

Minutes
NNE Audit and Governance Committee Meeting
Wednesday 24th May 2017, Wollaton Room, Easthorpe House 11am-1.00pm
Present

Terry Allen (TA)	Lay Member – Financial Management & Audit (<i>Chair</i>)
Janet Champion (JC)	Lay Member – Patient & Public Engagement
Mike Wilkins (MW)	Lay Member - Primary Care

In Attendance

Jonathan Bemrose (JB)	Chief Finance Officer, South CCGs
Hazel Buchanan (HB)	Director of Operations
Tony Crawley (TC)	Director, KPMG
Jasper Cain (JP)	Internal Auditor, 360 Assurance
Louisa Hall (LH)	Corporate Admin Officer (<i>minute taker</i>)
Audrey McDonald (AM)	Assistant Chief Finance Officer
Claire Page (CP)	Client Manager, 360 Assurance

Apologies

None noted

Cumulative Record of Members Attendance (2017/18)

Name	Possible	Actual
Terry Allen	2	2
Janet Champion	2	2
Mike Wilkins	2	2

Agenda Items		Actions
AC 17/061	<p>Apologies & Welcome</p> <p>Terry Allen (TA) welcomed all to the meeting.</p> <p>No Apologies were noted.</p>	
AC 17/062	<p>Declarations of Interest</p> <p>TA reminded committee members of their obligation to declare any interests they may have on any issues arising at Audit and Governance Committee meetings, which might conflict with the business of the CCG.</p> <p>Declarations of the Audit and Governance Committee were listed in the CCG's Register of Interests. TA noted that the Register was available either via the secretary to the Audit and Governance Committee or the CCG website at the following link:</p> <p>http://www.nottinghamnortheastccg.nhs.uk/contact-us/freedom-of-</p>	

	<p><u>information/conflicts-of-interest/</u></p> <p>No conflicts of interest in relation to the agenda were declared by members.</p> <p>The Chair confirmed that the meeting was quorate.</p>	
AC 17/063	<p><u>Minutes and Actions from the meeting held on 10th May 2017</u></p> <p>The minutes were approved as a true and accurate record with the following acknowledged:</p> <p><u>AC 17/053:</u> Claire Page (CP) updated the Committee on the previous action of the follow up with Ian Morris regarding the SRT submission. CP confirmed that the later version did not have financial values or days consumed, however, it was confirmed by Ian Morris that this will be put on for final submission. The Committee acknowledged the update.</p> <p>All other actions relating to the Annual Report had been completed. The Committee noted these changes for discussion in agenda item AC 17/065 below.</p>	
ANNUAL ACCOUNTS AND REPORT		
AC 17/064	<p><u>Approve the Letter of Representation</u></p> <p>The Committee approved the draft Management Representation Letter which has subsequently been signed by Sam Walters on behalf of the Governing Body.</p> <p>The letter confirms to External Audit the CCGs compliance with accounting and auditing principles.</p>	
AC 17/065	<p><u>Approve 2016/17 Annual Report including Annual Governance Statement & Accounts</u></p> <p>With a few minor amendments, the Committee discussed and approved the draft annual report, including the annual governance statement. In relation to the annual governance statement, the Committee acknowledged the inclusion of details on the cyber-attack and the pension queries that have not been disclosed due to inaccuracy.</p> <p>Hazel Buchanan (HB) entered the room at 11.08am</p> <p>The Committee adopted the annual accounts for 2016/17 on behalf of the Governing Body.</p>	
EXTERNAL AUDIT		

AC 17/066	<p><u>ISA 360 Report including annual accounts and value for money opinion</u></p> <p>The Committee received the External Audit Report that is made to the Audit and Governance Committee to communicate matters as required by International Audit Standards. The report includes any other matters which may have been identified during KPMG’s audit work. The report highlighted that the cyber-attack and co-commissioning resulted in inefficiencies and delays in completing audit work. External Audit issued an unqualified opinion on the accounts.</p> <p>TC presented the Value for Money (VFM) work, which targets audit effort on the areas of greatest audit risk. External Audit are required to report if they are not satisfied that the CCG has made proper arrangements to secure economy, efficiency and effectiveness in the use of resources. The VFM assessment highlights the delivery of the savings plan as a significant risk but in relation to this risk KPMG conclude that despite challenges being faced by the CCG, both in terms of meeting its financial targets and achieving efficiencies, the CCG has demonstrated appropriate arrangements in respect of managing its financial position. KPMG did not identify any issues in their audit which would give rise to a qualification of the value for money conclusion.</p> <p>The following points were also noted by the Committee:</p> <ul style="list-style-type: none"> • There had been no change in relation to the inaccurate pension information issue. There was a need to make reference to this and a final check required. • Positive feedback was received from the team on good working papers, responsiveness and working together through cyber-attack. • Remuneration report has seen improvements from last year. • It was acknowledged that the Introduction section of the Annual Report had been improved by reference to the achievements of the CCG. <p>The Committee received the report.</p>	
INTERNAL AUDIT		
AC 17/066	<p>HOIA Opinion and Internal Audit Annual Report</p> <p>360 Assurance presented the Head of Internal Audit Opinion including a summary of the delivery of the internal audit services for 2016/17.</p> <p>In this, the Head of Internal Audit confirmed Significant Assurance that there is a generally sound system of internal control, designed to meet the organisation’s objectives and that controls are generally being applied consistently.</p>	

	<p>The following additional points were highlighted to the Committee:</p> <ul style="list-style-type: none"> • On new audit assignments a total of 27 recommendations were made during the year with no high risks, 1 medium risk, 18 low risks and 8 advisories. • On the follow-up work carried out during the year CP highlighted the following: 10 reviews undertaken, 35 recommendations actioned and 10 ongoing. • Consistency in the quality monitoring systems assessment of 360 Assurance together with the intention to commission a further independent assessment during 2017/18. <p>The Committee received the report.</p>	
CORPORATE AND FINANCIAL GOVERNANCE		
AC 17/067	<p>Audit and Governance Committee Annual Report</p> <p>A draft annual report summarising the activity of the Committee during 2016/17 was reviewed. The following point were discussed:</p> <ul style="list-style-type: none"> • Tony Crawley (TC) commented on reference to the additional audit work required last year in relation to Co-Commissioning and the cyber-attack. • It was agreed that the document required some final amendment with the possible addition of a “Look forward” statement. <p>The Committee recommended changes and the report will be presented in the July Governing Body.</p>	
AC 17/068	<p>*Financial Governance</p> <p>There were no updates for the following:</p> <ul style="list-style-type: none"> • Losses and Compensation Payments • Waiver of Standing Orders • Use of Company Seal 	
AC 17/069	<p>Any other Business</p> <p>There was no other business raised by members of the Committee.</p>	
	<p>Date and Time of Next Meeting</p> <p style="text-align: center;">Wednesday 18th October 2017 – 11am-1.00pm: Committee Room, Arnold Civic Centre, Arnot Hill Park, Nottingham, NG5 6LU</p>	

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