

**Report from Audit and Integrated Governance Committee
meeting held on 15 September 2016**

Item 22h

Governing Body meeting

6 October 2016

Author(s)	Carol Henderson, Committee Administrator / PA to Director of Finance
Sponsor	Phil Taylor, Chair of Audit and Integrated Governance Committee
Is your report for Approval / Consideration / Noting	
Noting and Recommendation	
Are there any Resource Implications	
Not applicable	
Audit Requirement	
<u>CCG Objectives</u>	
5. Organisational development to ensure CCG meets organisational health and capability requirements	
Principal Risk: 5.4	
<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"> Note the key messages in the Executive Summary Receive the unadopted minutes from the 15 September 2016 meeting 	

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EXECUTIVE SUMMARY

City-wide meeting of Patient Participation Groups (PPGs)

Members noted that the first city-wide practice Patient Participation Group (PPG) event had taken place at the end of July, and had been well attended by more than 50 people from 18 PPGs. The next meeting of the CCG's Public Equality Engagement Equality Group (PEEEG) would shortly be meeting to start to plan the next event.

Annual Audit Letter 2015/16

Members formally noted the content of the Annual Audit Letter following the 2015/16 audit. The letter would be presented to members of Governing Body for information and published on the CCG's website.

Audit Committee Training Session

A training session, facilitated by external audit, will be taking place prior to the next meeting of the AIGC in December to discuss the formal role of a member of an Audit Committee and to receive an update on the roles of internal and external audit

Fraud Awareness Training

Members noted that focused training in areas of identified fraud risk has been developed and issued to CCG budget holders and authorised signatories. Members also recognised that there is a very high awareness of counter fraud within the organisation.

Review of NHS Sheffield CCG Constitution

Members received an update on progress with the review of the CCG's Constitution and its supporting documents. External and Internal Audit were invited to provide comments on the proposed changes prior to the discussion at Governing Body on 6 October 2016.

Review of the Suspension of Standing Order 2.2.4

The Committee recommended to Governing Body to lift the suspension of Standing Order 2.2.4 from 6 October 2016 to enable the election process for the four city-wide GP members of Governing Body to commence.

Revised Statutory Guidance on Managing Conflicts of Interest for CCGs

Members noted that the guidance required at least 90% of CCG staff, including Governing Body and committee members to complete mandatory online conflicts of interest training by 31 January each year.

External and Internal Audit Technical Updates

External and Internal 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.

Update from Quality Assurance Committee (QAC)

Amanda Forrest, Lay Member and Chair of QAC advised the committee that an additional GP and Lay Member were now attending QAC meetings.

Review of Lay Member Roles and Responsibilities

Members noted that the CCG's four Lay Members had discussed their respective roles and responsibilities.

Process for Appointment of External Audits

Members received and noted an update from the Director of Finance on progress with the process for appointing the CCG's new External Auditors. A recommendation would be presented to Governing Body for approval later in the year.

**Audit and Integrated Governance Committee
Unconfirmed minutes of the meeting held on 15 September 2016
Boardroom, 722 Prince of Wales Road**

Present: Mr Phil Taylor, Lay Member (Chair)
Dr Ngozi Anumba, CCG Governing Body GP
Ms Amanda Forrest, Lay Member

In Attendance: Ms Sandie Buchan, Head of the Programme Management Office, NHSSCCG (for item 31/16(c))
Mrs Nicki Doherty, Deputy Director of Delivery and Strategy (for item 31/16(c))
Ms Leanne Hawkes, Deputy Director / Client Manager, 360 Assurance
Ms Carol Henderson, Committee Administrator / PA to Director of Finance, NHSSCCG
Mrs Sue Laing, Corporate Services Risk and Governance Manager
Ms Pat Lunness, Senior Finance Manager (Financial Reporting), NHSSCCG (on behalf of the Financial Accountant)
Ms Julia Newton, Director of Finance, NHSSCCG
Ms Alison Ormiston, Senior Manager, KPMG (up to item 36/16)
Ms Clare Partridge, Director, KPMG (up to item 36/16)
Mr Robert Purseglove, Local Counter Fraud Specialist, 360 Assurance
Mrs Margaret Saunders, Director of Corporate Governance, Sheffield Health and Social Care NHS Foundation Trust (SHSCFT)
Mr Mark Wilkinson, Head of Informatics (for item 32/16)

Minute

ACTION

27/16

Welcomes, Introductions and Apologies for Absence

The Chair welcomed Mrs Sue Laing, Corporate Services Risk and Governance Manager, to her first official meeting, and Mrs Margaret Saunders, Director of Corporate Governance, Sheffield Health and Social Care NHS Foundation Trust (SHSCFT), who was attending her last meeting.

Apologies for absence from core members had been received from Mr John Boyington CBE, Lay Member, and Dr Leigh Sorsbie, CCG Governing Body GP.

Apologies for absence from those who were normally in attendance had been received from Ms Rebecca Good, Financial Accountant, NHSSCCG, and Ms Suzie Paradine, HR Manager, NHSSCCG.

The Chair declared the meeting was quorate

28/16 **Declarations of Interest**

Ms Alison Ormiston, Senior Manager, KPMG, and Ms Clare Partridge, Director, KPMG, declared a conflict of interest in item 10: Update on the Process for Appointing External Auditors (paper Hi). The Chair advised that they had not received a copy of paper Hi and would be asked to absent themselves from the meeting when this item was discussed.

There were no further declarations of interest this month.

29/16 **Minutes and Matters Arising of the meeting held on 26 May 2016**

i) Accuracy

The minutes of the meeting held on 26 May 2016 were agreed as a correct record.

ii) Matters Arising

a) Draft Internal Audit Annual Plan for 2016/17 and Fees (minutes 07/16(d) and 17/16(ii)(d) refer)

The Deputy Director / Client Manager, 360 Assurance advised members that the delay in providing specifications on the suggested programmes of work on HR and procurement where the service was a Sheffield-hosted service covering a number of CCGs had been due to a delay obtaining a copy of the Memorandum of Understanding between the CCGs. She reported that she had now received a copy of the HR MoU, which she had passed to the CCG's Deputy Director of Finance for discussion with her in the next few days.

LH

The Committee noted that, whilst the MoUs were in place, the agreements had not been finalised, and asked that this action be carried forward to the next meeting.

LH

b) Internal Audit: Final Progress Report on 2015/16 Audits (minute 20/16(b) refer)

The Deputy Director / Client Manager advised members that an update of progress against the individual recommendations from the review of monitoring the quality of provision in care homes would be presented as part of paper Di: Follow up Report on Audit Recommendations.

c) Update Report on Internal Audit Recommendations regarding Patient Participation Groups (minute 23/16(a) refers)

Ms Forrest presented this report and reminded members that it remained as an

outstanding action against recommendations agreed within finalised internal audit reports and still showed as amber on the report to be discussed under minute 32/16. She advised that a city-wide Practice Patient Participation Group (PPG) event had taken place at the end of July, which had been well attended by more than 50 people from 18 PPGs. She reported that it had been a good and interesting meeting, with a willingness and need to meet together and would be a rich vein of knowledge, with them looking to the CCG to hear their voice. She advised members that the next meeting of the CCG's Public Equality Engagement Equality Group (PEEEG) would shortly be meeting to start to plan the next event.

30/16

External Audit

a) External Audit Technical Update

The Senior Manager, KPMG, presented this report which updated AIGC on the main technical issues which are currently having an impact on the health sector. She advised the committee that there were no red priority areas, and just one amber one that related to a consultation on the National Data Guardian for health and care's review of data security, consent and opt-outs, where the closing date for comments had already passed. She also drew members' attention to KPMG's profile of a fraudster, summarised at page 5, and a summary of KPMG's EU Referendum Webcast for Public Services that had taken place on Friday 1 July (page 6). In addition to the report, the Director, KPMG, advised the committee that a seminar for CCGs on conflicts of interest would be taking place on Monday 26 September. Feedback from the seminar would be provided as they had noted that members of the AIGC were unable to attend.

Ms Forrest commented that she found these updates very useful, with an overwhelming amount of information that comes out from various sources, which must create a huge challenge to capture in summaries.

Dr Ngozi commented that the content was so important but it was not practical to be able to read every article.

The Chair asked about page 11 that described the Accessible Information Standard that will come into force and should ensure clearer health and care information for disabled people and their carers, and advised that all organisations that provide NHS care or adult social care would be required to follow the new standard, including NHS Trusts and Foundation Trusts, and GP practices. He asked for KPMG's thoughts on whether it might be a problem for GPs to achieve this. The Senior Manager, KPMG, responded yes, potentially, but it was about taking those 'baby steps' and changing so they can move in the right direction to get there. Dr Ngozi advised the committee that when Healthwatch had visited her practice as part of their 'enter and visit' programme, it had been quite useful for them to be able to do this from the point of view as someone who had a disability. The Senior Manager commented that there was a desire to replicate that, and for those people that did not have an obvious physical disability.

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.

b) External Audit Annual Audit Letter 2015/16

The Senior Manager, KPMG presented the CCG's Annual Audit Letter for 2015/16, which was the final formal document relating to the CCG's accounts, contained a summary of the audit for the year, unqualified audit opinions on the Financial Statements and Value for Money (Use of Resources), and a reminder of the 2015/16 audit fees.

The Director of Finance advised members that the letter would now be presented to Governing Body for information and be published on the CCG's website.

JN

The Audit and Integrated Governance Committee received and noted the CCG's Annual Audit Letter for 2015/16.

c) Audit Committees' Self Assessment Survey

The Senior Manager, KPMG presented this report which gave an overview of the findings from external audit's online survey of CCG Audit Committee members across their client base. She advised that responses had been received from 32 CCGs,

She drew members' attention to section 1 that summarised the key findings, and section 2 that outlined the detailed findings for the CCG, to the seven questions asked. She advised that it was not the easiest report to understand but it showed how the AIGC scored itself currently and where the CCGs scored themselves on a spectrum and how they compared to the average. The spectrum showed that NHS Sheffield CCG AIGC scored higher than the average CCG.

She advised members that the survey had been undertaken prior to Mr Taylor's appointment as AIGC Chair which reflected in the scores for AIGC members as a whole, having sufficient skills, experience, time and resources to undertake their duties, and the committee including at least one member with sufficient recent and relevant financial experience.

She advised members that the CCG's responses to question 6 (overseeing external audit) and question 7 (overseeing internal audit) were close to the ideal (the score that members would like to see) and similar to the rest of the population. However, there was a disparity in six areas from the responses to question 3 (professional development), which was an area she felt the committee

might want to focus on going forward, as well as those areas that scored red. Members needed to have the appropriate skills and access to knowledge, ie through induction, and attending training courses, etc

Ms Forrest advised the committee that she had accessed some of the information and training sessions, but it was sometimes difficult finding the time to attend, notification was sent at short notice, they were never held in Sheffield.

Dr Anumba commented that it would be helpful to know who the expected audience was for each course and at what level they needed to be pitching it to.

The Director, KPMG advised members that a recent course had talked about the role of internal and external audit and, as AIGC members, what they should be doing and what they should be challenging, which they would be more than happy to facilitate for the AIGC, either at a hub in Sheffield or before or after an AIGC meeting.

Post meeting note: this training has been scheduled to take place on Thursday 15 December 2016, from 1.00 pm – 2.00 pm, in the Cocker Meeting Room, 722 Prince of Wales Road.

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

31/16

Internal Audit

a) Update on Internal Audit Plan 2016/17

The Deputy Director / Client Manager, 360 Assurance, presented this report and drew members' attention to the key highlights.

A change had been made to the audit plan to incorporate the mandated review of arrangements for managing conflicts of interest (Col). In this respect, she advised members that she would be meeting with the Corporate Services Risk and Governance Manager to review the findings of the survey sent to Governing Body members. She also advised that Col would form part of the agenda for the next Audit and Governance workshop taking place on Monday 26 September, to which all members were welcome to attend. She would re-circulate details of the workshop to members.

LH

The Deputy Director also advised members that three reviews relating to information sharing, Quality, Innovation, Productivity and Prevention (QIPP) and Continuing Health Care (CHC) had had delays due to agreement of Terms of Reference and changes in leadership and responsibility.

The Deputy Director also advised members that the process for reviewing the format and content of the Governing Body Assurance Framework (GBAF) was underway, as part of the Head of Internal Opinion for 2016/17. She also drew members' attention to Appendix A that provided a summary of the status of their follow up reviews, which tied in with the CCG's follow up report on audit recommendations to be presented later in the meeting under minute 32/16.

Finally, she advised that there were no significant issues to raise.

Ms Forrest asked about the review of the patient and public engagement as, as part of the previous review, the CCG's two lay members with responsibility for patient and public engagement had been involved in the planning, which they would welcome being part of this time. The Deputy Director responded that she would raise this with 360's Assistant Client Manager.

LH

The Chair asked about the audit of the CCG's primary Care Commissioning Committee and its associated governance processes to ensure it complied with national requirements. The Deputy Director explained that the report was in the final draft stage and just awaiting a response from the CCG.

The Audit and Integrated Governance Committee:

- Received and noted the report.
- Noted the progress being made in delivering the internal audit plans.
- Noted a change to the 2016/17 Internal Audit Plan to incorporate the mandated review of arrangements for managing conflicts of interest.

b) Commissioner Technical Update

The Deputy Director / Client Manager, 360 Assurance, presented this report to the meeting. It was agreed this should be circulated and added to the intranet for information.

CRH

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

c) Compliance with Programme Management Framework

Ms Sandie Buchan, Head of the Programme Management Office, NHSSCCG, and Mrs Nicki Doherty, Deputy Director of Delivery and Strategy, were in attendance for this item. The Director of Finance reminded members that, at the meeting on 26 May, they had been advised that all the recommended learning opportunities flagged up in the report would be pulled together into a single action plan and presented to the AIGC in September.

Ms Buchan presented this report and advised members that the Programme Management Office (PMO) had not been part of the audit, but that it had been undertaken on the process and compliance with the framework. She reported that it had identified five key learning points which were detailed on Table 1 along with the CCG's subsequent responses. She reminded members that the Programme Management Framework had been ratified by the CCG's Commissioning Executive Team (CET) in December 2015, and advised that it was now undergoing review to ensure that it was fit for purpose for the organisation. She expected this review to be completed by the end of September, presented to the CCG's Clinical Commissioning Committee (CCC) (the former CET), then to the QIPP sub group and signed off by the organisation. She commented that we have a strong framework but needed to ensure that it moved within the organisation and that working with the Programme Management

Office (PMO) was strong and integrated.

Ms Buchan explained that there were a number of areas that required cross-organisational working, for example if a programme was being led by another organisation we needed assurance from them about programme delivery and monitoring, etc.

The Chair asked how responsibility was assigned when working on joint programmes as the success of good project management is to have assigned responsibilities. Ms Buchan explained that at the moment this was the Head of Commissioning for that particular portfolio, with the organisation leading on the programme owning the delivery plan which the CCG would hold a copy of and would have influence and input into.

Mrs Doherty explained that, generally we do have a lead organisation and where there is cross over, we have a delivery plan. In the future, the CCG will see more integrated roles with our respective partner organisations which will mean that we will have to start running our different PMO functions together to form a city-wide approach, but we would need to start thinking about what was organisationally owned and what was shared.

Ms Forrest expressed concerns that there weren't the systems in place to undertake the joint working with the Local Authority and, given the PMO had been established in 2014, felt like it was still in its infancy. Mrs Doherty responded that there was still a lot of work to do to embed the PMO in the work of the CCG, and now had a great opportunity to do this following the recent leadership restructure.

The Audit and Integrated Governance Committee:

- Noted the responses to the recommended learning points.
- Agreed that the responses provided the level of assurance that the CCG would implement the learning points.
- Did not identify any additional responses they felt may require supplementary assurance.

32/16

CCG Response to National Data Guardian Consultation 2016

Mr Mark Wilkinson, Head of Informatics, was in attendance for this item which advised the committee about the CCG's response to the National Data Guardian for Health and Care's report consultation. He drew members' attention to a minor correction to the cover sheet of the report in that the Governing Body Assurance Framework principal risk should be 5.4 Inadequate adherence to principles of good governance and legal framework leading to breach of regulations and consequent reputational or financial damage, and not risk 5.3 as stated on the report.

He advised members that the document had come out for consultation with two elements: 10 new standards for improving data security and a method of testing compliance with these standards, and a new consent model for data sharing in health and social care. He advised, that due to the deadline of 7 September

2016 for responses to the consultation, the CCG's Information Governance Group, at its meeting on 10 August 2016, had agreed the approach to responding to the consultation (IGG), with an initial draft response prepared by our eMBED information governance specialist support and CCG information governance lead, that had been signed off by the CCG's Director of Commissioning and submitted on line on 5 September. Appendix 1 provided the text of this response.

The Chair commented that the report contained some interesting proposals, especially around consent issues, sharing of anonymised data and Duty to Share. Mr Wilkinson responded that clarification had been requested on a number of the proposed standards (as noted in Appendix 1). He also advised the committee that some of the recommendations would have a cost attached to them and some would be straight forward.

Mr Wilkinson advised the committee that a response would also be sent to the final document when it was received.

The Audit and Integrated Governance Committee received and noted the report and that the Information Governance Group had responded to the consultation on behalf of the CCG.

33/16

Update report on Internal Audit Recommendations

The Senior Finance Manager 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 10 outstanding actions (all amber) had been brought forward from May 2016, one relating to patient and public engagement which was still ongoing, one relating to the complaints review which was still ongoing, and eight relating to quality of care in care homes.

She advised that the action relating to the complaints review related to the learning from complaints, for example implementing improvements to services and flowing through into new processes. She reported that, in this respect, members of the complaints team had spoken to all the teams within the CCG with the idea to bring back some actions so there was a circular flow within the organisation. She advised that she would seek clarification as to the timescale for completion of this action.

Ms Forrest advised the committee that she had discussed this action with the Complaints Manager earlier in the day, who had advised her that an action plan was being developed, overseen by the CCG's Chief Nurse.

The Senior Finance Manager advised the committee that it was intended that the draft Care Homes Strategy would address the issues relating to quality of care in care homes. Ms Forrest advised that, as the Quality Assurance Committee had been assured that this strategy would be timely and address all the recommendations, she did not feel this action was amber as there were processes in place.

PL

The Deputy Director / Client Manager, 360 Assurance, advised the committee that it was in her schedule to follow up both of these actions in October, and would double check the original timescales Internal Audit had suggested for completion.

LH

The Audit and Integrated Governance Committee noted the progress being made against all the outstanding high and medium risk actions.

34/16

Counter Fraud

a) Local Counter Fraud Progress Report Update 2016/17 including Progress Against NHS Sheffield CCG Self Assessment Review Action Plan

The Local Counter Fraud Specialist (LCFS), 360 Assurance, presented this report and reported that they were on target to complete the plan by the end of March. The table at section 2 showed the contract performance in respect of planned days agreed in the work plan, against actual days for the period 1 April 2016 to 31 July 2016. He drew the committee's attention to the key issues.

Fraud awareness training was now in place through the use of e-learning, induction training, ad hoc training, and books and leaflets. Focused training in areas of identified fraud risk had been developed and issued to budget holders and authorised signatories, with reminders to complete the training to be issued in due course.

Two potential cases of fraud had been reported. The first one had been closed and the situation with the second was being monitored.

He reminded members that in May the CCG had completed and submitted its 2016 self review tool (SRT) against standards issued by NHS Protect. He reported that two standards had been Red rated, which was consistent with their client CCGs this year, Amber ratings demonstrated compliance, and Green ratings meant the CCG had demonstrated that actions were in place. He drew their attention to Appendix B which provided a summary of the CCG's progress against its improvement action plan. With regard to standard 4.4 the organisation shows a commitment to pursuing and / or supporting NHS Protect in pursuing the full range of available sanctions (criminal, civil and disciplinary) against those found to have committed fraud, bribery or corruption, as detailed in NHS Protect's guidance and following the advice of area anti-fraud specialists, he advised the committee that it had been a Red rating as the CCG had not had any cases that had progressed to full criminal investigation and was not doing enough to generate referrals. He agreed to feed back to NHS Protect members' expressed disappointment that this seemed a very unfair way of getting a RAG rating.

RP

The Corporate Services Risk and Governance Manager asked if the Amber rating for standard 2.4 The organisation has a code of conduct that includes reference to fraud, bribery and corruption and the requirements of the Bribery Act 2010. Staff awareness of the requirements of the code of conduct is regularly tested,

would remain as the CCG had all the relevant policies in place. The LCFS explained that, whilst the CCG showed compliance, to change the rating to Green it would have to demonstrate staff awareness of the policies.

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

b) Counter Fraud Annual Survey 2015/16 Outcome Report

The Local Counter Fraud Specialist presented this report and drew members' attention to Appendix A that reported the full details of the survey questions and the responses received. He advised members that the CCG's results of the survey showed that significant progress had been made in developing staff knowledge of issues relating to fraud, bribery and corruption, which meant that by next year the CCG's rating for NHS Protect standard 2.4 (as discussed above) should change from Amber to Green.

Ms Forrest commented that it was concerning that a few members of staff had responded that they found it acceptable for an employee to use their position to further their own, or a friend or relative's personal interests or that completion of fraud, bribery and corruption awareness training should not be mandatory for all staff in the organisation. The LCFS responded that some members of staff had mentioned to him that they were 'overloaded' with training but, as long as they knew who to contact for information, then felt that would suffice.

The Chair commented that it was reassuring the staff were aware of the arrangements.

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

35/16

Governance – Key Issues for Audit and Integrated Governance Committee

a) Review of NHS Sheffield CCG Constitution and Supporting Documents

The Director of Finance presented this report which provided the committee with an update of proposed to the CCG's Constitution and supporting documents. She reminded members that the committee has a responsibility to review the Standing Orders, Scheme of Delegation and Reservation and Prime Financial Policies every year. She reported that that review was ongoing and this year was being linked to the new leadership structure and the review of GPs on the Governing Body, which was nearly complete. She advised the committee that Mrs Jill Dentith, Management Consultant, was working with the CCG to review the Constitution and the process for re-election of Governing Body GPs, and prepare a paper for Governing Body on 6 October, and in this regard was still in consultation with the CCG Chair and Accountable Officer to get their view on some of the proposed key changes included in the report. The biggest proposed change this time would be to de-couple the Terms of Reference for our committees from the Constitution which would facilitate an easier process for updating. The Chair suggested that all members, especially Internal and External Audit, be given the opportunity to comment on the proposed changes.

JN(JD)

The Director of Finance reminded members that the process for proposed changes to the Standing Orders, Scheme of Delegation and Reservation and Prime Financial Policies was that they would be presented to the AIGC for review, who would recommend proposed changes to Governing Body. Following approval by Governing Body they would then be sent out to Member practices who would be asked to approve the proposed changes by the use of voting slips. They would then be submitted to NHS England for formal approval.

The Audit and Integrated Governance Committee noted the proposed areas for changes to the Constitution and supporting documents.

b) Review of the Suspension of Standing Order 2.2.4

The Director of Finance presented this report which advised the committee of the CCG Chair's review of the roles and responsibilities of the Governing Body (GB) GPs, which coincided with the election of the four city-wide GB GPs, three of whose tenure would conclude on 30 September 2016 and the fourth on 1 January 2017. She advised the committee that to ensure that the Governing Body maintained a level of continuity and stability during this time, a recommendation had been made to Governing Body on 7 July 2016 to extend the tenure of the four GPs. She explained that the CCG's Constitution allowed that this could be carried out through a suspension of the relevant Standing Order (2.2.4) by enacting Standing Order 3.9, through a two thirds majority at a meeting contained at least two thirds of the total membership of the Governing Body, and that the reason for the suspension would be recorded in the minutes of the GB meeting and reviewed by the AIGC.

The Audit and Integrated Governing Committee:

- Noted the short term extension of the city-wide Governing Body GPs terms of office, subject to clarification of the status of one of the elected GPs, as detailed in section 2.
- Recommended to Governing Body that the suspension of Standing Order 2.2.4 was lifted from 6 October 2016 to enable the election process for the four city-wide GP members of Governing Body to commence.

c) Revised Operational Scheme of Delegation as part of Budget Management Policy

The Director of Finance presented this report which provided the committee with a revised Budget Management Policy and Operational Scheme of Delegation following changes to the CCG's leadership structure effective from 5 September 2016. She drew members' attention to the three key changes which were that only the Accountable Officer and Director of Finance were authorised to sign documentation for healthcare contracts; the Accountable Officer, Director of Finance and directors reporting directly to the Accountable Officer were authorised to sign documentation for non healthcare contracts, up to their financial approved limit and; the approval limit for directors reporting directly to the Accountable Officer and nominated deputies had increased from £30k to £45k,

unless otherwise stated.

The Audit and Integrated Governance Committee:

- Noted the changes made to the Operational Scheme of Delegation.
- Noted the continued use of the Budget Management Policy, previously approved.

d) Revised Statutory Guidance on Managing Conflicts of Interest for CCGs

The Corporate Services Risk and Governance Manager presented this report which provided the committee with an update following the publication in June of NHS England's "*Managing Conflicts of Interest: Revised Statutory Guidance for CCGs*". She drew members' attention to the key highlights.

She also advised the committee that the guidance required the CCG to meet the requirements of NHSE's Improvement and Assessment Framework (IAF) 2016/17 indicator 162a. Probity and Corporate Governance. Part 1 of this indicator required an annual self certification in Quarter 4. The requirements of this were set out in section 2.

We were working through our current Conflict of Interest Protocol included in the CCG's Constitution, with a view to identifying any gaps that were in the guidance but felt there would not be many things to change as we had a very strong protocol. A lot of work on conflicts of interest had already been undertaken to make the guidance work for us.

With regard to mandatory conflicts of interest online training for CCG staff, including Governing body and committee members, she advised the committee that she would be attending a live run through of the training tool in October. It was planned to launch the training in November, with the national target of 90% of all staff to have completed the training by 31 January each year. The Director of Finance advised members that there was an issue in that those staff, by the nature of their job not based at 722, may have difficulty in accessing the training. In this respect, confirmation of whether this could be undertaken at home would be sought.

?SKL

Finally, the Corporate Services Risk and Governance Manager advised the committee that Col guidance, including checklists for Chairs of formal meetings (ie Governing Body and its committees) was available for staff on the Intranet.

She would provide a progress report to the next meeting.

SKL

The Audit and Integrated Governance Committee

- Noted the content of the NHS England Managing Conflicts of Interest: Revised Statutory Guidance for CCGs:
<https://www.england.nhs.uk/commissioning/pc-co-comms/coi/>
- Supported the implementation of the mandatory COI online training in conjunction with the NHS Sheffield CCG Learning and Development team.

- Supported the completion of the annual internal audit of CCG COI Management.
- Supported the completion of parts 1 and 2 of the NHS England IAF 2016/17, indicator 162a. Probity and Corporate Governance.
- Noted the action plan attached at Appendix 1

e) Governance Report including Unadopted Minutes of the Governance Sub Committee Meeting held on 31 August 2016

The Corporate Services Risk and Governance Manager presented the report and minutes. She drew the committee's attention to the following key issues:

The Corporate Services Facilities Officer was now in post and would be taking forward the remaining actions from the annual premises inspection, fire risk assessment and security audit action plan. There was now a process in place to manage the Freedom of Information (FoI) service with resilience support provided by the CCG's complaints team as part of the restructure.

The Corporate Services Risk and Governance Manager also advised the committee that only one policy, relating to the use of portable devices, remained beyond its review date, which it was anticipated would be presented to the Governance Sub Committee in November.

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 good progress that continued to be made with regard to management of strategic risks facing delivery of the organisation's key objectives, reported the position at the end of Quarter 1, up to and including 30 August 2016, the gaps in control and assurance and actions identified in order to close the gaps. She advised the committee that the paper should provide the committee with assurance that the Governance Sub Committee had reviewed and scrutinised risks within the GBAF and operational risk register at its meeting on 31 August, including a review of risk scores.

She advised that, at the end of the monitoring period, 16 identified risks remained on the GBAF, with five remaining very high. Three new risks had been added and 15 had been marked for closure. The five risks that showed gaps in control or assurance had been recognised by the Governance Sub Committee who had asked for further work to be undertaken to close the gaps and for a timetable / target date to be included for each one. She reported that she would be following up in relation to the two risks that did not include a reason for the gap, and would also be arranging meetings with each of the directors in the new structure to change the risk leads.

SKL

SKL

With regard to the risk report, she advised members that the scores for the three new risks had been reviewed and agreed as correct by the Governance Sub Committee. She also advised the committee that the process for reviewing risks was much improved, now being taken forward by the Deputy Directors Group.

The Deputy Director / Client Manager, 360 Assurance, advised members that she would be meeting with the Corporate Services Risk and Governance Manager the following week to discuss her initial survey of the GBAF, which she would follow up with a report to the Director of Finance. The Director of Finance advised members that, at the Executive Team time out taking place the following week, they would be discussed progress with the matrix.

The Audit and Integrated Governance Committee:

- Noted the position with regard to the GBAF and arrangements in place for managing strategic risks during Quarter 1 and up to 30 August 2016
- Did not identify any additional controls and mitigating actions which they felt should be put into place to address identified risks and the methods by which they would wish to receive assurance of the effectiveness of these controls.
- Noted the activity with regard to risk management during Quarter 1 with regard to the Operational Risk Register.

g) Quality Assurance Committee Report including Adopted Minutes of the Quality Assurance Committee meeting held on 6 May 2016 and Unadopted Minutes of the meeting held on 26 August 2016

Ms Forrest, Chair of the Quality Assurance Committee presented the minutes. She drew members' attention to the key highlights.

Committee meetings were now attended by a second additional GP and Lay Member, without the need to change the terms of reference as the roles were already included in the membership. On a number of occasions the committee had discussed its membership and commitment. A review of the Lay Members' roles and responsibilities had been undertaken, with each member feeling they could not change much as they were all already covering a huge breadth of responsibility.

The committee had also discussed seeking clarity as to where their role begins and ends against the Primary Care Commissioning Committee (PCCC) and, in this respect, would be undertaking a self assessment, similar to that undertaken by the AIGC, at the end of the year.

She advised the committee that, at the August meeting, the QAC had felt there was a huge issue developing about the quality of domiciliary care, which has huge implications about the whole system, and she intended to separately report that back to directors within the organisation.

She advised the committee that she would be reporting concerns about the lack of assurance from the cardiac service review undertaken at Sheffield Teaching Hospitals NHS Foundation Trust (STHFT), and the levels of assurance that

Sheffield Children's NHS Foundation Trust (SCHFT) has within its system. She also advised the committee that she had asked to meet with the Chair of Healthwatch Sheffield regarding their view of the CCG and quality assurance.

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

h) Risk Management Annual Report 2015/16

The Corporate Services Risk and Governance Manager presented this report which highlighted the good processes in place around the effective management of operational risks. She reported that the CCG had been provided with Significant Assurance from the Head of Internal Audit's Opinion in that we had a generally sound system of internal control, designed to meet objectives, and that controls were generally being applied consistently.

The Audit and Integrated Governance Committee:

- Noted the progress with regard to the management of risk during 2015/16 and the proposals to take the process forward in 2016/17.
- Noted the recommendations from the review of risk management within the Head of Internal Audit's Opinion statement and the work underway in order to progress.

36/16

Other reports

a) Sheffield CCG – Payables and Receivables as at 31 July 2016

The Senior Finance Manager presented this paper 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 July 2016).

Payables

The Senior Finance Manager advised the committee that the bulk of the outstanding payments related to non contract activity invoices that the CCG was either disputing or waiting for the supporting documentation from the trusts that the invoices related to Sheffield patients. The largest non NHS overdue payable relating to NHS Property Services Ltd had now been part paid. She advised the committee that a new junior member of staff had recently been appointed and it would be part of their role to follow these up.

Receivables

The Senior Finance Manager advised the committee that it was a much improved position at the end of July with overdue receivables totalling £253k, compared to £1,723k at the end of April. The largest non NHS receivable related to the recharge of continuing health care. The Director of Finance advised the committee that the CCG had taken legal advice with regard to the responsible

commissioner in this case.

The Senior Finance Manager also advised the committee that no debts had been recommended for write-off in the 2016/17 financial year.

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

b) Losses and Special Payments 2016/17

The Senior Finance Manager presented this report which provided the committee with a summary of instances where Losses and Special Payments had been approved since 1 April 2016. She advised the committee that there had been one ex-gratia payment of this nature for £500 in recognition of distress and inconvenience of delays in a Continuing Health Care (CHC) process.

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

c) Competitive Tender Waiver Approvals since 1 April 2016

This paper was presented by the Senior Finance Manager and provided the committee with information on instances where the competitive tendering rules have been waived since 1 April 2016.

There had been no tender waivers since 1 April 2016.

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

Ms Alison Ormiston, Senior Manager, KPMG, and Ms Clare Partridge, Director, KPMG left the meeting at this stage.

37/16 Update on the Process for Appointing External Auditors

The Director of Finance presented this report. She reminded members that it was about appointing someone to undertake the CCG's 2017/18 financial accounts audit and for five years hence. She assured AIGC that the process was going well, with five organisations submitting bids. She and the Chair had reviewed the bids and completed their scoring on the quality, which all the other CCGs were doing. She advised that a final proposal should be available for 30 September, which would then be presented to the Governing Bodies for approval. She would keep AIGC advised of progress.

JN

38/16 Any Other Business

Mrs Margaret Saunders

The Chair thanked Mrs Margaret Saunders, who was attending her last meeting of the AIGC, for her contribution to the committee over the past year.

There was no further business to discuss this month.

39/16

Key Highlights for Governing Body

The Chair proposed to report that the committee had noted:

- The success of the first city-wide meeting of Patient Participation Groups (PPGs)
- Receipt of External Audit's Annual Audit Letter for 2015/16 and its publication on the CCG's website
- A training session would be provided by external audit, prior to the next meeting of the AIGC, on the role of internal and external audit and the role of AIGC members in assessing their work
- Counter Fraud training is in place for budget holders and authorised signatories
- The committee's recognition that there is a very high awareness of counter fraud within the organisation
- The review of the CCG's Constitution and its supporting documents and the request to external and internal audit to provide comments on the proposed changes
- The measures that are in place for Conflicts of Interest requirements and the strict requirement for 90% of staff, including Governing Body and committee members to be trained by 31 January.
- The committee's recognition of the revised membership of the Quality Assurance Committee
- The appointment process for the CCG's new External Auditors
- The review of the four Lay Members roles and responsibilities

The Chair noted that the committee had recommended:

- Governing Body to lift the suspension of Standing Order 2.2.4 to enable the election process for the four city-wide GP members of Governing Body to commence

40/16

Date and Time of Next Meeting

Thursday 15 December 2016, 2.00 pm – 4.00 pm, Boardroom, 722 Prince of Wales Road