

NHS DORSET CLINICAL COMMISSIONING GROUP

AUDIT AND QUALITY COMMITTEE

04 June 2014

SPECIAL MEETING - MINUTES

A special meeting of the Audit and Quality Committee of NHS Dorset Clinical Commissioning Group was held at 11:00 hrs on Wednesday 04 June 2014 at Canford House, Discovery Court Business Centre, 551-553 Wallisdown Road, Poole, Dorset, BH12 5AG.

Present: Teresa Hensman, Chair (TH)
Charles Buckle, Non GB Lay Member (CB)
Paul French, Governing Body Representative (PF)
Mary Monnington, Nurse Representative (MM)
Tina Thompson, Non GB Lay Member (TT)

In attendance: Nicky Binnie, Executive, Grant Thornton (NB)
Simon Garlick, Director Assurance, Grant Thornton (SG)
Andrew Gladwell, Head of Financial Accounts (AG)
Conrad Lakeman, Governing Body Secretary and General Counsel (CGL)
Hannah Morris, Senior Manager, Grant Thornton (HM)
Sally Shead, Deputy Director of Quality (SSh)
Doug Stevens, Acting Regional Manager, South Coast Audit (DS)
Justine Turner, Head of Internal Audit, South Coast Audit (JT)
Paul Vater, Chief Finance Officer (PV)

1. Apologies

1.1 David Jenkins, Lay Member (DJ)

2. Quorum

2.1 It was agreed that the meeting could proceed as there was a quorum of committee members present.

3. Declarations of Interest

3.1 No additional Declarations of Interest were made.

4. 2013/2014 Annual Accounts

4.1 Governance Statement (Statement of Internal Control)

Action

11.2.1

- 4.1.1 The Deputy Director of Quality introduced the Report and the Governance Statement.
- 4.1.2 She reminded the committee that the document had been created iteratively and that this was the 8th version.
- 4.1.3 The Committee acknowledged the difficulties encountered in compiling reports due to untimely guidance. It noted that the detailed membership of the Clinical Commissioning Committee (CCC) had not been set out, and that this was because there was no statutory requirement to have such a committee. However, the Committee directed that for future Governance Statements the membership of all committees should be listed. SSh/SR
- 4.1.4 The Committee **recommended** to the Governing Body for approval the Governance Statement.
- 4.2 **Annual Report and Accounts (Financial Statements – March 2014)**
- 4.2.1 The Chief Finance Officer introduced his Report and the Annual Report and Accounts.
- 4.2.2 He confirmed that in respect of the Annual Accounts the document complied with all relevant guidance.
- 4.2.3 He drew the Committees attention to an immaterial reclassification concerning Locality Chair costs and explained the section regarding critical judgement.
- 4.2.4 The Committee then considered the Annual Report and expressed concern that some of the comments previously made by members had not been incorporated.
- 4.2.5 To address this issue the Committee directed that Non-Governing Body Lay Member, Tina Thompson, be invited to the debrief to be convened to consider the preparation for the Annual Report and lessons that could be learned. CS
- 4.2.6 The Committee expressed disappointment that despite asking for work to start on an early draft in October 2013, the Annual Report had not been received until April 2014. The Committee directed that work on the 2014/2015 report start early in the cycle. CS
- 4.2.7 The Committee formally noted that the surpluses held by NHS England were shown differently than would be expected in non NHS bodies.

11.2.1

4.2.8	The Chief Finance Officer confirmed that there were no post-balance sheet events that the Committee needed to be made aware of.	
4.2.9	The Committee noted that there was an NHS South West view that work needed to be undertaken to ensure that Annual Reports were “reader friendly”, and directed the executives concerned to incorporate its requirement.	CS / PV
4.2.10	The Committee directed the Director of Engagement and Development to produce a summary version of the Annual Report for publication.	CS
4.2.11	The Committee recommended to the Governing Body for approval the Annual Report and the Annual Accounts 2013/2014.	
4.3	ISA260 Audit Highlights Memorandum 2013/2014	
4.3.1	SG introduced the Report of the External Auditors, now known as the ISA260 Highlights Memorandum 2013/2014 and tabled two changes to pages six and thirteen.	
4.3.2	He said that it had been a difficult year with guidance being late, lacking, and sometimes contradictory. He highlighted the key audit findings and confirmed that he was able to give an unqualified opinion.	
4.3.3	The Committee noted the explanation provided in respect of accounting policies regarding the Slough entry.	
4.3.4	The Chair drew members’ attention to the auditors declaration of independence and objectivity.	
4.3.5	The Chair noted that the report contained accounting policies and matters of judgement and that part of the Committees role was to review these.	
4.3.6	The Committee directed that the accounting policies adopted were reasonable and noted that they had been adopted in the context of the organisation being a going concern.	
4.3.7	The Committee noted the ISA260 Audit Highlights Memorandum 2013/2014 of the external auditors.	
4.4	Management Representations	
4.4.1	The Chief Finance Officer introduced his Report and the Management Representations Letter.	

- 4.4.2 He explained the purpose of the Management Representations Letter.
- 4.4.3 In response to a request from the Chair, members confirmed that individually they were unaware of any relevant audit information of which the CCG auditors were unaware, and in addition that they had taken all steps that ought to have been taken as members of the Audit and Quality Committee to make themselves aware of any relevant audit information and establish that the CCG auditors were aware of that information.
- 4.4.4 Concern was expressed that despite the Board (Governing Body) Assurance Framework (BAF) being inadequate the internal auditors had derived “significant assurance” when carrying out a relevant audit.
- 4.4.5 The Deputy Director of Quality said that a revised BAF would be presented at the next Audit and Quality Committee meeting.
- 4.4.6 The Committee **recommended** to the Governing Body for approval the Management Representations Letter.
- 4.5 **Annual Internal Audit Report**
- 4.5.1 The Head of Internal Audit introduced her Annual Internal Audit Report.
- 4.5.2 She said that overall she had derived significant assurance from the audit work.
- 4.5.3 The Committee was concerned that the 360 degree Stakeholder Survey said that engagement work had been ineffective. The Head of Internal Audit said that this might have been a timing issue as the survey results had been received after year end.
- 4.5.4 The Committee **noted** the Annual Internal Audit Report.
- 4.6 **ISAE 3402 Report 2013/2014**
- 4.6.1 The Chief Finance Officer introduced the Report on the ISAE3402 2013/2014 and explained the purpose of the report.
- 4.6.2 He said that the report provided assurance to the Committee that there was a satisfactory level of support within Shared Business Services (SBS) for the work that they carried out for the CCG.

4.6.3 The Chief Finance Officer confirmed that there were no issues within the report that gave him cause for concern.

4.6.4 The Committee **noted** the Report of the Chief Finance Officer and the ISAE3402 Report 2013/2014.

4.7 **Inspection of Registers**

4.7.1 The Chief Finance Officer introduced his Report on the Inspection of Registers and reminded members that the relevant registers were available for inspection at the back of the room.

4.7.2 He confirmed that as there had been no losses incurred by the CCG a Losses Register had not been created.

4.7.3 The Committee **noted** the Report of the Chief Finance Officer and members inspected the Registers.

5. **Any Other Business**

5.1 No further items were raised.

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