

**NHS Cumbria CCG – Audit Committee**  
**25 September 2013, 10:00 – 12:00**  
**Conference Room, Hackthorpe Hall**

**Present:** Peter Scott, Lay Member Finance and Governance (**Chair**)  
Les Hanley, Lay Member Health Improvement  
Jon Rush, Lay Member Public Engagement

**In Attendance:** Heather Green, External Audit, Grant Thornton UK LLP  
Cheryl McAdams, Head of Internal Audit, CPFT  
Charles Welbourn, Chief Finance Officer

Melanie Riley, Senior Management Assistant

---

1. **Welcome and Apologies**

*Action*

The Chair welcomed everyone. Apologies were received from Karen Murray, External Audit, Grant Thornton UK LLP.

---

2. **Declarations of Interest**

There were no declarations of interest.

---

3. **Minutes of the 22<sup>nd</sup> May 2013**

The minutes of the meeting held on the 22 May 2013 were agreed as a true and accurate record.

---

4. **Matters Arising**

No issues were raised.

---

5. **External Audit Issues**

Heather Green presented three reports from Grant Thornton:

**An Introduction to External Audit** - This document gave an introduction to external audit and to Grant Thornton and covered the programme of work for the year; a summary of the audit cycle with timings, and key members of the audit team.

**Audit Fee letter** - The Audit Commission appointed Grant Thornton as NHS Cumbria Clinical Commissioning Group's auditors, and set the fee according to national guidance. It was also identified that the 2013/14 fee included a "first

---

year premium” of £10,000 and that this would be refunded to the CCG by the Audit Commission.

**Resolved:** The Committee NOTED the fee arrangements

**Progress Report and Emerging Issues** - This document gave an update on the progress so far at September 2013, highlighting the main areas of work and a summary of emerging national issues and developments for information. Information on the current position of the Community Safety Partnership will be brought to the next meeting.

Charles  
Welbourn

---

## 6. Internal Audit & Counter Fraud Issues

It was noted that North East Commissioning Support (NECS) have a Service Level Agreement (SLA) with the CCG to provide systems and processes to support the CCG business. Accordingly the CCG would require assurance on the procedures used by NECS and which the CCG places reliance. The view was that NECS internal audit arrangements would enable this assurance to be provided.

**Resolved:** The Committee NOTED the situation.

**Progress Report** - The internal Audit progress report provided an update on the current status of audit work and includes documentation of the audits already undertaken. The Committee discussed the issue of whether all internal audit reports should be considered by the Committee or whether summarised information would be appropriate.

**Resolved:**

1. It was agreed that the Committee would continue to receive detailed reports
2. The report content to be reviewed during the 2014/15 financial year

It was also noted that when other NHS organisations provide management support services and those services were audited by the Cumbria Consortium, then the reports would be shared with the CCG. Hence, the CCG received the internal audit report on shared network servers for which there was significant assurance that adequate controls were in place.

**Internal Audit Charter** - This document defined the internal audit role. It was noted that the Audit Strategy documented in the Charter would be completed for the next meeting.

**Action:** The Committee requested that all reports to continue to contain the Assurance Rating.

Cheryl  
McAdams

**Resolved:** The Committee APPROVED the report subject to the inclusion of the information governance details being amended after the meeting.

Charles  
Welbourn

**Counter Fraud Progress Report** - This report provided the Committee with an update of progress against the counter fraud plan, and noted that a fraud

---

awareness week is planned for November, which will include training for staff. There are no specific investigations in progress.

**Resolved:** The Committee NOTED the report

**Counter Fraud Bribery and Corruption Policy and Bribery Act** - The Committee received a presentation highlighting the Corporate offence of 'failing to prevent bribery'. It was important that the CCG established 'adequate procedures', and that these are reflected in a published statement on the CCG's website. A detailed policy will be presented at the next meeting. The Clinical Commissioning Group will require an action plan to ensure compliance with the Bribery Act. One of those requirements is a relevant policy and this will be presented at the next meeting. The full action plan with a named accountable officer will be prepared for presentation to the Governing Body.

Cheryl  
McAdams

**Resolved:** The Committee NOTED the situation

---

#### 7. Updated Policies and Procedures

This report summarised progress on the actions to review CCG operational and business policies during the first 6 months as agreed in the previous meeting.

**Action:** A review of the scheme of delegation to be undertaken to establish whether further ratification by the Governing Body was required.

Charles  
Welbourn

**Resolved:** The Committee NOTED the progress

---

#### 8. Approach to Risk Management

Following on from the Governing Body development session on risk maturity, the Committee considered a number of options to further develop the risk register and ensure corporate ownership. The Committee decided to progress the work by holding a workshop to review corporate risks and the reporting structure. This will then be forwarded to the Governing Body for ratification.

---

#### 9. Transfer of Balance from NHS Cumbria PCT

Work is nearing completion on the transfer of former PCT balances to successor organisations although further final guidance is awaited from NHS England. Based upon the information available the CCG has not identified any significant financial risk to date.

**Resolved:** The Committee NOTED the update

---

#### 10. Date and time of next meeting:

19<sup>th</sup> February 2014 10 a.m. in Meeting Room 1, Lonsdale Unit, Penrith, Hospital.

---