

## NHS VALE OF YORK CLINICAL COMMISSIONING GROUP

### Minutes of the meeting of the Audit Committee held on 11 January 2013 at Sovereign House, York

#### Present

Mr Keith Ramsay (Chair) Lay Member and Audit Committee Chair

#### In Attendance

Mrs Helen Kemp-Taylor	Head of Internal Audit
Miss Allison Kent	Audit Senior, Mazars
Mr Mark Kirkham	Director, Mazars
Ms Sharron Murray	Deputy Head of Internal Audit
Mrs Rachel Potts	Chief Operating Officer,
Ms Michèle Saidman	Executive Assistant
Mr Adrian Snarr	Chief Finance Officer
Mrs Carrie Wollerton	Executive Nurse

#### Apologies

Mr Steve Appleton Senior Manager, Mazars

*Preceded by a half hour private meeting of the Committee Chair with External and Internal Auditors.*

Keith Ramsay welcomed everyone to the meeting and noted that a number of agenda items would be received without discussion.

#### 1. Apologies

As noted above.

#### 2. Declaration of Members' Interests in relation to the Business of the Meeting

None.

#### 3. Minutes of the Meeting held on 5 October 2012

The minutes of the meeting held on 5 October were agreed as a true record.

#### The Committee:

Approved the minutes.

#### **4. Matters Arising**

*Audit Committees' Terms of Reference:* Adrian Snarr reported that recruitment of the additional Audit Committee members – Governing Body secondary care clinician and a Practice Manager or GP – would be completed by April 2013. Keith Ramsay requested that a development session for Audit Committee members be arranged as soon as possible after these appointments.

All other matters arising were agenda items.

#### **The Committee:**

1. Agreed the Audit Committee Terms of Reference.
2. Noted the ongoing recruitment.
3. Requested a development session on appointment of full membership.

#### **5. Review of Audit Committee Timetable**

Keith Ramsay sought and received clarification of the annual accounts processes. It was agreed that the draft accounts plan be presented at the November meeting. In regard to the accounts process Mark Kirkham additionally requested that the Annual Audit Letter be removed from the timetable and that Closure Letter be added to accompany the Annual Governance Report.

Keith Ramsay requested that Information Governance be reported to alternate meetings of the Committee. He also requested that the Commissioning Support Unit (CSU) provide regular reports and that Maddy Ruff, Managing Director of the CSU, be asked to attend the April meeting. Helen Kemp-Taylor noted that Internal Audit arrangements for the CSU were still being finalised but advised that third party assurance would be required in this regard.

#### **The Committee:**

1. Agreed the above amendments to the timetable.
2. Agreed to request that Maddy Ruff, Managing Director of the CSU, be asked to attend the April meeting.

#### **6. Finance Governance**

##### *6.1 Update and Assurance (including any changes to key financial policies)*

Adrian Snarr reported that a temporary appointment had been made in the Finance Team to progress work on non pay budgets as part of the 2013/14 budget setting process. Following agreement of the budgets appropriate delegated limits would be established.

## 6.2 *NHS Shared Business Services (NHS SBS) Implementation Programme – Status Report to 27/11/12*

Adrian Snarr referred to the report which described the background and project status of the NHS SBS implementation programme. He noted concerns regarding the implementation of a new payroll provider, which was not part of the SBS plan, and highlighted a potential requirement for action to be escalated should access to the national framework be delayed. This was being progressed with the CSU.

## 6.3 *The Future of the North Yorkshire and York Telehealth Project from April 2013*

Adrian Snarr reported that, following consideration by the respective Shadow Governing Bodies of the North Yorkshire and York CCGs, a joint response had been sent to the PCT's letter of 30 November. Further clarification was being sought following presentation to the CCGs of revised information. The Management Team had agreed that telehealth units would be incorporated in the integrated approach being developed through the Neighbourhood Care Teams where identified via the Adjusted Clinical Groups (ACG) tool as appropriate for high risk patients. Currently approximately 400 telehealth units were deployed to patients in Vale of York CCG.

Joint work was taking place with Hambleton, Richmondshire and Whitby CCG to develop principles for discussion. It had been recognised that an extension to the current contract with Tunstall Healthcare, potentially from April to October 2013, may be required to enable the development of alternative options.

Keith Ramsay requested that a report be presented at the Shadow Governing Body meeting on 7 February describing the ongoing work and potential associated liabilities after 31 March 2013.

### **The Committee:**

1. Noted the update on non pay budgets.
2. Noted the progress on NHS SBS implementation programme and the concerns regarding the payroll provider.
3. Noted the information on the Telehealth Project and that a report would be presented to the Shadow Governing Body on 7 February 2013.

## **7. Internal Audit**

### *7.1 Internal Audit Reports – Appendix A*

Sharron Murray referred to the main findings, recommendations and responses for NHS North Yorkshire and York audit reports since the October 2012 CCG Audit Committee meeting:

- Telehealth Update (*Assurance Level not applicable*)

- Emergency Preparedness and Business Continuity (*Assurance Level: Limited*): Currently the responsibility of the PCT; support was being provided to CCGs and the CSU to develop arrangements. Rachel Potts advised that this responsibility would be within the role of the currently vacant governance post in the Vale of York CCG structure.
- Informatics Service Disaster Recovery Plan (*Assurance Level: Limited*): Adrian Snarr reported that this function had transferred to the CSU and that data facilities were in the process of being transferred from Thirsk to other NHS buildings in Willerby and Brigg for consolidation into established data functions. Assurance would be required in this regard.
- Key Financial Controls (*Assurance Level: Significant*): Adrian Snarr advised that there were no implications for the CCG in this report, other than lessons to be learnt, and confirmed that all contract reports would be done monthly on the ledger.
- Dental Performance Management (*Assurance Level: Low*): It was noted that this function would transfer to the Area Team. However Carrie Wollerton noted that the CCGs would be responsible for quality of service to their population and highlighted potential issues with particular reference to patients with a learning disability.

## 7.2 *Audit Recommendations Status Report*

In referring to the report of outstanding internal audit recommendations at NHS North Yorkshire and York as at 30 November 2012 Sharron Murray noted that the information would be updated for the February PCT Audit Committee and a final assessment of outstanding recommendations would be made as part of the handover to the CCGs. She additionally sought and received confirmation that the format provided appropriate information for future requirements.

Keith Ramsay sought clarification as to the progressing of the recommendations from April 2013. Helen Kemp-Taylor noted that the PCT Audit Committee would recommend appropriate progression for any that remained outstanding and CCGs would require assurance where applicable.

## 7.3 *Draft CCG Template Internal Audit Plan*

- *Assessment of Implications of Outcomes Framework and CCG Allocations for the Audit Committee*

Sharron Murray presented the draft template for the 2013/14 internal audit plan noting that she was currently meeting with officers of the CCGs to inform its development. Mark Kirkham confirmed that the plan appropriately reflected the current information regarding CCG statutory functions.

Discussion included: noting the flexibility of the plan and the potential for additional days; the need for development of protocols for audit of lead commissioning arrangements, including Safeguarding and the Continuing

Healthcare Business Unit which were being hosted by Scarborough and Ryedale CCG; and the NHS Protect Local Counter Fraud Service. The potential for further consideration of the plan was noted with particular reference to the Francis and Winterbourne reports.

Adrian Snarr noted the practice of Internal Audit's provision of an overview to major service change. Current developments were noted as out of hours procurement and NHS 111.

#### *7.4 Public Sector Internal Audit Standards*

Accepted without discussion.

#### *7.5 Internal Audit Charter*

Accepted without discussion.

#### *7.6 Draft Working Together Protocol*

Accepted without discussion.

### **The Committee:**

1. Noted the findings and recommendations for the listed audit reports.
2. Noted the report on the status of Internal Audit recommendations and the current position in relation to outstanding recommendations at the PCT.
3. Agreed that the format of the Internal Audit Recommendations Status Report would meet its future requirements.
4. Welcomed the draft internal audit plan noting that this was a working document with inbuilt flexibility.
5. Noted the introduction of the new Public Sector Internal Audit Standards which would in future define the standards to which North Yorkshire Audit Services were required to work.
6. Received and noted the Internal Audit Charter.
7. Welcomed and agreed the draft Working Together Protocol.

### **8. Governance and Assurance**

#### *8.1 Update and Assurance*

This was covered in other agenda items.

#### *8.2 Assurance Framework*

Rachel Potts reported that work was ongoing on the Assurance Framework which would be presented at the March meeting of the Shadow Governing Body.

### *8.3 Integrated Governance*

Adrian Snarr referred to the development of infrastructure across the CCG and noted that a programme of assurance would be developed. Following agreement that recruitment could be resumed, appointment to the vacancy referred to at 7.1 above would be expedited.

### *8.4 Relationship with Commissioning Support Unit*

Adrian Snarr highlighted the good working relationship with the CSU via Janice Sunderland. He noted, however, that the CSU was losing staff to other parts of the system, similar to the CCG, therefore further assurance was being sought in regard to capacity. Additionally, regular senior level meetings with the CSU were being established and ongoing assurance was being sought in regard to contract arrangements for programme management support for delivery of the Quality, Innovation, Prevention and Productivity plans and the forthcoming North Yorkshire and York Clinical Services Review report.

### *8.5 Relationship between Audit Committee and other Governance Groups*

This was covered in other agenda items.

### *8.6 Assessment of Assurance*

This was covered in other agenda items.

### *8.7 Quality and Performance Committee Terms of Reference*

Accepted without discussion.

### *8.8 Quality and Performance Committee Minutes*

Accepted without discussion.

## **The Committee:**

1. Noted that the Assurance Framework would be presented at the March meeting of the Shadow Governing Body.
2. Noted the update on integrated governance.
3. Noted the update in regard to relationship with the CSU.
4. Received the unconfirmed Quality and Performance Committee Terms of Reference.
5. Received the unconfirmed minutes of the Quality and Performance Committee held on 11 December 2012.

## **9. External Audit**

Mark Kirkham reported that CCG External Auditors had not yet been confirmed and advised that he had raised issues with the Audit Commission to ensure the proposed External Auditors for Vale of York and Scarborough and Ryedale CCGs matched their joint working arrangements.

## 9.1 Audit Progress Report

Allison Kent presented the report which included a summary of audit progress and emerging issues and developments, namely the Audit Commission's proposed work programme and scales of fees consultation for Health, outcome of wave 1 CCG authorisation applications, NHS Mandate, Accountable Officer and Director of Finance roles for the financial closedown of PCTs, National Fraud Office report on progress in making NHS efficiency savings, and the Audit Commission report 'Protecting the public purse 2012'.

In regard to authorisation, Rachel Potts reported that following submission of additional evidence for the moderated report 12 'reds' had remained and Vale of York CCG would receive the outcome of the conditions panel on 17 January. The authorisation team had held an additional authorisation meeting on 10 January with the North Yorkshire CCGs to discuss joint working to address the financial challenge. The outcome of this would inform the authorisation conditions on the CCGs.

Adrian Snarr reported that Scarborough and Ryedale CCG were required to provide further evidence and assurance in response to a 'red' in respect of the joint Chief Finance Officer post with Vale of York CCG.

In regard to the PCT closedown, Adrian Snarr advised that due, to his corporate history, he had been asked by the Area Team Director of Finance to provide an overview of the NHS North Yorkshire and York closedown accounts. He also noted that there was an expectation that all CCG Finance staff would be available for accounts preparation.

### **The Committee:**

1. Noted the Audit Progress Report.
2. Noted the updates.

## **10. Any Other Business**

*Security Management:* Adrian Snarr reported that, in the absence of information from NHS Protect on requirements for security management, discussions were taking place with Internal Audit as to the possibility of the Local Security Management Specialist becoming part of their team.

### **The Committee:**

Noted the update on Security Management.

## **11. Key Messages to the Shadow Governing Body**

- Telehealth
- Assurance Framework
- Legacy issues and responsibilities from the PCT

**The Committee:**

Agreed the above would be highlighted by the Committee Chairman to the Shadow Governing Body.

**12. Future Meetings**

It was agreed that the next meeting be held on Friday 19 April 2013.