

**Report from Audit and Integrated Governance Committee
meeting held on 11 December 2014**

Governing Body meeting

Item 14i

8 January 2015

Author(s)	Julia Newton, Director of Finance
Sponsor	John Boyington, Chair of Audit and Integrated Governance Committee
Is your report for Approval / Consideration / Noting	
Noting	
Are there any Resource Implications	
Not applicable	
Audit Requirement	
<u>CCG Objectives</u>	
4. To ensure there is a sustainable, affordable healthcare system in Sheffield.	
Discussions support Principle Risk 5.5 Inadequate adherence to CCG Constitution and other governance arrangements to support Nolan Principles and e.g. protect against conflicts of interests (Domain 4)	
<u>Equality impact assessment</u>	
<i>Have you carried out an Equality Impact Assessment and is it attached?</i> NO	
<i>If not, why not?</i> Not applicable	
<u>PPE Activity</u>	
<i>How does your paper support involving patients, carers and the public?</i>	
Not applicable	
Recommendations	
The Governing Body is asked to:	
<ol style="list-style-type: none"> 1. Note the key messages in the Executive Summary 2. Receive the unadopted minutes from 11 December 2014 	

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EXECUTIVE SUMMARY

1. External Audit

- External Audit's Quarterly Technical Update is a very helpful paper, 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, OD Steering Group, and staff to make them aware of what was available.

2. Counter Fraud

- The Fraudulent Times newsletter is designed to highlight areas of fraud within the NHS and to help people understand why we need to combat it effectively. By raising awareness of fraud cases it will help people to identify what fraud is and where it is most likely to occur. This month's newsletter contained a number of local fraud investigation cases which the committee found of interest and agreed the newsletter could helpfully be made available more widely to staff.
- The Chair of AIGC would liaise with the CCG's new local counter fraud officer in order for an update session to Governing Body on counter fraud issues within the next few months.

3. Governance

- Review of Governing Body Assurance Framework. AIGC members continued to focus on the actions by CCG officers to address gaps in control and assurance against some key risks and in particular were keen to track the implications of integrated commissioning with the Local Authority and co-commissioning with NHS England.

Sheffield Clinical Commissioning Group

Audit and Integrated Governance Committee Unconfirmed minutes of the meeting held on 11 December 2014 Boardroom, 722 Prince of Wales Road

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

In Attendance: Matthew Curtis, Local Counter Fraud Specialist, 360 Assurance
Carol Henderson, Committee Administrator, NHSSCCG
Julia Newton, Director of Finance, NHSSCCG
Clare Partridge, Director, KPMG
Kevin Watkins, Associate Director, 360 Assurance
Jackie White, Interim Head of Governance and Planning, NHSSCCG
Linda Wild, Engagement Manager, KPMG

Minute		ACTION
38/14	<p>Apologies for Absence</p> <p>Apologies had been received from Tim Furness, Director of Business Planning and Partnerships, NHSSCCG.</p>	
39/14	<p>Declarations of Interest</p> <p>There were no declarations of interest.</p>	
40/14	<p>Minutes and Matters Arising of the meeting held on 18 September 2014</p> <p>i) <u>Accuracy</u></p> <p>The minutes of the meeting held on 18 September 2014 were agreed as a correct record.</p> <p>ii) <u>Matters Arising</u></p> <p>a) Update on 2014/16 Internal Audit Plan (minutes 19/14(ii) and 28/14(c) refer)</p> <p>The Associate Director, 360 Assurance advised the committee that the patient and public engagement work was at the draft report stage and the area of work covered had been discussed with relevant CCG Lay Members.</p>	

b)AIGC Members' Professional Development Discussion (minute 36/14 refers)

The Director, KPMG, advised the committee that the date of the Audit Committee event they were arranging was still to be confirmed but invitations to the event would be sent out shortly.

CP

41/14

AIGC's Own Business

(i) Audit of Attendance at Governing Body and its Committees

The Director of Finance presented this report which, she reminded the committee, the Chair had requested following concerns about quoracy issues relating to one of the committees.

Following discussion, the committee asked that in future they receive an annual report with a year on year comparison, that core members and invited attendees of Governing Body and each committee be listed separately, to ensure that the letter representing the individual members was consistent, and to highlight where membership has changed (for example moving from a core member to an invited attendee or no longer being a member).

CRH

The Chair asked that the Chair of each committee receive a copy of the report. He also asked that the CCG Chair be sent a copy of the spreadsheet containing the 'read receipt' analysis of the papers sent out to Governing Body members and attendees for noting at the meeting, for his information.

CRH

The Associate Director, 360 Assurance, advised the committee that he would be happy to add a few tests and observations to the work that he does at year end for the CCG and was happy to look at the spreadsheet to provide assurance to Governing Body.

KW

The Committee received and noted the report.

(ii) 2014/15 AIGC Self Assessment Exercise

The Director of Finance presented this report which asked members to consider and agree the approach to the completion of the self assessment for the AIGC activities for 2014/15. She advised that the Chair of AIGC had agreed that members should complete the self assessment again this year and, if agreed by the rest of the committee, she would ask the Finance Lead, Yorkshire and Humber Commissioning Support, to send the questionnaire to individuals, together with their scoring for last year. The timescale was to send the questionnaire out by the end of December, to receive completed questionnaires back by the end of January, and to present a report to the AIGC in March.

JN

The Committee agreed to adopt the proposed approach and timescale for

completion of the self assessment exercise for 2014.

42/14

External Audit

External Audit Technical Update

The Engagement Manager, KPMG presented this report, which highlighted the main technical issues that were currently having an impact on the health sector. She advised the committee that, due to timing issues, she was expecting a further technical update in the next couple of days which she would send to the Director of Finance either for circulation or noting at the next meeting.

LW

She drew the committee's attention to page 6 KPMG Global Thought Leadership, and advised that they were in the process of preparing their '7 What Works thought leadership publications for healthcare'. She also advised that a copy of their first publication: 'Creating new value with patients, carers and communities was now available at:
<http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/what-works/creating-newvalue-with-patients/Documents/creating-new-value-with-patients.pdf> which was a very helpful and useful document.

Members discussed the results from the patient choice survey (page 8) . Dr Sorsbie commented that she thought that the numbers of people who reported either discussing choice with their GP or that they were aware of their legal right to have choice were higher than she thought they would be, however, the Chair's thoughts were that they were on the low side.

The Chair drew attention to page 17 and the technical updates from Monitor and the NHS Foundation Trusts under pressure from rising demand, which, he said, painted a picture of a sector that was struggling. The Director, KMPG, responded that the information was probably sourced from some of the annual plans that were submitted to Monitor last year and would check if this was the case.

CP

The Chair advised the committee that he had attended a Health Audit Committee Institute breakfast event on 21 November. Discussions had focused on Cyber Risk in the boardroom, the Power of Procurement, and Integrated Care/Integrated Commissioning and he reported that a further session would take place on 28 January 2015 in Manchester if anyone was interested in attending. He reported that the content of the seminar was really good and it had been interesting to pick up the different perspectives from the other attendees. He asked the Committee Administrator to circulate a copy of the slides from the event.

CRH

In addition to the report, the Director of Finance advised the committee that she had met with the external auditors prior to the AIGC meeting to give them an update on progress with the Better Care Fund (BCF), in particular the draft section 75 agreement that she would share with them and also present an update to March AIGC meeting; and to discuss the external audit plan for next year, which would also be presented to the March meeting. She advised the

JN

committee that BCF budget proposals would be co-presented to the January Governing Body in private by her and the Director of Finance from Sheffield City Council and that the financial risk share proposals as part of the draft section 75 agreement would be shared at Governing Body for discussion in February.

The Director of Finance also commented that internal audit colleagues were represented on the BCF Finance and Governance Working Group and providing helpful input to the processes and documentation.

Ms Forrest highlighted the need for the CCG to also start thinking about assurance around primary care co-commissioning, and reported that she had attended a meeting of the lay members' network earlier in the week when they had been advised by NHS England of further guidance to be issued.

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, OD Steering Group, and staff to make them aware of what was available. This update would be noted in the AIGC update to Governing Body.

The Committee received and noted the report.

43/14

Internal Audit

Update on 2014/16 Internal Audit Plan

The Associate Director, 360 Assurance, presented this report. He advised the Committee that they were not yet in a position to report any completed pieces of work from the 2014/15 plan for a variety of reasons, but assured the committee that they most were either in progress or in draft report form. His report highlighted the work they were doing on COBIC project management and public and patient engagement and highlighted that he was not aware of any major concerns coming out of these pieces of work.

Other Developments

He advised that internal audit were required to commission an independent review of their compliance with Public Sector Internal Audit Standards (PSIAs). This review had been concluded and confirms that they do comply with standards. The report from this would be formally presented to AIGC in due course.

His report also included a recent agreement to formally work in partnership with the East Midlands Patient Safety Collaborative to facilitate some of the work they wanted to do with quality leads. A meeting had taken place earlier this week, attended by a representative from Sheffield CCG, to discuss a piece of work to be undertaken on quality monitoring in care homes, and was seeking to identify a set of indicators to identify what a safe care home should look like.

CRH

KW

He also drew the committee's attention to the Better Care Fund briefing at Appendix B, on which they were doing work across their entire CCG client base, and just starting to put governance arrangements in place. They had also been speaking to the internal auditors in Local Authorities and working with them on their relative Section 75 agreements.

Finally, he drew the Committee's attention to the publications update at Appendix B, which it was agreed should be made available to the CCG Governing Body and staff members via the intranet and weekly round up. Ms Forrest drew attention to the Network for PPI Lay Members on CCG Governing (bottom of page 14) and clarified that they were actually looking for six PPI Lay Members, not six CCGs as stated in this section, to take on this work.

The Engagement Manager, KPMG, drew members' attention to the BCF publications and guidance at page 11 and reported that she had attended a technical workshop in Manchester where NHS England had advised that they would be publishing further guidance on the accounting side of BCF, which she, nor the Director of Finance, had seen as yet..

The Committee received and noted the report.

44/14 Follow up Report on Audit Recommendations – High and Medium Risks

The Director of Finance presented this report. She advised the Committee that there were only two outstanding actions from reports where the CCG is required to take an action. One related to a recommendation made in relation to the QIPP review and had now been RAG rated as Green, and one relating to the Collaborative Commissioning – Contract Monitoring where action has been agreed for completion by December 2014. This had been RAG rated as Amber until the action has been completed, and would need to go through Governing Body as part of their approval of the contracting intentions paper that would be discussed in private.

The Committee:

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

45/14 Counter Fraud

(i) Local Counter Fraud 2014/15 Update

The Local Counter Fraud Specialist (LCFS), presented this update report. He drew the committee's attention to the key highlights which included a CCG eLearning module for 'Inform and Involve' that had been re-released in a changed format due to problems over the summer months. They were working with Yorkshire and Humber Commissioning Support on how to get all staff to complete this module.

He also advised the committee that there had been a range of fraud and scam warnings issued, including a number of incidents where individuals posing as temporary residents had attempted to receive free NHS treatment they were not entitled to, at GP practices. He reported that as there were some instances where practices had failed to carry out the necessary ID checks, counter fraud had issued documentation reminding them of their responsibilities. Ms Forrest commented that she found it difficult to understand why GPs were responsible for ascertaining as to whether people were eligible for treatment, as there is no guidance for primary care, and what is available is conflicting.

The LCFS also advised the Committee that there had been one issue raised by the CCG's Continuing Health Care (CHC) team as a potential allegation which meant the CCG may have been paying for expensive care that need not have been given. He would discuss this with the Director of Finance outside of the meeting, who would also check if this was being calibrated by the Quality Team.

MC/JN

In addition to his report, he advised the committee that a regional counter fraud forum on strategic governance had taken place on 25 September. It had discussed standards for commissioning organisations that would be published early 2015, which it was thought would probably be similar to current standards.

The Committee received and noted the report.

(ii) Findings and Recommendations from the Review of Recruitment Checks

The LCFS presented this report. He advised that the CCG's outgoing LCFS had carried out a review of recently recruited staff across the five CCGs in South Yorkshire and Bassetlaw and found a 'mixed bag' of what was contained in individual staff files, for example, a lack of evidence in some cases where references had come from. A number of recommendations had been made, all of which had been accepted by Yorkshire and Humber Commissioning Support. The LCFS would discuss these findings with the relevant Directors of Finance and would issue a follow up report once these discussions had taken place..

MC

Members also raised concerns particularly about the lack of evidence that Disclosure and Barring Service (DBS) checks had been satisfactorily returned and suggested that the Commissioning Support should be put on notice. The Director of Finance agreed to pass a copy of the report to the Chief Operating Officer to follow this up.

JN

The Committee received and noted the report.

(iii) National Report to LCFSS: Working in a Provider Environment 2014/15

The LCFS presented this report. He advised the committee that the report was clearly for providers but there were some overlaps with commissioners and some applicable to counter fraud. With regard to section 2: pre-contract procurement fraud and bribery, he advised the committee that he would like to do work on procurement early next year, based on new national guidance.

The Chair suggested that it would be helpful for Governing Body to have a presentation on counter fraud at either a Governing Body meeting or OD session.

The Committee received and noted the report.

46/14 **Governance – Key Issues for Audit and Integrated Governance Committee**

(i) Update on Assurance Framework (AF) and Risk Register

The Interim Head of Governance and Planning 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 at the end of Quarter 2 2014/15 and up to 2 December 2014 for Quarter 3. She drew members' attention to Appendix 1 and the additional information that explained why gaps in control and assurance existed and why some could not be closed.

She reminded the committee that they received the report to gain assurance about the system for managing operational risks in that that they are scrutinised by the Governance Sub Committee. She advised that there were 17 risks in the Assurance Framework, with no new risks added or any closed since the last report. She reported that there was one risk in Quarter 3 that was rated as Very High and three had moved down to medium, with further gaps closed. The risk that remained Very High was principal risk 3.2 Budgetary constraints faced by Sheffield City Council (SCC) and CCG prevent the development of effective joint governance and commissioning of integrated services from the Better Care Fund (scored at 16(4x4)). The Director of Finance advised the committee that she was just about to amend this risk on the Quarter 3 schedule and, given where we have got to with the agreement with SCC and the work undertaken to understand and manage the risk better, could now take the score down.

The Interim Head of Governance and Planning reported from the discussion that had taken place at the Governance Sub Committee on 12 November 2014 and reported that they had discussed a number of risks that were not within the CCG's control and discussed how to work with our partners to manage those. This included principal risk 4.6 Contractual restraints facing member practices resulting in an inability of practices to deliver and expand service. The Director of Finance advised the committee that we may need to think again if this risk had been written correctly and it could be that a second risk needed to be added. She would discuss this with the CCG Programme Director Primary Care.

The Interim Head of Governance and Planning advised that, of the 46 risks on the risk register, three were reported as scoring 15 or above. One new risk had been added during Quarter 2 relating to incident reporting, for which action was underway to address the issues.

The Chair raised concerns that on reviewing the previous report, principal risk 4.5 inability to secure partnerships with our main providers that help us to deliver our commissioning plans, had not included any gaps in assurance, but now did. The

Interim Head of Governance and Planning confirmed that it had now been updated as a gap in control.

With regard to principal risk 3.1 CCG is unable to undertake the actions and deliver the outcomes from them, that are set out in the Health and Wellbeing Board's plan for reducing health inequalities, eg due to financial restraints, she reported that although its risk score had been reduced, it still showed gaps in control and assurance, and reported that the Director of Business Planning and Partnerships was hoping to present information on this to Governing Body in January.

The Chair suggested that, in future, the minutes of the Governance Sub Committee meetings be discussed prior to the Assurance Framework and Risk Register update.

The Committee:

- Reviewed the outstanding gaps in both control and assurance.
- Noted the position with regard to the GBAF and arrangements in place for managing high level risks during Quarter 2.
- Noted the actions of the Governance Sub Committee and the assurance that operational risks were being effectively managed by officers.

(ii) Quality Assurance Committee Report

Ms Forrest, Chair of the Quality Assurance Committee, presented the adopted minutes of the Quality Assurance Committee meeting held on 12 September 2014 which were attached for members' information.

She gave an oral update from the meeting held on 28 November and advised that she wanted to bring the following key issues to Governing Body's attention from the meeting.

- Issues pertaining to the quality of the patient transport services (PTS) that are delivered by Arriva Transport Services Ltd (ATSL) and it was noted that further updates post a Care Quality Commission (CQC) visit were awaited..
- Issues relating to Yorkshire Ambulance Service (YAS) NHS Trust. The committee had received assurance that the CCG was following up robustly.
- For the first time, the committee had received a risk assessment of domiciliary care providers in the city, which was really important and a great move for the city.
- The committee had also discussed the complexity of NHS England's and the CQC's methodologies for performance managing primary care. She also advised the committee that she had attended a quality network earlier in the week, which had been confusing and so would be discussing it with the CCG's Chief Nurse to distil out what might be of use to people.

The Chair commented that he was assured by what was being discussed and scrutinised, etc, and that we were being as thorough as we could reasonably be.

CRH

AF

The Committee:

- Received and noted and adopted minutes of the Quality Assurance Committee meeting held on 12 September 2014.
- Noted the oral update from the Quality Assurance Committee meeting held on 28 November 2014.

(iii) Governance Sub Committee Report including unadopted minutes of the meeting held on 12 November 2014

The Interim Head of Governance and Planning presented the report and minutes. She had no further issues to draw to the Committee's attention, except to say that some good assurances were coming through, especially around the process for ensuring that staff policies and procedures were being kept up to date, and that the report could also be used to give more assurance to the AIGC about the process for managing risks.

The Committee received and noted the report.

(iv) Revised Fraud, Bribery and Corruption Policy

The Local Counter Fraud Specialist presented the revised policy which, he advised, had been updated to take into account changes in national guidance (ie it removes reference to seven generic areas of work) and the counter fraud service provider.

The Committee approved the revised Fraud, Bribery and Corruption Policy, subject to completion of the Equality Impact Assessment.

MC

47/14

Other Reports

(i) Progress Report on Better Payment Policy and Aged Debtors and Payables Report at 31 October 2014

The Director of Finance presented this report.

a) Payables

She drew the Committee's attention to the improvement against compliance with the Better Payment Practice Code in that between April to July 2014 over 98% of invoices had been paid within 30 days.

b) Receivables

As at 31 October 2014 there was £223k of unpaid receivables outstanding, £191k of which was overdue for more than 30 days.

The Committee received and noted the report.

(ii) Losses and Special Payments 2014/15

The Director of Finance presented this report. She advised the Committee that two small special payments had been approved, one relating to an ex gratia payment of £100 to a complaint due to the circumstances pertaining to a particular continuing health care / social care issue, and one relating to a reimbursement to a patient where care should have been NHS-funded.

The Committee received and noted the report.

(iii) Competitive Tender Waiver Approvals 2014/15

The Director of Finance presented this report. The Committee noted that no tender waivers had been approved so far this year.

The Committee received and noted the report.

(iv) Legal Claims

The Director of Finance presented this report. The Committee noted that there have been no outstanding legal claims against the CCG from 1 April 2013.

48/14 Any Other Business

There was no further business to discuss this month.

49/14 Key Highlights for Governing Body

- External Audit Technical update
- Internal Audit publications update
- Counter Fraud and the risks the NHS faces from organised crime
- Fraudulent Times
- The Governing Body Assurance Framework and the committee's concerns around co-commissioning

50/14 Date and Time of Next Meeting

Thursday 26 March 2015, 2.00 pm – 4.00 pm, Boardroom, 722 Prince of Wales Road.