accepted the offer from Durham CCG and raise a credit note for £977k.

Audit Committee:

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

5.1 Legal Update

A legal update was presented to the Committee, previously circulated and taken as read this included.

- The implications for the CCG due to the change in legislation in relation to the Mental Health Act Implementation of Liberty Protection Safeguards, the timetable, and steps required to prepare for the change in legislation from 1 April 2022.
- Status of cases in the Court of Protection.
- Summary of other work undertaken.

Audit Committee:

Noted the legal updates provided and felt assured on the actions being taken.

5.2 NHSE Conflict of Interest Returns

A verbal update around NHSE Conflicts of Interest Returns was presented to the Committee this included.

- NHS England and Improvement paused the requirement for CCG's to submit returns in relation to the management of Conflicts of Interest at the start of the pandemic. It is likely that an annual return will need to be submitted in June 2021 for 2020/21.

It was noted that although there has been no requirement to submit quarterly returns to NHSE/I in 2020/21, a significant amount of work has been completed in this area and an opinion of 'high assurance' was given by internal audit.

Audit Committee:

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

6.1 Counter Fraud Progress Report

The report was presented which summarised the counter fraud activity undertaken on behalf of the CCG since the last Audit Committee. Also included were updates from the NHS Counter Fraud Authority and provided a current position against the counter fraud plan.

The report also covered awareness work undertaken, a summary of the Alerts and Fraud Prevention Notices circulated, and a summary of the preventative and strategic counter fraud work completed this included.

- Fraud Awareness Input for the Continuing Health Care Team which was well received.
- Other Prevent and Deter Activity Liaison with Medications Management Team.
- All NHS organisations are being asked to complete a Counter Fraud Functional Standard Return, assessing their performance against these new requirements. This piece of work is due to be submitted to the NHSCFA by the 31st of May 2021. The Chief Finance Officer and Audit Chair have been involved in this work and will sign the return prior to submission date.

In addition, a copy of the Covid-19 Fraud Alert Newsletter which summarised recent fraud trends was shared for information.

Audit Committee:

Noted the Counter Fraud Progress report and felt assured on the actions being taken.

6.2 Annual Counter Fraud Work Plan 2021/22

An update on progress against the CCGs Annual Counter Fraud Plan was presented to the Committee.

The plan explained the work that will be undertaken against each NHS Requirement during 2021/22. The Audit Committee will receive Progress Reports throughout 2021/22 demonstrating progress against the plan.

Audit Committee:

Approved the Counter Fraud Work Plan.

6.2 Violence Prevention and Reduction Standard Proposal

The Local Security Management Specialist presented a summary of the policy around Violence Prevention and Reduction Standard previously circulated and taken as read.

The standard provided a risk-based framework that supports a safe and secure working environment for NHS staff, safeguarding them against abuse, aggression, and violence.

It was reported the Violence Prevention and Reduction Standard employs a Plan, Do, Check, Act (PDCA) approach which is a four-step iterative management process to validate, control and achieve continuous improvement of security processes. Each step was summarised as Appendix A within the paper.

The Committee agreed the time requirement for the necessary work to underestimate the baseline and develop processes accordingly. The time is built into the Internal Audit Plan for 2021/22.

Audit Committee:

Approved the progression of the Violence Prevention and Reduction Standard Proposal.

6.3 Annual Counter Fraud Work Plan 2021/22

The Annual Work Plan was presented to the Committee for assurance explaining the work that will be undertaken against each NHS Requirement during 2021/22. The Audit Committee will receive Progress Reports throughout 2021/22 demonstrating progress against the plan.

This annual work plan has been drawn up to ensure compliance against the NHS Requirements which were published by the NHS Counter Fraud Authority in January 2021.

Audit Committee:

Approved the Annual Counter Fraud Work Plan 2021/22.

7.1 Information Governance

Nothing to report this month.

8.0 Internal Audit

8.1a Annual Plan Progress Report

Internal Audit took the Committee through the report, previously circulated and taken as read summarising activity undertaken in relation to the 2020/21 Internal Audit Operational Plan for the period 1 April 2020 to 20 April 2021. Internal Audit Manager asked for the Committee's thoughts on producing and issuing a weekly progress report in terms of where they are. The Chief Finance Officer asked if the Internal Audit Manager could work in conjunction with the Board Secretary on this otherwise it can end up becoming sporadic and queried whether weekly was really necessary.

A copy of the final Head of Audit Opinion will be presented at the June meeting.

Action:

- **Internal Audit Manager to work alongside the Board Secretary/Senior Governance Manager on producing a regular progress report. A copy of the Final Head of Audit Opinion will be presented at the June meeting.**

Audit Committee:

Noted progress with the delivery of the 2020/21 Internal Audit Plan and approved the amendments proposed by management.

8.1b Internal Audit Recommendations Status Report

Internal Audit Manager presented a summary of the report outlining CCG progress with the implementation of Internal Audit Recommendations.

It was reported there are 5 open recommendations and a total of 5 recommendations which have been completed since the last report.

The Governing Body and committee effectiveness audit provided a high level of assurance that the Governing Body and Committees within the governance structure of the CCG are operating effectively and in line with their Terms of Reference. The Committee expressed their congratulations to all those involved, an excellent and noteworthy achievement, particularly as there were no recommendations made.

Audit Committee:

Noted progress with the delivery of the 2020/21 Internal Audit Plan and approved the amendments proposed by management.

9.1 Audit Progress and Technical Update Report

Mazars presented a summary of the report, previously circulated and taken as read.

Included was an update on progress in delivering their responsibilities as external auditors and a summary of recent reports and publications for information. There were no additional significant risks to bring to the Committee's attention at this stage.

Audit Committee:

Noted the above.

9.2 Mental Health Investment Standard

Mazars drew the Committee's attention to the Non-audit work: Mental Health Investment Standard (MHIS) 2019/20 incorporated on the agenda as item 9.2. It was noted this work is now complete and the 'Statement of Compliance' for each of the three legacy CCGs was published on the 15 April 2021 in line with timetable from NHSE. It was reported that all three CCGs met the mental health investment standard target for 2019/20. The reports all had a 'qualified – except for' opinion. It was noted the Mental Health Finance plan will be brought to Finance, Performance, Contracting & Commissioning Committee.

Audit Committee:

Noted the assurance provided to the committee on achievement of the MHIS for 2019/20.

10.0 Audit Committee Forward Planner

Audit Committee:

Noted the above.

11.0 Any Other Business

Director of Corporate Services, Governance & Performance received a response in the meeting to the question raised on the security of taking meeting notes in MS Teams/OneNote. For point of clarification anything written down is thereby retained and disclosed. The Assurance Group will need to decide whether some form of communication is necessary as a reminder to all staff.

The committee asked for a paper to be presented to the August meeting showing risks and mitigations associated with the transition to ICS. The committee is looking for assurance that existing statutory obligations will continue to be met as we start to operate in shadow ICS form.

Action:

- **Director of Corporate Services, Governance & Performance agreed to provide a paper to the August meeting around risks and mitigations associated with the transition to ICS.**
- **Secretariat to include this on the forward planner for August.**

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

11.0 Date and Time of Next Meeting

The next meeting will be held on Tuesday 8 June 2021 at 13:00 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

Meeting Date	Item	Action	Responsibility	Action Completed / Due to be Completed (as applicable)
24 November 2020	5.9 EPRR Desktop Exercises	Emma Parker will present results of the testing to Audit Committee for assurance in June 2021.	Emma Parker	July 2021
24 November 2020	5.9 Information Governance Policies	A list of policies to be approved by the committee, together with their review dates to be provided by Sasha Sencier for July 2021.	Sasha Sencier	July 2021
24 November 2020	6.1 Counter Fraud Annual Plan	Update on the NHSCFA “Standards for NHS Commissioners” will be provided at the February 2021 meeting. NHSCFA Standards are now in collaboration and Rosie Dickinson is waiting for an update on guidance and metrics.	Rosie Dickinson	February 2021 Further update on the new standards to be included in the Counter Fraud update and will be discussed in the meeting of 27 April 2021 – completed.

Meeting Date	Item	Action	Responsibility	Action Completed / Due to be Completed (as applicable)
23 February 2021	5.7 Information Governance Policies	Alec Cowell to seek further clarification on the security of taking meeting notes in MS Teams.	Alec Cowell	Confirmation received that all notes on MS Teams are disclosable
27 April 2021	5.7 Information Governance Policies	Julie Warren would seek further clarification at the Assurance Group on security of taking meeting notes in MS Teams extending that discussion to One Drive as both somewhat similar.	Julie Warren	Confirmation received that all notes on MS Teams are disclosable
	8.1a Internal Audit – Annual Plan Progress Report	Internal Audit Manager to work alongside the Board Secretary/Senior Governance Manager on producing a weekly progress report. A copy of the Final Head of Audit Opinion will be presented at the June meeting.	Internal Audit	
		Director of Corporate Services, Governance & Performance to provide a paper to the August meeting around risks and mitigations associated with the transition to ICS. Secretariat to include this on the forward planner for August.	Julie Warren	On agenda for August. Included on the forward plan for August.