

**Report from Audit and Integrated Governance Committee
meeting held on 26 March 2015**

Governing Body meeting

Item 15f

7 May 2015

Author(s)	Julia Newton, Director of Finance
Sponsor	John Boyington CBE, 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.	
<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 the 26 March 2015 meeting 	

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EXECUTIVE SUMMARY

1. Financial Accounts for 2014/15

- The Committee received an update from the Director of Finance outlining key requirements to ensure that the CCG fulfilled its statutory responsibility to produce annual audited accounts and an annual report within the required timetable. Members noted the challenging timescale for both the CCG and External Auditors.
- The Committee approved the proposed accounting policies for preparation of the CCG's annual financial accounts for 2014/15 and the methodologies for estimating information where final data is not available by accounts completion date.

2. 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.

3. Deloitte's Service Auditor Report on Yorkshire and Humber Commissioning Support (Y&HCS)

As part of the establishment of CSUs in 2012/13, NHS England decided that it would be selecting Service Auditor Reporting (SAR) as the main assurance tool in assessing the robustness and effectiveness of CSU control procedures. The Committee received a first half of the year report that related to the totality of the services provided by Y&HCS, not just those services commissioned by NHS Sheffield CCG. It reported on the audit of mandated services only that included Financial Services and Payroll. Committee noted that the report was difficult to understand and interpret in terms of implications for Sheffield CCG but were advised that finance staff within the CCG had reviewed the relevant report and relevant rectification plan for areas provided to NHS Sheffield CCG and were satisfied with the reported actions. Committee also noted that a year end report would be presented to them in May.

5. 2015/16 Counter Fraud, Bribery and Corruption Risk Assessment and Workplan

The AIGC noted the newly published Standards for Commissioners including those that reinforce its responsibility for ensuring that the provider organisations it contracts with to deliver NHS services have appropriate arrangements in place to counter fraud, bribery and corruption. The Committee noted that during 2015/16 the CCG will need to

self assess itself against all the standards and be able to show documentary evidence of compliance and that the local counter fraud service will also need to support this review and, where necessary, to recommend and monitor corrective actions. This process will require more days from the counter fraud service and so the Committee approved an additional 10 days are included in the plan for 2015/16.

6. Governance: Quality Assurance Committee

The Committee noted concerns raised by the Quality Assurance Committee from its last two meetings. These included:

- Concerns about one of the contracts the CCG has for Patient Transport Services
- Concerns about the Care Quality Commission's process for arranging their series of visits to GP practices and about their delay in getting reports to the provider trusts following their visits
- Problems with some provider trusts relating to their reporting on the training of their staff

Sheffield Clinical Commissioning Group

Audit and Integrated Governance Committee Unconfirmed minutes of the meeting held on 26 March 2015 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: Clare Croft, Counter Fraud Specialist, 360 Assurance (for item 11/15)
Matthew Curtis, Local Counter Fraud Specialist, 360 Assurance (from item 07/15(ii))
Carol Henderson, Committee Administrator, NHSSCCG
Sue Laing, Senior Associate: Risk and Governance – Yorkshire and Humber Commissioning Support
Julia Newton, Director of Finance, NHSSCCG
Margaret Saunders, Head of Governance and Planning, NHSSCCG (up to item 10/15(iii))
Kevin Watkins, Associate Director, 360 Assurance (from item 06/15)
Linda Wild, Engagement Manager, KPMG

Minute		ACTION
01/15	<p>Welcomes, Introductions and Apologies for Absence</p> <p>Apologies had been received from Clare Partridge, Director, KPMG, and Tim Furness, Director of Business Planning and Partnerships, NHSSCCG.</p> <p>The Chair welcomed Margaret Saunders, Head of Governance and Planning, NHS Sheffield CCG, to her first meeting of the committee.</p>	
02/15	<p>Declarations of Interest</p> <p>There were no declarations of interest.</p>	
03/15	<p>Minutes and Matters Arising of the meeting held on 11 December 2014</p> <p>i) <u>Accuracy</u></p> <p>The minutes of the meeting held on 11 December 2014 were agreed as a correct record.</p> <p>ii) <u>Matters Arising</u></p> <p>a) AIGC Members' Professional Development (minute 40/14(b) refers)</p> <p>Ms Forrest advised the committee that she and Ms Wild had attended a North</p>	

Yorkshire Audit Committee Quality and Safety workshop on 9 March 2015. She reported that members of the Care Quality Commission (CQC) had attended which had given her the opportunity to raise Governing Body's concerns both about the CQC's process for their programme of GP practice visits, and the delay in issuing reports following visits to provider trusts. They had responded that they only had about two thirds of the usual amount of staff members working with them, which was due to recruitment issues, which was being addressed.

b) Local Counter Fraud: Findings and Recommendations from the Review of Recruitment Checks (minute 45/14(ii) refers)

The Director of Finance advised that the Local Counter Fraud Specialist would be issuing a report once his discussions with all the CCGs had taken place.

c) Assurance on Governing Body Assurance Framework (GBAF) and Risk Register (minute 46/14(i) refers)

The Director of Finance advised that principal risk 4.6: contractual restraints facing member practices resulting in an inability of practices to deliver and expand the service, would be picked up through the 2015/16 GBAF.

04/15

AIGC's Own Business

(i) Summary of the 2014/15 AIGC Self Assessment Exercise

The Director of Finance presented this report. She advised that, due to an administration error, Ms Forrest had not received a questionnaire to complete within the timescale, which she would do as soon as possible. If this had a material impact on the findings presented today, a re-submission would be presented to the next AIGC meeting.

AF

The following issues were raised and discussed:

In light of Dr McGinty's resignation from Governing Body, and therefore from the AIGC, members discussed an appropriate induction programme for his replacement and for any new members which, it was suggested, could be done as a one to one session that should include financial reporting.

Dr McGinty commented that most of the responses appeared to be an upward trend on the previous year's, and that it would be interesting to hear the thoughts of Governing Body members not on the committee. Dr Sorsbie commented that her thoughts were that the assessment was more what AIGC members thought about assurance rather than what they were assuring Governing Body about.

Members discussed the relatively low score to the question about whether the AIGC split its time appropriately between focusing on risk identification and assessment and its time spent focused on the effectiveness of the risk management framework itself. Dr Sorsbie's thoughts were that it asked if

members thought that AIGC spent more time on analysing risks in the report rather than whether the system allowed them to spot risk.

The Chair commented that this was a timely reminder for the AIGC not to focus on the detail, but to review what the Governance Sub Committee does in terms of challenge and assurance. However, it was a useful prompt to the committee to remain aware they should be assured about the systems in place and, with this in mind, suggested that Members contact the Head of Governance and Planning.

Ms Forrest asked if other CCGs undertook a similar annual review exercise. The Engagement Manager, KPMG, responded that although she did not see this one routinely in the other CCGs, they did assess themselves against the various checklists available periodically.

The Chair suggested that members give consideration as to whether it would be beneficial to undertake a similar exercise next year.

The Audit and Integrated Governance Committee:

- Noted the summary of the consolidated results from the self assessment questionnaires.
- Agreed to give consideration to the points highlighted when developing any Audit and Integrated Governance actions plans going forward.

(ii) AIGC Annual Report 2014/15

The Chair presented this report. He advised that it would be presented to Governing Body for noting in public in May.

JB

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

(iii) AIGC Annual Workplan 2015/16

The Director of Finance presented this report. She advised that the plan still assumed that an AIGC meeting would be held in June, which had now been moved to May due to a change to the deadline for submission of CCG annual financial accounts and reports.

Ms Forrest asked if anything should be included specifically re Better Care Fund (BCF) arrangements with the Local Authority from 1 April 2015. The Director of Finance responded that principal risks associated with this would be reflected in the 2015/16 Governing Body Assurance Framework (GBAF) and there would be separate financial reporting of spend against the BCF in year to Governing Body. She did not think that anything specific on this needed to be included in the workplan due to the Section 75 agreement in place between the two organisations and that the governance arrangements agreed did not require the CCG to change Standing Orders etc. The Engagement Manager, KPMG, commented that she had not seen this identified as a separate issue in other

CCGs' workplans.

The Director of Finance explained that including the private discussion between AIGC's core members and the auditors in both March and December gave the option to meet on either date. However, as March was nearer to the end of the financial year, and the external auditors would always meet with the Chair after the accounts process was complete, the committee agreed that the December date could be removed.

The Audit and Integrated Governance Committee considered the workplan and asked for amendments to be made as noted above.

JN

05/15

2014/15 Accounts Issues

(i) Annual Review of Accounting Policies and Key Accounting Estimations 2014/15

The Director of Finance presented the proposed accounting policies for preparation of the CCG's annual financial accounts for 2014/15. She reminded members that this was a formal requirement as we were about to embark on the completion of the accounts and so was asking members to confirm their agreement to the technical details and policies.

She reminded members that they had approved the set of accounting policies, taken from the standard NHS manual for financial accounts in 2013/14. She drew their attention to two highlighted changes where the standard wording had not been used (sections 1.7.1 Critical judgements in applying accounting policies) and 1.7.2 (key sources of estimation uncertainty) as these related to specific issues to the CCG. This reported that where estimations would be made as due to final timings we would not have the final figures, and was the same approach that AIGC had signed off last year.

The Audit and Integrated Governance Committee:

- Noted that a full review of accounting policies had taken place.
- Approved the accounting policies for the basis of the financial accounts.
- Approved the proposed basis of estimation of key figures in the 2014/15 financial statements.

(ii) Financial Accounts Timetable and Plans

The Director of Finance presented this report. She advised members that, although it would be a very tight process, we were planning to do all the work required to ensure that the CCG fulfilled its statutory responsibility to produce annual audited accounts within the required timetable.

The Engagement Manager, KPMG, advised members that they would do their best to submit their papers in a timely for the 20 May meeting, however, they may have to issue a draft ISA 260 to go out with the papers and table a final version

on the day. This reflected the change in national submission deadline and the audit committee being moved forward by more than two weeks.

The Audit and Integrated Governance Committee:

- Noted that the CCG has prepared a detailed action plan and timetable for preparation of the annual accounts.
- Noted the key dates within the annual accounts process.

The Associate Director, 360 Assurance, joined the meeting at this stage.

06/15

External Audit

(i) 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 she had no particular issues to draw to their attention this month.

The Director of Finance drew members' attention to the update on the Enhanced Tariff for 2015/16 (page 7) and advised the committee that virtually every trust in the country had agreed to the new tariff options, except for a few of the larger trusts, including Sheffield Teaching Hospitals NHS Foundation Trust (STHFT), providing specialised services. This meant that they would default to the roll over 2014/15 tariff, and therefore would not qualify for Commissioning for Quality and Innovation (CQUINS) payments. However, we are planning a smaller value local quality scheme as part of the overall contract settlement, taking on board the key quality indicators important to us locally.

Dr Sorsbie drew members' attention to the update on the £10m investment in GP workforce (page 9) which reported that the investment would be used to recruit new GPs, retain those that were thinking of leaving the profession and encourage doctors to return to general practice, to better meet the needs of patients now and for the future. Her thoughts were that it was good that they were trying to replace vacancies but felt it was not addressing the difficulties we have now and was unlikely to achieve what they want it to.

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 Audit and Integrated Governance Committee received and noted the report.

(ii) External Audit Draft Audit Plan for 2014/15

The Engagement Manager, KPMG presented this report. She advised the

CRH

committee that the core element of their work was prescribed to them by the Audit Commission, with their remit and responsibilities detailed on page 2 of the report which were to:

a) Ensure financial statements are appropriately prepared in accordance with relevant Directions and requirements and are based on proper accounting records.

She drew members' attention to page 5 of her report that broke down the main stages of the review into four parts: planning, control evaluation, substantive testing and completion. She reported that they were now at the end of the planning process and had been on site at 722 to carry out their interim audit evaluation which started the process of undertaking their Value for Money evaluation. She advised that there were no issues to raise to members' attention at this stage and no specific risks had been identified, and reported that they were liaising with internal audit colleagues as the standards allowed them to use the work of internal audit, and use that function to inform their risk assessment.

She advised the committee that the work they do was automatically tailored to identify risks, and reported that two significant audit risks had been identified through the audit planning process (detailed at page 8) which were standard risks identified to every organisation: management override of controls, and fraud risk of revenue recognition. She advised that there were no issues to raise to members' attention at this stage and no specific risks had been identified

b) Conclude on whether we have made proper arrangements to secure economy, efficiency and effectiveness in our use of resources.

She drew members' attention to page 9 and the Value for Money (VfM) approach, which was planned based on consideration of the significant risks of them giving a wrong VFM conclusion, and to carry out only as much work as was appropriate to enable them to give a safe VfM conclusion. She advised that the CCG's audit team had not changed this year, which was helpful for continuity purposes.

She also drew members' attention to the audit fee for 2014/15 (page 13) which was £95k, a reduction of £10k on the previous year.

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

07/15

Internal Audit

(i) Internal Audit Progress Report 2014/15

The Associate Director, 360 Assurance, presented this report. He drew the committee's attention to section 2 of his report which listed the reports issued.

Patient and Public Engagement

He advised the committee that the report showed Significant Assurance as there was a sound system of control in place designed to meet the system's objectives. He particularly highlighted the engagement approach taken during the commissioning of Musculoskeletal Services (MSK) as good practice, and reported that only six recommendations had been made relating to areas for improvement and that he had no particular issues to draw to the committee's attention.

Ms Forrest advised the committee that the CCG's internal public and patient engagement internal working group had reviewed the report at their last meeting, and it had been discussed at a recent Governing Body OD session as to how the areas for improvement could be addressed.

Second Review of the MSK Project Management Arrangements

This had focused more on whether the governance and project delivery arrangements had operated effectively during 2014/15. He reported that he had been able to provide Significant Assurance. However, with regard to the project management arrangements, there were some lessons to be learned for future projects, with five recommendations made for areas of improvement.

The Director of Finance commented that we need to link in through the project Management Office (PMO) to have a full project approach to managing our big projects in 2015/16. The Associate Director, 360 Assurance, commented that his observation was about the amount of time and resource that a project like MSK takes at a high level within the organisation and to monitor carefully as the number of projects increase.

Budgetary Control and Key Financial Services

This audit had been concluded this week, with the report currently being finalised. The audit showed that there were good systems of control in place, with a strong finance team in place, and with just a couple of low risk recommendations to bring to the committee's attention. He was able to provide Significant Assurance.

Work in Progress

Four pieces of work were being brought to conclusion and the expectation was that there were no major concerns to report. He reported that the work for the audit of the Information Governance Toolkit was now complete, with the draft report showing that there were no concerns.

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.

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

CRH

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

(ii) 2015/16 Draft Internal Audit Plan

The Associate Director, 360 Assurance, presented this report. He advised the committee that he had met with the Director of Finance to review and refresh the two year plan that the committee had agreed at the start of 2014/15. He reported that the Better Care Fund (BCF) would continue to be a risk, as it would be for all CCGs. The Director of Finance advised that she had circulated the draft plan to the CCG's Executive Team for comment, who had changed a couple of things, and agreed that the 2015/16 Governing Body Assurance Framework process needed to be completed, which we would be doing in April, with any further work coming out of that to be reflected in the plan. She also advised the committee that it was proposed to keep the same number of audit days this year, although we could change that in-year if necessary. A final version of the plan would be presented to the committee in May.

KW

The Audit and Integrated Governance Committee approved the draft Internal Audit Plan for 2015/16

08/15

Deloitte's Service Auditor Report on Yorkshire and Humber Commissioning Support (Y&HCS)

The Director of Finance presented this report. She advised the committee that it was the report covering the first 6 months of the year and all of the functions undertaken by Y&HCS. Thus it was important to note that the report was not specific to the services bought by Sheffield CCG from the CSU and we needed to isolate any issues of importance that were relevant to our CCG. It was not easy to identify such from the report. However, she provided reassurance to members that the finance team at the CCG had reviewed the report and identified internal controls/processes in the CCG appropriate to address any issues raised in the report. We had produced a summary which would be updated once we received the final report due on 19 May.

Mr Boyington commented that he was unable to gain any level of reassurance from the report itself and hence welcomed the work which the CCG's finance team had undertaken to interpret the findings and how they impacted on Sheffield CCG.

The Engagement Manager, KPMG, confirmed that external audit would give an opinion on the year end report at the May AIGC meeting. She reported that the finance team had put together a helpful summary of the report, and drew members' attention to the exceptions summary for 2014/15 listed on page 4, which included only the mandated elements.

The Audit and Integrated Governance Committee received and noted report, but asked that their concerns about the difficulty of understanding/interpreting the

report for an individual CCG were recorded.

09/15 Follow up Report on Audit Recommendations – High and Medium Risks

The Director of Finance presented this report. She advised the Committee that there were now no outstanding actions from reports where the CCG is required to take an action as the recommendation made in relation to the Collaborative Commissioning – Contract Monitoring had now been completed and RAG rated as Green.

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.

10/15 Governance – Key Issues for Audit and Integrated Governance Committee

(i) Review of Standing Orders, Scheme of Reservation and Delegation and Prime Financial Policies

The Director of Finance presented this report. She advised the committee that, following guidance received from NHS England, they had been reviewed by the CCG and our lawyers who had suggested changes be made to tighten up the appointment process of Governing Body members. The lawyers had also reviewed and suggested changes to our Conflicts of Interest Protocol which would be made in the next round of proposed changes to the CCG's Constitution. She also advised the committee that the Governing Body had reviewed the governance arrangements for the Better Care Fund (BCF) and did not believe that there was any requirement to change either our standing Orders or Prime financial Policies.

Dr McGinty asked that the use of the abbreviation of HASC in Appendices B and H be changed to HAS in the next round of constitutional changes.

JN(CRH)

The Director of Finance reminded the committee that they had delegated authority to review the detailed financial policies that supported the PFPs and advised that she proposed making two minor revisions to the Budget Management Policy, which were detailed at page 3 of her report. No changes were being proposed to be made either the Tendering or Losses and Special Payments Policies, which had only been updated to note that they had been reviewed.

The Audit and Integrated Governance Committee:

- Recommended the proposed changes to the Standing Orders to Governing Body for approval.
- Noted that no changes were recommended following the Director of finance's review of the Scheme of Reservation and Delegation and prime financial Policies.

- Approved the proposed minor changes to the Budget Management Policy.

(ii) Draft Annual Governance Statement (AGS) for 2014/15

The Senior Associate: Risk and Governance presented the draft AGS which, she advised, had been drafted using the prescribed model. She advised the committee that it was a first draft and very much work in progress, with some statements not required for this year. She asked that any issues or comments be fed to her or the Head of Governance and Planning within the next week.

She asked for views from audit colleagues in particular and advised that the AGS would be submitted to NHS England on 23 April, along with the annual report and financial accounts, who could possibly issue some changes in guidance.

The Engagement Manager, KPMG, commented that it was a factual statement and probably some contextual items could be removed as we were now in our second year.

The Committee received and noted the report.

The Head of Governance and Planning left the meeting at this stage.

(iii) Governance Sub Committee Report including unadopted minutes of the meeting held on 11 February 2015

The Senior Associate: Risk and Governance presented the report and minutes. She had no particular issues to draw to the Committee's attention, except to say that the report could also be used to give more assurance to the AIGC about the process for managing risks.

The Chair raised concerns about risk 138 and the 20 overdue Continuing Health Care (CHC) reviews that had been overdue from 2011 and asked what actions were being taken to mitigate the risk. The Director of Finance responded that her understanding was that the CHC team did not have the capacity to undertake those and the new reviews. The Senior Associate: Risk and Governance advised that she would raise this at her meeting with the CHC team taking place shortly to review their risks on the operational risk register and circulate a note to members on what they were doing to mitigate the risk.

Post meeting note: The CCG and CSU agreed a KPI regarding delivery of overdue reviews during 2014-15. This has been monitored at the Continuing Healthcare Joint Management Team. It has also been regularly on the agenda at director-led meetings between the CCG and CSU. Actions to reduce the backlog have included:

- ***Reducing vacancy levels.***
- ***Employment of an additional Learning Disability (LD) nurse, to provide extra capacity for review for these service users.***
- ***Piloting an alternative approach for a category of reviews (although the***

outcome of the pilot was not to proceed).

A complicating factor in respect of reviews is the role of the Local Authority (LA) social services teams. The LA is care manager for people with an LD and has its own review backlog. They also have a statutory duty to attend all eligibility reviews. The CCG and LA are working on integrating assessment and care management services for people who need 'ongoing care' under the auspices of the Better Care Fund. The intended outcomes of this work include improving how we deploy staff and reducing duplication and rework, with the aim of providing more timely responses to service users.

The Committee received and noted the report.

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

The Senior Associate: Risk and Governance 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 3 2014/15 presented the draft refreshed framework for 2015/16 . 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, and reported that there would be two outstanding gaps in control as at 31 March 2015, which would be identified within the AGS 2014/15.

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 remained 17 high level risks in the Assurance Framework, with no new risks added or any closed since the last report. She advised the committee that in Quarter 4 the overall scores are falling, and reported that at the last Governing Body they had raised concerns that some detail appeared to be out of date. However, a new system had been implemented to automatically update the risk review date, and the CCG's Head of Governance and Planning was now in post and would help risk owners review their risks.

The Senior Associate: Risk and Governance advised the committee that the risk leads held met on 9 March to review the 2015/16 framework. Some risks had been closed, some reworded, and some new risks added, included the addition of a risk for if the risk management and other governance arrangements put in place by the CCG and Sheffield City Council to manage c.£270m Better Care Fund prove inadequate. A further meeting would take place on 8 April to further review and agree the framework, with the intention for it to be presented to Governing Body for approval in May. The committee noted a change to the initials of the risk owner for risk 5.2 that it should read ZM, not ZK.

She advised that there were 45 risks on the operational risk register, with three closed and no new ones added in Quarter 3. The Governance Sub Committee

had challenged the high level risks and identified where further work was needed, and further meetings would be held with the teams to help them with positive assurance and gaps in control.

Dr Sorsbie asked about the operational risk register and progress in identifying risks and weaknesses etc and how we knew that the various groups were identifying those risks. The Chair explained that the committee reviews the evidence, minutes of meetings, listened to the CCG officers. It was about a judgement about whether we believe it and whether we need more assurance and it is the committee's job to keep pressing for that.

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 3.
- Noted the actions of the Governance Sub Committee and the assurance that operational risks were being effectively managed by officers.
- Noted the work underway and progress with regard to the GBAF refresh for 2015/16.

(v) Risk Management Strategy and Action Plan 2015/16

The Senior Associate: Risk and Governance presented this report. She advised the committee that there are very few changes from last year, that it had been presented to the Governance Sub Committee for comment, and they had noted the action plan. She reminded members that the AIGC had delegated authority to approve the strategy every year.

The Audit and Integrated Governance Committee approved the Risk Management Strategy and Action Plan for 2015/16.

(vi) Quality Assurance Committee Report

Ms Forrest, Chair of the Quality Assurance Committee, presented the adopted minutes of the Quality Assurance Committee meeting held on 28 November 2014 and unadopted minutes of the meeting held on 27 February 2015, which were attached for members' information, and had been reported to Governing Body.

She advised members that the key themes across the two meetings included concerns about one of the contracts we have for Patient Transport Services (PTS), on which the committee had been assured that this was being properly handled. They had also discussed the Care Quality Commission's process for arranging their series of visits to GP practices and the CQC's delay in getting reports to the provider trusts following their visits. The committee also continually noted problems with the provider trusts relating to reporting on the training of staff. These concerns had also been reported to Governing Body and recommended that they be discussed at Governing Body to Board meetings with the trusts and pressure kept on them through the contracting routes.

- Received and noted the adopted minutes of the Quality Assurance Committee meeting held on 28 November 2014.
- Noted and noted the unadopted minutes of the Quality Assurance Committee meeting held on 27 February 2015

11/15 Counter Fraud

Clare Croft, Counter Fraud Specialist, was in attendance for these items.

(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 it was intended to roll out to staff in early 2015/16, and CCG providing them with actions to mitigate the risks of fraud, bribery and corruption across each risk area identified within the 2014/15 fraud, bribery and corruption risk assessment. He reported that they were on target to complete the plan by the end of March.

The Committee received and noted the report.

(ii) 2015/16 Counter Fraud, bribery and Corruption Risk Assessment and Workplan

The Local Counter Fraud Specialist (LCFS) presented this report. He advised the committee that the Standards for Commissioners were not included with the papers, and would circulate these separately, but they were included in the plan as individual standards. He reported that there was a quality assurance process that sits alongside the plan.

He advised the committee that both the CCG and LCFS would have to grade the risks against every single standard in a RAG rated system and felt we would probably have Reds to begin with but would be looking to score Greens where appropriate. It was a fairly comprehensive list of expectations and the CCG's counter fraud service have requested additional time taking them from 20 to 30 days in total. The Director of Finance advised that an initial view is that the CCGs is undertaking many of the actions required by the standards already but that we need to do the formal self assessment and be clear we can provide the evidence if required.

Dr McGinty commented that there was also an emerging risk as of March 2015 relating to primary care practices allowing patients to access their medical records online which was a big risk in terms of fraudulent access and to requesting repeat prescribing online. Some people may take advantage of this and there was nothing in the register that covered that. The Local Counter Fraud Specialist responded that that was probably more of an information governance risk but may be something that has to be considered going forward.

The Director of Finance advised the committee that PCTs had previously had a similar process requiring submission of significant evidence each year end. She commented that it was disappointing that CGs had not been consulted on either the process or the standards. This process had been between NHS England and NHS Protect. The LCFS advised that this year had seen the first inspections for providers and they had been advised that there would be no visits for CCGs in 2015/16 but would be for the following year.

The Audit and Integrated Governance Committee approved the Counter Fraud, Bribery and Corruption Operational Plan for 2015/16.

(iii) Counter Fraud Risk Register for Sheffield CCG

The Director of Finance presented this report. She advised the committee that we had not agreed with Counter Fraud's assessment in every case and would follow up with them where we were concerned with the risk and to follow up where we did not agree with them. The Local Counter Fraud Specialist responded that on their workplan is what they consider to be inherent risks to the CCG, would be asking all the CCGs to be more active, and would compare self assessments when received.

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

12/15 Other Reports

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

The Director of Finance presented this report. She had no particular issues to draw to the Committee's attention this month.

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 in 2014/15, 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 one tender waiver had been approved so far this year.

The Committee received and noted the report.

13/15 Any Other Business

The Chair thanked Dr McGinty and Mr Watkins, who were both attending their last meeting of the committee, for their contribution to the committee and the CCG over the past few years.

There was no further business to discuss this month.

14/15 Key Highlights for Governing Body

- The challenging timescale for submission and audit of year end accounts
- Commending the useful External Audit technical updates
- Committee unable to gain assurance on SAR for Y&HCS due to the nature of the report.
- Confirmation of the approved financial policies
- The New Standards for Commissioners for Counter Fraud, Bribery and Corruption
- The concerns raised by the Quality Assurance Committee

15/15 Meeting between AIGC Core Members and Auditors

Members noted that, following conclusion of the AIGC, a private discussion would take place between the AIGC Core Members and Auditors.

16/15 Date and Time of Next Meeting

Wednesday 20 May 2015, 2.00 pm – 4.00 pm, Sharman Room, 722 Prince of Wales Road.