

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

Minutes of the meeting held on 3 April 2020, at 10 am, MS Teams Call

Minutes

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

	Item	Action
01	Apologies The above apologies were noted.	
02	Declarations of interest There were no new declarations of interest	
03	Minutes of the previous meeting, matters and actions arising The minute was agreed as a correct record. The action log was reviewed: <ul style="list-style-type: none"> • 11/02/20 item 5 ref 2; ST confirmed the Section 96 application process included the requirement for practices to share information as part of their application. The action was closed. • 11/02/20 item 5 ref 3; it was agreed to receive the report at the next committee meeting. The action remained open • 11/02/20 item 6 ref 1; the plan had been circulated. The action was closed. 	



	Item	Action
	<ul style="list-style-type: none"> 11/02/20 item 6 ref 2; the revised plan included value-based health care. The action was closed. All other due actions were closed.	
04	Identification of any other business not on the agenda There was no other business to be raised.	
05	Internal Audit Progress Report NA explained the Internal Audit work had been completed for 2019/20 with the exception of the Local Authority Integration audit. This had been cancelled due to the Coronavirus Outbreak. It was proposed that the audit was merged with the Locality Governance review. The Risk Management workshop had been postponed and would be rearranged for 2020/21. The committee considered the 3 reported audits. The Learning Disability Mortality Review audit received an audit opinion of reasonable assurance. The CCG was performing well and the system in place was strong. There was a backlog of cases, which the CCG was reducing, and additional reviewers were being recruited. The use of 2 full time reviewers supported the reduction of the backlog. The audit found that the CCG was unable to be assured that the deaths of all people with learning disabilities were reported in to the process. This was due to the lack of a central data source recording the death of people with learning disabilities. The CCG was reliant on information shared by GPs and providers. This was a national issue. The management action proposed a system of quarterly email reminders to providers reminding them of the responsibility to report the deaths of people with learning disabilities. It was agreed ST would raise the issue with NHSE. The BNSSG LeDeR Steering Group would pick up and ensure the implementation of the management actions. NK commented the Quality Committee received regular reports on the LeDeR programme; the committee had voiced its concern about the reporting of all deaths of people with learning disabilities. The AQP Performance – Commissioning and Contract Management Audit received an audit opinion of reasonable assurance. It found invoices were subject to appropriate review and scrutiny against independent data sources prior to payment. Contracts had recently transferred to the team and at the time of audit, formal contract reviews had not been completed. The management actions were highlighted.	ST



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	<p>An audit opinion of reasonable assurance had been given in respect of the IT Disaster Recovery and Business Continuity Plan audit. This work had been completed prior to the coronavirus outbreak. : The audit was generally positive; the findings regarding the IT provider, SCW, were highlighted. The provider did not conduct periodic restore tests of back-ups and had not listed identified hardware and software that formed the IT network in Business Continuity plans and had not prioritised these in terms of criticality to the CCG's operation. The format of the audit, with the inclusion of management comments alongside management actions was queried. It was explained the audit was completed by a different RSM team and the format was not indicative of particular issues. There was a discussion about the wording of the management actions and responses. The committee was concerned that the management responses were not sufficiently assertive given the client relationship with the SCW. ST noted the CCG was in negotiations with SCW relating to running costs and agreed to take the matter forward to strengthen the responses. It was agreed ST and NA would discuss the recommendations and responses further.</p> <p>The Committee received the report</p>	ST/NA
06	<p>Draft Internal Audit Plan 2020/21</p> <p>The plan had been amended to reflect the comments made by the committee and the executive team. An Out of Area Placement Audit had been added to the plan. Attention was drawn to the proposal to combine the local authority integration audit with the locality governance review. There would be further discussion with ST to confirm the audit timetable.</p> <p>The committee discussed the potential to include a review of the CCG response to the coronavirus outbreak in the plan. It was suggested the mandatory audits could include this in their scope. NA confirmed other CCG audit plans would be reviewed to identify and share 'good ideas'. JRu commented it would be helpful to have a briefing for audit chairs from either the internal or the external auditors. This would be considered.</p> <p>NK noted new ways of working were being introduced as part of the response to the coronavirus outbreak and asked about mechanism to capture this. ST explained a national recovery cell, with this as part of its remit, was being established. Locally a cell focused on system transformation would ensure all transformations implemented in response to the outbreak to monitored and</p>	BM/NA



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	<p>evaluated. The financial framework had changed and the long-term impact would be assessed. JRu asked if links were made with the incident response cells of other STPs. JL agreed to review this.</p> <p>The committee discussed the proposal to merge the Local Authority Integration audit with the Locality Governance review. It was noted there were significant issues related to both areas. It was agreed to review the audit plan to identify whether time could be released from other audit areas and to review the detailed scope of the audit at the planning stage to identify whether a second audit phase was required.</p> <p>The Committee approved the Audit Plan 2020/21</p>	<p>JL</p> <p>NA</p>
07	<p>Draft Head of Internal Audit Opinion 2019/20</p> <p>NA drew attention to the revised Draft Head of Internal Audit Opinion, which had been updated with the completed audits. The opinion would be finalised with the inclusion of the Service Auditor Reports. It was noted the Internal Auditors did not believe there were any significant items that needed to be included in the Governance Statement based on the Draft Head of Internal Audit Opinion.</p> <p>The Committee received the draft Head of Internal Audit Opinion</p>	
08	<p>Counter Fraud Report</p> <p>EH highlighted the following: NHSCFA had moved the submission date for the NHSCFA Self Review Tool to 31st May in acknowledgment of the impact of Covid-19 response. The submission required the approval of the Audit Chair and Chief Financial Officer. The draft would be with JRu and ST with sufficient time for approval. It was agreed to explore whether JRu could delegate authority to ST to sign. There was an increased risk of fraud related to covid-19 to NHS organisations. A newsletter on the risks would be produced for staff.</p> <p>Counter Fraud Staff survey benchmarking. The survey had a good response rate. The initial analysis was included in the report. The results were being benchmarked against Devon and Gloucestershire CCGs' results. The full report would come to the next meeting.</p> <p>Alerts. An alert relating to covid-19 fraud emails had been issued. An alert regarding the potential misuse of 'lost' FP10 prescription pads would be issued and shared with GPs in liaison with Counter</p>	EH



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	<p>Fraud in Wales. The risk had been raised with the medicines optimisation team. There was a discussion about secondary care. It was asked if the alert would be issued to secondary care. This was confirmed.</p> <p>The Committee received the report</p>	
09	<p>Draft Counter Fraud Annual Plan 2020/21</p> <p>It was noted the Plan would need to be flexible as a result of the impact of covid-19 on planned work. JRu asked if the plan could be managed to enable a review of fraud post Covid-19. EH confirmed there would be a local approach to this and it was likely there would be a national directive.</p> <p>The Committee received and approved the plan</p>	
10	<p>Draft Security Management Annual Plan 2020/21</p> <p>It was noted the Plan would need to be flexible as a result of the impact of covid-19 on planned work; there was flexibility between the prevent and deter work. JL asked whether staff working from home increased risks of theft and risks to health and wellbeing. EH agreed more communications and engagement was needed with staff about security issues linked to working from home. This would be taken forward.</p> <p>The Committee received and approved the plan</p>	EH
11	<p>External Audit Papers: External Audit Progress Report, Informing the Audit Risk Assessment 2019/20, Audit Plan Addendum Covid-19</p> <p>BM highlighted the update on the impact of covid-19 set out in the progress report relating to the financial statements and audit work. Considerations included the impact on the accounts, disclosures and audit work. Discussions with the CCG had included the ability to produce the accounts and ensure remote access. No issues were expected. There would be a focus on the going-concern, and potential material uncertainties due to funding stream developments. The interim audit had been completed and appropriate arrangements were in place. Good assurance had been received from the Internal Auditors.</p> <p>JC asked whether the auditors were considering furlough. The Internal Auditors explained this would be considered if audit work could not be completed. Action would be considered if and when appropriate. The External Auditors explained the operational impact on work would be considered. The majority of the audit work could be completed remotely and there were no furlough plans at that point. The intention was to deliver the external audit to the initial</p>	



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	<p>timescales agreed. Submission dates had changed and there might be some adjustments required.</p> <p>BM informed members that MB was leaving the firm at the end of the planned audit. If the audit was not completed by the end of May an interim manager would be appointed to cover the close of the accounts.</p> <p>It was noted due to the situation there could be late changes. JL confirmed there would be robust processes in place supporting timely discussions with the auditors.</p> <p>The Committee received the reports</p>	
15	<p>VAT Audit Report</p> <p>SF explained the VAT was completed and the outstanding total had been paid. The CCG was waiting for the HMRC decision regarding any further penalties. VAT returns were produced by the Shared Business Service (SBS) and checked in detail by the Head of Financial Services. A monthly review was carried out by external consultants. The CCG would evaluate the reviewing procedures and claims made in 2020-21.</p> <p>The Committee received the report</p>	
16	<p>Annual Accounts Process and Year End Planning</p> <p>The submission date for the Annual Report and Accounts had been moved to June 25th with the April submission moving to 27th April. The aim was to complete the external audit for the end of May. The date of the next meeting was discussed and it was agreed to move the May 20th meeting and look for a new date for the 2nd week of June.</p> <p>The Committee received the report</p>	SC
17	<p>IT Disaster Recovery and Business Continuity</p> <p>This had been discussed at item 5 above.</p> <p>The Committee received the report</p>	
18	<p>Freedom of Information Update</p> <p>The Information Commissioner had issued advice that statutory timescales for responding to requests could not be extended during the pandemic response, however public authorities would not be penalised for prioritising other areas during this period. JRu asked if there was clear delegation for responses as part of business continuity. It was confirmed teams had continuity plans in place.</p> <p>The Committee received the report</p>	

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19	<p>The Management of Conflicts of Interest Update The report was noted The Committee received the report</p>	
20	<p>Governing Body Assurance Framework (GBAF) and Corporate Risk Register (CRR) An overarching risk relating to covid-19 was included on the corporate risk register. It was noted the Incident Control Centre held a log of decisions and risks. The detailed risks were managed through this process and not recorded on the corporate risk register. JRu asked how other systems were ensuring robust risk management and if there were other approaches that could be adopted. NA noted it was a dynamic situation and local arrangements would change. NA welcomed the additional committee papers to the committee relating to financial governance and the focus on short, medium and long-term arrangements. The internal auditors would share any identified good practice from other CCG clients.</p> <p>JRu asked if the covid-19 response had affected the Weston merger. ST confirmed the merger had taken place on 1st April as planned. It was asked if there was an impact on the service transfer to Sirona. ST confirmed all providers were reviewing business critical services to ensure there were no gaps. There was a discussion about the risks and opportunities of the changes in service delivery arising from the covid-19 response. It was explained there was monthly reporting on the elements of the long-term plan indicating those aspects that had been accelerated or were on hold. JC asked about the wellbeing of staff involved in the silver cell. ST explained the executive was working in 2 teams with 1 focused on the ICC and the other looking at internal business critical services. It was explained JR was leading the establishment of the new regional Nightingale Hospital. The Committee expressed its concern and support for staff and offered its support.</p> <p>The Committee received and discussed the Governing Body Assurance Framework and the Corporate Risk Register</p>	
21	<p>SW Audit Legacy Audit Recommendations The paper set out the process to in place to close down all outstanding audit recommendations made by Audit South West, the previous internal auditors. The process had been discussed with the current internal auditors. VC confirmed the exercise was to provide assurance that audit recommendations were closed. Those audit</p>	



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	<p>recommendations passing to RSM had been agreed and would be included in future reports.</p> <p>The Committee received the report</p>	
22	<p>Financial Governance in response to Covid-19</p> <p>The paper set out assurances regarding financial control and governance arrangements during the response phase to the covid-19 pandemic. Key risks related to the recovery and exit phase and the implications of short-term actions. Overall costs would be confirmed.</p> <p>The impact on the voluntary sector was discussed. There was an impact on voluntary sector funding and this was under review. It was asked if there was clarity regarding business critical services provided by voluntary sector organisations. The process to identify key voluntary sector provided services was highlighted. Senior commissioning managers were reviewing contracts to identify business critical services. The long-term sustainability of voluntary sector was important. The importance of demonstrating responsible decision-making was highlighted. The Mental Health Review continued as business as usual. NHSE had procured the independent sector nationally, including treatment centres. It was confirmed this included diagnostics. The reporting of decisions made in relation to business critical services provided by the voluntary sector would be reviewed to ensure clear governance. It was agreed involvement of Governing Body non-executives in potentially controversial decisions would be important to ensure and support good governance.</p> <p>Risks relating to the SBS India Operations were discussed. Potential issues related to cash runs and the volume of invoices received during the year-end period and this was kept under review. There had been no significant down time. Suppliers' dependant on paper invoices could potentially experience problems; this was also being kept under review. It was confirmed the Governing Body would receive a paper on wider decision making and governance arrangements.</p> <p>The Committee received the report</p>	
23	<p>Losses and compensation payments</p> <p>The paper was a matter for information.</p> <p>The Committee received the report</p>	
24	<p>Redundancy Provisions</p> <p>The paper was a matter for information.</p>	



	Item	Action
	The Committee received the report	
25	HMRC Compliance Check on Governing Body Payments The paper was a matter for information. The Committee received the report	
26	National fraud Initiative Update The paper was a matter for information. The Committee received the report	
27	Audit, Governance and Risk Committee Work plan The Committee received the work plan	
28	Committee Effectiveness Members considered the checklist and agreed the meeting had been effective.	
29	Meeting without auditors: The committee discussed the procurement of the external audit service. It was noted the contract allowed for an extension period of 1 year plus 1 year. The committee agreed discussions should be held with Grant Thornton with the aim of extending the contract given the circumstances. It was agreed that the extension period of 2 years would be sought with a formal procurement for services to commence at the end of period. The Committee agreed to a contract extension period of 2 years	ST/JL

Sarah Carr, Corporate Secretary, April 2020

