

Title of Meeting:	Governing Body			Agenda Item: 9.1								
Date of Meeting:	7 October 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	
Decision	Discussion	Assurance	Information									
		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 21 September 2021 are attached at Appendix A. Confirmed Minutes of the meeting held on 20 July 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

Committee met on Tuesday 21 September 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 20 July were reviewed by the Committee: for accuracy and were approved as a true and accurate record.

The Committee received a verbal Financial Issues Update.

The Committee received an update on NY CCG Single Tender Waivers, this included:

- GPIT Support Services
- CHC Database contract extension
- Health & Safety, Fire and Security Covid focussed review

The Committee were assured that the CCG has a strict procedure for both approving single tender waivers, and for ensuring openness and transparency within the CCG by taking them to FPCCC for noting and to Audit Committee for assurance of adhering to this procedure.

The Committee were presented with a report around Governance: CCG assurance during transition to ICS. The purpose of the report was to provide assurance that the CCG continues to carry out business as usual in respect of monitoring, managing, and maintaining its governance arrangements and key controls during this time of transformational change. The report also provided a brief governance update with respect to the transition to the new ICS.

The Committee received an update around Corporate Risk Registers. It was agreed that this item should be escalated to the next governing body meeting for further consideration.

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 verbal update on the IG Toolkit Update and Annual Workplan.

The Committee received and noted a summary of the Information Governance Steering Group Minutes from meetings held on 28 April and 27 July 2021.

The Committee received a copy of the Internal Audit Annual Plan Progress Report- summarising audits issued in final since the last Audit Committee meeting.

The Committee received a paper around Risk Mitigations associated with Cyber Security this included:

- Our IT Partner, NECS were successful in achieving re-accreditation of 'Cyber Essentials Plus' which is the information security industry standard, as set by the government organisation National Cyber Security (NCSC).
- The Committee felt assured on how serious our IT Partner, NECS take around patching.

A discussion took place around Cyber Risks. The Committee recognised that staff are aware that Cyber-attacks are happening but whether it would be helpful to raise their knowledge and understanding. From the discussion that followed, it was agreed that the Local Counter Fraud Specialist would promote awareness at a future staff briefing.

Final Internal Audit Advisory Memorandum: COVID-19 Support Fund for General Practices Claims was shared for information. The Deputy Director for Financial Services and Reporting provided further assurance with regard to follow up actions being taken with Primary Care colleagues.

The Committee received a report which summarised activity undertaken in relation to the 2021/22 Internal Audit Operational Plan to 21 September 2021 and any final audits outstanding issued since the last Audit Committee meeting. All outstanding 2020 audits are now complete, both s117 Mental Health aftercare and SEND audits were given an opinion of significant assurance, reflecting the hard work and progress achieved in these areas.

A summary of the follow up of Internal Audit Recommendations report was presented. There are 15 open recommendations and 7 recommendations have been completed since the last report. Internal Audit recommendations around SEND Communication & Engagement Strategy and Data Security Protection Toolkit – Cyber Risks are now complete.

External Audit presented a summary of the Audit Progress & Technical Update Report which provided a brief update of the conclusion of the 2020-21 external audit of the CCG and the start of 2021-22 audit. It confirmed there is no requirement for an audit of the Mental Health Investment Standard in 2020-21.

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

NORTH YORKSHIRE CLINICAL COMMISSIONING GROUP

Audit Committee

Tuesday 20 July 2021

09:30

Present	
Ken Readshaw	Lay Member for Audit (Chair)
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
Emma Parker	Corporate Services and EPRR Manager (for item 5.1)
Rosie Dickinson	Counter Fraud (for item 6.1)
Sasha Sencier	Senior Governance Manager and Board Secretary to the Governing Body
Kim Betts	Internal Audit Manager, Audit Yorkshire (for items 8.1, 8.2 & 8.3)
Campbell Dearden	Mazars (for items 9.1 & 9.2)
Catherine Gibson	(Secretariat)

Apologies	
Sheenagh Powell	Lay Member for Finance
Mark Kirkham	Mazars
Helen Darwin	HR Manager
Helen Sanderson	Senior Information Governance Specialist

1.0 Apologies for Absence and Quorum

Apologies received: Helen Darwin, Mark Kirkham, Mazars, Helen Sanderson and Sheenagh Powell.

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 8 June 2021

Minutes of the meeting held on 8 June 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 with the exception of:

- Information Governance Policies: On the agenda for September.

4.0 Finance

4.1. Financial Issues Update

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

- Budget delegations for H1 budgets (April to Sept) were approved by the Committee.
- Noted the current YTD position at the end of month 3 of a £4.421m overspend before expected additional resource allocations to support the costs of the Hospital Discharge Programme (HDP) and Elective Recovery Plan through the Elective Recovery Fund (ERF) to allow the CCG to break-even.
- Noted that HDP costs YTD are £3.1m and ERF costs YTD are £1.3m.
- Noted a level of non-recurrent funding was reported into FPCCC from the final assessment of year end accruals to actual spend. This would be used to mitigate the risks of QIPP none delivery, risks around H2 allocations not yet known and other cost pressures in year.
- Paper presented at Finance, Performance, Contracting & Commissioning Committee (FPCCC) around Mental Health Partnership Financial Plan. Additional investment and changes in skill requirements for staff needed have been identified by TEWV to respond to the Quality issues. The Chief Finance Officer explained the additional investment which would be needed above the Mental Health Investment Standard (MHIS) to support the quality agenda and also manage reductions in transformation funding. FPCCC reviewed and discussed and approved a plan to invest and achieve a recurrent solution over the next 3 years by 2023/24.

Audit Committee:

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

5.0 Corporate and Governance

5.1 EPRR Update

The Corporate Services and EPRR Manager took the Committee through the report for assurance, previously circulated and taken as read.

The Corporate Services and EPRR Manager is attending an Exercise Design workshop in August, following that a desktop exercise will be undertaken CCG wide to test the communication cascade systems. It should be noted that there is a delay to the original plan to undertake this desktop exercise by the end of Q1, however it was hoped that completing it after the workshop will ensure that the exercise will provide a more meaningful evaluation of the CCGs processes.

The Committee were re-assured that this delay will not affect the CCGs ability to provide adequate assurance as part of the assessment which will not be undertaken until October 2021.

Audit Committee:

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

5.2 Legal Updates Report

The Director of Corporate Services, Governance & Performance gave a verbal update regarding the Mental Capacity (Amendment) Act and the Liberty Protection Safeguards, a scheme which will change the requirements and responsibilities in respect of reviewing and authorising the deprivation of a persons' liberty. A comprehensive report was previously presented at Finance, Performance, Contracting & Commissioning Committee.

From the discussion that followed, it was noted the CCG has recently increased the resource within the legal team to prepare for implementation and support progression, this included:

- A Paralegal has been recruited and commenced in post on 5 July 2021 (fixed term contract to 31 March 2022).
- The CCG's trainee Solicitor has accepted a position as a full time Solicitor, commencing on 5 May 2021 working alongside the Court of Protection Lawyer.
- Apprentice Paralegal –approved, currently working with providers to finalise Job Description in preparation to going out to advert.

For the next meeting, the Director of Corporate Services will bring a summary of the numbers.

Internal Audit reminded the Committee that Liberty Protection Standards/Deprivation of Liberty is an audit this year, significant details around that will be reported in due course.

The Chair was content that sufficient resources have been put in place to support the need.

Audit Committee Members were asked if they had any questions, concerns, or comments regarding the above update. No questions, concerns or comments were raised.

Audit Committee:

Noted the report and the need for additional resource to support implementation of Liberty Protection Safeguards and ensure that the CCG/ICS is compliant with its Statutory Responsibilities from 1 April 2022.

Action:

- **For the next meeting, the Director of Corporate Services will bring a summary of the numbers.**

Audit Committee:

5.3 Quarterly HR Report (incorporating Stat & Man Training Figures)

The Director of Corporate Services, Governance & Performance took the Committee through the Human Resources report previously circulated and taken as read.

The report provided updates on workforce issues particularly Health and Wellbeing Initiatives and the proposed transition of staff to Humber, Coast and Vale Integrated Care System.

It should be noted that the Staff Turnover Figures are not included although they will be incorporated into the next report.

A discussion took place around the response to Covid 19 which has resulted in more remote working patterns and less office presence, although we have seen less sickness absence, we are however expecting that may increase once offices reopen.

A question was raised around supporting staff towards health and wellbeing within the organisation. The Chief Finance Officer assured the Committee that staff are regularly kept informed by means of Staff Briefings and Comms and Engagement information.

Audit Committee:

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

5.4 NHSE Conflict of Interest Registers and Returns

The Director of Corporate Services, Governance & Performance gave a verbal update.

Audit Committee:

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

6.0 Counter Fraud

6.1 Counter Fraud Progress / Update Report including Appendix A – Covid-19 Fraud Alert Newsletter

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 which 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.

The Committee were informed that Fraud Prevention Masterclasses have been launched and the Local Counter Fraud Specialist will be promoting the sessions via Heads of Service on 28 July 2021 to request that managers encourage staff to sign up for the sessions where appropriate.

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

The Committee were also informed of a non-NHS organisation had been defrauded by criminals purporting to be from an established property management company. After further investigations the Finance Team were able to verify that they were not a current supplier for the CCG.

The Chief Finance Officer re-assured the Committee that staff are regularly kept informed, and details of fraud are shared along with advice regarding how to identify and prevent scams.

The CFO is copied into alerts regarding counter fraud and is alerted very quickly on any type of information pertaining to potential frauds.

The Audit Chair felt confident there is an overall dynamic process in place which provides us with lots of assurance. The Secondary Care Doctor also felt it was an excellent and informative report.

Audit Committee:

Noted the Counter Fraud Work Plan and felt assured on the actions being taken.

7.0 Information Governance

7.1 Information Governance Data Security and Protection Toolkit Update

The Chief Finance Officer presented a summary of the report for assurance outlining the submission of the Data Security and Protection Toolkit.

Internal Audit completed the audit of the toolkit submission and the evidence collated to support and returned an overall audit assurance of high and therefore the submission was completed on 30th June 2021.

Audit Committee:

Acknowledged the submission of the toolkit for 2021 and noted the timelines for the submission of the Toolkit for 2022.

8.0 Internal Audit

8.1 Internal Audit Annual Plan Progress Report

The Internal Audit Manager took the Committee through the report for assurance summarising activity undertaken in relation to the 2021/22 Internal Audit Operational Plan for the period 1 April 2021 to 15 July 2021 and any final audits outstanding from the 2020/21 Plan.

Four audit reports from the 2020/21 Plan have been issued since the last Audit Committee meeting. Internal Audit highlighted there was nothing of any significance to note or suggest they were not on target to complete the plan as agreed.

The Chair asked why the CHC audit report had not been reported into the Committee yet. The Chief Finance Officer responded that there had not been enough time between the draft report being issued, the CCG internal review process and the committee meeting to present the report at this Committee. The Chief Finance Officer stated that the draft report had been issued with 'limited assurance rating'. The internal review processes had resulted in several queries and submission of further evidence to the auditors and the draft was to be finalised shortly and be presented to the next Audit Committee meeting.

A discussion took place around Cyber Risks and whether it would be helpful for the Committee to receive an assurance report on risk mitigations. From the discussion that followed, it was agreed to add Cyber Risks under the Information Governance section on the forward planner and bring a separate report in September.

The Chair felt it was a valuable discussion and he looked forward to seeing the final reports next time.

Action:

- **Secretariat to include Cyber Risks under the Information Governance section on the forward planner.**

Audit Committee:

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

8.2 Internal Audit Recommendations Status Report

Internal Audit took the Committee through the report for assurance outlining the CCGs progress with the implementation of Internal Audit Recommendations. It was noted two open recommendations and a total of two recommendations have been completed since the last report.

Audit Committee:

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

8.3 Annual Review of the Internal Audit Charter

The Committee approved the 2021/22 Audit Charter.

Audit Committee:

Approved the 2021/22 Audit Charter.

9.0 External Audit

9.1 Audit Progress & Technical Report

Mazars took the Committee through the report for information and provided a brief update on the 2020-21 external audit of the CCG.

In addition, several national publications which Mazars felt may be of interest were shared for information.

Audit Committee Members were asked if they had any questions, concerns, or comments regarding the above update. There were no questions, concerns, or comments to raise.

Audit Committee: Received and noted the above for information.

9.2 Auditor's Annual Report

Mazars took the Committee through the report for assurance summarising the work they have undertaken as the auditor for NHS North Yorkshire CCG ('the CCG') for the year ended 31 March 2021 this included.

- Issued final report on 11 June 2021.
- Concluded and reported that the consolidation data is consistent with the audited financial statements.
- Audit report, issued on 11 June 2021 gave an unqualified opinion on the financial statements for the year ended 31 March 2021.
- There was nothing of any significance to note in terms of the scope of the audit and results – good news!!
- Not identified evidence of significant weakness in the CCG's arrangements in terms of financial sustainability.
- Confirmed that value for money (VFM) arrangements were in place and no issues were raised as part of the VFM audit.

Audit Committee Members were asked if they had any questions, concerns, or comments regarding the above update. There were no questions, concerns, or comments to raise.

Audit Committee

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

10.0 **Audit Committee Forward Planner**

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**

The next meeting will be held on Tuesday 21 September 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)
27 April 2021	10.0 Forward Plan	<p>Director of Corporate Services, Governance & Performance to provide a paper to the August meeting around risks and mitigations associated with the transition to ICS.</p> <p>Secretariat to include this on the forward planner for September.</p>	Julie Warren	<p>On agenda for September.</p> <p>Included on the forward plan for September.</p>
20 July 2021	7.1 Information Governance Data Security and Protection Toolkit	Secretariat to add "Cyber risks" under the Governance Section on the forward planner.	Catherine Gibson	September 2021

Meeting Date	Item	Action	Responsibility	Action Completed / Due to be Completed (as applicable)
20 July 2021	7.1 Information Governance Data Security and Protection Toolkit	A report was required on the risk management of Cyber risks re confidential information within the CCG	Alec Cowell & Helen Sanderson	Sept 2021 meeting
20 July 2021	5.2 Legal Updates Report	For the next meeting, the Director of Corporate Services will bring a summary of the numbers.	Julie Warren	