

Oxfordshire Clinical Commissioning Group Board Meeting

Date of Meeting: 27 July 2017	Paper No: 17/54a
--------------------------------------	-------------------------

Title of Paper: Audit Committee Minutes of 23 May and 22 June 2017

Paper is for: (please delete tick as appropriate)	Discussion		Decision		Information	✓
---	-------------------	--	-----------------	--	--------------------	---

Audit Committee of 23 May 2017

This Meeting concluded the Audit work for the year 2016/17 with final reviews of the Annual Report and Accounts.

The Committee received the Audit Results Report from the Auditors including the Audit Opinion and Letter of Representation. The OCCG had met all of its Financial Performance Targets and in the opinion of the Auditors, the financial statements gave a true and fair view of the OCCG financial position as at 31 March 2017 and had been prepared in accordance with the Health and Social Care Act 2012 and the Accounts Directions.

The Auditors drew attention under “*Value for money/Challenges for next year*” that financial pressures were likely to arise due to growth in demand, risk sharing agreement entered by the CCG with its key providers and full understanding of the potential impact of the RTT issue. The audit plan also identified a significant risk around the Sustainability and Transformation Plan (STP). There should be more clarity on the effect of non-performance by individual CCGs within BOB STP on the general level of Oxfordshire funding.

The subsequent Audit Letter identified that:

- Audit had reached unqualified conclusions on both the financial statements and the regularity of incomes and expenditure;
- Referring to the significant risk areas identified as part of the audit, the audit had not revealed any weaknesses or inappropriate misstatements in relation to these risks.
- Areas for improvement were around Journals and Payroll Authorisation.
- Letter identified a number of areas that could have impact on OCCG; these being NHS provider financial pressures and local pressures on providers, STP, Co-Commissioning, Brexit and Savings Targets.

Audit Committee of 22 June 2017

OCCG Risk Management Strategy and Policy

The revised policy had been reviewed to reflect the changes of OCCG priorities and Primary Care Commissioning.

The Committee discussed various approaches to incorporating the whole system risk mitigation work, risks posed by the Transformation Programme and working on BOB STP basis without proper governance. It was proposed to expand the risk AF20 to include STP risks and describe gaps in controls, describe and agree all systems of governance collectively before adding those to the current Risk Management Strategy and Policy. Also risks around Pooled Budget and risk-sharing arrangements needed to be monitored effectively, something that the current framework did not address.

Single Tender Action Waivers for authorisation by the Audit Committee

In approving the five STWs, concern was expressed around receiving repeated extension requests for STWs; and the following points were noted:

- Palliative Care – Planned Care team had commenced a procurement exercise, however the only response received had been from the two named providers indicating a limited market space. The Director of Finance expressed his assurance in signing off the STWs for the remainder of the financial year until the new contracts were put into place.
- Diagnostics – procurement exercises were underway, and OCCG was currently in a standstill period prior to the contract award. The Director of Finance highlighted potential issues around the award of Endoscopy contract, which would be discussed at the Finance Committee.

It was agreed that OCCG needed to get better at prioritising how contracts were structured considering the market place and the current performance of the existing providers.

RTT Management / Letter from OUH and the Enforcement Notice

The Committee received the paper on 18 weeks RTT Briefing. Two requirements imposed by NHS Improvement were highlighted: develop a short-term RTT improvement plan for Qu2 and also a medium-term RTT improvement plan.

An update on the progress of the short-term plan, identifying potential trust-wide value of the total risk (c£53.0m). Proportion attributed to OCCG was c£25.2m.

OUHFT identified a number of specialties where additional capacity was available during Qu2 to support backlog clearance and run rate. The cost of the additional activity to OCCG was £979k. It was linked through to the original RTT pressure identified with the risk pool, and consistent with the system risk agreement.

OUHFT focus was on capacity rather than demand management hence their lack of focus on opportunities such as Consultant Connect to reduce the run rate. Nevertheless, the Enforcement Notice supported implementation plans in both directions, i.e. activity management and demand reduction.

The £53m required to address the backlog excluded follow-up outpatient

appointments and the cost of drugs and devices. Past experience showed unexpected rise of drugs costs needed to be covered by contracts and work was needed to determine the level of potential exposure.

Data Quality

All the OCCG Committees had expressed concern over the quality of data used by the OCCG. The focus of the meeting was to clarify two questions posed at previous meetings, namely: a) the workstreams in place to improve/support data quality; and b) how much reliance could be placed on the quality of data used for decision-making.

The following key points were noted:

- There were two sets of available - nationally mandated data (generally of better quality and well-supported by IT systems) and locally defined data. Nationally mandated data had layers of risk – this was mainly due to the fact that payment-driving data received more focus and was therefore more solid. The OCCG was setting targets for the Trusts to start recording the other data and improving its quality (e.g. ophthalmology) prioritising the areas that had the best return for investment.
- Examples of locally designed data sets were DToC systems (weekly submission of data mirroring the monthly national submission). OCCG now had a comprehensive monthly dataset to understand community hospitals. The level of comfort with the data received was around 98%.
- Patient identifiable data was governed by the legal contract framework, which applied to all providers except GPs. There were sensitivities involved in collecting this data. Within Primary Care at present time it was not possible to obtain patient identifiable data and link it to other datasets. Data received by OCCG was pseudonymised in the first instance, which made it suitable for linking and using for such initiatives as patient pathway experiment. Private sector providers were part of NHS contract, and were collecting national data sets.
- Progress was being made with Business Intelligence Champions' group, which included representatives of OCCG, where learning was taking place on how to use datasets, analyse them and work with individual project managers on data.

It was suggested that it would be beneficial to have a system that flagged data presented in business cases/dashboard reports/other reports in terms of its reliability; suggestion was also made to look at the referral and conversation rates. Other CCGs and providers had adopted RAG rating for data quality and information for their business cases and performance reports. It was pointed out that quality of data analysis and interpretation should be taken into account alongside the quality of data itself.

Financial Implications of Paper:

None

Action Required:

The Board is asked to note the Audit Committee Minutes and to consider if they are receiving sufficient information for assurance.

OCCG Priorities Supported N/A

Equality Analysis Outcome: Not Applicable
--

Link to Risk:

Audit Committee is responsible to the Board (in conjunction with the Finance and Quality Committees) for reviewing the risks relating to the business and activities of the CCG and ensuring the levels of risk and mitigations of those risks are appropriate and are properly recorded in the Risk Register of the CCG.

Author: Roger Dickinson, Chair of Audit Committee
--

Date of Paper: 14 July 2017

MINUTES:

Audit Committee

23 May 2017, 12:00 – 13:30

Conference room A, Jubilee House, Oxford

Present:	Roger Dickinson (RD), Lay Vice Chair	Duncan Smith (EDS), Lay Member for Finance
	Mike Delaney (MD), Lay Member	Gareth Kenworthy (GK), Director of Finance
	Catherine Mountford (CM), Director of Governance	Miles Carter (MC), West Oxfordshire Locality Clinical Director
In attendance:	Elena Thorne (ET) – Minutes	Jenny Simpson (JS), Deputy Director of Finance
	Adrian Balmer (AB), Manager, Ernst & Young	Maria Grindley (MG), Executive Director, Ernst & Young
Apologies		

		Action
1.	<p>Declarations of Interest/Quorum</p> <p>The Chair welcomed all present and declared the meeting quorate. There were no new declarations of interest.</p>	
2.	<p>Minutes of the previous meeting</p> <p>The minutes of the meetings held on 20 April 2017 and 24 April 2017 were approved as an accurate record of the meeting.</p>	
3.	<p>Final review of Statutory Accounts</p> <p>The Committee received the paper “Final Accounts for National Submission by 31 May 2017” and was asked to review/agree any changes proposed.</p> <p>The Deputy Director of Finance noted that audit process had gone smoothly and extended her gratitude to the NHS South Central and West Commissioning Support Unit (SCWCU).</p> <p>The version of the accounts presented to the Committee was the same as that submitted to Oxfordshire Clinical Commissioning (OCCG) Board meeting on 25 May 2017. There would be minor wording changing incorporated subsequent to that.</p> <p>Clarifying the Chair’s question on the Referral to Treatment (RTT) disclosure, the Deputy Director of Finance confirmed that the disclosure would be reflected in Note 31(Contingent Liability) instead of Note 38 (Subsequent Events). Email to that effect had been circulated to the Audit Committee’s members earlier, and the change had been approved.</p> <p>The Lay Member sought clarification on future treatment of additional surplus</p>	

	<p>and various components to be drawn. The Director of Finance confirmed these would not form balance sheet items and would be treated as an adjustment to OCCG funding allocation.</p> <p>The Committee recommended that OCCG Board accept the OCCG Annual Accounts subject to the changes to Note 31 and 38.</p>	
4.	<p>Final review of OCCG Annual Report and Annual Governance Statement</p> <p>The Committee received the paper “OCCG Annual Report” and was asked to agree the report. The version of the report presented to the Committee was the same as that submitted to Oxfordshire Clinical Commissioning (OCCG) Board meeting on 25 May 2017.</p> <p>The Director of Governance noted that further additions would be made to the report around the figures in relation to SCAS response times, medicines management spend as well as corrections reflecting Duncan Smith’s post as the Chair of Oxfordshire Primary Care Commissioning Committee (OPCCC). Further clarification was being sought to explain variances in staff sickness absence data. Action: It was agreed that the Director of Governance would circulate correct figures to the Audit Committee members explaining the reasons for the difference.</p> <p>The Committee accepted OCCG Annual Report and Annual Governance Statement and recommended its adoption by OCCG Board subject to the minor amendments.</p>	CM
5.	<p>Audit results report</p> <p>The Committee received the paper on “EY – Audit Results Report” and was asked to consider the contents of the report including the Audit Opinion and Letter of Representation.</p> <p>Adrian Balmer presented the findings of the report, and the following key points were made:</p> <ul style="list-style-type: none"> • <i>Executive Summary</i> <ul style="list-style-type: none"> ○ The materiality threshold increased to £8.285m ie the basis of materiality remained at 1% of gross expenditure. ○ Audit work was completed on the areas of: cash and cash equivalents and cash flow statement; financial instruments; statement of changes to taxpayers equity; VFM conclusion and financial performance targets. ○ At the time of the meeting the audit had not identified any unadjusted audit differences. ○ The audit plan identified a significant risk around the Sustainability and Transformation Plan (STP). The Lay Member for Finance suggested that wording within the Executive Summary should be made clearer around financial sustainability and system performance at BOB STP level. There should be more clarity on the effect of non-performance by individual CCGs within BOB STP on the general level of Oxfordshire funding. ○ Last year’s audit recommendation re monthly sign off of the payroll run by the CCG was still outstanding and CM agreed to address this and ensure an appropriate control was put in place in liaison 	CM

	<p>with the payroll provider Salisbury FT (Action).</p> <ul style="list-style-type: none"> • <i>Financial Performance Targets</i> – OCCG had met all of its targets disclosed in Note 40 of the financial statements. • <i>Areas of Audit Focus</i> <ul style="list-style-type: none"> ○ Delegated Primary Care Commissioning – samples were being received from GP surgeries enabling the audit of revenue and expenditure. ○ Revenue and Expenditure Recognition – testing had not identified any material misstatements. ○ Management Override – no material weaknesses in controls or evidence of material management override had been identified. • <i>Draft Audit Report</i> <ul style="list-style-type: none"> ○ The financial statements gave a true and fair view of the OCCG financial position as at 31 March 2017 and have been prepared in accordance with the Health and Social Care Action 2017 and the Accounts Directions. ○ The Remuneration and Staff Report had been prepared in accordance with the Annual Report Directions. • <i>Value for money/Challenges for next year</i> – financial pressures were likely to arise due to growth in demand, risk sharing agreement entered by the CCG with its key providers and full understanding of the potential impact of the RTT issue. <p>Maria Grindley (MG) noted the improved quality of working papers which had had a positive impact on audit work.</p> <p>The Chair extended his thanks to the external auditors, SCWCU and the OCCG management and their respective teams for their contributions to a smooth and efficient audit process.</p>	
6.	<p>Any other business</p> <p>There being no other business the meeting was closed. The next meeting would take place on 22 June 2017.</p>	

MINUTES:

Audit Committee

22 June 2017, 09:00-12:00

Conference Room A, Jubilee House, Oxford

Present:	Roger Dickinson (RD), Lay Vice Chair	Duncan Smith (DS), Lay Member for Finance
	Mike Delaney (MD), Lay Member	Gareth Kenworthy (GK), Director of Finance
	Miles Carter (MC), West Oxfordshire Locality Clinical Director	Catherine Mountford (CM), Director of Governance, 09:00-10:00
	Liz Wright (LW), Risk Assurance Director, Internal Audit (RSM UK)	Adrian Balmer (AB), Manager, Ernst & Young
In attendance:	Elena Thorne (ET) - minutes	Tom Bickley, Trainee, Ernst & Young
	Cecile Coignet, Head of Business Intelligence – for item 10	
Apologies	Jenny Simpson (JS), Deputy Director of Finance	

		Action
Agenda items were discussed in the following order: 1, 2, 3, 4, 5, 7, 8, 9, 11, 10, 12, 13, 14.		
5.	<p>Declarations of Interest / Quorum</p> <p>The Chair welcomed everybody and declared the meeting quorate. There were no declarations of interest on any of the agenda items.</p> <p>Adrian Balmer introduced Tom Bickley, a trainee from Ernst & Young.</p>	
6.	<p>Minutes of the Meeting held on 23 May 2017</p> <p>The minutes of the meeting held on 23 May 2017 were approved as an accurate record of the meeting.</p> <p>Matters Arising</p> <p>The Action Tracker was noted and updated as follows:</p> <p><u>Digital Transformation Update:</u> The Director of Finance advised that there was no funding earmarked for the Digital Transformation Programme as the existing plans hadn't identified the requirement yet. Resources deployed to support the digital agenda had been secured through annual bidding process for NHS England funding. Both Oxford University Hospitals NHS Foundation Trust (OUHFT) and Oxford Health NHS Foundation Trust (OHFT) had been awarded Global Digital Exemplars (GDE), thus securing funding of £10.0m and £5.0m respectively. Further work would be carried out to understand the Trusts' GDE plans and their impact on the overall strategy for digital transformation. The Director of Finance briefly outlined digital initiatives being</p>	

	<p>pursued by the Trusts, and the Lay Member stressed of importance of having proper governance arrangements to ensure that individual Trusts' efforts in digital work complemented the overall Digital Transformation Programme and the overarching solutions for the whole system.</p> <p><u>Auditors' Results Report</u> – The Director of Governance confirmed that both she and the Director of Finance and named senior members of their teams had agreed to be nominated as designated individuals to sign off payroll. Further work was being done in collaboration with the HR Business Partner to establish due processes, timings and escalation procedures. Due regard would also be given to privacy impact assessments, information governance and confidentiality.</p>	
GOVERNANCE AND RISK		
7.	<p>Review of Risk Policy and Strategy</p> <p>The Committee received the paper "OCCG Risk Management Strategy and Policy", and was asked to note the renewal timetable and provide feedback on the policy.</p> <p>The Director of Governance confirmed that the policy had been reviewed at the Risk Review meeting in August 2016 to reflect the changes of OCCG priorities and Oxfordshire Primary Care Commissioning Committee (OPCCC) meeting.</p> <p>Although no fundamental changes had been made to the policy, the Internal Audit representative commented that OCCG needed to be mindful of Sustainability and Transformation Plan (STP) risks. The Lay Member further added that risks around Pooled Budget and risk-sharing arrangements should be monitored effectively, something that the current framework did not address. This gap should be acknowledged within the existing policy and addressed appropriately.</p> <p>The Committee discussed various approaches to incorporating the whole system risk mitigation work, risks posed by the Transformation Programme and working on BOB STP basis without proper governance arrangements. Suggestions were made to expand the risk AF20 to include STP risks and describe gaps in controls, describe and agree all systems of governance collectively before adding those to the current Risk Management Strategy and Policy and holding off Policy review scheduled for August 2017 until all governance arrangements had been established. Action: The Committee agreed that Section 4 (Scope) of the Policy would incorporate acknowledgements of the above described risks and gaps in control.</p> <p>Action: The Chair recommended that second paragraph of the Section 4 (Scope) should be reviewed, especially with reference to the policy excluding areas of work that were solely the responsibility of other organisations. In addition, frequency of the Audit and Finance Committees' meetings should be omitted from Section 5 (Duties and Responsibilities) and be replaced by reference to the Committee's Terms of Reference.</p>	<p>CM</p> <p>CM</p>
4.	<p>Quality Committee Minutes</p> <p>The Committee received and NOTED the minutes of the Quality Committee meeting held on 27 April 2017.</p>	

5.	<p>Update on OCCG Risk Register</p> <p>The Committee received the paper on Oxfordshire CCG Risk Register and was asked to review changes reflected following the previous Audit Committee meeting on 20 April 2017.</p> <p>The Director of Governance updated the Committee on rewording of individual risks and commented that no new strategic risks had been opened.</p> <p>The Lay Member for Finance requested that target dates should be updated, and the scoring of the Risk AF25 should be reviewed due to being too low.</p> <p>The Lay Member proposed that improvements could be made around better articulation of work being done and the outcomes secured.</p> <p>The Committee NOTED the Risk Register.</p>	
FINANCIAL MATTERS		
6.	<p>Update on agreement of SLAs and contracts</p>	
7.	<p>Use of Single Tender Action Waiver</p> <p>The Committee received the summary Single Tender Action Waivers (STW) for February 2017-March 2017, along with five individual STWs for authorisation by the Audit Committee.</p> <p>Single Tender Action Waivers for authorisation by the Audit Committee</p> <p>The Director of Finance referred to the previous discussions at the Audit Committee where frustration was expressed around receiving repeated extension requests for STWs; clarifying the reasons for the five STWs received for authorisation, the following points were noted:</p> <ul style="list-style-type: none"> • Katharine House Hospice Palliative Care and Sue Ryder Palliative Care – Planned Care team had commenced a procurement exercise, however the only response received had been from the two named providers indicating a limited market space. The Director of Finance expressed his assurance in signing off the STWs for the remainder of the financial year until the new contracts were put into place. • Global Diagnostics UK Ltd and Inhealth Echotech Ltd – procurement exercises were underway, and OCCG was currently in a standstill period prior to the contract award. The Director of Finance highlighted potential issues around the award of Endoscopy contract, which would be discussed within the framework of the Finance Committee. • The Director of Finance recommended approval of all the STWs received by the Audit Committee. <p>Clarifying the Chair's question on the geographical coverage of palliative care services, the Director of Finance responded that supplier had the option to bid for the provision of services both for the whole of Oxfordshire and individual areas. The two providers of palliative care covered the complete Oxfordshire area.</p> <p>The Lay Member commented that considering the length of procurement process, OCCG could take a more rigorous approach to assessing contract extensions for the existing providers. The Director of Finance agreed with the</p>	

	<p>view, and added that OCCG had to be mindful of procurement regulations and get better at prioritising how contracts were structured considering the market place and the current performance of the existing providers.</p> <p>Referring specifically to STW for Specialist Primary Care Services by OHFT, who had outstanding CQC rating, the Director of Finance advised that the services would be put to procurement.</p> <p>The Committee NOTED the Single Tender Action Waivers and APPROVED the five STWs submitted for authorisation subject to further discussions around Endoscopy services at the Finance Committee meeting on 22 June 2017.</p>	
8.	<p>Finance Committee Minutes</p> <p>The Committee received the minutes of the Finance Committee meetings on 20 April 2017 and 23 May 2017.</p> <p>The Lay Member for Finance advised that the focus of the Finance Committee had been on:</p> <ul style="list-style-type: none"> - mitigating actions for £18.0m system-wide risks, which were not progressing at adequate pace; - A&E streaming highlighting potentially high financial risks. - NEL growth analysis, which remained an area of concern, along with the quality of data used for decision-making. Clinical audit could be considered as a way forward in investigating NEL growth, and this would be looked at within the framework of the Quality Committee. <p>The Committee NOTED the minutes.</p>	
9.	<p>RTT Management / Letter from OUH and the Enforcement Notice</p> <p>The Committee received the paper on 18 weeks RTT Briefing, and was asked to note the contents of the paper.</p> <p>The Director of Finance presented the paper, which was linked to the risks AF19 and AF25.</p> <p>Referring specifically to the Undertakings section within the Enforcement Notice, the Director of Finance highlighted two requirements imposed by NHS Improvement:</p> <ul style="list-style-type: none"> • Develop a short-term RTT improvement plan for Qu2; • Develop a medium-term RTT improvement plan. <p>Paper 8a provided an update on the progress of the short-term plan, identifying potential trust-wide value of the total risk (c£53.0m). Proportion attributed to OCCG was c£25.2m.</p> <p>OUHFT identified a number of specialties where additional capacity was available during Qu2 to support backlog clearance and run rate. The cost of the additional activity to OCCG was £979k. It was linked through to the original RTT pressure identified with the risk pool, and consistent with the system risk agreement. Remaining concerns were around this level of activity becoming recurrent.</p> <p>The Chair referred to the Consultant Connect system, in relation to which progress had stalled due to the lack of interest from OUHFT, despite potential benefit of the scheme in cutting down the run rate. The Director of Finance explained that OUHFT focus was on capacity rather than demand</p>	

	<p>management. Nevertheless, the Enforcement Notice supported implementation plans in both directions, i.e. activity management and demand reduction.</p> <p>The Lay Vice Chair referred to the previous meetings with NEDs of OUHFT, who confirmed the Trust's focus on internal efficiencies and movement towards switching off referrals from Primary to Elective Care.</p> <p>The Lay Member referred to the cost of £52.8m which was required to address the backlog and equalise the run rate at Trust level, and which excluded follow-up outpatient appointments and the cost of drugs and devices. He reminded of the past experiences when OCCG was exposed to unexpected rise of drugs costs not being covered by contracts and questioned whether any checks had been carried out to determine the level of potential exposure. Action: The Director of Finance agreed to verify this information.</p> <p>The Committee NOTED the paper.</p>	GK
10.	<p>Data Quality</p> <p>Cecile Coignet (CC), Head of Business Intelligence at OCCG, attended the meeting to present the paper on Data Quality. The following key points were noted:</p> <ul style="list-style-type: none"> • The focus of the paper was to clarify two questions posed by the Committee members at previous meetings, namely: a) the workstreams in place to improve/support data quality; and b) how much reliance could be placed on the quality of data used for decision-making. • There were two sets of available - nationally mandated data (generally of better quality and well-supported by IT systems) and locally defined data. • Clarifying the Lay Vice Chair's question on compliance with national data framework by the Trusts, CC noted that nationally mandated data had layers of risk – this was mainly due to the fact that payment-driving data received more focus and was therefore more solid. Other data, not linked to payments, was sometimes of dubious quality and work was being undertaken by OCCG around setting targets for the Trusts to start recording data and improving its quality (e.g. ophthalmology). Acknowledging extra costs incurred by the trusts in collecting data, OCCG prioritised the areas that had the best return for investment. • Examples of locally designed data sets were DToC systems (weekly submission of data mirroring the monthly national submission). • CC outlined the work undertaken with the Trusts on data collection and noted that OCCG now had a comprehensive dataset to understand community hospitals. Data was being received on a monthly basis, built into a dataset, analysed and fed back into contracting team. The level of comfort with the data received was around 98% - this was due to a radical change in attitude from the Trust, willingness of its staff to cooperate, discuss and acknowledge mistakes. • Responding to the Lay Member's questions, CC advised that: <ul style="list-style-type: none"> ○ patient identifiable data was governed by the legal contract framework, which applied to all providers except GPs. There were sensitivities involved in collecting this data. 	

	<ul style="list-style-type: none"> ○ data received by OCCG was pseudonymised in the first instance, which made it suitable for linking and using for such initiatives as patient pathway experiment. CC referred to an experiment undertaken in Manchester around engagement with patients on issues of consent for the use of their data as patients. ○ private sector providers were part of NHS contract, and were collecting national data sets. ● Progress was being made with Business Intelligence Champions' group, which included representatives of OCCG, where learning was taking place on how to use datasets, analyse them and work with individual project managers on data. <p>While acknowledging good progress around community services, the Lay Member for Finance observed that data within the Primary Care area was almost unusable. CC confirmed that at present time it was not possible to obtain patient identifiable data and link it to other datasets. In addition, the Lay Member for Finance commented that it would be beneficial to have a system that flagged data presented in business cases/dashboard reports/other reports in terms of its reliability; suggestion was also made to look at the referral and conversation rates. The Internal Audit representative added that other CCGs and providers had adopted RAG rating for data quality and information for their business cases and performance reports. The Lay Member suggested the use of a master record RAG-rating individual data sources used in individual report; while accepting the Lay Member's suggestion, CC responded that quality of data analysis and interpretation should be taken into account alongside the quality of data itself.</p> <p>Referring specifically to RTT data, CC confirmed that data was being received on a monthly basis, giving overall performance and a detailed breakdown treatments, delays, etc. There was an initial sign-off process by the CCG before national submission was made. The Lay Vice Chair noted that it would be useful to have analysis of the available RTT information and establish if the problem could have been identified earlier (Action?).</p> <p>The Committee NOTED the report.</p>	
AUDIT MATTERS		
11.	<p>In Year Progress Report – Internal Audit</p> <p>The Committee received In Year Progress Report of the Internal Audit, and was asked to review and note the progress report.</p> <p>Liz Wright (LW) presented the report and made the following key points:</p> <ul style="list-style-type: none"> ● All internal audit assignments were due to be completed by February 2018; ● A follow-up exercise on Tiaa's outstanding actions had been undertaken, the majority of which had been closed. Outstanding actions did not pose concern to OCCG. ● LW brought the matter of cyber security to the attention of the Committee, highlighting the questions OCCG should be asking from its providers regarding their IT resistance. ● New Data Protection regulations would be coming into force on 25 May 2018; 	

	<ul style="list-style-type: none"> • Impact of STPs and considerations for OCCG in respect of governance arrangements, decision-making and accountability/delivery. • Issues around quality and accuracy of care homes invoicing were gaining prominence. <p>The Committee NOTED the report and agreed to review Cyber Security during October meeting (Action).</p>	ET
12.	<p>External Audit – FY 2016-17 Annual Audit Letter</p> <p>Adrian Balmer (AB) presented the paper on “Annual Audit Letter for the year ended 31 March 2017”, and made the following points:</p> <ul style="list-style-type: none"> • Audit had reached unqualified conclusions on both the financial statements and the regularity of incomes and expenditure; • Referring to the three significant risk areas identified as part of the audit, AB noted that the audit had not revealed any weaknesses or inappropriate misstatements in relation to these risks. • Areas for improvement were around Journals and Payroll Authorisation. • Letter identified a number of areas that could have impact on OCCG; these being NHS provider financial pressures and local pressures on providers, STP, Co-Commissioning, Brexit and Savings Targets. <p>The Committee NOTED the report.</p>	
13.	<p>Security Management Service Annual Report</p> <p>The Committee received and NOTED the retrospective report by Tiaa on “Security Management Annual Report for 2016-17”.</p>	
GENERAL AUDIT MATTERS		
14.	<p>Work Plan</p> <p>The Chair suggested the following amendments to the Work Plan:</p> <ul style="list-style-type: none"> - Audit Committee Report and Self-Assessment (21 February 2018); - STP Governance arrangements (report by OCCG Chief Executive, 19 October 2017); - Proposals from the Executive Team on incorporating data quality measures into OCCG’s reporting (21 February 2018); 	
15.	Any other business	
17.	<p>Date of Next Meeting/Forward apologies</p> <p>The next meeting would take place on 19 October 2017.</p>	