

**A meeting of the Lewisham Clinical Commissioning Group
Governing Body
4th April 2013**

ENCLOSURE 04

REPORT OF THE MEETING OF THE SHADOW AUDIT COMMITTEE, 18 MARCH 2013

RESPONSIBLE LEAD: Ray Warburton, Lay Vice Chair**AUTHOR:** Ray Warburton, Lay Vice Chair**RECOMMENDATIONS:**

The Committee is asked to note the report

SUMMARY:

At its meeting on 18 March 2013, a number of matters were discussed. The principal discussion centred on the Internal Audit Plan for 2013/14. Chair's Action will be taken to confirm the content of this plan by 1 April 2013.

KEY ISSUES:Terms of reference (TOR)

The TOR of the Audit Committee were approved. The TOR is attached to this report. The TOR has been tailored to suit the needs of Lewisham CCG and the people it serves.

Internal Audit Plan

Proposals for the Internal Audit Plan for 2013/14 were presented by KPMG, Head of Internal Audit for Lewisham CCG. The proposals were based on a risk assessment that looked at known and developing risks, and whether the risks were internal or external to the CCG. The KPMG proposals included:

- Acute over performance
- Lewisham children's safeguarding
- Emergency Planning
- Bariatric waits at KCH
- Data protection/sharing protocols

- Responding to the Francis Report
- Budgetary control
- Performance management by the CSU
- Scheme of delegation/approval rights

In response the Audit Committee requested that:

- Emergency planning should not be a priority.
- Adult safeguarding should be prioritised. In addition, one way or another, the Internal Audit Plan should support the CCG respond to the Francis Report.
- The consequences of the TSA should be reviewed as part of the Internal Audit Plan.
- The data and other intelligence used by the CCG and its committees should be reviewed for their completeness and usefulness in making improvements.

The Audit Committee also asked for risks to be assessed for their impact on patient safety, the quality of care, the reputation of the CCG, and cost-effectiveness.

Committees and meetings of the CCG

The Audit Committee asked to be notified of the current and planned network of CCG committees and meetings, so that it can be assured of where assurance and re-assurance are taking place, and so that gaps are covered and duplication avoided. A report will come to the next meeting of the Audit Committee.

Finance overview

The Audit Committee asked for a report on how well the Delivery Committee deals with its range of responsibilities including its overview of CCG finances. It was noted that other CCGs are setting up specialist Finance Committees.

Internal Auditors for 2013/14

The Audit Committee confirmed KPMG and the London Audit Commission as Internal Auditors for 2013/14, with KPMG acting as Head of Internal Audit. This arrangement maintains the status quo, and was welcomed as it provides continuity going into, and during, 2013/14. The CSU will organise a South East London-wide tendering exercise for the provision of internal audit to CCGs for 2014/15.

External Auditor from 2013/14

Based on acceptable fees, and no-conflicts of interest among Governing Body members, the Audit Committee noted that Grant Thornton will continue as External Auditors for the CCG for four years from 2013/14. The Audit Committee welcomed this appointment.

Skills, knowledge and influence of the members of the Audit Committee

The Audit Committee discussed ways to ensure that its members can acquire and/or develop the requisite skills and knowledge so they can effectively carry out their duties. A strategy for helping Audit Committee members to understand and develop their influence was also agreed. At the meeting Ms Robbins and Dr Majid gave most useful summaries of current guidance from the Healthcare Financial Management Association.

Minutes of the meeting

The minutes of the Audit Committee's meeting on 11 February 2013 are now available to all Governing Body members. Please ask Lesley Aitken about access to them. The minutes of the Audit Committee's meeting of 18 March 2013 will be made available to all Governing Body members once they have been formally approved by the Audit Committee.

CONSULTATION HISTORY:

- This report is based on the discussion at the Audit Committee on 18 March 2013.

PUBLIC AND USER INVOLVEMENT:

- Patients and members of the public will be involved in appropriate aspects of the Internal Audit Plan during 2013/14.

PUBLIC SECTOR EQUALITY DUTY

The general equality duty requires public sector bodies, in the exercise of their functions, to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited under the Equality Act 2010
- Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it
- Foster good relations between people who share a relevant protected characteristic and those who do not share it

As the Internal Audit Plan, and other pieces of work, are developed and implanted, the Audit Committee will have due regard to the general duty of the Equality Act.

STAKEHOLDER INVOLVEMENT

In addition to presenting this report to the Governing Body, it will be shared with the CCG's officials for action where appropriate, the CCG's Internal and External Auditors, and the Audit Committees of other South East London CCGs.

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