

Bristol, North Somerset and South Gloucestershire Audit, Governance and Risk Committee

Minutes of the meeting held on 24th September at 3.00pm in Meeting Room B,
South Plaza, Bristol

Minutes

Present		
John Rushforth	Committee Chair, Lay Member Audit and Governance	JRu
John Cappock	Lay Member, Strategic Finance	JC
Nick Kennedy	Independent Clinical Member Secondary Care Doctor	NK
Apologies		
In attendance		
Sarah Truelove	Chief Financial Officer	ST
Jon Lund	Deputy Chief Finance Officer	JL
Steve Freeman	Head of Financial Services	SF
Sarah Carr	Corporate Secretary	SC
Nick Atkinson	Head of Internal Audit	NA
Victoria Gould	Client Manager	VG
Elias Hayes	Manager, Audit South West	EH
Barrie Morris	Director, Grant Thornton	BM
Michelle Burge	Manager, Grant Thornton	MB

	Item	Action
01	Apologies There were no apologies. The new internal auditors, NA and VG representing RSM, were welcomed to the meeting.	
02	Declarations of interest There were no new declarations of interest and no declarations of interest arising from the agenda.	
03	Minutes of the previous meeting, matters arising and actions arising from previous meetings The minutes had been agreed by email after the meeting. The action log was reviewed: <ul style="list-style-type: none"> 26/09/18 item 7.1 it was confirmed that this had been completed and should be removed from the action log. NA 	NA



	Item	Action
	<p>would circulate information on the current Primary Care Audit Framework.</p> <ul style="list-style-type: none"> 20/05/19 item 13 ref 2 SC would confirm that the committee effectiveness aide memoir had been added to all agendas. The action remained open. 20/05/19 item 20 ref 1 NHSE Primary Care Counter Fraud representatives would not attend a future meeting having confirmed that this was not within their remit. <p>All other due actions were closed.</p>	SC
04	<p>Identification of any other business not on the agenda There was no other business</p>	
05.1	<p>Internal Audit Draft Strategy and Plan 2019-20 NA introduced the Draft Strategy and Plan explaining that it had been discussed with ST, JRu and at the Executive Team meeting. Feedback from these discussions had been incorporated into the draft presented. The focus had been to establish a plan for year one. Attention was drawn to the Assurance Mapping exercise which would assist with the development of the audit plans for future years.</p> <p>NK sought clarification of what would be covered by Clinical Reform referenced on p11. NA explained that this heading covered a range of potential areas such as system reform and service redesign. ST gave a focus on the ICP model as it progressed as another example. It was agreed to revisit the wording to clarify the areas of coverage. JC asked if there would be an opportunity to hold a workshop focused on risk management. There followed a discussion regarding this and the recent risk management audit was noted. This would be considered further.</p> <p>JRu asked about the inclusion of the Learning Disability Mortality Review in the 2019/20 audit plan, noting the announced national review of arrangements. ST explained that this had been requested by the Executive Team. The audit would look at compliance with requirements following the CCG's internal review and revision of arrangements. NA confirmed this was an opportunity to test the effectiveness of the changes.</p> <p>JRu commented on the proposed Delegated Commissioning audit and asked if this would include the CCG's effectiveness at identifying practices at risk. This was confirmed. JRu asked whether the Data Security and Protection Toolkit had scope to</p>	NA ST/NA



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	<p>include IT budgetary control. It was explained that the Toolkit was set nationally however a deep dive of financial and budgetary control for IT could be as part of Financial Planning and QIPP audits.</p> <p>JRu asked if the Policy Review Process would focus on internal policies. ST explained that the purpose was to understand the scope of policies required and whether policies in place were comprehensively covered statutory responsibilities. It was asked if there would be an opportunity to test staff knowledge and understanding of policies. NA confirmed this. It was noted that policies were required to have implementation plans.</p> <p>JRu commented that no audits were planned across the three years for: patient experience and engagement, appraisals, and equality and diversity. NA agreed this would be reviewed. An updated plan would be shared with the Committee. JC asked about the transition from the former Internal Auditors. NA confirmed the former Internal Auditors had completed and handed over their work plan. RSM were reviewing recommendations with CCG managers to ensure actions were completed.</p> <p>NK commented on the risk relating to the quality directorate and governance reported on the GBAF and asked if there was audit focused on this area. ST explained that the Policy Review Process was a response to these concerns. More work on this area would needed in the future audit programme. CHC was given as an example; an independent review of Children's Continuing Healthcare had been completed by an independent expert who would now complete a review of Adult's Continuing Healthcare. Given this work it had been agreed that Internal Audit time would not be focused on these areas in year one.</p> <p>Appendix C was discussed. The Client Care Standards were noted. JRu asked if discussions with senior staff to establish the scope of audits should be completed before planning sheets were issued. NA agreed to ensure that sufficient time for discussions was built into the programme. Standards to be placed on CCG staff were discussed. It was agreed that CCG staff would be expected to work to the 10 working day standard set by the auditors for the issue of reports. JRu commented on the Authority section noting that the Plan was owned by the Audit, Governance</p>	<p>NA</p> <p>NA</p> <p>NA</p>



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	<p>and Risk Committee and asked that the section was revised to reflect this. NA agreed to amend the plan and explained that if audits significantly changed from the agreed plan this would be confirmed with the Audit, Governance and Risk Committee. JRu asked if the Audit, Governance and Risk Committee would have access to full audit reports if required. This was agreed and the mechanism for this would be confirmed.</p> <p>The Committee approved the Draft Strategy and Plan</p>	NA
05.2	<p>Internal Audit Update</p> <p>NA explained that work had focused on developing the draft plan. Benchmarking regarding outsourced IT services had been shared with the Associate Director of Corporate Services. There were a number of open recommendations relating to audits completed for the three former CCGs. There would be discussions with CCG managers to understand if recommendations had been superseded by changes in arrangements. A risk based approach would be taken and an update would be made to the Committee. JRu noted that it was the role of management to follow up recommendations.</p> <p>The Committee received the report</p>	
06	<p>Counter Fraud Report</p> <p>EH highlighted the requirement for the CCG to review all providers to ensure that proportionate counter fraud measures were in place. The Counter Fraud team was working with the CCG Contracts team to collect the required documentation from providers. EH explained that a national CCG CFLS Forum was being developed which would enable learning to shared nationally. The Counter Fraud team was developing with the Gloucestershire Counter Fraud service a Counter Fraud Staff Survey. This would help understand the impact of policies such as Gifts and Hospitality and Fraud and Bribery on staff behaviours and would raise counter fraud awareness. A crime reduction day was planned for January 2020 and Drop-in sessions would be held for staff in December 2019.</p> <p>The Fraud and Bribery Policy had been approved by the Governing Body and shared with CCG staff through internal communications. The Individual Patient Placement Local Proactive Exercise was being completed. This focused mainly on mental health and learning disabilities contracts for individual patient placements.</p>	

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	<p>The current investigations were highlighted. JRu asked for a private briefing on case ref: IMO/19/00263.</p> <p>JC asked if trend data was captured and benchmarked against other CCGs. EH confirmed this happened and that NHSE/I would also look at this data. It was asked that this data was presented to the Committee. This was agreed. NK asked if it was known whether staff had read and understood policies. EH confirmed this would be part of the staff survey.</p> <p>The Committee received the report</p>	<p>EH</p> <p>EH</p>
07	<p>External Audit Progress Report and Sector Update</p> <p>MB drew attention to progress at 18 September 2019. The 2018/19 audit was complete. The Mental Health Investment Standard audit work was underway. The completion deadline for this audit had been extended to October 2019. JRu sought clarification of the consequences if the audit found the CCG non-compliant. There followed a discussion about the audit. It was understood that the audit was intended to provide assurance nationally and that non-compliance would be considered unfavourably. There was a discussion about the fee for the work. The agreed fee was £15,000. JRu asked if the audit would become an annual requirement. It was explained that this was not clear, however it was likely.</p> <p>The audit work for 2019/20 was planned and the audit team continued to meet with CCG colleagues. JRu had attended the regional Audit Chairs meetings organised by Grant Thornton. A Director from Grant Thornton had facilitated a meeting of the BNSSG system Audit Chairs in July 2019.</p> <p>The sector update report was noted. JRu asked if executives were up to date with guidance. ST confirmed this and noted speed and volume of guidance issued for the Long Term Plan response.</p> <p>The Committee received the report</p>	
08	<p>Annual Audit Letter</p> <p>It was confirmed that the Annual Audit Letter had been published on the CCG website and shared with NHSE. The Governing Body had received the Annual Audit Letter at its August meeting. JC highlighted the narrative on p10 regarding “weakness in arrangements” and that this was not necessarily a fair reflection of the work undertaken to resolve the position. It was acknowledged</p>	



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	that the wording used as a result of the Audit Opinion given did not reflect the actions taken and the challenges faced by the CCG. The Committee noted the Annual Audit Letter	
09	<p>VAT Audit Report</p> <p>SF explained that a VAT audit of the Bristol CCG records had been conducted in the summer of 2019. The final audit report was now expected. VAT on a number of transactions had been claimed in error. Bristol CCG had been audited previously and had been able to show that reasonable care was taken to ensure that VAT was not incorrectly claimed. It was anticipated that, as there had been no change in practice, a similar conclusion would be reached. It was confirmed that the outcome would be reported to the Committee. SF confirmed that BNSSG CCG had processes in place to review VAT claims. JC asked if the invoice had been reviewed by Liaison VAT Consultancy Ltd. SF explained that the emails relating to this period were unavailable. SF set out the process followed with invoices of this size which involved checking with Liaison VAT Consultancy Ltd. The CCG had a good working relationship with Liaison VAT Consultancy Ltd and placed confidence in the support provided.</p> <p>The Committee received the report</p>	SF
10	<p>Freedom of Information (FOI) Update</p> <p>It was explained that the CCG had in-housed the FOI function in Autumn 2018. Since this time the team had been developing its processes and reporting procedures. This was the first quarterly report on the CCG's FOI function received by the Committee. The reported number of requests responded to outside of the 20-day timescale in quarter one were highlighted. SC explained that the team had worked with the Directorate concerned to develop robust processes. As a result, there had been a significant reduction in the number late responses. The number of instances where an internal review had found that the CCG had not responded fully to a request was noted. The team was working with colleagues to reduce the number of incomplete requests through awareness raising.</p> <p>JRu asked if there was an issue regarding the approach of the FOI office. It was explained that the relevant Director was responsible for deciding what information to release in response to a request. Work would be taken forward with teams to raise awareness of requirements and encourage a culture of openness.</p>	



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	<p>JC observed that in-housing the service was an appropriate move. JC asked if the team had the required level of expertise. It was explained that further training for members of the team was being explored. JC asked if the issues regarding the release of information related to the culture of the organisation or ignorance of the requirements and risks. It was explained that capacity was an issue with staff reviewing requests too quickly. JC asked if there had been any reputational damage arising from the FOI performance. It was explained there had been no issues.</p> <p>The Committee received the report</p>	
11	<p>The Management of Conflicts of Interest</p> <p>Attention was drawn to the issues related to the resetting of training compliance dates. The team had worked with CSU colleagues to restore records where possible and all staff were asked to renew their training. The CCG had mandated that all staff were required to complete the level 1 training. The NHSE core requirement for decision makers to complete the level 1 training was an area of specific focus to ensure compliance. It was confirmed that those key decision makers who had not completed the training had been identified and each individual would be followed up. It was agreed that the next report would include the names of those decision makers who were non-compliant with the training. It was agreed to add an item regarding Conflicts of Interest and training to the October Commissioning Executive meeting agenda. The Audit, Governance and Risk Committee gave its full support to the Corporate Governance team to resolve this. It was noted that there was an error in the paper and JRu signed the Conflicts of Interest quarterly assessments.</p> <p>The Committee received the report</p>	<p>SC</p> <p>SC</p>
12	<p>Governing Body Assurance Framework (GBAF) and Corporate Risk Register (CRR)</p> <p>SC explained that section three of the cover paper should have clarified that risks removed from the GBAF on its review for 2019/20 that score over 15 were retained on the CRR. Risks scoring below 15 on the current GBAF continued to be reported in line with best practice enabling the Governing Body to maintain sight of the risks to the principal objectives. JRu invited comment from the Internal Auditors on the documents. NA commented that the risks did not appear to be outliers. It was noted that more information on the primary care related financial risks would be provided following discussion at the Primary Care Commissioning</p>	



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	<p>Committee. Further information about CHC risks would be considered.</p> <p>NA commented that the GBAF could be strengthened with more focus on the outcome of actions. It was noted that the risk to the principal objective, Quality and Governance needed to be reviewed given the continuing recruitment issues. SC sought feedback on approach in the main paper which highlighted all the additions to the CRR and highlighting of all updates on the CRR since the last meeting. The approach was welcomed.</p> <p>NK observed that the AWP resilience risk reported on the GBAF included the comment that it was not expected that the risk would be removed in the rational for the target risk score. It was agreed to raise this with the team and confirm timelines for the risk to be reduced. NK noted that the Locality Development into Delivery risk had not been updated since June. It was agreed to raise this with the directors concerned. SC explained that the process to update the GBAF included monthly one to ones with directors. NK asked if the risk relating to the ADHD patients could have been predicted. It was agreed to seek confirmation from the medicines management team.</p> <p>The Committee received and discussed the Governing Body Assurance Framework and the Corporate Risk Register</p>	<p>SC</p> <p>SC</p> <p>SC</p> <p>SC</p> <p>SC</p>
13	<p>Director Risk Register Deep Dive – Finance Intelligence and Corporate Services Directorate</p> <p>JL highlighted the processes for the management of risk within the Directorate as set out in the paper. It was explained that a process to ensure objective scoring of financial risks had been established. This aimed to support directorates in reporting and scoring financial risks on Directorate Risk Registers whilst ensuring that financial risks were scored and reported appropriately on the Corporate Risk Register. It was noted that the a bi-monthly meeting of risk leads was being established.</p> <p>JRu asked how the team prioritised its focus. JL explained routine review supported this and that there was a small number of volatile risks. ST commented that cross directorate check and challenge was important to ensure actions sat with appropriate teams. JRu asked about risks relating to other organisations such as care home data. JL explained that financial risks were picked up through financial reports and in the budget setting meetings.</p>	



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	<p>JRU commented on risks relating to budgetary control by budget holders, noting the issues reported at the Strategic Finance Committee, and asked how this was managed by the Finance team. JL explained that work was in place within the organisation through the Executive Team to bring clarity for accountability and control of budgets. JRu asked how this risk was reported. It was agreed to review the risk discussed regarding budgetary control.</p> <p>JC welcomed the description of risk management with the Directorate, and asked to what extent it was an exemplar regarding risk management within the organisation. It was observed that the Deep Dive process was intended to provide the Committee with assurance. NA noted that it was helpful to provide those presenting to the Committee with a clear brief as to expectations. It was explained that the format of the paper would be shared with other directorates. JRu asked if the Finance Directorate Register was shared internally with other teams. ST commented that risk leads reviewed registers. SC explained that, as Risk Management lead for the CCG she was attending all directorate meetings to provide guidance on the Risk Management Framework.</p> <p>There was a discussion of the indicators used to monitor risks. It was explained that there were clear indicators for some risks. JRu asked that were there were appropriate indicators these were described on the registers. ST commented on the regional activity focused on financial risk management; this included 'Grip and Control' checklists and peer review with other CCGs. JRu commented that Audit Chairs could contribute to this.</p> <p>There was a discussion about which directorate would present the next Deep Dive. It was agreed that a programme would be established and shared with the Committee.</p> <p>The Committee confirmed that it was assured of the processes for managing risks in the FICS Directorate</p>	<p>JL/ST</p> <p>SC</p> <p>JL/SC</p> <p>ST</p>
14	<p>Losses and Compensation Payments</p> <p>SF drew attention to the actions taken regarding the salary overpayments. Salaries were corrected in August 2019. Individual overpayment figures were being finalised and would be shared with those concerned by the end of September. A review of the process to understand how and where issues arose would be completed by a senior member of the CSU not involved in the</p>	



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	<p>contract delivery. ST confirmed that once the review was completed processes to rectify issues identified would be implemented. It was noted that payroll services were provided by NBT and HR services by the CSU and the review would look at where issues arose to enable appropriate controls to be put in place. JRu asked if there were issues related to other payroll services. SF explained that the CCG finance team were are reviewing payroll information and raising challenges. It was asked if this was an additional workload. It was confirmed this placed pressure on team capacity however it was important to have further checks until there was clarity on the areas requiring further control. It was asked if there were issues related Agenda for Change grades. It was explained that the issues related to local pay arrangements and not to nationally agreed remuneration.</p> <p>JC asked how long payroll arrangements with NBT had been in place. It was explained that NBT had provided payroll services for South Gloucestershire CCG and for BNSSG CCG following the merger. NA commented that the CCG could seek third party assurance regarding payroll from NBT. It was asked if the matter had been raised with NBT. It was explained that the review would be completed to identify where issues arose and, if appropriate, this would be taken forward with the CSU and NBT. There was a discussion about the possibility to seek compensation from providers if appropriate. It was noted that the focus was on understanding the underlying issues. JC asked about the payroll rates and it was explained that the complications arose from the merger of the different payroll rates with the merger of the CCGs. It was asked if there were issues for new appointees. It was explained that the review would be completed and then assurance would be provided to the Committee. JC asked if there were HMRC and pensions implications. It was confirmed that this was likely for individuals.</p> <p>SF provided an update on the risk implications. Agreement had been reached regarding one element of and the overall figure at risk had been reduced to £1,000. Further work to reduce this risk was ongoing.</p> <p>The Committee received the report</p>	
15	<p>Redundancy Provisions</p> <p>The paper was a matter for information.</p> <p>The Committee received the report</p>	



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16	<p>HMRC Compliance Check on Governing Body Payments</p> <p>The paper was a matter for information.</p> <p>The Committee received the report</p>	
17	<p>Waiver of Detailed Financial Policies</p> <p>JRu sought further information regarding the waiver and why the company was chosen for the work. ST explained that the work was for the development of the narrative element of the system Long Term Plan submission and for further work with partners to develop the vision. The company involved had previously worked with the system and due to the deadlines for the submission their previous knowledge and expertise meant that it was best placed to complete the work. JRu asked whether it would be appropriate to have a call-off contract arrangement in place for the future. ST confirmed this would be considered.</p> <p>The Committee received the report and noted the waiver</p>	
18	<p>Audit, Governance and Risk Committee Work plan</p> <p>The paper was a matter for information.</p> <p>The Committee received the work plan</p>	
19	<p>Committee Effectiveness</p> <p>Members considered the checklist and agreed the meeting had been effective. JRu asked NA and VG for their views on the meeting. NA commented that expectations as to how to present to the Committee were clear and areas of focus were to be expected. JRu observed that the comments made by the new Internal Auditors during the meeting were helpful and informative.</p>	

Sarah Carr, Corporate Secretary, October 2019

