

Report from Audit and Integrated Governance Committee meeting held on 25 May 2017

Item 20g

Governing Body meeting

7 September 2017

Author(s)	Julia Newton, Director of Finance
Sponsor	Phil Taylor, Chair of Audit and Integrated Governance Committee
Is your report for Approval / Consideration / Noting	
Noting	
Are there any Resource Implications	
Not applicable	
Audit Requirement	
<p><u>CCG Objectives</u></p> <p>5. Organisational development to ensure CCG meets organisational health and capability requirements</p> <p>Principal Risk: 5.4 Inadequate adherence to principles of good governance and legal framework leading to breach of regulations and consequent reputational or financial damage.</p>	
<p><u>Equality impact assessment</u></p> <p><i>Have you carried out an Equality Impact Assessment and is it attached?</i> No</p> <p><i>If not, why not?</i> Not applicable</p>	
<p><u>PPE Activity</u></p> <p><i>How does your paper support involving patients, carers and the public?</i></p> <p>Not applicable</p>	
Recommendations	
<p>The Governing Body is asked to:</p> <ol style="list-style-type: none"> 1. Note the key messages in the Executive Summary 2. Receive the unadopted minutes from the 25 May 2017 meeting 	

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EXECUTIVE SUMMARY

Financial Accounts for 2016/17

AIGC reviewed the Annual Accounts and Annual Report for 2016/17 and recommended them to Governing Body for adoption and approval.

Internal Audit Progress Report 2016/17

The CCG's Chief Nurse and Deputy Chief Nurse attended the meeting to give members of AIGC an update on their ongoing concerns about the findings of Internal Audit's review into the quality of care in care homes and requested a further update at the next meeting.

Counter Fraud Update

The committee noted

Update on Governing Body Assurance Framework (GBAF) and Risk Register

The committee gained assurance on the GBAF process for 2017/18..

Audit Technical Update

Internal Audit's Quarterly Technical Updates are very helpful papers, containing lots of useful information in one place. The Committee agreed that, as it was difficult to discern what was helpful to different people, the report would be made available via the intranet and weekly round up to the CCG's Governing Body and staff to make them aware of what was available.

**Audit and Integrated Governance Committee
Unadopted minutes of the meeting held on 25 May 2017
Boardroom, 722 Prince of Wales Road**

- Present:** Mr Phil Taylor, Lay Member (Chair)
Dr Ngozi Anumba, CCG Governing Body GP
Mr John Boyington CBE, Lay Member
Dr Leigh Sorsbie, CCG Governing Body GP (from item 18/17(c))
- In Attendance:** Mrs Penny Brooks, Chief Nurse, NHSSCCG (up to item 23/17)
Ms Rebecca Good, Financial Accountant, NHSSCCG,
Ms Carol Henderson, Committee Secretary / PA to Director of Finance, NHSSCCG
Mrs Sue Laing, Corporate Services Risk and Governance Manager
Ms Julia Newton, Director of Finance, NHSSCCG
Ms Alison Ormston, Senior Manager, KPMG
Mrs Mandy Philbin, Deputy Chief Nurse (up to item 23/17)
Mr Robert Purseglove, Local Counter Fraud Specialist, 360 Assurance (up to item 25/17)
Mr Kevin Watkins, Client Manager, 360 Assurance (on behalf of the Deputy Director / Client Manager, 360 Assurance)

Minute		ACTION
16/17	<p>Welcomes, Introductions and Apologies for Absence</p> <p>Apologies for absence from core members had been received from Ms Amanda Forrest, Lay Member.</p> <p>Apologies for absence from those who were normally in attendance had been received from Ms Leanne Hawkes, Deputy Director / Client Manager, 360 Assurance, Ms Clare Partridge, Director, KPMG, and Mrs Suzie Tilburn, HR and OD Manager, NHSSCCG.</p> <p>The Chair declared the meeting was quorate.</p>	
17/17	<p>Declarations of Interest</p> <p>The Chair reminded committee members of their obligation to declare any interest they may have on matters arising at Audit and Integrated Governance Committee meetings which might conflict with the business of NHS Sheffield Clinical Commissioning Group (CCG). He also reminded members that, in future, not only would any conflicts of interests need to be noted but there would also need to be a note of action taken to manage this.</p> <p>Declarations made by members of the Audit and Integrated Governance</p>	

Committee are listed in the CCG's Register of Interests. The Register is available either via the secretary to the Audit and Integrated Governance Committee or the CCG website at the following link:

<http://www.sheffieldccg.nhs.uk/about-us/declarations-of-interest.htm>

Mr Boyington advised members that he had been appointed as Chair of Primary Care Sheffield (PCS), however, there were no items on today's agenda that would cause a direct conflict of interest in this respect. The Chair congratulated Mr Boyington on his new appointment.

Mr Boyington also declared a conflict of interest in item 9 (Paper Fi): Follow Up Report on Audit Recommendations – High and Medium Risks, as he had chaired an employment review of a staff member relating to a number of the actions recommended in the report.

The Chair advised members that Mr Boyington should not take part in the discussion of this item and therefore would be asked to leave the room at that stage.

There were no further declarations of interest relating to agenda items from today's meeting.

18/17 Minutes and Matters Arising of the meeting held on 30 March 2017

i) Accuracy

The minutes of the meeting held on 30 March 2017 were agreed as a correct record.

ii) Matters Arising

a) Update Report on Internal Audit Recommendations – High and Medium Risks (minutes 47/16 and 04/17(c) refer)

The Client Manager, 360 Assurance confirmed that the new records tracker system would include both previous reports and those from 2017/18 onwards.

b) Annual Review of Accounting Policies and Estimations (minute 06/17(b) refers)

With regard to the CCG's lease arrangements for its headquarters, the Director of Finance reminded members that, as explained at the last meeting, that it was not uncommon that most organisations did not have a lease, and that the CCG had neither a lease nor sub lease. She also explained that there was a long standing de facto arrangement in place with NHS Property Services (NHSPS) in this regard.

Dr Sorsbie joined the meeting at this stage.

c) Review of CCG Registers of Interests, Procurement, and Gifts and Hospitality and Sponsorship (minute 11/17(g) refers)

Members noted that there had been a significant uptake in the return of declarations of interests forms, particularly from CCG staff.

The Corporate Services Risk and Governance Manager advised members that she would be reviewing the CCG's Standards of Business Conduct and Conflicts of Interest Policy and Procedure when the revised conflicts of interest guidance from NHS England was published in June.

SKL

d) Sustainability Transformation Plan (STP) Governance (minute 11/17(i) refers)

The Chair reported that he had spoken to the other Audit Committee Chairs in the STP area in relation to the CCG's concerns about the existing governance arrangements for the STP and advised that some had raised the same concerns. He reported that some of them had started to take some action in respect of asking their Internal Auditors to undertake an audit of the STP governance development as well as the governance of the process that had been undertaken so far. He would keep the committee updated on progress following their next meeting.

PT

e) Quality Assurance Committee (minute 11/17(j) refers)

The Chair suggested that in future, if Ms Forrest was unable to attend AIGC, a member of the Quality Assurance Committee (QAC) be invited to give an update on the work of the QAC.

JN(CRH)

f) Competitive Tender Waiver Approvals since 1 April 2016 (minute 12/17(c) refers)

The Director of Finance drew members' attention to the post meeting note appended to this minute that clarified the rationale for not going out to tender for payroll services.

19/17

CCG 2016/17 Statutory Accounts and Annual Report

a) CCG Audited Annual Accounts with Explanatory Paper

The Director of Finance presented the final audited accounts for 2016/17 and advised the committee that nothing material had changed from the draft accounts presented to Governing Body on 4 May, with just a few minor presentational changes that had been agreed during the audit of the accounts to be made, and the inclusion of late information received from NHS England relating to staff sickness data which had not been available at the time of the production of the draft accounts, and the inclusion of some additional commentary for people to be able to better understand the accounts. A summary of the changes were set out in section 3 of the explanatory report.

Dr Anumba commented that the additional commentary added an extra layer of clarity, which was really useful.

On behalf of the committee, the Director of Finance was asked to thank her team for preparation of the accurate accounts.

JN

The Audit and Integrated Governance Committee recommended to the Governing Body that the final audited accounts, as presented to the AIGC, were approved and adopted.

b) External Audit ISA260 Report

The Senior Manager, KPMG, presented this report which provided a summary of the work they had carried out to discharge their statutory audit responsibilities to those charged with governance at the time they were considering the annual accounts, and which summarised the key issues they had identified during their audit of the accounts. She drew the committee's attention to the key issues.

They were giving a full unqualified Audit Opinion on Value for Money (VfM) and Use of Resources. Whilst they had made no adjustments, they had identified some minor presentational changes to the accounts.

She highlighted the work KPMG had undertaken for the first time in relation to the CCG's £70m co-commissioning of primary care expenditure with NHS England and advised that the audit approach had been set around the controls in operation around the service auditor report. The Director of Finance advised members that the CCG's auditors have to rely on NHS England's auditors to give them the assurance of the controls and processes that were in place. The Senior Manager, KPMG, advised that, whilst they had been assured on the CCG's systems and controls, Capita's auditors had not been able to give them a clear Opinion in relation to the audit results for data requested through the contract between Capita and NHS England which had resulted in KPMG undertaking additional further sample testing work that had included asking Capita to provide evidence / the necessary paperwork of payments that had been made, which they had not been able to provide. She confirmed that KPMG were comfortable that they had gained assurance from the CCG in the evidence we had provided that the payments had been made. She advised the committee that KPMG had considered including a recommendation in their report, however, she clarified that the issues lie outside of Sheffield CCG.

The Director of Finance advised members that she would be raising this with NHS England, especially in relation to the potential for KPMG to raise an additional fee with the CCG for the additional work they had had to undertake, and would also provide a summary for Governing Body.

JN

The Chair advised members that he would discuss this issue with the other Audit Chairs.

PT

The Senior Manager, KPMG, also drew members' attention to the benchmarking report at Appendix 1 that highlighted how the CCG's spend compared over the national profile, and which showed that our distribution of spend on each of our practices was thereabouts in line with the national picture and that it had distributed its spend in line with what it was supposed to do. She explained that the zero figures related to some anomalies within the data.

The Chair commented that he was surprised by how similar the profiles were. The Director of Finance suggested that this information be presented to the next meeting of the CCG's Primary Care Commissioning Committee with the financial report, and would also highlight it to Governing Body later in the afternoon.

JN

Finally, the Senior Manager, KPMG, advised members that she had not presented the data in the way of clusters but as the the spread across the country, but would present this information to AIGC in September.

AO

The Senior Manager, KPMG, expressed her formal thanks to the Director of Finance and her team for their continued efforts to produce outstanding accounts. She also expressed her thanks to the Director of Finance and her team for ensuring that, operationally, it had again been a smooth audit.

The Chair also thanked everyone involved in preparing the accounts and undertaking the audits.

The Audit and Integrated Governance Committee received and noted the External Audit ISA260 Report.

c) Management Representation Letter

The Director of Finance presented the Management Representation Letter. She advised the committee that it was very similar to last year, with just a few grammatical tweaks, which the CCG's Accountable Officer and Chair would be asked to sign once it was recommended by the AIGC for approval by Governing Body.

The Audit and Integrated Governance Committee recommended that the Governing Body approve the 'Letter of Management Representation' as attached at Paper Biii.

d) Annual Report including Remuneration Report and Annual Governance Statement with Explanatory Paper

The Director of Finance presented this report. She advised the committee that the Governing Body had received a draft copy for comment on 4 May and reported that a number of comments had been made, specifically asking for some areas to be drawn out more and for some presentational changes to be made. These, together with helpful comments and suggestions from the auditors, including a minor change to the remuneration report, and NHS England, had all been taken into account and incorporated into the final report.

She drew the committee's attention to the Annual Governance Statement (AGS), which the AIGC had had the chance to comment on in March. She reported that helpful comments had been received from audit and NHS England colleagues. She advised that the CCG had received a final Head of Internal Audit Opinion that provided Significant Assurance. She expressed her thanks, in particular, to the Corporate Services Risk and Governance Manager for all her hard work in pulling the AGS together.

The Chair commented that the AGS read very well and gave reassurance in the way it was worded and set out what the CCG had done in an appropriate and strong way.

The Director of Finance advised members that, subject to approval from Governing Body, the Annual Report and Accounts would be submitted to NHS England by 12.00 noon on 30 May and published on the CCG's website followed the end of Purdah.

The Chair thanked all those involved for their preparation of the report for preparation and audit of the report which, as always, had been undertaken in a very efficient and effective way.

The Audit and Integrated Governance Committee:

- Recommended to the Governing Body that they approve the final Annual Report, incorporating the final Annual Governance Statement, subject to any final amendments being made.
- Recommended to Governing Body that all relevant sections and declarations be signed by the Accountable Officer.

20/17 External Audit

2017/18 Audit Fee Letter

The Senior Manager, KPMG, gave an oral update and advised members that the audit fee was now agreed as part of the new procurement process which meant it could be removed from the AIGC's yearly workplan. She also advised that it would be a reduced fee this year.

The Audit and Integrated Governance Committee noted the update.

21/17 Internal Audit

a) CCG 2016/17 Internal Audit Annual Report including Head of Internal Audit (HoIA) Opinion

The Client Manager, 360 Assurance, presented this report. As noted above, he advised the committee that they had been able to provide **Significant Assurance** that there was a generally sound system of internal control designed to meet the organisation's objectives and that controls were generally being applied

consistently. He advised members that the Opinion had not changed since the draft presented to AIGC in March and was based primarily on the CCG's Governing Body Assurance Framework.

He drew members' attention to section 2 which set out the key messages resulting from work undertaken and any decisions required by the Audit Committee. He advised that it was unknown at this stage as to what type of assurances NHS England would be asking for in the future, especially in light of the STP, etc, and how this would impact on internal audit.

The Client Manager, 360 Assurance, drew members' attention to the following key highlights.

Page 2 set out a snapshot of the three areas Internal Audit focus their Opinion on and he advised that no issues had been raised since the last audit that would have had an impact on their original draft Opinion.

Section 3 set out a summary of where they felt the extent to which the CCG had implemented recommendations, and to the one audit where the recommendations had not been implemented within the original timescales. He also advised that a final draft of the patient and public engagement audit report had been issued, subject to any final comments from the CCG's two Lay Members with responsibility for patient and public engagement.

The Committee received and noted the CCG's 2016/17 Internal Audit Annual Report including final Head of Internal Audit Opinion.

b) Final Progress Report on 2016/17 Audits

The Client Manager, 360 Assurance, presented this report which summarised the position on the 2016/17 internal audit plans. He drew the committee's attention to section 4 which highlighted and summarised the reports that had been issued from the 2016/17 reviews. He advised members that the report from the audit of the Better Care Fund was in the process of being finalised but he no issues of concern to bring to the AIGC's attention. He also advised that an additional piece of project assurance work on the CCG's arrangements for conflicts of interests had been added to the plan in-year, which had been resourced by use of available contingency time.

- i) Payroll Audit: The objective of the review had been to provide independent assurance to the CCG regarding the processing arrangements provided by the Human Resources (HR) shared service, and consideration as to whether arrangements had been in place to ensure that pay expenditure was appropriate and accurate, made in respect of valid employees, and that input to Electronic Staff Records (ESR) was appropriate. He advised that there had been a relatively small level of compliance failures including the lack of an authorised signatory list for approving changes to the payroll, and reliance was being placed on email notification only. In this respect they were making a recommendation that the process for authorisation and what was and was

not acceptable was clearly recorded in our Memorandum of Understanding (MoU), and that we needed to do some work to ensure the system was secure.

The Client Manager, 360 Assurance, advised that he would provide further detail to the Chief Nurse, as Director Lead for HR services.

KW

The Senior Manager, KPMG, advised members that fraudulent emails had been received by organisations outside of the NHS and so they sought to seek a higher level of control, and that it was for the CCG, as an organisation, to understand this and what risks we saw as acceptable. The Director of Finance responded that we were a CCG with a relatively small number of employees and so should be able to identify any fraudulent activity in our monthly processes.

The Client Manager, 360 Assurance, commented that it was about the CCG as a hosting service, and if we accepted and processed an email from one of the other CCGs on the basis that they had sent it to us which it later transpired was fraudulent, and how we would then handle that. The Director of Finance agreed to follow this up.

JN

The committee noted that **Significant Assurance** had been provided that there was a generally sound system of control designed to meet the system's objectives. However, some weakness in the design or inconsistent application of controls put the achievement of particular objectives at risk. Internal Audit's opinion had been limited to the controls examined and samples tested as part of this review.

- ii) Patient and Public Engagement (PPE): The objective of the review had been to evaluate the arrangements the CCG had in place to enable it to develop an engagement plan for the 'Shaping Sheffield' project. The Client Manager, 360 Assurance, advised members that, as noted earlier, a final draft report had been issued, subject to any final comments from the CCG's two Lay Members with responsibility for PPE, and reported that all actions (three medium and one low) had been agreed

He reminded members that a previous review had been undertaken for which we had received Significant Assurance in respect of the overall control environment being provided, and the basis of the current audit had been to complete a high level review to assess the CCG's arrangements as it prepared to implement major service change with partners, rather than them undertaking a more detailed testing of the system of control. Therefore, they had provided a general conclusion, not an audit opinion, from their findings.

- iii) Conflicts of Interest: The objective of the audit had been to undertake an evaluation of the design and operating effectiveness of the arrangements the CCG had in place to manage conflicts of interests and gifts and hospitality including compliance with NHS England's (NHSE) statutory guidance on managing conflicts of interest for CCGs, as required within the NHSE Internal

Audit template for CCGs. The summary findings and level of compliance from each of the five scope areas were detailed at page 11, and five medium and low level recommendations, which had all been addressed and closed, detailed at page 12. The CCG had been rated as fully compliant in three of the five scope areas, and partially compliant in two. The Client Manager, 360 Assurance commended the CCG on all the hard work that had been undertaken in this regard.

- iv) Patient Transport Services (PTS) Project Assurance Review: The objective of the exercise had been to determine whether appropriate governance arrangements were in place over the joint procurement by the South Yorkshire CCGs. This had been achieved through the application of relevant PRINCE2 Themes to arrangements in place. The summary findings, recommendations, lessons learned and outcomes were set out at pages 13 to 15

The Client Manager, 360 Assurance, advised members that, whilst it was a good piece of work that had been undertaken, with a positive outcome and a proper project structure around it, they had not been able to find evidence that the PTS Project Board had met until November 2016 after the procurement had been agreed by the respective Governing Bodies in May 2016 which meant that the executive steer had been lost for a few months, in addition there had also been a lack of continuity of staff involved in the project, both of which had had an impact on the timescales for delivery of the project. The Director of Finance acknowledged this and that it reflected her requirement to prioritise STP work and not handing over responsibility for the PTS procurement until the autumn.

The Client Manager, 360 Assurance advised members that the final report would be presented to each of the respective Audit Committees, with lessons learnt to take on board.

- v) Work in Progress and Follow Ups

Work ongoing in relation to audit assignments from the 2016/17 plan was detailed at page 16 and a summary of the current status of all follow up activity was details at Appendix A. The Client Manager, 360 Assurance, advised that the report from the Better Care Fund audit would be presented to the AIGC in September.

The Audit and Integrated Governance Committee received and noted the update.

22/17

Update report on Internal Audit Recommendations – High and Medium Risks

As noted under minute 17/17, Mr Boyington had declared a conflict of interest in this item and he left the room at this stage.

Mrs Penny Brooks, Chief Nurse, and Mrs Mandy Philbin, Deputy Chief Nurse,

LH

were in attendance for this item.

The Director of Finance presented this paper which provided a summary for the committee of all the outstanding actions against recommendations agreed within finalised internal audit reports. She advised the committee that 12 outstanding actions had been brought forward from March 2017, seven medium risks relating to quality of care in care homes, one of which had three recommended actions and two having the same recommended action, which were all still ongoing and been rated as Amber until completion. There were also three medium risks relating to Continuing Health Care (CHC), one of which had two recommended actions with four different actions in total, one of which had previously been completed and rated as Green and therefore not included in Appendix A, with the remaining three still ongoing and rated as Amber until completion. Due to concerns raised by the AIGC on a number of occasions in relation to the delay in responses to the recommended actions, the Chief Nurse and Deputy Chief Nurse had been invited to attend today's meeting to explain to members, in more detail, the actions that had been taken in response to the recommendations of the two Internal Audit reports.

The Chief Nurse gave an update on the background to the delay in implementation of the recommended actions for both audits.

The Chief Nurse advised members that she had raised concerns with her team about the delay in the updating of the Quality in Care Homes Strategy which should have been completed in September 2016, and to the implementation and completion of the other recommended actions. This had subsequently led to an employment review of a member of that team, which was still ongoing. She advised that work had commenced to address the issues and outstanding actions, undertaken with renewed energy and focus, led by the Deputy Chief Nurse.

The Deputy Chief Nurse advised the committee that the team had been aware of the audit and explained that there had not been accountability within that team, which had led to an external 'deep dive' of the service and a review of why the recommended actions had not been addressed / implemented. She advised that, in alignment and collaboration with the Local Authority, the strategy now included an operational framework and governance structure, and the team had an action plan they know they have to deliver on. The Chief Nurse advised members that morale within the team was now very high, a number of the actions had now been completed, with some that should be completed in July. She thanked Internal Audit for undertaking these audits which, she felt, had led to a better team with a better focus. She also commented that at some time she needed to capture the team's journey and the good work that is now taking place.

The Director of Finance suggested that an update report to finish off the process and journey be presented to the committee in September.

The Audit and Integrated Governance Committee:

- Noted the progress against all the outstanding agreed actions.

- Thanked the Chief Nurse and Deputy Chief Nurse for their update.

Mr Boyington rejoined the meeting at this stage.

23/17

Internal Audit (continued)

c) Update on 2017/18 Internal Audit Plan

The Director of Finance gave an oral update and advised members that there had been no substantive discussions to change the plan since the first draft had been issued in March. A progress report would be presented to the AIGC in September and kept under review.

LH

The Client Manager, 360 Assurance, advised members that they had strengthened the team with a new full time client manager role who would be managing all five South Yorkshire and Bassetlaw CCGs and would be starting in post in August. This would be an improvement to the service Internal Audit was currently offering.

The Audit and Integrated Governance Committee noted the update.

d) Commissioner Technical Update

The Client Manager, 360 Assurance, presented this report to the meeting. It was agreed this should be circulated and added to the intranet for information.

CRH

The Audit and Integrated Governance Committee noted the report.

24/17

Counter Fraud

Local Counter Fraud 2016/17 Annual Report

The Local Counter Fraud Specialist (LCFS) presented this report which summarised the activity that had been reported to AIGC throughout the year. He had no particular issues to bring to the committee's attention, except to draw to their attention to the Conclusion at page 16 of the report, which provided assurance that the activities delivered by 360 Assurance were efficient and effective.

Mr Boyington raised the issue of people tailgating staff to gain access to the building and suggested that the CCG look at better ways on how to deal with this issue as the CCG had to ensure the safety of its staff. The Corporate Services Risk and Governance Manager advised that a reminder email would shortly be sent out to all staff.

SKL

The Chair thanked the Local Counter Fraud Specialist for all the hard work he had undertaken for the CCG over the past year.

The Audit and Integrated Governance Committee received and noted the report.

The Local Counter Fraud Specialist left the meeting at this stage.

25/17

Governance – Key Issues for Audit and Integrated Governance Committee

a) Governance Report including Unadopted Minutes of the Governance Sub Committee Meeting held on 3 May 2017

The Corporate Services Risk and Governance Manager presented the report and unadopted minutes. She advised members that it had been the first meeting of the sub committee with the revised membership at which there had been really active involvement in terms of risk management. She advised that she had no particular issues to bring to the committee's attention, except to report that the sub committee had noted that staff sickness absence rates had reduced slightly.

The Audit and Integrated Governance Committee received and noted the report and unadopted minutes.

b) Update on Governing Body Assurance Framework (GBAF) and Risk Register

The Corporate Services Risk and Governance Manager presented this report which outlined the good progress that continued to be made with regard to management of strategic risks facing delivery of the organisation's key objectives, and reported the position up to and including 15 May 2017, the gaps in control and assurance and actions identified in order to close the gaps. She advised the committee that Governing Body had approved the refreshed framework on 4 May 2017, and since then the score for risk 2.4: Insufficient resources to across health and social care to be able to prioritise and implement the key developments required to achieve our goal of giving every child and young person the best start in life, potentially increasing demand for health and care services, had increased from 12 to 16, however, this had been due to a resource issues which had now been resolved and so the score should reduce in the next quarter.

She advised that, as at 15 May 2017, 17 identified risks remained on the GBAF, with five remaining very high, the level of one risk (as noted above) had increased, and the level of four risks had reduced in score. Six of the 17 risks continued to show either gaps in control and assurance with one risk showing both. Actions identified to close the gaps were attached at Appendix 2.

The Director of Finance advised that she and the Corporate Services Risk and Governance Manager would review possibly changing the headings to make this appendix more understandable as members' views were that they would only expect to see a risk showing gap in control or assurance in this section if it was marked up as red on the front page of the GBAF, and this was not the case.

The Audit and Integrated Governance Committee:

- Noted the activity with regard to the GBAF and arrangements in place for

JN/SKL

managing strategic risks up to and including 15 May 2017.

- Did not identify any additional controls and mitigating actions they felt should be put into place to address identified risks.

c) Quality Assurance Committee (QAC) Report including Unadopted Minutes of the Quality Assurance Committee meeting held on 9 March 2017 and oral Update from the Meeting held on 18 May 2017

The committee noted that Ms Forrest, Chair of the Quality Assurance Committee (QAC), had sent apologies to today's meeting so an oral update from meeting held on 18 May 2017 could not be given. The minutes of that meeting would be presented to AIGC in September.

In the absence of Ms Forrest, members received and noted the unadopted minutes of the QAC meeting held on 9 March 2017. The Chair commented that the minutes highlighted the good work the QAC was doing. Mr Boyington asked if a post meeting note could be included at the end of this minute with regard to the QAC minute 04/17(b) that advised that there would be an enquiry around Sheffield Health and Social Care NHS Foundation Trust's (SHSCFT) application of the Mental Health Act, and why this was the case.

JN(CRH)

26/17

Other reports

a) Losses and Special Payments since 1 April 2017

The Financial Accountant presented this report which provided the committee with a summary of instances where Losses and Special Payments had been approved since 1 April 2017. She advised members that, whilst there had been no payments of this nature relating to 2017/18 to date, there had been an additional payment relating to 2016/17 since the last report to AIGC in March 2017, which had been included in the CCG's 2016/17 financial accounts. The Audit and Integrated Governance Committee received and noted the report.

b) Competitive Tender Waiver Approvals 2017/18

The Financial Accountant presented this report which provided the committee with information on instances where the competitive tendering rules had been waived since 1 April 2017. She reported that there had been no tender waivers to date in 2017/18.

The Audit and Integrated Governance Committee received and noted the report.

c) Legal Claims Update

The Corporate Services Risk and Governance Manager advised the committee that there no legal claims to report. However, a letter had been received that could lead to a potential claim.

27/17

Any Other Business

a) AIGC Workplan

The Director of Finance advised members that, due to pressures of work this month, the report on attendance at committees would be presented to the AIGC in September.

b) Kevin Watkins

The Chair thanked Mr Watkins, who was attending his last meeting of the AIGC, for all his hard work over the past few years in supporting the CCG.

c) Mr John Boyington

The Chair thanked Mr Boyington, who was also attending his last meeting of the AIGC, and had been Chair of the AIGC following the CCG's authorisation, for his massive commitment to the AIGC and to the organisation.

Mr Boyington thanked all staff, especially those that had supported the AIGC. He commented that he was pleased by the engagement of the AIGC's GPs, both past and current members, in particular.

There was no further business to discuss this month.

JN

28/17

Key Highlights for Governing Body

The Chair proposed to report:

- The committee's review of the Annual Accounts, including the Management Letter of Representation, and Annual Report for 2016/17 and their recommendation to Governing Body for approval.
- That KPMG would be issuing an Unqualified Opinion on the CCG's annual accounts, and that they had reported on difficulties obtaining evidence from Capita relating to the CCG's co-commissioning of primary care services with NHS England.
- That the committee had received KPMG's benchmarking report that highlighted how the CCG's primary care co-commissioning spend compared with the national profile.
- That the committee had received the Head of Internal Audit's Annual Report and Opinion and noted the Significant Assurance that had been given.
- That the committee had received Internal Audit's progress report for 2016/17 and received assurance that the relevant issues were being addressed, and noted an oral update on the 2017/18 plan.
- That the committee had receive the annual report of the Local Counter Fraud

- Specialist and noted the arrangements in place for managing strategic risks.
- That the committee had received an update from the CCG's Chief Nurse and Deputy Chief Nurse relating to recommendations from Internal Audit following a number of reviews, which had led to collaboration and alignment with the Local Authority and an action plan in place to address the outstanding issues, and noted that an update would be presented to the AIGC in September.

29/17

Date and Time of Next Meeting

Thursday 14 September 2017, 2.00 pm – 4.00 pm, Boardroom, 722 Prince of Wales Road