Working with you to make Sheffield HEALTHIER

NHS Sheffield Clinical Commissioning Group

NHS Sheffield CCG Annual Report 2013-14

Governing Body meeting

E

5 June 2014

Author(s)	Jackie Mills, Deputy Director of Finance
Sponsor	Julia Newton, Director of Finance

Is your report for Approval / Consideration / Noting

Approval

Are there any Resource Implications (including Financial, Staffing etc)?

No

Audit Requirement

CCG Objectives

The CCG is required to publish an Annual Report each year. This is the first. It reflects detailed formal national guidance issued as part of the Manual for Accounts regarding content, as well as further advice from our External Auditors.

The final report must be published by 15 June 2014 following submission of the final audited accounts to NHS England on 6 June.

NHS Sheffield CCG has a commitment to openness and transparency and views the Annual Report as an extension to this ethos – therefore much of the content refers to information already in the public domain

This document covers what is required for governance purposes and content that is more accessible to the public is either under development or already in existence on our website

Equality impact assessment

N/A

PPE Activity

The annual report is an important formal public document which the CCG is required to produce. More “user friendly” versions are also being produced as detailed in section 6 of this report.

Recommendations

- Governing Body is asked to approve and formally adopt the Annual Report.
- Individual members of the Governing Body are asked to make the statement of disclosure to the Auditors as outlined in section 5

NHS
Sheffield
Clinical Commissioning Group

NHS Sheffield CCG Annual Report 2013/14

Governing Body meeting

5 June 2014

1. Introduction

1.1 The draft annual report (excluding the Annual Governance Statement (AGS)) was presented to the Governing Body meeting on 1 May. A number of comments were made and these have been addressed in the revised version presented to both Audit and Integrated Governance Committee (AIGC) and Governing Body today.

1.2 AIGC considered a first draft of the Annual Governance Statement at its meeting on 27 March. The AGS is an important document describing the CCG's governance arrangements, including how it has a sound system of internal control in place to support the achievement of the CCG's objectives

1.3 Internal Audit and External Audit have had the opportunity to comment and where required formally audit the content of the Annual Report including the Remuneration Report, Summary Financial Statements and AGS. NHS England have also reviewed these documents and provided informal comments. The CCG team working on the documents have reviewed and discussed all points raised either with Audit or NHS England as relevant in order to prepare the final version presented to Committee today. The team have also taken into account late guidance issued by NHS England up to 23 May 2014, including in relation to pensions disclosures to be made in the Remuneration Report. Should any further late guidance be issued, this will be considered and any proposed amendments tabled on 5 June 2014.

1.4 Key changes made to the Annual Report are outlined in section 2.

1.5 The Annual Report will be considered by the Audit and Integrated Governance Committee (AIGC) at its meeting on 5 June (before the Governing Body meeting). A verbal update will be provided by the Chair of the AIGC to the Governing Body who will confirm the recommendations of the AIGC to the Governing Body.

2. Key Changes

2.1 The main changes made to the previous version of the annual report relate to the remuneration report. NHS England notified CCGs on 22 May that it was revising the Annual Reporting Guidance in relation to GP pension disclosures. Information to be disclosed should only relate to their non-practitioner work. This may include pension entitlements accruing from different (non-practitioner) NHS roles, not just their role as a CCG Governing Body member. This is the information which has been disclosed in the report presented to the meeting today.

2.2 Other changes made to the remuneration report include:

- expansion of the section on Senior Managers' Remuneration and Terms of Service;
- inclusion of a table providing information on individual service contracts
- revision to the pay multiples disclosure (following further guidance from NHS England);
- updating on information on off-payroll engagements (a final updated version of this disclosure will be tabled to the AIGC meeting with the final numbers on the number of assurances received).

2.3 Other changes made to other sections are as follows:

- Inclusion of a reference to the Joint Strategic Needs Assessment as requested at the Governing Body meeting on 1st May;
- Inclusion of a statement in the Strategic Report relating to legacy balance transfers (pg 12) (following additional advice received from NHS England);
- Revisions to the Summary Financial Statements following changes to the Statement of Comprehensive Net Expenditure and the format of the note on performance duties in the audited final accounts;
- Inclusion of the final Head of Internal Audit Opinion

3 External Audit Opinion

The CCG's external auditors are required to give an opinion as to whether the content of the Annual Report is consistent with the financial statements and whether the part of the Remuneration Report that is required to be audited has been properly prepared. They also conduct a high level review of the Annual Governance Statement (AGS) and consider whether it is consistent with the financial statements and complies with relevant guidance. In addition, they have reviewed the whole of the annual report against the Annual Reporting Guidance for CCGs and provided feedback, which has been fed into the final report. The final audit opinion contained in the ISA260 report (included as appendix C to the Annual Accounts Paper presented to this meeting) does not highlight any issues in relation to the Annual Report and confirms that the Annual Governance Statement (AGS) reflects their understanding of the CCG's operations and risk management arrangements.

4 Statement of Accountable Officer's Responsibilities

The Annual Report includes the Statement of Accountable Officer's Responsibilities. Following formal adoption of the Annual Report and Accounts, the Accountable Officer will sign this statement.

5. Statement as to disclosure to Auditors

The Annual Reporting Guidance for CCGs requires that at the meeting of the Governing Body that approves the Annual Report and Accounts, each member must state, and it must be minuted that they have done so, "that as far as he/she is aware there is no relevant audit information of which the clinical commissioning group's auditors are unaware. In addition, that he/she has taken all the steps that he/she ought to have taken as a member of the Governing Body in order to make himself aware of any relevant audit information and to establish that the clinical commissioning group's auditors are aware of that information" (Companies Act 2006 Section 418 requirement adopted by the

Government Financial reporting Manual. Note: paragraphs 418(5) and 418(6) are not applicable). Relevant audit information means information needed by the clinical commissioning group's auditor in connection with preparing their report. Declaration sheets have been prepared for members to sign as part of the meeting processes and any members not able to attend the meeting in person will be asked to sign in advance of the meeting, having first had the opportunity to read and consider the final accounts and annual report.

6. User Friendly Presentation

As discussed at the Governing Body in May, work has commenced on the production of a more user friendly presentation of information contained within the Annual Report. Filming with Dr Tim Moorhead to make a video version of the key points from the annual report has taken place at the end of May. Once completed this will be available on our website, via social media, at the AGM, via information provided to our patient/ public network and partner organisations, and will be promoted by a press release to the local media. An infographic of the key information from the annual report is also under development and will be similarly widely distributed. Drafts of both will be shared with lay members and Healthwatch colleagues and feedback sought on whether they feel additional resources will be needed to ensure the public have appropriate access to the information in our annual report.

7. Recommendations

- Governing Body is asked to approve and adopt the Annual Report.

- Individual members of the Governing Body are asked to make the statement of disclosure to the Auditors as outlined in section 5.

Prepared by: Jackie Mills, Deputy Director of Finance

On behalf of: Julia Newton, Director of Finance
Ian Atkinson, Accountable Officer

May 2014

Annual Report 2013/14

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Contents

To comply with national guidance, each CCG's Annual Report must contain four sections: Member Practices' Introduction, Strategic Report, Member's Report and a Remuneration Report. Each report has to address a number of specific issues as set out in national guidance. In addition the CCG is required to publish with its Annual Report three further documents being; Statement of the Accountable Officer's Responsibilities, the Annual Governance Statement and the CCG's audited Annual Accounts. The Accounts are preceded by the External Auditor's Opinion on the Accounts.

Member Practices' Introduction

Dr Tim Moorhead, Elected Chair, NHS Sheffield Clinical Commissioning Group, on behalf of the Member Practices

Welcome to the first annual report of the NHS Sheffield Clinical Commissioning Group at the end of our first year of being a fully licensed statutory organisation. It has been an exciting first year and we are pleased with our progress. Whilst Year 1 has quite rightly had to include a significant focus on governance, and some retaining of processes and structures from our predecessor organisation (NHS Sheffield Primary Care Trust - PCT) to enable us to establish ourselves as a new organisation, it feels that we have still been able to make significant achievements. We have also been able to set out our stall for how we intend to do business for 2014-15 and beyond, taking on a feeling from GP colleagues that we want the CCG to be very different from the PCT. In particular, that we want to have a real focus on being an organisation that enables significant transformation in the health system with real benefits for Sheffield patients.

In reflecting on our progress, it is great to report that in the business plan for 2013-14 we set ourselves a total of 76 projects that we wished to achieve to improve the health of patients in the city. This report (see section 4 of our strategic report) shows that we have made real progress in the majority of those projects. Each has been assessed per quarter as red, amber or green to mark our progress, and in 304 assessments we have 242 green ratings, which demonstrates the scale of our success in achieving what we set out to achieve.

Some of the key achievements for the year taken from the business plan include:

- For Acute Elective Care we have seen a programme of care pathway reviews completed and acted upon, we have enhanced our referral education and support service for primary care reviewers, and updated our online referrals portal
- For Acute Unscheduled Care we have ensured NHS 111 is implemented and fully integrated into our urgent care systems and we have provided GP expertise into A&E
- For Long Term Conditions, Older People and Cancer we have developed and commissioned the GP led local care planning service, commissioned a specialist diagnosis and management service for familial hypercholesterolaemia, implemented a citywide cancer survivorship transformation programme, and put in place a revised specification for a sustainable system of primary care for care home residents
- For Children, Young People and Maternity we have developed proposals to improve respite care for children with complex medical needs, supported the development of a children's IAPT (Improving Access to Psychological Therapies), and led the review of the Yorkshire and the Humber commissioning policy for access to specialist fertility services
- For Mental Health, Dementia and Learning Disabilities we have commissioned an autism diagnosis and post diagnosis service and continued to work to deliver on the priorities within the National Dementia Strategy (2009) and the Prime Minister's Challenge (2012) to increase dementia diagnosis rates and improve the experience of people with dementia and their carers

Whilst working to deliver against the objectives in our business plan we have also continued to maintain our focus on improving health outcomes and ensuring our providers deliver safe, good quality services and compassionate care. Each month at the Governing Body meeting we review a significant number of measures to assure ourselves that we continue to improve health care and outcomes for the city and we are assessed quarterly by NHS England as part of the national CCG assurance process.

We are demonstrating ongoing good performance against both local and national measures, and are particularly pleased to have successfully worked with providers to ensure 95% of patients presenting at A&E are seen and treated within 4 hours despite the increasing pressure on A&E services nationally, and to maintain delivery of national standards on waiting times for patients referred with a suspicion of cancer. Moreover, patient feedback via the Friends and Family Test is at a level described in national terms, as 'excellent'. There do, of course, continue to be challenges presented by some national measures but we are confident that we have robust plans in place to address these where this is the case. Further information is available in the CCG Quality and Outcomes Report (see sections 5 and 8 in the strategic report).

In addition to the business and performance achievements that the CCG is able to report in our first year, we are also really pleased to have delivered our financial plan - a 1% surplus against our allocations which is in line with NHS England minimum requirement for CCGs. This is a great achievement, particularly in the context of current economic pressures and against the significant challenges we have set for ourselves around transforming the health system in Sheffield.

It has been an exciting year in terms of our work with partners. We have established a Joint Commissioning Executive Team with Sheffield City Council to implement and manage a single budget that goes well beyond the national Better Care Fund requirements. This contributed, alongside the strong Health and Wellbeing Board that we have helped develop in the city, to our recognition as finalists in the Health Service Journal (HSJ) Awards for 'Improved Partnerships between Health and Local Government'. We have also played important roles in a number of other partnerships, both city-wide, regionally and nationally (more detail on our partnership work can be found in section 7 of the strategic report).

On top of this, in the last year the CCG has set up a range of mechanisms for ensuring the member practices are closely aligned with the business of the CCG and given every opportunity to influence it. This includes through four GPs on the Governing Body being elected by their GP peers, the recruitment of practicing GPs to work as clinical leads on organisational priorities, bi-annual Members' Council meetings, the establishment of clear governance and meeting structures through the localities, an increase in communications channels between the CCG business office and member practices, and the establishment of a 'Membership Office' as a first port of call for practices.

As part of our work to engage practices and to move the CCG into structures that fit our desired ways forward, rather than that of predecessor organisations, we have also spent time in 2013-14 reviewing our governance and looking at our organisational development. A review by the Governing Body and Commissioning Executive Team members in late 2013 scrutinised the performance of the Governing

Body, its committees and other working groups that encompass our decision making process and provided opportunity to reflect on current working practice and ensure we continue to operate with effective frameworks in place to support highly motivated teams, emulate good practice, and deliver good outcomes and meet our statutory requirements. A number of recommendations informed by best practice were made and these have since been addressed through a Task and Finish Group and the CCG's Organisational Development Programme.

Looking back over our first year makes me, as the Chair of the CCG, very proud. We have worked hard to really embed ourselves as the NHS commissioning organisation for the city, something that it certainly feels like we've achieved, as well as 'getting on with the business' – in terms of managing the finances, improving the quality of health services in the city and starting to make the changes that we feel are necessary for a better and sustainable healthcare system in Sheffield.

Having achieved all we have in just our first year, whilst dealing with the challenges that being a new organisation brings, and having established our ambitions to be a forward-thinking and risk-taking organisation for the future – with a clear focus on the transformation across the system that we want to achieve - I now turn to 2014-15 and look forward to what we hope will be another successful year.

Thank you for taking the time to read our annual report, we hope you find it an interesting read.

Strategic Report

1. Introduction

Welcome to the strategic part of the NHS Sheffield Clinical Commissioning Group Annual Report. This part of the document is to inform you about the work of the CCG in our first year.

From the outset, the CCG has demonstrated a clear commitment to an open and transparent approach to conducting our business and therefore throughout this document where appropriate we will refer to documents that are already in the public domain*, many having been received at one of our monthly public Governing Body meetings.

These annual report and accounts have been prepared under a Direction issued by the NHS Commissioning Board under the National Health Service Act 2006.

*Referrals within this document are generally to web based resources however if you are reading this in paper copy and require any of the documents to which we refer in paper copy please contact the CCG who will be happy to provide these for you: sheccg.comms@nhs.net / 0114 305 1088.

2. About Sheffield

NHS Sheffield CCG is a member of the Sheffield First Partnership. Each year the partnership produces a report called 'The State of Sheffield'. The following details about Sheffield are taken from The State of Sheffield 2014 report, which can be read in full: https://www.sheffieldfirst.com/key-documents/state-of-sheffield

Living

The population of the city has grown over the last 10 years; in particular, there have been increases in younger and older people, and it is more diverse in its ethnic groups and communities. This is due to a combination of the impact of the universities in the city and inward migration of households with young families. The ethnic minority population of the city is now 19%, more than double that in 2001.

Working

The economic performance of Sheffield and the Sheffield City region remains a mixed story. Sheffield does not appear to have suffered or experienced more problems than comparable cities and the unemployment claimant rate in the city has declined over the last 10 months in line with national trends. Sheffield remains 'in the pack', rather than lagging behind like some northern cities. However, levels of youth unemployment, particularly long term youth unemployment, remain far too high.

Wellbeing

People are living longer in Sheffield and the overall health of the city's population is improving. However inequalities remain: areas of concern include infant mortality rates, unhealthy lifestyles, dementia and poor mental health (particularly amongst the city's children and young people), in addition to persistent geographical inequality. Health represents a complex set of conditions that are inherently linked to social and economic conditions, with different parts of the city and different communities experiencing a variety of root causes.

In terms of future trends, many of those already in difficulty will potentially face even more extreme hardship and additional groups currently on the margins of poverty and new groups of households who may have been financially secure previously could have new challenges to face.

Looking to the future

This year's report, as well as presenting data about the changing landscapes of the city, has also been able to tap into the views of a variety of Sheffield residents. There are common threads in their stories of life in the city that highlight the experiences of living, working and wellbeing in the city. Generally, Sheffield is regarded as a place that offers tolerance, a variety of experiences and is still very much a city of choice for people to come and live.

3. About us

NHS Sheffield Clinical Commissioning Group (CCG) is a membership organisation. Our membership comprises of 88 GP practices across the Sheffield locality. (A list of the member practices can be found in the members report section of the annual report, which follows the strategic report.)

We are fully authorised as the statutory organisation with responsibility for commissioning (buying) many of the healthcare services for our local population of approximately 580,000 people. Our authorisation was granted without any conditions. We are the only CCG in Sheffield and we cover the same population area as the local authority - Sheffield City Council, and that of our predecessor organisation Sheffield Primary Care Trust.

The CCG works with clinicians, healthcare professionals, patients and the public, to deliver high quality, efficient and cost effective healthcare services for people across the whole of Sheffield.

The CCG's Governing Body includes GPs from across the city, with other healthcare professionals represented and with lay advisors (non NHS, non-clinical people whose job is to 'think as a member of the public').

Within the CCG there are four strong localities, North locality, West locality, Central locality and Hallam and South locality. These localities are accountable to the CCG and responsible for locally sensitive implementation of commissioning plans and enabling all practices to be involved in the CCG.

The CCG has four priority aims:

- To improve patient experience and access to care
- To improve the quality and equality of healthcare in Sheffield
- To work with Sheffield City Council to continue to reduce health inequalities in Sheffield
- To ensure there is a sustainable, affordable healthcare system in Sheffield

More detail about our aims, and our values and principles can be found in the NHS Sheffield CCG Prospectus: http://www.sheffieldccg.nhs.uk/about-us/ccg-prospectus.htm. The CCG has established a process for identifying all principal risks to delivery of its strategic objectives within the Governing Body Assurance Framework (GBAF). This process is described in more detail in the Annual

Governance Statement included within this report. There have been 18 strategic risks on the GBAF since it was approved in July 2013. Initially, 3 risks were categorised as very high (scores of 16) and a further 6 risks were categorised as high (scores of 12) with the remaining 9 risks categorised as medium (score of 9). At the end of quarter 4 (31 March 2014) I am pleased to report that primarily through the actions we have taken to manage these key risks, our assessment is that none should be categorised as high.

4. Strategy and Business

Each year the CCG sets out our business plan through our Commissioning Intentions document. In our 2013/14 Commissioning Intentions we indicated that our strategy for achieving our organisational aims (above) was to achieve a major shift in care to a community setting, working with our current and potential providers to establish properly funded primary care and community based services to:

- Transform the way outpatient services are used
- Reduce emergency admissions and the average length of stay for people who do need a hospital bed, and
- Redesign mental health services.

We believe that these changes will improve the quality of care and patient experience, and release resources to invest in quality improvements and actions to reduce health inequalities.

Delivery of our commissioning intentions is primarily through our clinical portfolios:

- Acute care (elective and unscheduled)
- Long term conditions, older people and cancer
- Mental health, dementia and learning disabilities
- Children, young people and maternity

Each portfolio is led by a GP and supported by commissioning managers, and quality, performance and finance managers.

Our business processes include progress monitoring by the Planning and Delivery Group, with regular monitoring of implementation and remedial action agreed where the achievement of a project is in doubt. The Planning and Delivery Group is chaired by a CCG GP and is attended by senior managers and clinicians from across the CCG.

Investment and other service changes require approval by the Commissioning Executive Team and/or by the CCG Governing Body, and normally need written business cases to support assessment of the case for change, confidence in achievement of the intended benefits, and understanding and management of any clinical or corporate risks.

For more details on our business plan for 2013/14 and our model for achieving our aims please read Commissioning Intentions 2013/14:
http://www.sheffieldccg.nhs.uk/our-information/commissioning-intentions.htm

At the end of each year we also produce our end of year business plan, which reflects on how we have fared in achieving our plans, providing an up-to-date commentary on our progress against the business plan.

There were 76 business lines in our Business Plan for 2013/14, each of which was rag-rated each quarter. The end of year business plan shows that we achieved green ratings for 242 out of 304, meaning that we successfully achieved many of our ambitions that we set out at the beginning of the financial year in our business plan. Some of the key achievements of the year have been highlighted earlier in this annual report as part of the Members' Introduction, however the full end of year business plan with commentary can be found here:
http://www.sheffieldccg.nhs.uk/our-information/strategies-and-policies.htm

We have drafted our Commissioning Intentions for 2014 and beyond and this was taken to our Governing Body in March:
http://www.sheffieldccg.nhs.uk/Downloads/CCG%20Board%20Papers/March%2014/PAPER_E_Planning_for_2014_19.pdf.
Plans are currently being finalised and will be shared publically when completed.

We have included at Appendix A(i) and A(ii) our reports re sustainability and equality and diversity.

5. Performance – Improving Health Outcomes and Ensuring Highest Quality Care

Throughout the year, each month, a report is taken to the public Governing Body meeting setting out our performance against agreed local and national measures. This *Quality and Outcomes Report* describes how, in partnership with our providers, we are meeting the CCG's commitment to ensure that the commissioning decisions and actions we take improve health care for the people of Sheffield and ensure patients receive the highest quality of care.

The monthly reports can be found on our website in the Governing Body Meetings section: http://www.sheffieldccg.nhs.uk/about-us/GB-meetings.htm

An end of year summary of performance throughout 2013/14 will be available in May and the link will be added to this report here.

Key highlights of our performance in 2013/14 include:

- Formal assessment by NHS England (via the national CCG Assurance process) that Sheffield CCG is demonstrating ongoing good performance and improvement against local and national measures including delivery of the NHS Constitution Rights and Pledges. We publish our findings from each quarterly assessment on our website here: http://www.sheffieldccg.nhs.uk/our-information/How_are_we_doing.htm

- Successfully working with providers to ensure 95% of patients presenting at A&E are seen and treated within 4 hours, receive high quality care despite the continued challenge of high levels of demand across all A&E services nationally.

- Excellent scores on the Friends and Family Test, introduced during 2013 to provide feedback on patient experience of A&E and Inpatient care.

6. Finance

Maintaining sound financial health

The dual objectives were to ensure that the CCG ended its first year in good financial health and secondly to take forward investments in support of our strategic objectives set out in the CCG Prospectus, in particular to begin to reduce our historic over reliance on hospital services and invest in care closer to home.

We are able to report compliance with our statutory duty of delivering financial balance against our resources allocated by NHS England. Taking both our allocation for programme (commissioned) expenditure and our Running Cost Allowance (RCA) we reported a surplus of £6.9m or 1%. This was in line with NHS England expectations.

Our programme allocation to commission health care services was £684m and we underspent against this by £2.5m or 0.4%.

All CCGs were given an RCA of £25 per head of population. This is used to fund the commissioning and governance costs and clinical engagement activities of the CCG and its Localities (£14.1m). As Sheffield CCG is a large CCG we benefit from economies of scale and our actual spend was £9.7m (£17 per head of population). The balance contributed to the CCG's overall surplus which will be carried forward into 2014/15.

We utilised our full cash drawdown limit of £669.4m, and had a small bank balance of £73k at 31st March 2014.

The CCG, unlike the PCT, was not given an allocation for capital expenditure. The CCG does not own any land or buildings, just limited IT and other office related equipment. Replacement of these assets is via revenue expenditure.

The Better Payment Practice Code requires the CCG to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later. The NHS aims to pay at least 95% of invoices within 30 days of receipt, or within agreed contract terms. The CCG has not yet formally signed up to the prompt payments code but intends to shortly. However, details of our compliance with the code are given in the notes to the financial statements and reproduced below. Since this is the first year of the CCG we are unable to provide comparative information from the previous year.

Measure of compliance	**2013-14**	**2013-14**
	Number	**£000**
Non-NHS Payables		
Total Non-NHS Trade Invoices Paid in the Year	13,430	76,778
Total Non-NHS Trade Invoices Paid Within Target	13,177	76,105
Percentage of NHS Trade Invoices Paid Within Target	**98.12%**	**99.12%**

NHS Payables		
Total NHS Trade Invoices Paid in the Year	2,783	523,568
Total NHS Trade Invoices Paid Within Target	2,738	523,252
Percentage of NHS Trade Invoices Paid Within Target	**98.38%**	**99.94%**

How did the CCG spend its Programme (Commissioning) Budget?

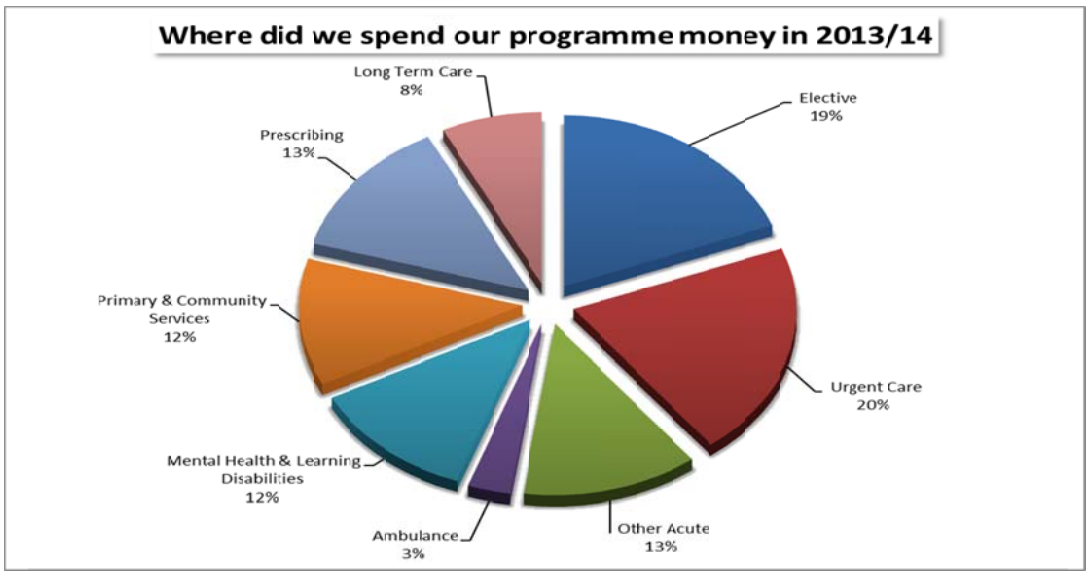
Overall, we spent an average of £1,211 per person on health care for the people of Sheffield. The table below provides an analysis of how we invested our programme resources in 2013/14. The analysis includes spend against external income as well our revenue resources received from NHS England.

	2013/14 £m
Primary & Community Care	
Primary & Community services	89
Prescribing	91
Acute Hospital Care	
Elective Care	132
Urgent Care	138
Other Acute *	87
Ambulance	21
Mental Health &Learning Difficulties	79
Long Term Conditions	51
Total	**688**

** The types of services included within Other Acute are cost per case, critical care, diagnostic testing& imaging and maternity pathway payments.*

The CCG, unlike Sheffield PCT, does not contract for core services provided by Primary Care Contractors such as GPs and Dentists, nor for specialised services. These are commissioned by NHS England.

The chart below presents similar information but shows expenditure net of external income, as a percentage of the total programme spend.



The Summary Financial Statements of the CCG for 2013/14 can be found at appendix Aiv. Full sets of detailed Annual Accounts are available via the CCG's web site or in hard copy free of charge, from Linda Tully, NHS Sheffield CCG, 722 Prince of Wales Road, Sheffield, S9 4EU. Email: sheccg.foi@nhs.net. The Annual Accounts were prepared under a Direction issued by the NHS Commissioning Board (NHS England) under the National Health Service Act 2006 (as amended).

Legacy Balance transfers

In accordance with the Health and Social Care Act 2012, Strategic Health Authorities and Primary Care Trusts were dissolved on 1 April 2013 and their assets and liabilities transferred to successor bodies in the NHS or to other entities. Under the terms of the Property Transfer Scheme and its supporting Schedules, a number of assets and liabilities were transferred from Sheffield PCT to Sheffield CCG on that date. The most significant of these were:

Fixtures and Fittings at 722 Prince of Wales Road, Sheffield

These assets and liabilities are associated with the transfer of specified commissioning responsibilities to the CCG.

The accounting arrangements in respect of these transfers are outlined in Note 1.3 to the Annual Accounts.

Looking ahead to future years

The CCG has recently completed its first five year financial plan. This takes into account the expected very low real terms growth for the whole of the period due to the overall UK economic situation and that the CCG currently has an allocation which is above its "fair share" target. This will bring significant challenges. It means that delivery of substantial QIPP productivity and efficiency savings will be required as we implement our local service transformation agenda.

The CCG remains firmly committed to maintaining recurrent financial balance throughout the period of this strategic plan, and to building on our strong financial management ethos and partnership working to deliver sustainable health services within available resources. We are planning to deliver a small surplus in each year

of the planning period. In addition, to ensure that we achieve maximum gain from the resources employed, we will continue to seek best value for money.

7. Relationships

Partners and Providers

Sheffield Teaching Hospitals NHS Foundation Trust (STHFT)
Sheffield Teaching Hospitals NHS Foundation Trust (STHFT) is the major provider of adult health care for the city and also in the community. The trust manages the five NHS adult hospitals in Sheffield: the Northern General, Royal Hallamshire, Jessop Wing, Weston Park and Charles Clifford Dental Hospital.

Sheffield Children's NHS Foundation Trust
Sheffield Children's NHS Foundation Trust is one of only four dedicated children's hospital trusts in the UK providing integrated, highly specialist healthcare for children and young people in Sheffield, South Yorkshire and beyond.

Sheffield Health and Social Care NHS Foundation Trust
Sheffield Health and Social Care NHS Foundation Trust (SHSC) provides mental health and social care services which include a full range of specialist adult and older people's services, psychology and therapy agencies as well as specialist learning disability services, substance misuse and community equipment services.

Sheffield City Council
Sheffield City Council is the major provider of social care in the city. From April 2013 they also took on responsibilities for public health. They are equal partners with the CCG on the Health and Wellbeing Board.

Healthwatch
From April 2013, Healthwatch has been the new consumer champion to give adults, children and young people a powerful voice about health and social care services. Healthwatch Sheffield works with local people to improve health and social care services and help people to get the best out of those services. Sheffield City Council is providing the funding for Healthwatch Sheffield but it is a new independent initiative set up by a consortium of three local voluntary organisations: Voluntary Action Sheffield (lead), CLASSY and Sheffield Cubed. It is building on the work of the Sheffield LINk (Local Involvement Network) which ended on 31 March 2013, but it has additional powers and responsibilities.

NHS England and Primary Care Providers (GPs, Dentists, Optometrists, Pharmacists)
From April 2013, NHS England took on many of the functions of the former primary care trusts (PCTs) with regard to the commissioning of primary care health services (GPs, Dentists, Optometrists, Pharmacists), as well as some nationally-based functions previously undertaken by the Department of Health. NHS England is divided into regions and Area Teams. South Yorkshire and Bassetlaw is one of 27 Area Teams nationally and sits within the North Region.

The Area Team's role is to: Support and develop CCGs; Assess and assure performance; Undertake direct commissioning of primary care services (GPs, dental, Pharmacy, optometry) and some public health services – screening and

immunisation programmes for children and adults; children's 0 – 5 year old health services; Commission specialised health services from Yorkshire and the Humber providers and from some specialised independent providers outside the area; Manage and cultivate local partnerships and stakeholder relationships, including membership of Local Health and Wellbeing boards; Emergency planning, resilience and response; Ensure quality and safety; Provide configuration and system oversight; host the Clinical Senate for Yorkshire and the Humber and the Strategic Clinical Networks.

In Sheffield there are 88 general practices, operating from 114 surgeries across the city; there are 78 NHS dental practices and two salaried dental service clinics providing routine care, plus four specialist orthodontic practices, and seven salaried dental clinics which also provide specialist services for people with special care needs; there are 120 pharmacies in Sheffield; there are 49 optometry contractors operating out of 57 practices in Sheffield.

Other Providers
NHS Sheffield Clinical Commissioning Group also commissions services from a range of other providers, including nursing and residential homes where there are NHS funded clients, other NHS providers (for example who might be outside of Sheffield), Independent sector providers and voluntary organisations.

Each month the CCG publishes details about all of our spend that is over £25k. All providers who provide services over this cost will be listed on this document: http://www.sheffieldccg.nhs.uk/about-us/spending-over-25k.htm

Strategic Partnerships

Health and Wellbeing Board
A strategic partnership primarily with Sheffield City Council, with NHS England and Healthwatch involved. Products of the partnership include the Joint Strategic Needs Assessment, the Joint Health and Wellbeing Strategy and proposals for integrated commissioning. The Joint Strategic Needs Assessment (or JSNA for short) is the means by which we assess the current and future health, care and wellbeing needs of the local population. Please visit:
https://www.sheffield.gov.uk/caresupport/health/health-wellbeing-board/JSNA.html to read the report.

Right First Time
Partnership with Sheffield Health and Social Care NHS FT, Sheffield Teaching Hospitals NHS FT, Sheffield Children's NHS FT and Sheffield City Council. Products of the partnership include delivery of plans to help people stay healthy and at home, improvements in the NHS response to urgent care needs, reduction of hospital length of stay, and improved rehabilitation and long term care provision.

Future Shape Children's Health
Partnership with Sheffield City Council and Sheffield Children's NHS FT. Products of the partnership include delivery of plans to improve health and life chances for children in Sheffield.

CCGCOM and Y&H CCG Collaborative
Collaborative working with a) South Yorkshire and Bassetlaw and b) Yorkshire and Humber CCGs to identify and exploit benefits of work across a bigger geographic area, to coordinate the co-commissioning relationship with NHS England and to collaborate on contract negotiation and management with providers that we share.

Working Together
A joint project between commissioners and providers across South Yorkshire and Bassetlaw, Mid Yorkshire and North Derbyshire to ensure that services are of a high quality and financially sustainable over the long term.

Additional partnership activity
In addition to the above, we are members of the Sheffield Executive Board and maintain relationships with individual organisations through regular Governing Body to Board meetings (including with VCF organisations through meetings with the Third Sector Assembly) and are members of a number of service or condition specific partnership boards and other planning groups. We also contribute to a number of Sheffield City Council groups.

Public engagement

Patient and Public Voice Report
Sheffield CCG is committed to ensuring that the patient voice is at the heart of all our decisions. We believe that public and patient involvement leads to better service specifications, a better understanding of the quality of care, and a greater understanding of what the people of Sheffield need from healthcare.

Over the last year, we have co-produced an Engagement Plan with the people of Sheffield. This has led to the development of our patient, carer and public involvement network called 'Involve Me'. Local people were asked their opinion on the network name and the design of the 'Involve Me' brand. This will be our vehicle for active involvement as we move forward into 2014/15.

Detail about the CCG's completed engagement activity for 2013/14 can be found at appendix Aiii.

8. Quality

Assessment of our performance against key local and national quality measures are an integral part of the monthly *Quality and Outcomes Report* to the public Governing Body meeting. This includes CCG and provider performance on the prevention of infections resulting from medical care or treatment in hospital and in relation to patient feedback or complaints on the care they receive.

The *Quality and Outcomes Report* describes how, in partnership with our providers, we are meeting the CCG's commitment to ensure that the commissioning decisions and actions we take improve health care for the people of Sheffield and to ensure patients receive the highest quality of care.

The monthly reports can be found on our website in the Governing Body Meetings section: http://www.sheffieldccg.nhs.uk/about-us/GB-meetings.htm

Safeguarding
In addition to this, as part of the CCG's commitment to transparency, quarterly reports on safeguarding are taken to the Governing Body. Please find these reports here:
July 2013:
http://www.sheffieldccg.nhs.uk/Downloads/CCG%20Board%20Papers/July%202013%20Board%20Papers/PAPER%20R%20Safeguarding%20update.pdf
October 2013:
http://www.sheffieldccg.nhs.uk/Downloads/CCG%20Board%20Papers/October%20Board%20Papers/PAPER%20Q%20Safeguarding%20update.pdf
January 2014:
http://www.sheffieldccg.nhs.uk/Downloads/CCG%20Board%20Papers/January%202014%20Board%20papers/PAPER%20N%20Safeguarding%20update.pdf

Serious Incidents
Monthly reports on Serious Incidents (SIs) are taken to the Governing Body. Please visit the Governing Body meeting pages on our website to find these reports: http://www.sheffieldccg.nhs.uk/about-us/GB-meetings.htm

Compliments and Complaints
Quarterly reports on Compliments and Complaints are also made publically available as part of the Governing Body reports. Please find these reports here:
October 2013:
http://www.sheffieldccg.nhs.uk/Downloads/CCG%20Board%20Papers/October%20Board%20Papers/PAPER%20R%20Compliments%20and%20Complaints%20report.pdf

January 2014:
http://www.sheffieldccg.nhs.uk/Downloads/CCG%20Board%20Papers/January%202014%20Board%20papers/PAPER%20O%20Complaints%20report%20Q2.pdf
April 2014:
http://www.sheffieldccg.nhs.uk/Downloads/CCG%20Board%20Papers/April%2014/Item%2013g%20Complaints%20report%20Quarter%203%20update.pdf

The CCG has fully adopted the Principles for Remedy which forms an integral part of complaints handling and are to be incorporated into the Complaints Policy which is currently under review.

Infection Control
As part of ongoing work around Infection Control, there is a CCG C.Difficile action plan, this was taken to the Quality Assurance Committee in March 2014 and can be found on our internet here: http://www.sheffieldccg.nhs.uk/our-information/strategies-and-policies.htm. The document is updated every month. All Sheffield Foundation Trusts also have plans to reduce C Difficile and other healthcare acquired infections.

Care Home Quality
An annual report into Care Home Quality is produced each year. The report for 2012-13 was received at the Quality Assurance Committee in May 2013 and can be found on our internet here: http://www.sheffieldccg.nhs.uk/our-information/strategies-and-policies.htm

The annual report for Care Home Quality for 2013-14 will be produced in May 2014 and the link will be added to the annual report here:

Medicines Management
The management of medicines continues to be a priority for the CCG and work has been taken forward during the year to optimise the benefits that patients receive from their NHS provided medicines. This has included audits – focussing on high-risk medicines and the development of guidelines to support safe prescribing.

In addition, given that medicines account for a considerable percentage of the CCG budget, the medicines management team work closely with practices to ensure that high quality, cost effective prescribing is maintained.

Gender Equality Data
CCGs are required to publish certain data in their annual report. This can be found in section 5 of the Members' Report.

9. Assurance Framework

The NHS England CCG Assurance Framework requires clinical commissioning groups to report on their delivery of the duties laid down in the National Health Service Act 2006 (as amended). The report for how we have delivered on the duties in the Act can be found in the Annual Governance Statement which can be found at section 2 to Statements from the Accountable Officer.

The Risk Register and Assurance Framework are the Clinical Commissioning Group's tools for managing risks to the organisation and our objectives. More detail on the Risk Register and Assurance Framework can be found in the Annual Governance Statement.

Trends and factors that the CCG consider likely to impact on future delivery can also be found in the risk register, as well as incorporated into the Commissioning Intentions plans for 2014/15:
http://www.sheffieldccg.nhs.uk/Downloads/CCG%20Board%20Papers/March%2014/PAPER_E_Planning_for_2014_19.pdf.

Certification by the Accountable Officer

We certify that the clinical commissioning group has complied with the statutory duties laid down in the National Health Service Act 2006 (as amended)

Signed: Date:

Ian Atkinson
Accountable Officer

Appendices to the Strategic Report

Sustainability Report

The CCG Sustainability report can be found attached to the annual report at appendix Ai

Equality and Diversity Report

The equality and diversity report can be found attached to the annual report at appendix Aii

Completed Engagement Activity 2013-14 Report

A report on engagement activity completed by the CCG and partners during 2013-14 can be found at appendix Aiii

Summary Financial Statements

The summary financial statements can be found attached to the annual report at appendix Aiv

NHS Sheffield CCG Annual Report 2013-14
Appendix Ai) – Sustainability Report

Premises

From 1 April 2013 NHS property management across the NHS transferred to national body NHS Property Services. Information relating to premises will not be available from NHS Property Services for 2013-14 however data will be provided to NHS Sheffield CCG for inclusion in the annual report 2014-15.

Sustainability and Carbon Management

The CCG has established a Sustainability and Carbon Management Group, led by a Governing Body GP member and an Executive Director. The group meets monthly and its work so far includes:

- Discussing how to engage colleagues, providers and GP practices with sustainability and carbon management issues
- Overseeing work in our head offices including recycling (paper, pens, batteries, ink cartridges, glass, cans), reducing waste, rules based printing, and reducing travel through the use of technology
- Supporting business cases for service change that minimise patient and service user carbon impact by maximising the use of technology and providing care closer to home to reduce patient travel
- Looking into the possibility of doing a public and practice campaign on waste
- Working with our providers in terms of leading and supporting action by FTs and other providers, including contractual and partnership agreements

Sheffield CCG is currently working with Walker Resource Management Ltd (WRM) who have recruited 9 GP practices (listed below) across Sheffield to work on "Sustainability Health-Checks" to reduce energy bills, improve environmental performance and engage local community groups.

Practices taking part in the GP Healthchecks
Tramways Medical Centre
Crookes Practice
Baslow Road
Pitsmoor Surgery
Burncross Medical Centre
Crystal Peaks Medical Centre
Duke Medical Centre
White Lane Medical Centre
Lowedges Surgery

The practices have been determined by size, type and age of premises, owned or leased and whether there are sustainability practices already in place. It will also establish the carbon footprint of the practice. WRM will carry out a detailed resource efficiency and renewable energy review. This will cover current policies and operations, water and energy consumption, waste production and renewable energy in order to identify where improvements can be made.

The results will be benchmarked against industry best practice in a tailored report and action plan produced by WRM, including anticipated cost and carbon savings with indicative payback times.

GP practices often don't have the resources to implement sustainability initiatives. Therefore following the development of the action plan, support is provided to the practice to implement the initiatives which demonstrate best return on investment.

Support covers technical projects such as sourcing new energy efficient equipment but can also cover staff behaviour change or awareness raising as well as developing environmental management systems, liaising with the landlord or creating links with local social enterprises.

Once the 9 health checks have been completed, as well as supporting individual practices to implement their opportunity areas, the programme will share the findings and learnings across all 88 GP practices in Sheffield with a view to creating a wider roll out of the identified environmental and community improvements.

NHS Sheffield CCG Annual Report 2013-14
Appendix Aii) – Equality and Diversity Report

Equality Act 2010

The Equality Act has two broad aspects:

1. To prohibit discrimination, harassment and victimisation against people with one or more protected characteristic. These characteristics are:
    - age
    - disability
    - gender reassignment
    - pregnancy and maternity
    - race (this includes ethnic or national origins, colour or nationality)
    - religion or belief (this includes lack of belief)
    - sex
    - sexual orientation
    - marriage or civil partnership (employment only)

2. The Public Sector Equality Duty (PSED) places an obligation on public bodies including our CCG to proactively improve equality for people with one or more protected characteristics. It aims to help public authorities avoid discriminatory practices and integrate equality into core business. It is made up of a general duty and specific duties. The general duty is the main part of the legislation with the specific duties supporting public bodies to demonstrate performance and compliance.

The General Duty

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity
- Foster good relations

Specific Duties

- Equality objectives: The Act requires public bodies like the CCG to prepare and publish one or more specific and measurable equality objectives which they believe will support them to achieve the aims of the general duty.

- Publication of information: Annually the CCG must publish information which describes the key inequalities experienced by people with protected characteristic(s) and which demonstrates the impact of its policies and practices on people with protected characteristics.

Our response to the Equality Act

We welcome the requirements of the Equality Act and are committed to making sure that equality and diversity is a priority when planning and commissioning local healthcare. To help us do this we work closely with local communities to understand their needs and how best to commission the most appropriate services to meet those needs.

Equality Impact Assessment

Equality impact assessments have been carried out on all relevant policies and over the next year we will be monitoring the impact of the implementation of our

workforce policies on our staff to ensure that we are proactively identifying and addressing any inequalities.

We recognise that in order to remove the barriers experienced by disabled people, we need to make reasonable adjustments for our disabled employees. We do this on a case by case basis and involve occupational health services as appropriate.

Training

CCG staff members have participated in mandatory equality & diversity training, with senior management team members and staff directly involved in commissioning work attending a bespoke training session which describes the implications of the Public Sector Equality Duty for people commissioning health services; and other staff completing an e-learning course.

Equality Delivery System

We have been using the national Equality Delivery System (EDS), a system designed to support our organisation in our commissioning role and our providers of services to deliver better outcomes for their local population and better working environments for staff which are personal, fair and diverse.

NHS Sheffield CCG Governing Body has approved our equality objectives that have been developed and supported by underpinning actions that are linked to the four Equality Delivery System (EDS) goals.

NHS Sheffield CCG objectives are:

- Ensure equality is core commissioning business
- Improve the range of activity information we have about patients in protected groups and how this is being used
- Improve our understanding of patient experience of services, re E&D, and act upon instances of potential discrimination
- Develop strong and consistent leadership on equality issues
- Improve access to services i.e. contracting

The progress of the actions is reported to the CCG Governing Body on a six monthly basis.

We will be reviewing our progress against the agreed actions. We will also be refreshing our objectives and plans for 2014/2015 by the end of April 2014 in line with refreshed EDS2.

Equalities Information

Our CCG has gathered together information to show the key inequalities experienced by local people and that is published here http://www.sheffieldccg.nhs.uk/our-information/equality.htm

NHS Sheffield CCG Annual Report 2013-14
Appendix Aiii) – Completed Engagement activity

Commissioning Intentions 2014
In August 2013 as part of planning for 2014 the CCG started to gather public views about what we should be including in our priorities. In August we highlighted to people our main programmes of work and asked:

- *Do you think we are concentrating on the right things with our major areas of work?*
- *What specifically do you think we should aim to improve or change in 2014/15?*

We used 'crowd sourcing' internet technology to ask people for their opinions and combined this with a series of face to face engagement opportunities.

Once our plans became firmer we then asked the public for their input again early in 2014. We highlighted our aims and identified large-scale projects and asked the following:

1. *Do you agree that our aims and the four projects we have identified should be priorities for us (please state why)*
2. *Is there anything about focusing on these projects that concerns you?*
3. *By ensuring everyone who needs one is offered a care plan, reducing emergency admissions and attendances, improving life expectancy, supporting children to have the best start in life and bringing more hospital services closer to home, we are aiming to make life better for people in Sheffield.*
   a) Do you feel the scale of these plans are too ambitious, about right or not ambitious enough? Please share your thoughts
   b) What will these changes mean for you?

Again, the internet was used as a platform for people to respond as well as a series of face to face opportunities.

Responses were taken on board and taken to the CCG's Governing Body meeting in March:
http://www.sheffieldccg.nhs.uk/Downloads/CCG%20Board%20Papers/March%2014/PAPER_E_Planning_for_2014_19.pdf

Urgent Primary Care Centre
Engagement activity was undertaken at the Northern General Hospital to establish reasons behind residents' arrival at A&E. Questionnaires completed by the public will generate feedback directly shaping the Urgent Primary Care Centre business case.

Mental Health Partnership Board
Service Users and carers have been actively involved in the work of the Mental Health Partnership Board, participating in the discussions on the items on the agenda, raising their own issues for inclusion and discussion and generally holding the commissioners to account on the way in which services are commissioned and delivered.

Right First Time

- Active citizens reference group formed to help culture change and shaping of Right First Time and oversee involvement work
- 50 people engaged in a consultation looking at the relationship between physical health and activities for people with serious mental illness
- Deaf community consultation on the overall principles for Right First Time
- 5 focus groups held with reference group members to guide individual involvement projects
- 3 volunteers trained and carrying out surveys with GP patients for Project 1
- Over 150 parents consulted as part of the Urgent Care Review for Sheffield Children's Hospital
- Reference group member elected to represent citizens on Project 4 adult mental health steering group
- Consulted widely on the metrics for service user satisfaction – to be used in the evaluation and analysis of Right First Time
- Collected experience stories from a wide range of people through postcard distribution to help feed into project's analysis and to assist with design templates
- Citizens commented on GP templates, letter invitations, results template and Common Childhood Conditions information in focus and readers group.

Learning Disability Self-Assessment Framework

An engagement event called the "Big Health Event" for people with Learning Disabilities, their carers and families about the Health and Social Care Self-Assessment process took place. This was a method of checking that all health and social care services were meeting people's needs and, if not, what changes needed to be made to ensure that the self-assessment process was adapted. Ideas and suggestions that arose out of these directly impacted on the specification for a project that North GP Locality funded through their own freed up resources to look at improving access to primary care for people with learning disability. In addition, consultation sessions, including people with learning disability and their family carers have been held at the Learning Disability Partnership Board.

Autism Strategy Development Group

Stakeholders, service users and family members were involved in advising on the specification for a newly commissioned autism and neurodevelopment service. They were also involved in the subsequent "meet the bidder" event as part of the procurement process. Feedback from this event directly impacted on how the service was subsequently shaped up within the contract. Following appointment of the provider, CCG requested continued involvement by representatives of the above group and the National Autistic Society experts by experience, in developing the layout and décor of the new service premises to maximise the experience of service users. This has taken place and led to positive responses to the suggestions.

Dementia

SHINDIG (Sheffield Dementia Involvement Group) has been established through CLAHRC and the Alzheimer's Society. This is a forum for both people with dementia and their carers to feedback on experiences on a range of issues / topics. We have covered experience of particular services including GP practices, hospital, memory services as well as what things help to keep people well and involved in their community. STH carer feedback has also been gathered as part of the dementia CQUIN.

Older People
The Fulfilling Lives Ageing Better Big Lottery bid has involved a city-wide engagement and involvement campaign to find out what people in Sheffield feel are the contributing factors and potential solutions to social isolation and loneliness in people over 50. The CCG is one of the members of the Core Partnership for Ageing Better.

Cancer
The Cancer Survivorship Project led by Sheffield CCG has had sustained patient involvement during the past 12 months with patient membership on our project board, to active engagement with several patient groups including the Sheffield Survivorship Focus Group. This latter group work in collaboration with us, the acute Trust and the voluntary/charity sector to give a 'real voice' to all developments within the survivorship remit. This partnership has proved vital in shaping and influencing how key work streams have evolved. For example, the project aims to develop and embed the use of cancer Treatment Summaries which will enable a more effective exchange of information about an individual's treatment and ongoing needs (both clinical and holistic). Working closely with the patient group they have not only helped to shape format and content – highlighting information elements that are relevant to the patient rather than just to clinicians, but also identifying issues for consideration around equity of provision for non-English speaking or blind patients.

In addition, we have undertaken a separate focus group, working in partnership with Sheffield BME Network, to understand the issues around cancer support and awareness for our local BME communities. This work was initially undertaken with a view to guiding the format and delivery of cancer awareness/support sessions within our BME communities but has led to the aspiration to develop a 'buddying' system as a more appropriate mechanism than mere training sessions. This is a work in progress but demonstrates true collaboration between previous patients, public representatives and multiple organisations working through the BME Network.

End of Life Care
To support the Palliative Care Communication System a leaflet has been developed giving information about what happens when a doctor makes the assessment that a patient is nearing the end of their life. This is obviously a very sensitive topic, and views on what should be included and the precise wording were sought from patients at St Luke's Hospice and from members of the North Trent Consumer Research panel. Their thoughts and suggestions were invaluable, and the draft leaflet was considerably improved with their input.

National research has shown that people from ethnic minorities are less likely to access end of life care services, and work has therefore taken place in Darnall to engage with community organisations to find out what the barriers might be, and how healthcare professionals can support patients and families appropriately. An information pack has been developed for the local GP practice, and the findings will inform work for 2014/15.

Summary Financial Statements Appendix Aiv)

NHS Sheffield CCG - Annual Accounts 2013-14		
Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2014		
		2013-14
	NOTE	£'000
Commissioning		
Other Operating Revenue	2	(7,570)
Gross Employee Benefits	4	4,572
Other Costs	5	694,554
Net Operating Costs before Financing		**691,555**
Of which:		
Administration Costs		
Other operating revenue	2	(1,350)
Gross employee benefits	4	4,572
Other costs	5	6,443
Net administration costs before financing		**9,665**
Programme Expenditure		
Other operating revenue	2	(6,221)
Gross employee benefits	4	0
Other costs	5	688,111
Net programme expenditure before interest		**681,890**
Financing		
Investment Revenue	8	0
Other Gains & Losses	9	0
Finance Costs	10	0
Net Operating Costs for the Financial Year		**691,555**
Net Gain (Loss) on Transfer by Absorption	11	0
Retained Net Operating Costs for the Financial Year		**691,555**
Other Comprehensive Net Expenditure		
Impairments & reversals		0
Net gain (loss) on revaluation of property, plant & equipment		0
Net gain (loss) on revaluation of intangibles		0
Net gain (loss) on revaluation of financial assets		0
Movements in other reserves		0
Net gain (loss) on available for sale financial assets		0
Net gain (loss) on assets held for sale		0
Net actuarial gain (loss) on pension schemes		0
Reclassification Adjustments:		
On disposal of available for sale financial assets		0
Total Comprehensive Net Expenditure for the Financial Year		**691,555**

NHS Sheffield CCG - Annual Accounts 2013-14		
Statement of Financial Position as at 31 March 2014		
		31 March 2014
	NOTE	**£'000**
Non-current Assets		
Property, Plant & Equipment	13	0
Intangible Assets	14	0
Investment Property	15	0
Trade & Other Receivables	17	0
Other Financial Assets	18	0
Total Non-current Assets		**0**
Current Assets		
Inventories	16	0
Trade & Other Receivables	17	7,621
Other Financial Assets	18	0
Other Current Assets	19	0
Cash & Cash Equivalents	20	73
Non-current Assets held for Sale	21	0
Total Current Assets		**7,694**
Total Assets		**7,694**
Current Liabilities		
Trade & Other Payables	23	(33,734)
Other Financial Liabilities	24	0
Other Liabilities	25	0
Borrowings	26	0
Provisions	30	0
Total Current Liabilities		**(33,734)**
Total Assets less Current Liabilities		**(26,040)**
Non-current Liabilities		
Trade & Other Payables	23	0
Other Financial Liabilities	24	0
Other Liabilities	25	0
Borrowings	26	0
Provisions	30	0
Total Non-current Liabilities		**0**
Total Assets Employed		**(26,040)**
Financed by Taxpayers' Equity		
General Fund		(26,040)
Revaluation Reserve		0
Other Reserves		0
Charitable Reserves		0
Total Taxpayers' Equity		**(26,040)**
The notes on pages 5 to 34 form part of this statement.		
The financial statements on pages 1 to 4 were approved by the Governing Body on 5th June 2014 and signed on its behalf by:		
Accountable Officer:	Date:	

NHS Sheffield CCG - Annual Accounts 2013-14

Statement of Changes In Taxpayers Equity for the Year Ended 31 March 2014

	General Fund	Revaluation Reserve	Other Reserves	Total
	£'000	£'000	£'000	£'000
Balance at 01 April 2013	0	0	0	0
Transfer of assets and liabilities from closed NHS bodies as a result of the 1 April 2013 transition	192	0	0	192
Transfer between reserves in respect of assets transferred from closed NHS bodies	0	0	0	0
Adjusted Balance at 01 April 2013	**192**	**0**	**0**	**192**
Changes in Taxpayers' Equity for 2013-14				
Net operating costs for the financial year	**(691,555)**	**0**	**0**	**(691,555)**
Net gain (loss) on revaluation of property, plant and equipment		0		0
Net gain (loss) on revaluation of intangible assets		0		0
Net gain (loss) on revaluation of financial assets		0		0
Total revaluations against revaluation reserve		**0**		**0**
Net gain (loss) on available for sale financial assets	0	0	0	0
Net gain (loss) on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	0	0	0
Net actuarial gain (loss) on pensions	0	0	0	0
Movements in other reserves	0	0	0	0
Transfers between reserves	0	0	0	0
Release of reserves to the Statement of Comprehensive Net Expenditure	0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0	0	0
Transfers by absorption to (from) other bodies	0	0	0	0
Transfer between reserves in respect of assets transferred under absorption	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0
Net Recognised Expenditure for the Financial Year	**(691,363)**	**0**	**0**	**(691,363)**
Net funding	**665,323**	**0**	**0**	**665,323**
Balance at 31 March 2014	**(26,040)**	**0**	**0**	**(26,040)**

NHS Sheffield CCG - Annual Accounts 2013-14	
Statement of Cash Flows for the Year Ended 31 March 2014	
	2013-14
	£'000
Cash Flows from Operating Activities	
Net operating costs for the financial year	(691,555)
Depreciation and amortisation	205
Impairments and reversals	(13)
Other gains (losses) on foreign exchange	0
Donated assets received credited to revenue but non-cash	0
Government granted assets received credited to revenue but non-cash	0
Interest paid	0
Release of PFI deferred credit	0
Increase (decrease) in inventories	0
Increase (decrease) in trade & other receivables	(7,621)
Increase (decrease) in other current assets	0
Increase (decrease) in trade & other payables	33,734
Increase (decrease) in other current liabilities	0
Provisions utilised	0
Increase (decrease) in provisions	0
Net Cash Inflow (Outflow) from Operating Activities	**(665,251)**
Cash Flows from Investing Activities	
Interest received	0
(Payments) for property, plant and equipment	0
(Payments) for intangible assets	0
(Payments) for investments with the Department of Health	0
(Payments) for other financial assets	0
(Payments) for financial assets (LIFT)	0
Proceeds from disposal of assets held for sale: property, plant and equipment	0
Proceeds from disposal of assets held for sale: intangible assets	0
Proceeds from disposal of investments with the Department of Health	0
Proceeds from disposal of other financial assets	0
Proceeds from disposal of financial assets (LIFT)	0
Loans made in respect of LIFT	0
Loans repaid in respect of LIFT	0
Rental revenue	0
Net Cash Inflow (Outflow) from Investing Activities	**0**
Net Cash Inflow (Outflow) before Financing	**(665,251)**
Cash Flows from Financing Activities	
Net funding received	665,323
Other loans received	0
Other loans repaid	0
Capital element of payments in respect of finance leases and on Statement of Financial Position PFI and LIFT	0
Capital grants and other capital receipts	0
Capital receipts surrendered	0
Net Cash Inflow (Outflow) from Financing Activities	**665,323**
Net Increase (Decrease) in Cash & Cash Equivalents	**73**
Cash & Cash Equivalents at the Beginning of the Financial Year	0
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	
Cash & Cash Equivalents (including bank overdrafts) at the End of the Financial Year	**73**

Financial Performance Targets

Clinical commissioning groups have a number of financial duties

Sheffield Clinical Commissioning Group's performance against those duties was as follows:

NHS Act Section	Duty	31 March 2014 Maximum	31 March 2014 Performance	Duty Achieved?
		£'000	£'000	
223H (1)	Expenditure not to exceed income	0	6,920	Yes
223I (2)	Capital resource use does not exceed the amount specified in Directions	0	0	
223I (3)	Revenue resource use does not exceed the amount specified in Directions	698,475	691,555	Yes
223J(1)	Capital resource use on specified matter(s) does not exceed the amount specified in Directions	0	0	
223J(2)	Revenue resource use on specified matter(s) does not exceed the amount specified in Directions	684,405	681,890	Yes
223J(3)	Revenue administration resource use does not exceed the amount specified in Directions	14,070	9,665	Yes

Note: For the purposes of 223H(1); expenditure is defined as the aggregate of gross expenditure on revenue and capital in the financial year; and, income is defined as the aggregate of the notified maximum revenue resource, notified capital resource and all other amounts accounted as received in the financial year (whether under provisions of the Act or from other sources, and included here on a gross basis).

For item 223J(2), the specified matter relates to Programme expenditure

The summary financial statements give an overview of the highlights of the full accounts for the CCG. They may not contain sufficient information for a full understanding of the CCG's financial position and performance. Full sets of detailed annual accounts are available, free of charge, from: Linda Tully, NHS Sheffield CCG, 722 Prince of Wales Road, Darnall, Sheffield, Sheffield S9 4FU, Tel: 0114 305 1171

Members' Report

1. NHS Sheffield CCG Governing Body – Composition and Profiles

The CCG Governing Body is responsible for NHS clinical commissioning decisions across Sheffield. They meet formally once a month and are a mixture of NHS clinicians, experienced NHS managers and lay members.

Dr Tim Moorhead, Chair
Tim is a Senior Partner at Oughtibridge Surgery. He was elected Chair of NHS Sheffield Clinical Commissioning Group (CCG) prior to authorisation in 2012 and has been Chair throughout the first year of the CCG's life as a formally constituted statutory body. This role includes chairing a number of meetings within the CCG, but also chairing the monthly meetings of the CCG Governing Body held in public, CCG membership meetings with the constituent practices held twice a year, and the CCG's annual public meeting. The role also includes chairing committees with other major partners in the city, such as co-chairing roles on the Health and Wellbeing Board (with the Local Authority) and Right First Time Project Board. Dr Moorhead is also a member of Sheffield LMC and is a shareholder in Rivelin Healthcare, a company set up with neighbouring practices in the West of the city to provide services to patients through collaboration between practices.

Ian Atkinson, Accountable Officer
Ian was appointed as CCG Accountable Officer designate in July 2012 and his formal appointment confirmed by NHS England in January 2013 as part of the CCG's Authorisation. He was appointed as NHS Sheffield's Director of Performance in April 2007. Prior to that, he was Director of Information Services at Barnsley Hospital NHS Foundation Trust. He has previously held senior management posts in Wakefield as well as within the private sector, where he worked for a large IT company which specialised in healthcare systems. Ian has a clinical background, having started his NHS career in Sheffield within mental health services.

Julia Newton, Director of Finance
Julia was appointed as Director of Finance for NHS Sheffield CCG in July 2012. A chartered accountant, Julia has held a number of senior finance posts since joining the NHS in 1992 including Acting Director of Finance at South Yorkshire Strategic Health Authority and Director of Finance at NHS Sheffield from July 2007.

Kevin Clifford, Chief Nurse
Kevin was appointed to the Chief Nurse post in September 2012. Kevin joined NHS Sheffield in March 2010 as Chief Operating Officer for Provider Services and since September 2012 has fulfilled his role as Nurse member of the Sheffield CCG. Kevin, a registered nurse since 1983, previously worked at Sheffield Teaching Hospitals NHS Foundation Trust where he was Nurse Director for Emergency Care and Director of Clinical Operations. Kevin is Vice Chair of the Quality Assurance Committee.

Tim Furness, Director of Business Planning and Partnerships
Tim was appointed to the Director of Business Planning and Partnerships post in September 2012, having previously been Deputy Director of Strategy for NHS Sheffield. He joined the NHS in 1990 and previously worked in the Unemployment

Benefit Service. Tim is responsible for leading business planning for the CCG, so that we have detailed operational plans to achieve our goals. He is also responsible for ensuring we have strong productive partnerships within Sheffield and across Yorkshire and the Humber, and is the lead Executive Director for our work on patient and public engagement and sustainability, working with the lead Governing Body members for those areas, and for business continuity and emergency planning.

Idris Griffiths, Chief Operating Officer
Idris was appointed as the Chief Operating Officer for NHS Sheffield CCG in September 2012. Prior to working in commissioning Idris held a number of senior roles in community services and acute hospitals, including the roles of Deputy Director of Operations and Assistant Director of Strategy and Turnaround for a Trust covering three hospital sites. Idris holds an MBA and holds the recognised Chartered Institute of Personnel and Development qualification.

Dr Zak McMurray, Clinical Director - Joint Position
Zak was appointed as Joint Clinical Director in March 2013. After qualifying in Sheffield in 1988 Zak joined his practice in Woodhouse. He joined the South East Sheffield Primary Care Group (PCG) in 1999 as a Board member and acted as mental health and commissioning lead before taking over as PEC Chair. Zak is a member of the Quality Assurance Committee and the Sheffield Health and Wellbeing Board.

Dr Richard Oliver, Clinical Director - Joint position
Richard was appointed as Joint Clinical Director in March 2013. He is a member of the Sheffield Prescribing Group and helped to establish the Sheffield Formulary. He has been a GP partner at Ecclesfield Group Practice since 1989 and throughout this time he has been a member of the Sheffield Local Medical Committee. Richard is a partner Governor at Sheffield Children's NHS Foundation Trust. Richard resigned from his position at the CCG with effect from 1 April 2014.

Dr Amir Afzal, Locality Appointed Representative
Amir qualified from Nottingham Medical School in 1986 and is a GP at Duke Medical Centre in Sheffield. Amir is a member of the Remuneration and Terms of Service Committee, the Quality Assurance Committee, and the Sheffield Health and Wellbeing Board

Dr Margaret Ainger, Elected Member (resigned from Governing Body 18 October 2013)
Margaret has been a partner at Page Hall Medical Centre in Sheffield for over 20 years. She is the North lead for the older people's services and is the CCG's GP lead for the Children's Partnership Board. Margaret resigned from the Governing Body on 18 October 2013.

Dr Nikki Bates, Elected Member (from 2 January 2014)
Nikki has been a partner at Porter Brook Medical Centre for 23 years and has been a member of the Executive Team for West Locality since 2009. Nikki has a special interest in respiratory medicine.

Dr Anil Gill, Elected Member
Anil graduated in 1995 at Sheffield Medical School having entered as a mature student. Anil spent six years as a GP in Rotherham and Chesterfield. This was

followed by a year as a locum before going back to general practice at Selborne Road, Sheffield.

Dr Andrew McGinty, Locality Appointed Representative
Andrew has been a full time partner at the Woodhouse medical practice for the last 13 years. Andrew is a member of the Audit and Integrated Governance Committee and he specialises in research and education.

Dr Marion Sloan, Elected Member
Marion has been a GP for 33 years and is a partner at the Sloan Medical Centre in Sheffield. Recent projects she has been involved in include sexual health, chlamydia screening and bowel cancer awareness.

Dr Leigh Sorsbie, Locality Appointed Representative
Leigh graduated from Sheffield Medical School in 1990 and has been a partner at Firth Park Surgery since 1997. Her interests include Mental Health, Elderly Medicine, Minor Surgery and Diabetes. Leigh is a member of the Audit and Integrated Governance Committee, and is a partner Governor at Sheffield Teaching Hospitals NHS Foundation Trust.

Dr Ted Turner, Elected Member
Ted graduated in 1988 and has been a GP at Shiregreen Medical Centre in Sheffield since 1995. Ted's interests include dermatology and skin surgery, cardiovascular medicine and care of the elderly. Ted is a member of the Remuneration and Terms of Service Committee and the Sheffield Health and Wellbeing Board. He is Governing Body lead for patient and public involvement.

Dr Richard Davidson, Secondary Care Doctor
Richard has been a Consultant in Intensive Care Medicine and Anaesthesia at Bradford Teaching Hospitals NHS Foundation Trust since January 2000. An educational enthusiast he has contributed at Trust level as Foundation Training Programme Director and at regional level as Deputy Regional Advisor in Intensive Care Medicine. More recently he has taken up management roles, initially as Intensive Care Unit (ICU) Director and subsequently as Clinical Director for Anaesthesia, Intensive Care, Pain Management and Sleep Medicine and has deputised for the Divisional Director (Surgery and Anaesthesia). He is currently Associate Medical Director with a portfolio of RTT (18 week referral to treatment target) and has contributed to the NHS Sheffield CCG since November 2012.

John Boyington CBE, Lay Member
John has worked for over 40 years in health services, both in the NHS and Civil Service. He originally trained as a nurse and has held chief executive posts in NHS Trusts and a PCT. He received the CBE in 2007 for leading national prisoner health care reforms and for 5 years was Director of the World Health Organisation (WHO) Collaborating Centre for prisons and public health. John is Vice Chair of the CCG Governing Body and Chair of the Audit and Integrated Governance and Remuneration and Terms of Service Committees, and has lead responsibility for governance.

Amanda Forrest, Lay Member
Amanda Forrest has worked in the voluntary and public service for over 30 years - predominantly working on issues around patient and public engagement, working in

partnership, and service innovation. Amanda is a Director of Sheffield Cubed - an organisation which enables voluntary sector organisations to work collaboratively. Amanda is Chair of the Quality Assurance Committee and Vice Chair of the Audit and Integrated Governance Committee, and has a major role in patient and public involvement, supporting meaningful and effective engagement with the public and patients through well thought through approaches at all levels.

Mark Gamsu, Lay Member (From 1 July 2013)
Mark Gamsu is a visiting professor at Leeds Metropolitan University focusing on the relationship between Citizenship, Inequality and Wellbeing. He also works on a freelance basis supporting local commissioners and the voluntary sector to work together more effectively. Mark is a Trustee of Sheffield Citizens Advice and a board member of a number of voluntary organisations in Sheffield. Mark has worked in a range of local government departments - including Housing and Social Services and was the healthy city coordinator for Sheffield. Prior to moving to Sheffield he worked with neighbourhood based voluntary and community organisations in Lambeth and Lewisham. Mark has a specific remit around the public and patient engagement agenda.

Register of Interests of Governing Body Members
The CCG maintains a Register of Interests. An extract of the Register giving the position for Governing Body Members at 31 March 2014 is attached as Appendix Biii to the Remuneration Report section of this Annual Report.

At the start of each meeting of the Governing Body and formal Committee / sub Committee meetings, members are required to declare any conflicts of interests in the items for consideration on the agenda and these are formally recorded. The CCG has set out how it will formally manage any declared conflicts of interests within its Constitution.

Declaration:
Each individual who is a member of the Governing Body at the time the Members' Report is approved confirms:

- *So far as the member is aware, that there is no relevant audit information of which the CCG's external auditor is unaware; and,*
- *That the member has taken all the steps that they ought to have taken as a member in order to make them self-aware of any relevant audit information and to establish that the clinical commissioning group's auditor is aware of that information*

2. Audit and Integrated Governance Committee

The core members of the Audit and Integrated Governance Committee are:

John Boyington CBE, Lay Member (Chair)
Amanda Forrest, Lay Member (Deputy Chair)
Dr Andrew McGinty, CCG GP
Dr Leigh Sorsbie, CCG GP

The Governing Body is not aware of any relevant audit information that has been withheld from the clinical commissioning group's external auditors, and members of

the Governing Body take all necessary steps to make themselves aware of relevant information and to ensure that this is passed to the external auditors where appropriate.

3. Additional Committees and Sub Committees

In addition to its Audit and Integrated Governance Committee, the CCG's Governing Body is supported by and delegates specific functions to a Quality and Assurance Committee and a Remuneration Committee. The Audit and Integrated Governance Committee is supported by a Governance Sub-Committee. Details on the functions and membership can be found in the Annual Governance Statement.

4. Future Developments

The Member Practices' Introduction on page 5/6 references the work that has been undertaken reviewing the governance and organisational development of the CCG and how these will be taken forward.

5. Research and Development

Sheffield CCG is committed to supporting research activity both within primary care and across the wider health community. The CCG Research leads are Dr Andrew McGinty, GP Member of the Governing Body and Kevin Clifford, Chief Nurse. In 2013-14 the CCG engaged with the Primary Care Research Network (PCRN) to enable access to free research training and opportunities for personal and practice development. PCRN work also involves the management of a Research Site Initiative (RSI), a scheme to provide additional funding into primary care sites in order that they can generate a research infrastructure and deliver National Institute of Health Research (NIHR) portfolio studies.

6. The Member Practices

The following is a list of all of NHS Sheffield CCG's Member Practices by locality.

Locality	PRACTICE_NAME	PRACTICE ADDRESS	Town	PCode
Central	Abbey Lane Surgery	23 Abbey Lane	Sheffield	S8 0BJ
Central	Baslow Road And Shoreham Street Surgeries	148 Baslow Road, Totley	Sheffield	S17 4DR
Central	Carrfield Medical Centre	Carrfield Street	Sheffield	S8 9SG
Central	Clover Group Practice	Highgate Surgery, Highgate, Tinsley	Sheffield	S9 1WN
Central	Darnall Health Centre (Mehrotra)	2 York Road	Sheffield	S9 5DH
Central	Darnall Health Centre (Swinden)	2 York Road	Sheffield	S9 5DH
Central	Dovercourt Surgery	3 Skye Edge Avenue	Sheffield	S2 5FX
Central	Duke Medical Centre	28 Talbot Road	Sheffield	S2 2TD
Central	East Bank Medical Centre	555 East Bank Road	Sheffield	S2 2AG
Central	Gleadless Medical Centre	636 Gleadless Road	Sheffield	S14 1PQ
Central	Handsworth Medical Practice	432 Handsworth Road	Sheffield	S13 9BZ
Central	Heeley Green Surgery	302 Gleadless Road	Sheffield	S2 3AJ
Central	ManorPark Medical Centre	204 Harborough Avenue	Sheffield	S2 1QU
Central	Manor Top Medical Centre (Read)	Rosehearty Ridgeway Rd	Sheffield	S12 2SS
Central	Manor Top Medical Centre (Sharma)	Rosehearty Ridgeway Rd	Sheffield	S12 2SS
Central	Meersbrook Medical Centre	243-245 Chesterfield Rd	Sheffield	S8 0RT
Central	NorfolkPark Medical Practice	Tower Drive	Sheffield	S2 3RE
Central	Park Health Centre	190 Duke Street	Sheffield	S2 5QQ

Central	Sharrow Lane Medical Centre	129 Sharrow Lane	Sheffield	S11 8AN
Central	Sloan Medical Centre	2 Little London Road	Sheffield	S8 0YH
Central	The Mathews Practice Belgrave	BelgraveMC, 22 Asline Road	Sheffield	S2 4UJ
Central	The Medical Centre	1a Ingfield Avenue	Sheffield	S9 1WZ
Central	White House Surgery	1 Fairfax Rise	Sheffield	S2 1SL
Central	Woodseats Medical Centre	4 Cobnar Road	Sheffield	S8 8QB
HASC	Avenue Medical Practice	7 Reney Avenue	Sheffield	S8 7FH
HASC	Bents Green Surgery	98 Bents Road	Sheffield	S11 9RL
HASC	Birley Health Centre	120 Birley Lane	Sheffield	S12 3BP
HASC	Carterknowle And Dore Medical Practice	1 Carterknowle Road	Sheffield	S7 2DW
HASC	Charnock Health Primary Care Centre	White Lane	Sheffield	S12 3GH
HASC	Falkland House	2a Falkland Road	Sheffield	S11 7PL
HASC	Greenhill Health Centre	482 Lupton Road	Sheffield	S8 7NP
HASC	Greystones Medical Centre	33 GreystonesRd	Sheffield	S11 7BJ
HASC	Hackenthorpe Medical Centre	Main Street, Hackenthorpe	Sheffield	S12 4LA
HASC	Jaunty Springs Health Centre	53 Jaunty Way	Sheffield	S12 3DZ
HASC	Manchester Road Surgery	484 Manchester Road	Sheffield	S10 5PN
HASC	Mosborough Health Centre	34 Queen Street	Sheffield	S20 5BQ
HASC	Nethergreen Surgery	34-36 Nethergreen Road	Sheffield	S11 7EJ
HASC	Owlthorpe Medical Centre	Moorthorpe Bank	Sheffield	S20 6PD
HASC	Richmond Medical Centre	462 Richmond Road	Sheffield	S13 8NA
HASC	Rustlings Road Medical Centre	105 Rustlings Road	Sheffield	S11 7AB
HASC	Selborne Road Medical Centre	1 Selborne Road	Sheffield	S10 5ND
HASC	Sothall Medical Centre	24 Eckington Road	Sheffield	S20 1HQ
HASC	Stonecroft Medical Centre	871 Gleadless Road	Sheffield	S12 2LJ
HASC	The Hollies Medical Centre	20 St Andrews Road	Sheffield	S11 9AL
HASC	The Meadowhead Group Practice	Old School Medical Centre, School Lane	Sheffield	S8 7RL
HASC	The MedicalCentreCrystalPeaks	15 Peaks Mount	Sheffield	S20 7HZ
HASC	Totley Rise Medical Centre	96 Baslow Road	Sheffield	S17 4DQ
HASC	Upperthorpe Medical Centre	30 Addy Street, Upperthorpe	Sheffield	S6 3FT
HASC	Westfield Health Centre	Westfield Northway	Sheffield	S20 8NZ
HASC	Woodhouse Health Centre	5-7 Skelton Lane, Woodhouse	Sheffield	S13 7LY
North	Barnsley Road Surgery	899 Barnsley Road	Sheffield	S5 0QJ
North	Bluebell Medical Centre	356 Bluebell Road	Sheffield	S5 6BS
North	Buchanan Road Surgery	72 Buchanan Road	Sheffield	S5 8AL
North	Burncross Surgery	1 Bevan Way, Chapeltown	Sheffield	S35 1RN
North	Burngreave Surgery	5 Burngreave Road	Sheffield	S3 9DA
North	CrookesValley Medical Centre	1 Barber Road	Sheffield	S10 1EA
North	Dunninc Road Surgery	28 Dunninc Road, Shiregreen	Sheffield	S5 0AE
North	Elm Lane Surgery	104 Elm Lane	Sheffield	S5 7TW
North	FirthPark Surgery	400 Firth Park Road	Sheffield	S5 6HH
North	Foxhill Medical Centre	363 Halifax Road	Sheffield	S6 1AF
North	Grenoside Surgery	60 Greno Crescent, Grenoside	Sheffield	S35 8NX
North	Mill Road Surgery	98a Mill Road	Sheffield	S35 9XQ
North	Norwood Medical Centre	360 Herries Road	Sheffield	S5 7HD
North	Page Hall Medical Centre	101 Owler Lane	Sheffield	S4 8GB
North	Pitsmoor Surgery	151 Burngreave Road	Sheffield	S3 9DL
North	Sheffield Medical Centre	21 Spital Street	Sheffield	S3 9LB
North	Shiregreen Medical Centre	492 Bellhouse Road	Sheffield	S5 0RG
North	Southey Green Medical Centre	281 Southey Green Road	Sheffield	S5 7QB
North	The Ecclesfield Group Practice	96a Mill Road, Ecclesfield	Sheffield	S35 9XQ
North	The Health Care Surgery	63 Palgrave Road	Sheffield	S5 8GS
North	Upwell Street Surgery	93 Upwell Street	Sheffield	S4 8AN
North	Wincobank Medical Centre	205 Tyler Street	Sheffield	S9 1DJ
West	Broomhill Surgery	5 Lawson Road	Sheffield	S10 5BU
West	Deepcar Medical Centre	271 Manchester Rd, Deepcar	Sheffield	S36 2RA

West	Devonshire Green Medical Centre	126 Devonshire Street	Sheffield	S3 7SF
West	Dykes Hall Medical Centre	156 Dykes Hall Road	Sheffield	S6 4GQ
West	Far Lane Medical Centre	1 Far Lane	Sheffield	S6 4FA
West	Harold Street Medical Centre	2 Harold Street	Sheffield	S6 3QW
West	Oughtibridge Surgery	Church Street, Oughtibridge	Sheffield	S35 0FW
West	Porter Brook Medical Centre	9 Sunderland Street	Sheffield	S11 8HN
West	SheffieldCityGPHC (REG)	Rockingham House, 75 Broad Lane	Sheffield	S1 3PB
West	Stannington Medical Centre (Shurmer)	Uppergate Road	Sheffield	S6 6BX
West	The Crookes Practice	203 School Road	Sheffield	S10 1GN
West	Tramways Medical Centre (Milner)	54a Holme Lane	Sheffield	S6 4JQ
West	Tramways Medical Centre (O'Connell)	54 Holme Lane	Sheffield	S6 4JQ
West	University Health Service Health Centre	53 Gell Street	Sheffield	S3 7QP
West	Valley Medical Centre	Johnson Street, Stocksbridge	Sheffield	S36 1BX
West	Walkley House Medical Centre	23 Greenhow Street	Sheffield	S6 3TN

7. Employment

Pensions Liabilities

Please see accounting policy note in the Financial Statements and Remuneration report of this annual report.

Sickness absence data

The sickness absence rate for the organisation is 2.4%. Sickness absence is managed in accordance with agreed policies and procedures which include employee wellbeing services of Occupational Health, counselling and physiotherapy. A table is included in the employee benefits note (note 4.3) to the Annual Accounts.

Employee consultation

A Joint Staff Consultative Forum (JSCF) has been established to ensure the following:

- Staff representatives are consulted on appropriate policy decisions, either local, regional or national, which have an impact upon staff
- Staff representatives are consulted on the development of employment policies and procedures, health and safety policies and procedures and any procedures, which have an impact upon staff
- Provide staff representatives with a forum through which to express their collective views on issues affecting the employment of staff members including job security, health, wellbeing and safety
- Provide a forum through which a joint review of commitments made to staff in either strategic or annual service direction documents can take place
- Promote the involvement of staff in the working of the organisation
- Refer agreed items concerning pay, conditions of employment or procedural agreements for detailed negotiation to sub-groups convened for this purpose, reporting to the JSCF for approval

A Joint Staff Consultative Forum Planning Group has also been established as a Sub Group of the Joint Staff Consultative Forum. The membership of the JSCF Planning Group consists of management side, staff side and three volunteers from the workforce. The role of the JSCF Planning Group is to contribute to and formulate the agenda items and issues for consideration at the formal JSCC. The staff volunteers are encouraged to engage with the wider workforce in relation to this.

Equality of Opportunity

The organisation is committed to equality of opportunity for all employees and potential employees. It views diversity positively, and in recognising that everyone is different, the unique contribution that each individual's experience, knowledge and skills can make, is valued equally. The promotion of equality and diversity will be actively pursued through policies and procedures which will ensure that employees and potential employees are not subject to direct or indirect discrimination.

NHS Sheffield Clinical Commissioning Group has been awarded the Two Ticks Disability Symbol by Job Centre Plus in recognition of meeting the five commitments regarding the employment of disabled people.

The five commitments are as follows:

- To interview all applicants with a disability who meet the minimum criteria for a job vacancy and consider them on their abilities
- Consult employees with a disability
- Retaining people who become disabled
- Developing awareness
- Reviewing progress and keeping people informed

Equality data is available on the internet as follows;
http://www.sheffieldccg.nhs.uk/Downloads/Equality%20and%20diversity/PSED%20Documents/NHS%20Sheffield%20CCG%20Workforce%20Summary.pdf
http://www.sheffieldccg.nhs.uk/about-us/equal-opportunities.htm

Gender Equality Data

	Female	Male
Governing Body	5	13
Very Senior Managers (VSM)	1	1
All employees	71	37

8. External Audit

NHS Sheffield's external auditor for 2013/14 is KPMG LLP. The total cost for their services for the year was £126,000 including VAT. This cost covers the audit of the statutory financial statements. No other services were provided.

9. Serious Incidents

Details about CCG serious incidents can be found in the Annual Governance Statement that follows this annual report.

Details about provider serious incidents can be found in the Quality Section in the Strategic Report section of this annual report.

10. Cost allocation and setting of charges for information

We certify that the CCG has complied with HM Treasury's guidance on setting charges for information.

11. Principles for Remedy

The CCG has fully adopted the Principles for Remedy which forms an integral part of complaints handling and are to be incorporated into the Complaints Policy which is currently under review.

12. Emergency Preparedness, resilience and response

I certify that the clinical commissioning group has incident response plans in place, which are fully compliant with the NHS Commissioning Board Emergency Preparedness Framework 2013. The CCG regularly reviews and makes improvements to its major incident plan and has a programme for regularly testing this plan, the results of which are reported to the governing body.

Signed: Date:

Ian Atkinson
Accountable Officer

Remuneration Report

1. Remuneration Committee

Details of the membership of, attendance at Remuneration Committee can be found within the Annual Governance Statement (page 61-62). The Committee is responsible for advising about the appropriate remuneration and terms of service for the Accountable Officer, executive directors and other senior managers, as well as monitoring and evaluating their performance.

2. Senior Managers Remuneration and Terms of Service

For the purposes of the Remuneration Report, Senior Managers are defined as:

'those persons in senior positions having authority for directing or controlling the major activities of the clinical commissioning group. This means those who influence the decisions of the clinical commissioning group as a whole rather than the decisions of individual directorates or departments. Such persons will include advisory and lay members'

The Accountable Officer of the CCG has determined that this definition applies to all voting members of Governing Body as set out in the CCG's Constitution. Profiles of each Governing Body member can be found in the Members' Report section of this Annual Report.

There is an assumption that information about named individuals will be given in all circumstances and all disclosures in the Remuneration Report will be consistent with identifiable information of those individuals in the Financial Statements. Following a case arising under the Freedom of Information Act, the Information Commissioner determined that consent is not needed for the disclosure of salary and pension details for named individuals.

Senior Managers' remuneration for 2013/14 was determined by the Remuneration Committee and took account of national guidance, the prevailing economic climate, local market conditions and the requirement to obtain best possible value for money. The costs of posts are met from the notified clinical commissioning group running cost allowance.

The information and guidance used to determine senior manager pay comprises a combination of:

- The Agenda for Change guidance from NHS Employers including the staffing body pay and employment conditions in relation to senior managers' remuneration to ensure parity as far as reasonably practicable. The zero per cent cost of living rise for staff subject to Agenda for Change was mirrored for senior managers / Governing Body members.
- The Very Senior Manager (VSM) framework determined by the Department of Health.
- Recommendations made in 2012 by HM Treasury and HMRC regarding tax arrangements in relation to Governing Body Members and senior officials.
- National guidance set out in *Clinical commissioning group governing body members: Role outlines, attributes and skills* (October 2012).

- NHS England guidance regarding the remuneration of clinical commissioning group Chief Officers and Chief Finance Officers. This covers basic salary, recruitment and retention premia where deemed applicable and additional payments for additional duties.

These sources of data will continue to form the basis of the Remuneration Committee's annual review of salaries.

Senior Managers' performance is subject to evaluation in the same way as the main staffing body in line with the NHS Sheffield CCG appraisal policy. Performance measures are set by the line manager of each employee and Governing Body member and are subject to annual review in accordance with the appraisal policy of the CCG. No performance related premia policy is in place for Senior Managers, pending national guidance which is expected. This guidance will be reviewed by the Remuneration Committee once available.

Executive Directors are on permanent contracts and six months' notice is required by either party to terminate the contract. The only contractual liability on the CCG's termination of an Executive's contract is six months' notice. All other Governing Members are appointed for a period of up to 3 years, with a notice period of 3 months. Further information on can be found in the CCG's standing orders which are available on our website as part of our constitution:
http://www.sheffieldccg.nhs.uk/Downloads/NHS%20constitution/Constitution.pdf

The table below provides, for each senior manager who has served on the governing body in 2013/14, further information on their service contract.

Name	Title	Contract Commencement *	Contract expiration
Dr Tim Moorhead	Chair (and Locality Appointed GP)	1st April 2013	1st October 2015
Ian Atkinson	Accountable Officer	1st April 2013	Substantive post
Kevin Clifford	Chief Nurse	1st April 2013	Substantive post
Tim Furness	Director of Business Planning and Partnerships	1st April 2013	Substantive post
Idris Griffiths	Chief Operating Officer	1st April 2013	Substantive post
Julia Newton	Director of Finance	1st April 2013	Substantive post
Zac McMurray	Joint Clinical Director	1st April 2013	Substantive post
Richard Oliver	Joint Clinical Director	1st April 2013	Resigned wef 1st April 2014
Dr Margaret Ainger	GP Elected Member	1st April 2013	18th October 2013
Dr Nikki Bates	GP Elected Member	1st January 2014	1st October 2016
Dr Anil Gill	GP Elected Member	1st October 2013	1st October 2016
Dr Marion Sloan	GP Elected Member	1st October 2013	1st October 2016
Dr Ted Turner	GP Elected Member	1st October 2013	1st October 2016
Dr Amir Afzal	Locality Appointed GP	1st April 2013	1st October 2015

Dr Andrew McGinty	Locality Appointed GP	1st April 2013	1st October 2015
Dr Leigh Sorsbie	Locality Appointed GP	1st April 2013	1st October 2015
Dr Richard Davidson	Secondary Care Doctor	1st April 2013	31st October 2015
John Boyington	Lay member	1st July 2013	31st March 2018
Amanda Forrest	Lay member	1st July 2013	31st March 2017
Mark Gamsu	Lay member	1st July 2013	30th June 2016

* Contract commencement relates to the commencement date of the current contract not necessarily the initial appointment date e.g. for GP elected members where they have been re-elected, the commencement date relates to their current term of office.

3. Salaries & Allowances (subject to audit)

The table at Appendix Bi details the salaries and allowance for all the senior managers of the CCG, as defined above.

4. **Payments for Loss of Office** (subject to audit)

During the year no senior managers received a payment for loss of office.

5. Payments to Past Senior Managers (subject to audit)

No payments have been made to past Senior Managers (i.e. individuals who are no longer a senior manager of the CCG) during the financial year.

6. **Pension Benefits** (subject to audit)

The table at Appendix Bii details their pension entitlements. It is important to note that the pension values for the clinical members of the Governing Body relate to their Non Practitioner employment only as provided by the Business Services Authority. Whilst this will include, from 1st April 2013, the work undertaken in their capacity as a senior manager of the CCG it might also include other, non-practitioner work. These pension values will also include contributions made in previous employments in a non-practitioner role. Prior year comparators are not shown for 2012/13 as the Clinical Commissioning Group only commenced operation as an organisation on 1 April 2013.

7. **Pay Multiples** (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid member of the Governing Body and the median remuneration of the organisation's workforce.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include any severance payments employer pension contributions and the cash equivalent transfer value of pensions. It also annualises the salary of the employees, so where an employee starts or leaves during the year or works part-time hours then the salary is grossed up to reflect the salary as if that person worked full-time for 12 months. The exception to this is the non-executives on the Governing Body, where we do not pro-rata their salaries.

The mid-point of banded remuneration of the highest paid director in NHS Sheffield Clinical Commissioning Group in the financial year 2013/4 was £162,500. This was 4.0 times the median remuneration of the workforce which was £40,558.

In 2013/14 no employees received remuneration in excess of the highest paid member of the Governing Body.

Banded remuneration for CCG employees ranged from £12,600 to £162,500.

8. Off-payroll engagements

Following the Review of *Tax Arrangements of Public Sector Appointees* published by the Chief Secretary to the Treasury on 23 May 2012, CCGs must publish information on their highly paid and/or senior off-payroll engagements. Highly paid is defined as off-payroll engagements for more than £220 per day and that last longer than six months. The CCG has determined that this applies to work undertaken by a named individual, whether or not the payment is made directly to them or via a company/GP practice.

The CCG is actively seeking clinical engagement from a wide range of its GP membership in a variety of our agreed priority work areas and as a result has agreed appropriate remuneration for this work. This is not necessarily a regular pattern of work hours and hence does not fit with payroll arrangements.

The off payroll engagements as of 31 March 2014 for more than £220 per day and that last longer than 6 months are as follows: ***updated but will require final numbers as at 5 June***

	Number
The number that have existed:	
• For less than one year at the time of reporting	39
• For between one and two years at the time of reporting	0
• For between two and three years at the time of reporting	0
• For between three and four years at the time of reporting	0
• For four or more years at the time of reporting	0
Total number of existing engagements as of 31 March 2014	39

All existing off payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and where necessary that assurance has been sought.

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2013 and 31 March 2014.	43
Number of the above which include contractual clauses giving the clinical commissioning group the right to request assurance in relation to income tax and national insurance obligations.	43

Number for whom assurance has been requested	43
Of which the number:	
• For whom assurance has been received	32
• For whom assurance has not been received	11
• That have been terminated as a result of assurance not being received.	0
	Number
Number of off-payroll engagements of Governing Body members during the financial year.	3
Number of individuals that have been deemed Governing Body members during the financial year (this figure includes both off-payroll and on-payroll engagements).	20

Signed: Date:

Ian Atkinson
Accountable Officer

Appendices to the Remuneration Report

Bi) Senior Managers- Salaries & Allowances

Bii) Senior Managers – Pension Benefits

Biii) Declarations of Interest Register

Remuneration Report: Senior Managers: Salaries and Allowances

Appendix Bi

This statement is subject to review by External Audit and will inform their Audit Opinion

	2013-14					
Name and Title	**Salary & Fees** (bands of £5k) £000	**Taxable Benefits** (rounded to the nearest £00) £000	**Annual Performance Related Bonuses** (bands of £5k) £000	**Long term Performance Related Bonuses** £000	**All Pension Related Benefits** (bands of £5k) £000	**Total** (bands of £5k) £000
T Moorhead Chair of the Governing Body (and Locality appointed GP)	95 - 100	0	0	0	385 - 390	480 - 485
I Atkinson Accountable Officer	135 - 140	0	0	0	40 - 45	180 - 185
K Clifford Chief Nurse	95 - 100	0.4	0	0	30 - 35	130 - 135
T Furness Director of Business Planning and Partnerships	90 - 95	0.2	0	0	105 - 110	195 - 200
I Griffiths Chief Operating Officer	90 - 95	0	0	0	35 - 40	130 - 135
J Newton Director of Finance	105 - 110	0.2	0	0	35 - 40	140 - 145
Z McMurray Joint Clinical Director	15 - 20	0	0	0	0	15 - 20
R Oliver Joint Clinical Director	50 - 55	0	0	0	5 - 10	60 - 65
M Ainger (1 April to 18 October 2013) GP Elected Member	5 - 10	0	0	0	150 - 155	160 - 165
N Bates (From 1 January 2014) GP Elected Member	0 - 5	0	0	0	150 - 155	150 - 155
A Gill GP Elected Member	10 - 15	0	0	0	130 - 135	140 - 145
M Sloan GP Elected Member	10 - 15	0	0	0	0	10 - 15
T Turner GP Elected Member	10 - 15	0	0	0	135 - 140	150 - 155
A Afzal Locality appointed GP	10 - 15	0	0	0	230 - 235	245 - 250
A McGinty Locality appointed GP	10 - 15	0	0	0	225 - 230	235 - 240
L Sorsbie Locality appointed GP	10 - 15	0	0	0	155 - 160	165 - 170
R Davidson * Secondary Care Doctor	5 - 10	0	0	0	0	5 - 10
J Boyington CBE Vice Chair and Lay Member	10 - 15	0	0	0	0	10 - 15
A Forrest Lay Member	10 - 15	0.1	0	0	0	10 - 15
M Gamsu (From 1 July 2013) Lay Member	5 - 10	0	0	0	0	5 - 10

Notes

Taxable benefits relate to travel reimbursement and are rounded to the nearest £100s.

Pension related benefits is the increase in the annual pension entitlement determined in accordance with the HMRC method. This compares the accrued pension and the lump sum at age 60 at the end of the financial year against the same figures at the beginning of the financial year adjusted for inflation. The difference is then multiplied by 20 which represents the average number of years an employee receives their pension (20 years is a figure set out in the CCG Annual Reporting Guidance).

*Remuneration for R Davidson is made via invoice, on a contracted for services basis (i.e. not as an employee). Sheffield CCG is not responsible for making any relevant pensions

It is important to note that the pension values for the GPs of the Governing Body relate to their Non Practitioner employment only as provided by the Business Services Authority. Whilst this will include, from 1st April 2013, the work undertaken in their capacity as a senior manager of the CCG it might also include other, non practitioner work. These pension values will also include contributions made in previous employments in a non practitioner role.

Pension Benefits

Appendix Bii

This statement is subject to review by External Audit and will inform their Audit Opinion.

Name and Title	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in pension lump sum at aged 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2014 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2014 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2014 £000	Cash Equivalent Transfer Value at 31 March 2013 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to partnership pension £'00
I Atkinson, Accountable Officer	0 - 2.5	5 - 7.5	45 - 50	140 - 145	856	784	55	0
K Clifford, Chief Nurse	0 - 2.5	2.5 - 5	40 - 45	125 - 130	816	750	49	0
T Furness, Chief of Business Planning and Partnerships	2.5 - 5	12.5 - 15	25 - 30	85 - 90	568	458	100	0
I Griffiths, Chief Operating Officer	0 - 2.5	5 - 7.5	25 - 30	85 - 90	500	446	44	0
J Newton, Director of Finance	0 - 2.5	2.5 - 5	25 - 30	85 - 90	522	470	42	0
Tim Moorhead, Chair of the Governing Body	15 - 17.5	50 - 52.5	15 - 20	50 - 55	299	7	292	0
Z McMurray, Joint Clinical Director #	0	0	0	0	0	0	0	0
R Oliver, Joint Clinical Director	0 - 2.5	0 - 2.5	10 - 15	30 - 35	219	200	14	0
M Ainger, GP Elected Member (1 April to 18 October 2013)	5 - 7.5	20 - 22.5	5 - 10	20 - 25	142	26	115	0
N Bates, GP Elected Member (From 1 January 2014)	5 - 7.5	17.5 - 20	5 - 10	20 - 25	125	12	112	0
A Gill, GP Elected Member	5 - 7.5	15 - 17.5	10 - 15	35 - 40	230	112	116	0
M Sloan, GP Elected Member #	0	0	0	0	0	0	0	0
T Turner, GP Elected Member	5 - 7.5	17.5 - 20	5 - 10	25 - 30	180	88	89	0
A Afzal, Locality appointed GP	10 - 12.5	30 - 32.5	10 - 15	30 - 35	221	41	179	0
A McGinty, Locality appointed GP	7.5 - 10	27.5 - 30	10 - 15	35 - 40	188	35	152	0
L Sorsbie, Locality appointed GP	5 - 7.5	20 - 22.5	5 - 10	25 - 30	156	60	95	0
R Davidson, Secondary Care Doctor *	-	-	-	-	-	-	-	-

*Remuneration for R Davidson is made via invoice, on a contracted for services basis (i.e. not as an employee). Sheffield CCG is not responsible for making any relevant pensions contributions.

Dr McMurray and Dr Sloan have ceased to make contributions to the NHS Pension Scheme and hence no information is available to the CCG

It is important to note that the pension values for the GPs of the Governing Body relate to their Non Practitioner employment only as provided by the Business Services Authority. Whilst this will include, from 1st April 2013, the work undertaken in their capacity as a senior manager of the CCG it might also include other, non practitioner work. These pension values will also include contributions made in previous employments in a non practitioner role.

Lay Members do not receive pensionable remuneration and hence there are no entries in respect of pensions for Lay Members.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefit accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of period.

Appendix Biii

NHS Sheffield Clinical Commissioning Group Governing Body Register of Interest
(1 April 2013 to 31 March 2014)

In accordance with the CCG's constitution and section 14O of *The National Health Service Act 2006*, the CCG's accountable officer must be informed of any interest which may lead to a conflict with the interests of the CCG and the public for whom they commission services in relation to any decision to be made by the CCG. The Register will be updated regularly (at no more than 3-monthly intervals).

Governing Body (Core Members)		
Name	**Position/ Role**	**Interest Declared**
Amir Afzal	CCG GP Locality representative	• GP Partner, Duke Medical Centre • Partner Governor, SHSC (resigned 17.12.13)
Margaret Ainger (resigned 18.10.13)	CCG GP Elected City-wide Representative	• GP Partner, Page Hall Medical Centre
Ian Atkinson	Accountable Officer	• Non-Executive Director, South Yorkshire Housing Association (unpaid) • Independent Panel Member of the Dame Fiona Caldicott's Information Governance Oversight Panel (unpaid)
Nikki Bates (from 1.1.14)	CCG GP Elected City-wide Representative	• GP Partner, Porter Brook Medical Centre • Practice is provider of Occupational Health Services for students at Sheffield Hallam University • GP Appraiser • Minority stakeholder in Rivelin Healthcare Ltd
John Boyington CBE	Lay Member	• Chairman and Trustee (unpaid), Croft House Settlement a registered charity providing premises and facilities for voluntary groups to meet in Sheffield city centre • Non-Executive Director (2 days per month paid), Bury GP Practices Ltd, a Company Limited by shares which is a provider of health services

		• Trustee of the Royal Masonic Benevolent Institution, a charity providing care to 1,000 people in 17 homes across England and Wales. The position is non-remunerated. The nearest care home is situated in York • Chairman of Masonic Care Ltd, a charitable Company providing residential care to 12 people with a learning disability in Thorne, South Yorkshire
Kevin Clifford	Chief Nurse	• Chair of Corporation, Longley Park 6th Form College • Honorary Lecturer, Faculty of Medicine, Dentistry & Health, University of Sheffield
Richard Davidson	Secondary Care Doctor	• Consultant in Intensive Care Medicine & Anaesthesia / Associate Medical Director, RTT, Anaesthetic Department, Bradford Teaching Hospitals NHS Foundation Trust
Amanda Forrest	Lay Member	• Director, Weetwood Gardens Management Company • Director, Sheffield Cubed (voluntary sector organisation)
Tim Furness	Director of Business Planning and Partnerships	• Nil return
Mark Gamsu	Lay Member	• Director, Local Democracy and Health Ltd (public health consultancy) • Co-ordinator of European Health Equity Programme, UK Health Forum (national voluntary organisation) • Trustee, Voluntary Action Sheffield • Trustee, Sheffield Mental Health CAB (organisation does not receive contract funding from the CCG) • Trustee, Community Legal Advice Service South Yorkshire (organisation does not receive contract funding from the CCG) • Committee Member, Darnall Wellbeing (organisation does not receive contract funding from the CCG) • Trustee, Citizens Advice • Trustee, INVOLVE Yorkshire and Humber
Anil Gill	CCG GP Elected City-wide Representative	• GP appraiser (ad hoc basis) • GP Principal, Selborne Road Medical Centre

Idris Griffiths	Chief Operating Officer	• Nil return
Andrew McGinty	CCG GP Locality representative	• Partner, Woodhouse Health Centre • Director, Woodhouse Health Services Ltd • Partner in a shareholding practice, Primary Provider Ltd
Zak McMurray	Joint Clinical Director	• Partner, Woodhouse Health Centre • Director, Woodhouse Health Care Services Ltd • Shareholder, PPL • Trustee, Talbot Trusts
Tim Moorhead	CCG GP Locality representative CCG Chair	• Senior Partner, Oughtibridge Surgery • Minority shareholder, Rivelin Healthcare Ltd • Executive Member of Local Medical Committee
Julia Newton	Director of Finance	• Nil return
Richard Oliver	Joint Clinical Director	• GP Partner, Ecclesfield Group Practice • Practice Investigation, Ecclesfield Group Practice • Partner Governor SCHFT • Member, Sheffield Local Medical Committee
Marion Sloan	CCG GP Elected City-wide Representative	• GP Principal, Sloan Medical Centre • Clinical Assessor, STHFT • Lead GP, Gastroenterology Community Service • Sessional GP, GP Collaborative
Leigh Sorsbie	CCG GP Locality representative	• GP Partner, Firth Park Surgery • Partner Governor, STHFT

Ted Turner	CCG GP Elected City-wide Representative	• GP Partner and Principal, Shiregreen Medical Centre • Trustee, SOAR Southey and Owlerton Area Regeneration • Committee Member, Sheffield Local Medical Committee

Statement of Accountable Officer's Responsibilities

The National Health Service Act 2006 (as amended) states that each Clinical Commissioning Group shall have an Accountable Officer and that Officer shall be appointed by the NHS Commissioning Board (NHS England). NHS England has appointed Ian Atkinson to be the Accountable Officer of the Clinical Commissioning Group.

The responsibilities of an Accountable Officer, including responsibilities for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper accounting records (which disclose with reasonable accuracy at any time the financial position of the Clinical Commissioning Group and enable them to ensure that the accounts comply with the requirements of the Accounts Direction) and for safeguarding the Clinical Commissioning Group's assets (and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities), are set out in the Clinical Commissioning Group Accountable Officer Appointment Letter.

Under the National Health Service Act 2006 (as amended), NHS England has directed each Clinical Commissioning Group to prepare for each financial year financial statements in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Clinical Commissioning Group and of its net expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the financial statements, the Accountable Officer is required to comply with the requirements of the *Manual for Accounts* issued by the Department of Health and in particular to:

- Observe the Accounts Direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the *Manual for Accounts* issued by the Department of Health have been followed, and disclose and explain any material departures in the financial statements; and,
- Prepare the financial statements on a going concern basis.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my Clinical Commissioning Group Accountable Officer Appointment Letter.

Signed: Date:

Ian Atkinson
Accountable Officer

Annual Governance Statement

1 Introduction

The clinical commissioning group was licenced from 1 April 2013 under provisions enacted in the Health & Social Care Act 2012, which amended the NHS Act 2006. The clinical commissioning group operated in shadow form prior to 1 April 2013, to allow for the completion of the licencing process and the establishment of function, systems and processes prior to the clinical commissioning group taking on its full powers.

As at 1 April 2013, the clinical commissioning group was licensed without conditions.

Sheffield clinical commissioning group was created a whole city CCG (with four localities) and a geography coterminous with our Local Authority, Sheffield City Council. Previously there had been a whole city Primary Care Trust for Sheffield. This consistency, together with a very effective period of shadow operating including for example full Governing Body meetings in public since November 2012, has supported our clinical commissioning group in having well developed governance and business systems and ways of working before 1 April 2013. It meant the transition to working as a separate statutory organisation from 1 April 2013 proved straight forward and we experienced few “teething” issues. However, during 2013/14 the clinical commissioning group has pursued a wide ranging programme of organisational development and at Governing Body meetings we have had a substantial focus on governance issues. We have monitored our progress as we aim to be a strong and effective clinically led commissioning organisation, both within local and national networks, to achieve high quality, value for money services for the people of Sheffield.

2 Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the clinical commissioning group’s policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*. I also acknowledge my responsibilities as set out in my Clinical Commissioning Group Accountable Officer Appointment Letter.

I am responsible for ensuring that the clinical commissioning group is administered prudently and economically and that resources are applied efficiently and effectively, safeguarding financial propriety and regularity.

3 Compliance with the Corporate Governance Code

Whilst the detailed provisions of the UK Corporate Governance Code are not mandatory for public sector bodies, compliance is considered to be good practice. This Governance Statement is intended to demonstrate the clinical commissioning group’s compliance with the principles set out in the Code. For the financial year ended 31 March 2014, and up to the date of signing this statement, we complied with the provisions set out in the Code, and applied the principles of the Code. Specifically in terms of the five elements of the Code we can demonstrate:

i) **Principle Leadership**

NHS Sheffield CCG is headed by an effective unitary Governing Body comprised of Clinical Leads, Executive Directors and Lay Members each with clear understanding of individual and collective responsibilities. There is a clear division of responsibilities with no one individual having unfettered powers of decision.

The Chair is responsible for leadership of the Governing Body and ensuring its effectiveness on all aspects of its role and in particular a clear process for decision making. Our three Lay Members are valued for their impartial focus and expertise. Their role is to oversee key elements of governance including audit, remuneration, and engagement, including conflicts of interest. We rely on their constructive challenge as well as them assisting in the development of strategy. All committees are chaired by a Lay Member.

The Governing Body sets the clinical commissioning group's strategic aims and, with a revenue resource limit of £684.4m for programme spend and £14.1m for running costs for 2013/14, ensures that the necessary financial and human resources are in place for the organisation to meet its objectives.

ii) **Principle of Effectiveness**

The Governing Body and its committees draw their membership from a broad pool of NHS staff, clinicians and lay members, providing the appropriate balance of skills, experience, independence and knowledge of the organisation to enable them to discharge their respective duties and responsibilities effectively. There is a formal process of reviews where time commitment of members is appraised. This is evidenced by the decision to recruit a third Lay Member in July 2013.

A comprehensive Organisational Development programme is in place, primarily targeting the needs of Governing Body members, but also open to other clinical leads where appropriate, enabling them to regularly update and refresh their skills and knowledge and support the CCGs programme for succession planning.

To enable the Governing Body to discharge its duties, information is received in a timely manner well in advance of meetings, with a choice of formats (hard or electronic). All papers presented at Governing Body and Committee meetings follow a recommended format including a standard front sheet, with three important functions:

- Quickly draws members' attention to the key issues and recommendations.
- Clearly states how the main body of the paper provides assurance that identified risk are being controlled
- Provides evidence of the CCGs compliance with the requirements of the Equality Act 2010 and its duty to secure public involvement in the planning of commissioning arrangements

The Governing Body reviews its own performance and that of its committees annually with findings and recommendations being formally reported in its public facing meetings. Executive directors and lay members are subject to formal assessment and appraisal processes.

iii) **Principle of Accountability**

The Governing Body presents a balanced and understandable assessment of the organisations position and prospects via a number of routes including,

- Papers presented to each Governing Body meeting, (eg Finance, Quality and Delivery reports)
- The development and publication of an Annual Plan
- The development of publication of an Annual Report
- Meetings of the Members' Council.

The Audit and Integrated Governance Committee (AIGC) is chaired by an independent Lay Member with relevant financial experience. The AIGC is responsible for reviewing the CCG's internal control and risk management systems;

iv) **Principle of Remuneration**

The Remuneration Committee oversees the appointment of all Governing Body Members and has delegated authority to determine their remuneration and conditions of service, taking into account any national Directions or guidance on these matters. The Committee has the delegated authority to review the performance of the Chief Officer (Accountable Officer) and other senior CCG employees and determine any financial awards as appropriate.

v) **Principle of Relations with Stakeholders**

All Governing Body members actively engaged in some form of dialogue with our stakeholders, be they constituent practices, partner organisations or our citizens, we seek to cultivate a mutual understanding of objectives.

We undertake this by sharing information in a variety of ways including:

- Publishing an annual report
- The Annual General Meeting
- Cross organisation Board Meetings
- Members' Council Meetings
- General Public Meetings
- Public facing web site

4 The Governance Framework of the Clinical Commissioning Group

The National Health Service Act 2006 (as amended), at paragraph 14L(2)(b) states:

"The main function of the governing body is to ensure that the group has made appropriate arrangements for ensuring that it complies with such generally accepted principles of good governance as are relevant to it."

4.1 Constitution

NHS Sheffield Clinical Commissioning Group (CCG) is a member organisation comprising 88 member practices and our Constitution has been approved by them. The Constitution reflects how the organisation operates. It sets out the CCG's powers and functions and describes our mission, values and aims and how these are delivered though the governance framework.

Our Constitution includes:

- Membership and the area we cover
- Our Mission, Values and Aims
- Functions and duties

- Decision Making: The General Structure
- Roles and Responsibilities
- Standards of Business Conduct and Managing Conflicts of Interest
- The CCG as Employer
- Transparency and Ways of Working
- Standing Orders, Scheme of Reservation and Delegation and our Prime Financial Policies
- Terms of Reference of the CCG's formal Committees and sub-Committee

We reviewed and updated our Constitution in June 20213 when the following changes were proposed and agreed by NHS England

- Changes to reflect joint arrangements with the Clinical Commissioning Groups from South Yorkshire & Bassetlaw, Hardwick and North Derbyshire; for the CCG Collaborative Commissioning Arrangements (known as "CCGCOM"). The CCG has entered into a Memorandum of Understanding to support this arrangement.

- The appointment of an additional lay member to increase the impartial external view and strengthen the oversight of key elements of governance and patient voice.

- Strengthening the definitions in relation to the issue of any press release or other public statement or disclosure and further emphasis with regard to whistleblowing

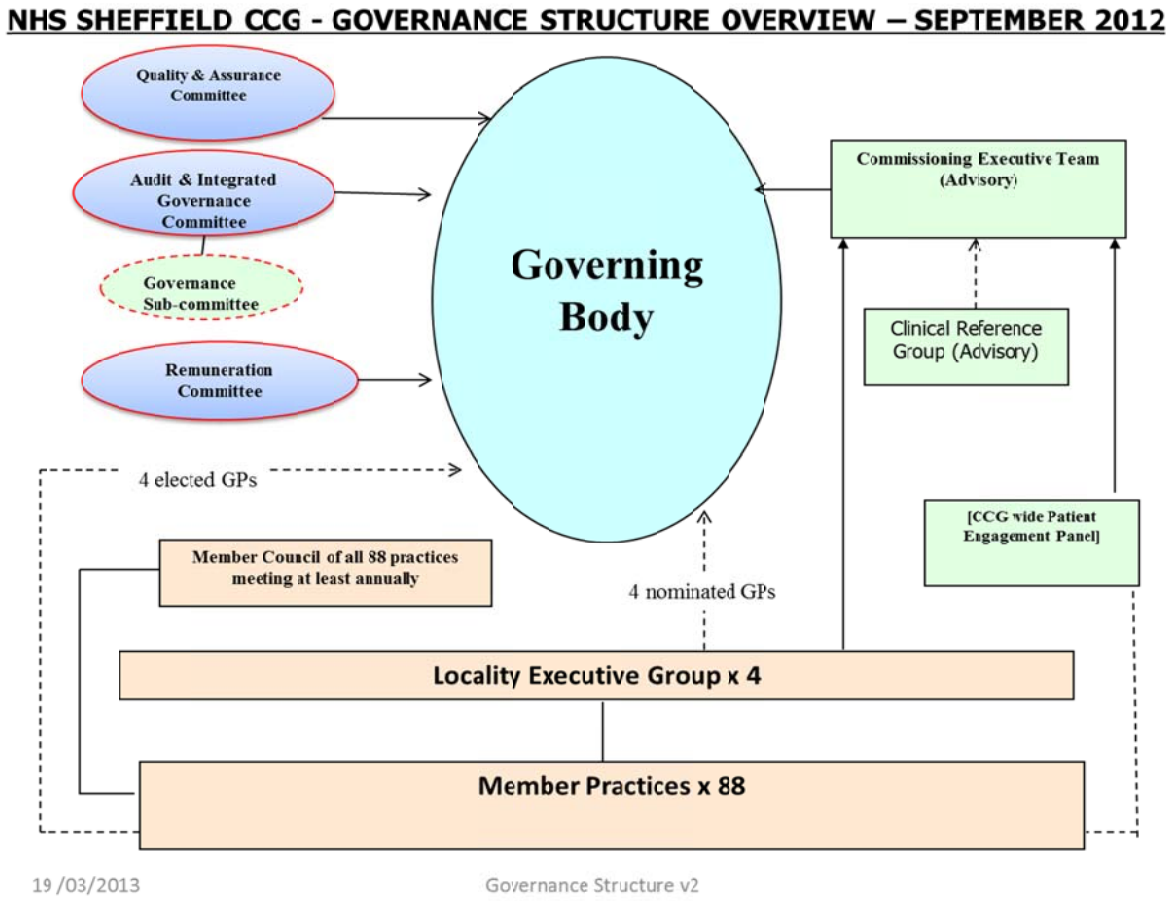
- Minor changes to detail within our Prime Financial Policies, Standing Orders and Scheme of Reservation and Delegation

- Reference to the inclusion of an Annual Review of the Register of Interests.

Our Constitution particularly through our Scheme of Reservation and Delegation make it clear the respective responsibilities of our Members Council (membership body) and our Governing Body and its Committees. With the exception of changes to the Constitution all powers and responsibilities have been delegated to the Governing Body.

The governance or accountability structure (figure 1) outlines the systems and processes that allow us to achieve our strategic objectives and establish the extent to which services are commissioned in an appropriate and cost effective way.

Fig 1



4.2 Governing Body, Committees, Sub-committees and Joint Committees

The first meeting of the Governing Body following Authorisation was held on 4 April 2013. The Governing Body has met on the first Thursday of each month throughout the period 1 April 2013 to 31 March 2014 (in January 2014 it met on the second Thursday due to the bank holiday period) with the exception of August 2013, and was quorate at each meeting. Attendance is monitored as part of our monitoring systems and details of attendance are available on all Governing Body minutes which are published on the CCG webpage http://www.sheffieldccg.nhs.uk/about-us/GB-meetings.htm

The Governing Body has a clear division of individual's responsibilities, with no one individual having unfettered powers of decision. It is collectively responsible for the long term success of the CCG and comprises:

- CCG Chair
- Accountable Officer
- 2 Clinical Directors (joint post)
- 4 Elected GP members
- 4 Locality appointed GP members (one is the CCG Chair)
- 3 Lay Members (one is the CCG Vice Chair)
- 1 Secondary Care Doctor
- Chief Operating Officer
- Director of Finance

- Chief Nurse
- Director of Business Planning and Partnerships

The Chair is responsible for leadership and ensuring effectiveness of the Governing Body. The Governing Body and its committees draw their membership from a broad pool of NHS clinicians, staff, and lay members, providing the appropriate balance of skills, experience, independence and knowledge of the organisation to enable them to discharge their respective duties and responsibilities effectively.

The CCG aspires to be a strong and forward thinking organisation. Its success depends on strong partnerships with constituent practices, local communities and external organisations. Members of the Governing Body have proactively sought strong relationships collectively and individually through:

- "Board to Board" meetings where the Governing Body met with the Boards of our Acute Trusts
- Joint working through Partnerships Boards with the Local Authority
- Joint working through partnership arrangements with neighbouring CCGs and Core City CCGs
- A joint arrangement with the Clinical Commissioning Groups from South Yorkshire and Bassetlaw, Hardwick and North Derbyshire for the CCG Collaborative Commissioning Arrangement (known as CCGCOM)
- Joint working with the Sheffield Universities for the delivery of education and development; The CCG is working with Sheffield Universities and West and South Yorkshire and Bassetlaw Commissioning Support Unit (WSYB CSU) to develop a bespoke programme for clinical leadership and succession planning.
- Joint working with NHS England at both national and local area team levels

Performance / Highlights of Governing Body:

The Governing Body is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. During 2013/14 it has maintained sound risk management and internal control system as described in the Risk Management and Internal Control Framework sections.

A range of governance and strategy reports have been considered by the Governing Body including assurances on quality, finance and performance. Meetings are held in public and agendas, papers, and minutes are published on the CCG website. All Governing Body agendas include the requirement for declarations of interest.

The Governing Body receives information in a timely manner in a form and of a quality appropriate to enable it to discharge its duties. This has been a priority area in 2013/14 and is an area which is kept under continuing review and enhancement.

In December 2013 the Governing Body scrutinised its own performance, its committees and other working groups that encompass our decision making process. A number of recommendations were made following best practice, including a conscious decision to increase the amount of time dedicated to decision-making by reducing the amount of papers for noting, and ensuring that the agenda comprise of at least 60% strategy, and a minimum of 20% clinical and quality matters.

Executive directors, clinical leads and lay members are subject to formal assessment and appraisal processes. A comprehensive induction and bespoke development programme is in place for all Governing Body members, the 2013/14 Programme has included:

- Identifying and managing conflicts of interest
- Public and patient engagement
- Assurance and risk management
- Safeguarding vulnerable people
- Commissioning, contracting and legal aspects of procurement
- Information Governance
- Stakeholder engagement
- Engaging with our members
- Integration of health and social care services

4.2.1 Committees

To support the Governing Body in carrying out its duties effectively, the following committees with delegated responsibilities have been formally established:

- Audit and Integrated Governance
- Quality Assurance
- Remuneration

Each Committee has formal terms of reference which form part of our Constitution, and provides summary reports to the Governing Body. The terms of reference of each of these committees were reviewed in December 2013 to ensure they remained fit-for-purpose and offered stringent governance assurance.

Audit and Integrated Governance Committee (AIGC)
This Committee is chaired by the Lay Member with a lead role in overseeing key elements of financial management and audit. The AIGC has delegated responsibility for critically reviewing the CCG's financial reporting and internal control principles and for maintaining an appropriate relationship with internal and external audit and the CCG's counter fraud service.

The Committee also has delegated authority to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the CCG's activities.

The Committee is underpinned by the functions of the Governance Sub-committee and ongoing dialogue with internal and external auditors. The Committee met on four occasions during the year, considering relevant issues per its annual work plan.

Performance / Highlights of Audit and Integrated Governance Committee
The Committee operated in shadow form throughout 2012/13 and so in its first year of formal operation was able to work effectively and build on the knowledge and experience of a full cycle of work in 2012/13. key areas of the Committee work in 2013/14 included:

- Approval of the annual programme of work to be undertaken by Internal Audit and Counter Fraud services and in year monitoring of delivery against the

plan, ensuring officers followed up on recommendations within finalised reports.

- Receipt of update reports from External Audit as the CCG prepared to produce its first set of Annual Accounts. Committee also approved the CCG's accounting policies.
- In line with its delegated responsibilities, the Committee approved detailed CCG financial policies, including on Budget Management, Commercial Sponsorship, Tendering, Losses and Special Payments, Anti- Fraud, Bribery and Corruption
- All members and key attendees at the Committee completed a self-assessment questionnaire to assess the effectiveness of the Committee in January 2014. The largely very positive results were considered at the March 2014 meeting and development areas agreed.
- Ongoing review of various aspects of internal control including updates by exception on issues from the CCG's Assurance Framework and Risk Register, along with minutes and reports from Governance sub-committee.

Quality Assurance Committee (QAC)

This Committee has responsibility for seeking assurance that all providers with whom the clinical commissioning group places service contracts are delivering high quality and safe care, and that a culture of continuous quality improvement is embedded within organisations and services. The committee meets quarterly and has provided exceptional reporting to Governing Body on quality concerns and good practice. During the year it has streamlined reporting and prioritised areas for discussions with providers where serious concerns are raised, to enable decision making on future actions.

Performance / Highlights of Quality Assurance Committee:

The Committee worked in shadow form during 2012/13, but has more clearly developed and defined its key functions during the 2013/14.

The committee reviewed the core responsibilities of the CCG as a result of the changes to the national commissioning infrastructure from April 2013 including new services such as 111. It has led the work by the CCG to respond to the recommendations of the Francis Report.

A full governance review was undertaken in December 2013 and membership and terms of reference were reviewed to reflect new responsibilities. There has been an expansion of membership to include Healthwatch, a GP quality lead, and more recently an external acute provider medical representative to enhance the effectiveness of the committee.

Remuneration Committee

The Remuneration Committee is chaired by the Lay Member with a lead role in overseeing key elements of financial management and audit. The Committee is delegated to oversee the appointment of all Governing Body members and to determine their remuneration and conditions of service, taking into account any national Directions or guidance on these matters. The Committee also reviews the performance of the Accountable Officer and other senior CCG employees and determines any financial awards as appropriate. In addition, the Committee has delegated authority to consider the severance payments of the Accountable Officer and of other senior staff. The Committee advises the Governing Body on its

determinations about allowances under any pension scheme it might establish as an alternative to the NHS pension scheme and on any other potential alternative remuneration and conditions of service for CCG employees outside of, or in place of, national Agenda for Change arrangements.

Performance / Highlights of Remuneration Committee:
During 2013/14 key areas considered by the Committee included:

- Review of tenure, roles and remuneration of Lay Members
- CCG Chair Remuneration
- Accountable Officer, Director of Finance and other Executive Directors Remuneration including the Clinical Director
- Election of Governing Body GPs and their remuneration
- Review of work by the CCG to ensure compliance with HM Treasury requirements for individuals undertaking work for the CCG "off payroll"

Committee Membership and Attendance

The table below sets out details of membership and attendance at each of the clinical commissioning group's Committees. All meetings of all committees were quorate throughout the year.

Committee	Membership	Role	Attendance	
All committees meet quarterly or as necessary			actual	possible
Audit & Integrated Governance	John Boyington	Lay Member and Chair	3	4
	Amanda Forrest	Lay Member and Vice Chair	2	4
	Andrew McGinty	CCG GP Governing Body Member	4	4
	Leigh Sorsbie	CCG GP Governing Body Member	4	4
Quality & Assurance	Amanda Forrest	Lay Member and Chair	4	4
	Kevin Clifford	Chief Nurse and Vice Chair	2	4
	Jane Harriman	Deputy Chief Nurse	3	4
	Zak McMurray	Joint Clinical Director	2	4
	Peter Magirr	Head of Medicines Management	1	4
	Amir Afzal	CCG GP Lead for Quality	4	4
Remuneration Committee	John Boyington	Lay Member and Chair	3	3
	Amanda Forrest	Lay Member and Vice Chair	3	3
	Amir Afzal	CCG GP Governing Body Member	2	3
	Ted Turner	CCG GP Governing Body Member	2	3
	Anil Gill	CCG GP Governing Body Member	1	3
	Ian Atkinson	Accountable Officer	3	3

4.2.2 Sub Committees

The Governance Sub-committee was established as a sub-committee of the Audit and Integrated Governance Committee (AIGC) with a remit to ensure that a sound system of integrated governance, risk management and internal control is in place to support the achievements of the CCG's objectives and to provide the AIGC, and ultimately the Governing Body, with assurance as both an employer and a statutory body.

The Governance sub-committee receives reports on high level risks, reviews the Risk Register and scrutinises any new organisational risks and their associated risk scores. It receives reports from a number of sub groups including Information Governance, Freedom of Information, Health and Safety and the Equalities Action Group. Reports to the sub-committee include quarterly updates in relation to human resources, finance, business continuity, business planning, and legal claims. The sub-committee also receives reports with regard to the review and implementation of CCG policies. Updates are provided with regard to financial governance, general incident reports, quarterly HR updates and claims and litigation.

Performance / Highlights of Governance Sub-Committee

Governance Sub-Committee has grown into its key roles and functions during 2013/14 after a fairly slow start. Most importantly it has overseen the successful implementation of a much improved Corporate Risk Management system during Quarter 2 and designed and developed a new look Assurance Framework for use by the CCG. It reviewed all new risks input to the Risk Register confirming the level of risk, as well as providing scrutiny and challenge where gaps in control and assurance continue to remain unaddressed or where there has been little progress in reducing the level of risk. During 2013/14 the Governance Sub-committee also approved and reviewed a number of corporate and HR policies.

4.2.3 Joint Committees

The CCG has not been party to any formal joint committees. However, as already stated, a joint arrangement is in place with the Clinical Commissioning Groups from South Yorkshire and Bassetlaw, Hardwick and North Derbyshire for the CCG Collaborative Commissioning Arrangements (known as CCGCOM) which works under agreed terms of reference to collaboratively commission services where the CCGs agree that will be beneficial. The committee does not have delegated authority from Governing Bodies, but operates with the authority of its members - Chairs and Chief Officers - with decisions not delegated to those members being referred to respective Governing Bodies.

5. Risk Management Framework of the Clinical Commissioning Group

The CCG's Risk Management Strategy, together with its policies and procedures, was in place throughout 2013/14 and will be subsequently reviewed on an annual basis. Governing Body received the Risk Management Strategy with associated action plan for approval at its first meeting on 4 April 2013. It delegated to Governance sub-committee the responsibility for ensuring delivery of the action plan, reporting progress to the Audit and Integrated Governance Committee.

The CCG has adopted a local and systematic method of identifying, analysing, assessing, treating, monitoring and communicating risk. This process included the context in which risk had been managed. Front cover sheets of reports to the CCG's

Governing Body and Committees and sub-committees make the link to any associated risks to the achievement of the organisation's objectives.

We have effective controls in place to enable risk to be assessed and managed. The strategy sets out the aims of the CCG to ensure that the staff, patients, visitors, reputation, and finances associated with the CCG are protected through the process of risk identification, assessment, control and elimination/reduction. The strategy sets out the accountability arrangements in terms of risk management, including roles and responsibilities. The Company Secretary is designated as the lead officer for implementing the system of internal control, including the Risk Management Strategy.

The objective of the CCG's Risk Management Strategy is to create a framework to achieve a culture that encourages staff to:

- Identify and control risks which may adversely affect the operational ability of the CCG
- Compare risks using a grading system
- Where possible, eliminate or transfer risks or reduce them to an acceptable and cost effective level, otherwise ensure the organisation openly accepts the remaining risks.

Risks are identified from a number of sources, including the Governing Body, the Executive Directors, staff, the Assurance Framework, internal and external audit reports and risk assessments. Monitoring, evaluation and control have been further developed throughout the year and all identified risks are included on the corporate risk register or Governing Body Assurance Framework. The Governance Sub-committee receives a report on all new risks and progress on addressing the high level risks at every meeting. Further details on our risk assessment methodology can be found in section 7 of this report.

Risk management is embedded within the organisation through delivery of the Risk Management Strategy and also through assessments of specific risks including information governance, equality impact assessment and business continuity.

All papers presented at Governing Body and Committee meetings follow a recommended format including a standard front sheet that provides a clear summary of:

- assurance that identified risks are being controlled
- evidence of the CCG's compliance with the requirements of the Equality Act 2010
- evidence of public engagement

There is a process for the reporting, management, investigation and learning from incidents. We have in place a Senior Information Risk Owner to support our arrangements for managing and controlling risks relating to information/data security.

A counter fraud report is received at each meeting of the Audit and Integrated Governance Committee, the aim of which is to ensure members are made aware of the activity undertaken by the Local Counter Fraud Specialist (LCFS). The content of the report is formatted to comply with the requirements of the NHS Counter Fraud Manual, outlining where relevant activity has taken place across the seven generic areas of the work of the Local Security Management Service (LSMS):

- Anti-fraud culture
- Deterrence
- Prevention
- Detection
- Investigations
- Sanctions
- Redress

The CCG is able to assure itself of the validity of its Annual Governance Statement through review and challenge of the statement by the Audit and Integrated Governance Committee and review by the senior management team.

6. Internal Control Framework of the Clinical Commissioning Group

A system of internal control is the set of processes and procedures in place in the Clinical Commissioning Group to ensure it delivers its policies, aims and objectives. It is designed to identify and prioritise the risks, to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control allows risk to be managed to a reasonable level rather than eliminating all risk; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Governing Body Assurance Framework (GBAF) is the key document which provides an overview of the controls and assurances in place to ensure that the CCG is able to achieve its strategic objectives and manage the principal risks identified. Our GBAF is discussed in more detail in section 7 below.

6.1 Information Governance – Data Security

The NHS Information Governance Framework sets the processes and procedures by which the NHS handles information about patients and employees, in particular personal identifiable information. The NHS Information Governance Framework is supported by an information governance toolkit and the annual submission process provides assurances to the CCG, other organisations and to individuals that personal information is dealt with legally, securely, efficiently and effectively.

Sheffield CCG places high importance on ensuring there are robust information governance systems and processes in place to help protect patient and corporate information. We have a named Senior Information Risk Owner (SIRO), Caldicott Guardian and Information Governance Lead and access to information governance subject matter expertise from its Commissioning Support Unit. The CCG has an Information Governance Group that reports to the Governance Sub-committee and addresses information governance matters for the CCG.

The CCG completed its Information Governance Toolkit (IGT) in October 2013 and achieved the required minimum level 2 in all relevant standards, which cover the areas of:

- Information Governance Management
- Confidentiality and Data Protection Assurance
- Information Security Assurance
- Clinical Information Assurance

Specific work was undertaken to ensure that the predecessor organisation, NHS Sheffield Primary Care Trust, records were transferred to the appropriate successor organisation or, where appropriate, sent to public archive or destroyed.

The review of the CCG's arrangements for Information Governance by internal audit had an outcome demonstrating significant assurance.

The CCG has had no Serious Untoward Incidents relating to data security breaches in 2013/14.

The CCG was adversely affected at the beginning of the financial year by new national restrictions with regard to patient identifiable data. The CCG continues to work locally and nationally to secure a sustainable model for information governance that provides adequate restrictions and safeguards for the use of patient identifiable data whilst allowing the smooth delivery of our commissioning responsibilities in areas such as out of area referrals and individualised commissioning (eg CHC).

In recognition of the many changes associated with the flow of information upon the introduction of the 2012 Health and Social Care Act, I have personally taken a representative view nationally on the Information Governance Board to improve information flows across commissioning. I am also an independent member of Dame Fiona Caldicott's Information Governance Oversight panel.

6.2 Incident Reporting

There is an Incident Reporting Policy in place and staff are encouraged to report all incidents. The Incident Reporting Policy has been recently reviewed and will be presented to the Governance Sub-committee in May 2014 for formal approval. The CCG will be rolling out on-line incident reporting to all staff from 1 April 2014.

Of fundamental importance is the CCG's commitment to the ongoing development of a 'culture of openness' where incident reporting is openly and actively encouraged and a progressively 'risk aware' workforce.

6.3 Public stakeholders' involvement in managing risks

The CCG values the involvement of public stakeholders in its local and collective decisions, and we utilise various engagement approaches to ensure an inclusive approach to involving the diversity of our citizens. To this effect, we have considered a number of key elements for involving public stakeholder set out in:

- The White Paper, '*Equity and Excellence: Liberating the NHS'*
- Health and Social Care Act 2012
- The NHS Constitution

In addition to direct contact with our citizens through public meetings, we consult with relevant Overview and Scrutiny Committees, and work in partnership with our local Healthwatch and local voluntary and community groups.

6.4 Pensions Obligations

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the scheme are in accordance

with the scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

6.5 Equality, Diversity & Human Rights Obligations

Control measures are in place to ensure that all the CCG's obligations under equality, diversity and human rights legislation are complied with.

6.6 Sustainable Development Obligations

The clinical commissioning group is required to report its progress in delivering against sustainable development indicators. The CCG has undertaken risk assessments, and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that Sheffield CCG's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

7 Risk Assessment in Relation to Governance, Risk Management and Internal Control

The CCG has sought to ensure that risk assessment and management is embedded throughout the organisation, with risks being identified from a number of sources, including the Governing Body, senior management, staff and reports from internal audit. Monitoring, evaluation and control systems have been reviewed and improved throughout the year. All identified operational risks are included on our Risk Register and all strategic risks on the Governing Body Assurance Framework (GBAF).

The Governance sub-committee has been given the responsibility of routinely receiving a report of all new risks and progress on addressing high level risks and any identified gaps in assurance and control at each meeting. From Quarter 2 a system was put in place to ensure lead directors with their managers from each directorate were responsible for regularly reviewing and updating both the GBAF and the Risk Register.

The Audit and Integrated Governance Committee has responsibility for oversight of the CCG's risk management arrangements and receives update reports at each of its quarterly meetings.

The Governing Body considers specific risk issues and receives minutes from Committees including the Audit and Integrated Governance Committee and Quality Assurance Committee. The Governing Body also routinely receives information on Serious Untoward Incidents (SUIs) including lessons identified and learned.

The Governing Body was provided at its July 2013 meeting with:

- a full report of the initial Assurance Framework for consideration and approval
- an overview of the processes undertaken to produce the initial GBAF
- the work to date to produce a new Risk Register for the CCG to capture its operational risks
- the position in respect of risks on the Risk Register which were assessed as very high – i.e. having a score of 15 or over.

It has received further update reports throughout the year.

Overall responsibility of the CCG's systems of internal control and preparation of Annual Governance Statement is delegated to the Accountable Officer. The Director of Finance has delegated responsibility for ensuring that the CCG has in place a system for checking and reporting breaches of financial policies; and a proper procedure for checking the adequacy and effectiveness of the control environment

7.1 Risk Assessment Methodology

A standard 5 x 5 matrix was used to assess risk which incorporates both consequence and likelihood as detailed in fig 2:

Fig 2

Risk Matrix		Likelihood				
		1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
Consequence	1 Negligible	1	2	3	4	5
	2 Minor	2	4	6	8	10
	3 Moderate	3	6	9	12	15
	4 Major	4	8	12	16	20
	5 Extreme	5	10	15	20	25

1 to 3	Low
4 to 9	Medium
10 to 14	High
15 to 19	Very High (Serious)
20 to 25	Critical

In accordance with the CCG's Risk Management Strategy, senior managers have initial responsibility for identifying and managing operational risks within their areas of responsibility and all staff are required to report potential risks to their line manager. When a risk has been confirmed it is added to Risk Register and rated using the standard NHS 5 x 5 scoring system. From Quarter 2 this has been via the new on-line system. Under the new system, each risk has a risk owner, senior manager, director, although this may be the same individual for all three levels. There is a 12 week review cycle during which each risk must be reviewed at each level before the risks are archived. Each team is encouraged to review its risks at monthly team meetings.

Every new risk identified is reviewed by the Governance Sub-committee who confirm any actions required in order to reduce the level of risk, together with the risk rating. A protocol in support of the Risk Register has been established, which sets out the

requirements and the reporting arrangements, and has been circulated to risk owners

The newly developed GBAF was established to record strategic risks, and is updated by executive directors/deputies on a quarterly basis. Identified gaps in control and assurance are reported to the Governance Sub-committee who review each of the gaps. A protocol has been developed advising staff on how to use the GBAF spreadsheet.

7.2 Governing Body Assurance Framework (GBAF)

The CCG developed a GBAF during its shadow year of 2012/13 which it adopted as an interim framework. During quarter 1 of 2013/14 significant work was undertaken to develop a completely new GBAF both in terms of content and style of presentation. As noted above, it was considered and approved at Governing Body in July 2013.

Our GBAF identifies our five strategic objectives (the first four taken from our Prospectus and the fifth from our authorisation process), the principal risks to delivery of these and any gaps in assurance and control. The five objectives are:

- To improve patient experience and access to care
- To improve the quality and equality of healthcare in NHS Sheffield CCG
- To work with Sheffield City Council to continue to reduce health inequalities in NHS Sheffield CCG
- To ensure there is a sustainable, affordable healthcare system in Sheffield
- Organisational development to ensure the CCG meets organisational health and capability requirements set out in the 6 domains (Annex C NHS England CCG Assurance Framework)

The GBAF is designed to meet the requirements of the Annual Governance Statement, providing a structure and process to enable the organisation to focus on the high level strategic and reputational risks with the potential to compromise the achievement of its strategic objectives. The framework is a dynamic tool that maps out key controls and highlights any gaps in controls and assurances to mitigate the risks, and provides a mechanism to assure the Governing Body of the effectiveness of these controls. It is part of the wider governance and assurance framework to ensure the CCG's performance across the full range of its commissioning activities is monitored and managed; resulting in targets being met, objectives achieved, and good outcomes for patients. Crucially, the GBAF provides the Governing Body with confidence that systems and processes in place are operating in a way that is safe and effective.

The GBAF is the responsibility of the Company Secretary/Head of Corporate Governance and is formally reviewed by each Risk Lead (Executive Directors) on a quarterly basis. This is to ensure the controls and assurances remain valid and any identified gaps are mitigated by timely implementation of clearly defined.

There have been 18 strategic risks on the GBAF since it was approved in July 2013. Initially three risks were categorised as very high (scores of 16) and a further six risks were categorised as high (scores of 12) with the remaining nine risks categorised as medium (score of 9). At the end of quarter 4 (31 March 2014), I am pleased to report that primarily through the actions we have taken to manage these

key risks, our assessment is that none should be categorised as high. The final year end position is as follows:

Risk Score	Number	Category of Rating
9	7	Medium
8	3	Medium
6	5	Medium
4	3	Medium

During the period, gaps in control and assurance were identified, action plans put into place and risks monitored.

There were no principal risks identified in relation to compliance with the CCG licence.

7.3 Operational Risk Register

During Quarter 1 led by the Executive Directors a review of all the risks previously held on the Datix system inherited from its predecessor PCT was undertaken. From this a control list was produced, recording and risk rating those risks which Directors considered relevant to carry forward. In addition, new risks were identified which related solely to the CCG from April 2013. The process "stripped out" strategic risks which were instead captured on the Assurance Framework for 2013/14. Following this review, a risk management system was tested and adopted and was made available through our Service Level Agreement (SLA) with West and South Yorkshire and Bassetlaw Commissioning Support Unit (CSU). The strengths of the system ensured that operational risk management was embedded as an integral part of the management approach to achieving our objectives. More importantly, the system ensured the management of operational risk was both collectively and individually responsibly managed through the new processes, as well as committee and management structures. The adopted system has created a framework for continuous review of operational risks, whilst at the same time has provided assurance that identified risks are controlled and managed by risk leads who sign-off the register review process and assure data quality risk management reviews. The new system was introduced during quarter 2 and has become more embedded in the work of teams within the CCG during the second half of the year.

Current Risks

During the year 42 risks were identified and added to the Risk Register. The Governance Sub-committee receives a quarterly report highlighting progress of all open risks on the register. The Governance Sub-committee also reviews the level of risk of all new risks identified as well as recommending additional controls and challenging continuing gaps in control and/or assurance.

As at 31 March 2014 there were 12 identified risks included on the operational risk register classified as high (a rating of 12 or over) of which two risks identified as 'Major' with scores of 16 (4 x 4).

Whilst the Governance Sub-committee has paid particular attention to risks ranked 12 or above, where possible, action is taken to reduce risks at all levels as many of the lower level risks can be mitigated with limited resources and it is considered good practice to address rather than accept these. Accordingly, rather than setting a single risk appetite, all individual risks are given a target ranking considered appropriate to that risk.

8. Review of economy, efficiency and effectiveness of the use of resources

The Governing Body has overarching responsibility for ensuring the CCG has appropriate arrangements in place to exercise its functions effectively, efficiently, and economically and is supported in doing so via the GBAF.

The Director of Finance, who is a member of Governing Body, is responsible for providing financial advice and for supervising financial control and accounting systems. She presents a monthly finance report to Governing Body, encouraging open debate and understanding from its members.

The Audit and Integrated Governance Committee (AIGC) receives regular reports on a range of governance issues including from both internal and external auditors. The CCG's systems of budgetary control and financial reporting have been reviewed by Internal Audit whose report provided Full assurance. Internal Audit's review of key financial systems and payroll had an outcome of Significant assurance.

The AIGC will have the opportunity to scrutinise in detail the CCG's financial statements for 2013/14 at its meeting on 5 June 2014, together with the report from external audit, before these are presented to Governing Body for adoption.

9. Review of the effectiveness of risk management and internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of risk management and internal control. I discharge some of this responsibility through named lead directors and senior managers, and am supported through the work of Governing Body and its Committees and Governance sub-committee as described in this report.

9.1 Capacity to Handle Risk

All staff are offered, and are expected to attend, risk management training. Through this training programme, staff are equipped to identify and manage risk in a manner appropriate to their authority and duties.

An organisational development session was specifically designed for Governing Body members with regard to risk management and, in particular, the Board Assurance Framework.

Risks are routinely discussed at team meetings, with the Risk Register updated on-line since quarter 2. There are risk protocols in place to assist staff in the development and maintenance of both the Risk Register and the Governing Body Assurance Framework (GBAF).

9.2 Review of Effectiveness

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers and clinical leads within the CCG who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

The Governing Body Assurance Framework itself provides me with evidence that the effectiveness of controls that manage risks to the CCG group achieving its principal objectives have been reviewed.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Governing Body, the Audit and Integrated Governance Committee and Quality Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The following committees and officers have played a significant part in maintaining and reviewing the effectiveness of the system of internal control in 2013/14 and have managed risks assigned to them:

Committee	Chair
Governing Body	Dr Tim Moorhead
Assurance and Integrated Governance Committee (AIGC)	Mr John Boyington, CBE
Quality Assurance Committee (QAC)	Ms Amanda Forrest
Remuneration Committee	Mr John Boyington, CBE

- **The Governing Body** is responsible for providing clear commitment and direction for risk management within the CCG. The Governing Body delegates responsibility for risk management to the Audit and Integrated Governance Committee. It is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. During 2013/14 it has maintained sound risk management and internal control systems as described in the risk management section of this statement.

  The Governing Body has established formal and transparent arrangements for considering how it should apply the corporate reporting and risk management and internal control principles and for maintaining an appropriate relationship with internal audit.

- **The Audit and Integrated Governance Committee** is responsible for providing an independent overview of the arrangements for risk management within the CCG, with specific responsibilities for financial risk management. It undertakes its own annual self-assessment of its effectiveness and reviews all internal and external audits.

- **Quality Assurance Committee** has overarching responsibility for clinical risk management and provides assurance to the Governing Body that appropriate clinical risk management arrangements are in place across the organisation. Its work programme addresses safeguarding, infection control, quality in contracts, incidents and medicines management.

My review was also informed by:

- Delivery of Audit Plans by External and Internal Auditors.
- Results from Staff Survey.
- Results from NHS England Stakeholder Survey
- Annual Business Plan
- Information Governance Toolkit Assessment
- Monthly Delivery and Performance Reports
- Regular reviews of corporate risk registers
- Regular reports to the Governing Body from each of the formal committees
- Quarterly Assurance Framework Reports to NHS England
- NHS England Assurance Review
- Audit reports on West & South Yorkshire & Bassetlaw Commissioning Support Unit (CSU) from which the CCG purchases some services.

In relation to the CSU, at the time of writing this report, the CCG has received a letter from the CSU's Chief Finance Officer in January 2014 which provided an indication of the findings of an initial review of all systems and controls within the CSU by its internal auditor, Deloitte. This identified a number of control weaknesses and compliance failures but it was not clear which related to systems and processes operated on behalf of CCGs. The CSU has, however, confirmed it is taking action to address the issues highlighted. We still await sight of the formal end of year Service Auditor Report to be issued by Deloitte as the internal auditor of the CSU. The elements of the report which will be relevant to Sheffield CCG will only be those on CSU systems and processes operated on behalf of the CCG and these are primarily in relation to HR processes, non clinical procurement and some aspects of Accounts Payable and Receivable, although the CCG undertakes most of the work in relation to the latter and has its own systems and controls. The review by internal audit of the CCG's systems of budgetary control and financial had an outcome of Full assurance and Internal Audit's review of key financial systems and payroll had an outcome of Significant assurance.

At 31 March 2014, the Assurance Framework identified the following outstanding gaps in control within the Governing Body AF:

- Insufficient engagement with patients and the public on CCG priorities and service developments, leading to decisions that do not fully meet needs.
- Providers delivering poor quality care and not meeting quality targets
- Health and Wellbeing Board unable to support NHS Sheffield CCG Business Plan
- Budgetary constraints faced by Sheffield City Council result in actions by a key partner which adversely impact on the CCG's ability to implement its priorities.
- Ineffective commissioning practices.
- Inability to secure partnerships that help us to deliver our commissioning plans including QIPP and/or conflicting priorities.

- Unable to increase capacity in primary and community care in parallel to reducing acute capacity.

All of the above gaps in control have robust action plans and have been built into 2014/15 Frameworks. There were no significant gaps in control identified.

9.3 Head of Internal Audit Opinion

Following completion of the planned audit work for the financial year for the CCG group, the Head of Internal Audit issued an independent and objective opinion on the adequacy and effectiveness of the clinical commissioning group's system of risk management, governance and internal control. The Head of Internal Audit concluded that:

> In providing an opinion for the 2013/14 financial year, it is important to reflect on the environment in which the CCG has been required to function and the impact such an unprecedented period of change and development will have on the operation of control. However, the system of internal control is designed to manage risk to a *reasonable* level rather than eliminate all risk of failure. From my review of your systems of internal control, primarily through the operation of your Assurance Framework and the individual assignments I have undertaken, I am providing **Significant Assurance** 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.

The full Head of Internal Audit Opinion report is attached as appendix C to this AGS. During the year Internal audit has issued no reports with a conclusion of limited assurance and no reports with a conclusion of no assurance.

9.4 Data Quality

All reports received by Governing Body provide information on how they link to the Governing Body Assurance Framework. The Governing Body receives a monthly performance and quality report which contains a significant range of data which officers ensure is the most up to date available and from reliable sources such contract data sets, nationally published data etc. The Governing Body as part of the monthly discussions on all reports seek reassurance on the accuracy and timeliness of the data and have found it acceptable.

9.5 Business Critical Models

An appropriate framework and environment is in place to provide quality assurance of business critical models – inputs, methodology and outputs.

9.6 Data Security

We have submitted a satisfactory level of compliance with the information governance toolkit assessment. There were no Serious Untoward Incidents relating to data security breaches in 2013/14.

9.7 Arrangements for the Discharge of Statutory Functions

During establishment, the arrangements put in place by the clinical commissioning group and explained within the Corporate Governance Framework were developed

with extensive expert external legal input, to ensure compliance with the all relevant legislation. That legal advice also informed the matters reserved for Membership Body and Governing Body decision and the scheme of delegation.

In October 2012 the NHS England Authorisation Panel assessed the CCG as authorised without conditions, confirming a strong foundation and confidence in our arrangements for the discharge of our statutory functions. The assessment evidenced a resilient base with sound financial planning and resources to ensure the CCG continues to demonstrate its ability to discharge its statutory functions. Areas identified for development beyond authorisation were consistent with our own reflections, and incorporated into our organisational development plan. The Governing Body, through the oversight of the Quality Assurance and Audit and Integrated Governance Committees, ensure that the development of the CCG continues at the pace we have established.

Ongoing quarterly assurance meetings take place with NHS England who have confirmed positive assurance after each meeting.

In January 2014, our arrangements for the discharge of our statutory functions underwent stringent checks for irregularities as part of the Internal Audit on our Governance structures. The review confirmed significant assurance, specifically with sound system of control over the CCG's information governance arrangements; and areas of good practice in appropriate corporate roles and responsibilities for information governance

10 Conclusion

No significant internal control weaknesses have been identified during the year.

Signed: Date:

Ian Atkinson
Accountable Officer

All links in this document are available in hard copy upon request from the CCG:

sheccg.comms@nhs.net
0114 305 1088

Appendix C

NHS Sheffield Cli ical Commissioning G oup

2013/14 Head of I ernal Audit Opinion & Annua Report

Contents

1. Executive Summary

This report follows on from the draft Head of Internal Audit Opinion issued prior to the submission of your draft accounts and Annual Governance Statement. It provides further detail to support the Opinion and a summary of the delivery of your internal audit service for the 2013/14 financial year. Finally it highlights developments within 360 Assurance formed on the 1st of July 2013 following the merger of the former EMIAS and Assure organisations.

This has been a year of unprecedented challenge for the NHS with the establishment and authorisation of new organisations charged with responsibility for commissioning services on behalf of their patients. In supporting Clinical Commissioning Groups (CCGs) in their first year of authorisation there has been a significant change in the work that is required from providers of internal audit and we have been able to respond to this new agenda by working closely with our 18 CCGs across the East Midlands and South Yorkshire to deliver value added services that provide assurance when and where it is required. Section 4 of this report summarises the areas in which our dedicated Commissioner Team has added value in its service delivery over and above the approved Internal Audit Plan.

Overall Opinion

I am pleased to report that the organisation has achieved **Significant Assurance** as there is a generally sound system of internal control, designed to meet objectives, and that controls are generally being applied consistently. This opinion is determined through our review of your Assurance Framework (AF) and associated processes and the work that we have undertaken throughout the year.

Your Internal Audit Plan for 2013/14

Your Internal Audit Plan was developed in line with the mandatory requirements of the Public Sector Internal Audit Standards (PSIAS) which became effective on 1st April 2013 replacing the previous NHS Internal Audit Standards. Having worked with you as a shadow organisation during 2012/13 we were able to ensure that your Internal Audit plan reflected risks contained within your (Governing Body) Assurance Framework and included risks you faced as a newly established statutory body. As such, the plan was designed to enable us to satisfy our statutory responsibility to provide a balanced annual Head of Internal Audit Opinion, covering your key risks. Our work, as always, reflected the requirements of External Audit, as part of the managed audit process. We have also been mindful of the work of our Counter Fraud colleagues.

Progress in relation to the delivery of your Internal Audit Plan has been reported to each Audit Committee meeting.

Performance Against Contract

The 2013/14 year was one of unprecedented change, uncertainty and major reorganisation for the NHS, which inevitably impacted on delivery of the Internal Audit Plan as the CCG became operational. Primarily this was experienced through reduced availability of staff as they responded to new challenges and as

the new organisation's governance and staffing structures became more embedded. This meant that much of our work was delivered in Quarters 3 and 4 rather than more evenly throughout the year, although it is pleasing to report that as of the year end, the majority of work within the Internal Audit Plan had been completed and reported. Our excellent relationship with the CCG has developed during the year, which has meant that we have been able to work alongside you in producing terms of reference for reviews which support emerging risks at the time they are identified. As we have engaged throughout the year with key senior management and the Audit Committee we have ensured that the Internal Audit Plan has retained sufficient flexibility to remain focussed on your key risks.

Section 3 of this report demonstrates our performance against contract, including adherence to the mandatory Public Sector Internal Audit Standards. We have provided a breakdown of our achievement against your plan and detailed staff who were involved in the delivery of the contract during the year. We have also demonstrated our achievement against the Key Performance Indicators included within our Service Level Agreement (SLA) with the CCG (see Appendix B) and have provided analysis of the feedback from the Client Satisfaction Questionnaires completed across the service delivered by our Commissioner Team for 2013/14.

During the course of the year we have issued eight reports, with three further reports still being agreed by Lead Officers the time of writing, although we have agreed the related opinions. These reports resulted in a total of 31 recommendations made during the year, with a further 10 still being discussed.

Adding Value

Section 4 details the services we have provided to you and our other clients that are 'above and beyond' routine delivery of internal audit reviews and which add real value to you. They include forums, workshops, benchmarking, surveys and a variety of papers and reports. I am delighted that the results of our work have been recognised at a national level with 360 Assurance winning the 2013 award for benchmarking excellence from the Benchmarking Institute & Best Practice Club as well as receiving a *Highly Commended* Governance award from the HFMA for our innovative development work with clinical commissioning groups in their first year as statutory organisations. I am particularly grateful to all those clients who supported us in these awards by providing testimonials.

360 Assurance

This has been a year of change not just for the CCG but also for our organisation. In July 2013, following extensive consultation and the approval of our respective host organisations (Leicestershire Partnership NHS Trust & Rotherham, Doncaster & South Humber Mental Health Foundation Trust), the merger between EMIAS (based across the East Midlands) and Assure (based in South Yorkshire) came into effect and 360 Assurance was formed. This has allowed us to expand our service offering to clients and consolidated our position as one of the leading UK providers of internal audit, assurance and counter fraud to the NHS. We deliver our services to the majority of NHS organisations across Derbyshire, Leicestershire, Nottinghamshire and South Yorkshire which gives us a unique perspective on the health economies in these areas.

It has also been a year of tendering success following our re-appointment to the 10 Clinical Commissioning Groups across Derbyshire & Nottinghamshire and having secured the contract with Chesterfield Royal Hospital Foundation Trust.

We are looking forward to building on these successes, with the support of our clients.

I would like to take this opportunity to thank the CCG for the co-operation and assistance provided to my team during what has been a challenging year of transformation. Our collaborative approach has resulted in the successful delivery of the CCG's first Internal Audit Plan as a statutory body.

Tim Thomas
Director

2. Head of Internal Audit Opinion

In accordance with Public Sector Internal Audit Standards, I am required to provide an annual opinion, based upon work performed by Internal Audit to assess the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. This is achieved through the completion of an annual internal audit plan (Appendix A), which is based on the organisation's Assurance Framework.

The purpose of my annual Head of Internal Audit Opinion is to contribute to the assurances available to the Accountable Officer and the Governing Body (GB) which underpin the GB's own assessment of the effectiveness of the CCG's system of internal control. This opinion, in turn, assists the GB in the completion of its Annual Governance Statement (AGS).

The opinion does not imply that Internal Audit has reviewed all risks and assurances related to the organisation.

Current guidance requires that I weight the opinion towards the suitability of the Governing Body Assurance Framework. More specifically, guidance indicates that where I am unable to conclude that an appropriate Assurance Framework process is in place, I am obligated to issue an overall opinion of Limited Assurance. This is regardless of the level of assurances provided in respect of individual audit assignments.

HEAD OF INTERNAL AUDIT OPINION ON THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL FOR THE YEAR ENDED 31ST MARCH 2014.

My opinion is set out as follows:

2.1 Overall opinion;

2.2 Basis for the opinion; and

2.3 Commentary.

2.1 Overall Opinion

In providing an opinion for the 2013/14 financial year, it is important to reflect on the environment in which the CCG has been required to function and the impact such an unprecedented period of change and development will have on the operation of control. However, the system of internal control is designed to manage risk to a *reasonable* level rather than eliminate all risk of failure. From my review of your systems of internal control, primarily through the operation of your Assurance Framework and the individual assignments I have undertaken, I am providing **Significant Assurance** 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.

2.2 Basis for the Opinion

The basis for forming my opinion is as follows:

a) An assessment of the design and operation of the underpinning Assurance Framework and supporting processes.

b) An assessment of the range of individual opinions arising from risk-based audit assignments contained within Internal Audit risk-based plans that have been reported upon throughout the year. This assessment has taken account of the relative materiality of systems reviewed and management's progress in respect of addressing control weaknesses identified.

c) An assessment of the CCG's response to Internal Audit recommendations, and the extent to which they have been implemented.

Department of Health guidance requires that, when determining my opinion, I place greatest emphasis on points a) and b) above.

My opinion is one source of assurance that the CCG has in providing its Annual Governance Statement and other third party assurances should also be considered, such as the Service Auditor reports that the CCG receives from organisations that it procures services from to operate systems on its behalf.

2.3 Commentary

The commentary below provides the context for my opinion and, together with the opinion, should be read in its entirety. The issues highlighted in this commentary should be considered by the CCG when completing its AGS.

2.3.1 The Design and Operation of the Board Assurance Framework and Associated Processes

The CCG had already developed an Assurance Framework (AF) as a shadow organisation which was used as part of the authorisation process. This AF was brought through into the statutory organisation and has been developed as the year has progressed. During the year, we issued a report following an interim review of your governance and risk management arrangements. The objective of this review was to provide an early baseline to assist and provide guidance on the development of your governance arrangements. In summary;

- There has been good involvement by the Governing Body and the Audit and Integrated Governance Committee in the development of the Assurance Framework and supporting processes;
- The CCG has set clear officer responsibility for maintenance of the Assurance Framework and has assigned of specific risks to relevant directors;
- The requirement to submit the Assurance Framework to the Governing Body and the Audit and Integrated Governance Committee is set out in terms of reference;
- The number and spread of risks reflects the Strategic Objectives of the CCG;
- Risks are generally well articulated; and
- There is a clear understanding of the use the Assurance Framework as a management tool.

From the interim review it was clear that the CCG had made good progress towards implementing and operating a robust Assurance Framework and

recommendations made as part of this interim review had been addressed by the time we issued our draft Head of Internal Audit Opinion in April 2014.

As part of our draft report we were also able to confirm, from sample testing, that assurances detailed within the AF had actually been received by the Governing Body.

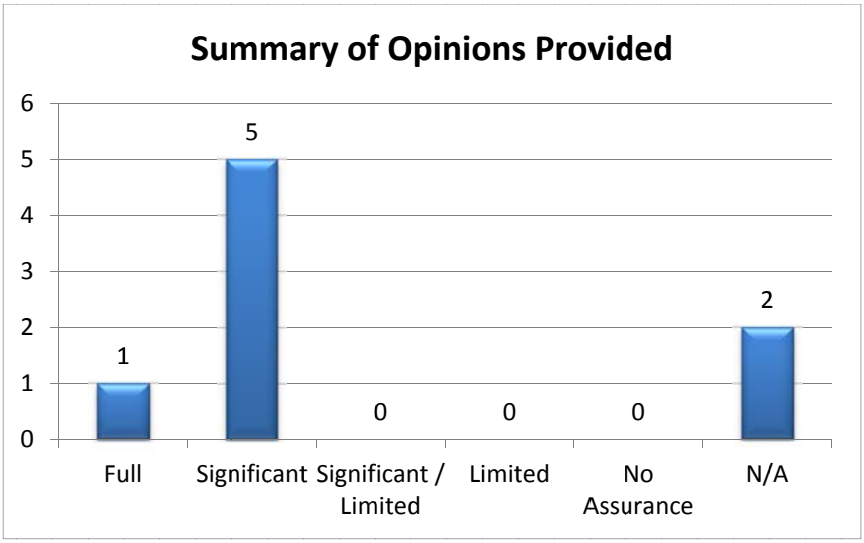
2.3.2 The range of individual opinions arising from risk-based audit assignments, contained within risk-based plans that have been reported throughout the year.

2013/14 Audit Assignments

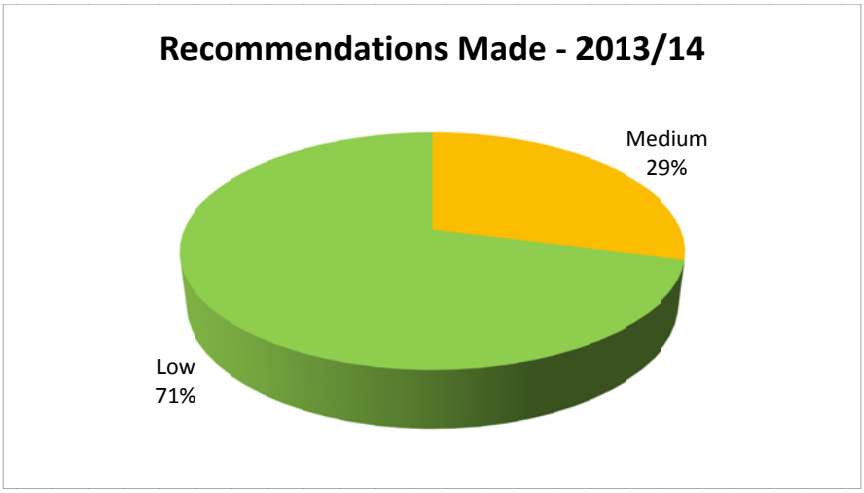
In line with Public Sector Internal Audit Standards, the 2013/14 Internal Audit Plan was produced using a risk-based approach. This was achieved by review of the organisation's principal level risks to its strategic objectives as detailed within its Assurance Framework, as developed during the CCG's shadow year, and through discussions with the organisation's Executive Team and Audit Committee members.

At the time of producing this Annual Report, we have issued 8 reports, of which1 has provided Full Assurance and 5 have provided Significant Assurance. We have published 2 reports relating to advisory work for which no formal opinion was provided. This work was undertaken to provide baseline assessments for development by the CCG. Details of all assignments contained within the 2013/14 Internal Audit work programme are attached at **Appendix A**.

There are 3 audit assignments still in the process of being finalised with Lead Officers, although in all cases we have determined that we will be issuing a Significant Assurance in respect of the control environment examined.



Appendix A provides details of all work completed within the 2013/14 plan. In total, this work resulted in 31 recommendations (a further 10 are still being discussed with management, none of which are classified as 'high risk'). The chart below provides a breakdown of the risk ratings of these recommendations for the year.

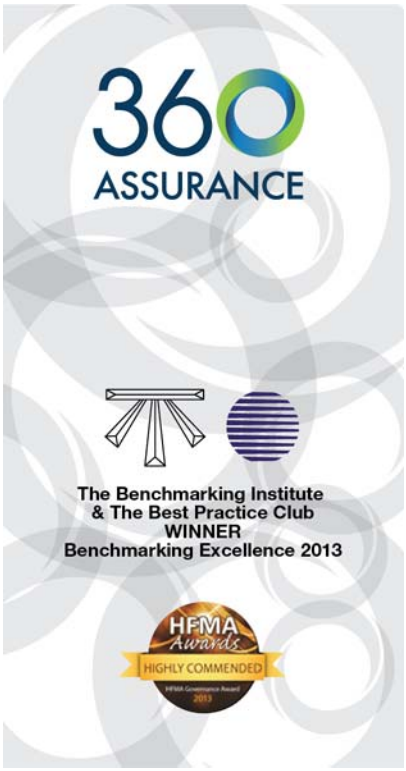


2.3.3 The Organisation's response to Internal Audit recommendations and the extent to which they have been implemented

As part of Public Sector Internal Audit Standards, I am required to consider the appropriateness of the organisation's response to Internal Audit recommendations made and action subsequently implemented.

The CCG has an established process in place to ensure that action agreed is implemented as intended. A recommendations tracker report focussing on high and medium risk rated actions is prepared for each Audit & Integrated Governance Committee meeting. Each action is assigned a 'Red/Amber/Green' status based on the agreed implementation date, with actions only being given 'green' status when they are completed to the satisfaction of the Committee. Details are provided against each recommendation of action taken and the Committee has the option of inviting managers to attend meetings to provide explanations in respect of actions which are overdue for implementation.

We are satisfied that this process has operated throughout the year and that it includes all reports issued by Internal Audit. We liaise with the officer responsible for maintaining the tracker report where appropriate to ensure the report is complete and that evidence exists to support the stated clearance of actions. Throughout 2013/14 there has been evidence of action being taken to respond to our recommendations in several reports and for the purposes of my opinion, therefore, I am able to conclude that the CCG is responding appropriately to recommendations made by Internal Audit.



3. 360 Assurance Performance

As Internal Auditors we are required to comply with the mandatory Public Sector Internal Audit Standards. The delivery of our service adheres to these standards and our working processes are clearly documented in our Internal Audit Manual, which is aligned to the requirements of the standards. These are reviewed on a regular basis and all staff are required to formally acknowledge receipt and adherence.

Development of our client Internal Audit Plans is completed in line with the requirements of the standards, including the completion of a one year operational plan. Our planning approach is always to include our clients in the planning process, engaging with the strategic management team and audit committee members, as identified in consultation with the client, and adopting a risk based approach through the Assurance Framework.

We have a comprehensive quality assurance programme which is documented in our Internal Audit Manual and this adheres to all requirements of the Public Sector Internal Audit Standards. All our staff are required to sign an independence certificate, at least annually, and a separate statement is signed by every member of staff to record any conflicts of interest.

We have a thorough process for training and development. Our professionally qualified staff are required to maintain Continued Professional Development (CPD) and we support our staff in achievement of this through our Personal Development Review (PDR) process.

3.2 Achievement of the Plan

At the start of the financial year we were able to factor in that, as a new organisation dealing with other newly formed organisations (such as the Area Team and the Commissioning Support Unit), and with guidance coming from NHS England on a regular basis, there was a need to keep the audit plan under regular review to ensure that it remained focussed on the organisation's key risks. Flexibility was thus retained in terms of the utilisation of Audit resources and this was used to good effect late in quarter 3 of the year when we were requested to undertake a review of governance arrangements in place over the MSK COBIC Project.

Ultimately 15 days of the 135 day Plan were not delivered in 2013/14 and these have been carried forward into 2014/15.

Our 2013/14 Internal Audit Plan was discussed with representatives from your External Audit provider to ensure that our work programmes did not overlap and that they could rely on our work where appropriate.

3.3 Staffing

As the Director of 360 Assurance, I have a strategic responsibility for overseeing the effective delivery of the audit services to the organisation. In order to provide specialist support and improve our knowledge base, we have assembled a dedicated team to deliver services to clinical commissioning groups. This team is led jointly by two Associate Directors, Annette Tudor and Kevin Watkins, with Kevin being designated as your lead contact.

Throughout 2013/14 we have been sufficiently staffed to meet the requirements of the audit plan. Staff employed to deliver your 2013/14 Audit Plan are noted below:

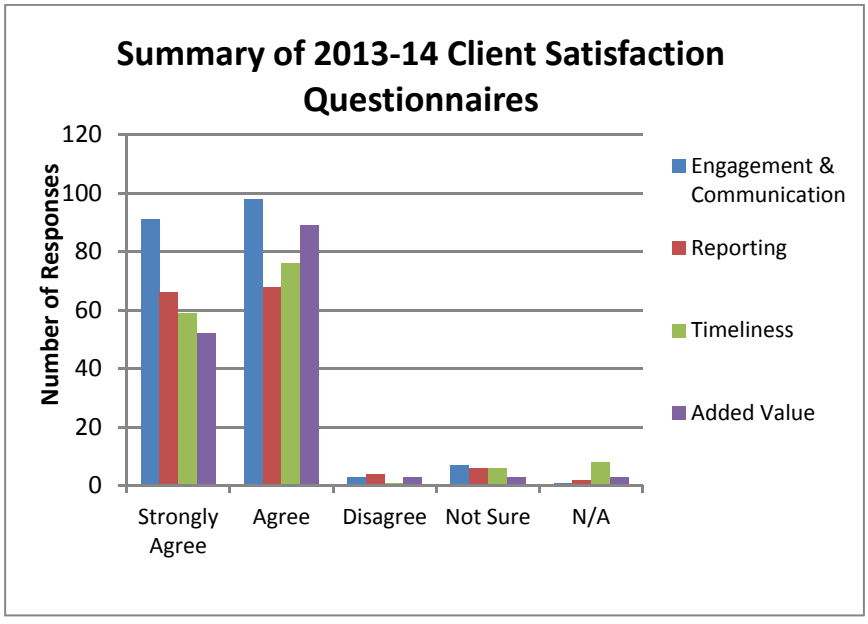
Name	Position
Tim Thomas	Director, 360 Assurance
Annette Tudor	Associate Director
Kevin Watkins	Associate Director
Elaine Dower	Assurance & Development Specialist
Tiffany Hey	Audit Team Leader
Ruby Deo	Principal Auditor
Graham Shead	Business Associate
Nigel Carpino	Business Associate
Sharon Bradbury	Business Associate

3.4 Key Performance Indicators (KPIs)

Appendix B sets out the KPIs that have been agreed as part of our Contract with the organisation. We have demonstrated our achievement against each of the indicators within the Appendix.

3.5 Client Satisfaction Questionnaires

As part of our drive to improve quality, we have continued to issue Client Satisfaction Questionnaires following the conclusion of all audit reviews. The questionnaire seeks to confirm that the auditee was appropriately engaged in the planning and reporting process and that our approach to the review and subsequent report provided added value to the system under review. Responses have been summarised for all 18 CCG clients in the graph below:



4. Value Added Services

As part of our standard service delivery, we always look for ways in which the completion of 'routine' audits can be taken to the next level to add real value to our clients. The key areas in which we seek to do this are detailed below, followed by a summary of how we added value to your organisation in 2013/14.

Best Practice / Briefing Papers

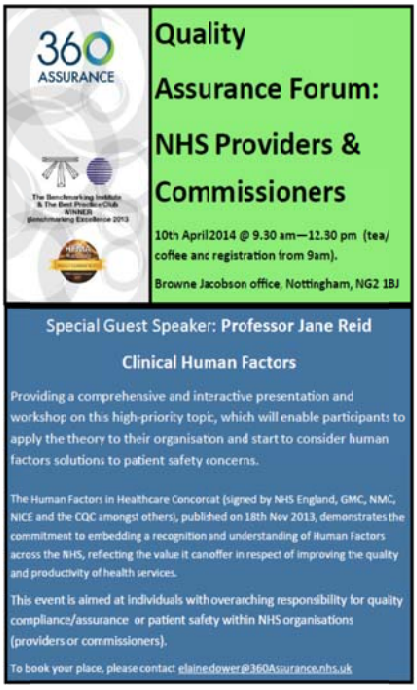
In 2012/13, we began producing best practice papers following completion of similar audits at several CCGs. We now routinely publish briefings which include self-assessment questions clients can use to reflect on their own arrangements. In 2013/14 we issued papers on the following subjects to all our CCG clients:

- Governing Body Assurance Framework;
- Membership Engagement;
- Collaborative Commissioning; and
- Public and Patient Engagement.

Benchmarking Reports

Using reviews that have been undertaken across our client base, as well as our contacts through NHS Audit England to obtain national information, we have provided a number of detailed benchmarking reports that have been provided to clients this year. These reports have included:

- Quality Monitoring in Secondary Care by CCGs;
- Mandatory Training
- CCG Audit Committee Survey (via NHS Audit England)
- Deprivation of Liberty Safeguards: Usage in Hospitals



Audit & Governance Workshops

We have established an Audit & Governance Workshop which has provided a networking opportunity for CCG Audit Committee members, Chief Finance Officers and Heads of Governance as well as allowing us to bring to you a range of professional speakers from a variety of organisations on identified topics of interest and concern. In 2013/14 the Workshop was held on the 10th of December 2013 and guest speakers included representatives from Deloitte, the Internal Auditors of the CSUs and Browne Jacobson, healthcare law specialists.

We have also used interactive sessions at these workshops to identify emerging risks and areas of concern to help inform our programmes of audit and assurance work.

Quality Assurance Forums

360 Assurance runs and facilitates Quality Assurance Forums for operational management representatives from NHS providers and commissioners across East Midlands and South Yorkshire. These regular forums (bi-monthly for providers and quarterly for commissioners) provide attendees with an opportunity to network with their peers, share experiences and best practice and hear high profile speakers present on topics such as the Francis Report and lessons from Mid Staffordshire, coroners' forums, CQC inspection methodology and clinical human factors. When it is appropriate, we invite provider and

commissioner clients to the same workshop, to further facilitate shared understanding and networking across health communities.

Our commissioner clients benefited from the following quality assurance forum meetings in 2013/14:

6th November 2013 – Members received a presentation from the Nottinghamshire and Derbyshire Area Team on a proposed model for improving Primary Care quality and performance.

17th December 2013 – Sir Stephen Moss provided members with insight from his experiences and learning during his time as Chairman at Mid Staffordshire NHS Trust.

10th April 2014 –Professor Jane Reid led an interactive workshop on understanding human factors within the NHS and its increasing importance in improving quality and productivity within the provision of health services.

Our interactive workshops cover a wide range of areas including:

- **Governance & Risk Management**
- **Development & Assessment of Assurance Frameworks**
- **Conflicts of Interest**
- **Audit / Sub Committee development and self-assessment**
- **CQC Benchmarking**
- **Focus groups for specific areas such as equality & diversity**
- **Bribery Act 2010**

Interactive Workshops

We continue to provide a wide range of workshops to our clients, making full use of our interactive voting software. Where appropriate, we produce formal outputs from these sessions, allowing organisations to undertake action planning and drive improvement.

Joint Working with the Good Governance Institute

An exciting development for us in 2013/14 has been our partnership with the Good Governance Institute (GGI), resulting in our facilitation of a workshop on Board/Governing Body Assurance to which all our clients were invited. We subsequently published a joint paper, *'Building A Framework for Governing Body/Board Assurance,* which has been well received by Audit Committees and Governance Leads.

Further joint working with the GGI is planned for 2014/15.

Surveys

We also undertake on-line surveys on behalf of our clients, both as part of the audit process and by specific request in support of governance development agendas.

Issues from National Publications

Within our progress reports to the Audit Committee meetings, we summarise the pertinent issues from national and local publications from a range of sources including regulatory bodies, Department of Health, NHS England, The Kings Fund, Local Government Association and items of interest from national and local media. Where appropriate we identify the impact of these and action taken by the CCGs and consider issues relevant to our Internal Audit Reviews.

Appendix A – Internal Audit Outturn for 2013/14

Audit Assignment	Report Ref.	Status	Assurance Level
Governing Body Assurance Framework	1314/SCCG/01/R	Issued	N/A-interim review
Budgetary Control & Financial Reporting	1314/SCCG/02/R	Issued	Full
Collaborative Commissioning- 2013/14 Contract Negotiation process	1314/SCCG/03/R	Issued	Significant
Review of Arrangements for Information Governance	1314/SCCG/04/R	Issued	Significant
Musculoskeletal Services Governance Review	1314/SCCG/05/R	Issued	N/A
Key Financial Systems & Payroll	1314/SCCG/06/R	Issued	Significant
Governance Structure Review	1314/SCCG/07/R	Draft Report Issued	Indicative Significant
QIPP	1314/SCCG/08/R	Draft Report Issued	Indicative Significant
Collaborative Commissioning- 2013/14 Contract Monitoring process	1314/SCCG/09/R	Draft Report Isued	Indicative Significant

Appendix B – Performance Indicators

Key Performance Indicator (From the Service Level Agreement)	360 Assurance Performance 2013/14
Strategic and Operational Internal Audit Plans will be produced for client agreement by 31st March annually.	The 2013/14 Operational Plan was agreed at the AIGC March 2013 meeting, with a further update to the Plan being prepared following discussions with the Chief Finance Officer at the June meeting of the AIGC.
All high-risk issues and any significant issues which could result in a no assurance opinion identified during the course of Internal Audit work will be brought to the immediate attention of the Chief Finance Officer/Head of Governance, and other senior officers as appropriate).	No high risks were identified during the year and no 'limited' or 'no' assurance statements were issued during the year.
A final draft audit report will be issued within three weeks of the exit meeting. Exceptions resulting from extenuating circumstances will be agreed with the Chief Finance Officer or the Head of Governance.	Majority of the final draft reports have been issued within the timescales outlined in this performance measure and the progress of each audit, including the reporting information, is contained within the report issued. One report, Collaborative Commissioning- contract negotiation, was issued later than three weeks of Post Audit discussion meeting, this was due to delay in receiving responses from the Chief Officers across the South Yorkshire CCGs.
The Associate Director will meet with the nominated Audit Lead at the client organisation at an agreed frequency at the request of the client (minimum quarterly).	Meetings were held with the Chief Finance Officer to coincide with Audit Committee meetings.
A report will be presented to the Audit Committee for each meeting, which details progress made towards the completion of the Internal Audit Operational Plan.	A progress report was presented by the Associate Director at all Audit Committee meetings in the financial year.
General enquiries will be responded to within two working days.	All requests for ad hoc advice have been responded to within the required timeframe.
As far as possible and reasonable, a consistent team will be provided.	The client has a dedicated team of professionally qualified auditors which has been consistent through-out the year. The client has been provided with details of nominated senior staff leads as well as contact details for all members of the Commissioner Team.
All work undertaken will be made available to the clients' External Auditors in order that they can place reliance upon Internal Audit activity, thereby avoiding unnecessary overlapping of work.	We have provided final reports to External Audit leads as a matter of routine. Completed audit files and other relevant documentary evidence is provided to the External Auditors as requested.
Internal Audit work is undertaken in compliance with the requirements of Public Sector Internal Audit Standards (PSIAS).	Our working practices and protocols have been reviewed and updated to ensure compliance to PSIAS. As notified to the Client and the Audit Committee, we have commissioned and independent review of our organisation and it's working practices that will provide assurance to our clients regarding compliance.
An Annual Report and Head of Internal Audit Opinion Statement will be provided in line with DH reporting timeframes.	This is provided on an annual basis and is in line with DH reporting timeframes.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NHS SHEFFIELD CCG

We have audited the financial statements of NHS Sheffield CCG for the year ended 31 March 2014 on pages 1 to 34. These financial statements have been prepared under applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England. We have also audited the information in the Remuneration Report that is subject to audit.

This report is made solely to the Members of NHS Sheffield CCG, as a body, in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Members of the CCG, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the CCG, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the Accountable Officer and auditor

As explained more fully in the Statement of Accountable Officer's Responsibilities set out on page 52, the Accountable Officer is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the CCG's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer, and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on regularity

In our opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the CCG as at 31 March 2014 and of its net operating costs for the year then ended; and

- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

Opinion on other matters prescribed by the Code of Audit Practice 2010 for local NHS bodies

In our opinion:

- the part of the Remuneration Report subject to audit has been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England; and

- the information given in the Strategic Report and Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Code of Audit Practice 2010 for local NHS bodies requires us to report to you if:

- in our opinion, the Governance Statement does not reflect compliance with NHS England's Guidance;

- any referrals to the Secretary of State have been made under section 19 of the Audit Commission Act 1998; or

- any matters have been reported in the public interest under the Audit Commission Act 1998 in the course of, or at the end of the audit.

Conclusion on the CCG's arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the CCG has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission requires us to report any matters that prevent us from being satisfied that the audited body has put in place such arrangements.

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance issued by the Audit Commission in October 2013. We have considered the results of the following:

- our review of the Governance Statement;

- the work of other relevant regulatory bodies or inspectorates, to the extent that the results of this work impact on our responsibilities at the CCG; and

- locally determined risk-based work.

As a result, we have concluded that there are no matters to report.

Certificate

We certify that we have completed the audit of the accounts of NHS Sheffield CCG in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission.

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

XX June 2014