

GOVERNING BODY

LEAD: Audit Committee Chair	ATTACHMENT: K
ACTION: For Information	

**MINUTES OF THE AUDIT COMMITTEE
HELD ON TUESDAY 11 JUNE 2013
CONFERENCE ROOM, GUILDHALL 1**

PRESENT:	Paul Gallagher (Chair) Dr Naeem Iqbal Dr Junaid Syed	Lay Member Governing Body GP Governing Body GP
IN ATTENDANCE:	Neil Ferrelly Joe Aslam Colin Edwards Paul Grady Dr Phil Moore Martin Bull Brian Roberts Jo Dandridge	Chief Finance Officer Internal Audit, RSM Tenon Local Counter Fraud Service, RSM Tenon Engagement Lead, Grant Thornton Deputy Chair – Clinical South London Commissioning Support Unit Information & Performance Manager Business Manager
APOLOGIES:	David Knowles David Smith Dr Naz Jivani Nick Atkinson Kathryn Sharpe Debbie Turner Jill Pearse	Lay Member Chief Officer Governing Body Chair Internal Auditor, RSM Tenon Engagement Manager, Grant Thornton South London Commissioning Support Unit Head of Governance & Business Support

- 13/01** **Welcome and Introductions:** Those present were welcomed to the meeting.
- 13/02** **Declarations of Interest:** Phil Moore declared his interest as Non Executive Director for the South London Community Health Partnership Boards.
- 13/03** **Minutes of the last meeting**
The minutes of the last meeting held on 26th March 2013 were agreed as an accurate record.

13/04 Matters Arising

12/38.2 Conflicts of Interest

It was confirmed that the Integrated Governance Committee were taking the lead around progression of the Conflicts of Interest policy.

12/45 Financial viability of Kingston Co-operative Initiative (KCI)

The Audit Committee Chair was in receipt of the formal report that had been presented to the January Governing Body meeting and confirmed that KCI had migrated to the CCG.

12/71 Continuing Care

Members sought confirmation that the enhanced continuing care action plan was being taken through the Integrated Governance Committee and being monitored as an item on the Risk Register.

13/05 Risk Register

A copy of the 2013/14 Risk Register, developed based on the CCGs corporate objectives had been previously circulated. The new Risk Register had been agreed at the Integrated Governance Committee in April and then reviewed again in May. The Committee noted that there were currently 6 moderate risks, 10 high risks and one very high risk identified.

Members noted that the 2012/13 Risk Register had been reviewed and risks had been either closed or transferred to the new register.

Risk 314: Safeguarding children and looked after children services - this very high risk follows the Ofsted/CQC report of Inspection of Safeguarding & Looked After Children (July 2012) which identified gaps in the service, and also an increase in the number of children subject to the Child Protection Plan. Members asked if Ofsted would be undertaking a follow up visit.

Risk 173: Breaches of Confidentiality and Data Protection Act (Information Governance requirements compliance) - members were advised of the data validation from providers issue and noted that a letter was being sent to providers from the Chief Finance Officer regarding this separate risk. It was agreed that a systematic approach be taken to the data that we are able to control.

13/06 Key Issues from Finance Sub Committee

Members noted one of the key issues discussed at the most recent Finance Sub Committee meeting was the Financial Plan, resubmitted with two major outstanding risks which were specialist commissioning and the unconfirmed allocation.

Members were advised that the 2012/13 Financial Accounts with achieved £3.9m surplus had been signed off.

The SWL Audit Committee had received the unqualified financial accounts and value for money conclusion and these had been submitted to the Department of Health on time.

13/07 South London Commissioning Support Unit

Martin Bull, was in attendance representing the CSU and advised that the first two months had been a challenging time but the position was stabilising far more now.

The CSU had provided CCGs with their first month's financial governance controls report and this information would be extracted and used to assist with the balance sheet.

Members were advised that the SWL Audit Committee had signed off internal audit provision for 2013/14 across South London and Surrey but noted that there were different approaches to governance arrangements in SE and SW London as there was no single Head of Internal Audit in SW London. It had therefore been agreed that tenders would be held back until 2014/15 onwards.

Internal Audit Provision

Members received a copy of the consultation document on internal audit provisions across South London CSU and noted that KPMG were the appointed internal auditors for the CSU.

A summit meeting to support the development of the 2013-14 Internal Audit Plan for South London CSU had been held in May to help ensure it meets the assurance and reporting needs of its stakeholders. Subsequently, Deloitte had been appointed by NHS England and were working through the cross overs.

CSU services are not generic for all 13 clients – they are focussed around geographical teams. For internal audit CSU coverage to be relevant, there is a need to look at a cluster of four in the scope of the review.

An Internal Audit plan will come out with response to the consultation.

13/08 External Audit

Paul Grady, from Grant Thornton was in attendance. A briefing covering the work to be undertaken and an expected timetable together with a copy of the Appointment letter had been previously circulated.

There was discussion on the timing of the interim audit visit scheduled for between December 2013 and February 2014 and it was felt this was too late and it was therefore suggested that over the next 4-5 months progress would be reviewed.

Members noted that Grant Thornton were also external auditors for charitable funds.

13/09 Internal Audit Progress Report

A copy of the Internal Audit Progress Report had been previously circulated together with a copy of the Internal Audit Charter.

A scoping document for individual assignments within the CCG Internal Audit plan setting out the audit objectives and planned areas for consideration had been developed.

Members noted that any legacy internal audit recommendations that were not completed at year end from the PCT would transfer to the CCG. The tracker would be monitored through the Chair & Chief Officer meetings.

Members requested that the Payroll and Financial Feeder Systems audit should be brought forward from its planned date of commencement in October.

It was agreed to check that the Property Transactions audit would include management of fixed assets as the CCG had to retain Your Healthcare CIC's assets.

ACTION: To upload the key published documents listed in the progress report to GPTeamNet .

The Audit Committee agreed in principle to the number of man days listed and would be subject to virtual approval.

13/10 Local Contract Fraud Services Progress Report

A progress report had been circulated prior to the meeting.

Members noted that progress was being made on the draft Work Plan and that it would be brought to the next meeting for approval.

The Anti-Bribery Policy was considered a significant risk for all CCGs and members were asked to consider a half day awareness session for staff with a more detailed session for senior managers.

A copy of the LCFS Proactive Exercise undertaken into the area of Gifts and Hospitality and Declarations of Interest in partnership with the NHS South West London in house Counter Fraud Specialist had been received and concluded that there were weaknesses within the systems operated to record gifts and hospitality.

Discussion followed on the declaration of gifts and hospitality and it was agreed that a process needed to be developed for regular reporting of gifts and hospitality above the value of £25.

ACTION: A Gifts & Hospitality Policy to be developed to give clarity on declarations and to give examples from a GP perspective.

ACTION: A Seminar for budget holders, senior managers and board members to be arranged. POST MEETING NOTE: It was proposed that the Governing Body Seminar on 19th November would be used for this purpose.

13/11 Any Other Business

None.

13/12 Date of next meeting:

27th August 2013 – *subsequently postponed.*

10th September 2013 (3.30pm to 5.30pm) Conference Room, Guildhall 1