

Report from Audit and Integrated Governance Committee (AIGC) Meetings held on 26 March and 18 June 2020

Governing Body meeting

6 August 2020

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| Author(s) | Ms Carol Henderson, Committee Secretariat / Business Manager / Ms Jackie Mills, Director of Finance |
| Sponsor Director | Anthea Morris, Chair of Audit and Integrated Governance Committee |
| Purpose of Paper | |
| This paper summarises the key points arising from the CCG's Audit and Integrated Governance Committee meetings held on 26 March and 18 June 2020 | |
| Key Issues | |
| The key issues are as set out in the attached report. | |
| Is your report for Approval/Consideration/Noting | |
| Noting | |
| Recommendations/Action Required by Governing Body | |
| The Governing Body is asked to note the key messages in the attached summary report | |
| What assurance does this report provide to the Governing Body in relation to Governing Body Assurance Framework (GBAF) objectives? | |
| <p>Which of the CCG's Objectives does this paper support? Organisational development to ensure the CCG meets organisational health and capability requirements.</p> <p>Principal Risk 5.4 Inadequate adherence to principles of good governance and legal framework leading to breach of regulations and consequent reputational or financial damage, particularly at a period of change.</p> | |
| Are there any Resource Implications (including Financial, Staffing etc)? | |
| None | |
| Have you carried out an Equality Impact Assessment and is it attached? | |
| Not applicable | |

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

Not applicable

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1 Introduction

The Audit and Integrated Governance Committee (AIGC) met on 26 March and 18 June 2020.

2 Key Messages

26 March 2020

- 2.1 AIGC agreed to defer its annual self assessment exercise to September and report the results to the December 2020 meeting.
- 2.2 The Director of Finance provided an update on the current governance structure.
- 2.3 The Committee noted external audit dates and the revised (revision 1) year end timetable for submission of the 2019/20 financial accounts and annual report, subject to staff sickness. There was support from the AIGC if the Finance Team felt they should push back further on the year end timetable. The accounting policies were approved. It was noted that more estimates may need to be used in the annual accounts but these would only affect the last two to three weeks of the year and should not cause any material issues.
- 2.4 The content of Internal Audit and Counter Fraud Plans for 2020/21 were approved, with timing and priorities to follow.
- 2.5 Concerns were expressed by the Committee at the opportunity for fraud due to people not following due process at this time.
- 2.6 The Governing Body Assurance Framework (GBAF) GBAF was discussed in light of the current risk felt, as of the date of the meeting, and what that might be at year end and the probability of impact was probably higher than it was a month ago. This would be reviewed in line with what other CCGs were doing and their escalations. AIGC felt it was important to note these were unprecedented times but the approach should be proportional.

18 June 2020

- 2.7 The Audit Committee recommended the approval of the Annual Accounts, ISA 260 Management Report, Management Letter of Representation and Annual Report to Governing Body. The audit report of the accounts was of a true and fair view of the accounts but with a significant risk in Value for Money due in large part to the Change Programme work undertaken in the year, which had been highlighted last year as highly probable due to the nature of the work.

They noted that KPMG, the CCG's external auditors, would be issuing an **Unqualified** Opinion on the CCG's annual accounts.

They also received the Head of Internal Audit's Opinion (final year end report) with the CCG receiving "**Significant**" assurance in all three measures.

The Committee wanted to thank the whole team, KPMG External Audit, and 360 Assurance Internal Audit, for their work during these challenging times in changing to remote working very quickly and maintaining standards and efficiency at a busy time of the year. Thanks were given to Mr Cotton, Ms Good, Ms Laing, and Ms Mills at the CCG, Ms Partridge and Ms Thomas and the team at KPMG and Ms Meats and Ms Richards and the team at 360 Assurance. Special thanks were given to Ms Richards in her last meeting at the CCG.

- 2.8 The Committee received the annual report of the Local Counter Fraud Specialist and noted the arrangements in place for managing strategic risks. They noted that the AIGC Chair and Director of Finance had approved the CCG's self review tool (SRT) that had been submitted to the NHS Counter Fraud Authority (NHSCFA) in April 2020. They also noted the increase in fraud activity during the past few months.

Both the Counter Fraud and Internal Audit Plans will be reviewed to provide the best assurance for the CCG while working safely.

- 2.9 The Committee noted that the Quality Assurance Committee (QAC) is meeting monthly in light of the risk of the fast pace of change during the pandemic and the Chairs of QAC and Audit are part of the weekly Gold risk committee.
- 2.10 The Committee noted that the executive team were reviewing all corporate risks and that the revised Governing Body Assurance Framework (GBAF) would be reviewed by the committee virtually by the end of June for approval at the July Governing Body meeting.
- 2.11 The Committee noted that in light of Covid lockdown starting at the end of Quarter 4, the CCG's Annual Risk Report for 2019/20 would not be completed this year but would be presented as part of a two year report to AIGC next year.
- 2.12 The Committee noted that the Director of Finance has agreed to look at how we are keeping track of changing governance structures moving from Command and Control to 'business as usual' and has asked for help from colleagues as to how this can be done. She will take this to the Gold Risk Committee in the first instance.

3. Recommendation

The Governing Body is invited to receive and note the report.

Paper prepared by: Ms Carol Henderson, Committee Secretariat / Business Manager / Ms Jackie Mills, Director of Finance

On behalf of: Ms Anthea Morris, Audit and Integrated Governance Committee Chair

July 2020