

<b>Title of Meeting:</b>	<b>Governing Body</b>			<b>Agenda Item: 9.1</b>								
<b>Date of Meeting:</b>	21 December 2021			<table border="1"> <tr> <th colspan="2">Session (Tick)</th> </tr> <tr> <td><b>Public</b></td> <td>X</td> </tr> <tr> <td><b>Private</b></td> <td></td> </tr> <tr> <td><b>Workshop</b></td> <td></td> </tr> </table>	Session (Tick)		<b>Public</b>	X	<b>Private</b>		<b>Workshop</b>	
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<b>Public</b>	X											
<b>Private</b>												
<b>Workshop</b>												
<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>	<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										
<b>Has the report (or variation of it) been presented to another Committee / Meeting?</b> <b>If yes, state the Committee / Meeting:</b> No.												
<b>Executive Summary</b> <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 22 November 2021 are attached at Appendix A. Confirmed Minutes of the meeting held on 21 September 2021 are attached at Appendix B.</p>												
<b>Recommendations</b> <p>The Governing Body is asked to receive the report as assurance.</p>												
<b>Monitoring</b> <p>An assurance report on key topics discussed at the Audit Committee will be brought to each Governing Body meeting.</p>												
<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 to North Yorkshire CCG Governing Body

Committee met on Tuesday 23 November 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 21 September were reviewed by the Committee: for accuracy and were approved as a true and accurate record.

The Committee received a verbal Financial Issues Update and noted that a balanced plan for the second part of the year for NY CCG had been submitted and would be presented to the next Governing Body. Information on new allocations were also described.

A Single Tender Waiver on Mazars HCV CCGs was noted as an intention to continue with Mazars into 22/23 through the ICB.

The Committee received and noted a report on several financial issues including debt write off and work on balance sheet management.

The Committee received and noted an update on legal issues.

The Committee received a verbal update around the recruitment process. The Committee were assured that in North Yorkshire CCG all posts for recruitment go through a vacancy approval process. All approved roles are advertised in a regular recruitment bulletin which is shared with all CCG staff across the ICS.

The Committee were presented with a report around Bi-yearly quality and performance. Purpose of the report was to provide assurance that processes are in place for the effective monitoring and the quality and performance issues. A supplementary paper (Appendix A) of a recent sample report that is received by both non statutory committees: the Finance, Performance, Contracting and Commissioning Committee (FPCCC) and the Quality and Clinical Governance Committee (QCGC) was presented for information, the report is also received at every Governing Body meeting.

NHSE Conflict of Interest Returns: The Committee felt assured that everything is on track, our annual review has been undertaken and no breaches have been identified. Overall, in a very good position.

For completion a copy of the Internal and external Audit Service Review would be circulated to members in due course as part of the Committees effectiveness review.

The Committee received a copy of the Internal Audit Annual Plan Progress Report- summarising activity undertaken in relation to the 2021/22 Internal Audit Operational Plan up to 23 November. The Committee formally approved changes to the 2021/22 plan to delay audit work around Patient Experience to Quarter 3.

A summary of the follow up of Internal Audit Recommendations report was presented. There are 10 open recommendations not yet due and 7 recommendations have been completed since the last report.

External Audit presented a summary of the Update report this included.

- Engagement Letter which set out the fee and services provided for the 2021-22 external audit.
- Audit Strategy Memorandum which summarised their audit approach, significant audit risks and areas of key judgements and provided details of the audit team.
- Audit Progress & Technical Update Report which provided a brief update on the progress of the 2021-22 external audit. It also provided information on several national publications which may be of interest to members.
- Value for Money: There has been no change in the scope of the work and no significant weaknesses were identified.
- Reflection on the Mazars public sector case study around Cyber Security.

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

## NORTH YORKSHIRE CLINICAL COMMISSIONING GROUP

### Audit Committee

Tuesday 21 September 2021

13:00

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

<b>In Attendance</b>	
Jane Hawkard	Chief Finance Officer (Member only)
Julie Warren	Director of Corporate Services, Governance & Performance
Alec Cowell	Deputy Director of Financial Services & Reporting
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)
Mark Kirkham	Mazars
Catherine Gibson	(Secretariat)

<b>Apologies</b>	
Sue Peckitt	Chief Nurse
Helen Darwin	HR Manager

### 1.0 Apologies for Absence and Quorum

Apologies received: Sue Peckitt and Helen Darwin.

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 20 July 2021**

Minutes of the meeting held on 20 July 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.

**4.0 Finance**

**4.1. Financial Issues Update**

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

- Forecast breakeven outturn position for H1.
- Noted financial issues around private sector activity due to non-receipt of ERF in months 5 and 6. Discussions were to take place with NY&Y system partners regarding mitigating actions.
- Elective Recovery Funding (ERF) Risk Share agreement with HCV organisations is in place.
- Prescribing/costs increasing. Optum Accelerate project due to start focussed on switching to cheaper alternative prescriptions as agreed by the Meds Management Team.
- Planning guidance did not get issued last week as expected and not received this week yet. Efficiency saving may be reduced from 3% to 2% but unconfirmed.
- Received confirmation that the Hospital Discharge Programme (HDP) will continue to the 2nd half of the year for the month 4 period. Detail is still not there yet but additional funding outside of the financial envelope will continue.

**Audit Committee:**

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

**4.2 Single Tender Waiver**

The Deputy Director of Financial Services and Reporting took the Committee through the report for assurance on NY CCG Single Tender Waivers.

It was noted that this financial year North Yorkshire CCG has completed 6 procurements. 3 of these have been through procurement process, in line with our Procurement Policy, and 3 have been through tender waivers. This confirmed.

- 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.

**Audit Committee:**

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

**5.0 Corporate and Governance**

**5.1 Governance: CCG Assurance during Transition to ICS**

The Director of Corporate Services, Governance & Performance presented a summary of the report, previously circulated and taken as read.

The purpose of the report was to provide assurance to the Committee 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.

It was noted all Committee meetings have met as normal to ensure the CCG remains compliant with its statutory responsibilities and functions.

The Secondary Care Doctor and Chair of Finance, Performance, Contracting & Commissioning Committee (FPCCC) confirmed that the monthly FPCCC agenda/informal discussion meetings will continue to ensure that those new arrangements run smoothly and to agree where it is of an exceptional nature may need bringing to the attention of the Governing Body. He was content we have got the pathways set up and the flexibility if anything comes up.

The Director of Corporate Services, Governance & Performance said there was nothing further to update on that as in changes expected, we will continue as we are and seek further clarity at Governing Body on 7 October 2021.

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

A discussion took place around Gifts, Hospitality and Sponsorship Register, acknowledgement was given to the Senior Governance Manager for all her hard work.

It was noted the Governing Body Assurance Framework (GBAF) is still being updated and is due to be presented at Directors on Monday 27 September.

It was noted the Governing Body (GB) decisions which have been made virtually will be noted at the GB public meeting.

The Lay Member for Finance felt the Risk Register was up to date and received assurance those risks are being mitigated and managed. A lot of the common points raised were around workforce. From the discussion that followed, the Chair asked how we feel overall

around the level and quantity of risk at this stage, is that manageable and asked for thoughts from an Executive point of view. From the Chief Finance Officer perspective, it was felt there is further work to do on this and helpful to have a conversation at the next Executive Directors meeting regarding any further mitigations that can be actioned to reduce risks further.

The GP Governing Body Member noted how the system is under incredible pressure, a re-occurring theme for every provider acknowledging its uniformity across the board.

The Chair felt it was a very comprehensive paper and he looked forward to seeing something at Governing Body around those points raised and a separate paper would be presented at Audit Committee in November or December.

**Action:**

- **A separate paper around workforce would be presented at Audit Committee in November/December.**

**Audit Committee:**

Noted the report 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 Team have developed three Fraud Prevention Masterclasses which are being run every month. The Local Counter Fraud Specialist has met with Communications and Engagement to look at how we can promote those sessions.

In addition, a copy of the Counter Fraud Alert Newsletter which summarised recent fraud trends was 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:**

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

**7.0 Information Governance**

**7.1 Information Governance Toolkit and Annual Workplan**

A verbal update on the IG Toolkit and workplan was presented for assurance.

It was noted that the Toolkit for 2021 is now being published.

The Deputy Director of Financial Services and Reporting drew attention to generic risks included within the Risk Register shown as Appendix B in item 5.2. This included.

- Risk FC-011 NY CCG may have inadequate or inappropriate Information Governance policies and procedures in place. Significant mitigation was in place to reduce this risk to low.
- Risk FC-015 Risk that CCG service delivery is disabled by a cyber-attack. Again, significant mitigations are noted in the register to reduce this risk to low.
- Risk FC-018- The CCG does not know what information is held in all the boxes of files currently held in off-site storage facilities. A project is up and running with first batch of recall started. Weekly activity to review contents of boxes and move to scanning of more documents to reduce off-site storage.

It was also confirmed that CCG's will not be required to complete a Toolkit for 2021/22.

**Audit Committee:**

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

7.2 Information Governance Steering Group Minutes (IGSG)

The Committee received and noted minutes from the meetings held on 28 April 2021 and 27 July 2021.

**Audit Committee:**

Noted the highlights from the IGSG minutes and felt assured that meetings are taking place and addressing Information Governance risks.

7.3 Risk Mitigations associated with Cyber Security (Risk FC-015)

The Deputy Director of Financial Services and Reporting took the Committee through the report for assurance.

It should be noted that 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 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 full CCG staff briefing.

**Action:**

- **The Local Counter Fraud Specialist would promote Cyber-attack awareness at a future staff briefing.**

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 to 21 September 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 significance to note or suggest they were not on target to complete the plan as agreed.

It should be noted that 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.

**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 15 open recommendations and 7 recommendations have been completed since the last report. A total of 36 recommendations have been completed in the last 12 month. Internal Audit recommendations around SEND, Communication & Engagement Strategy and Data Security Protection Toolkit – Cyber Risks are now complete.

**Audit Committee:**

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

**9.0 External Audit**

**9.1 Audit Progress & Technical Update Report**

Mazars took the Committee through the report for assurance providing an update of the conclusion of the 2020-21 external audit of the CCG and the start of 2021-22 audit. Mazars confirmed there is no requirement for an audit of the Mental Health Investment Standard in 2020-21.

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.

**10.0 Audit Committee Forward Planner**

The Committee received a copy of the Forward Planner for information.

**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)
21 September 2021	7.3 - Risk Mitigations associated with Cyber Security	The Local Counter Fraud Specialist would promote Cyber-attack awareness at a future staff briefing.	Rosie Dickinson	
21 Sept 2021	5.2 Corporate and Governance	A separate paper around workforce risk would be presented at Audit Committee in November/December.	Julie Warren	