

Oxfordshire Clinical Commissioning Group Board Meeting

Date of Meeting 24 May 2018	Paper No: 18/39a
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Title of Paper: Audit Committee Minutes of 21 February and 18 April 2018

Paper is for: <small>(please delete tick as appropriate)</small>	Discussion		Decision		Information	✓
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Audit Committee Minutes of 21 February 2018:

The minutes of the meeting held on 21 February have not yet been approved by the Audit Committee. These minutes will be presented to the next meeting. Highlights from the meeting are detailed below.

A lot of consideration was given to the 1917/18 audit process over the next few months and the work of the Finance team, External Audit, Internal Audit, the CSU and others.

The Board's attention is particularly drawn to the following items:

HR Review

An initial review paper was discussed, and it was agreed that a full year report be given to the May Committee meeting to give assurances on processes in place and benchmarked staff trends

Low compliance on the mandatory statutory training courses was identified but a new annual governance training was being instituted.

Regarding the gender pay gap there is no legal obligation to report as the CCG had fewer than 250 staff. An audit has not been done for equal pay but the Agenda for Change gradings evaluate the post not the individual. This will be reported in the full year paper.

Governance Update

The Governance Update paper focused on the new NHSE conflicts of interest policy and the need for conflicts to be monitored continuously throughout the year which would be carried out by the Committee. The responsibilities of staff around secondary employment should also be addressed.

The NHSE online training on conflicts was finally live and compliance must be demonstrated by the end of May 2018. Module 1 is mandatory for the Board, executive members of all CCG committees and sub-committees, clinical leads and anyone involved in procurement decision making. Module 2 and 3 are optional but it should be noted that they are beneficial to individuals in decision making, senior CCG staff and Governance leads.

The CSU was not subject to such training. Internal Audit advised getting the CSU involved for assurance regarding certain conflicts of interest between some CSU areas and collaborative working. The delegated authority is around decision making would be

reviewed. The concern was to ensure that the CCG was not left exposed.

IM&T Programme Update

Reviewing the work being undertaken within the IM&T Programme assurance was given that the Programme is progressing as expected and is due to complete at the end of the financial year. The landscape around the programme is in a state of flux with the usual complexities of stakeholder engagement relationship in developing the right governance and accountability of frameworks going forward. More comprehensive controls will be in place at the year-end once the OUHFT and GDE programmes were better established.

It was agreed that the IM&T Programme should be taken to the Quality Committee to start the conversation around patient exit strategy affected by paper systems with yearly update on the Programme brought to the Committee.

Cyber Security was also discussed covering national and local issues, to assist the Committee in understanding the level of risk and the impacts. A major risk lies around the relationship CCG have with the CSU as they outsource to OUH. The overall process and assessment is being finalised.

Audit Committee Minutes of 18 April 2018:

The Committee was inquorate but continued as no formal decisions of the Committee were required. The meeting was held primarily to comment upon the latest drafts of the Annual Report, the Statutory Accounts, the External Auditor's letters to the Management and Audit Chair and the proposed responses. Internal and External Auditors were not required to be present.

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: 21 March 2018

Audit Committee Minutes

18 April 2018, 11:00-12:30

Conference room B, Jubilee House, Oxford

Present:	Roger Dickinson (RD), Lay Vice Chair	Duncan Smith (EDS), Lay Member for Finance
	Catherine Mountford (CM), Director of Governance	Gareth Kenworthy (GK), Director of Finance
In attendance:	Lucinda Kenrick – Minutes	Sarah Hoverd (SH), Financial Controller, CSU (Item 1 only)
Apologies	Jenny Simpson (JS), Deputy Director of Finance	

		Action
1.	Apologies Noted above	
2.	Declarations of Interest / Quorum The chair declared the meeting inquorate but the meeting should continue as no formal decisions were required of the Committee. There were no new declarations of interest.	
3.	Formal review of draft Statutory Accounts The Deputy Director of Finance presented the Draft Statutory Accounts, Draft Analytical Review, and Reconciliations. The Committee was asked to review the draft accounts and to consider whether they reflected fairly the activities of the CCG during the year and whether there were any further disclosures required to aid understanding of the accounts. The following key points were made referring to: <ul style="list-style-type: none"> • Note 1.24: It was noted that there would be audit focus this year on standards not yet adopted; IFRS9 – for which an assessment has been undertaken demonstrating no impact for the CCG – and IFRS15 – for which a review will be undertaken, but it is expected that there will be no impact for the CCG. • Notes 2 and 5: The large difference noted between last year and this year is due to the fact that GPAF/PMCF is no longer net accounted. • Notes 17 and 23: It was noted that full analyses had not yet been completed for analytical review of these two notes but will be provided subsequently for the Committee. • Note 30: JS noted that the provision for CHC has increased by £1m based on named patients within the cohort. • Note 31: JS noted that, OCCG were the only CCG disclosing the RTT backlog as a contingent liability. Treasury has noted the disclosure and 	

	<p>already requested and obtained further information from NHSE.</p> <ul style="list-style-type: none"> • Notes 35 and 37: These were noted to be outstanding but would be provided in the full accounts. • Note 40: JS noted that the table was not user-friendly and that the two years are not comparable due to the changed treatment for the historic surplus in 2017-18, Confirmation is being sort on whether this is to be shown as a positive or negative within the table. <p>With regard to the reconciliations; DS noted that, although month 12 reports have not yet been reviewed by the Finance Committee; the reconciliations provided outline the key movements and reconcile to the statutory accounts. They therefore provide assurance that the statutory and management accounts are consistent.</p> <p>The Committee then indicated its view that, subject to the outstanding issues raised above being resolved; the draft accounts fairly reflected the activities of the CCG during the year.</p>	
4.	<p>Draft Annual report</p> <p>The Director of Governance introduced the Draft Annual report; noting that it had been composed according to detailed guidance from NHSE and would be ready for submission to NHSE during the next week (wc 23.04.2018).</p> <p>The following key points were raised regarding:</p> <ul style="list-style-type: none"> • Deer Park: EDS queried whether reference should be made in the introduction to the plans around Deer Park. Although it was agreed that the situation was made clear when mentioned elsewhere in the document; in the interest of transparency CM agreed to include a single line in the introduction. • Pooled Budget: it was noted that the two significant variances in the Pooled Budget would be acknowledged with an indication that steps are being taken to assure effectiveness of controls on financial spend throughout the year. It was also requested that the Total pooled budget include figures for the OCC and OCCG contributions. • Addressing Population Growth Concerns: It was noted that an insertion would be made to the working with GP practices to improve access and services in the local community' section to record that the CCG are developing a strategic approach to identify solutions that may be required for the rapid housing growth in Bicester, Didcot, Wantage, and Witney. • Quality role of Board members: DS suggested that a piece be included on the active role played by Board members in the assurance and issues raised around Quality. • Gender pay analysis: RD and DS expressed interest in being able to look at the numbers for the gender pay analysis – both the grade differential and the average hourly rate – with the possibility of including it in this Annual Report. GK and CM will bring this to CCG Executive to investigate the possibility of getting this signed off at Audit Committee rather than going through the usual governance structure to the Board for sign off. • Senior Manager Remuneration: CM agreed to investigate putting £0 rather than £0-5,000 for the annual performance related bonuses to avoid confusion. 	

	CM to bring back the final draft of the Annual Report to the May Audit Committee meeting.	
5.	<p>Letter to the Management and Response with Going Concern Assessment</p> <p>It was requested the following edits be made: Going concern: The second bullet point under 'Operating position' to be changed to reflect that the contract variations to agree the revised financial values were still under negotiation as at 31 March 2018. Manager's response: It was agreed that the answer to question 7 be amended to reflect the issues around the pooled budget variances and the answer to question 9 be strengthened to reflect the finance team's transparency in in-year financial reporting and that the material movements have been reviewed by the Audit Committee.</p>	
6.	<p>Letter to the Audit Committee Chair and Response</p> <p>Following changes made by GK to the Manager's response; RD agreed to use these to inform edits to the Audit Committee Chair's response.</p>	
7.	<p>Draft Head of Internal Audit Opinion</p> <p>Management reviewed the report and was happy for it to be submitted as part of the draft annual report submission to NHSE.</p>	
8.	<p>Any Other Business</p> <p>Pooled Budget Variances Action Plan: regarding the variances in the pooled budget the following action plan was agreed:</p> <ul style="list-style-type: none"> • The Joint Management Group will be asked to complete an investigation into the circumstances that led to late movements in the reported pool positions and present a full report to Audit Committee. • An internal audit will be completed to investigate the operational management controls in place for the pooled budgets. • Consideration will be given to mitigations for the additional costs borne by the CCG arising from delays in the HART Reablement service. 	
9.	<p>Date of Next Meeting</p> <p>22 May 2018 (Final Accounts) 1600-1730 Conference Room B, Jubilee House</p>	