

**Report from Audit and Integrated Governance Committee  
 meeting held on 13 September 2018**

Item 20e

**Governing Body meeting**

**1 November 2018**

<b>Author(s)</b>	Carol Henderson, Committee Secretary / PA to Director of Finance Julia Newton, Director of Finance
<b>Sponsor Director</b>	Phil Taylor, Chair of Audit and Integrated Governance Committee
<b>Purpose of Paper</b>	
The paper summarises the key points arising from the CCG's Audit and Integrated Governance Committee meeting on 13 September 2018 and is accompanied by the unadopted minutes of the meeting.	
<b>Key Issues</b>	
Key issues are as set out in the paper.	
<b>Is your report for Approval / Consideration / Noting</b>	
Noting	
<b>Recommendations / Action Required by Governing Body</b>	
The Governing Body is asked to: 1. Note the key messages in the Executive Summary 2. Receive the unadopted minutes from the 13 September 2018 meeting	
<b>Governing Body Assurance Framework</b>	
<b><i>Which of the CCG's objectives does this paper support?</i></b> 5. Organisational development to ensure CCG meets organisational health and capability requirements  <b>Principal Risk 5.4</b> Inadequate adherence to principles of good governance and legal framework leading to breach of regulations and consequent reputational or financial damage	
<b>Are there any Resource Implications (including Financial, Staffing etc)?</b>	
None	

**Have you carried out an Equality Impact Assessment and is it attached?**

*Please attach if completed. Please explain if not, why not*  
Not applicable

***Have you involved patients, carers and the public in the preparation of the report?***

Not applicable

## **Report from Audit and Integrated Governance Committee (AIGC) meeting held on 13 September 2018**

### **Governing Body meeting**

**13 September 2018**

#### **EXECUTIVE SUMMARY**

##### Training Session for AIGC Members

A training session on the role of the AIGC and interpretation of the CCG's financial position will be arranged for all members of the committee now that the vacant Lay Member post on the committee has been filled by Ms Chris Nield.

##### Internal Audit Reviews

AIGC noted that 360 Assurance now has an improved approach to look at the follow ups of their recommendations from reviews, and that this was important particularly in light of only 34% of actions from recent recommendations being implemented by the original agreed implementation date.

##### Local Counter Fraud Survey

Members noted the positive results of the counter fraud survey, and that the Local Counter Fraud Specialist would liaise with the CCG's communications team to ensure continued uptake of the survey by staff.

##### Suspension of Standing Order 2.2.2

The AIGC were advised that on 5 July 2018 the CCG's Governing Body had approved a proposal to suspend the Standing Order (SO) 2.2.2 following the identification of an inconsistency between section 6.6.2 of the main body of the CCG's Constitution and this Standing Order, which needed to be addressed in order to proceed with the process for election of the CCG's Chair as the existing three year term of office of the CCG's Chair would come to an end in the near future and under our Constitution we needed to undertake an election process overseen by the CCG's Remuneration Committee. Members were content with the circumstances surrounding the suspension of this Standing Order.

##### Sickness Absence Reporting

Members noted the higher than planned level of sickness absence as reported in the minutes of the Governance Sub-committee and expressed concern about the increase in levels of sickness absence reporting, particularly those relating to stress-related illness. They noted the initiatives in place within the organisation to try and reduce these levels of sickness absence.

##### Whistleblowing (Freedom to Speak Up) Policy

AIGC noted that the CCG's Governance Sub-Committee had approved an updated Whistleblowing Policy following its scheduled review in August 2018. The policy had been updated to reflect legislative changes, and recommendations from NHS England / Improvement (NHSE/I) and the CCG's Internal Auditors. Members were assured that it

had been communicated to all staff through placement on the CCG's Intranet and through team brief.

#### Governance Sub-Committee (GSc) Revised Terms of Reference

In line with the AIGC's Terms of Reference, the committee approved changes to the Governance Sub-Committee's Terms of Reference which had been updated to strengthen the GSc's membership, and include the preparation of an annual report to the AIGC.

#### Conflicts of Interests in Meetings

Members suggested that it would be helpful for Chairs of meetings to have a crib sheet with principles / general guidance as to how to take potential conflicts of interests items forward.

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**Audit and Integrated Governance Committee  
Unadopted minutes of the meeting held on 13 September 2018  
Boardroom, 722 Prince of Wales Road**

**Present:** Mr Phil Taylor, Lay Member (Chair)  
Ms Amanda Forrest, Lay Member  
Ms Chris Nield, Lay Member  
Dr Jennie Joyce, CCG Governing Body GP  
Dr Kirsty Gillgrass, CCG Governing Body GP

**In Attendance:** Ms Carol Henderson, Committee Secretary / PA to Director of Finance, NHSSCCG  
Mrs Sue Laing, Corporate Services Risk and Governance Manager, NHSSCCG  
Ms Kay Meats, Client Manager, 360 Assurance  
Ms Jackie Mills, Deputy Director of Finance, NHSSCCG  
Ms Julia Newton, Director of Finance, NHSSCCG  
Ms Clare Partridge, Director, KPMG  
Mr Robert Purseglove, Local Counter Fraud Specialist, 360 Assurance  
Mr Rob Storr, Auditor, 360 Assurance (observing)

<b>Minute</b>		<b>ACTION</b>
<b>27/18</b>	<p><b>Welcomes, Introductions and Apologies for Absence</b></p> <p>Apologies for absence from those who were normally in attendance had been received from Mrs Rebecca Good, Financial Accountant, NHSSCCG, and Mr Iain Leviston, Manager, Public Sector Audit, KPMG.</p> <p>The Chair welcomed Ms Chris Nield, Lay Member, to her first meeting. He welcomed all other attendees to the meeting and declared the meeting was quorate.</p> <p>The Chair thanked Professor Mark Gamsu, Lay Member, who had been attending Audit and Integrated Governance Committee (AIGC) meetings as a co-opted member until the vacant Lay Member post had been filled. He also thanked Dr Jennie Joyce, CCG Governing Body GP, who had been attending AIGC meetings on behalf of Dr Leigh Sorsbie who had been on sabbatical leave for the past six months.</p>	
<b>28/18</b>	<p><b>Declarations of Interest</b></p> <p>The Chair reminded committee members of their obligation to declare any interest they may have on matters arising at Audit and Integrated Governance Committee meetings which might conflict with the business of NHS Sheffield Clinical Commissioning Group (CCG). He also reminded members that, in</p>	

future, not only would any conflicts of interests need to be noted but there would also need to be a note of action taken to manage this.

Declarations made by members of the Audit and Integrated Governance Committee are listed in the CCG's Register of Interests. The Register is available either via the secretary to the Audit and Integrated Governance Committee or the CCG website at the following link:

<http://www.sheffieldccg.nhs.uk/about-us/declarations-of-interest.htm>

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

29/18

**Minutes and Matters Arising of the meeting held on 24 May 2018**

i) Accuracy

The minutes of the meeting on 24 May 2018 were agreed as a correct record.

ii) Matters Arising

**a) 2018/19 Memorandum of Understanding (MoU) for Individual Funding Requests (IFR) Shared Service (minutes 07/18 and 17/18(ii)(a) refer)**

Members agreed that this item would remain on matters arising as the Deputy Director of Finance still had to update the 2018/19 MoU for the IFR shared service.

JM

**b) New Model Constitution and Changes to Standing Orders, Prime Financial Policies, and Detailed Financial Policies (minutes 10/18(b) and 17/18(ii)(c) refer)**

The Director of Finance advised members that NHS England (NHSE) had published a new model Constitution earlier in the week with a recommendation that it was adopted by Governing Bodies. In light of this, a substantive piece of work would now be undertaken to review the CCG's existing Constitution against the model. She advised members that, although there was no time pressure for adoption, her thoughts were that the CCG should adopt it for the new financial year, and suggested that it could be reviewed by the AIGC in December, although it was not a role of the AIGC to manage the Constitution they did have a role in reviewing proposed changes to the CCG's Standing Orders and Prime Financial Policies that supported the Constitution, with a view to presenting proposals to Governing Body in public in January 2019. This review would consider whether to have full Constitution including re-instating all the Terms of Reference for Committees and Sub-committees or to develop a governance handbook / standards of business conduct policy.

JN/SKL

Finally, the Director of Finance advised members that in April they had reviewed and recommended some proposed minor changes to the Standing Orders and Prime Financial Policies to Governing Body for approval on 3 May 2018. She

explained that, as these were only very minor changes and would not affect the CCG's undertaking its business in a sensible way, they would be included as part of a suite of changes which Member practices would be asked to approve later in the year.

**c) NHS England (NHSE) Conflicts of Interests Audit (minutes 10/18(h) and 17/18(ii)(d) refer)**

The Corporate Services Risk and Governance Manager advised members that, following discussion at the last meeting, she had completed a review of the Association of the British Pharmaceutical Industry (ABPI) register to cross check whether any Governing Body members appeared, and she advised that there were no major issues to report. She reminded members that this was the register where pharmaceutical companies were asked to declare any payments and benefits in kind they had made to doctors, nurses and other health professionals and organisations in the UK. She also reminded members that she had been asked to check the register each year to make sure there were no omissions, as one GP that had previously been a member of Governing Body had accepted a payment but not declared this to the CCG. However, there had been two minor omissions on the CCG's Register of Gifts, Hospitality and Commercial Sponsorship which related to a delay in completion of paperwork, which had now been resolved.

**d) Training Session for AIGC Members (minute 18/18(a) refers)**

The Chair asked if training on the role of the AIGC and interpretation of the CCG's financial position be progressed. Both external and internal auditors advised that they would be happy to provide training as either joint or individual sessions.

**JN(CRH)**

**e) Whistleblowing Policy (minute 20/18(d)(i) refers)**

The Corporate Services Risk and Governance Manager advised members that an update on the Governance Sub-committee's review of the CCG's Whistleblowing Policy would be given under minute 34/18(ii).

**f) Legal Claims Update (minute 22/18(g) refers)**

The Corporate Services Risk and Governance Manager advised members that the potential claim that had been in the system had not been received so there were no claims in the system at this stage.

**g) Data Quality Framework Plan (minute 23/18 refers)**

The Director of Finance was asked to feedback to the Director of Commissioning and Performance that the committee had questioned how the organisation's continuously developing priorities would impact on the data quality framework plan.

**JN**

**External Audit**i) Update on External Audit Plan

The Director, KPMG, advised members that a planning meeting with members of the CCG's finance team would take place in October, following which she would provide an update to the AIGC in December.

CP

The Audit and Integrated Governance Committee noted the update.

ii) External Audit Technical Update

The Director, KPMG, presented this report which updated AIGC on the main technical issues which were currently having an impact on the health sector. She drew members' attention to the key issues highlighted at page 2. She had only one particular issue to bring to their attention regarding the action required by CCG's in relation to the funding of 'flu vaccines from 2018/19, as set out on page 6. The Director of Finance confirmed that the CCG had the relevant processes in place

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.

iii) External Audit Annual Management Letter

The Director, KPMG, presented this report and advised that it was very much as set out in their ISA260 report that had been presented to the AIGC and Governing Body in May, reiterating the clean Opinions that had been given. She reminded members that they were required to produce this under their regulatory regime.

The Director, KPMG, reminded members that the audit fees had been significantly reduced for 2017/18 to 2020/21 following the joint procurement exercise undertaken in 2016 by the five South Yorkshire and Bassetlaw (SYB) CCGs to select and appoint their own auditors to comply with the Local Audit and Accountability Act 2014 (the Act), the award of the tender to KPMG, and assessment of what was a reasonable fee.

The Director, KPMG, confirmed that their accounting for primary care commissioning would carry on into the following year. She advised that the auditors would be meeting with the SYB CCGs the following week to discuss the new set of national guidance on what internal auditors should be doing in terms of primary care. The Client Manager, 360 Assurance, advised members



that some of the work they had been asked to do was more around governance, and about poorly performing practices.

The Director of Finance advised that Terms of Reference (ToR) for internal audit's primary care quality review had been drafted and were in the process of being reviewed to agree as to whether or not it was still sensible to undertake the audit given publication of the new guidance or whether the ToR needed to be tailored, which would be undertaken in liaison with the CCG's Clinical Lead for Primary Care and the GP members of the Quality Assurance Committee (QAC). She also suggested that Ms Chris Nield, Chair of the CCG's Primary Care Commissioning Committee (PCCC) was involved in making the decision on the ToR for the review.

KM/JN

Finally, the Director of Finance advised members that the Letter had been presented to Governing Body on 6 September in their information noting pack.

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

31/18

### **Internal Audit**

#### i) Update on 2018/19 Internal Audit Plan

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

Section 4.3 set out work in progress and a summary of the main reviews being undertaken, including development of Terms of Reference for reviews that would take place in the next couple of quarters.

- a) General Data Protection Regulations (GDPR): It had been agreed to undertake this work in two phases, with some work undertaken early on in the year on the organisation's general preparedness for GDPR. The second element would be starting in mid October to look at how the regulations have been implemented. An update report would be presented to the committee in due course which would include the Head of Internal Audit's Assurance Opinion. A report on the review of the first phase would be given in a separate item under minute 31/18(ii).
- b) Head of Internal Audit Opinion: Terms of Reference for this review had been issued and the review would be undertaken in three stages (as outlined on page 7). The first stage, to review the refreshed Governing Body Assurance Framework (GBAF) for 2018/19, had been completed. The second stage, as in the previous year, would be to conduct a survey of Governing Body members on their view of the organisation's governance, organisational culture, transparency, and use of the GBAF. The final stage would be to review the reporting and scrutiny of the GBAF at Governing Body and its various committees throughout the year. A further update would be given under minute 31/18(iii).

- c) Commissioning Review – Urgent Care in Primary Care (Phase 1): The Terms of Reference (ToR) had been agreed for this review and a meeting had taken place with the CCG's Director of Commissioning Performance to go through the specific areas, and advised that they had felt that the review of the urgent care consultation process, including patient and public involvement, would be a duplication of that undertaken by the Consultation Institute. The review, therefore, would concentrate on other aspects including how the CCG had identified and managed any potential conflicts of interests.

There followed a discussion on the challenges of managing conflict of interest at both Governing Body and PCCC. Dr Gillgrass suggested the need for better communication to Member practices, so the protocols for declaring and managing interest in Governing Body and its Committees could be better understood.

- d) Governance and Risk Management: The Client Manager, 360 Assurance, advised members that part of the governance review would be to look at the membership of the Urgent Care Programme Board. They would also be assessing the level of interaction between the Accountable Care Partnership (ACP) Board, the ACP Executive Delivery Group (EDG) and two of its workstream groups, and the CCG's Governing Body.
- e) Follow Ups: A new process had been implemented to make sure that follow ups were more timely. Seventeen recommendations had been marked up as complete since the last AIGC meeting, and 34% of all recommendations had been implemented based on their initial agreed timescales. Any recommendations that had not been implemented by their initial agreed date would be followed up with the relevant CCG officer, who had all been very responsive. Members agreed that it would be helpful to have sight of the tables that had been included in previous reports showing the number of agreed actions and number of outstanding actions for each recommendation in future reports.

The Client Manager, 360 Assurance advised members that it was planned to undertake a further review of the arrangements in place for monitoring delivery of the 2016/17 Better Care Fund (BCF) (which had received **Limited Assurance** following the 2017 review), which meant that revised dates for follow up of the recommendations from the initial review were not yet agreed.

Dr Joyce asked what the plan was to resolve the public and patient engagement (PPE) recommendations that were all ongoing against their initial agreed implementation dates of end September 2017. Ms Forrest, Lay Member, commented that her thoughts were that this was due to a fundamental underlying resource issue within the organisation to support PPE. The Director of Finance agreed to take this forward with the CCG's Director of Delivery – Care Outside of Hospital who was currently reviewing a reorganisation within her team, and would provide an update to the next meeting.

JN

In relation to 360 Assurance's report on follow up audits, the Director of Finance agreed to discuss with relevant senior managers the reasons why revised implementation dates had been agreed for a number of the recommendations. It was noted that CCG and internal audit colleagues needed to work together to ensure that 360 Assurance report and work did not duplicate the internal report by the CCG (report 32/18) and she would seek a way forward to avoid duplication.

The Audit and Integrated Governance Committee:

- Received and noted progress in delivering the Internal Audit plans for 2018/19.
- Received the information and guidance papers provided by 360 Assurance.
- Agreed to seek assurance from the CCG that the issues raised were being considered and, where necessary, were being addressed by the CCG.

#### ii) First Phase of General Data Protection Regulations (GDPR) Review

The Auditor, 360 Assurance, presented this report which set out the findings of their assessment undertaken during April / May of the organisation's general preparedness for GDPR which would come into force from 25 May 2018. He drew members' attention to the key highlights.

There was a good understanding within the CCG of the requirements, with increasing activity going on, policies being updated, and awareness raising with staff. One issue had been identified with the actual planning material in that the CCG had received a raft of detailed supporting information as guidance from eMBED which the CCG had not yet included in its own 'smart' plan which meant there was a bit of a gap. The Client Manager, 360 Assurance, advised members that the CCG had advised that this and some slightly less significant recommendations, had all now been implemented, although these were in the process of being verified by her colleagues.

Finally, as noted above, the second element would be starting in mid October to look at how the regulations had been implemented.

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

#### iii) Head of Internal Audit Opinion – Stage 1 Report

The Client Manager, 360 Assurance, presented the Head of Internal Audit's Work Programme State 1 Memo, and advised members that this was an early high stage review, with the year end Opinion statement based on follow up of agreed actions, Assurance Framework and strategic risk management, and Internal Audit plan outturn. As noted under minute 31/18(i)(b), Stage 1 of the work programme was aimed at providing a level of ongoing assurance on the effectiveness of the organisation's framework, and the report summarised the findings and recommendations from that review on pages 2 to 6. She advised that she had been invited to attend the annual GBAF refresh exercise with the

CCG's Executive Directors. She advised members that there were really robust processes in place within the organisation, with just one minor recommendation to split out assurance from external and internal sources of assurance which, she advised, had been actioned by the Corporate Services Risk and Governance Manager.

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

iv) Commissioner Technical Update

The Client Manager, 360 Assurance, presented this report. She had no particular items to draw to members' attention. .

The Chair asked how the CCG knew its network and information systems were compliant with the Regulations that came into force in May 2018 (as set out on page 5). The Corporate Services Risk and Governance Manager explained that this was reviewed by the CCG's Information Governance Group.

The Client Manager, 360 Assurance, advised that she would circulate a copy of the HFMA's short practical guide to conflicts of interest as the link to this in her report unfortunately did not work. The Director of Finance advised that she would seek clarity as to whether this guide should be sent to all Governing Body members.

**KM  
(CRH)**

**JN**

The Corporate Services Risk and Governance Manager advised members that the Freedom to Speak Up – Guidance for Boards applied to us as a CCG, that the CCG's Whistleblowing Policy had been reviewed and updated with best practice in light of the guidance, and that there were individuals identified in the organisation to support the CCG's Freedom to Speak Up Guardian.

Members agreed this report should be circulated and added to the intranet for information.

**CRH**

The Audit and Integrated Governance Committee noted the report.

**32/18**

**Follow Up Report on Internal Audit Recommendations – High and Medium Risks**

The Director of Finance 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 three outstanding actions had been brought forward from May 2018, one of which related to Quality Assurance had been completed and rated Green, and two relating to the Data Quality Framework which remained as Amber. One of the three actions relating to the follow up audit on Public and Patient Engagement had been completed and rated Green, with the other two remaining as Amber.

She asked members to note that the status of some of the actions were the same as on the Internal Audit report, and reminded them that they were always

asked to agree that actions be removed from the report once complete and rated as Green.

The Audit and Integrated Governance Committee:

- Noted the progress against the agreed outstanding actions.
- Confirmed that the Green rated actions could be excluded on further updates to the committee.
- Agreed that this report should be kept on future AIGC agendas as a separate item as it gave value to the process being undertaken internally within the CCG.

**33/18**

## **Counter Fraud**

### i) Local Counter Fraud Progress Report Update

The Local Counter Fraud Specialist (LCFS) presented this report which summarised the activity that had been reported to AIGC throughout the year. He reported that he had no particular issues to draw to their attention except to advise that he was reviewing three referrals at the present time, all relating to Personal Health Budgets (PHBs). He reported that all aspects were being reviewed including checking processes and procedures within the relevant organisations.

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

### ii) Results of Counter Fraud Bribery and Corruption Survey

The Local Counter Fraud Specialist (LCFS) presented this report which summarised the findings from the on-line fraud awareness survey of all staff undertaken between February and May 2018. He advised that 69 members of staff had completed the survey, and that benchmarking against their client organisations had confirmed the results of the survey were excellent, with almost a sea of Green ratings, which the Chair commented was reassuring for the CCG.

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

**34/18**

## **Governance – Key Issues for Audit and Integrated Governance Committee**

### i) Review of the Suspension of Standing Order 2.2.2

The Director of Finance presented this report which advised the committee that on 5 July 2018 the Governing Body had approved a proposal to suspend the Standing Order (SO) 2.2.2 following the identification of an inconsistency between section 6.6.2 of the main body of the CCG's Constitution and this Standing Order, which needed to be addressed in order to proceed with the process for election of the CCG's Chair as the existing three year term of office of the CCG's Chair would shortly be coming to an end, and under our Constitution we needed to undertake an election process overseen by the

CCG's Remuneration Committee. She reminded members that, as per the requirements of the Standing Orders, the reason for the suspension would be recorded in the minutes of the Governing Body meeting and reviewed by the AIGC.

The Director of Finance advised members that application packs had been sent out to the seven substantive Governing Body GP voting members (due to a vacancy for the Central Locality nominated representative post there were currently only seven GPs on Governing Body) earlier in the day.

She advised members that this Standing Order would be changed as part of a suite of changes to the Constitution later in the year. As noted under minute 29/18(ii)(b), she advised that she and the Corporate Services Risk and Governance Manager would be reviewing the CCG's existing Constitution against the new model Constitution.

The Audit and Integrated Governing Committee noted the suspension of Standing Order 2.2.2 to enable the process for election of the CCG's Chair as the existing three year term of office of the CCG's Chair was shortly to end.

ii) Governance Sub-committee Report including Unadopted Minutes of the Meeting held on 24 August 2018

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

Due to the late receipt of the CCG's Emergency Preparedness, Resilience and Response (EPRR) core standards self-assessment documentation, the self-assessment had been sent to Governing Body for approval without prior review by Governance Sub-committee. It would also be presented to the Local Health Resilience Partnership in October, then back to the CCG's EPRR Group for review. Members noted that Ms Nield, Lay Member, was Governing Body Lead for EPRR.

GSc had reviewed three risks that had been identified as 'serious' and agreed that two had been correctly scored, but had challenged the score of the other risk relating to a potential overspend within the CCG's prescribing budget of £1m. The Deputy Director of Finance had reviewed this risk with the Head of Medicines Management who had advised that he had felt the scoring decision was realistic at the time he had made it and was based on guidance relating to the confidence scoring of risks. The Director of Finance had suggested that the risk score be reviewed in light of information that showed that this budget was likely to underspend.

The Corporate Services Risk and Governance Manager asked if the AIGC could review the table of consequences in the guidance which suggested that financial loss in excess of £1m would constitute catastrophic consequences for the CCG, to change it to a more realistic figure. Members asked that this be

reviewed within the CCG to take back to the GSc, and then for it to be included in the Risk Management Strategy for next year.

JN/SKL

The Corporate Services Risk and Governance Manager also advised members that other discussions had included acknowledgement of the work that had been undertaken within the organisation around EPRR, incident reporting, premises inspection that had all actions completed, and to improve response times to Freedom of Information (FOI) requests.

AIGC asked that the SMT consider what could be done to reduce the levels of sickness absence within the organisation, especially those relating to stress related illness. Members noted that health and wellbeing weeks, including mindfulness sessions had been offered to staff. Ms Nield, Lay Member, commented that public mental health was important, for example through organisational development, coaching, training opportunities, and opportunities to exercise, etc, could make a difference.

***Post meeting note: Sickness absence rates are reported in the Workforce Report to Governance Sub-committee and in the regular People Plan report to Directors.***

The Corporate Services Risk and Governance Manager also advised members that the GSc had approved a number of corporate and HR policies. However, the GSc had felt that they could not approve the one relating to Involving Volunteers in Our Work in its current form and requested it be reviewed further to explore the implications of remuneration and presented to them at their next meeting. She advised members that the revised Whistleblowing Policy was one of the policies approved by the GSc, which they had agreed was robust and reflected legislative changes, and recommendations from the CCG's Internal Auditors.

The Chair commented that it was important to recognise that this was a newly revised policy, and asked that it was put on the intranet and discussed in team brief.

JN(CRH)

***Post meeting note: The policy was already included on the intranet and had been circulated to staff as part of team brief.***

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

iii) Review of Governance Sub-committee Terms of Reference (ToR)

The Corporate Services Risk and Governance Manager presented proposed revisions to Terms of Reference (ToR) for the Governance Sub-committee for approval. She advised members that there were minor amendments proposed including membership to include the CCG's Head of Information, Performance and Programme Management Office (PMO) (Deputy Senior Risk Information Officer (SIRO), the preparation of an annual report to the AIGC, and

accountability updated to reflect that the ToR would be approved by the AIGC rather than Governing Body. She also clarified that the role of the Local Counter Fraud Specialist was already included in the ToR as a co-opted attendee.

The Audit and Integrated Governance Committee approved the proposed changes to the Governance Sub-committee's Terms of Reference.

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

The Corporate Services Risk and Governance Manager presented this report which outlined the work that continued with regard to management of strategic and operational risks facing delivery of the organisation's key objectives, and reported the position up to and including 28 August 2018. She drew members' attention to the key issues which included that a comprehensive review of the GBAF had been undertaken by the CCG's Senior Management Team (SMT). She highlighted those risks where the assessment of risk had changed and where SMT had amended the narrative.

She highlighted new risk 4.6 (High volume of patients in hospital with delayed transfer of care (DToC) as a result of insufficient capacity to meet increasing demand on Route 2 services (eg Active Recovery, Discharge to Assess) created by increasing frailty and complexity of admissions and impact of successful transformation programmes reducing need for long term care) had been agreed by the SMT.

The Corporate Services Risk and Governance Manager also clarified that ownership of risk 5.3 Inability to secure active engagement/participation between Member Practices and relevant CCG teams which may result in not achieving CCG priorities, was currently jointly held by the Director of Delivery – Care Outside of Hospital as director lead for engagement, and the Clinical Director for Primary Care.

The Corporate Services Risk and Governance Manager also advised members that two gaps in control and / or assurance had been closed for risks 1.1: Insufficient communication and engagement with patients and the public on CCG priorities and service developments, leading to loss of confidence in CCG decisions, and 3.1: CCG is unable to undertake the actions, and deliver the outcomes from them, that are set out in the HWB's plan for reducing health inequalities, eg due to financial constraints following discussion at the SMT. This meant there were now only two risks with identified gaps in control, a welcome improvement. She also reported that there had been some technical changes to the GBAF, with regard to managing the actions and being completed by the target date.

Finally, the Chair commented that it was pleasing to see that the top 10 risks included in the document "*What Keeps CCG Governing Bodies Awake at Night*" produced by Mersey Internal Audit Agency had been cross referenced by the



SMT to the CCG's risks, so the committee could be reassured that these were included in our GBAF.

The Audit and Integrated Governance Committee:

- Considered the updates to the GBAF and arrangements in place for managing strategic risks up to 28 August 2018.
- Considered the outcome of the SMT's review of the MIAA Insight Report – *"What Keeps Governing Bodies Awake at Night"* and their response.
- Received and noted the report.

v) Quality Assurance Committee (QAC) Report including Unadopted Minutes of the Quality Assurance Committee Meeting held on 30 August 2018

Ms Forrest, Lay Member and Chair of the QAC, presented the unadopted minutes from the meeting held on 30 August 2018 and advised members that the key issues discussed had included a discussion around assurance of quality in general practice and making sure it linked to the CCG's Primary Care Commissioning Committee, and to discussions with the Local Medical Committee (LMC). The committee had received information on how practices responded to their own vulnerable populations, and they had looked at some of the audits undertaken around the Locally Commissioned Services (LCSs) and if the findings from those influenced how we commissioned in the future. They had also noted an Issue around sepsis monitoring at Sheffield Teaching Hospitals NHS Foundation Trust (STHFT) and had been assured that the trust had processes in place to improve practice. A discussion had also taken place around identifying how the One Health Group fitted into the health delivery system with regard to getting assurance around their quality of work, as it was a chamber of clinicians that did not come under Care Quality Commission (CQC) inspection. The committee had also discussed the voluntary sector arrangements and if they would get contracts or grants in the future, and had approved the indicators for quality that linked into the CCG's Commissioning for Quality Strategy and the organisation's strategic objectives.

The Chair drew members' attention to minute 37/18 and the discussion around the Primary Care Sheffield (PCS) quality report, particularly in relation to conflicts of interest and the GP members of the committee that should be declaring a conflict of interest in this item as shareholders of PCS. Ms Forrest responded that as this item related to the clinical quality provided by PCS, not about financial issues, and no decisions were being taken, there was no reason why the GPs could not take part in the discussion. However, handling PCS-related items at Governing Body and its other committees was an ongoing issue and members agreed it would be helpful for the Chair of the meetings to have a crib sheet with principles / general guidance as to how to take items forward.

The Director of Finance advised members that she had met with the ACP Sub Group and the CCG's lawyers to discuss how conflicts of interests might be handled in the changing environment.

The Audit and Integrated Governance Committee received and noted the

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update, including the unadopted minutes.

vi) Accountable Care Partnership (ACP) / Integrated Care System (ICS) Governance Update

The Director of Finance gave an oral update on the key issues. She advised members that the first substantive report relating to the ACP work would be presented to Governing Body in November. The ACP had agreed to adopt the CCG's Standards of Business Conduct and Conflicts of Interests Policy and Procedure. Three SYB workshops on the future of commissioning for CCGs had taken place. Discussions were taking place in relation to the potential expanded role of the Joint Committee of Clinical Commissioning Groups (JCCCG). Some further work had been commissioned to look at the governance of the ICS.

The Audit and Integrated Governance Committee noted the update.

35/18

**Other Reports**

i) Receivables and Payables Report at 31 July 2018

The Director of Finance presented this report which provided a summary of the aged payables and receivables for Sheffield CCG based on the latest month end position available at the time of writing the report for AIGC (as at 31 July 2018). She had no particular issues to draw to members' attention.

The Audit and Integrated Governance Committee noted the position regarding aged payables and receivables as at 31 July 2018.

ii) Financial Matters 2018/19 including Losses and Special Payments and Competitive Tender Waivers since 1 April 2018

The Director of Finance presented this new-style report, as agreed at the last meeting, which provided the committee with information on instances where the competitive tendering rules had been waived since 1 April 2018, a record where losses and special payments had been approved since 1 April 2018, and also a briefing on the new financial control environment self-assessment that NHS England had asked all CCGs to complete..

She reported that there had been two tender waivers approved to date in 2018/19, which were detailed at Appendix A, and two special payments, one of which had previously been reported to the AIGC, which were detailed at Appendix B. She advised members that she was also asking them to note the Quarter 1 financial control environment self-assessment and its agreed actions, detailed at Appendix C.

The Chair requested clarification on the tender waiver for £624k relating to Horizon Care Homes Ltd. The Director of Finance explained that this related to Delayed Transfers of Care (DTOCs) and a pilot initiative known as 5Q, with

beds being procured for relevant patients on discharge from hospital for up to 28 days. She advised members that an evaluation had been undertaken as to whether or not to continue with these arrangements, and that a business case / service model proposal had been approved by the CCG's Senior Management Team (SMT) with Sheffield City Council (SCC) colleagues at Executive Management Group (EMG), but that discussions were still ongoing with SCC to agree risk share arrangements. She advised that in view of continuing DTOC pressures it had been agreed to extend the pilot until the new procured service was in place. She explained that this had required a tender waiver due to the time it would take to undertake formal procurement, which it had been felt was appropriate in the circumstances.

The Audit and Integrated Governance Committee:

- Noted the competitive tender waivers reported in Appendix A.
- Noted the losses and special payments reported Appendix B.
- Noted the requirement for the CCG to complete the self-assessment on a quarterly basis for submission to NHS England.
- Noted the outcome of the Q1 self-assessment summarised above and detailed in Appendix C; along with the agreed actions.

**36/18 Any Other Business**

There were no further items to discuss this month.

**37/18 Debrief**

There were no key issues that members wished to raise this month.

**38/18 Key Issues from the Chair**

The Chair advised that he would highlight the following key highlights to Governing Body:

- Internal Audit has an improved approach on looking at the follow ups of their recommendations from review, and would continue to review this, especially in light of only 34% of actions from recent recommendations being implemented by CCG by the original agreed implementation date.
- The committee had noted the results of the counter fraud survey, and that the Local Counter Fraud Specialist would liaise with the CCG's communications team to ensure continued uptake of the survey.
- The committee was content with the circumstances surrounding suspension of Standing Order 2.2.2.
- The committee's concerns about the CCG's levels of sickness reporting as reported in the minutes of the CCG's governance sub-committee.
- The CCG had, following a scheduled review of the policy, an updated Freedom to Speak Up (Whistleblowing) Policy in place, which the committee was assured had been communicated to all members of staff.
- The committee approved revisions to the Governance Sub-committee's

Terms of Reference which it has delegated authority to do.

- The committee had requested to be sent a copy of the new Conflicts of Interests checklist template.
- A training session on the role of the AIGC and interpretation of the CCG's financial position would be arranged for all members of the committee.

**39/18**

**Date and Time of Next Meeting**

Thursday 13 December 2018, 2.00 pm – 4.00 pm, Boardroom, 722 Prince of Wales Road