

OXFORDSHIRE CLINICAL COMMISSIONING GROUP BOARD

Date of Meeting: 28 November 2019	Paper No: 19/75a
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Title of Paper: Audit Committee Minutes of 17 October 2019

Paper is for: <small>(please delete tick as appropriate)</small>	Discussion		Decision		Information	✓
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Conflicts of Interest <small>(please delete tick as appropriate)</small>	
No conflict identified	✓

Purpose and Executive Summary:
This summary is intended to provide Board Members with an understanding of the Minutes of the Audit Committee Meeting.

CCG and the BOB ICS
The Committee considered a number of matters relating to the CCG Constitution, the Scheme of Delegation and the Audit Committee Terms of Reference all in the context of the development of the BOB ICS and possible joint committees relating to its governance. The problem of the CCG, as a statutory body, gaining sufficient assurance over the activities of the BOB ICS going forward, and managing risk, remained a key issue with a number of interim solutions needed.

A Memorandum of Understanding has been prepared by NHSE with the BOB ICS. Constituent organisations need to endorse it to enable BOB ICS to receive Transformation Funding. The Committee recommends to the Board that the MOU be signed.

Separately, as an interim measure, the Audit Committee agreed to reduce its required membership to three members and a quoracy requirement of two members.

Progress Report on Governance Review of Integrated Respiratory Team Project
All actions directly related to the project have been completed. The outstanding actions all relate to a review of the overall Policy. Intellectual property protections needed to be included as part of the joint working policy.

Review of IT and Systems in Place to Ensure High Quality Data and Analysis to Inform Effective Population Health Management
The Windows 10 pilot requires strengthening in terms of cyber security, which is

currently on target for delivery. The main weakness within the cyber security arrangements is around GP admin rights, work is ongoing and OCCG will engage with the LMC to address this vulnerability.

Internal Audit (RSM UK) Progress Reports

A report on Incident Management and Cybersecurity showed a partial assurance opinion as a number of actions have not been implemented but this reflected a work in progress.

A second report on the Financial Control Environment provided evidence that the processes in place within the CCG are robust and there is clear oversight and challenge to support the assessment. The majority of management actions have been completed and progress is on plan with the exception of a review of system governance, which was due to take place but has been postponed in light of the organisational changes taking place.

Local Counter Fraud Specialist (LCFS) Progress Report

The CCG are working with RSM UK to work towards partial or full compliance with a new standard.

A scam exists to divert staff salaries away from their bank accounts using the ESR system. Payroll is aware of this scam and there are no current concerns within the OCCG. RSM UK are liaising with the OCCG communication team to raise awareness of this issue and a fraud alert has been circulated via e-mail to alert staff of this issue. There is a larger exposure to scamming techniques such as this since moving over to NHS Mail.

Engagement: clinical, stakeholder and public/patient: Not Applicable

Financial Implications of Paper: None

Action Required: None

OCCG Priorities Supported Not Applicable

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 OCCG and ensuring the levels of risk and mitigations of those risks are appropriate and are properly recorded in the Risk Register of the OCCG.

Author: Roger Dickinson, Chair of Audit Committee

Clinical / Executive Lead: Roger Dickinson, Chair of Audit Committee

Date of Paper: 19 November 2019

MINUTES:

Audit Committee

17 October 2019

Meeting Room 1, Jubilee House

Present:	Roger Dickinson (RD), Lay Vice Chair	Duncan Smith (DS), Lay Member for Finance
	Catherine Mountford (CM), Director of Governance	Gareth Kenworthy (GK), Director of Finance
	Miles Carter (MC), West Oxfordshire Locality Clinical Director	Jenny Simpson (JS), Deputy Director of Finance
In attendance:	Adrian Balmer (AB), Manager, Ernst & Young	Janet Dawson (JD), Executive Director, Ernst & Young
	Louise Davies (LD), Manager, RSM UK	Erin Sims (ES), Internal Audit – Counter Fraud, RSMUK
Apologies	None	

		Action
1.	<p>Declarations of Interest There were no new declarations of interest.</p> <p>Minutes of the Meeting held on 6 June The minutes of the meeting held on 6th June were approved as an accurate record of the meeting.</p>	
2.	<p>Matters Arising The Action Tracker was noted and updated.</p>	
3.	<p>Review of Risk Policy and Strategy CM presented the risk management strategy and policy for review and approval by the Committee. CM explained the changes proposed within this document are minor and are to bring the policy in line with new policies linked to the current operational plan.</p> <p>RD requested a change to the wording on page five in relation to frequency of the Audit Committee meetings as they do not happen every two months as stated in the policy.</p> <p>RD requested removal of the inclusion of an ‘Independent Specialist Medical Advisor’ within the membership of the Audit Committee.</p> <p>RD recommended a review of the required membership of the Audit Committee.</p>	

	<p>The Committee agreed that a discussion around Clinical Directors attending as members of Committee meetings should be taken as part of the review of Clinical Directors roles over the next 18 months.</p> <p>The Audit Committee agreed to reduce its required membership to three members and a quoracy requirement of two members.</p> <p>Action: CM agreed to make the recommended changes within the Audit Committee Terms of Reference and report back at the OCCG Board meeting.</p> <p>RD recommended a change of wording on page six in relation to ‘the governance manager will provide risk management training to all risk owners and other staff as required’ to support a more proactive approach to training provision.</p> <p>RD queried the re-wording of some items identified as ‘risks’ that have been changed to ‘issues’ within the document. CM explained this resulted from a discussion within Director’s Risk Review meeting around a high-rated performance risk and was agreed at OCCG Board. Items that are happening and that are being managed are identified as issues, whereas things that might happen, but have not yet crystallised are identified as risks.</p> <p>The Committee reviewed and provided feedback on the risk management strategy and policy and approved the document subject to the changes suggested as part of this item.</p> <p>Action: CM will update the document with the proposed changes from the Committee.</p>	<p>(19.11) CM</p> <p>(19.12) CM</p>
4.	<p>Updates on the OCCG Risk Register</p> <p>CM presented the OCCG Risk Register to the Committee. RD commented that it is clear that risks are being kept up to date following feedback from the February 2019 audit committee meeting.</p> <p>DS challenged the risk rating of 12 for delivery/performance risk AF34. DS stated the risk rating should be higher due to the potential future consequences of not meeting the identified target. The Committee asked CM to take this to the Directors’ Risk Review meeting for discussions.</p> <p>Action: CM</p> <p>In relation to risk AF34 – Non-compliance with business rules or national targets, DS requested that details of the deep dive with Oxford Health for the Children and Adolescent Mental Health Service (CAMHS) to be added in the assurance and controls sections.</p> <p>In relation to AF28 – Workforce constraints impacting on the ability of providers to deliver, DS fed back there is very little information within the gaps in controls and gaps in assurance section. DS requested Sula</p>	<p>(19.13) CM</p>

	<p>Wiltshire (SW) to review and update the risk on Datix to reflect the work of the STP workstream.</p> <p>Action: SW</p>	<p>(19.14) SW</p>
5.	<p>Minutes of the Quality Meetings</p> <p>CM presented the minutes of the Quality Committee meeting from the 9th July and highlighted the key items raised at the meeting. DS highlighted that there is not enough assurance provided within the minutes in relation to the performance of the system.</p> <p>Action: CM will meet with SW to discuss expectations on the level of detail captured within Quality Committee minutes around assurances for system performance and management of risks. Lay Members of the Audit Committee will meet with Louise Wallace to discuss.</p>	<p>(19.15) CM/SW RD/DS/LW</p>
6.	<p>Review of the Constitution</p> <p>CM presented the current version of the Constitution to the audit committee members.</p> <p>RD queried within item 11.2 of the constitution whether the reference to annual members meetings to be held annually in May or June should remain. CM reported the meetings have not taken place and recommended it should be included as an option but not stated as an annual requirement.</p> <p>RD highlighted that there is no reference within the constitution to development of Primary Care Networks (PCN's). The Committee agreed a list of minor changes to the constitution should be put forward to the OCCG Board to ensure there is an audit trail.</p> <p>CM noted an error in the constitution within item 14.3 in 'Non-voting Ex Officio Attendees at the Board' that the Director of Adult Social Services was not present on the list.</p> <p>It was agreed that if joint committees are developed across Buckinghamshire, Oxfordshire and Berkshire CCGs these should be included within item 15.4 of the constitution.</p> <p>Action: CM will amend the document to reflect the comments and discussion within this meeting.</p> <p>The Committee agreed that subject to the minor changes discussed, the constitution should be brought to the OCCG Board.</p>	<p>(19.16) CM</p>
7.	<p>Governance Development in ICS</p> <p>CM presented the paper for Governance Development in the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care System (BOB ICS).</p> <p>RD queried that there is no detail covering the Financial Oversight Group (FOG) membership or the function. GK fed back that the FOG is an ICS group with members comprised of Directors of Finance from the</p>	

<p>ICS NHS organisations. GK offered to share the terms of reference with members of the Audit Committee. Action: GK</p>	<p>(19.17) GK</p>
<p>RD queried how the Finance and Audit Committees can gain assurance from the FOG meetings. GK offered to provide a report to the Finance Committee on the activity within the FOG meetings. Action: GK</p>	<p>(19.18) GK</p>
<p>DS recommended activity and decisions from FOG meeting should be reported in Finance Committee and then views from the Committee as well as other systems could be fed back into the FOG. DS highlighted a concern for GK in terms of conflicts of interest if the FOG asked GK to come to a system agreement. DS recommended an independent input into the Committee's to help solve some of the challenges and come to a recommendation as a system on how to tackle the financial position for next year.</p>	
<p>GK recommended DS should have a discussion with Kiren Collison, OCCG Clinical Chair around how lay members interface with the independent chair, and the roles of the chairs group within the ICS in relation to the design of governance arrangements. The Committee recommended this should be discussed further.</p>	
<p>DS recommended that issues identified by the Audit Committee should be shared with the OCCG Clinical Chair and CEO and then with the OCS Executive Lead and Chair. Action: CM to prepare a first draft and circulate to the Audit Committee members for approval of the wording.</p>	<p>(19.19) CM</p>
<p>DS will provide further feedback on the Governance Development in ICS document to CM via e-mail outside of the meeting.</p>	
<p>Memorandum of Understanding (MOU)</p>	
<p>CM and GK outlined that the MOU has been prepared by NHSE with the BOB ICS. Constituent organisations need to endorse it to enable BOB ICS to receive Transformation Funding. DS highlighted concerns over the commitment to manage the financial position collaboratively. The OCCG Board will need an understanding of the risks when entering into the agreement.</p>	
<p>The Audit Committee agreed to recommend to the Board that they confirm the MOU should be signed.</p>	
<p>The Committee agreed the need for chairs of the OCCG Committees (Audit, Finance, Quality and Primary Care) to meet with their counterparts in the other CCG's to have a briefing and ensure there is a consistent message across the organisation in moving towards integration and joint working. Action: RD and DS</p>	<p>(19.20) RD and DS</p>

8.	<p>Progress Report on Governance Review of Integrated Respiratory Team Project</p> <p>CM presented the Progress Report on the Governance Review for the IRT Project. All actions directly related to the project have been completed. The outstanding actions all relate to a review of the overall Policy.</p> <p>In relation to item 4 on the report, RD queried that there is no mention of intellectual copyright within the action section. GK suggested intellectual copyright could be agreed as part of the joint working policy.</p> <p>Action: CM to review the CCG's position on intellectual property and include as part of a revision to the joint working policy.</p> <p>The Committee noted the progress report.</p>	(19.21) CM
9.	<p>Review of IT (including primary care and cyber security) and Systems in Place to Ensure High Quality Data and Analysis to Inform Effective Population Health Management</p> <p>GK presented the review of IT and systems in place to ensure high quality data and analysis to inform effective Population Health Management (PHM). GK highlighted that the Windows 10 pilot requires strengthening in terms of cyber security, which is currently on target for delivery. The main weakness within the cyber security arrangements is around GP admin rights, work is ongoing and OCCG will engage with the LMC to address this vulnerability.</p> <p>GK queried if the progress report should continue to come to Audit Committee as a regular update. RD recommended Audit Committee could take the papers that are reported to the Executive Committee and these could be added to the AOB section of the Audit Committee for noting.</p> <p>Action: GK/WJ</p>	(19.22) GK/WJ
10.	<p>Update on Agreement of SLA's and Contracts</p> <p>GK presented the update on agreement of SLA's and contracts. No major updates were highlighted within the meeting.</p>	
11.	<p>Use of Single Tender Action Waiver (STW)</p> <p>GK presented an adapted version of the Corporate Governance Report which reports on use of the STW to the OCCG Board.</p> <p>DS queried the reason for inclusion of the the large Oxford Health STW on the report. GK explained the Podiatry contract is an Any Qualified Provider (AQP) contract and pre-dates the OCCG so it was procured by the Primary Care Trust (PCT) before it became a CCG.</p> <p>DS explained in relation to the GPIT STW there is a need to demonstrate value for money in terms of prices agreed.</p>	

	The Committee noted the report.	
12.	<p>Finance Committee Minutes</p> <p>DS explained an additional Finance Committee meeting has been arranged for the 24th October to look into the BOB STP financial position and plan. The financial position is still forecast to meet the targets for this year. The Finance Committee has reviewed risks to the financial plan and savings plan to provide assurance to the Board.</p>	
13.	<p>Ernst & Young NHS Sector Briefing</p> <p>AB presented the NHS sector briefing to the Committee. DS queried how the NHS standard contract sets out how Oxfordshire works together. GK reported the contract provides a vehicle for integration of providers into a single contract. A different version of Integrated Care Partnerships (ICP) contract is being progressed locally due to issues highlighted by primary care Local Medical Committees (LMCs). The contract currently allows for providers to suspend the GMS contract.</p> <p>The Committee noted the briefing.</p>	
14.	<p>RSM UK In Year Progress Report</p> <p>RSM UK have finalised two reports since the last audit committee. The first report relates to Incident Management and Cybersecurity. The report reflects a partial assurance opinion as a number of actions have not been implemented. Issues are noted around the formalisation of processes. Comments within the report have been noted and LD explained this is a work in progress.</p> <p>The second report relates to the Financial Control Environment Self-Assessment. LD reported there is clear evidence to suggest that the processes in place within the CCG are robust and there is clear oversight and challenge to support the assessment. The majority of management actions have been completed. The progress with the plan continues and is on plan with the exception of a review of system governance, which was due to take place in November but has been postponed in light of the organisational changes taking place. A meeting will take place in January and potentially work could resume around February 2020.</p> <p>The Committee thanked LD for the summary and noted the report.</p>	
15.	<p>Local Counter Fraud Specialist (LCFS) Progress Report</p> <p>ES presented the LCFS report to the Audit Committee. ES explained standard 1.4 on the first section of the report relates to the work to reassess the risks highlighted in the forward risk assessment at the previous Audit Committee. The standard has received a red rating as it was a new addition. The CCG are working with RSM UK to work towards partial or full compliance with standard 1.4.</p> <p>ES reported on methods that are being used by fraudsters to divert staff</p>	

	<p>salaries away from their bank accounts using the ESR system. Payroll is aware of this scam and there are no current concerns within the OCCG. ES explained RSM UK are liaising with the OCCG communication team to raise awareness of this issue. A fraud alert has been circulated via e-mail to alert staff of this issue. GK highlighted that there is a larger exposure to scamming techniques such as this since moving over to NHS Mail.</p> <p>DS queried on page six of the report whether Oxford Health are undertaking an audit around incontinence products.</p> <p>Action: ES explained this was highlighted to the OCCG team and ES will feed back on the response outside of the meeting.</p>	<p>(19.23) ES</p>
16.	<p>Scheme of Delegation – Correction to Table 11</p> <p>JS presented the scheme of delegation to the Audit Committee. JS explained there is an issue on table 11 of the report and proposed to remove the last column from table 11 to correct this. The Committee approved the amendment.</p>	
17.	<p>Review of Conflicts of Interest Policy</p> <p>CM presented the conflicts of interest’s policy with some minor amendments for approval by the Committee.</p> <p>RD queried in relation to item 9.4 why ‘modest offers to pay for some or all travel and accommodation costs must be accepted’ is not dealt with under OCCG’s own travel policy. ES explained the guidance has been taken directly from NHSE policies.</p> <p>The Committee approved the changes to the conflict of interest policy.</p>	
18.	<p>Review of Audit Committee Workplan</p> <p>RD explained the review of Human Resources (HR) is for the Remuneration Committee and should be removed from the workplan.</p> <p>The final internal audit report should be amended on the workplan as it will be covered when it is ready for review and finalisation and there is no set date for this.</p> <p>RD recommended to amend ‘Review of IT’ as the Exec Committee are to review and Audit Committee members should receive a copy for noting.</p> <p>The RSM UK Annual report will only come to the Audit Committee once a year. The report will be covered when it is ready for review and finalisation and there is no set date for this.</p> <p>External Audit Final Accounts should be added to the workplan for May every year.</p> <p>Executive Committee Minutes should be added to the workplan under</p>	

	<p>the same meeting dates as the Finance and Quality mins.</p> <p>Action: WJ to make amendments to the workplan based on the comments for this item.</p>	<p>(19.24) WJ</p>
19.	<p>Meeting Review</p> <p>RD and DS reported good discussion around papers presented. This is the start of a period of significant change. The Audit Committee will have a significant role in working in common with other organisations.</p>	
20.	<p>Any Other Business</p>	