

Audit Committee

Meetings: The last meeting of the Audit Committee took place on 22 June 2020, and was quorate in line with the Committee's Terms of Reference.

Overview of business – including summary of key issues for Board

The following items of business were undertaken by the Committee:

- Noted the progress and performance of the Internal Audit service against the 2019/20 Internal Audit Plan for West Hampshire CCG. Three audit reviews have been completed by internal audit since the last Progress Report and this is attached:
 - Safeguarding Children Governance (reasonable assurance provided with two important and five routine recommendations)
 - NHS England Mandated Conflicts of Interest (substantial assurance provided with two routine recommendations)
 - Proactive Review of Continuing Healthcare (assurance level not provided as this was an operational review)
- Received an update on progress on key milestones in relation to submission of the CCG Annual Report and Accounts 2019/20 i.e.:
 - Reviewed the Financial Statements for the year ended 31 March 2020
 - Received the Internal Audit Report and Head of Internal Audit Opinion 2019/20 which states that *reasonable assurance can be given 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. However, some weakness in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk.*
 - Received the Type II service auditor report and action plan from NHS South Central and West Commissioning Support Unit
 - Received the Section 30 referral letter and the Audit Findings Report (ISA260) for NHS West Hampshire CCG, prepared by Grant Thornton
 - Approved the Letter of Representation
 - Reviewed the draft Annual Report for the year ended 31 March 2020, including the Annual Governance Statement and suggested some minor amendments
 - Agreed Chair's Action to approve the final version of the Annual Report and Accounts for the year ended 31 March 2020 for onward submission to NHS England by Thursday 25 June 2020
- Received the Fraud, Bribery and Corruption Annual Report and the Security Management Annual Report for NHS West Hampshire CCG for 2019/20.

Key reference documents

- Minutes of the meeting (attached)
- Internal Audit Progress Report – June 2020
- NHS West Hampshire CCG Annual Report 2019/20, link <https://westhampshireccg.nhs.uk/document/nhs-west-hampshire-ccg-annual-report-2019-20/>

Papers are accessible on Board Packs and are available on request.

Date of next meeting:

9.00am, 8 September 2020

Minutes

Audit Committee

**Minutes of the NHS West Hampshire Clinical Commissioning Group Audit Committee
Microsoft Teams meeting held on Monday 22 June 2020 at 10.00am.**

Present:	Simon Garlick Judy Gillow Alison Rogers Caroline Ward	Lay Member, Governance – Chair Lay Member, Quality Lay Member Strategy and Finance Lay Member New Technologies and Digital
In attendance:	Clarence Mpofu Aditi Chandramouli Jackson Murray Karen Travers Ian Corless Mike Fulford Ellen McNicholas Andrew Short Terry Renshaw Jackie Zabiela Judy Venables	Director of Audit, TIAA Engagement Manager, Grant Thornton Engagement Lead, Grant Thornton Local Counter Fraud Specialist, Hampshire and Isle of Wight Counter Fraud Service Board Secretary/Head of Business Services Chief Operating Officer and Chief Finance Officer Director of Quality (Board Nurse) Deputy Chief Finance Officer, Financial Accounting and Reporting Governance Manager Governance Manager Lay Member, Chair Audit Committee, Hampshire CCG Partnership (Observing)
Apologies:	Maggie Maclsaac	Chief Executive HIOW Integrated Care System

Summary of Actions

Minute Ref:	Action	Who	By
5.2	Internal Audit Progress Report:		
5.2.1	<ul style="list-style-type: none"> Safeguarding Children Governance: <ul style="list-style-type: none"> DBS checks - Regular and robust checking of DBS checks and accurate recording. Raise issue with Fiona White. Update to Audit Committee once traction/assurance obtained on issues. 	MF MF	ASAP ASAP
5.2.2	<ul style="list-style-type: none"> Proactive Review of Continuing Healthcare – Consider adding to the 'future to do list' joint review/update on post-Covid/latest position around managing processes. 	SG/EM/(JV)	ASAP

1.	<u>Welcome, Apologies and Opening Remarks</u>
1.1	Simon Garlick welcomed everyone to the thirty-seventh meeting of the West Hampshire CCG Audit Committee convened via Microsoft Teams and noted the apologies for absence.
1.2	A particular welcome was extended to Judy Venables, Chair of the Audit Committee Hampshire CCG Partnership who is observing the meeting today.
1.3	As this meeting is being conducted via video conferencing Simon drew attention to the following meeting etiquette: <ul style="list-style-type: none"> • Attendees to be on mute and keep cameras off. This saves broadband width. Only the presenters should have their cameras and microphones enabled. • Questions and comments to be added to instant messaging section or by raising of hand. • Questions and comments received will be collated by the Governance Team.
1.4	In view of the large amount of business to be transacted today it was stated that paper authors should assume that papers have been read and that the focus will be on discussion/questions.
2.	<u>Declarations of Interest (Paper AC20/034)</u>
2.1	Simon Garlick directed members of the Audit Committee to the declarations of interest register.
2.2	No specific interests were declared relating to items to be discussed at the meeting. Attention was drawn to the fact that should a conflict arise at any point during the meeting members will need to declare this fact.
2.3	It was noted that Maggie MacIsaac is to be added to the register. (Action complete)
2.4	The Audit Committee: <ul style="list-style-type: none"> • Received and noted the Register of Interests.
3.	<u>Minutes of the Last Meeting and Matters Arising (Paper AC20/035)</u>
3.1	The Audit Committee received the draft minutes of the meeting held on 24 March 2020.
3.2	<u>Matters Arising</u> – There were no matters arising that were not covered by the action tracker.
3.3	It was noted that in view of the lean operating arrangements instigated as a result of Covid-19 (Covid) the agenda on this occasion has been structured to take account of the need for the Committee to fulfil its year-end statutory responsibilities. Attention was also drawn to the fact that the Board at their meeting on the 28 May 2020 received the reports/summaries from each of the lean Committees that had met in lean form in April and May with all the key issues escalated so there will be no exception report for the Audit Committee to receive on this occasion.
3.4	The Audit Committee: <ul style="list-style-type: none"> • Approved the Minutes of the meeting held on 24 March 2020 as being a correct record and commended them for signature by the Chairman and

	<p>onward submission to the Board.</p> <ul style="list-style-type: none"> • Noted that there was no exception report on this occasion.
4.	<u>Action Tracker (Paper AC20/036)</u>
4.1	Simon Garlick introduced paper AC20/036 and the items on the action tracker were reviewed. An update was provided on:
	<p>1. <u>AC19/011 Audit Strategy and Internal Audit Plan: Undertake review of 2 to 3 procurements to check if current procurement activity is taking account of lessons learnt. Clarence Mpofo to speak to Mike Fulford and bring a specification back to the Committee for further consideration</u> – Attention was drawn to the fact that there is not an update included in the progress report. Clarence Mpofo confirmed that he received quite a lot of information in March and stated that he will be making contact with Keith Myhill as he is currently doing another audit with the Partnership and it would be helpful to cover all of this at the same meeting. However, progress is being made and will now be ramped up with the aim being to bring the final report to the September meeting. If any problems are encountered Clarence will inform Mike and Simon.</p>
	<p>2. <u>AC19/015b) Internal Audit Progress Report: Specialised Services/Specialist Commissioning: Circulate note to the Committee outlining potential timescale for the review to be progressed</u> – Ellen McNicholas said that given Covid-19 there has not been a lot of focus on this, however there are some changes in how some of the funds around this cohort of patients are reaching us including a shift where the capital grants for discharges are now going to the Local Authority. Probably by the next meeting we will have more clarity about the various funding flows around this and we should be able to see if there is still the significant gap we think there is.</p> <p>The Committee were reminded that it was agreed at the March meeting that a position statement is required as there are some gaps when compared to where others potentially are. As this is not classed as urgent report is expected at September meeting at the earliest.</p> <p>Agreed to keep action open and note as ongoing.</p>
	<p>3. <u>AC20/005 Draft 2020/21 Annual Internal Audit Plan</u> – It was reported that reference to Covid and the current circumstances/impact has been reflected within the framework. The plan will be kept under review. It was noted that Clarence has shared with Mike Fulford the terms of reference for the review of cyber security and financial control risks but will need to keep these under review in light of Covid. It was agreed to close the action on the action tracker as this is now business as usual. Closed.</p>
	<p>4. <u>AC20/006 Internal Risk Audit and Amendments to Corporate Risk Strategy</u> – Completed with document ratified by Board in May 2020. Closed.</p>
4.2	<p>The Audit Committee:</p> <ul style="list-style-type: none"> • Received updates on the actions arising. • Agreed that two actions are now complete and can be closed.
5.	<u>Internal Audit Progress Report (June 2020) (Paper AC20/037)</u>
5.1	Clarence Mpofo introduced paper AC20/037 and explained that this report details the

	<p>progress and performance of the Internal Audit service against the 2019/20 Internal Audit Plan for West Hampshire CCG. It was reported that:</p> <ul style="list-style-type: none"> • Three audit reviews have been completed by internal audit since the last Progress Report and these are included within paper AC20/037 and include: <ul style="list-style-type: none"> ○ Safeguarding Children Governance (reasonable assurance provided with two important and five routine recommendations) ○ NHS England Mandated Conflicts of Interest (substantial assurance provided with two routine recommendations) ○ Proactive Review of Continuing Healthcare (assurance level not provided as this was an operational review) • Key findings are highlighted within the Summary Progress report, with further details provided within Appendices C1, C2 and C3 respectively. • Two draft reports have been issued – Primary Care Commissioning (reasonable assurance) and Data Security and Protection Toolkit (substantial assurance). • A progress report also provides an update on the internal audit key performance indicators and summary of briefings on Developments in Governance, Risk and Control which have been circulated to management. • TIAA issued a briefing note, which was circulated to all Audit Committee members (at Appendix D), setting out the ways that the auditors can support the CCGs during the current situation of heightened business interruption, with new emerging risks and issues resulting from the impact of Covid. We will also be discussing and reviewing with management the scope of each individual audit in the 2020/21 Internal Audit Plan to ensure that it is appropriately focused and addresses any new risks resulting from Covid.
5.2	<p>Particular attention was drawn to the following audit reviews:</p> <ol style="list-style-type: none"> 1. <u>Safeguarding Children Governance</u> (reasonable assurance) - The following points were raised during a period of discussion: <ul style="list-style-type: none"> • Clarence Mpofu explained that the safeguarding issues raised are hopefully quite clear and reported there has been agreement from management to address the issues. Attention was drawn to the issue previously raised around DBS checks around completeness, it is recognised that things have moved on significantly but there is still a need for a central data base of DBS checks by CSU so that the CCG has clear oversight of who has had the checks. Auditors received a sample of evidence but it took quite a while for them to receive some of the data. • Level 1 Training All Staff including non-clinical managers and staff working in healthcare services was at 63% when reviewed with a challenge around record keeping. <p>There are other challenges around:</p> <ul style="list-style-type: none"> • Level 2 Training – Minimum required for non-clinical and clinical staff who, within their role, have contact (however small) with children and young people, parents/carers who may pose risk to children. Also, all Practitioners who have regular contact with patients, their families or carers, or the public. • PREVENT training competencies, framework (October 2017) and ‘Safeguarding Children’ identifies those staff requiring PREVENT training which uses the same six levels of competence outlined in the Safeguarding Children and Young People Roles and Competencies for Healthcare Staff. <p>There is an element of comparison regarding training in terms of other local CCGs who are all slightly higher than WHCCG.</p> <p>Ellen McNicholas reflected that in terms of the safeguarding training compliance regarding level 2 she is not sure whether we have got to the bottom of this but there was a challenge around whether the numbers being reported were</p>

	<p>actually the percentage of the people required to do that level of training as not everybody is required to do all levels for example concerned that this was skewing the figures. Due to the unusual times we are in not sure that piece of work has been completed that is the figures regarding training may not be as low as they seem to be. Clarence stated that TIAA were aware that the CCG were challenging the figures with the CSU recognising that the denominator will be lower if narrowed down exactly to those that required that level of training. The Committee stated that it is important that we get to the bottom of this quite quickly as it is noted as a significant issue within the report.</p> <ul style="list-style-type: none"> • Concern was expressed regarding the DBS checks as this has been discussed in the past regarding how we tighten up the monitoring. On looking at the action there is not assurance that this has been fully sorted and it was questioned as to whether we need to discuss this further at the five CCGs Safeguarding Committee. Ellen McNicholas responded that she understands and shares the concern but does not consider this is an issue for the safeguarding team or quality team as this is to do with HR as the DBS issue is not relating to just those in the safeguarding teams but it is the wider CCG and is therefore part of the HR process hence the discussions with CSU as this is not a function managed by the quality directorate. It was questioned if this was unique to WHCCG or a wider issue. Mike Fulford reflected that it is fair to say that this piece of work was pre-Covid and there has been further discussion around CSU as we progress our joint working arrangements for example conversations with Fiona White in the Partnership and it is clear that the issues are quite wide. It is around assurance of regular and robust checking and application of DBS checks. This is still a 'live' action and Mike agreed to take this forward with Fiona. It is not something that is an endemic/huge problem but the issue is that we do not have assurance that it is done in all cases for example this is not unique to WHCCG. <p>ACTION: Mike Fulford</p> <ul style="list-style-type: none"> • The Chair requested that an update is circulated to the Committee as soon as we have got traction/assurance on these issues. <p>ACTION: Mike Fulford</p>
	<p>2. <u>Proactive Review of Continuing Healthcare (reasonable assurance)</u> - The following points were raised during a period of discussion:</p> <ul style="list-style-type: none"> • Clarence Mpfu stated that the Committee will recall that this is a summary of the two spot check reviews on two care homes that was presented to the February meeting of the Committee which looked at the contractual position of some of the contracts. In terms of progressing some of that work he expects that Covid will have had an impact in getting signatures on a number of the contracts. This will be picked up as part of 2020/21 internal audit work plan. • It was reflected that we are all aware of the huge amount of work the CHC team have done looking at contracts with individual providers and setting up frameworks so there is confidence that the next time this is looked at we will see a very different position. • It was questioned as to whether there is confidence that appropriate care is being delivered despite the paperwork. It was responded that we have seen an occasional issue but Covid has given a higher level of scrutiny into care providers than we had before so although we are confident we will continue to monitor. The number of reviews that teams were undertaking on individuals has identified where care was not being delivered as commissioned and these contracts have been adjusted accordingly. • It was questioned if before the contracts are re-issued will they need to be reviewed/added to due to the learning coming out from Covid. It was responded that there is not anything that has come up that would require a contractual change. The learning is more around how we support the homes going forward from a quality perspective and that work is continuing. We now

	<p>have a lot of data/intelligence on homes, not just from teams locally but from the systems in that the homes themselves are now required to update information linked to payments to the Local Authority. We will consider it but cannot think of anything that needs to be added in just yet.</p> <ul style="list-style-type: none"> • It was questioned based on local intelligence, is there anything in relation to performance/compliance in relation to Infection Prevention & Control and is this something that we need to feed into the Clinical Governance Committee. It was responded that these elements are already included in contract and it is about ensuring contract compliance. • It was reflected that the biggest thing regarding all our contracts (around 3.5k clients) is where there are frequent changes to care packages due to changing needs. We need to be on top of this and the new systems that have been gradually introduced will give better ability to track and ensure we don't have same circumstances again. It is not about what is included within contracts, but ensuring contract compliance. It was suggested that perhaps it might be helpful to bring to the next Audit Committee an update on post-Covid/latest position in terms of managing processes such as payments and approvals for CHC at that time. The Chair asked Judy Venables if this is something we could usefully do jointly with the Partnership. It was agreed that this is to be added to the 'to do' list when talk about how to take the future forward. <p>ACTION: Simon Garlick/Ellen McNicholas/(Judy Venables)</p>
5.3	<p><u>Internal Audit Progress Report 2019/20</u></p> <p>Clarence Mpofu reflected that the report provides a progress report on the work undertaken, including performance review against agreed KPIs that help to identify how TIAA are performing and what further developments may be needed to improve.</p> <p>The Chair commended Clarence and the internal audit team for the KPI achievements which is an improvement on the position last year.</p>
5.4	<p>The Audit Committee:</p> <ul style="list-style-type: none"> • Received and reviewed the progress report against the 2019/20 Annual Internal Audit Plan • Received the following internal audit reports: <ul style="list-style-type: none"> • Safeguarding Children Governance • NHS England Mandated Conflicts of Interest • Proactive Review of Continuing Healthcare • Agreed the actions outlined at paragraph 5.2.1 and 5.2.2.
6.	<p><u>Financial Year End 2019/20 (Paper AC20/038)</u></p>
6.1	<p>Mike Fulford introduced paper AC20/038 which outlined the process and timetable for the financial year-end arrangements 2019/20, including the approval of Annual Report and Accounts. The Annual Report and Accounts must consist of three sections:</p> <ul style="list-style-type: none"> • Performance Report • Accountability Report <ul style="list-style-type: none"> ○ Directors/Members' Report ○ Statement of Accountable Officer's Responsibilities ○ Annual Governance Statement ○ Remuneration and Staff Report • Annual Accounts <ul style="list-style-type: none"> ○ Financial Statements ○ Report by the Auditors to the CCG Board

	<p>The paper provides an update on progress and identifies key milestones. It was reported that:</p> <ul style="list-style-type: none"> • The CCG submitted its draft annual report and accounts to NHS England Monday 27 April 2020, and the CCG made the same information available to its appointed external auditors (Grant Thornton). • The audit commenced on Monday 4 May 2020. The auditors are required to report on the CCG's annual accounts to NHS England by 12.00 noon on Thursday 25 June 2020. • Early sight of the draft Annual Report and Accounts was provided to Board members, for review and comment. The draft submission was circulated to all Board members on Monday 27 April 2020 together with a high level commentary and overview of the accounts. • As delegated by the Board in the CCG Constitution, West Hampshire CCG's Audit Committee meet on Monday 22 June 2020 (today) to review and approve the final version of the Annual Report and Accounts of the CCG, for submission to NHS England by the 25 June 2020 deadline. • Normally, a public meeting must then be held prior to 30 September 2020 at which the Annual Report and Audited Accounts must be presented. Arrangements for this meeting are to be confirmed, given the current social distancing guidelines in place around public gatherings. <p>In accordance with section 30 (b) of the Local Audit and Accountability Act 2014, the auditors have referred the CCG to the Secretary of State for Health, with reasons set out in the attached letter at section 5 of the report.</p>
6.2	<p>The following general points were made by way of introduction:</p> <ul style="list-style-type: none"> • The CCG has gone through a good process with colleagues in external audit and as seen within the paper the submission dates were achieved. • Thanks were extended to colleagues for facilitating working across this difficult time and it was reflected that the exercise has worked really well. Particular thanks were extended to Jackson, Aditi and the wider team. • In terms of what is in the accounts there has not been a huge amount of changes in legislation terms. Attention was drawn to the fact that the implementation of IFRS 16 has been delayed to March 2021. • When look at balance sheets there is not a huge amount of movement between years. • We ended the year where we said we would that is with a £13.6m overspend. The metrics underneath that are good in terms of our payment performance, our receivables and our payables are a downward trend as we said they would be and for the first year have had a fixed asset around IT equipment that has been capitalised which is a new undertaking this time.
6.3	<p>The following documentation was reviewed on an individual basis:</p>
	<p>1. <u>Statutory Accounts</u> It was reported:</p> <ul style="list-style-type: none"> • There has been consistency around what has been reported through Finance and Performance Committee, Audit Committee and Board and we are at the position expected. Alison Rogers as Chair of the Finance and Performance Committee confirmed that she was entirely comfortable regarding this statement. • The Chair reported that he has reviewed the briefing notes and gone through all the financial statements and all variances are explained with the exception of one which is around staff costs where they have gone up by £1.5m but there has only been a 15 net increase in wte and it was questioned as to what is the reason behind this. It was responded that there has been an additional payment into the pension scheme by NHSE so employers' contributions to this

	<p>scheme have increased significantly by over £800k which is the biggest increase percentage wise. This was reported centrally last year.</p> <ul style="list-style-type: none"> • No significant changes from accounting treatments from previous years, assurance there is no novel accounting transactions and no significant unusual estimates would have as normal part of business. • The Committee were assured on the Statutory Accounts.
	<p>2. <u>Internal Audit Annual Report and Head of Internal Audit Opinion</u></p> <p>It was reported that:</p> <ul style="list-style-type: none"> • TIAA is satisfied that for the areas reviewed during the year, NHS West Hampshire has reasonable and effective risk management, control and governance processes in place. Therefore, overall 'Reasonable assurance' has been given, which is the second level of assurance. Clarence highlighted that he has shared a paper (Annexe C) comparing us with other CCGs which looks back over last few years highlighting recommendations and their priorities. Forty six recommendations have been raised throughout the year, a considerable number being routine and apart from the one regarding CHC there have been no other high priority recommendations. • Looking at broad picture across the sector, 97% of commissioners received 'reasonable assurance' and 3% 'substantial assurance'. <p>The Chair reinforced that the Head Of Internal Audit Opinion is that there are reasonable effective risk management controls in place, for the second year running, therefore this provides another level of assurance.</p>
	<p>3. <u>Type II Service Auditor Report</u></p> <p>Andrew Short reported that there are a few actions that have come out of the service auditor report that is the number of items where there are recommendations to the CSU where they found that a number of controls had not been in place all year. As a response to that the CSU have put together an action plan (attached to paper) which addresses all those items.</p> <p>As a result of discussion it was reflected:</p> <ul style="list-style-type: none"> • That it is limited/qualified by Covid in that couldn't get response to some queries but came to similar conclusions around reasonable levels of control. Also important to say this reflects the CSU in total rather than us in particular and the fact that a number of transactions examined may not have been relevant to WHCCG, highlighted that Andrew has done some work that followed up on all these points. • As seen previously with this report as the CSU covers 30+ organisations it covers a very large geography and Mike stated that he cannot remember having material weaknesses identified for us in services locally. There is assurance in that these things have been identified and are being followed through with actions that should provide us with additional assurance.
	<p>4. <u>External Audit (Grant Thornton)</u></p> <p>Jackson Murray drew attention to the following:</p> <ul style="list-style-type: none"> • Referral Under Section 30 of the Local Audit and Accountability Act 2014 <ul style="list-style-type: none"> - This is a requirement under the Local Audit and Accountability Act 2014 to issue this to Secretary of State (SoS). It was stated that this will not be the only one that the SoS has received this year. It is more a statement of fact regarding the deficit budget. The version in the pack (letter dated 31 March 2020) is a final working draft shared with CCG prior to the formal referral being issued at the end of April. A response has not been received and we would not expect to receive one from the SoS.

- **ISA 260 Report: Headlines:**

- This has been an audit like no other with Covid, as it has been a fully remote final accounts audit. Thanks were extended to Andrew Short, Mike Fulford and their team as what could have been a quite difficult situation has turned out to be a smooth audit; some areas would have been better if we could have sat in the same room. However, learning/positive elements have been identified that can inform future working.
- The report sets out findings against 2 main areas of responsibility:
 - Financial Statements give a true and fair view of the financial position of the CCG and its income and expenditure and financial statements have been prepared properly.
 - Value for Money (VFM) conclusion.
- Grant Thornton are proposing an unqualified opinion regarding true and fair view of financial statements. All testing has been finalised. Just going through quality review and letter of financial representation – did not identify any amendments to the retained deficit position. This is a 'clean audit' and Andrew and his team were commended. Not a huge amount of financial statements that need to change. Because of the breach in revenue resource limit regularity opinion will be qualified due to this breach, as detailed in Appendix E; again this is a fairly standard statement.
- The VFM conclusion proposing the 'except for' is in relation to sustainable resource deployment but links to deficit in budget in year. At this point helpful to set out that within Grant Thornton they have a VFM consistency panel where this goes through where all potential qualifications are issued to ensure issuing qualified/unqualified opinions across the country that is we are not being treated differently to any other CCG who are in a similar position.
- The final point on headlines relates to Section 30 that has already been discussed.

Aditi Chandramouli drew attention to the following key messages contained within the report :

- Page 6 onwards set out the findings based on work undertaken in respect of the going concern assumption, including an assessment of the impact of Covid-19. Managements view is the CCG is a going concern with no material uncertainties that would require disclosure. There were no issues identified. In respect of secondary health care expenditure and contract variations there are no errors identified, but in May 2020 there was a retrospective increase to Funded Nursing Care flagged but CCG has accounted correctly in financial statements. External audit are satisfied with the way that CCG treated these in accounts.
- Service Auditor Report, page 10, just listed three areas where these were qualified:
 - NHS Shared Business Service Limited Financial and Accounting Service.
 - NHS Digital GP Payments
 - Capita PCSE

Our audit approach is substantive so these control failings do not necessarily affect our audit. The final Capita one, not yet received for 2019/20, was due to be released on 19 June 2020 so auditor's had to rely on last year's figures for now. If this is not available the auditors are not of the opinion that this will impact on their opinion.
- Prescribing accrual normally for February/March 2020 as actual information normally received two months later but actually this year managed to get final actuals for March. There was an under accrual of £1.8m, CCG had made a £500k accrual for any increases in relation to Covid and changes year on year but even due to this there was an under accrual. It is an estimate but satisfied it has been calculated to a material level. This is a trend being seen elsewhere

in the country.

- Value for Money – Two significant risks disclosed in audit plan, first around sustainable resource deployment and second regarding working with partners and other third parties. Regarding the sustainable resource this is due to the £13.6m adverse to plan position at year end. The CCG has been having transparent discussion with NHSE and reported to the Finance and Performance Committee the risk to the financial position right from the start of the year. Auditors are satisfied regarding the way this has been communicated/approached because there is a deficit adverse to plan position has led to reporting an 'except for' conclusion.
- Regarding partnership working, at a point in time, aware a rapidly changing position, recognise lots of partnership working going on and concluded there are adequate arrangements but more needs to be done to translate to more genuine transformation in the way health and care is provided. But satisfied regarding the work that has been undertaken in respect in this.
- Action plan attached (Appendix A) has been discussed with management regarding journals and financial panel and Appendix C report any adjustments made and disclosure changes nothing significant identified but information provided to give flavour of changes.

As a result of discussion:

- It was reflected that it has been raised previously about how the new ways of working have prompted new and sometimes better ways of working. It was questioned are we assured regarding the difficulties that the teams have experienced as expressed by Jackson have not created any concerns? It was recognised that from Jackson's point of view he has not identified any additional risks; just had to look at obtaining assurance in different ways than would normally do for example can take longer/be more labour intensive in some ways but can be improved in others that is setting up document sharing software and once the audit is concluded will look at capturing learning around what worked really well/what will we do differently next time.
- Attention was drawn to page 16, accept qualification regarding breakeven position but conclusion that there are weaknesses in planning appears harsh when from day 1 we reported consistently throughout the year our position. Account needs to be taken that an extra £10m savings target was agreed on top of the original £20m target therefore as there has been consistent reporting this is not a weakness in our approach and previous reviews regarding financial management have come out extremely strongly. The Chair therefore requested more information as to why WHCCG is being described as weak as we are in the same position as other local CCGs who are not been categorised the same. It was requested that comparison information is provided. Mike Fulford responded that this was discussed with Jackson and Aditi late on Friday. Jackson stated that it is national, mandated wording. In terms of the opinion, the weaknesses in arrangements for financial planning directly links with auditor guidance on Value for Money and this is in effect the sub-criteria to which their qualification relates and links to the audit report. Recognised this is stark sentence but this will appear in all audit reports where there are qualifications. Take the point that conclusion on page 16 and the reason used those words is to link to audit report opinion. We understand that throughout the year this has been flagged as a risk to NHSE and the CCG has consistently reported. It is the deficit that has led to the qualification and this is consistent with other CCGs where a deficit has been delivered.
- Attention was drawn to the papers published for the Partnership meeting tomorrow and if you compare the wording with North Hampshire report, you might want to take a view as this is the point that Simon is making. Jackson has sought assurance. Jackson stated that the actual audit opinion that goes into annual report and accounts, the wording is consistent between them.

- Mike summed up that the discussion concluded on Friday is that we do want to have assurance that the wording is in line with our colleagues in North Hampshire who had a bigger overspend than we did and so he has asked that Jackson can evidence that this is the case and we do have to remind ourselves that the key difference between us and others is that we highlighted the risk and NHSE did not respond with any Commissioner Support Funding which was the case in other CCGs in the country nationally, although not in Hampshire.
- Agreed that prior to the submission on Thursday Simon will review the final version of the report in order to check consistency of wording.

ACTION: Jackson Murray/Simon Garlick (Action complete)

5. Annual Report and Accounts 2019/20

The document was reviewed and the following comments/observations were made:

- There does not seem to be anything specific included on CAMHS. We talk about children and adult mental health but could not see anything regarding children/adolescent mental health and the CCG has done a lot this year with others regarding bringing together the Transformation Group. There is a minor reference but this is a major issue and is something the Board has been grappling with all year and needs to be more prominent. It was agreed that we can look to see if we can do something to strengthen the sentences around CAMHS. It was highlighted that we did include a reference in pages 87 to 88 which is in the governance report particularly highlighting those that are high level risks so there is reference there, although totally take the point that CAMHS may not be as strongly reflected in the top part of the report. Agreed this will be looked at.
- Page 4 reference to Florence Nightingale and we refer to her as Florence – can we have Nightingale
- Page 5 Partnership Board and then we talk about the voluntary sector. Questioned is this a cut across from a North and Mid report and it was questioned if we did do this in November and if not, should we take reference out.
- Page 6 Don't think we need to name our chair and accountable officer.
- Pagination is out for example on 'performance analysis' as not page 43 it is page 41
- On page 45 : 9.1 – Could not see why we are comparing our resource use with Fareham Borough Council and an explanation was sought. It was responded that the Fareham Borough Council offices are where the CHC team are based. Accepted that this is not self-explanatory as it relates to costs incurred. It is a statutory requirement of the notes and it was agreed to provide further context.
- Page 46 : 10.1 – Make a statement about fact we are cost effective and efficient but in this context it is not followed up with any description as to why that is. Should we refer to other points in the report where this is backed up for example VfM conclusion/other areas
- On the Committee section, the way the chairs are shown is different in almost each committee. Agreed to review consistency.
- Requested that in going forward in terms of CSU can we look at CSU differently. An update was provided on current status and impact of Covid on the review of the national role of CSUs and the introduction of the new organisational arrangements.
- Attention was drawn to the equality section and the fact that there does not appear to be a reference to staff and valuing staff or anything about the BAME agenda. It was recognised that this could be included in the Inclusion agenda but it was checked that there hasn't been anything done this year with staff in relation to the BAME agenda. In terms of the BAME agenda it was reflected

	<p>that apart from the inclusion issues don't think we have done anything specific apart from what has come up in the last couple of months as part of Covid.</p> <p>On concluding the discussion the Chair:</p> <ul style="list-style-type: none"> • Asked if lay member's wanted to review/sign off the final version or would they like him to do this on their behalf. All agree document is to receive Chair's sign-off but asked that a copy of the final report is shared with them before it goes to Board. <p>ACTION: Simon Garlick/Ian Corless (Action complete)</p> <ul style="list-style-type: none"> • Reviewed actions requested by the Committee and requested confirmation that all were happy regarding the review of the annual report and accounts for submission to NHSE: all confirmed they were content. • Queried if all lay members are content with the contents of the Letter of Representation. All confirmed content. To be signed post meeting by Mike Fulford and Simon Garlick. • Noted the request from Andrew Short to formally record in the minutes that this year we will be using e-signatures for the Letter of Representation, Annual Report and Annual Accounts that is in response to Covid as agreed by NHSE. • Extended thanks to Andrew and his team in completing this year end process despite the unusual circumstances we find ourselves in and the impact of Covid. Also thanks were extended to the external and internal auditors and the teams were commended for how well they had worked together on this 'remote audit'.
	<p>Post meeting note: Actions taken/completed:</p> <ul style="list-style-type: none"> • Page 4 – Florence Nightingale spelled out in full in para 5. • Page 5 – Removal of Maggie MacIlsac signature at bottom of page (not required). • Page 5 – Para 3 tweaked, to remove reference to Partnership Board, but maintaining the proposed message conveyed by Maggie MacIlsac. • Pages 6-7 – Updated, corrected and refreshed contents page. • Page 22 – Summary section on CAMHS, with reference to new Performance Group and Transformation Board (under existing parent heading section 3.3 'Better access to specialist care') – links with statements in governance report around key risks. • Page 45 – Additional contextual information regarding Fareham Civic Offices/Fareham Borough Council – to provide clarity. • Page 46 – Additional words at the end of the first para/sentence under 10.1 to link to audit findings report. • Pages 94-98 – Board/Committee chairs have clearly identified in in bold and italics. • Pagination reviewed.
6.4	<p>The Audit Committee:</p> <ul style="list-style-type: none"> • Noted the update on progress on the preparation and submission of the CCG's Annual Report and Accounts 2019/20. • Reviewed the Financial Statements for the year ended 31 March 2020. • Received the Internal Audit Report and Head of Internal Audit Opinion 2019/20. • Received the Type II service auditor report and action plan from NHS South Central and West CSU. • Received the section 30 referral letter and the Audit Findings Report (ISA260) for NHS West Hampshire CCG, prepared by Grant Thornton. • Approved the Letter of Representation. • Reviewed the Annual Report for the year ended 31 March 2020, including the Annual Governance statement.

	<ul style="list-style-type: none"> • Approved the Annual Report and Accounts for the year ended 31 March 2020 for onward submission to NHS England by Thursday 25 June 2020, subject to the amendments to the Annual Report as described in paragraph 6.3.5.
7.	<u>Fraud and Security Management</u> (Paper AC20/039)
7.1	<p>Karen Travers introduced paper AC20/039 and explained that:</p> <ul style="list-style-type: none"> • The reports within paper AC20/039 represent the Fraud, Bribery and Corruption Work Plan and the Security Management Work Plan for NHS West Hampshire CCG for 2020/21. An overview of Commissioner Fraud risks and type is also enclosed. The NHS Standard Contract is published by NHS England and Service Condition 24 places an obligation on all commissioners to put in place and maintain appropriate counter fraud and security management arrangements. • The NHSCFA have produced a policy document entitled, 'Tackling crime against the NHS – a strategic approach', which details the key principle areas of work that underpin both national and local anti-fraud security management activity. • To meet NHS CFA Standards for commissioners, counter fraud and security management work has been undertaken in each of the four strategic areas. These are: Strategic Governance; Inform and Involve; Prevent and Deter; and Hold to Account.
7.2	<p>Karen highlighted the following:</p> <ul style="list-style-type: none"> • There is nothing within the reports that the Committee has not seen before other than the self-review tool. For fraud it is mandated. Karen expressed her thanks to Mike Fulford and Simon Garlick for authorising within the deadline. The security one is not mandated but we continue to complete each year based on 'old' standards to give CCG level of assurance. • A lot of work has been undertaken around Covid and a comprehensive Risk Assessment has been produced but not brought to Committee on this occasion due to number of papers on the agenda. <p>Mike extended thanks to Karen for all her hard work in support of this activity. It was reported that although the risk assessment has not been presented today work is progressing and Andrew Short is liaising with Karen to do a review in terms of first quarter position against those risks and pick up particular focus regarding cyber security issues. We shall continue to keep an eye on particularly cyber security issues/risks given these have been ramping up quite significantly nationally in the wider economy as well a potential risk for the CCG.</p>
7.3	The Committee received the report and had no questions or observations. Karen was thanked for her on-going support in this work.
7.4	<p>The Audit Committee:</p> <ul style="list-style-type: none"> • Received the Fraud, Bribery and Corruption Annual Report 2019/20. • Received the Security Management Annual Report 2019/20.
8.	<u>Any Other Business</u> – There were no items identified.

9.	<p><u>Date of Next Meeting</u> – Tuesday 8 September 2020</p> <p>Date of Future Meetings</p> <ul style="list-style-type: none"> • Tuesday 10 November 2020 • Tuesday 2 February 2021 • Tuesday 16 March 2021 <p>All meetings will take place from 9.30am to 11.30am via Microsoft Teams, unless advised otherwise.</p>
9.1	Simon Garlick declared the meeting closed.

Signed as a true record

Name:

Title:

Signature:

Date: