Working with you to make Sheffield HEALTHIER

NHS Sheffield Clinical Commissioning Group

Report from Audit and Integrated Governance Committee meeting held on 14 December 2017

Item 18d

Governing Body meeting

11 January 2018

Author(s)	Carol Henderson, Committee Secretary / PA to Director of Finance Julia Newton, Director of Finance
Sponsor Director	Phil Taylor, Chair of Audit and Integrated Governance Committee

Purpose of Paper

The paper summarises the key points arising from the CCG's Audit and Integrated Governance Committee meeting on 14 December 2017 and is accompanied by the unadopted minutes of the meeting.

Key Issues

Key issues are as set out in the paper.

Is your report for Approval / Consideration / Noting

Noting

Recommendations / Action Required by Governing Body

The Governing Body is asked to:

1. Note the key messages in the Executive Summary
2. Receive the unadopted minutes from the 14 December 2017 meeting

Governing Body Assurance Framework

Which of the CCG's objectives does this paper support?
5. Organisational development to ensure CCG meets organisational health and capability requirements

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..

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

None

Have you carried out an Equality Impact Assessment and is it attached?
Please attach if completed. Please explain if not, why not Not applicable
Have you involved patients, carers and the public in the preparation of the report?
Not applicable

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EXECUTIVE SUMMARY

Proposed Changes to Audit and Integrated Governance Committee Terms of Reference (ToR)

The committee discussed the proposed changes and recommended them to Governing Body for approval. They also requested further two changes and noted that reference to NHS Protect would need to be changed to NHS Counter Fraud Authority throughout.

Committee discussed the way AIGC reports back to Governing Body and agreed to continue in the way it currently does with the Chair able to raise issues at the meeting.

Head of Internal Audit Opinion – Stage 2 Report

Stage 2 of the Head of Internal Audit's programme of work included sending out a survey to Governing Body members covering CCG governance, organisational culture and transparency, and use of the Governing Body Assurance Framework (GBAF). 15 out of 19 members responded and demonstrated there was a clear understanding of what the GBAF was for. The main new issues for 2018/19 related to the Accountable Care System (ACS) and Sheffield Accountable Care Partnership and the pace of change.

External Audit

The committee noted that External Audit were on track with their audit plan for 2017/18, and that financial sustainability was a likely key area of risk for all CCGs.

External 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

Internal Audit

The committee was pleased to note that internal audit's review of the CCG's data quality framework had been given **Significant Assurance**. However, they also noted that there had been a three month delay in commencing the Commissioning Strategy audit due to CCG senior staff availability and that timely response to requests from auditors needed to be prioritised. The Director of Finance would be following up on this matter.

The committee noted that internal audit had met with Sheffield City Council's (SCC) auditors to ensure their audit of arrangements for monitoring delivery of the 2016/17 Better Care Fund (BCF) triangulated.

Governing Body Assurance Framework (GBAF)

The committee carefully reviewed the Governing Body Assurance Framework (GBAF) and were reassured that the strategic review process was appropriate. However, they raised queries around risks relating to accountable care and other partnership working. Members also asked the Director of Finance to discuss with the CCG's Senior Management Team (SMT) re-assessing the principal risks on the GBAF relating to ensuring Parity of Esteem and health inequalities as part of their next review.

Accountable Care Partnership / System) (ACP / ACS)

Members received an update from the AIGC Chair from an ACS Audit Chairs and Governance Group meeting he had attended on 1 December. He reported that he had felt more reassured that the ACS would have appropriate governance in place as a selection of the Audit Chairs would now be working with the ACS Governance Group to assist in the design of the governance arrangements for the future. He asked committee members to feed back comments back to him on the ACP / ACS for him to raise with the CCG Chair and Accountable Officer. The committee requested an update report to the next meeting of AIGC on proposed governance arrangements for the ACP.

Update Wannacry - Cyber Security

The committee received a report that provided them with assurance that the CCG was working closely with its Information Technology (IT) provider in terms of cyber security. Members were assured that the impact of the cyber attack in May had been quite low in Sheffield due to the patches and checks that had been put in place by eMBED Healthcare, the CCG's IT provider. The committee also asked that Governing Body discuss the approach to how the CCG's management decided what risk it would tolerate and how it managed that risk, as this was included in the CCG's Emergency Preparedness, Resilience and Response (EPRR) Framework.

Review of CCG Registers of Interests, Procurement and Gifts and Hospitality and Sponsorship

The committee expressed disappointment that only 62% of CCG staff and 39% of Members practices had returned their Declaration of Interest forms, however, they had received assurance that this was being addressed through a number of actions being undertaken by the CCG's Corporate Services Risk and Governance Manager.

Governance Report including Unadopted Minutes of the Governance Sub Committee (GSc) Meeting held on 22 November 2017

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The committee had raised concerns regarding the delay in responding to complaints and MP enquiries, but received assurance that this was being addressed as part of a recovery plan being implemented by the CCG's new complaints manager.

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Audit and Integrated Governance Committee
Unadopted minutes of the meeting held on 14 December 2017
Boardroom, 722 Prince of Wales Road

Present:
Mr Phil Taylor, Lay Member (Chair)
Dr Ngozi Anumba, CCG Governing Body GP (up to item 51/17)
Ms Amanda Forrest, Lay Member
Dr Leigh Sorsbie, CCG Governing Body GP
Mr Tony Williams, Lay Member

In Attendance:
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, NHSSCCG
Mr Iain Leviston, Manager, Public Sector Audit, KPMG
Ms Kay Meats, Client Manager, 360 Assurance
Ms Julia Newton, Director of Finance, NHSSCCG
Ms Clare Partridge, Director, KPMG (from item 45/17(b)
Ms Amanda Smith, Local Counter Fraud Specialist, 360 Assurance (up to item 50/17)

Minute		ACTION
42/17	**Welcomes, Introductions and Apologies for Absence** Apologies for absence from those who were normally in attendance had been received from Ms Leanne Hawkes, Deputy Director / Client Manager, 360 Assurance, Ms Alison Ormston, Senior Manager, KPMG, Mr Robert Purseglove, Local Counter Fraud Specialist, 360 Assurance, and Mrs Suzie Tilburn, Deputy Director of HR and OD, NHSSCCG. The Chair welcomed Mr Tony Williams, Lay Member, and other attendees, to the meeting. The Chair declared the meeting was quorate.	
43/17	**Declarations of Interest** 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.	

Declarations made by members of the Audit and Integrated Governance 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

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

44/17 **Minutes and Matters Arising of the meeting held on 10 October 2017**

i) Accuracy

The minutes of the meeting held on 10 October 2017 were agreed as a correct record.

ii) Matters Arising

a) Update Report on Internal Audit Recommendations – High and Medium Risks (minutes 22/17 and 32/17(ii)(c) refer)

Ms Forrest, Chair of the Quality Assurance Committee (QAC), advised members that, following concerns by members at a previous QAC meeting, the CCG's Acting Chief Nurse had presented a report at the November meeting relating to the work that was taking place in response to recommended actions following the audits of quality of care in care homes, and continuing health care (CHC). She advised that the report had made it very clear as to the work that was being / had been undertaken, which meant that QAC members had been assured that this item was now complete.

b) Update on 2017/18 Internal Audit Plan (minute 34/17(a)(ii)(c) refers)

Dr Sorsbie advised members that she had spoken to the CCG's Clinical Director for Elective Care in relation to Getting it right First Time and the proposal for greater surgical assessment at the "front door" and the need to reduce variations in practice referrals. He had then discussed it with the Clinical Director at Sheffield Teaching Hospitals NHS Foundation Trust (STHFT) who had advised that the trust was actively looking at this internally, and that it may also be something that needed to be brought into contractual discussions. Dr Sorsbie advised members that they were also looking at primary care variations in referrals through the localities.

Members agreed that this action was now complete.

c) Report from Governance Sub Committee (GSc) Meeting 30 August 2017 (minute 37/17(c) refers)

Ms Forrest advised members that she had spoken to Professor Gamsu, Chair of the Strategic Public Equality Experience Engagement Group (SPEEEG) in

relation to the GSC's concerns about the quality of the SPEEEG minutes. She reported that they had both expressed surprise as this issue had never been fed back from GSc before.

The Corporate Services Risk and Governance Manager advised members that she had fed back this concern, especially as the SPEEEG was now established as a committee (SPEEEC) of Governing Body, and also GSc's concern that the SPEEEC's Terms of Reference had been changed without being presented to Governing Body as part of the formal approval process.

Ms Forrest suggested that it would be helpful if any future issues were fed through to the CCG's Interim Director of Delivery – Care Outside of Hospital in the first instance.

d) Update on Governing Body Assurance Framework (GBAF) and Risk Register (minute 37/17(e) refers)

The Director of Finance advised members that the action for the CCG's Senior Management Team (SMT) to review as to whether a sentence could be included in risk 2.3 to the effect that an improvement in performance was beyond the CCG's control which resulted in the gaps in control and assurance, would be carried forward to SMT's next review of the GBAF. **JN**

e) Payables and Receivables as at 31 July 2017 (minute 38/17(a) refers)

Members noted the briefing paper that confirmed further details on payments of £490k which were overdue by more than 90 days to non-NHS suppliers, appended at paper Aiii.

45/17 AIGC's Own Business

a) Review of Audit and Integrated Governance Committee Terms of Reference

The Director of Finance presented this report which provided details of the annual review of the AIGC's Terms of Reference (ToR). She advised members that she was recommending proposed changes to reflect the CCG's revised Standards of Business Conduct and Conflicts of Interest Policy and Procedure, and to an additional paragraph regarding the role of the AIGC to seek assurances from officers that the CCG's oversight and management of its commissioning programme was effective in securing delivery of its organisational objectives and in eliminating or mitigating strategic, financial and operational risks.

Members asked if further amendments could be made as follows:

Paragraph 3.6.1 "The Committee shall monitor the integrity of the **annual** financial statements of the CCG and any formal announcements relating to the CCG's financial performance".

Paragraph 5: Attendees: Note: Attendees should be referred to by title **or** name. Minute taker should be stated either as member or in attendance.

The Chair also questioned the way the AIGC currently reported back to Governing Body as, at the moment, the cover report and minutes were circulated in advance to members as part of the supporting information pack which, he felt, did not meet the recommendations of the Audit Committee Handbook.

The Director of Finance explained that the CCG Chair had asked that, due to the size of the main pack of Governing Body meeting papers, minutes of all its formal committees go as part of the noting pack with a cover report drawing out the main highlights, but that they were also listed on the main agenda which gave members the opportunity to raise any queries they had at the meeting.

Members agreed to continue reporting back to Governing Body in the way it currently did, with the option for the AIGC Chair to raise issues at the meeting.

The Audit and Integrated Governance Committee:

- Noted that the Terms of Reference had been reviewed.
- Recommend the proposed changes to Governing Body for approval.

The Director, KPMG, joined the meeting at this stage.

b) Undertaking 2017/18 AIGC Self Assessment Exercise

The Chair presented this report which requested members to consider and agree the approach to the completion of the yearly self-assessment for the Audit and Integrated Governance Committee activities. The proposed approach was for KPMG to email a link to an electronic questionnaire to the CCG's Financial Accountant by the end of December 2017 for her to distribute to AIGC members for completion by 9 February 2018, which KPMG would then analyse and present the results of to the AIGC in March 2018. **CP/RG** **CP**

The Audit and Integrated Governance Committee agreed to adopt the proposed approach and timescale for completion of the self-assessment exercise for 2017.

46/17 **External Audit**

a) Update on 2017/18 External Audit Plan

The Director, KPMG, gave an oral update and advised members that KPMG had recently held a full planning day, which would feed into their audit process. She reported that she had arranged a planning meeting with the CCG's finance team for 4 January and advised that she would fully expect the key areas of risk to be sustainability and outturns, which was standard across every CCG at the moment. She also advised that they would be bringing as much work forward as possible, which would also be discussed at the January meeting.

The Audit and Integrated Governance Committee noted the update.

b) External Audit Technical Update

The Manager, Public Sector Audit, KPMG, presented this report which updated AIGC on the main technical issues which were currently having an impact on the health sector. He drew members' attention to the key issues highlighted at page 2 and included work on pensions tax thresholds and how these would impact staff, but which related more to provider trusts than to CCGs and; data security and protection for health and care organisations regarding changes made to the way the NHS charges overseas visitors for hospital care.

Dr Sorsbie drew members' attention to page 9, that NHS England was set to expand the GP workforce with the acceleration of an international recruitment programme, to help deliver the commitment set out in the General Practice Forward View (GPFV) action plan to recruit 5,000 more GPs working in general practice by 2020. She asked where and how this would be targeted as, at the moment, there was no mechanism for practices to say they needed more GPs and practices were funded on practice list size. The Director of Finance explained that the £2.4bn increased spend per year on general practice referred to in the report was a key headline from the GPFV.

As always, 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. This update would be noted in the AIGC update to Governing Body. **CRH**

The Audit and Integrated Governance Committee noted the External Audit Technical Update.

c) External Audit Annual Management Letter 2016/17

The Director, KPMG, presented this report and advised that it was very much as set out in their ISA260 report that had been presented to the AIGC and Governing Body in May.

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

d) Further Benchmarking Information in Relation to the CCG's Spend on Primary Care Co-Commissioning

The Director, KPMG, gave an oral update and advised members that benchmarking information in relation to the CCG's spend on primary care co-commissioning could not be provided due to the way that External Audit collected data. However, they would be able to collect some more information as part of the audit process and present it to the committee in June or July 2018, which would also be broken down into the source data. **CP**

The Audit and Integrated Governance Committee noted the update.

47/17	**Internal Audit** **a) Update on 2017/18 Internal Audit Plan** The Client Manager, 360 Assurance, presented this report and drew members' attention to the key highlights. One report had been issued since the last meeting in relation to their review of the CCG's Data Quality Framework. The objective of the review had been to carry out a baseline assessment of current arrangements in place to support data quality and provide the CCG with an action plan for best practice in governance and leadership, policies and procedures, systems and processes, and people and skills. The summary findings were outlined at page 6, with two medium and seven low risk recommended actions, and the committee noted that **Significant Assurance** had been provided that the risk management activities and controls were suitably designed and operating with sufficient effectiveness to provide reasonable assurance that the control environment had been effectively managed during the period under review. The Director of Finance explained that the recommendation relating to the development of corporate aims and objectives for data quality linked to the organisation's strategic aims would be presented to the Governing Body. With regard to work in progress, Terms of Reference (ToR) had been agreed for their audit of Individual Funding Requests (IFR) for treatment. The draft report would be shared with the Continuing Health Care (CHC) team prior to being finalised and presented to the AIGC. There had been a delay in agreeing the ToR for the Commissioning Strategy Implementation review. The Client Manager explained that the ToR had been shared with the CCG's Director of Commissioning and Performance in late September but for a variety of reasons a revised meeting date of 22 December now agreed. She reported that a report would be presented to the AIGC in March after completion of work in Quarter 4. The Director of Finance agreed to bring the committee's concerns over this delay to the attention of the CCG's Director of Commissioning and Performance. The Chair referred to Appendix A and the summary of follow up status, and commented that it only took internal audit's work up to a certain point in time, for example, the findings from their review of arrangements for monitoring delivery of the 2016/17 Better Care Fund (BCF) which they had reported to AIGC in September, were not included. The Client Manager apologised for this omission and advised that she would update this appendix. She also reported that she had met with Sheffield City Council's (SCC) auditors to ensure their audits were triangulated. She would be meeting with them in February and would update the AIGC in March. The committee noted that the BCF report had now been shared with Governing Body, Sheffield City Council, and the Health and Wellbeing Board.	**JN (through BH)** **KM** **JN** **KM**

The Chair drew members' attention Appendix B - key performance indicators for 2017/18 and the two follow up of previous recommendations that had not been met within the agreed timescales. The Client Manager explained that the full detail of these would be captured on the next progress report to AIGC. **KM**

Members asked the Chair to highlight this in his report to Governing Body.

The Audit and Integrated Governance Committee received and noted progress in delivering the Internal Audit Plans.

b) Head of Internal Audit Opinion – Stage 2 Report

The Client Manager, 360 Assurance, presented the Head of Internal Audit's Work Programme Stage 2 Memo on the survey with all Governing Body members that had considered the wider governance, organisational culture and transparency, and use of the Governing Body Assurance Framework (GBAF) and also tabled a further update. She advised members that 15 out of 19 members had completed the survey and had collectively demonstrated that there was a clear understanding of what the GBAF was for, with the majority of concerns raised being around the Accountable Care System (ACS) and the pace of change. Recommendations had been included at the end of the report. She reported that benchmarking work had been undertaken to show the comparison with other CCGs.

In relation to the ACS issue, the Director of Finance commented that the CCG was still at the stage where for other than for two areas of commissioning delegated to the Joint Committee of CCGs, the Governing Body had still reserved all key decision making to itself and hence the GBAF reflected this. As the governance arrangements for the ACS and Sheffield Accountable Care Partnership (ACP) developed, in 2018/19 changes to the GBAF would need to be kept under review. Ms Forrest commented that further clarity on ACS/ACP governance was required, particularly as she felt the public's perception was that decisions were being made in secret.

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

48/17 **Update Report on Internal Audit Recommendations – High and Medium Risks**

The Financial Accountant 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 two outstanding actions had been brought forward from October 2017 which had now all been completed and rated Green. She also advised that the report covered three reviews, with a couple of recommendations slipping beyond their agreed completion dates.

The Audit and Integrated Governance Committee:

- Noted the progress against all the outstanding agreed actions.

	• Confirmed that 'Green' completed actions could be excluded from further updates to the committee.	
49/17	**Counter Fraud** **Local Counter Fraud Progress Report Update** The Local Counter Fraud Specialist (LCFS), 360 Assurance, presented this report which summarised the activity that had been reported to AIGC throughout the year. She drew members' attention to the key highlights which included that NHS Protect was now known as NHS Counter Fraud Authority. Although she did not expect there to be a problem, she expected that there would be something more official she could share with the five South Yorkshire and Bassetlaw CCGs that showed the effect of the change.	**AS**
	It was noted that the change of name would necessitate a change to the AIGC's Terms of Reference and to the CCG's Fraud Policy.	**JN/SKL**
	The LCFS also updated members regarding the work that had been undertaken during November, fraud awareness month that had included issuing a questionnaire to staff to raise their awareness, with a further awareness raising survey to be issued to staff in the new year.	
	The LCFS explained that Counter Fraud did not supply the Local Security Management Specialist (LSMS) function. The Director of Finance advised that she would discuss this with the Corporate Services Risk and Governance Manager outside of the meeting.	**JN/SKL**
	The Chair asked about provider compliance with Counter Fraud Standard 1.8 that required commissioners to review the anti-fraud, bribery and corruption arrangements in place within the providers it contracted to deliver NHS services to ensure compliance with service condition 24 of the NHS standard contract. The LCFS explained that this applied to any trusts or providers licensed by Monitor and, in this respect, had contacted them all to ask them what processes they had in place.	
	The Audit and Integrated Governance Committee received and noted the report.	
	The Local Counter Fraud Specialist left the meeting at this stage.	
50/17	**Governance – Key Issues for Audit and Integrated Governance Committee**	
	a) ACP / ACS Governance	
	The Chair gave an oral update and advised members that he had attended an ACS Audit Chairs and Governance Group workshop on 1 December and had felt more reassured that the ACS would have appropriate governance in place as a selection of the Audit Chairs would now be working with the ACS Governance Group to assist in the design of the governance arrangements for the future. He	

tabled a paper showing a diagram of these proposed governance arrangements on which he would be making some comments, the first of which would be that there was no Lay Member or Non Executive Director engagement. He commented that there were CCG / Trust Chairs and Accountable Officers on every group, except for clinical groups, which seemed to be replicated, so he was not sure they had got it quite right as yet.

Dr Sorsbie commented that, without Lay Membership, they would struggle to determine how the accountability lies. The Director of Finance explained that this had been discussed, but not resolved, at the Accountable Care Partnership (ACP) Board in November. The Chair asked members to email him their views on this for him to raise as a concern with the CCG's Chair or Accountable Officer. **All to note**

Members asked if it would be possible to provide them with an update on the ACP in March. The Director of Finance advised that the new ACP Programme Director would be starting in post shortly and 'touring' all the ACP organisations in her first month. She explained that the ACP and ACS would be moving into shadow arrangements from April 2018, with a huge amount of work to be done to work through what this would mean but, by the end of March 2018, there may be something that could be shared with AIGC about the shadow arrangements. **JN**

Finally, the Chair asked if it would be possible to arrange for him to meet with the new ACP Programme Director when she was in post. **CRH**

The Audit and Integrated Governance Committee noted the update.

b) Update Wannacry - Cyber Security

The Corporate Services Risk and Governance Manager presented this report which provided members with assurance that the CCG was working closely with its Information Technology (IT) provider in terms of cyber security. She advised members that the impact of the cyber attack in May had been quite low in Sheffield and was pleased to be able to report that none of our data centre servers had been infected with the virus due to the patches and checks that had been put in place by eMBED Healthcare, the CCG's IT provider. She also advised members that awareness sessions had been run for staff by South Yorkshire Police and eMBED was looking at signing up to NHS Digital's sms text alerts.

The Corporate Services Risk and Governance Manager advised members that the CCG's general practice IT systems were also managed through eMBED, and they were working with practices to review the software they buy 'off the shelf', for example card payment systems.

The Chair welcomed Appendix 1 which set out the organisation's response to a number of high level considerations. With regard to how the management had decided what risk it would tolerate and how it manages that risk, the Corporate Services Risk and Governance Manager explained that this was included in the CCG's Emergency Preparedness, Resilience and Response (EPRR) Framework

so the approach to this should be discussed by Governing Body. She would discuss this further with the CCG's Director of Commissioning and Performance, the CCG's lead director for IT. **SKL**

The Chair asked about Section 4 and if there were effective processes for managing privileged accounts. The Director of Finance explained that new user and leaver accounts were arranged by the CCG's Business Managers through the eMBED service desk but we would need to check how they dealt with these accounts. She also advised members that 95% of staff had to be compliant with the CCG's new data security awareness training, which had replaced the information governance training module.

The Audit and Integrated Governance Committee noted the report and the work underway with regard to lessons learnt.

c) Conflicts of Interests: Update from NHSE Audit, Recent Internal Investigation and Self Certification Return on 13 October 2017

The Director of Finance presented this report which provided members with assurance of the arrangements that were in place in relation to management of conflicts interests within the CCG, and updates on NHS England's audit of CCGs, and an investigation into a potential conflicts of interests breach within the CCG. It also provided an update on the CCG's quarterly compliance declaration submitted to NHS England in October 2017.

With regard to NHS England's audit of CCGs, she reported that the fieldwork had been undertaken by Deloittes in October, with the Corporate Services Risk and Governance Manager and Committee Secretary providing them with a raft of information and evidence. Mainly positive informal feedback had been received, with no major areas of concern, and a few recommended actions, but the final report would not be received until the audits of all the 10 sample CCGs had been completed, which she would circulate to members once received. She advised that the full report from all 10 audits would be presented to NHS England but the individual organisations may only receive their own. **JN**

With regard to the potential conflicts of interests breach, the Director of Finance advised members that the investigation had taken place as a result of a governance issue reported to her, in line with the CCG's Conflicts of Interests Policy and Procedure. Following thorough investigation, a conclusion had been made by Mr Taylor, the CCG's Conflicts of Interests Guardian, that it was not a beach, however, there were some generic learning points that had emerged from the investigation, as set out in section 3, which the Director of Finance had responsibility for taking forward.

The Audit and Integrated Governance Committee noted the update and current actions being taken to improve the CCG's management of conflicts of interests.

d) Review of CCG Registers of Interests, Procurement and Gifts and Hospitality and Sponsorship

The Corporate Services Risk and Governance Manager presented this report which provided members with assurance of the arrangements in place in relation to management of conflicts of interests, procurement, and gifts and hospitality and commercial sponsorship. She reminded members that the AIGC's Terms of Reference (ToR) included the request for them to review the register twice a year and was also included in the workplan for the AIGC which, she reminded members, had been a recommendation from the review of how the CCG was managing conflicts of interests. The Client Manager, 360 Assurance advised that she would seek to clarify as to whether the full registers, or summary registers needed to be included for future reports. **KM**

The Corporate Services Risk and Governance Manager advised members that the report was assurance for the committee to review what had been submitted and, where forms had not been completed properly, had been actively returning them to staff and Member practices. However, we had not had a particularly good response from practices, which she was following up, and suggested as reminder to line managers of what their responsibilities were. Dr Sorsbie suggested that the best way to take this to practices was through the Locality Managers.

Ms Forrest commented that what would have been more helpful would have been to have assurance as to what percentage of the staff group and Membership had completed individual forms, and also to see it broken down by staff group.

The Chair commented that the AIGC could not be held responsible either for the information included in the report and information that had not been disclosed. He suggested that the Locality Managers take this as a prompt to their local Practice Managers' meetings, and that it also be included as part of the CCG staff annual appraisal process.

Finally, Internal Audit were asked to reaffirm to the CCG as to why they thought this process was important, which the Client Manager would do in liaison with the Corporate Services Risk and Governance Manager. **KM/SKL**

The Audit and Integrated Governance Committee:

- Received the report as assurance of the CCG's arrangements in relation to managing conflicts of interest and gifts and hospitality.
- Noted the Registers of Interests and Procurement Register.

e) Governance Report including Unadopted Minutes of the Governance Sub Committee (GSc) Meeting held on 22 November 2017

The Corporate Services Risk and Governance Manager presented the report and unadopted minutes. She had no particular items to draw to members' attention.

Mr Williams raised concerns about the low number of complaints that had been responded to within the CCG's target of 25 working days. The Director of Finance explained that the majority of these were continuing health care (CHC) related and were sometimes quite complicated to resolve. Members asked that the Chair raise this as part of his report to Governing Body.

The Corporate Services Risk and Governance Manager advised members that a new Complaints Manager was now in post and would present an update on her recovery plan to GSc in due course.

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

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

The Corporate Services Risk and Governance Manager presented this report which outlined the work that continued with regard to management of strategic and operational risks facing delivery of the organisation's key objectives, and reported the position up to and including 29 November 2017.

She advised that there had been no changes in the number of risks, with 17 identified risks remaining on the GBAF, three of which remained very high, four continued to show gaps in control and two identified gaps in assurance. She advised members that the GBAF had been reviewed and challenged by members of the CCG's Senior Management Team (SMT), especially principal risk 2.3: That the CCG fails to achieve Parity of Esteem for its citizens who experience mental health conditions, so reinforcing their health inequality and life expectancy relating to mental health which reflected the enormity of the challenge.

The Director of Finance advised members that there needed to be an objective review as to what the CCG did about this and in this respect would take it back to the SMT. She also advised that the CCG's Director of Commissioning would be discussed this risk with the CCG's Clinical Director for Mental Health and Learning Disabilities.

Dr Sorsbie queried whether the score for health inequalities should have been reduced. Members asked that this risk also be discussed at the SMT. **JN**

The Audit and Integrated Governance Committee:

- Noted the position with regard to the GBAF and arrangements in place for managing strategic risks up to 29 November 2017.
- Noted the activity with regard to corporate risk management during Quarter 2.
- Did not identify any additional controls and mitigating actions they felt should be put into place to address identified risks.
- Noted the feedback and actions identified following review of the GBAF by SMT.
- Noted the proposal to review the Governance Sub-committee Terms of

Reference with regard to review of the GBAF

g) Quality Assurance Committee (QAC) Report including Unadopted Minutes of the Meeting held on 30 November 2017

Ms Forrest, Chair of the QAC, drew members' attention to the key messages from the meeting held on 30 November 2017.

- The CCG's providers were rushing now to put staff through Prevent readiness training by the deadline of 31 March 2018.
- Members of the CCG's quality team had put a huge amount of work into providing help regarding a provider physically based in Sheffield that had been poorly rated by the Care Quality Commission (CQC), even though its services were not commissioned by the CCG.
- The committee's focus in November had been around Sheffield Health and Social Care NHS Foundation Trust (SHSCFT). There had been some issues looming around training for their staff and where quality fitted in there, but the committee had been assured much more in terms of progress.
- The CCG had developed a web portal for nursing home care, which would help the whole delayed transfers of care (DToCs) agenda, and homes would know in February when the system goes fully live as to what services would be available.
- The committee approved a new policy on how GPs would report serious incidents. Liaison was now going on with practices through the Locality Managers.

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

Dr Anumba left the meeting at this stage.

51/17 Other reports

a) Payables and Receivables as at 31 October 2017

The Financial Accountant presented this report which provided a summary of the aged payables and receivables for Sheffield CCG based on the latest month end position available at the time of writing the report for AIGC (as at 31 October 2017).

<u>Payables</u>

The Financial Accountant advised the committee that the bulk of the outstanding payments related to one invoice for £2,656k for Sheffield Teaching Hospitals NHS Foundation Trust (STHFT), which was on hold as the CCG was waiting for a credit note from the provider, which STHFT had advised was expected to be issued imminently.

Receivables

Members noted that the overdue receivables total was £129k, compared to £225k at the end of January 2017.

The Audit and Integrated Governance Committee noted the position regarding aged payables and receivables as at 31 October 2017.

b) 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 there had been no payments of this nature relating to 2017/18 to date.

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

c) Competitive Tender Waiver Approvals Since 1 April 2017

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 six tender waivers to date in 2017/18, three of which had been previously reported to committee.

The Director of Finance explained that the new tender waiver relating to Newton Europe was for specialist consultancy advice to support the work to reduce delayed transfers of care. The consultants had already undertaken some work funded nationally and that engaging different consultants would have been inappropriate. The second new tender waiver related to the provision of quality improvement training for primary care staff, the services for which were available from only one source for technical reasons relating to the coaching model which has a unique structure where there was a focus on regular meetings and team coaching to build capacity.

The Audit and Integrated Governance Committee noted the tender waivers.

d) Legal Claims Report

The Corporate Services Risk and Governance Manager advised members that there were no legal claims to advise them of this month.

52/17 **Any Other Business**

a) 24 May 2018 NHS Sheffield Audit and Integrated Governance Committee Meeting

External Audit asked if the timing of this meeting could start at 11.00 am due to conflicting appointments. **JN(CRH)**

b) Message from the AIGC Chair

The Chair thanked members of the committee for all their hard work over the past calendar year and wished everyone a Merry Christmas and happy New Year.

There was no further business to discuss this month.

53/17 **Key Highlights for Governing Body**

The Chair proposed to report:

- How the AIGC agreed to continue reporting back to Governing Body in the way it currently did, with the option for the Chair to raise issues
- That External Audit were on track with their audit plan for 2017/18, but with financial sustainability one of the key areas of risk.
- The internal audit of the CCG's data quality framework had been given Significant Assurance, however, the committee had noted the three month delay on the audit of implementation of the audit of the CCG's Commissioning Strategy.
- With reference to Better Care Fund, how the CCG's internal auditors were co-ordinating with Sheffield City Council's auditors to develop a triangulated programme of work
- The committee's wish to encourage the CCG to meet the key deadlines for actions post audit reports
- The survey of Governing Body members by Internal Audit on the Governing Body Assurance Framework and members' concerns that governance arrangements for the new ACS and ACP were fully understood and integrated into the GBAF for 2018/19
- The Director of Finance to discuss with the CCG's senior management team (SMT) as to how to assess the principal risks on the GBAF relating to ensuring Parity of Esteem and health inequalities
- Committee members to feed back comments on the ACP / ACS through the committee Chair.
- The committee had requested a report to the next meeting on the governance of the ACP.
- The committee was assured on the CCG's response to the Wannacry incident and asked that EPRR was reported to Governing Body.
- The committee's disappointment that only 62% of CCG staff and 39% of Members practices had returned their Declaration of Interest forms, but had received assurance that this was being addressed.
- The committee's concerns regarding the delay in responding to MP enquiries, but their assurance that this was being addressed.

54/17 **Date and Time of Next Meeting**

Thursday 29 March 2018, 2.00 pm – 4.00 pm**,** Boardroom, 722 Prince of Wales Road