



Oxfordshire Clinical Commissioning Group Board Meeting

Date of Meeting: 26 July 2018

Paper No: 18/50a

Title of Paper: Audit Committee Minutes of 21 February 2018

Paper is for:

(please delete tick as appropriate)

Discussion

Decision

Information



These Minutes are included as a matter of record as they were not available for the last Board Meeting. The commentary was given at that Board Meeting is repeated here.

A lot of consideration was given to the 1917/18 audit process over the next few months and the involvement 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.

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: 17 July 2018

MINUTES:

Audit Committee

21 February 2018, 09:00 – 12:00

Conference room A, Jubilee House, Oxford

Present:	Roger Dickinson (RD), Lay Vice Chair	Duncan Smith (EDS), Lay Member for Finance
	Gareth Kenworthy (GK), Director of Finance	Catherine Mountford (CM), Director of Governance
		Jenny Simpson (JS), Deputy Director of Finance
In attendance:	Harriet Jenkinson (HJ)– Minutes	Liz Wright RSM
	Adrian Balmer (AB), Manager, Ernst & Young	Maria Grindley (MG), Executive Director, Ernst & Young
	Sarah Hoverd – Financial Controller SCW CSU - item 9 only	Cecile Coignet Head of Business Intelligence – item 13 only
Apologies	Mike Delaney	

	Action
<p>Declarations of Interest/Quorum The Chair welcomed all present and declared the meeting quorate.</p> <p>There were no new declarations of interest.</p>	
<p>Minutes of the previous meeting The minutes of the meetings held on 19 October 2017 were approved as an accurate record of the meeting.</p> <p>RTT management was discussed in detail. The 2016-17 accounts disclosed a potential contingent liability re RTT of £15m. This will be reviewed for 2017-18 accounts but is likely to be reduced. DS would like to gain further information on the liability before month 12.</p> <p>GK to confirm that appropriate information re RTT is provided for Quality Committee.</p> <p>The overall approach and specification to the deep-dive on the MSK project is to be rolled over into April's Audit Committee so Liz Wright (LW) can discuss and understand what needs to be covered with Mike Delaney (MD) which can then be built into the work plan. Roger Dickinson (RD) advised that Mike Delaney will not be contactable on this subject until April</p> <p>Assurance review on primary care is to be discussed at the next Quality Committee meeting, taking place 22 February and a paper will be released next week with an approved proposal. Action can be closed.</p>	<p>GK</p> <p>LW</p>
Quality Committee Minutes (21 December 2017)	

	<p>DS spoke about the ‘stuck’ Oxford Health (OH) indicators and voiced his concern that KPI’s have been underperforming for a long time and he felt that there was no clear evidence of how to ‘unstuck’ the indicators. DS advised what the risks are in terms of the whole system including the impact on patients and asked for some assurance that the Quality Committee were looking into the areas. CM advised that the Quality Committee had a major focus on these areas and the last discussion had focused on a more detailed report from OH that workforce gaps were not the main issues and that significant improvement could be made by changing how the service was delivered.</p>	
	<p>Update on OCCG Risk Register The Risk Register was brought to the Audit Committee to review any changes. CM advised that a similar version was brought to the Board on 25 January 2018 where the strategic risks were relating to performance and transformation were discussed in detail as part of papers presented to the Board.</p> <p>DS queried;</p> <ul style="list-style-type: none"> • AF 20, the mitigation summary changed but the wording still assumes the old Chair and Chief Executives. • AF22, last sentence does not lead anywhere and DS is unsure of what it is trying to say and clarification is needed. • AF26, weakness of workforce issue is not covered nor is the funding of Primary Care. <ul style="list-style-type: none"> ○ CM challenged DS as using national benchmarks Primary Care in Oxfordshire is above “target share” and money has been invested in this area. • AF26, Risk rating is predicated on some areas, so the score of 20 is not reflecting the whole system which receives a lot of mixed feedback from Clinical Directors in terms of whether the platform is ‘burning’. It was asked whether a debate with the Board would be of interest as the score is too high in DS’s perspective. <p>DS and CM confirmed that the framework around primary care is in place so strategically there is a direction to focus on and move towards.</p> <p>AF25 is generally higher at this point in the year before contracts are agreed for next year. However, it is being managed.</p> <p>The outcome of the independent review for West Oxfordshire and the experience around the official reviews of phase 1 and whether or not there is a current risk around process, engagement and consultation is to be reviewed.</p> <p>Horton Hospital A & E vision and strategy from a commissioning aspect needs to be discussed at the next Committee Meeting.</p>	
5.	<p>HR Update CM informed the Committee that Business Partner Jenny Willis has left and Harriet Yeoman took over as her successor in January. This created a delay in the reporting, and the HR report presented is not the final version.</p> <p>RD advised that this report was a good start and the year-end report should be presented to the Committee. CM expects the report to be finalised end of April and will be brought to the Audit Committee on the 30 May 2018.</p>	

	<p>DS highlighted that compliance with statutory and mandatory training needed improvement. CM informed the Committee that this was an area of focus for senior managers.</p> <p>DS asked CM about the gender pay gap. LW advised that due to the CCG being fewer than 250 employees there is no legal obligation to report, however, by not doing a gender equal pay audit, LW asked if this could have any impact on the CCG's reputation. CM confirmed that an audit has not been undertaken for equal pay but Agenda for Change bandings mean that a post is graded not a person or their characteristics. DS asked that this should be noted in the yearend annual report along with more comparisons and national data averages.</p> <p>Annual year report and appendix 2 of the HR report is to be brought forward to the next full Committee meeting.</p>	<p>CM</p> <p>HJ/CM</p>
<p>6.</p>	<p>Governance Update</p> <p>CM presented the Governance Update paper and highlighted the conflicts of interest policy and advised that it needed to be updated. CM also highlighted queries brought forward on responsibilities of staff around secondary employment and proposed this should be picked up in the revised policy.</p> <p>CM confirmed that the online training is now available and compliance must be demonstrated by the end of May 2018. Originally when the online training was spoken about, it included all staff in GP practices, however, it has been established that 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.</p> <p>RD asked CM how module 1 is going to be activated. CM advised that an email will be circulated containing a link to the system. RD enquired how the modules work across the CSU and it was confirmed that this training was not a requirement for them. LW advised getting the CSU involved for assurance due to certain conflicts of interest between some CSU areas and collaborative working. GK recommended checking what the delegated authority is around decision.</p> <p>It was agreed that conflicts of interest should be brought forward to each meeting to discuss compliance and highlight any potential interests of declaration</p>	<p>HJ/CM</p>
<p>7.</p>	<p>Update on agreement of SLAs and contracts</p> <p>GK updated the Committee on the agreement of SLA's and contracts. GK attended the Finance Committee, 25 January 2018 where regular in-year reports are presented. The in-year position for 2017/18 is forecast to deliver against the financial plan for the year, including the risk share agreements with Partners. There has been significant pressure on CHC spend as well as on prescribing. The risk share agreements will be continued into next year and a report will be produced on lessons learnt to carry forward for future agreements, which will be sent to all Chief Executives.</p> <p>There is unlikely to be a tripartite risk share in 2018-19 in the same way as 2017-18. There will probably be a bilateral agreement between the CCG and</p>	

	<p>the acute Trust, taking into account the RTT issues. GK advised that there is scope for a broader collaborative agreement around urgent or non-elective work which could include Primary Care federations, Oxford Health and OUH.</p> <p>GK asked the Committee to consider the investment requirements for the five year forward view (FYFV) which includes significant expectations on savings within the acute sector for mental health services and urgent care.</p> <p>Although initial work has begun, GK confirmed that the first submission of the plan is the 8 March and advised the final version is to be submitted by 31 April.</p>	
8.	<p>Use of Single Action Waiver</p> <p>RD commented on the two STWs for PA Consulting Group. RD asked whether or not there is a timing issue, as PA Consulting supplied a 10 week service from the 17 July 2017, which wasn't signed off until October 2017. GK advised that there is a processing issue, to which the CCG is reacting and the timing issues are due to the significant back and forth communication to retrieve the required approval from NHSE.</p> <p>GK continued talks on the PA Consulting Group advising that they are on the Consultancy 1 Framework confirming that it should be a quick and easy route to maintaining compliance and it was decided that lessons learnt would be circulated internally.</p>	GK
9.	<p>Finance Committee Minutes (25 January 2018)</p> <p>DS advised that there was nothing discussed at the Finance Committee that hasn't already been escalated and advised that a lot of time was spent looking at next year's position which needs to be put into a formal document before the deadline, which is a few weeks away.</p>	GK
10.	<p>Month 9 Accounts and Analytical Review</p> <p>JS introduced Sarah Hoverd, Financial Controller for the CSU to the Committee, who has replaced Sally Thompson and will be leading the Final Accounts support from the CSU. JS stated that the timetable set out in the covering page looks very similar to last year's accounts, however due to bank holidays the deadline will need to be brought forward to the prior week, Friday 25 May 2018 with final approval taking place at the Board on Thursday 24 May.</p> <p>(HJ has spoken to Lesley Corfield to ensure this is on the agenda for the May Board)</p> <p>DS advised that he will not be present at the Audit Committee on the 22 May 2018 where the final accounts will be presented. EY confirmed that they will submit a forward view report so he can send any feedback to the Audit Committee in advance and understand where the outstanding areas are that might be a concern.</p> <p>In relation to the month 9 accounts, the biggest change will be to the format which will be simplified this year by removing anything that is not relevant to the CCG. This should make them more accessible and understandable to the reader. The RTT contingent liability of £15m disclosed last year has been retained for Month 9 accounts but it may be possible to review this down at year end. CHC is a potential new contingent liability which is being driven by NHS reporting requirements, and will need to be reviewed before year end</p> <p>Off payroll engagement is changing due to the new IR35 requirements. JS is</p>	

	<p>confident that it has been picked up early and all changes have now been implemented.</p> <p>The analytical review is impacted by the fact that net accounting is not done at Month 9 which causes some variances. Additionally, the GP access fund no longer requires net accounting and is now being received by way of allocation, instead of invoiced.</p>	
11.	<p>Annual Report and Content Plan CM took the Committee through the Annual report and content plan confirming that a draft paper will be circulated on the 3 April 2018 with comments and amendments welcome until the 10 April 2018 and the first draft version will be discussed at the Audit Committee on the 18 April 2018.</p>	
12.	<p>2017/18 External Audit Plan DS brought up the equal pay conversation that was spoken about earlier in the meeting and advised that the EY analytics will be able to help in many ways and a conversation with CM should be organised.</p> <p>Adrian Balmer (AB) took the Committee through the External Audit Plan in detail confirming that was no change to the main risks identified.</p>	
13.	<p>Capita Type 1 Report GK took the committee through the Capita Type 1 report. AB advised the committee of an external NHSE workshop he attended in November 2017 which went into lot of detail around Capita and the direction of travel it was heading and its improvement.</p>	
14.	<p>In Year Progress Report LW took the Board through the Internal Audit Progress report, confirming that all work will be completed ahead of yearend.</p> <p>LW confirmed that the annual internal audit report will be brought to the Audit Committee on the 19 June 2018.</p> <p>With regards to the ongoing work, RSM have been looking at the ongoing work with Oxfordshire County Council (OCC) and at the financial transaction arrangements for CHC. RSM have ruled out any accounting errors and would like to discuss with GK how to gain further access into Oxford Health to look deeper into their CHC processes.</p> <p>GK voiced his concern of the sudden month to month change in reporting. LW advised that the problem is thought to be the flow of information from the source up to OCC.</p> <p>LW spoke of the positive assurances around the Localities Governance and Engagement report which picked up issues around constitutions and locality group assurance.</p> <p>LW advised that a conversation with LP could be useful to discuss and understand the difference between Oxfordshire and Buckinghamshire; to find out if there are any major discrepancies between reports.</p>	<p>LW</p> <p>LW/GK</p> <p>LW</p>
15.	<p>2018/19 Internal Audit Plan LW talked the Committee through the Internal Audit Plan. DS advised that a protocol needs to be agreed so that the auditors can start testing across organisations.</p>	
16.	<p>Audit Committee Work Plan RD updated the Board on the Audit Committee Work Plan.</p>	

	GK to update the Committee further on DTOC	GK
17.	<p>IM&T Programme Update GK introduced Cécile Coignet (CC) to the Committee meeting to give further insight on the IM&T Programme Update.</p> <p>CC briefed the Committee on the work being undertaken within the IM&T programme and the broader context within which it was operating.</p> <p>GK took the Board through the Cyber Security paper, outlining the national and local issues, helping the Committee to understand the level of risk and impacts. GK continued that one of the major risks is around the relationship CCG have with the CSU as they outsource to OUH and advised the overall process and assessment is yet to be finalised.</p>	
18.	<p>Any Other Business RD reviewed the 2018/19 work plan and advised that the next two meetings will be taken up by the end of year audit.</p> <p>No further matters were discussed or brought forward within the internal and external auditors.</p>	
	Next meeting is on the 18 April 2018 (draft accounts) at Jubilee House, Conference Room B	