

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON
28 APRIL 2016 AT WEST OFFICES, YORK**

Present

Mrs Sheenagh Powell (SP) (Chair)
Mr David Booker (DB)
Dr Arasu Kuppaswamy (AK) - part

Lay Member
Lay Member
Consultant Psychiatrist, South West Yorkshire
Partnership NHS Foundation Trust – Secondary
Care Doctor Member

In attendance

Mr Michael Ash-McMahon (MA-M)
Mrs Rachel Potts (RP)
Mrs Tracey Preece (TP)
Ms Michele Saidman (MS)
Mrs Angela Tetradis (AT)
Mr Tom Watson (TW)

Deputy Chief Finance Officer
Chief Operating Officer
Chief Finance Officer
Executive Assistant
Assistant Manager, Mazars
Internal Audit Manager

Apologies

Mrs Cath Andrew
Mrs Helen Kemp-Taylor
Mr Mark Kirkham

Senior Manager, Mazars
Head of Internal Audit
Director, Mazars

The agenda was considered in the following order.

1. Apologies

As noted above.

2. Declarations of Interest

Declarations of interest were as per the Register of Interests. There were no declarations of members' interests in relation to the business of the meeting.

3. Minutes of the meeting held on 8 March 2016

The minutes of the meeting held on 8 March were agreed.

The Committee:

Approved the minutes of the meeting held on 8 March 2016.

4. Matters Arising

Note business of other committees, review inter-relationships – Partnership Commissioning Unit audit: Members discussed both the audit which had received Limited Assurance in terms of finance and the wider review of the Partnership Commissioning Unit, discussed at the Quality and Finance

Committee on 27 April. TP noted that, although the latter was currently being undertaken on behalf of NHS Vale of York CCG, there was potential for outcomes to apply across the North Yorkshire CCGs. It was agreed that Richard Mellor, Chief Finance Officer, NHS Scarborough and Ryedale CCG and Victoria Pilkington, Director of the Partnership Commissioning Unit, be asked to attend the May Audit Committee in line with the agreement at the previous meeting regarding Limited Assurance audits.

Matters Arising – Quality: The respective roles of the Audit and Quality and Finance Committees would be incorporated in the current overall review of committees. DB noted however that the Quality and Finance Committee Terms of Reference had been reviewed and amended and confirmed that the quarterly quality meeting would be implemented pending the outcome of the review.

Other matters were noted as completed, outstanding, agenda items or had not reached their scheduled date.

The Committee:

1. Requested that Richard Mellor and Victoria Pilkington be asked to attend the May meeting in respect of the Limited Assurance audit of the Partnership Commissioning Unit.
2. Noted that an overall review of committees was taking place.

5. Waiver of Tender

TP presented the request for waiver to tender for Attain project support. Members sought and received clarification of the support requested to 30 August 2016 in respect of a specific project and to 31 March 2017 for procurement support and advice. In response to members expressing concern at the rates TP assured them that benchmarking confirmed these rates as competitive. This would be the last waiver request relating to the individuals due to recruitment to a substantive post for the specific support role. Procurement support from 2017/18 would be accessed if required for individual projects.

The Committee:

Signed off approval of the request for waiver to tender for Attain project support.

6. External Audit 2017/18 and Appointment of Auditor Panel

TP referred to the previously circulated Healthcare Financial Management Association guidance on auditor panels and the example terms of reference. Errors on the information relating to the framework agreement organisations were being addressed nationally.

TP noted the original proposal for a joint procurement exercise across the North Yorkshire, Humber and Lincolnshire CCGs but advised that a number of the CCGs now intended to initially award a one or two year contract locally. There was therefore a mixed approach. TP planned to have further discussion with the Chief Finance Officers and to provide an update at the May meeting.

Following detailed discussion of the NHS Vale of York CCG Auditor Panel, membership was agreed as SP, DP and AK with either TP or MA-M in attendance.

The Committee:

1. Noted that TP would provide a further update at the May meeting.
2. Agreed that the Auditor Panel would comprise SP, DB and AK with either TP or MA-M in attendance.

AK and MA-M left the meeting

9. Annual Report and Accounts 2015/16

9.2 Draft Annual Report (including Remuneration Report, Annual Governance Statement and Head of Internal Audit Opinion)

TW referred to the Head of Internal Audit Opinion set out as overall opinion, basis for opinion and commentary. The Significant Assurance opinion was in the context of statements relating to the current financial position, the design and operation of the Assurance Framework and associated processes, and the range of individual opinions arising from risk-based audit assignments contained within risk-based plans reported. The audits with Limited Assurance were Quality Improvement, City of York Council Better Care Fund, and two relating to the Partnership Commissioning Unit - Mental Health Act Section 117 and forecasting of high cost Continuing Healthcare packages.

TP reported on discussion with Internal Audit to ensure that the current level of risk relating to the Partnership Commissioning Unit was accurately reflected as the CCG now had confidence in respect of core processes which had been changed in response to audit recommendations. However concerns remained regarding forecasting and volatility of spend.

MA-M returned to the meeting

TP responded to concerns raised about the delay in assurance about the Partnership Commissioning Unit, sought in December 2015, explaining that a particular capacity risk was being discussed by the North Yorkshire CCGs Chief Finance Officers.

Members noted that the draft annual report was still being completed and identified errors could be corrected.

7. Consideration of 'Going Concern Status' 2015/16 Accounts and Director Declarations

TP advised that the Governing Body had agreed the responses to the Director Declarations questions and had supported preparation of the 2015/16 accounts on 'going concern status'. She highlighted in the former that the CCG had received confirmation of not being an Interested Party in respect of the potential Bootham Park Judicial Review.

The Committee:

Noted that the Governing Body had approved the preparation of the annual accounts for 2015/16 on a 'going concern status', including the declarations they were required to make given the evidence in this paper.

8. Service Auditor Report for Yorkshire and Humber Commissioning Support

TP explained that the Service Auditor Report related only to payroll services with regard to direct financial report as the other financial services referred to were internal for NHS Vale of York CCG. She noted that the Internal Audit payroll audit had received Significant Assurance and that a bridging letter was awaited for 1 February to 31 March 2016. AT confirmed that Mazars had received a similar report.

Members noted that the absence of a Service Auditor Report from NHS England on primary care co-commissioning was a national issue.

A Service Auditor Report on North of England Commissioning Support - who had taken on responsibility for Individual Funding Requests, non contracted activity and Business Intelligence from 1 March 2016 - would be presented at the May meeting.

The Committee:

Noted:

1. The Service Auditor Report for Yorkshire and Humber Commissioning Support to 31 January 2016.
2. A letter was awaited confirming the same controls as those to 31 January had been in place for 1 to 31 March 2016.
3. The Service Auditor Report for North of England Commissioning Support would be presented at the May meeting for the period 1 to 31 March 2016.

9. Annual Report and Accounts 2015/16

9.1 Draft Annual Accounts

Members reviewed the draft annual accounts which had been submitted on 21 April. TP provided clarification on a number of queries raised and advised that she was discussing with MK a process for sign off in view of an Interim Accountable Officer currently being in place who had not held this position in 2015/16.

Members expressed appreciation to Chris Park and the Finance Team for their work on the annual accounts.

The Committee:

1. Noted that the 2015/16 annual report and accounts would be presented for final approval at the 24 May meeting.
2. Noted that TP was liaising with MK regarding Accountable Officer sign off of the annual report and accounts.
3. Expressed appreciation to Chris Park and the Finance Team.

16. Next meeting

24 May 2016 at 9am.

NHS VALE OF YORK CLINICAL COMMISSIONING GROUP AUDIT COMMITTEE

SCHEDULE OF MATTERS ARISING/DECISIONS TAKEN: 28 APRIL 2016 AND CARRIED FORWARD FROM PREVIOUS MEETINGS

| Meeting Date | Item | Action Required/Decisions Taken | Responsible Officer/Body | Action Completed/ Due to be Completed by (as applicable) |
|---------------------|--|--|---------------------------------|---|
| 8 December 2015 | Review of Scheme of Delegation | <ul style="list-style-type: none"> Review additional financial controls implemented for 2015/16 | TP | May 2016 meeting |
| 8 March 2016 | Matters arising: Audit Committee Effectiveness Assessment | <ul style="list-style-type: none"> Horizon scanning report to next meeting | LS | 24 May 2016 |
| 8 March 2016 | Matters arising: Internal Audit and Counter Fraud Effectiveness Review | <ul style="list-style-type: none"> Internal Audit Charter to be presented at next meeting | TW | 24 May 2016 |
| 8 March 2016 | Audit Committee Work Plan | <ul style="list-style-type: none"> Meeting dates to be identified | SP/TP | |

| Meeting Date | Item | Action Required/Decisions Taken | Responsible Officer/Body | Action Completed/ Due to be Completed by (as applicable) |
|---------------|---|--|--------------------------|--|
| 28 April 2016 | Matters Arising: Note business of other committees, review inter-relationships – Partnership Commissioning Unit audit | <ul style="list-style-type: none"> Richard Mellor and Victoria Pilkington be asked to attend the May meeting in respect of the Limited Assurance audit of the Partnership Commissioning Unit. | TP | 24 May 2016 |