

NHS HULL CLINICAL COMMISSIONING GROUP

INTEGRATED AUDIT AND GOVERNANCE GROUP

Minutes of Meeting held on 19 March 2013

PRESENT: K Marshall, Lay Member (Chair)
P Jackson, Lay Member
Dr J Blow, GP Member
Dr M Follows. GP Member
R Thompson, Practice Manager

In Attendance: D Murray, Director, KPMG (External Audit)
A Oliver, Manager, KPMG (External Audit)
S Fleming, Counter Fraud Manager, East Coast Audit Consortium
(Internal Audit)
E Sayner, Chief Finance Officer
D Storr, Head of Finance
G Powell, Associate Non-Exec Director
M Napier, Head of Corporate Governance
S Smyth, Director of Quality and Clinical Governance (for items
10.5-10.7 and 10.11)
T Meyer, IT Operational Services Lead, CSU (for item 10.1)
S Coad, Commercial Director, CSU (for item 10.2)
K Billany, Senior Commissioning Manager (for item 10.8)
P Heaford, Personal Assistant

The meeting was held in the Boardroom at the Maltings and commenced at 9.00am

APOLOGIES FOR ABSENCE – Apologies for absence were noted from Andy Grows, ECAC

59 MINUTES OF THE LAST MEETING

- Resolved** – 1. That the minutes of the Integrated Audit and Governance Group held on 15 January 2013 be taken as read and correctly recorded and signed by the Chair; and
2. that none of the minutes should remain confidential and not be published.

60 MATTERS ARISING FROM THE MINUTES

(36) The Action List from the meeting held on 15 January 2013 was considered and the following items would now be closed:

- Minute 47 - the action from the Internal Audit of Unplanned Care relating to the Redesign of Paediatric Unplanned Care Pathway had been followed up by the Chief Finance Officer.

- Minute 52 – the amendment to the Record of Waiving of Financial Instruction form had been actioned.

Resolved – 1. That the Action List be noted.

61 REPORTING OF EMERGENCY MOTIONS

Members noted that, in accordance with Standing Order 3.2(3), no business was to be transacted at the meeting other than that specified on the Agenda, or Emergency Motions allowed under Standing Order 3.6.

The Chair reported that no Emergency Motions had been received/approved.

62 DECLARATIONS OF INTEREST

Members were reminded of the need to declare (i) any interests which were relevant and material to the Humber Cluster Board; (ii) any changes in interests previously declared, and (iii) any pecuniary interest (direct or indirect) in items on the Agenda.

No declarations were made.

The Chair requested that if any issues should arise during the course of the meeting which represented a conflict, then these should be declared at the time.

63 GIFTS AND HOSPITALITY

Members were reminded of the need to declare the offer and acceptance/refusal of any gifts and hospitality in the PCT's public register.

No declarations were made.

64 EXTERNAL AUDIT PLAN PROGRESS REPORT

The External Audit Director and Manager gave a verbal update on progress.

It was reported that interim accounts work had commenced and final accounts work post 31 March 2013 was on track. From their discussions with finance colleagues, the auditors had been reassured that the annual accounts process was well planned, on track and had the resources to deliver.

Provisions would form a key area of audit attention and in particular the area of Continuing Healthcare provisions and the process to deliver; the Chief Finance Officer confirmed that an agreed set of principles and rationale for process was being used in accordance with accounting standards.

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely:

- (i) The Committee can be assured that a common framework and set of principles is being used for determining Continuing Healthcare provisions

Resolved – 1. That the update be noted.

65 (37) INTERNAL AUDIT AND COUNTER FRAUD PROGRESS REPORT

The Counter Fraud Manager presented the Internal Audit and Counter Fraud Progress Report.

Progress against the 2012/13 Internal Audit Plan was reported. Members expressed concern that the QoF counter fraud visits had not yet taken place and requested that these be carried out as a priority. .

The following reports had been finalised since the last meeting:

- Main Accounting System – **Significant Assurance** had been provided with two minor recommendations
- Debt Management – **Significant Assurance** had been provided with one minor recommendation
- Travel & Sundry Expense Claims – **Significant Assurance** had been provided with one minor recommendation which had been implemented
- Fixed Assets – **Significant Assurance** had been provided with no recommendations.
- IT Transition Risk Management (TRM) – **Limited Assurance** had been provided with a number of recommendations to be implemented. The findings of the review would be taken forward by the emerging organisations. An Internal Audit review of IT arrangements would be carried out as part of next years Audit Plan..
The Chair queried the budget change for TRM from 3 originally to 4 currently - A Growns would be asked to formally respond.

Discussions into the findings of the Exceptional Treatment Process Review were on-going and would be completed by the year end.

The Fraud Plan would be completed to the original timescale. In relation to a large on-going investigation, a decision was still to be made regarding the handover process and continuity was currently being provided by the Chief Finance Officer.

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely:

The Committee:

- (i) can be assured of satisfactory progress against the 2012/13 NHS Hull Internal Audit Plan and that agreed actions for improvement are being implemented;
- (ii) can be assured of satisfactory progress in delivering the counter fraud plan and of the process and outcome of investigations, which continue to represent appropriate coverage as part of the wider assurance framework;

Significant assurance has been given to the following Internal Audit Reports finalised since the last meeting:

- Main Accounting System
- Accounts Receivable (Debt Management)
- Travel & Sundry Expenses
- Fixed Assets

Concern was expressed that the QoF visits had not taken place and members requested that practices be selected and visit dates established as a matter of urgency.

- Resolved** – 1. That the report be considered and noted, and
2. that practices be selected and QoF visit dates be established as a matter of urgency

66 (38) DRAFT INTERNAL AUDIT PLAN – 2013/14

The draft Internal Audit Plan and Internal Audit planning methodology for 2013/14 was presented. It was noted that the number of days and level of fees were still under discussion. There would be a move to an outcome based audit with organisation specific reviews and senior manager team ownership.

67 (39) ECAC INTERNAL AUDIT CHARTER

As a requirement of the Public Sector Internal Audit Standards, a draft Internal Audit Charter for ECAC was presented for information, this would be underpinned by the CCGs SLA with ECAC and would be subject to regular review.

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely:

- (i) The Committee can assured that an appropriate charter (and underpinning SLA) is in place between the CCG and East Coast Audit Consortium.

68 (40) ECAC INDEPENDENT EXTERNAL ASSESSMENT (PEER REVIEW)

The above document was presented to inform and update the Committee on the outcome of ECAC's independent external assessment.

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely:

- (i) The Committee can assured from a recent independent peer review that ECAC meets required Internal Audit Standards and is implementing recommended improvements.

69 (41) ANTI FRAUD PLAN– 2013/14

The above plan was presented for information, the core of which was similar to previous years.

70 REVIEW OF SERVICE LEVEL AGREEMENTS/CONTRACTS

The Chief Finance Officer provided the following verbal update on progress related to SLAs and contracts and advised that for NHS Hull CCG finance and activity schedules had been agreed in line with the timescales prescribed with the exception of HEYHT for which there had been dispensation as a result of the Specialist Services disaggregation, there would be a co-commissioned agreement for 13/14 which will result in allocation changes being made to the CCG in 13/14.

- Humber FT – finance and activity schedules agreed, KPI and CQUIN finalised and some work outstanding on CIP assurance.
- Spire – all ok CNST an issue but DH resolution/confirmation imminent
- CHCP – finance and activity agreed, query over CNST but anticipated to be resolved by 28 March
- YAS – finance and activity agreed, documentation on track for sign off by 28 March
- HEYH – overall position in terms of finance and activity is agreed but complication of Specialist Services is holding final agreement up.

71 REVIEW OF LOSSES AND SPECIAL PAYMENTS

There were no new Losses or Special Payments to report.

72 (42) REVIEW OF OUTSTANDING DEBTOR AND CREDITOR BALANCES

The Head of Finance provided an update on outstanding debtor and creditor balances for NHS Hull over 6 months old and greater than £5,000.

There were no NHS Debtors or Creditors.

Non NHS Debtors:

Disc – it was reported that this issue had now been resolved.

Non NHS Creditors:

These were all healthcare contracts and were 100% cost recoverable.

All outstanding issues were being resolved as part of the PCT closedown.

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely:

- (i) The Committee can be assured that balances continue to be managed giving confidence that financial control mechanisms continue to operate robustly.

Resolved – That the report be noted.

73 (43) BUSINESS INTELLIGENCE REPORT

The Chief Finance Officer presented the above report and provided a high level of assurance that financial targets would be achieved. It was reported that all commissioning organisations had drawn down additional cash to enable them to clear creditors.

In relation to the “Vital Signs” section of the document, it was reported that they HEYH CMB were looking into a number of specific issues including mixed sex, 52 week waiters and CQC.

Dr Follows expressed concern in relation to endoscopy information and was prepared to be put forward as a clinical representative on the HEYH CMB.

The Director of Quality and Clinical Governance advised that she was taking forward the CQC issue to establish improved channels of communication.

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely:

- (i) The Committee can be assured that forecasts continue to indicate that all financial targets are on track to be delivered and that financial management and control continues to be managed robustly throughout the transition.

The Group recognises the work to be done to consider reporting requirements into the new organisation.

- Resolved** – 1. That the report be noted, and
2. that Dr Follows be put forward as a clinical representative on the HEYH CMB.

74 **PROGRESS AGAINST ANNUAL ACCOUNTS PLAN AND TIMETABLE**

The Chief Finance Officer and Head of Finance reported that work against the annual accounts timetable was progressing to plan.

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely

- (i) The Committee can be assured that the Annual Accounts close-down timetable for 2012/13 is on schedule and will be delivered to the required timescales and quality.

75 **(44) NHS HULL DISASTER RECOVERY POLICY** (Tracy Meyer joined the meeting at 10.00am)

The IT Operational Services Lead for the CSU presented the above document to provide assurance that the PCT had a robust Disaster Recovery policy in place that IT staff could follow in the event of an incident.

The document outlined in detail the process IT staff would follow in the event of invoking a disaster.

Assurance was provided that each server was tested quarterly with third party testing having been carried out at set up (ie within the last year)

As this policy was for the use of IT staff only, it would not be displayed on the intranet but held locally across various servers with a hard copy held in Hull.

Although the policy was a retrospective document for the PCT, it would be enforced whilst the current servers were still operational and appropriate assurance would be maintained during the period of transition.

A further Internal Audit review of IT arrangements would be carried out in October 2013 which would include the development of a new disaster plan for the CSU.

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely:

- (i) The Committee can be assured that the Disaster Recovery Policy for NHS Hull be approved by the CCGC.

Resolved – 1. That the policy be recommended for approval.

(Tracy Meyer left the meeting at 10.20am)

76 (45) CSU STATEMENT OF READINESS

(Struan Coad and Sarah Smyth joined the meeting at 10.45am)

The Commercial Director of the North Yorkshire and Humber Commissioning Support Unit (CSU) provided an update on the development of the CSU prior to SLA commencement with NHS Hull CCG on 1 April 2013.

All CSUs are hosted by the NHS CB until 2016, after which time they would be expected to become a viable commercial vehicle outside of the NHS.

The NY&H CSU has 8 CCG customers and offers a wide range of services which are tailored to meet the needs of each CCG. Delivery of services is via a hub and spoke model, with Willerby forming the central CSU hub and enabling some staff to be embedded within CCGs. The new commissioning system infrastructures have been operating since 1 October 2012 and it is envisaged that the official transfer dated of 1 April 2013 should not present any significant changes in working arrangements and should result in minimal disruption to services.

An Internal Audit joint review carried out by NY Audit Services and ECAC into NY&H CSUs development provided positive feedback on progress made and the NY&H CSU had successfully achieved the first four checkpoints of the CSU assurance process.

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely:

- (i) The Committee can be assured by the work carried out in the development of the North Yorkshire and Humber Commissioning

Support Unit and positive feedback from the checkpoint process, prior to SLA commencement with NHS Hull CCG from 1 April 2013.

Resolved – 1. That the report be noted.

(Struan Coad left the meeting at 11.15am)

77 **(46) UPDATED INTEGRATED AUDIT AND GOVERNANCE GROUP TERMS OF REFERENCE**

The Head of Corporate Governance presented the updated Terms of Reference for the IAGG. It was confirmed that there had been no substantial changes to roles and responsibilities and wording consistent with the constitution had been applied.

Resolved – That the updated Terms of Reference be considered and approved for adoption from 1 April 2013.

78 **(47) REVIEW OF COMMITTEE ASSURANCE FRAMEWORK (CAF)**

The Head of Corporate Governance presented an updated CAF for consideration.

The format of the CAF had been developed to include risk ratings in order for progress to be tracked.

Updates from a review by the CCGC at a workshop on 25 January facilitated by Internal Audit had also been incorporated .

A new CCG objective area had been added which related to the CCG response to the actions arising from the Public Enquiry into Mid-Staffordshire NHS FT.

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely

- (i) The Committee can be assured that systems and process are in place with regard to the development of the CAF in readiness for the establishment of the new organisation.

Resolved – 1. That the risks and mitigated actions in relation to the CAF be noted, and

- 2. that further work to refine the CAF had been undertaken

79 **(48) HEALTH AND SAFETY REPORT**
(49) HEALTH AND SAFETY POLICY
(50) HEALTH AND SAFETY GROUP

The Director of Quality and Clinical Governance presented the above documents.

The Health and Safety Report from 1 April 2012 to 28 February 2013 demonstrated the work carried out as a PCT and in readiness for the CCG.

The Health and Safety Group meets on a quarterly basis and monitors the health, safety and welfare of all persons employed or affected by the employing organisation and has also been responsible for the development of policies, updating risk assurance and staff training.

All Health and Safety incidents are reported via the online incident reporting system, Datix Web.

Reported incidents are recorded by grade and there have been no incidents graded as extreme. There have not been any incidents/injuries reported that are RIDDOR reportable in the financial year 2012/2013 to date.

A Health and Safety Policy has been produced which defines how health and safety will be managed throughout NHS Hull CCG – the H&S Policy has been through the H&S Group and staff consultation.

There is a commitment to oversee health and safety arrangements for all staff in the building until the CCG locate to their new premises.

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely

- (i) The Committee can be assured that systems and process are in place to effectively manage all issues of health and safety compliance within the organisation and mitigate key risks.

Resolved – 1. That the Health and Safety Report, Health and Safety Policy and action notes of the Health and Safety Group be considered and noted.

80 (51) CLAIMS REPORT

The Director of Quality and Clinical Governance presented the above report to brief members on claims information between 2011/12 and 2012/13.

The report covered specific areas in relation to the systems and processes within NHS Hull to deal with claims, detailed claims handled, the current status and financial settlements of closed claims.

It was noted that NY&H CSU would now manage all claims on behalf of NHS Hull and from 1 April 2013 CHCP would have its own national Health Service Litigation Authority (NHSLA),

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely

- (i) The Committee can be assured in relation to the management of claims.

Resolved – 1. That the Claims Report be noted.

81 (52) STATUS REPORT ON RESEARCH ACTIVITY

In compliance with research governance duties, the Director of Quality and Clinical Governance presented the above report provided by the NY&H CSU which provided a status update in respect of the level of research activity which had taken place in quarter 3 for NHS Hull.

Dr Mark Follows and Rob Thompson declared an interest in this item.

Resolved – 1. That the report be noted.

82 (53) ANNUAL REPORT OF THE EXCEPTIONAL TREATMENT PANEL
(Karen Billany joined the meeting at 11.30am)

The Senior Commissioning Manager presented the above report to update and inform members on the application of the NHS Hull Exceptional Treatment Policy for the period 1 April 2010 to 31 March 2012.

Since March 2009, a total of 67 general commissioning policies had been developed and approved in order to ensure that the PCT meets governance requirements.

A full list of approved cases was provided along with details of appeal panel decisions.

It was reported that transition to the CSU would ensure the process was more up to date and robust, the main changes implemented to date are:

- case manager involvement
- updated triage service
- more robust data
- more detailed records
- new database development
- case manager link with legal services
- pro-active support to local Pain Services

A further review of the process would be provided in six months time.

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely

- (i) The Committee can be assured that more robust processes are in place to manage Exceptional Treatments

Resolved – 1. That the report be considered and noted.

(Karen Billany left the meeting at 11.45am)

83 (54) SOCIAL CARE AND REABLEMENT 2012/13

The above report was presented for information and outlined initiatives and services that had been established utilising the funding identified from the DoH allocation for Social Care and PCT/CCG baseline allocations for the development of reablement services.

Resolved – 1. That the report be endorsed.

84 (55) PROCUREMENT PANEL ASSURANCE UPDATE

The above paper was presented for information and provided details of procurement undertaken along with status and any identified risks.

Resolved – 1. That the report be noted.

85 (56) RAPID RESPONSE REVIEW POLICY

The Director of Quality and Clinical Governance presented the above policy which provided guidance to staff in determining when to instigate, and how to undertake, a Rapid Response Review (RRR).

The RRR was based on the following 3 tier approach:

- Phase 1 – the identification of concerns regarding a provider, validation of concerns and authorisation to commence the RRR process.
- Phase 2 – the undertaking of the RRR at any provider location and subsequent observational visits.
- Phase 3 – the preparation and issuing of a formal letter, report and action plan to the provider organisation.

Flowcharts, including timescales detailed the process each phase would follow.

The RRR process would form the subject of a CCGC development session to ensure members fully understood their roles and responsibilities

All appropriate actions required to be taken would be monitored through contracting arrangements.

The Committee were assured that if ever there was a need to escalate a RRR, there was an appropriate policy and process in place.

Assurances: Members concluded this item by summarising the assurances/lack of assurances received, namely

- (i) The Committee can be assured that there is a Rapid Response Review policy and process in place

Resolved – 1. That the policy be approved.

86 ANNOUNCEMENT AND THANKS

Thanks were expressed to John Blow and Rob Thompson for all their help and expertise provided to the Integrated Audit and Governance Committee.

87 DATE AND TIME OF NEXT MEETINGS – The next full meeting will be held on 14 May 2013 at 9.00am in the Boardroom.

Meetings to review annual accounts:

18 April 2013 – 2.00-4.00pm (draft accounts. AGS and remuneration report)
4 June 2013 – 9.00-11.00am (audited accounts)

Signed: _____
(Chair of the Integrated Audit & Governance Group)