

**Key messages for Governing Body from the
Audit and Integrated Governance Committee (AIGC) meeting
held on 19 September 2013**



AIGC agreed that it would be good practice and hopefully helpful to Governing Body members if the formal minutes of the AIGC meeting were accompanied by a covering note highlighting the key points which AIGC would like to bring to the attention of all Governing Body members. The points agreed at the end of the AIGC meeting on 19 September were as follows:

1. External Audit (KPMG) Technical Update for NHS Sheffield CCG (September 2013)

This useful reference highlights the main technical issues which KPMG have identified as currently impacting on the health sector. The report issues are rated in terms of the likely impact on CCGs: green (low impact), amber (medium), red (high) and grey (for information). The red (high impact) and amber ratings (medium impact) are set out below:

<p>Care Bill</p> 	<p>The CCG should be familiar with the three aspects of the Bill namely:</p> <ul style="list-style-type: none"> • Reform of care and support • Response to the Francis Inquiry • Health Education England and the Health Research Authority
<p>Keogh Mortality Review</p> 	<p>Although none of Sheffield CCG's Acute providers were involved as part of this review we should consider lessons that can be learnt from the report</p>

The full report will be distributed through the CCG E-bulletin.

2. Digest (South Coast Audit) CCG Audit Committees Survey 2013

Initial findings from the first national survey of Clinical Commissioning Groups offer comparison and learning in relation to governance arrangements, and in particular the variation in how audit committees are working. Sheffield CCG is compliant with many examples of good practice, particularly in relation to clinical membership and timely reports to Governing Body. The one area which AIGC agreed to keep under review is the number of meetings per year, which, at the current four, is at the lower end from the benchmarking data. However, AIGC noted that what is important is that there is sufficient time during the annual cycle of meetings to undertake the Committee's planned programme of work and for issues to be discussed in sufficient depth as opposed to number of meetings. The current view is that there is appropriate time available but the Committee agreed to review this after the first year and with the support of internal and external auditors

3. Approval of an updated CCG Fraud, Corruption and Bribery Policy

It is important that all those who work in the public sector are aware of the risk of fraud, corruption, bribery and other illegal acts involving dishonesty or damage to property. AIGC approved an updated policy as prepared by the CCG's local counter fraud specialist which will be uploaded to the CCG's intranet with immediate effect. It was agreed that whilst this

policy is for internal CCG use, it would be useful to make it available to all member practices as an example of good practice. It was noted that member practices should report any suspected fraud, corruption or bribery to the national reporting line (tel: 0800 028 40 60).

4. Internal Audit Report on Sheffield CCG Assurance Framework

The CCG has had an early review of its new Assurance Framework and Risk Register. The review was to provide an objective, unbiased opinion regarding the effectiveness of controls in place for the Governing Body Assurance Framework. The report acknowledges Sheffield's early good progress towards implementing and operating a robust assurance framework and risk register, but a further review will be undertaken later in the year to ensure that the new processes and controls are being embedded. Whilst the summary commends a number of areas of good practice, the CCG was advised to ensure that members and staff are clear on the roles of the Governing Body, AIGC and the Governance Sub-committee in order to avoid the risk of duplication or omission. This issue is being addressed. For example, by page 3 of the Risk Register Protocol (available on the intranet) and as set out below:

Governing Body	<ul style="list-style-type: none"> • Overall responsibility for strong governance within the CCG • Ensure compliance with Standing Orders, Scheme of Reservation & Delegation and Prime Financial Policies • Ensure a strong internal control system
Audit and Integrated Governance Committee (AIGC)	<ul style="list-style-type: none"> • Review the findings and other significant assurance issues brought to its attention by Quality Assurance Committee and AIGC's Governance Sub-committee • Ensure internal and external audit reports are acted upon
Quality Assurance Committee	<ul style="list-style-type: none"> • Gain assurance of quality and safety indicators within commissioned contracts and clinical pathways
Governance Sub committee (this is a sub – committee of AIGC)	<ul style="list-style-type: none"> • Promote a culture of sound governance • Provide AIGC with assurance that the CCG has robust internal control in place to achieve its objectives as an employer and a statutory body by identifying, monitoring and reporting risks. • Responsible for quarterly detailed review of Assurance Framework and Risk Register

5. Payables and Receivables (31 July 2013)

This report updates AIGC on the position on outstanding payables (creditors) and receivable (debtors). It allows the monitoring of the CGC's performance against the public sector Better Payments Policy targets. Overall, the Committee was encouraged by the early positive performance despite some "teething problems" as a result of implementing the new national payments system for all CCGs.

Paper prepared by:
 Julia Newton, Director of Finance
 Linda Tully, Company Secretary

On behalf of John Boyington, CBE, Audit & Integrated Governance Committee Chair
 September 2013

Sheffield Clinical Commissioning Group

Audit and Integrated Governance Committee Unconfirmed minutes of the meeting held on 19 September 2013 Boardroom, 722 Prince of Wales Road

Present: John Boyington CBE, Lay Member (Chair)
Dr Andrew McGinty, CCG GP
Dr Leigh Sorsbie, CCG GP

In Attendance: Carol Henderson, Committee Administrator, NHSSCCG
Tony Moore, Senior Quality Manager – Commissioning (for item 34/13(iii))
Julia Newton, Director of Finance, NHSSCCG
Gary Roe, Local Counter Fraud Specialist, 360 Assurance
Janet Siddall, Finance Lead – Corporate Finance and Financial Governance, W&SY&B CSU
Tim Thomas, Director, 360 Assurance
Linda Tully, Company Secretary / Head of Corporate Governance, NHSSCCG
Kevin Watkins, Associate Director, 360 Assurance

Minute & AF ref		ACTION
27/13	<p>Apologies for Absence</p> <p>Apologies had been received from Amanda Forrest, Lay Member, John Prentice, Engagement Lead, KPMG, and Linda Wild, Engagement Manager, KPMG</p> <p>The Director of Finance expressed her thanks to John Prentice, who had attended his last meeting of the Committee due to the standard rotation of the external auditor engagement lead. She advised members that, although at this stage the CCG’s new engagement lead is not confirmed, KPMG has confirmed that Linda Wild, Engagement Manager will continue as the CCG’s manager, which will provide good continuity from the PCT 2012/13 audit.</p>	
28/13	<p>Declarations of Interest</p> <p>There were no declarations of interest.</p>	
29/13	<p>Minutes and Matters Arising of the meeting held on 13 June 2013</p> <p>i) <u>Accuracy</u></p> <p>The minutes of the meeting held on 13 June 2013 were agreed as a correct record.</p>	

ii) Matters Arising

a) **Counter Fraud: guidance on GP and trust responsibilities regarding Overseas Visitors (minutes 38/12,03/13(b),18/13(ii)(a) refer)**

Dr Sorsbie advised members that the Local Medical Committee (LMC) had advised her that they were unaware of any additional guidance other than that sent to members by the Director of Finance. The guidance was somewhat vague, but seemed to suggest that there are no circumstances in which anyone would not be eligible for NHS services in primary care, and although it does allow for some discretion in the cases of non-emergency treatment, it is not clear under what circumstances a practice should not provide care to an individual. The only definite guidance is that it is not a GP's role to determine who is or is not eligible for secondary care, that responsibility lies with the provider.

30/13

External Audit

The Director of Finance presented the following three reports on behalf of KPMG, who had offered to respond in writing to any queries members made. She explained that as the 2013/14 audit would not commence until later in the year there was no formal progress report to be made.

AF 1.3

i) Technical Update

The Director of Finance advised members that this was a useful reference that highlighted the main technical issues currently impacting on the health sector, and were rated in terms of the likely impact on CCGs.

The Committee asked that the full report be distributed to Governing Body members for information through the weekly CCG e-bulletin.

LT

The Committee received and noted the report.

ii) Payment by Results (PbR) Data Assurance Framework: Reports on the Local Audit Programme for SCHFT, STHFT, and South Yorkshire & Bassetlaw

The Director of Finance presented the three annual reports. She advised members that it was the CCG's responsibility to pick up any recommendations from the audits with the trusts through the formal contract monitoring routes, and would feedback to the Committee on any issues of significance.

JN

The Director of Finance was asked to feedback to KPMG that the Committee would welcome a two page summary of future reports.

JN

The Committee received and noted the report.

iii) Sheffield PCT Annual Audit Letter 2012/13

The Director of Finance presented this report which was attached for members' information as the final formal document relating to the PCT's accounts which members had also seen for information at the June 2013 meeting.

The Committee received and noted the Sheffield PCT Annual Audit Letter for 2012/13.

31/13

Internal Audit

i) Internal Audit Progress Report 2013/14

The Associate Director, 360 Assurance, presented this report. He advised members that the report on the CCG's Assurance Framework and Risk Register had been issued and would be presented under minute 34/13(i). He confirmed that Internal Audit had commenced work on one of the collaborative commissioning pieces of work, which would look in particular at the robustness of 2013 contract negotiations.

As reported at the June meeting, he had met with Kevin Clifford, CCG Chief Nurse, to discuss the utilisation of the time in the audit plan for patient safety. At the moment, the proposal was to use the allocation to review Continuing Health Care (CHC). This was a service provided by the Commissioning Support Unit (CSU) to the CCG and discussions were ongoing between the CCG's Chief Nurse and the CSU concerning audit's access to the CSU staff and records.

He drew the Committee's attention to section 5 of his report and the activity going on around information governance, especially relating to CCGs not being allowed to access patient identifiable information. He advised members that he would request an update from Idris Griffiths, the CCG's Chief Operating Officer, on progress with the establishment of the new Accredited Safe Havens, which were places where patient identifiable information could be received and held.

KW

He also advised the Committee that performance against plan was as planned but, as with all audit plans, was more phased towards the final half of the year. The Chair asked if an additional column could be included on future reports showing the target date for completion.

KW

The Committee received and noted the report.

ii) Digest: NHS South Coast Audit: CCG Audit Committees Survey 2013 - Draft Results

The Associate Director, 360 Assurance, presented this report, detailing the initial findings from the first national survey of Clinical Commissioning Groups, which offered comparison and learning in relation to governance arrangements and in

particular the variation in how Audit Committees are working. He drew the Committee's attention to the key issues which included nearly 65% of committees have a GP included in their membership, over 70% of committees reported at least quarterly to their Governing Body, but only 29% of CCGs were planning to meet four times of less a year, which the audit recommended they should review.

With regard to reporting, the Chair's thoughts were that, in addition to the minutes of the meeting, Governing Body would find it helpful to receive a short summary of the key highlights and decisions made, and suggested to test this out at the November and December Governing Body meetings.

JN/LT

He also suggested that the Committee continue with its current schedule of quarterly meetings but to review with audit at year end whether this had been sufficient for the Committee to fulfil its function.

The Committee received and noted the report.

32/13

Counter Fraud

a) Local Counter Fraud Progress Report Update 2013/14

The Local Counter Fraud Specialist, 360 Assurance, presented this report. In addition to his report, he advised members that the next meeting of NHS England Audit Committee would receive counter fraud standards for commissioners, and he would advise the Director of Finance if any amendments needed to be made to the operational plan in light of this.

GR

In addition to his report, he advised the Committee of an investigation in South Yorkshire that had resulted in a patient being given 100 hours of community service on being found guilty of fraudulently obtaining medicines.

The committee received and noted the report.

b) Updated Fraud, Corruption and Bribery Policy

The Local Counter Fraud Specialist, presented the updated policy which had been streamlined from the old Sheffield PCT policy. The Director of Finance reminded members that the Committee that delegated authority, through the CCG's Scheme of Delegation, to approve the policy as it formed part of the CCG's Detailed Financial Policies.

Following discussion, members asked that the reference to Health Tourism, as an example of fraud, corruption and bribery offences occurring within the NHS, be taken out of Appendix 2 given earlier discussions.

LT

Members agreed that whilst this policy was for internal CCG use, it should be made available to all member practices as an example of good practice.

LT

The Committee approved the policy.

33/13

Follow Up Report on Audit Recommendations – High and Medium Risks

The Finance Lead – Corporate Finance and Financial Governance, W&SY&B CSU, presented this report which carried forward the agreed recommendations with Sheffield PCT where there was an action required by the CCG this year. She reported that while the status of most recommendations had turned to Green, one recommendation relating to a finance and budget training pack that needed to be updated, and five relating to risk management still showed as Amber.

She advised members that with regard to the finance and budget training pack updates, a procedures and processes document was being drafted for all CCGs in South Yorkshire, and would be completed by the end of November.

The Company Secretary advised members that the risk management arrangements, strategy, protocol, together with information about staff responsibilities would be available on the intranet by the latest at the end of September.

The Director of Finance confirmed that the very last report for PCTs, a cluster-wide report on processes in place to review the Continuing Health Care (CHC) retrospective claims, had been issued earlier in the week and any recommendations would be picked up for the next report to Committee.

JS

The Committee:

- Noted the progress against all the outstanding high and medium risk actions.
- Agreed that all the 'Green' completed actions could be excluded from any further updates to the Committee.

34/13

Governance – Key Issues for Audit and Integrated Governance Committee

i) Internal Audit Report of Assurance Framework and Risk Register

The Associate Director, 360 Assurance, presented this report. He reported that at this stage he was not providing an Opinion as it was still a developing role. However, he advised that the overall message was that strong progress was being made, with just a few recommendations for improvement.

The Committee received and noted the report.

ii) Update on Assurance Framework and Risk Register for 2013/14 / Governance Sub Committee report including minutes of the meeting held on 7 August 2013

The Company Secretary presented this report. She had no particular issues to draw to the Committee's attention except to say that the new approach to

reporting and reviewing risks via the new data base Risk Register had been very well received by staff, a training strategy was in place for all levels, and it was a standing agenda item on all CCG team briefs. However, she asked members to comment if they were clear and remained content with the respective roles and responsibilities of the Governing Body, Audit and Integrated Governance Committee, and Governance Sub Committee, in relation to their duties of assurance, which she had summarised as part of the Risk Register Protocol at Appendix 2.

The Director of Finance advised members that the Governance Sub Committee had responsibility for detailed review, challenge and testing out the Assurance Framework and Risk Register at each of its meetings. This was the meeting with sufficient time allocated for such detailed discussions. However, it was important that the AIGC could receive assurance and confirmation that the risk management arrangements were sound. The Chair asked that for those areas that were not improving or were getting worse despite their best efforts, an exception report be presented to future meetings and it was agreed therefore that only the summary 2 pages of the Assurance Framework should be presented with an exception report.

The title of the committee as Audit and Integrated Governance was queried. Discussion in the meeting (and post meeting between the Director of Finance and Internal Audit colleagues) confirmed that it was appropriate to continue with this title because the committee does have a remit delegated to it from Governing Body, which extends beyond financial governance and should be receiving assurance from its sub committee (ie Governance sub committee) and from the Quality Assurance Committee.

The Committee:

- Received and noted the update on the 2013/14 Assurance Framework and Risk Register.
- Received and noted the unadopted minutes of the Governance Sub Committee held on 7 August 2013.

iii) Assurance Committee Report including Unadopted Minutes of the Quality Assurance Committee held on 6 September 2013

Tony Moore, Senior Quality Manager – Commissioning, attended for this item and presented the unadopted minutes of the meeting which had been held on 6 September. He drew the Committee's attention to the key highlights which included that the run of Never Events at Sheffield Teaching Hospitals NHS Foundation Trust continued, with a further two theatre-related events reported. As a result of this and concerns that three types of Never Event had been repeated a number of times, an external review was being co-commissioned.

Dr Anthony Gore, CCG Cancer Lead, had attended the meeting to present the findings from the Specialist Skin and the new Acute Oncology Service Peer Reviews.

LT

The Committee had received the first report on the NHS111 service, and had raised a number of issues to be followed up.

Dr Sorsbie asked if the Committee had given any thought to quality assurance with practices. Mr Moore responded that this would be a topic for discussion at the next meeting, led by Sue Berry, Senior Quality Manager – Primary Care.

The Committee received and noted the minutes.

35/13

Other Reports

i) Progress Report on Better Payment Policy and Aged Debtors and Payables Report at 31 July 2013

The Finance Lead – Corporate Finance and Financial Governance, presented this report. She advised the Committee that these were CCG-only figures, with the PCT legacy ones being separately managed.

a) Payables

She advised the Committee that, without exception, most of the overdue payables related to payments for Continuing Health Care where there can be delays in validating detailed information.

b) Receivables

She advised the Committee that, as at 31 July, there had been only two unpaid invoices that were over three months old, which had both been paid on 1 August.

The Committee received and noted the report.

ii) Losses and Special Payments since April 2013

The Finance Lead – Corporate Finance and Financial Governance, presented this report and advised the Committee that no losses or special payments had been approved since 1 April 2013.

The Committee received and noted the report.

(iii) Competitive Tender Waivers since 1 April 2013

The Finance Lead – Corporate Finance and Financial Governance presented this report. The Committee noted that only one tender waiver had been approved so far this year, which had been reported to them in June.

The Committee received and noted the report.

36/13

Any Other Business

Briefing Paper to Governing Body

As discussed under minute 31/13(ii), a briefing paper would be included with the minutes of this meeting and the key highlights would include summaries of:

- External Audit (KPMG) Technical Update for NHS Sheffield CCG
- Digest (South Coast Audit) CCG Audit Committees Survey 2013 –key issues
- Approval of an updated Fraud, Corruption and Bribery Policy for the CCG
- Internal Audit Report on Sheffield CCG Assurance Framework and discussion about the governance arrangements
- How the Committee was encouraged by the positive early performance by the CCG on prompt payments

There was no further business to discuss this month.

37/13

Date and Time of Next Meeting

Thursday 12 December 2013, 2.00 pm - 4.00 pm, Boardroom, 722 Prince of Wales Road