

**Report from Audit and Integrated Governance Committee (AIGC)  
 Meeting held on 17 March 2022**

**Governing Body meeting**

**Item 15e**

**5 May 2022**

<b>Author(s)</b>	Ms Karen Shaw, Committee Secretariat and Business Manager
<b>Sponsor Director</b>	Anthea Morris, Chair of Audit and Integrated Governance Committee
<b>Purpose of Paper</b>	
This paper summarises the key points arising from the CCG's Audit and Integrated Governance Committee meeting held on 17 March 2022.	
<b>Key Issues</b>	
The key issues are as set out in the attached report.	
<b>Is your report for Approval/Consideration/Noting</b>	
Noting	
<b>Recommendations/Action Required by Governing Body</b>	
The Governing Body is asked to note the key messages in the attached summary report	
<b>What assurance does this report provide to the Governing Body in relation to Governing Body Assurance Framework (GBAF) objectives?</b>	
<p><b>Assurance Framework Number:</b>                  The report links to all risks identified on the GBAF and also supports the good governance arrangements in place which are integral to each of the CCG's objectives contributing to a sound system of internal control.</p> <p><b>How does this paper provide assurance that the risk is being addressed?</b>                  The Audit and Integrated Governance Committee is a Committee of the Governing Body and is integral to the good governance arrangements set out within the CCG's Constitution</p> <p><b>Is this an existing or additional control:</b> Existing control</p>	
<b>Are there any Resource Implications (including Financial, Staffing etc)?</b>	
None	
<b>Have you carried out an Equality Impact Assessment and is it attached?</b>	
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 17 March 2022**

### **Governing Body meeting**

**5 May 2022**

#### **1 Introduction**

The Audit and Integrated Governance Committee (AIGC) met on 17 March 2022.

#### **2 Key Messages**

- 2.1 External Audit presented their Audit Plan for the Financial Year. They confirmed that everything was on track following the interim audit. Materiality had increased to £22m for the year. The CCG will remain a Going Concern as the activities that it undertakes are continuing. They confirmed that a review/ audit would be undertaken for all post-1 April 2022 CCG activity, but this would likely be undertaken as part of the end of the financial year 2022/23 work.
- 2.2 The end of Financial Year plan and policies were presented and approved.
- 2.3 The Draft Annual Governance Statement was presented and reviewed in time for the year end.
- 2.4 Internal Audit presented their progress report. Two reports had been issued since the last AIGC:
  - a. Personal Health Budgets – Weak Assurance
  - b. Data Security Standards – Significant AssuranceIn addition, the Interim Head of Internal Audit Opinion for the year provided Significant Assurance. There were two further audits still planned for the year; one for finance was underway and safeguarding was under discussion.
- 2.5 Counter Fraud presented their report stating that they were confident of getting all 10 indicators to green by the end of the year.
- 2.6 The Governing Body Assurance Framework Q3 review was noted. It was agreed that Q4 may see some higher scoring risks, which AIGC would review in May.
- 2.7 Covid 19 Governance review and enquiry preparedness was undertaken. The actions may change over the next few months, the reports were clear and showed good progress.
- 2.8 Report on the transition to the ICS/B was received and discussed. It was noted there was one red and 10 high ambers.

- 2.9 AIGC reviewed their Annual Report and the work undertaken in the year and approved its work plan for the next year (May 2022 only). The annual report is attached at Appendix A for Governing Body's information.
- 2.10 The Governance sub-committee report was reviewed, with a discussion about the number of policies that had been reviewed and the consideration needed to merge them, where appropriate, with the other SY CCGs policies.
- 2.11 Other work:
- The Standing Orders and Prime Financial Polices were updated for the next period of the CCG
  - Review of the Risk Management Strategy and Action Plan was completed
  - Sheffield Health and Care Partnership attended the meeting to present an update
  - Agreed to do a deep dive into cyber security with the added risk of hacking attacks
  - The whole AIGC wanted to extend its thanks to the presenters and their wider teams for their reports and the work done to get there.

### **3. Recommendation**

The Governing Body is invited to receive and note the update from the AIGC meeting on 17 March and note the Annual Report on the work of the committee.

Paper prepared by Ms Karen Shaw, Corporate Secretariat and Business Manager

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

19 April 2022

## Draft Audit and Integrated Governance Committee Annual Report 2021/22

### Audit and Integrated Governance Committee meeting

17 March 2022

<b>Author(s)/Presenter and title</b>	Authors: Carol Henderson, Corporate Governance Manager / Karen Shaw, Committee Secretariat and Business Manager On behalf of: Anthea Morris, Chair of the Audit and Integrated Governance Committee	
<b>Purpose of Paper</b>		
This paper provides a draft of the annual report of the activities of the Audit and Integrated Governance Committee for 2021/22.		
<b>What assurance does this report provide to the Audit and Integrated Governance Committee in relation to Governing Body Assurance Framework objectives?</b>		
<b>Governing Body Assurance Framework Number and Title of Objective</b>	<b>Description of assurances for Audit and Integrated Governance Committee</b>	
This report links to all risks identified within the Governing Body Assurance Framework (GBAF)	The Chair of the Audit and Integrated Governance Committee produces an annual report for the Committee for the Governing Body. A draft of this report is presented for the consideration of AIGC members.	

# **Draft Audit and Integrated Governance Committee Annual Report 2021/22**

## **Audit and Integrated Governance Committee meeting**

**17 March 2022**

### **1. Introduction**

The NHS Audit Committee Handbook recommends as good practice that Audit Committees should prepare a report to the Board or Governing Body detailing how the Committee has met its Terms of Reference for each year.

### **2. Background**

The Sheffield CCG Governing Body established the Audit and Integrated Governance Committee (AIGC) in accordance with the CCG's Constitution. The AIGC plays a pivotal role in ensuring that the Governing Body has effective internal control arrangements in place across the CCG. The main purpose of the AIGC is to scrutinise and critically review the CCG's financial reporting and internal control principles and ensure an appropriate relationship with both internal and external auditors is maintained.

Despite the challenges of the ongoing Covid pandemic, the AIGC has continued to meet, albeit virtually, in line with its normal schedule of meetings (broadly quarterly). The Committee has taken a lead on assuring that the CCG continues to operate strong governance processes whilst also responding to the requirements of the pandemic.

In performing this role during 2021/22 the AIGC predominantly focused upon the framework of risks, controls and related assurances that underpin the delivery of the CCG's duties and objectives. In discharging these duties the Committee has considered reports, documentation and other information from officers of the CCG and its representatives, Internal Audit, External Audit and Counter Fraud.

The Committee has presented key issues to the Governing Body meetings to ensure that members are effectively briefed.

This Annual Report of the AIGC is presented to the Governing Body to summarise the work of the Audit and Integrated Governance Committee during the 2021/22 financial year.

### **3. Terms of Reference and Work Plan**

The Terms of Reference for the Audit and Integrated Governance Committee were reviewed in December 2021 and agreed that they would remain fit for purpose for the remainder of the lifespan of the CCG. The Committee agreed that a self-assessment for the current year would not be prudent at this life stage of the CCG as there wasn't sufficient time to implement the findings.

The Committee agreed the work plan for 2021/22 at its meeting in March 2021 to ensure that all key areas and reports from internal and external audit and from other committees

were considered by the Audit and Integrated Governance Committee at appropriate intervals throughout that period. This plan has been kept under review throughout the year in light of the changing response required to the pandemic. The latest version of this plan, approved in September, is attached at Appendix A. It includes the addition of an overview of the governance arrangements for the management of change.

In carrying out its duties, four (virtual) meetings of the Committee have been held during 2021/22 and all meetings have been quorate. In addition to the Committee members, the Director of Finance, Associate Director of Corporate Services, Corporate Governance Manager and representatives from Internal Audit, External Audit and Counter Fraud have regularly attended meetings. Other members of staff, including representatives from the Health Care Partnership (HCP), have also attended meetings in order to present reports or provide information and explanation in relation to specific items on the agenda.

At each meeting AIGC has considered the work of the Governance Sub-committee including receiving its minutes and has considered reports on issues from the Risk Register and Governing Body Assurance Framework (GBAF) as well as various reports relating to financial governance matters. AIGC also received assurance on the work taking place to harmonise policies across South Yorkshire, including home working, as well as the consideration of mandatory and statutory training and the CCG's registers of interests.

AIGC has continued to receive and challenge the GBAF with updates being given to Governing Body in the year. New risks were highlighted from other committees through AIGC to help to ensure all new risks were captured in the appropriate place (GBAF or Corporate Risk Register), many of which related to the Covid vaccination programme and primary care workforce pressures. In September AIGC undertook an annual 'overhaul' of the GBAF and its gaps in control and assurance, with a specific focus on overdue actions and longstanding gaps in order to get assurance in-year that these risks were being managed and because it would put the CCG in a better position for transition to the successor organisation.

The committee approved the internal audit and counter fraud plans in March 2021, focusing on the key assurances required by the CCG and to inform the Head of Internal Audit Opinion. The Committee has received updates at each of the meetings on key issues in relation to counter fraud, particularly in relation to the increased levels of fraud activity during the pandemic.

Whilst AIGC has completed a full cycle of meetings and work in 2021/22, it will not be until May 2022 that it receives and considers a set of statutory financial statements for the CCG, together with appropriate external audit reports.

In addition to the workplan AIGC has been engaged with the transition to the new Integrated Care System arrangements and had noted the governance arrangements proposed for the management of Change and Transition. The Committee had also received a report on CCG due diligence linked to organisational transition at its December meeting with a final close down report now expected in May 2022 (given the revised expected timeline for establishment of the Integrated Care Board) where it would be expected that it could demonstrate the actions had been completed to allow to allow the Accountable Officer to sign off the due diligence checklist.

It is anticipated that AIGC will review the assurances in order to provide a recommendation to the Accountable Officer that the due diligence checklist can be approved and submitted to the Regional team.

AIGC had noted that the COVID Inquiry did not form part of the national Due Diligence checklist but that this had been added to the local checklist.

The minutes of all meetings of AIGC have been formally recorded and summarised in a report to the Governing Body.

In summary, I believe AIGC has had a positive and productive year of operation and has supported Governing Body successfully in discharging a range of governance functions for the CCG, despite the challenges faced during 2021/22.

**Anthea Morris**  
**Chair of the Audit and Integrated Governance Committee**  
**March 2022**

# NHS Sheffield Clinical Commissioning Group

## Audit and Integrated Governance Committee (AIGC) Work Plan 2021/22

Details	Mar 2022 (for info)	May 2022
<b>Internal Audit</b>		
Internal Audit Annual Plan	x	
Internal Audit Progress Reports	x	x
Head of Internal Audit Opinion Statement	x	x
Local Counter Fraud Reports (Annual report will be in May)	x	x
Local Counter Fraud Annual Work Plan	x	
<b>External Audit</b>		
External Audit Progress Reports	x	
External Audit Annual Governance Report		x
<b>Annual Accounts</b>		
Agreement of final accounts timetable and plans	x	
Annual review of accounting policies and estimations	x	
Receive Annual Financial Statements of Sheffield CCG (for recommending to Governing Body for approval)		x
<b>AIGC's own business</b>		
AIGC Annual Work Plan	x	
AIGC Annual Report	x	
<b>CCG Governance and Assurance</b>		
Review Standing Orders, Prime Financial Policies and Detailed Financial Policies	x	
Review of CCG Assurance Framework & Risk Register	x	x
Governance sub committee reports	x	x
Quality Assurance committee reports	x	x
Annual Governance Statement	x	x
Review of CCG Registers of Interests, Procurement and Gifts and Hospitality and Sponsorship		x
Accountable Care Partnership (ACP) / Integrated Care System (ICS) Governance update	x	x
Risk Management Strategy and Action Plan	x	
<b>CCG Transition</b>		
Oversight of Governance arrangements for management of change	x	
Review due diligence arrangements and progress	x	
Receive a formal closedown report		x
<b>Other reports</b>		
Aged Debtors and Creditors Report	x	
Losses and Special Payments Report	x	x
Competitive Tender Waivers	x	x
Legal Claims Report		x