

**Report from Audit and Integrated Governance Committee  
 meeting held on 28 March 2019**

Item 22h

Governing Body meeting

2 May 2019

<b>Author(s)</b>	Carol Henderson, Committee Secretary / PA to Director of Finance Julia Newton, Director of Finance
<b>Sponsor Director</b>	Anthea Morris, 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 28 March 2019 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>	
<b>Noting</b>	
<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 28 March 2019 meeting	
<b>Governing Body Assurance Framework</b>	
<b>Which of the CCG's objectives does this paper support?</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 meeting held on 28 March 2019**

### **Governing Body meeting**

**2 May 2019**

#### **EXECUTIVE SUMMARY**

##### Overall View of the AIGC's Self Assessment Exercise

AIGC discussed the results of its annual self assessment exercise using the KPMG audit committee checklist. No major issues were identified; however, members considered a number of areas for further consideration, in particular professional development. Further training would be arranged when the AIGC's new GP had been appointed.

##### AIGC's Workplan for 2019/20

AIGC agreed its workplan for 2019/20, noting that the only necessitated change from 2018/19 was the inclusion of the CCG's Annual Risk Report.

##### Annual Report from the Chair of AIGC

AIGC received the annual report from the Chair of AIGC on the activities of the Committee against its agreed annual work plan. Members noted all actions on the plan had been undertaken satisfactorily. A copy of the Annual Report would be shared with Governing Body members for information.

##### Internal Audit and Counter Fraud Plan for 2019/20

The CCG's Internal Auditors, 360 Assurance, presented the draft plan which had previously been discussed with the Director of Finance and the CCG's other executive directors. AIGC approved the draft plan. The committee noted that Internal Audit were on track with their audit plan for 2018/19.

#### **Governance**

AIGC approved the CCG's Risk Management Strategy and Action Plan for 2019/20.

AIGC noted the Governance Sub-Committee report and received its first annual report.

AIGC noted the update on the Governing Body Assurance Framework (GBAF) for 2018/19 and the refresh for 2019/20.

AIGC received the Interim Head of Internal Opinion for 2018/19 and noted that it gave **Significant Assurance** that there was a generally sound system of internal control, designed to meet the organisation's objectives, and that controls were generally being

applied consistently. However, this would be an interim Opinion until the final submission to AIGC and Governing Body on 22 May 2019.

AIGC noted the **Limited Assurance** given on the review of the Urgent Care in Primary Care consultation. They reviewed the full report and noted that the lack of clinical support at the Urgent Care in Primary Care Programme Board meetings had now improved.

AIGC examined the follow up of all outstanding actions from internal audit recommendations and noted the new processes in place for follow ups.

AIGC received reports from the Quality Assurance Committee (QAC) on positive progress and the main issues from the last meeting and received an update from the first QAC to QAC meeting with Sheffield Children's NHS Foundation Trust (SCHFT).

#### Financial Accounts for 2018/19

The Committee received an update from the Deputy 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. The Committee approved the proposed accounting policies for preparation of the CCG's annual financial accounts for 2018/19 and the methodologies for estimating information where final data was not available by the accounts completion date.

**Audit and Integrated Governance Committee**  
**Unadopted minutes of the meeting held on 28 March 2019**  
**Boardroom, 722 Prince of Wales Road**

**Present:** Mr Phil Taylor, Lay Member (Chair)  
Ms Amanda Forrest, Lay Member  
Dr Leigh Sorsbie, CCG Governing Body GP  
Ms Chris Nield, Lay Member

**In Attendance:** Mrs Kate Gleave, Deputy Director of Commissioning (from items 04/19(ii) to 06/19(iii))  
Mrs Rebecca Good, Financial Accountant, NHSSCCG  
Ms Carol Henderson, Committee Secretary / PA to Director of Finance, NHSSCCG  
Ms Kay Meats Client Manager, 360 Assurance  
Mrs Sue Laing, Corporate Services Risk and Governance Manager, NHSSCCG  
Ms Anthea Morris, Lay Member Designate (shadowing)  
Ms Julia Newton, Director of Finance, NHSSCCG  
Ms Jackie Mills, Deputy Director of Finance, NHSSCCG  
Ms Clare Partridge, Partner, KPMG  
Mr Robert Purseglove, Local Counter Fraud Specialist, 360 Assurance

<b>Minute</b>		<b>ACTION</b>
<b>01/19</b>	<p><b>Welcomes, Introductions and Apologies for Absence</b></p> <p>There were no apologies for absence from voting members</p> <p>Apologies for absence from those who were normally in attendance had been received from Mr Robert Fenton, External Audit Manager, KPMG.</p> <p>The Chair welcomed Ms Anthea Morris to the meeting. He explained that Ms Morris had been appointed as Governing Body Lay Member from 1 April 2019 (following his retirement from the CCG at the end of March) and was shadowing him today as she would be taking over as Chair of the AIGC at the next meeting. He welcomed all other attendees to the meeting and declared the meeting was quorate.</p> <p>He also congratulated Ms Forrest, Lay Member, on her appointment as Deputy Chair of the CCG from 1 April 2019.</p>	
<b>02/19</b>	<p><b>Declarations of Interests</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</p>	

Clinical Commissioning Group (CCG). He also reminded members that, in 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.

03/19

### **Minutes and Matters Arising of the meeting held on 13 December 2018**

#### **i) Accuracy**

The minutes of the meeting on 13 December 2018 were agreed as a correct record.

#### **ii) Matters Arising**

##### **a) NHS Sheffield CCG New Model Constitution (minute 42/18(ii) refers)**

The Director of Finance explained that the proposed new model Constitution had been deferred from March to 2 May Governing Body meeting. She advised that comments from both the December AIGC meeting and Internal Audit in particular would be taken into consideration in the final draft.

JN

##### **b) Governing Body Assurance Framework (GBAF) and Risk Register (minute 42/18(vii) refers)**

The Director of Finance advised members that Governing Body had considered and approved the 2019/20 GBAF in March, and had noted that key Brexit implications were included on the risk register and had been referenced in the GBAF.

##### **c) 2018/19 Memorandum of Understanding (MoU) for the Individual Funding Requests (IFR) Shared Service (minutes 07/18, 17/18(ii)(a), 29/18(ii)(a), 43/18(ii)(a) refer)**

The Deputy Director of Finance advised members that confirmation had been received from the IFR team that the MoU had been signed by three of the four partner organisations. Members asked that this item be kept on as a matter arising until the final sign off due by the end of April.

JM

##### **d) Governance Sub-committee Report (minutes 34/18(ii) and 43/18(ii)(b) refer)**

The Corporate Services Risk and Governance Manager confirmed that the CCG's table of consequences had been updated and incorporated into the CCG's Risk Management Strategy (RMS), which would be discussed under minute 10/19(vi).

**e) Crib Sheet for Chairs of Governing Body and its Committees on Managing Conflicts of Interests in Meetings (minutes 34/18(v) and 43/18(ii)(c) refer)**

The Director of Finance explained that she felt it unnecessary to provide a separate crib sheet specifically in relation to primary care conflict of interests as these should be treated in the same way as any of the conflict of interests as set out in the CCG's Standards of Business Conduct Policy and Procedures.

**f) Review of Audit and Integrated Governance Committee (AIGC) Terms of Reference (minute 44/18(a) refers)**

The Director of Finance explained that the vacant GP post on Governing Body and hence on the AIGC, following the resignation of Dr Kirsty Gillgrass at the end of January, remained. She explained that Governing Body GP members' roles and responsibilities were to be reviewed and in the interim it may be necessary to co-opt another of the Governing Body GP members. This would be kept under review.

**g) Local Counter Fraud Progress Report Update (minute 48/18 refers)**

As requested at the last meeting, the Local Counter Fraud Specialist (LCFS) clarified that, whilst there had been no recent cheque frauds in any NHS organisations, there had been one case involving a charity at a non-NHS trust.

**04/19**

**Audit and Integrated Governance Committee's (AIGC) Own Business**

**i) 2018/19 AIGC Self Assessment Exercise**

The Chair presented this report which summarised the results of the 2018/19 self-assessment questionnaire completed by members of the Audit and Integrated Governance Committee. He advised that 10 members had been asked to participate in the self-assessment, including representatives from both External and Internal Audit. He thanked members for completing the assessment and to the Financial Accountant for pulling it all together. He drew members' attention to the key highlights.

The scores were relatively high, with some scores improved from the previous year. Three areas were highlighted at section 3 for members' further consideration as areas they may wish to consider for further improvement and development, in summary these were: to continue ongoing professional development, to focus development on specific areas of concern members may have, and to consider whether the revised arrangements for following up internal audit recommendations provided sufficient assurance that

improvements would be seen in respect of the timeliness and appropriateness of the management response.

With regard to continuing ongoing professional development of members, the Director of Finance explained that she would discuss this with Ms Morris, the new AIGC Chair, when in post, especially in relation to her's and the new AIGC GP's induction and training. She suggested that it would be particularly helpful if AIGC members could provide her with comments on their perspective / lessons learned during the time they had been members of the AIGC, especially on areas that had been specifically useful to them.

Members also suggested that it would be helpful if part of the training could include the roles of the auditors and members of the finance team on the committee.

With regard to the scores for the questions relating to the overseeing of external and internal audit, which members had scored highly as being Fit for Purpose (FfP), the Partner, KPMG, clarified that as both auditors had been asked to participate in this exercise, then the results of these questions had been externally assessed and informed and so the scores were not just an indication of AIGC members own views.

In response to a question relating to whether benchmarking was available, the Partner, KPMG, advised members that generally CCG Audit Committees tended to benchmark fairly well, especially as their business was fairly well established. However, Foundation Trusts did not usually benchmark as favourably.

The Audit and Integrated Governance Committee:

- Noted the summary of the consolidated results from the self-assessment questionnaires.
- As noted above, agreed to consider the points highlighted in section 3 when developing any AIGC action plans going forward.

Mrs Kate Gleave, Deputy Director of Commissioning, joined the meeting at this stage.

ii) AIGC Annual Report 2018/19

The Chair presented the AIGC's annual report for 2018/19. The Director of Finance advised members that it would now be presented to the Governing Body for information on 2 May 2019.

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

iii) AIGC Annual Workplan 2019/20

The Director of Finance presented this report which proposed the workplan for

the committee in 2019/20 and advised that she had not identified any issues which necessitated a change to the plan from 2018/19. It captured everything the AIGC had to undertake on behalf of the CCG, as a statutory organisation.

The Client Manager, 360 Assurance, advised members that Internal Audit were looking to present a joint Internal Audit / Counter Fraud update to future meetings, and were also considering as to whether to carry on including updates on high and medium recommendations from audits, given that the CCG also presented this as a separate report. The Director of Finance reminded members that they had considered this at the last meeting and agreed that, whilst there should be one process, there was value in receiving two reports, especially as the AIGC's Terms of Reference made reference to Internal Audit's review and their challenges. It also gave some weight to the discussions the Deputy Director of Finance had with managers within the CCG on progress with their follow up actions, that these were particularly reviewed by the AIGC.

The Corporate Services Risk and Governance Manager requested a minor change be made to the CCG Governance and Assurance section in that the AIGC's Terms of Reference had been updated to reflect that the committee now only reviewed the CCG's Governing Body Assurance Framework as the Risk Register was reviewed by the Governance Sub-committee who reported separately to the AIGC. She also asked that CCG's Annual Risk Report, which contained an overview of all the risks to the CCG throughout the year, be added to the workplan for May.

JN

The Director of Finance clarified that, whilst Human Resources (HR) statistics were presented on a quarterly basis to the Governance Sub-committee on areas including sickness, and statutory and mandatory compliance, etc, with other important areas reported to Governing Body, there was no other requirement for HR to report through to one of the committees. However, this would be considered separately outside of the meeting.

JN

The Audit and Integrated Governance Committee approved the workplan for 2019/20, subject to the amendment made, as noted above.

05/19

## **2018/19 Annual Accounts Issues**

### a) Agreement of Final Accounts Timetable and Plans

The Deputy Director of Finance presented the plan and year end timetable for successful completion of the Financial Accounts for 2018/19 to provide assurance to the committee that the CCG could fulfil its statutory responsibility to produce annual audited accounts. She drew the committee's attention to the key year end dates set out in section 3 which, at the time of the meeting were 9.00 am on 24 April 2019 for submission of draft unaudited accounts, and 9.00 am on 29 May 2019 for submission of final audited accounts. She advised that the report and plan had been shared with the CCG's external auditors.

The Deputy Director of Finance also reminded members that the audited accounts would be presented to the Audit and Integrated Governance Committee (AIGC) for consideration on the morning of 23 May 2019, prior to them being presented to Governing Body for formal adoption on the afternoon of 23 May, alongside the final version of the CCG's Annual Report.

The Audit and Integrated Governance Committee:

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

b) Annual Review of Accounting Policies and Estimations

The Deputy Director of Finance presented the proposed accounting policies for preparation of the CCG's annual financial accounts for 2018/19, and detailed the proposed basis of estimation for key areas of expenditure where actual values were not available. She drew members' attention to section 2 in particular that detailed the accounting policies that had been omitted due to no material application in relation to the financial statements. She advised members that there were specific areas in the policies that we were allowed to amend and tailor them to Sheffield CCG, which were highlighted in yellow at Appendix A. In terms of financial estimations, there were two key areas, as set out in section 3, where actual values were not available and therefore required estimation: healthcare contract activity (the biggest area relating to the Sheffield Foundation Trust (FT) contracts) and GP prescribing. She advised members that this followed the process we had followed in previous years and would hopefully assure our auditors. She reminded members that the committee had delegated authority from Governing Body to approve these policies and key accounting estimations.

The Deputy Director of Finance explained that, with regard to contract activity at the Sheffield FTs, this was not usually fully coded towards the end of the financial year, Sheffield Teaching Hospitals (STH) had had particular coding problems due to workforce issues, which meant that by the time we needed to close the accounts the level of estimation would be higher than normal. However, this was a level of risk with STH that was slightly higher than in previous years but should not impact on the way we estimated for other contracts. She explained that, although we did not pay for activity until it was fully coded, we were internally validating the information the trust produced and retrospectively went back to check if their forecasts had been reasonable, which they had given assurance they were, and she confirmed that there had been little variation between forecast and actual activity. She also advised members that the trust had assured us that the position had stabilised through implementation of an action plan and they would be back up to normal coding by June or July. We would be monitoring the position through the Contract Management Board (CMB) and regular reports were presented to Governing Body as part of the Director of Finance's report.

Finally, as with previous years, the Deputy Director of Finance advised members that, with regard to GP prescribing estimations of expenditure, in line with previous years, we may have to estimate March's data, using best estimates in terms of local information.

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.
- Noted the requirement to document the basis of estimation of key figures in the 2018/19 financial statements and approved this proposed basis.

06/19

## External Audit

### External Audit Technical Update

The Partner, 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, in particular the noted on CCG Improvement and Assessment Framework (IAF) for 2018/19, and the Mental Health investment standards which it was felt they be asked to audit this year, post-financial accounts audit.

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.

The Audit and Integrated Governance Committee noted the External Audit Technical Update.

07/19

## Internal Audit

### i) Interim Head of Internal Audit Opinion for 2018/19

The Client Manager, 360 Assurance, presented the Interim Head of Internal Audit Opinion for 2018/19.

She reported that the initial Opinion was, as at 14 March 2019, to give **Significant Assurance** that there was a generally sound system of internal control designed to meet the organisation's objectives, and that controls were being applied consistently. This had been based on the review and assessment of the design and operation of the CCG's GBAF and risk management arrangements; the outcome of individual assignments within the 2018/19 Audit Plan and; the extent to which the CCG had responded to audit recommendations as identified as part of their follow up work. She advised that the final Opinion would be presented to the AIGC and the subsequent Governing Body on 23 May 2019.

CRH

The Client Manager drew members' attention to the illustration at section 3 which reported that, at the time of the interim Opinion, only **Moderate Assurance** could be given on follow up of actions as only 84% of actions had been implemented at that stage, with six actions due to be implemented by 31 March, but it was hoped this would move towards **Significant Assurance** when the final Opinion was given in May. Page 4 set out the areas of good practice of the review of the GBAF and page 6 set out the current position with the core reviews that had been undertaken and the details of the six audit reports that had been produced up to the time of writing.

The Client Manager highlighted that their Opinion for the remaining follow up actions would be based on the original due date, so it was all about setting realistic timescales as to when the relevant evidence could be provided and having an awareness of the resources available within the CCG to be able to achieve those timescales. The Deputy Director of Finance explained that she was trying to have more of a dynamic dialogue to help managers by discussing what the essence of the audit recommendation was and then responding to its resolution.

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

ii) Update on 2018/19 Internal Audit Plan

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

Pages 3 and 4 of the report set out progress of delivery of work from the 2018/19 plan and included that five final reports had been issued since the last AIGC meeting, with a summary of the findings included at section 4.2, with **Significant Assurance** given on three reviews (Conflicts of Interests, Integrity of the General Ledger and Key Financial Systems, and Primary Care Quality Monitoring), **Substantial Assurance** on one (Delegated Primary Medical Care Functions), and **Limited Assurance** on one (Urgent Care in Primary Care). One review was still ongoing relating to review of the CCG's Data Security and Protection Toolkit. She presented highlights from the four completed audits that had been given **Significant / Substantial Assurance**.

Conflicts of Interests: This was a mandated piece of work from NHS England and the objective of the review had been to evaluate the design and operating effectiveness of the arrangements the CCG had in place to manage conflicts of interests and gifts and hospitality, including compliance with NHS England's "*Managing Conflicts of Interests: Revised Statutory Guidance for CCGs 2017*". The audit Opinion provided **Significant Assurance** with only one low risk recommendation that had been subsequently implemented.

Integrity of the General Ledger and Key Financial Systems: The objective and scope of the review had been to determine whether a robust, efficient and

effective control environment was in place in relation to the key financial systems being tested. The audit Opinion provided **Significant Assurance** with only three low risk recommendations.

Primary Care Quality Monitoring: The objectives and scope of the review had been to provide independent assurance of the systems and processes in place for the quality monitoring of primary care medical services (both national and local). The audit Opinion provided **Significant Assurance** with only two low risk recommendations around clarifying some of the governance arrangements in place that would be taken forward by the Quality Assurance Committee and subsequently reported back to the AIGC.

Delegated Primary Medical Care Functions: This was a mandated piece of work from NHS England and the objective of the review had been to determine whether a robust, efficient and effective control environment was in place in relation to governance arrangements around the provision of primary medical care commissioning and contracting. The audit Opinion provided **Substantial Assurance** with only three low risk recommendations.

Update on Follow Up Actions: The Client Manager advised members that 14 recommendations had been signed off as implemented in this reporting period and explained that she had tried to make it clearer where there had been a revised implementation date, and as to those actions that had been outstanding for more than six months. Members reviewed the recommendations that were still awaiting implementation.

Public and Patient Engagement: The Deputy Director of Finance advised that she had been assured by the communications team that the CCG's Communications and Engagement Strategy would be drafted by the end of April 2019, although it would be subject to significant engagement with the various groups and partners the CCG engaged with. The Director of Finance asked members to recognise that the delay in implementation of this recommended action was reflective of significant communications team staffing issues, and a number of consultations that had had to be undertaken within the timeframe. The strategy would also have to be presented to and discussed by the CCG's Strategic Patient Engagement, Experience, Equality Committee (SPEEEC) which could take a number of months, which meant that a revised date would have to be agreed before the strategy could be presented to Governing Body for approval.

Payroll: The Deputy Director of Finance advised members that a revised MoU had been agreed and was due to be signed off by all partners by the revised date of 30 April 2019.

Better Care Fund: The Deputy Director of Finance confirmed that the Deed of Variation for the Better Care Fund, which would include an annual report to the Health and Wellbeing Board to supplement the quarterly reports, had now been signed. She explained that the action was also about monitoring of delivery in terms of the reports presented to the Executive Management Group (EMG)

and was just awaiting evidence of this before this action could be marked as complete. The Director of Finance also reported that Governing Body and Sheffield City Council's Cabinet had approved the establishment of a Joint Commissioning Committee (JCC) from 1 April 2019.

The second recommendation related to clarifying the Terms of Reference for the EMG Working Group and how it would feed into the EMG. However, there is now a question mark as to whether the Terms of Reference could be amended before the JCC had been finalised. With regard to the latter, a workshop would take place with colleagues from Sheffield City Council on 2 April to review the proposed JCC Terms of Reference followed by a review by the EMG meeting on 4 April. Membership of the JCC from both organisations had still to be determined.

Ms Forrest, Lay Member, advised members that at one of the joint commissioning workshops she had attended both organisations had recognised the importance of better joint commissioning

Individual Funding Requests (IFRs): As reported under minute 03/19(c), confirmation had been received that the 2018/19 Memorandum of Understanding (MoU) for the Individual Funding Requests (IFR) Shared Service had been signed by three of the four partner organisations, with the final sign off due by the end of April.

Commissioning Strategy Review: The Deputy Director of Finance reported that there was now a current process looking at the organisation's business planning processes and how those would report back to Governing Body, which linked to some of the issues raised as part of the CCG's 360 Assurance report, and would be in the spirit of the original recommendations from the audit review.

Review of Budgetary Control and Key Financial Systems: Revised wording in terms of virements would be included in the updated Prime Financial Policies (PFPs) as part of the review of the CCG's Constitution, which would be presented to Governing Body for approval on 2 May.

Finally, the Deputy Director of Finance assured members that recommended actions would be implemented in the next / following quarter due to the new processes that had been put in place within the organisation.

The Audit and Integrated Governance Committee:

- Received and noted the report, including the key messages and progress made against the 2018/19 Internal Audit plan since the last AIGC meeting.
- 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.

### iii) Urgent Care in Primary Care – Final Report

The Director of Finance presented this report which, she advised members, was being presented to the committee as a full report as it had been given a **Limited Assurance** audit Opinion that risk management activities and controls were not suitably designed or were not operating with sufficient effectiveness to be able to provide reasonable assurance that the control environment had been effectively managed during the period under review, and so merited a separate discussion. She advised that the high risk recommendation was in relation to membership and attendance of the CCG's Urgent Care in Primary Care Programme Board and in particular about the lack of clinical input and the quality of conversations.

Ms Forrest, Lay Member, and Chair of the CCG's Urgent Care in Primary Care Programme Board, advised members that the programme board had discussed the report and the subsequent action plan in depth. She reminded the committee that in September 2018 the CCG had reviewed the outcome of the consultation process undertaken on its redesign of urgent primary care in Sheffield, including alternative suggestions that had been made, and agreed the proposal for a revised pre-consultation business case to be presented to the CCG's Primary Care Commissioning Committee (PCCC) for approval in summer 2019. The Deputy Director of Commissioning advised members that the process, membership and discussions at the programme board was much improved, with many of the recommended actions already complete, and hopefully all of them completed by the end of June.

Ms Nield, Lay Member, commented that one of the limitations to the original proposals had been about not making a judgement on the quality of the options or the business plans, which the PCCC and programme board needed to be mindful of. It was about being really proactive about reaching those groups we had not received any feedback from in the initial consultation, and she was pleased to be able to report that Healthwatch Sheffield had advised that the revised process would engage them much more. The revised process also now felt less like being CCG-led and more about being led within the Accountable Care Partnership (ACP).

The Deputy Director of Commissioning commented that it now felt different in terms of engagement and getting lots of positive feedback from a number of different attendees at the workshops that had taken place. However, there were still risks that not everyone in the organisation was on board with the new process and proposals. She explained that the target for the overall programme had slipped in terms of the phase we were in due to having low response rates to the public and staff surveys and so it had been felt best to extend the deadline by two weeks to try and treble those response rates and achieve a better outcome. She advised that the recommendations and outcomes would be presented to the ACP Executive Delivery Group (EDG) in May and to the PCCC in June.

The Director of Finance explained that part of prioritisation as part of the CCG's running costs for 2019/20 had included additional input to the internal team, providing additional resources to the primary care team, and providing funding for some external resources.

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

The Deputy Director of Commissioning left the meeting at this stage.

iv) Draft Internal Audit and Counter Fraud Plan for 2019/20

The Client Manager, 360 Assurance, presented this report which, she advised, included the Counter Fraud Plan for the first time. She advised that the draft plan had been through a thorough consultation process, including through meetings with the Director of Finance, AIGC Chair, and Chief Finance Officers across the patch. She reminded members that some elements in the plan were mandated by NHS England and some were key to supporting the Head of Internal Audit's Opinion, that the plan was resourced, and that some elements would be firmed up throughout the year. She advised that a review on staff engagement had not been included this year, but the plan did include two specific reviews requested by the CCG to review progress made by the CCG against the health inequalities action plan, and to assess the progress made against the action plan that had been developed following the local system review undertaken by the Care Quality Commission (CQC) in 2018/19 to look at how older people move through the health and social care system, which would be undertaken as an ACP-wide review. The plan also included five days for the Client Manager to continue to attend the Urgent Care in Primary Care Programme Board.

The Audit and Integrated Governance Committee approved the 2019/20 Internal Audit and Counter Fraud Plan.

v) 360 Assurance Charter

The Client Manager, 360 Assurance, presented this report which set out the purpose and authority of, and responsibility for, internal audit, consistent with the Definition of Internal Auditing, the Code of Ethics, and the Public Sector Internal Audit Standards (April 2017). She advised members that it was currently being reviewed as Internal Audit would be doing some streamlining against the Head of Audit Opinions, and would be re-presented to the AIGC in due course.

**KM**

Audit and Integrated Governance Committee received and noted the report.

vi) Technical Update

The Assistant Client Manager, 360 Assurance, presented this report. She had

no particular issues to draw to members' attention.

The Director of Finance agreed to share the shared decision making summary guide within the CCG, as it needed to be taken into consideration when implementing shared decision-making, for example with our joint commissioning with Sheffield City Council.

JN

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

CRH

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

08/19

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

The Financial Accountant 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 two outstanding actions had been brought forward from December 2018, one of which related to the Public and Patient Engagement (PPE) audit and was rated as Amber, and the other relating to a recommendation from the ACP governance audit and had been completed and rated Green. In addition, there was one high and one medium risk recommendations relating to the Better Care Fund follow up review, which were ongoing and rated Amber, and one high and six medium risk recommendations relating to the Urgent Care in Primary Care project assurance review, three of which were complete and rated Green and four which were ongoing and rated Amber.

The Audit and Integrated Governance Committee:

- Noted the progress against the agreed outstanding actions.
- Noted the slightly different RAG ratings to Internal Audit's due to their assessment of recommendations that had been delayed by six months or more.
- Confirmed that the Green rated actions could be excluded on further updates to the committee.

09/19

### **Counter Fraud**

#### Local Counter Fraud Progress Report Update

The Local Counter Fraud Specialist (LCFS), 360 Assurance presented this report which summarised the activity that had been reported to AIGC throughout the year. He drew members' attention to the following key issues.

The deadline for completion of the 2019 Self Review Tool (SRT) would be 30 April 2019. Due to timing of AIGC meetings and the requirement for the SRT to be signed off by the AIGC Chair, it would be circulated to Ms Morris, as AIGC Chair from 1 April, outside of the meeting prior to submission.

RP

The LCFS had issued a draft report relating to a fraud referral for the alleged misuse of a Personal Health Budget (PHB) to the Director of Finance. Actions relating to this had been agreed.

On behalf of the CCG, the LCFS would be participating in an advisory capacity in some national PHB fraud detection training the following day.

A Conflicts of Interests fraud exercise on detecting and preventing fraud would be undertaken once General Data Protection Regulation (GDPR) issues were resolved. Feedback on this would be presented to the next AIGC meeting.

RP

Finally, the LCFS advised members that training compliance rates within the CCG showed that 89.5% of staff had completed the e-learning based counter fraud training, which was perhaps lower than compliance rates in some of the other CCGs in South Yorkshire. He would liaise with the CCG's HR team as to the actions that could be taken to try and raise compliance.

RP

Audit and Integrated Governance Committee received and noted the report.

10/19

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

i) Integrated Care System (ICS) / Accountable Care Partnership (ACP) Governance

On behalf of Rebecca Joyce, ACP Programme Director, the Director of Finance gave an oral update and advised members that there had been no material changes since the last meeting.

Ms Forrest, Lay Member, reported that the public still had concerns about the accountability and transparency of the ACP, their perception that decisions were either being or had been taken, and frustration and understanding about where the ACP and ICS governance discussions were leading to. The Director of Finance explained that the ACP had no delegated powers at either the ACP Board or the EDG. However, work was being undertaken to resolve the governance issues and structures, which included the approval of new Terms of Reference for the Joint Committee of Clinical Commissioning Groups (JCCCG) by Governing Body in early March. Ms Forrest, Lay Member, commented that the new JCCCG would include two Lay Members in its membership, however, these would be non voting members and would not be anchored to a CCG.

The Audit and Integrated Governance Committee noted the report.

ii) Suspension of Standing Order 2.2.5(d)

The Director of Finance presented this report which updated members on Governing Body's approval to suspend the CCG's Standing Order 2.2.5(d)

which related to the term of office of Lay Members of the CCG by enacting Standing Order 3.9 which would allow the extension of Professor Mark Gamsu's term of office by 12 months rather than proceeding to an application and interview for a three year term and would provide continuity and experience into Governing Body at a time of potential change in the role of the CCG's Lay Members and during the recruitment of a replacement Lay Member for Finance, Governance and Strategy. She reminded members that in line with the AIGC's Terms of Reference, they were required to examine the circumstances associated with each occasion when the Standing Orders of the CCG were waived.

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

iii) Governance Sub-committee (GSc) Report including Unadopted Minutes of the Meeting held on 12 February 2019

The Deputy Director of Finance presented the report and unadopted minutes. She drew members' attention to the following key issues.

The minutes highlighted the GSc's discussion of the workforce report and training that was ongoing in relation to cohort 3 of the Management and Leadership Training programme (MALTS) and Wellbeing and Resilience Champion training. Members had also noted a reduction in the levels of staff sickness during the last quarter.

GSc had also received assurance in relation to information governance and the work being undertaken to ensure the CCG's compliance with the new data security and protection toolkit.

GSc had approved four HR and four corporate policies, and had received assurance that the out of date Remote Working and Mobile Device Policy would be presented to the next GSc meeting for approval.

Finally, AIGC was asked to note that the new Deputy Director of Finance, when appointed, would Chair the GSc, as set out in the GSc's Terms of Reference.

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

iv) Governance Sub Committee (GSc) Annual Report

The Deputy Director of Finance presented this report which set out the work of the Governance Sub-committee and provided assurance that it had discharged those duties delegated to it by the Governing Body. She drew members' attention to page 5 which included a useful summary of the work undertaken by the GSc for the year, and to Appendix 1 which set out how the activities undertaken related to the GSc's Terms of Reference. The policies

presented and approved during the year were also referenced.

She explained that the membership of GSc was quite wide but it gave the opportunity to get messages out across the organisation. Attendance arrangements included nominated deputies from across all the organisation's directorates, although quoracy did not require them all to attend, and there had been consistent attendance at meetings from internal audit and HR in particular. There were also opportunities through the Deputy Directors' group to reinforce messages across the organisations.

The Deputy Director of Finance thanked the Corporate Services Risk and Governance Manager and the Committee Secretary in particular for their excellent work in ensuring papers for meetings were of a high standard and sent out in a timely manner.

The Audit and Integrated Governance Committee:

- Noted the content of the report.
- Took assurance with regard to the discharge of the delegated responsibilities of the Governance Sub-committee.

v) 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 1 March 2019. 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 advised members that 18 risks remained on the GBAF, with two risks relating to the financial plan and to delivering the QIPP reducing in score to medium level during this period. No new risks had been added to the risk register, and there remained two gaps in control and one in assurance, that would be reported on the Annual Governance Statement (AGS).

She also advised members that Governing Body had approved the 2019/20 GBAF refresh on 7 March 2019, following a review session with all directors, to which Internal Audit colleagues had been invited to attend, and a review and challenge session when they had reviewed all 18 risks and agreed changes to the risk descriptions, as set out in blue at Appendix 1, to reflect the changing situation.

The Audit and Integrated Governance Committee:

- Considered the updates to the GBAF and arrangements in place for managing strategic risks up to 1 March 2019.

- Considered and noted the refreshed GBAF for 2019/20.

vi) Risk Management Strategy and Action Plan

The Corporate Services Risk and Governance Manager presented this report. She drew members' attention to page 2 and the proposed summary of changes, which included a summary of the review of the financial limits used to determine the level of consequence score for the business / finance and service continuity line. The strategy clarified the process of risk management throughout the organisation and included the action plan for 2019/20, and it indicated that the majority of goals remained current. She reminded members that the AIGC had delegated authority to approve the strategy each year.

The Audit and Integrated Governance Committee approved the Risk Management Strategy and Action Plan for 2019/20.

vii) Draft Annual Governance Statement

The Deputy Director of Finance presented the draft Annual Governance Statement (AGS). She advised the committee that it was a second draft and very much work in progress with changes still to be made and it was the key document in the CCG's annual report and accounts that showed how successful we had been as a CCG, how we had coped with the challenges and changes, how we operated corporate governance internal control within the organisation, and was a strong reflection in what we had done in terms of risk management.

She reminded members that we were mandated on the format of the AGS and confirmed that we were complying with the prescriptive guidance. She asked that any issues or comments be fed to the Corporate Services Risk and Governance Manager within the next few weeks, prior to submission to NHS England as part of the CCG's draft annual report. The Deputy Director of Finance advised members that the final version would be presented to the AIGC on 23 May 2019 as part of the CCG's Annual Report for 2018/19.

**All to note**

The Chair asked if a review could be undertaken on the wording at page 17 as he considered some of it to be a repeat of wording elsewhere in the document.

**SKL**

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

viii) Quality Assurance Committee (QAC) Report including Unadopted Minutes of the Quality Assurance Committee Meeting held on 28 February 2019

Ms Forrest, Lay Member and Chair of the QAC, presented the unadopted minutes from the meeting held on 28 February 2019. She drew members' attention to the key highlights.

A meeting had taken place with Sheffield Children's NHS Foundation Trust

(SCHFT)'s QAC to talk through some of the issues and concerns raised and discussed by the QAC over the previous months, and discuss how the respective committees could support each other. It had been a positive meeting, and Ms Forrest hoped to be able to repeat the process with some of the CCG's other providers throughout the year.

The QAC meeting on 28 February had in particular noted that the Friends and Family Test (FFT) had plateaued in general practice, as practices generally received feedback from patients in other ways, but there was a need to support practices to understand the importance of feedback and engagement from patients. The committee had also noted that grants to voluntary sector organisations were not contract managed in any way but that these arrangements would be reviewed in 2019/20 as part of the wider contract management process.

The committee had also noted issues at Sheffield Health and Social Care NHS Foundation Trust (SHSCFT) relating to meeting Deprivation of Liberty Standards (DOLs) and the action plan the CCG was supporting the trust on to resolve the issues.

The committee had received a presentation on care homes and the comprehensive development programme that was being funded by short term funding but required further investment. The QAC would receive an update at its next meeting as to whether or not this further investment had been secured.

The Audit and Integrated Governance Committee received and noted the update, including the unadopted minutes.

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## **Other Reports**

### **i) Receivables and Payables Report at 31 January 2019**

The Financial Accountant 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 January 2019). She had no particular issues to draw to members' attention.

The Director of Finance explained that the process framework in place for resolving where invoices were disputed on the basis that the CCG was not the responsible commissioner, was that we would go to arbitration with NHS England (NHSE).

The Audit and Integrated Governance Committee noted the position regarding aged payables and receivables as at 31 January 2019.

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

The Financial Accountant presented this report with information on instances

where the competitive tendering rules had been waived since 1 April 2018, and a record where losses and special payments had been approved since 1 April 2018. The report also contained a briefing for members on the financial control self-assessment that NHS England had asked all CCGs to complete, the details of which were set out in section 4.

She reported that there had been three tender waivers approved to date in 2018/19, two of which had been previously reported to the AIGC, and which were all detailed at Appendix A, and two special payments, both of which had previously been reported to the AIGC, which were detailed at Appendix B. She explained that the latest tender waiver related to a service that could only be provided by one source.

At the request of the Chair, the Financial Accountant explained why three supplementary drawdowns had had to take place in the past 12 months. Whilst the finance team had a process for forecasting cash requirements sometimes there were unforeseen requirements. She explained that if the CCG assessed itself as either non or partial compliance it had to state why this was the case and the key actions that would take place to improve governance and controls. The Deputy Director of Finance advised members that a note would also be included on the cash management section on the annual accounts that we had had to have supplementary draw downs.

Members noted that there were four other areas where the CCG had had to declare that it was either non or partially compliant.

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 Quarter 3 self-assessment and the agreed actions.

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## **Any Other Business**

### **Mr Taylor, Lay Member and Chair of the AIGC**

On behalf of the committee, the Director of Finance thanked Mr Taylor, who was retiring from the CCG when his tenure ended on 31 March 2019, for his excellent chairing of the committee meetings over the past few years.

Mr Taylor thanked members of the committee for making it an easy meeting to chair. He particularly thanked the Corporate Services Risk and Governance Manager and the Committee Secretary for all their hard work they undertook in pulling together all the papers for meetings and in ensuring they were fit for purpose and met the corporate governance requirements of the organisation. He also thanked the Director of Finance and her team, external and internal

audit, including counter fraud, for a productive and constructive relationship, and Governing Body colleagues for their help and support to the smooth running of the committee over the past few years.

There were no further items to discuss this month.

**13/19 Debrief**

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

**14/19 Key Issues from the Chair**

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

- The committee had welcomed Ms Anthea Morris as the CCG's new Lay Member and Chair of the AIGC.
- There had been no real issues of concern from the outcome of AIGC's self-assessment, and members had agreed to undertake further training.
- The committee had approved its annual report for 2018/19 which would now be presented to Governing Body for information.
- The committee had approved its 2019/20 work plan.
- The committee had approved the annual accounts timetable and estimations.
- The committee had noted the Head of Internal Audit's draft **Significant Assurance** Opinion.
- The committee had examined the follow up of all outstanding internal audit recommendations and noted the new processes in place for follow ups.
- The committee noted the **Limited Assurance** given on the review of the Urgent Care in Primary Care consultation. They had reviewed the full report and noted that the lack of clinical attendance at Urgent Care in Primary Care Programme Board meetings had now improved.
- The committee had approved the 2019/20 Internal Audit and Counter Fraud plans.
- The committee had noted the Governance Sub-Committee report and received its first annual report.
- The committee had noted the GBAF for 2018/19 and 2019/20.
- The committee had approved the Risk Management Strategy and Action Plan for 2019/20.
- The committee had received reports from the QAC on positive progress and main issues from the last meeting, and received an update from the first QAC to QAC meeting with SCHFT.

**15/19 Date and Time of Next Meeting**

Thursday 23 May 2019, 11.00 am – 1.00 pm, Boardroom, 722 Prince of Wales Road