NHS
Bury
Clinical Commissioning Group

Meeting: Governing Body			
Meeting Date	27 March 2019	**Action**	Receive
Item No.	12a	**Confidential**	No
Title	Audit Committee Chair's Report		
Presented By	Chris Wild, Lay Member Audit and Audit Committee Chair		
Author	Lisa Featherstone, Deputy Director of Business Delivery.		
Clinical Lead	____		

Executive Summary
This paper is presented to the Governing Body to provide an update of the Audit Committee meeting held on the 1st March 2019.

This paper provides an outline of the matters discussed, assurances sought and decisions ratified at the last Audit Committee meeting. This report aims to provide information and assurance to the Governing Body that a robust, effective governance system is in place and that the Committee is discharging its responsibilities. |

Recommendations
It is recommended that the Governing Body
- Receive the update provided; and
- Receive the reports provided for approval or assurance, as indicated.

Links to CCG Strategic Objectives	
To encourage people so that they want to, and do, take responsibility for their own health and well-being.	☐
To drive and support system wide transformation.	☐
To commission joined-up health and social care for people in Bury through a Single Commissioning Framework.	☐
To achieve financial sustainability for the Bury health and social care economy.	☐
To support the Locality Care Alliance to deliver high quality services in line with commissioner intentions.	☐
To be a high-performing, well-run and respected organisation with an empowered workforce	☒
Does this report seek to address any of the risks included on the Governing Body Assurance Framework? If yes, state which risk below:	

Implications						
Are there any quality, safeguarding or patient experience implications?	Yes	☐	No	☐	N/A	☒
Has any engagement (clinical, stakeholder or public/patient) been undertaken in relation to this report?	Yes	☐	No	☐	N/A	☒
Have any departments/organisations who will be affected been consulted ?	Yes	☐	No	☐	N/A	☒
Are there any conflicts of interest arising from the proposal or decision being requested?	Yes	☐	No	☐	N/A	☒
Are there any financial Implications?	Yes	☐	No	☐	N/A	☒
Has a Equality, Privacy or Quality Impact Assessment been completed?	Yes	☐	No	☐	N/A	☒
Is a Equality, Privacy or Quality Impact Assessment required?	Yes	☐	No	☐	N/A	☒
Are there any associated risks including Conflicts of Interest?	Yes	☐	No	☐	N/A	☐
Are the risks on the CCG's risk register?	Yes	☐	No	☐	N/A	☒

Governance and Reporting		
Meeting	**Date**	**Outcome**
Audit Committee	1st March 2019	Reflection of discussion at meeting

Audit Committee Chair's Report

1. Introduction and Background

1.1 The Audit Committee Report is presented to the Governing Body to provide assurance on the areas considered by the Audit Committee at its last meeting, held on the 1st March 2019.

1.2 It is also intended to direct the attention of the Governing Body to specific areas of concern, where these are identified through the Audit Committee's review and scrutiny.

2. Background

2.1 The Audit Committee is comprised of the following voting members:

- Lay Member for Finance and Audit (Chair);
- Lay Member for Patient and Public Involvement; and
- Lay Member for Quality and Performance.

2.2 In addition, representatives from External Audit (KPMG) and Internal Audit (MIAA), including Counter Fraud and officers of the CCG are invited as attendees to provide relevant updates on the agenda items.

2.3 The meeting was quorate.

3. Audit Committee Update

3.1 There was a full and detailed discussion on a range of standard agenda items and the following points are brought to the attention of the Governing Body:

- **Governing Body Assurance Framework**

3.2 The latest Governing Body Assurance Framework was presented to the Audit Committee.

3.3 It was highlighted that the current profile of the GBAF presented 8 risks assessed as significant, 6 as high level and 1 as a moderate level risk. Included on the GBAF was a new risk in respect to the EU Exit arrangements and implications of a 'no deal' scenario on health and care services.

3.4 Following last presentation, 4 risks have decreased in their risk assessed levels, 9 had remained static and 1 risk had increased in score.

3.5 In relation to the risk which had increased in score – Urgent care Redesign - a more in-depth discussion was undertaken and the Audit Committee supported the summary provided by the Quality and Performance Committee for a full review of the risk to be

undertaken to ensure it was articulated in a more reflective way.

3.6   The Audit Committee supported submission of the GBAF to the Governing Body.

- **Corporate Risk Register**

3.7   The latest Corporate Risk Register report was submitted to the Audit Committee.

3.8   Two (2) risks are included on the Corporate Risk Register (operational risks) at a level 15 or above, excluding those reported through the Governing Body Assurance Framework (strategic risks):

3.9   A copy of the Corporate Risk Register report in is included on today's Governing Body agenda.

- **Risk Closure Report**

3.10   A risk closure report was not submitted to the Audit Committee as no risks have been recommended for closure through their respective owners and Committees.

- **Risk Matrix**

3.10   The Audit Committee received a proposal paper in respect to future classification and assessment of risks, through use of an amended 5x5 risk matrix.

3.11   The Committee was advised that in the current Risk Management Strategy, approved in 2015, the CCG adopted the NPSA matrix, however following concerns raised by the Governing Body in relation to the probability descriptors, a comparative review of risk matrices across Greater Manchester has been undertaken.

3.12   Following discussion the Audit Committee approved the following changes:

	From	**To**
Severity Descriptors	Negligible Minor Moderate Major catastrophic	Very Low Minor Moderate High Severe
Probability Descriptors	<1% 1-5% 6-20% 21-50% >51%	<15% 15-39% 40-59% 60-79% >80%

3.13 A further piece of work has been requested in respect of the financial limits that should apply under each of the severity headings when assessing a risk with financial implications.

3.14. The changes will be included in the Risk Management Strategy which will be reviewed by the Audit Committee and presented to the Governing Body for approval.

- **Information Governance Update**

3.15   The latest Information Governance update was presented to the Committee which provided an update on the activity and assurance obtained via the CCG's Information Governance Operational Group within this area.

3.16   The Audit Committee was assured at the progress and supportive of the CCG's decision to in-house information governance within the CCG structure.

- **Business Continuity Plans**

3.17   The Audit Committee received and approved the updated Business Continuity Plan and supporting documents.

- **Internal Audit Progress Report**

3.18   The latest Internal Audit Progress Report was presented to the Committee.

3.19   It was reported that a number of areas are progressing well and will be completed to inform the end of year Head of Internal Audit Opinion.

- **Draft Head of Internal Audit Opinion**

3.20   The draft Head of Internal Audit Opinion report was submitted to the Audit Committee, however as a number of reviews still require completion the report reflected that the opinion will only be provided at year end.

- **Draft Internal Audit Plan 2019-20**

3.21   The draft internal audit Plan was presented and support by the Audit Committee, with a request to consider a potential benchmarking exercise in respect to Primary Care Local Enhanced Services Opinion during the 2019-20 financial year.

- **External Audit Report**

3.22   There was no External Audit Report for consideration by the Audit Committee, however it was noted that the Audit is currently in progress and will be reported to the Audit Committee in May.

- **Anti-Fraud Plan**

3.23   The anti-fraud plan for 2019-20 was presented and approved by the Audit Committee.

- **Anti-Fraud Progress Report**

3.24   The Audit Committee received an update in respect to the 2018-19 Anti-Fraud Workplan and was advised that actions identified following completion of the Fraud Risk assessment have been included in the workplan for 2019-20.

3.25   An update was also received in respect to the Standards for Commissioners Self-Reporting Tool and the CCGs assessed position.

- **Corporate Registers**

3.26   An update was received in respect to the CCG's corporate registers.

Chris Wild
Lay Member – Finance and Audit
March 2019