

Audit and Integrated Governance Committee Annual Report for 2016-17

Governing Body meeting

Item 18g

25 May 2017

Author(s)	Carol Henderson, Committee Secretary, on behalf of: Phil Taylor, Chair of the Audit and Integrated Governance Committee
Purpose of Paper	
Assurance: The Chair of the Audit and Integrated Governance Committee produces an annual report for the Committee for the Governing Body.	
Key Issues	
As noted in the report.	
Is your report for Approval / Consideration / Noting	
Noting.	
Recommendations / Action Required by Governing Body	
The Governing Body is asked to note the report	
Governing Body Assurance Framework	
<p><i>Which of the CCG's objectives does this paper support?</i></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>	
Are there any Resource Implications (including Financial, Staffing etc)?	
Not applicable	
Have you carried out an Equality Impact Assessment and is it attached?	
<p><i>Please attach if completed. Please explain if not, why not</i></p> <p>No, not applicable</p>	

Equality impact assessment

Have you carried out an Equality Impact Assessment and is it attached? No

If not, why not? Not applicable

Have you involved patients, carers and the public in the preparation of the report?

Not applicable

PPE Activity

How does your paper support involving patients, carers and the public? Not applicable

Audit and Integrated Governance Committee Annual Report for 2016-17

Audit and Integrated Governance Committee meeting

30 March 2017

1. INTRODUCTION

The NHS Audit Committee Handbook recommends as good practice that Audit Committees should prepare a report to the Board or Governing Body detailing how the Committee has met its Terms of Reference for each year.

2. BACKGROUND

The Sheffield CCG Governing Body established the Audit and Integrated Governance Committee (AIGC) in accordance with the CCG's Constitution. The AIGC plays a pivotal role in ensuring that the Governing Body has effective internal control arrangements in place across the CCG. The main purpose of the Audit and Integrated Governance Committee is to scrutinise and critically review the CCG's financial reporting and internal control principles and ensure an appropriate relationship with both internal and external auditors is maintained.

In performing this role during 2016/17, the Audit and Integrated Governance Committee predominantly focused upon the framework of risks, controls and related assurances that underpin the delivery of the CCG's duties and objectives. In discharging these duties the Committee has considered reports, documentation and other information from officers of the CCG and its representatives, Internal Audit, External Audit and Counter Fraud.

As Chair of AIGC, I have reported key issues by the presentation of minutes and written and verbal reports to each of the CCG Governing Body meetings as appropriate. The Committee has presented key issues to the Governing Body meetings to ensure that members are effectively briefed.

This Annual Report of the AIGC is presented to the Governing Body to summarise the work of the Audit and Integrated Governance Committee during the 2016/17 financial year.

3. TERMS OF REFERENCE AND WORKPLAN

The Terms of Reference for the Audit and Integrated Governance Committee were reviewed during 2016/17 and updates were approved by the Governing Body in February 2017.

In carrying out its duties, four meetings of the Audit and Integrated Governance Committee have been held during 2016/17 and all meetings have been quorate. In addition to the Committee members, the Director of Finance, Head of Governance and Planning and representatives from Internal Audit and External Audit have regularly attended meetings. Other members of staff have also attended meetings in order to

present reports or provide information and explanation in relation to specific items on the agenda.

A workplan covering the period March 2016 to March 2017 inclusive was developed to ensure that all key areas and reports from internal and external audit and from other committees were considered by the Audit and Integrated Governance Committee at appropriate intervals throughout that period. This workplan has been achieved for 2016/17 and is attached as Appendix A to this report for information.

At each meeting AIGC has considered the work of the Governance Sub Committee including receiving its minutes and has considered reports on issues from the Risk Register and Assurance Framework, as well as various reports relating to financial governance matters. AIGC has also received reports at each meeting from the CCG's Quality Assurance Committee. Generally this has been from the Lay Member who chairs that committee and who is also a member of AIGC.

Whilst AIGC has completed a full cycle of meetings and work in 2016/17, it will not be until May 2017 that it receives and considers a set of statutory financial statements for the CCG, together with appropriate external audit reports.

During the year, the CCG, along with the other South Yorkshire & Bassetlaw CCGs, have carried out a joint procurement process to select and appoint their own auditors as CCGs are required to directly manage their contracts for audits for the financial year starting on 1 April 2017. This process was supported by procurement advice provided by Doncaster CCG. The AIGC were approved to act as the Auditor Panel on behalf of the CCG. The role of the Auditor Panel is to check that contract arrangements are appropriate, relationships with auditors are professional and conflicts of interest are dealt with effectively. The AIGC successfully facilitated the procurement process by providing a scoring panel for the evaluation of the bids from the procurement exercise and monitoring the process throughout. The external audit services contract was awarded to KPMG LLP in November 2016.

The AIGC also considered changes to The Standards of Business Conduct and Conflicts of Interest Policy and Procedure, to streamline and strengthen the governance arrangements of the CCG and provide one point of reference by bringing together a number of existing CCG documents. The Standards set out the CCGs process for managing its business in an open and transparent way and were approved by Governing Body in February 2017.

In December, members of AIGC attended a bespoke training session on the role of Audit Committees facilitated by KPMG. This allowed members to discuss the operation of the committee against the standards outlined by KPMG.

In January all members and key attendees of AIGC completed a questionnaire which considered the work and effectiveness of AIGC. The results of this questionnaire are being considered at the March 2017 meeting and overall were very positive. We will be considering any development issues for AIGC members as well.

The minutes of all meetings of AIGC have been formally recorded and submitted, together with recommendations, where appropriate, to the Governing Body.

In summary, I believe AIGC has had a positive and productive year of operation and has supported Governing Body successfully in discharging a range of governance functions for the CCG.

Phil Taylor
Chair of the Audit and Integrated Governance Committee

March 2017

NHS Sheffield Clinical Commissioning Group

Audit and Integrated Governance Committee (AIGC) Work Plan 2016/17

Details	March 2016	May-16	Sept 2016	Dec 2016	March 2017
Internal Audit					
Internal Audit Annual Plan and Fee	x	x			x
Internal Audit Progress Reports	x	x	x	x	x
Internal Audit Annual Report and Head of Internal Audit Opinion Statement		x			
Local Counter Fraud Reports (Annual report will be in May 2016)	x	x	x	x	x
Local Counter Fraud Annual Work Plan	x				x
Internal Audit Recommendations - High and Medium Risks	x	x	x	x	x
External Audit					
External Audit Annual Plan and Fee	x				x
External Audit Progress Reports	x	x	x	x	x
External Audit Management Letter			x		
External Audit Annual Governance Report		x			
Annual Accounts					
Agreement of final accounts timetable and plans	x				x
Annual review of accounting policies	x				x
Receive Annual Financial Statements of Sheffield CCG (for information)		x			
AIGC's own business					
Review Terms of Reference	x			x	
AIGG Annual Work Plan	x				x
AIGG Annual Report	x				x
AIGG Self Assessment Checklist	x			x	x
Agree AIGG Meeting Dates				x	
Private discussion with Internal and External Audit					x
CCG Governance and Assurance					
Review Standing Orders, Prime Financial Policies and Detailed Financial Policies	x				x
Review of CCG Assurance Framework & Risk Register	x	x	x	x	x
Governance sub committee reports	x	x	x	x	x
Quality Assurance committee reports	x	x	x	x	x
Report on Members' attendance at formal committees					x
Other reports					
Aged Debtors and Creditors Report	x		x	x	x
Losses and Special Payments Report	x	x	x	x	x
Competitive Tender Waivers	x	x	x	x	x
Legal Claims Report		x		x	