



<b>MEETING DATE:</b>	10 January 2013	 <b>North Lincolnshire Clinical Commissioning Group</b>  <b>REPORT TO THE CLINICAL COMMISSIONING GROUP COMMITTEE/GOVERNING BODY</b>
<b>AGENDA ITEM NUMBER:</b>	Item 7.10	
<b>AUTHOR:</b> <b>JOB TITLE:</b> <b>DEPARTMENT:</b>	Therese Paskell Chief Finance Officer and Business Support Finance	

## AUDIT GROUP MINUTES 30 AUGUST 2012

<b>PURPOSE/ACTION REQUIRED:</b>	To Receive and Note
<b>CONSULTATION AND/OR INVOLVEMENT PROCESS:</b>	
<b>FREEDOM OF INFORMATION:</b>	Public

<b>1. PURPOSE OF THE REPORT:</b>					
The Audit Group Minutes dated 30 August 2012, are attached for CCG Committee to receive and note, for information only.					
<b>2. STRATEGIC OBJECTIVES SUPPORTED BY THIS REPORT:</b>					
Continue to improve the quality of services	x				
Reduce unwarranted variations in services	x				
Deliver the best outcomes for every patient	x				
Improve patient experience	x				
Reduce the inequalities gap in North Lincolnshire	x				
<b>3. IMPACT ON RISK ASSURANCE FRAMEWORK:</b>					
	<table border="1" style="display: inline-table;"> <tr> <td>Yes</td> <td></td> <td>No</td> <td>x</td> </tr> </table>	Yes		No	x
Yes		No	x		
Not directly. The group provides assurance on risks through its work.					
<b>4. IMPACT ON THE ENVIRONMENT – SUSTAINABILITY:</b>					
	<table border="1" style="display: inline-table;"> <tr> <td>Yes</td> <td></td> <td>No</td> <td>x</td> </tr> </table>	Yes		No	x
Yes		No	x		


<b>5. LEGAL IMPLICATIONS:</b>			
<b>Yes</b>	<input type="checkbox"/>	<b>No</b>	<input checked="" type="checkbox"/>
Not directly. Highlights some contracts recently agreed e.g. payroll.			
<b>6. RESOURCE IMPLICATIONS:</b>			
<b>Yes</b>	<input type="checkbox"/>	<b>No</b>	<input checked="" type="checkbox"/>
Not directly.			
<b>7. EQUALITY IMPACT ASSESSMENT:</b>			
<b>Yes</b>	<input type="checkbox"/>	<b>No</b>	<input checked="" type="checkbox"/>
Not a policy or plan.			
<b>8. PROPOSED PUBLIC &amp; PATIENT INVOLVEMENT AND COMMUNICATIONS:</b>			
<b>Yes</b>	<input type="checkbox"/>	<b>No</b>	<input checked="" type="checkbox"/>
Agreed that Council of Members would also receive the minutes.			
<b>9. RECOMMENDATIONS:</b>			
<p>The CCG Committee is asked to: -</p> <ul style="list-style-type: none"> <li>• Receive and Note.</li> </ul>			

<b>MEETING:</b>	North Lincolnshire CCG Audit Group Meeting	 North Lincolnshire Clinical Commissioning Group  <b>Audit Group</b>
<b>MEETING DATE:</b>	Thursday 30 August 2012	
<b>VENUE:</b>	Boardroom, Health Place, Brigg	
<b>TIME:</b>	13:00 – 16:00	

<b>PRESENT:</b>		
<b>NAME</b>	<b>TITLE</b>	<b>SERVICE/AGENCY</b>
Helen Varey (HV)	Locality Chair ( <i>Chair</i> )	NHS North Lincolnshire
Therese Paskell (TP)	Chief Financial Officer	NHS North Lincolnshire
Ian Reekie (IR)	Locality Associate Non-Executive Director	NHS North Lincolnshire
Dr Andrew Lee (AL)	Member of CCG / General Practitioner	NHS North Lincolnshire
Benita Jones (BJ)	Director of Audit Services	East Coast Audit Consortium
John Pougher (JP) ( <i>Item 9 only</i> )	Deputy Director of Quality & Standards	NHS North Lincolnshire
Karen Rhodes	Senior Officer, Quality & Assurance	NHS North Lincolnshire
Jackie Rae (JR)	Audit Manager, Audit Practice, Audit Commission	Audit Commission
Annette Watkinson (AW)	Senior Financial Reporting Accountant	NHS North Lincolnshire
Shaun Fleming (SF) ( <i>Items 10.3 onwards</i> )	Local Counter Fraud Specialist	East Coast Audit Consortium
Bill Lovell (BL) ( <i>Items 7, 8.1 &amp; 8.2 only</i> )	Head of Finance	NHS North Lincolnshire
Jackie France (JF) ( <i>Items 1 – 7 only</i> )	Head of Strategy and Development	NHS North Lincolnshire
Tim Fowler (TF) ( <i>Item 5 only</i> )	Associate Director of Contracting	NHS North Lincolnshire
Gemma Taylor (GT)	Personal Assistant ( <i>Note Taker</i> )	NHS North Lincolnshire


<b>SUMMARY OF DISCUSSION</b>	<b>DECISION/ACTION</b> (including timescale for completion or update)	<b>LEAD</b>
<b>1. APOLOGIES</b>		
Doug Scott Barry Jackson Paul Lundy Benita Jones  HV welcomed all attendees to the meeting, in particular Paul Evans, newly appointed Lay Member, as an observer at the meeting, and advised that PE will be the future Audit Group Chair.  It was noted that the meeting would not be quorate until the arrival of AL and that decisions could not be made.	<b>Decision:</b> The CCG Audit Group agreed that any items requiring decision would be emailed to AL following the meeting for agreement / comment. ( <i>Actioned</i> )	<b>GT</b>

SUMMARY OF DISCUSSION	DECISION/ACTION (including timescale for completion or update)	LEAD
<b>2. DECLARATIONS OF INTEREST</b>		
HV asked for those with a Declaration of Interest to make them known. No declarations were received.		
<b>3. NOTES FROM THE AUDIT GROUP MEETING HELD ON 31 MAY 2012</b>		
<p>The notes from the meeting were accepted as an accurate record.</p> <p><b>Post Meeting Note</b> <i>Agreement from AL via email was received on 31 August 2012.</i></p> <p>TP advised that ratified minutes are presented to the HCAC as part of the Locality Governance Report; and are to be circulated to the Council of Members for information.</p> <p>HV suggested that an actions log be produced and accompany the minutes for future meetings.</p>	<p><b>Action:</b> To be prepared for future meetings.</p>	<p><b>GT</b></p>
<b>4. MATTERS ARISING (NOT COVERED ON THE AGENDA)</b>		
None.		
<b>5. PAYMENT BY RESULTS DATA ASSURANCE FRAMEWORK AUDIT - UPDATE</b>		
<p>TF presented Item 5 and advised that the report provides updates to the report previously presented to the Audit Group on 4 April 2012. Attention was drawn to page 2 of the report, detailing the recommendations, and sets out the actions for NHSNL to ensure that NLAG are undertaking the necessary action. The following were highlighted:</p> <p><u>Recommendation 1</u> Poor quality of clinical notes has been reported. A detailed action plan for assurance to address this has been requested and will be presented to the Contract Group meeting in September.</p> <p><u>Recommendation 2</u> A new electronic discharge system is going to be introduced. NHSNL Contract Group will continue to monitor progress.</p> <p><u>Recommendation 3</u> NLAG have confirmed that appropriate plans for coders training and development have been established.</p> <p><u>Recommendation 4</u> NLAG have advised that updates are awaited from the clinical coding system supplier. The contract group will continue to monitor progress.</p> <p>Regular updates will be presented to the CCG Audit Group.</p> <p>JR advised that the National PBR Report has now been issued. The link to the report will be circulated for information.</p> <p><i>CCG Audit Group members noted the report.</i></p> <p><i>The following items were taken out of order to enable Tim Fowler to be present.</i></p> <p><b>11.2 Annual Audit Letter</b> JR advised that the Annual Audit Letter is self-explanatory and is shorter than in previous years.</p> <p><b>11.3 Management Response</b></p>	<p><b>Action:</b> GT to circulate link to report. <a href="http://www.audit-commission.gov.uk/health/paymentbyresults/reportsandstudies/pages/rightdatabr2012.aspx">http://www.audit-commission.gov.uk/health/paymentbyresults/reportsandstudies/pages/rightdatabr2012.aspx</a></p> <p><b>Action:</b> GT to circulate Annual Governance Report and Annual Audit</p>	<p><b>GT</b></p> <p><b>GT</b></p>

SUMMARY OF DISCUSSION	DECISION/ACTION (including timescale for completion or update)	LEAD
 <p>11.3 Annual Audit Letter - Management</p> <p>TP tabled the draft management response to the Annual Audit Letter (attached) and advised that this has been drafted by TF on behalf of Allison Cooke, Chief Operating Officer. Attention was drawn to the second to last paragraph, detailing the assurances and actions that are being undertaken to manage the improvement of PBR data quality. Subject to the agreement from AL, it was agreed for 'and patient safety' to be added after 'mortality data', as the quality of case notes is essential for patient safety.</p> <p><b>Post Meeting Note</b> Agreement from AL via email was received on 08 November 2012.</p> <p><b>Post-Meeting Note</b> HCAC has confirmed no management response is required by the CCG for the Cluster Board.</p> <p>JR advised that the PBR Assessment Framework work will continue in 2012/13. Capita will undertake the work on behalf of the Audit Commission. Guidance is detailed on the Audit Commission website. Work will commence imminently. JR advised that the fee has reduced from previous years.</p> <p><b>AL arrived at the meeting at 13:45.</b></p>	<p>Letter to PE for information. (Actioned) <b>Action:</b> GT to amend letter. (Actioned)</p> <p><b>Action:</b> JR to circulate link to GT for onward distribution. <a href="http://www.audit-commission.gov.uk/nationalstudies/health/pbr/Pages/PbR-DataAssuranceFramework-1213.aspx">http://www.audit-commission.gov.uk/nationalstudies/health/pbr/Pages/PbR-DataAssuranceFramework-1213.aspx</a></p>	<p><b>GT</b></p> <p><b>JR/GT</b></p>
<b>6. INFORMATION GOVERNANCE AND SECURITY MANAGEMENT</b>		
<p>JF presented Item 6 – Information Governance Toolkit Update – PCT. The report was taken as 'read'.</p> <p>JF advised that the report has been produced to address the limited assurance received following the audit undertaken last year and outlines the action plan taken to address concerns identified.</p> <p>Low scoring (IG) – 4 specific areas of concern.</p> <p><b>Mandatory Training</b> Score - 0</p> <p>All staff will have to go through an induction programme as part of their move to CCG / CSU. Information Governance will be part of the induction programme; therefore all staff will receive the IG mandatory training. It was queried if this will also apply to Local Area Team staff and staff who may transfer to the Local Authority. It was confirmed that following discussion of this report at the Quality Group, this query has been raised with Barry Jackson.</p> <p><b>Data flow mapping</b> Level 1 – Being addressed as part of the Cluster Transition plan by default.</p> <p><b>Pseudonymisation</b> A project has been established across the Cluster to address. JF explained that Pseudonymisation is the process of de-identifying patients / clients for secondary use data e.g. reporting, invoices, performance. Identifiers remain on for primary use (use by Clinicians). Patients / clients can be re-identified if required. It was queried if the financial implications and costs related to the data warehouse system have been addressed? It was advised that this has been allocated within the £25 per head CSU costs. Clarity is required on costs relating to interaction with the supplier. KR advised that there are concerns regarding this system and its robustness. JF confirmed that this is a long term solution and not a 'work around'.</p>	<p><b>Action:</b> JF to clarify if there are any costs relating to interaction with the supplier.</p>	<p><b>JF</b></p>

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<p><b>Internal and External Data Quality Audit</b></p> <p>It was noted that an audit of data quality is to be undertaken.</p> <p>Outstanding PCT actions will be incorporated into a CSU action plan. TP asked for confirmation from Internal Audit that they are happy with the action plan. AG advised that the low scores are disappointing, but Internal Audit are more satisfied now. The action plan is evolving and Internal Audit are actively involved in the process, meetings and independently assessing.</p> <p>AG advised that Internal Audit are concerned that there is no documentary evidence to show that the PCT are satisfied with the action plan. KR advised this may have been discussed at a recent Quality Group meeting.</p> <p>It was noted that a slightly different version of this report was presented to the Quality Group meeting, and the IGT Update CCG Report (Item 7) was not. Clarification on reporting is required. Subject to agreement from AL, the following was agreed:</p> <ul style="list-style-type: none"> <li>○ HCAC to receive PCT updates; and</li> <li>○ CCG Quality Group to receive CCG updates.</li> </ul> <p><b>Post Meeting Note</b></p> <p><i>Agreement to these decisions was received from AL via email on 31 August 2012.</i></p> <p><i>CCG Audit Group members:</i></p> <ul style="list-style-type: none"> <li>○ <i>Recognise the risks and note the assurances provided within the report and the actions that are being taken.</i></li> <li>○ <i>Are assured that Internal Audit are actively involved and will continue to monitor compliance, the action plan, and will update / raise any concerns with the CCG Audit Group.</i></li> <li>○ <i>Note that the financial implications have been flagged and that clarification and confirmation is required.</i></li> </ul>	<p><b>Action:</b> AG to clarify HCAC is the route to continue to monitor.</p> <p><b>Action:</b> TP to include within the Locality Governance Report to HCAC.</p> <p><b>Action:</b> JF to feedback reporting agreed to BJ / DS.</p>	<p><b>AG</b></p> <p><b>TP</b></p> <p><b>JF</b></p>
<b>7. INFORMATION GOVERNANCE FOR TRANSITION</b>		
<p>JF presented Item 7 – Information Governance Toolkit Update – CCG. The report was taken as ‘read’.</p> <p><b>Delivery</b></p> <p>An Information, Security, Governance &amp; Compliance Team has been established within the CSU (referred to as CSS within the report). Attention was drawn to Annex A, detailing an example IGT report front sheet.</p> <p>TP advised that the report, action plan, process maps and job descriptions have been submitted for CCG authorisation evidence, referencing the Constitution. A short discussion took place regarding a more comprehensive focus on personal accountabilities and responsibilities in terms of development of the IGT for CCG.</p> <p>An action plan will be developed within input from KR and Internal Audit. A toolkit return will be required to be completed by the CCG.</p> <p>TP advised that the third party assurance received at the end of the year, primarily around systems, will be extended to all CSU services. To be reviewed by Internal Audit.</p> <p>Item 7 will be presented to the CCG Quality Group and received back by the CCG Audit Group for assurance.</p>		


SUMMARY OF DISCUSSION	DECISION/ACTION (including timescale for completion or update)	LEAD
<i>CCG Audit Group members noted the report.</i>		
<b>8. CCG AUTHORISATION</b>		
<p><b>8.1 Draft Finance Strategy Development and Finance Governance Checklist</b></p> <p>TP presented Item 8.1 – Draft Finance Strategy Development. The report was taken as ‘read’.</p> <p>TP explained that nationally a Finance Governance Tool has been developed to support CCG Authorisation. The following were highlighted:</p> <ul style="list-style-type: none"> <li>○ Italic text - requirements for authorisation;</li> <li>○ Text on right hand side – organisation response.</li> </ul> <p>Numerous documents from other organisations across Y&amp;H have been reviewed, shared arrangements with the CSU looked at and advice from Executive colleagues has been sought. The document is a ‘live’ document and will be continuously updated as required. The final version will be submitted for CCG authorisation evidence and this will include the Corporate Reporting Project Plan. TP advised that following feedback received from the SHA Director of Finance, better results have been noted where the Medium Term Financial Plan has been split into a full 5 year plan. Work on this to submit the full 5 year plan for authorisation is almost complete.</p> <p>Attention was drawn to the CCG Audit Group Terms of Reference. It was noted that further work regarding membership to ensure quoracy is required. Additional GP representation is essential. Wording needs to be reviewed and amended also. It was suggested that 1 clinical member and 1 Lay member may be an option.</p> <p>It was noted that clarification is required regarding KR role if appointed to the Nurse role also.</p> <p>Attention was drawn to page 9. It was suggested and agreed that this section needs to list the arrangements it refers to, or needs to be linked to the Collaborative Commissioning Arrangements document included within the evidence submission documentation.</p> <p>Attention was drawn to page 2, bullet point 4. It was queried if auditors are happy with this statement? JR advised that the payroll provider has now changed and no testing has been carried out to date.</p> <p>AG confirmed that there are no significant gaps from and Internal Audit point of view.</p> <p>Attention was drawn to page 13, section 8 &amp; 9, bullet point 3 and it was noted that the lead commissioning arrangements are set out as of now. There is no detail included within ‘by 31<sup>st</sup> March’ section stating that the CCG have agreed to re negotiate the NLAG Collaborative Commissioning arrangements. TP advised that no sections ‘by 31<sup>st</sup> March’ have been completed. The report on Collaborative Commissioning Arrangements covers this point and will be uploaded as CCG authorisation evidence.</p> <p><i>The CCG Audit Group reviewed and noted the report.</i></p> <p><b>8.2 CCG Standing Financial Instructions, Standing Orders and Scheme of Delegation</b></p> <p>BL was in attendance for this item.</p> <p>TP gave an overview of PCT and Cluster SFI’s, SO’s and SoD’s and advised:</p> <ul style="list-style-type: none"> <li>○ Under new CCG arrangements there will be a standard model, linked to</li> </ul>	<p><b>Action:</b> Membership to be agreed, ToR to be updated to reflect.</p> <p><b>Action:</b> Clarification of Membership Regulations required.</p> <p><b>Action:</b> TP to make amendments to page 9.</p>	<p><b>TP</b></p> <p><b>TP</b></p> <p><b>TP</b></p>

SUMMARY OF DISCUSSION	DECISION/ACTION (including timescale for completion or update)	LEAD
<p>the Constitution. A working group is to be established to discuss and agree.</p> <ul style="list-style-type: none"> <li>○ The PCT SFI's and SO's are to be adopted in the interim.</li> <li>○ The Humber Cluster SoD model has been amended to reflect local responsibility and will be used in the interim.</li> </ul> <p>BL took members through the schedules and highlighted the following:</p> <ul style="list-style-type: none"> <li>○ Page 32 – Governance Structure. Sub-committee's currently named as 'Groups' will be renamed as Committee's once the CCG becomes a Statutory Body.</li> <li>○ All 'Group' ToR are included within the document and will be reviewed by the working group detailed above, once established.</li> </ul> <p>It was queried why a Remuneration Group has been included in the current structure as there is not currently one. It was advised that work to establish a group is to commence imminently. CCG Remuneration issues are managed by the Humber Cluster Remuneration Committee until establishment of the CCG Group.</p> <p>Attention was drawn to page 17(red) and it was queried why numerous CCG contract values are blank. It was confirmed that as yet, that power has not been delegated. It was noted that the document will be updated from 1 April 2013 and currently shows that progress is being made. It was highlighted that the proposed future delegation model will be via the CCG Chair.</p> <p>BL was thanked for the comprehensive report.</p> <p><i>The CCG Audit Group reviewed and recommends to the Council of members:</i></p> <ul style="list-style-type: none"> <li>○ <i>That the Model Constitution Framework and its Appendices, published by the NHS Commissioning Board Authority, are used as the basis for updating the organisation's SO/SFIs/SD for use from 1 April 2013 onwards;</i></li> <li>○ <i>Utilising a working / task group to undertake the work required to develop the CCG's SO/SFIs/SD (and in particular the same group used to develop the new Model Constitution Framework), and;</i></li> <li>○ <i>That the final draft of the new SO/SFIs/SD (along with the Constitution) will be completed by the end of November 2012 for the Audit Committee and other key stakeholders to review, before the Council of Members formally approve the SOs/SFIs/SD early in 2013.</i></li> </ul> <p><b>It was noted that the Governing Body will also need to approve, in addition to CoM approving as part of the Constitution.</b></p> <p><b>8.3 Board Assurance Framework</b></p> <p>JP was in attendance for this Item and advised that the takeover of management of the risk register to the CSU has been delayed. The local system currently used is faulty, and the staff member who currently maintains the register is leaving the organisation.</p> <div style="text-align: center;">  </div> <p>Tabled Locality Risk Register.pdf</p> <p>An updated version of the Locality Risk Register was tabled (attached). It was advised that the paper was developed with input from Internal Audit, CoM and CCG members. The following points were highlighted:</p> <ul style="list-style-type: none"> <li>○ Currently, there are two risk registers - Locality &amp; CCG (based on draft</li> </ul>	<p><b>Action:</b> BL to add to the recommendations.</p>	<p><b>BL</b></p>



SUMMARY OF DISCUSSION	DECISION/ACTION (including timescale for completion or update)	LEAD
<p>Strategic Objectives);</p> <ul style="list-style-type: none"> <li>○ Some CCG scores are lower than Locality scores. Reasons for the score reduction are that some risks have been merged, different people have scored the risks (with clinical input), and reports and action plans are now in place.</li> </ul> <p>A lengthy discussion ensued. Specific areas highlighted and agreed:</p> <ul style="list-style-type: none"> <li>○ Final Strategic objectives to be obtained and linked into the CCG risk register;</li> <li>○ Move to CCG risk register as soon as possible. Locality register to be 'closed' and fully documented with external challenge.</li> <li>○ Present the CCG risk register to the HCAC scheduled for 29 November 2012, accompanied by full explanations of why certain risks have been dropped, the difference in scores etc.</li> <li>○ JP to advise HCAC verbally of intentions on 13 September 2012.</li> <li>○ Responsibilities that will not be CCG responsibilities from April 2013 could be included with clear explanation.</li> <li>○ Timescales agreed: <ul style="list-style-type: none"> <li>○ Present to CCGC at November meeting;</li> <li>○ Present to CCG Audit Group on 29 November 2012;</li> <li>○ Present to HCAC on 29 November 2012.</li> </ul> </li> </ul> <p>AL advised that the content of the draft Strategic Objectives have been agreed at CoM where a query was raised if the objectives could be 'aims'. Confirmation is awaited from Dr Margaret Sanderson.</p> <p><i>The CCG Audit Group approved a way forward as detailed above.</i></p> <p><b>8.4 Risk Management Strategy – Process for Development</b>  KR advised that the CCG is currently using the PCT risk management strategy for the authorisation process. A review will be undertaken to ensure relevance to the CCG, and will be revised and presented to the governing body in January 2013 for approval.</p>	<p><b>Action:</b> AG to liaise with KM &amp; JP to discuss timeline of Cluster requirements.</p> <p><b>Action:</b> November 2012 Agenda (Actioned)</p>	<p><b>AG / JP</b></p> <p><b>GT</b></p>
<b>9. DRAFT HCAC REPORT</b>		
<p>JP presented Item 9 – Draft HCAC Report. The report was taken as 'read'. Items of particular interest included within the report were highlighted as:</p> <ul style="list-style-type: none"> <li>○ Mortality Scores – NLAG mortality reduction noted; concerns remain.</li> <li>○ CQC Inspections;</li> <li>○ Locality Risk Register (to be added before submission);</li> <li>○ SHMI Scores.</li> </ul> <p>HV raised concern regarding the serious issue at Scunthorpe re pre-signed HSAI forms and queried if this was a fraud issue? It was confirmed that it is a potential criminal issue that is being investigated by the police.</p> <p>Attention was drawn to paragraph 4 of page one. Following discussion it was agreed that this needs re-wording to avoid confusion of task groups, and it was suggested that 'health care community' is included. AL stressed that the wording needs to be right, as no mortality index relating to primary care is being measured or monitored.</p> <p>It was noted that the MRSA data detailed on page 2, paragraph 2 was out of date, current figures are:</p> <ul style="list-style-type: none"> <li>○ MRSA – 3 cases; and</li> <li>○ C Diff – 9 cases</li> </ul>	<p><b>Action:</b> JP &amp; KR to agree amendments and circulate to TP for distribution to HCAC.</p> <p><b>Action:</b> JP to update figures.</p>	<p><b>KR &amp; JP</b></p> <p><b>JP</b></p>

SUMMARY OF DISCUSSION	DECISION/ACTION (including timescale for completion or update)	LEAD
<i>The CCG Audit Group reviewed and challenged the report to ensure it is accurate, comprehensive, and up to date.</i>		
<b>10. DRAFT ANNUAL GOVERNANCE REPORT</b>		
<p>JP presented Item 10 – Draft Annual Governance Report. The report was taken as ‘read’. JP gave a brief update on the request received from the Cluster to produce the report and advised that the report ‘headings’ were provided by the Cluster. It was noted that there was no finance section included. Safeguarding (adults &amp; children’s) and Infection Control Annual Reports are available if requested. Feedback to the Cluster has been given that important sections are missing. HV will also bring this to the attention of the Cluster Transition Group.</p>	<p><b>Action:</b> HV to raise at Cluster Transition Group.</p>	<p><b>HV</b></p>
<b>11. EXTERNAL AUDIT</b>		
<b>11.1 External Audit Update</b>		
<p>JR gave a verbal update, highlighting the following:</p> <ul style="list-style-type: none"> <li>○ KPMG will commence as External Auditors from 1 October 2012;</li> <li>○ Paul Lundy will continue to be the District Auditor;</li> <li>○ KPMG have been invited to attend the HCAC on 13 September 2012;</li> <li>○ The Audit Commission have been tasked by the Department of Health to make CCG Auditor appointments.</li> </ul> <p>JR was thanked for all of her work with the PCT. It is hoped that JR will continue to be the Auditor in the future.</p> <p><b>11.2 Annual Audit Letter</b> This item was taken out of order and discussed after Item 5.</p> <p><b>11.3 Management Response</b> This item was taken out of order and discussed after Item 5.</p>		
<b>12. INTERNAL AUDIT</b>		
<b>12.1 Internal Audit and Counter Fraud Progress Report</b>		
<p>SF was in attendance for this item. AG and SF presented Item 12.1 - Internal Audit and Counter Fraud Progress Report summarising work carried out to date. The report was taken as ‘read’. The following points were highlighted:</p> <p><b>Appendix 1</b></p> <ul style="list-style-type: none"> <li>○ 2011/12 Plan complete. One report still in draft due to additional work requested by the Cluster.</li> <li>○ Further work was requested by Alan Barton, Director of Finance, Humber Cluster, yesterday regarding a decision making process relating to Sexual Health Contracts. All 5 PCTs within the Cluster are to be tested. It was noted that the Sexual Health Contract is a Local Authority (LA) Contract and that locally the report was presented to the CCG Engine Room by the LA and ‘accepted’ for noting as the decisions had already been made.</li> </ul> <p><b>Post-Meeting Note</b> <i>It was later confirmed that NELCTP as lead commissioner for this procurement would be liaising with the Cluster Board on this issue.</i></p> <p><b>Appendix 2</b></p> <ul style="list-style-type: none"> <li>○ 120800 – Board Assurance Framework report finalised. Recommendations have been made and deadlines have been met. This will be removed from the schedule accordingly.</li> </ul>	<p><b>Action:</b> AG to feedback to Alan Barton for further clarification.</p>	<p><b>AG</b></p>

SUMMARY OF DISCUSSION	DECISION/ACTION (including timescale for completion or update)	LEAD
<p><b>Appendix 3</b></p> <ul style="list-style-type: none"> <li>○ 2012/13 Plan</li> <li>○ Slow progress has been made, predominantly due to the CSU still not fully established with systems and processes in place to test.</li> <li>○ Work will commence shortly on PCT controls currently; and going forward.</li> <li>○ Work re Mental Health and Learning Disability pooled budgets to offer assurances back to the council will commence once a scope has been agreed.</li> </ul> <p><b>Appendix 4</b></p> <ul style="list-style-type: none"> <li>○ Summary of results of the risk based workshop included and will be re-assessed towards the end of the year.</li> </ul> <p><b>Appendix 5</b></p> <ul style="list-style-type: none"> <li>○ Details the reviews that have been followed up to assess progress in implementing recommendations made. There are no significant concerns.</li> <li>○ IT SLA – some concerns, action deadlines not yet due.</li> </ul> <p><b>Appendix 6</b></p> <ul style="list-style-type: none"> <li>○ Details the Counter Fraud 2012/13 schedule of work.</li> </ul> <p><b>Appendix 7</b></p> <ul style="list-style-type: none"> <li>○ Lcfs0157#60917133603 – Case has been closed as uneconomic to continue investigation. No further action.</li> </ul> <p>Joint working with York Audit Consortium is being looked at as staff move to the CSU.</p> <p><b>Alert – National Fraud Scams</b> SF advised of a current national fraud scam involving false suppliers writing to companies detailing a change of bank account. All four PCTs have been notified.</p> <p>SF explained that as part of a governance review undertaken by counter fraud, an assessment on the Bribery act was carried out. The assessment showed no major problems with a small number of actions. The report will be issued shortly.</p> <p>TP highlighted that due to additional work requested by the Cluster the Audit Plan of 91 days remains tight which may result in an overspend.</p> <p><b>12.2 Annual Governance Statement Survey Findings</b></p> <p> AGS survey July 2012.doc</p> <p>AG tabled Item 12.2 – Annual Governance Statements (AGS) – Survey – July 2012 (attached) and advised that the results summarise the benchmarking views of the Annual Governance Statement process for 2011/12.</p>		
<b>13. ARRANGEMENTS FOR GOVERNANCE HANDOVER</b>		
HV advised that Introductory meetings for PE with AC, MS, TP, HV, AG, and JR are to be arranged.	<b>Action:</b> CS to arrange at the request of HV	<b>CS</b>
<b>14. ANY OTHER BUSINESS</b>		

SUMMARY OF DISCUSSION	DECISION/ACTION (including timescale for completion or update)	LEAD
<p><b>Audit Arrangements 2012/13</b>            HV advised that a letter has been received from KPMG detailing Audit Arrangements for 2012/13. The letter has been circulated for information purposes.</p> <p><i>The CCG Audit Group noted the contents of the letter.</i></p>		
15. DATE & TIME OF NEXT MEETING		
<p><b>Date &amp; Time of next meeting:</b>  <b>4 October 2012</b>  <b>12:30 – 14:30</b></p> <p><b>Audit Group Time out re:</b></p> <ul style="list-style-type: none"> <li>• Internal Audit Assessment;</li> <li>• Audit Group Self Assessment.</li> </ul> <p><b>29 November 2012</b>  <b>13:30 – 16:00</b>  <b>Boardroom</b>  <b>Health Place</b></p>		