

Governance Statement

Introduction and context

NHS Hull Clinical Commissioning Group (CCG) is a body corporate established by NHS England on 1 April 2013 under the National Health Service Act 2006 (as amended).

The clinical commissioning group's statutory functions are set out under the National Health Service Act 2006 (as amended). The CCG's general function is arranging the provision of services for persons for the purposes of the health service in England. The CCG is, in particular, required to arrange for the provision of certain health services to such extent as it considers necessary to meet the reasonable requirements of its local population.

As at 1 April 2017, the CCG is not subject to any directions from NHS England issued under Section 14Z21 of the National Health Service Act 2006.

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the CCG's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. I also acknowledge my responsibilities as set out under the National Health Service Act 2006 (as amended) and in my CCG Accountable Officer Appointment Letter.

I am responsible for ensuring that the CCG is administered prudently and economically and that resources are applied efficiently and effectively, safeguarding financial propriety and regularity. I also have responsibility for reviewing the effectiveness of the system of internal control within the CCG as set out in this governance statement.

Governance arrangements and effectiveness

The main function of the governing body is to ensure that the group has made appropriate arrangements for ensuring that it exercises its functions effectively,

efficiently and economically and complies with such generally accepted principles of good governance as are relevant to it.

The CCG maintains a Constitution and associated Standing Orders, Prime Financial Policies and Scheme of Delegation, all of which have been approved by the CCG's membership and certified as compliant with the requirements of NHS England.

Taken together these documents enable the maintenance of a robust system of internal control. The CCG remains accountable for all of its functions, including any which it has delegated.

The Scheme of Delegation defines those decisions that are reserved to the Council of Members and those that are the responsibility of its Governing Body (and its committees), CCG committees, individual officers and other employees.

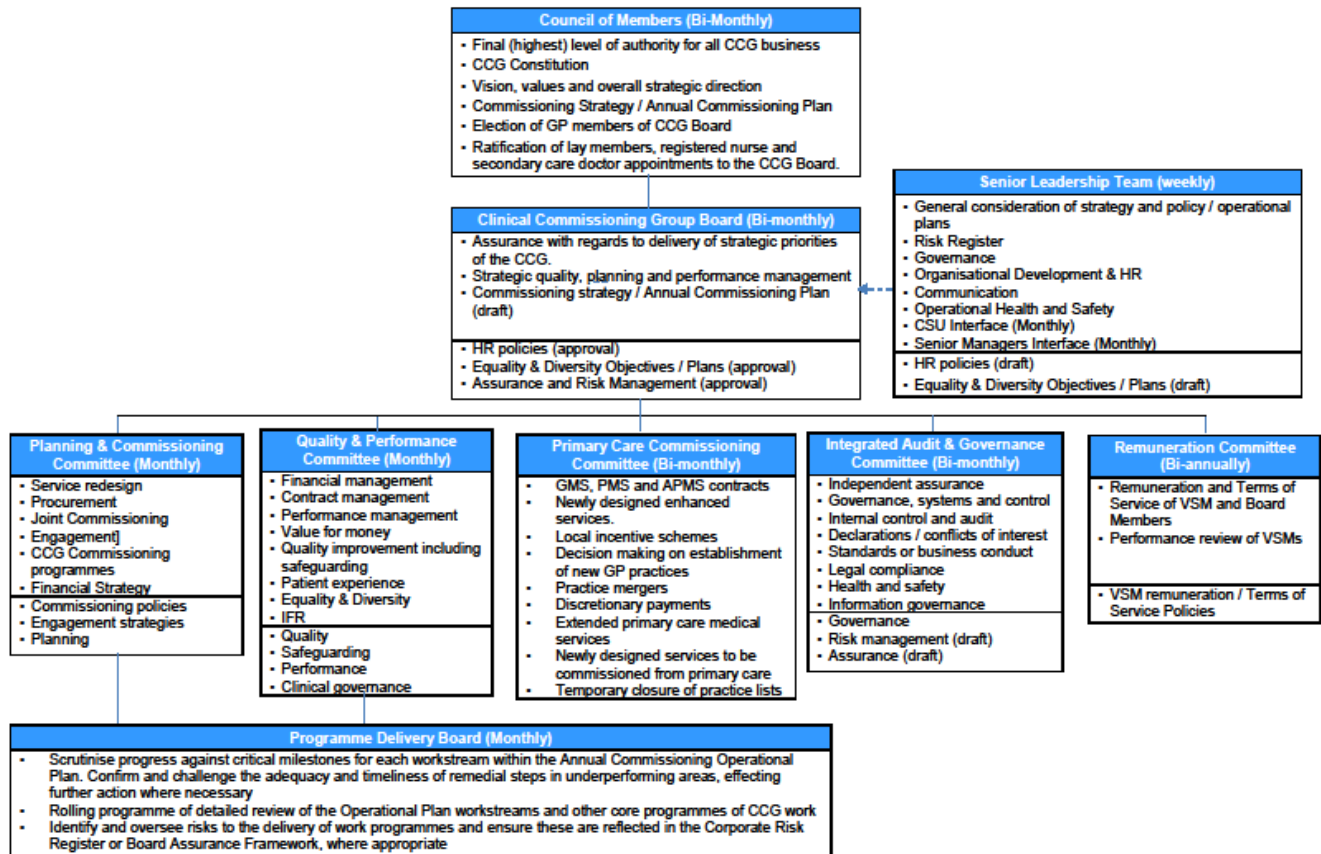
The Council of Members comprises representatives of the 40 member practices and has overall authority on the CCG's business. It receives performance updates at each of its meetings as to the progress of the CCG against its strategic objectives.

The Governing Body has responsibility for leading the development of the CCG's vision and strategy, as well as providing assurance to the Council of Members with regards to the achievement of the CCG's objectives. It has established five committees to assist it in the delivery of the statutory functions and key strategic objectives of the CCG. It receives regular opinion reports from each of its committees, as well as their minutes. These, together with a wide range of other updates, enable the Governing Body to assess performance against these objectives and direct further action where necessary.

The Integrated Audit and Governance Committee provides the Governing Body with an evaluation of the sources of assurance available to the CCG. Significant matters are escalated through the risk and control framework and reviewed by the committee. The Governing Body is represented on all the committees so as to ensure that it remains sighted on all key risks and activities across the CCG.

A Programme Delivery Board has been maintained by the CCG throughout the year to agree priorities and monitor progress against a programme of work to deliver the CCG's Commissioning Strategy and Operational Plan.

The CCG governance framework for 2017-18 is summarised in the diagram below:



Membership, Attendance and Activity Summary for Council of Members, Governing Body and their Committees

Council of Members

The Council of Members has final authority for all CCG business and established the vision, values and overall strategic direction for the organisation. It has reserved powers with respect to authorisation of the CCG Constitution, commissioning strategy and election / ratification of key appointments to the CCG Governing Body.

During 2017-18, the Council met on six occasions and was quorate on each occasion. It ratified appointments to governing body vacancies and approved an annual workplan. It considered a wide range of agenda items pertaining to its responsibilities including papers relating to strategic service level commissioning intentions as well as quality, performance and finance.

Attendance at the Council of Members during the year was as follows:

DATE OF MEETING	11/05/17	13/07/17	14/09/17	09/11/17	11/01/18	08/03/18
PRACTICE						
Bridge Group Practice	√	√	√	√	√	√
CHCP East Park Practice	√	√	√	X	√	X
CHCP LTD Southcoates	X	X	X	X	√	X
Choudhary AK and Danda SR Practice	√	√	X	X	X	X
Chowdhury GM	X	X	X	X	X	X
CHP LTD Marfleet	X	X	X	X	X	X
Clifton House Medical Centre	√	X	X	√	X	√
Cook BF	X	X	X	X	√	X
Diadem Medical Practice	√	√	√	√	√	X
East Hull Family Practice / Shaikh Partnership	√	X	√	√	√	√
Faith House Surgery	X	X	X	√	√	√
Goodheart Surgery	X	X	√	X	√	√
Hastings Medical Practice	√	X	X	√	√	X
Haxby Group	X	X	X	X	√	X
Haxby Group / Burnbrae Surgery	√	X	√	√	√	X
Hendow GT	√	X	√	X	√	X
Holderness Health Open Door Surgery	X	X	X	X	X	X
Jaivelloo	√	√	√	√	X	√
James Alexander Family Practice	√	X	X	X	X	X
JK Nayar	X	X	X	X	X	X
Kingston Health Hull	√	√	√	√	√	√
Kingston Medical Centre, Riverside Medical Centre, Story Street Practice & Walk - In Centre, Quays Medical Centre	√	√	√	√	√	√
KV Gopal Surgery	X	X	X	X	X	X
Malczewski GS	X	X	X	X	X	X
Newland Group Practice	X	X	X	X	X	X
Northpoint (Humber)	X	X	X	X	X	X
Orchard 2000 Group	√	X	√	√	X	√
Princes Medical Centre	√	√	√	√	X	√
Raut Partnership	√	√	√	√	√	X
Rawcliffe and Partners	√	√	√	√	√	√
Springhead Medical Centre	√	√	√	√	√	√
St Andrews Group / Surgery	√	√	X	√	X	√
Sutton Manor Surgery	√	X	X	X	√	√
Sydenham Group Practice	X	X	X	X	X	X
The Avenues Medical Centre	X	X	X	X	X	X
The Calvert Practice / City Healthcare Partnership Newington Surgery	√	√	√	X	X	X
The Oaks Medical Centre	√	√	X	√	√	√
Weir and Partners	√	X	X	X	√	√
Wilberforce Surgery	X	X	√	X	√	X
Wolseley Medical Practice	X	√	√	√	√	X

Governing Body

The Governing Body has its functions conferred on it by sections 14L(2) and (3) of the 2006 Health and Social Care Act, inserted by section 25 of the 2012 Health and Social Care Act. In particular, it has responsibility for:

- ensuring that the CCG has appropriate arrangements in place to exercise its functions effectively, efficiently and economically and in accordance with the principles of good governance (its main function);
- determining the remuneration, fees and other allowances payable to employees or other persons providing services to the CCG and the allowances payable under any pension scheme it may establish under

paragraph 11(4) of Schedule 1A of the 2006 Act, inserted by Schedule 2 of the 2012 Act; and

- those matters delegated to it within the CCG's Constitution.

The CCG Governing Body has met seven times during the year and was quorate on each occasion. Its agendas have incorporated a comprehensive range of reports to support delivery of its key functions; including the 2017/18 Operational Plan, Performance and Quality Reports (incorporating contracts, finance and quality), clinical strategies and the Humber, Coast and Vale Sustainability and Transformation Partnership. It has also considered and approved a number of high value business cases/awards of contract throughout the year.

The Governing Body has continued to evaluate its effectiveness, including full day development sessions, throughout the year and initiate changes which build and strengthen its functionality. This includes externally facilitated consideration of the board assurance framework.

The Governing Body has committed to the previously approved organisational development strategy, which includes a comprehensive programme of development as a team and consideration of the CCG strategic objectives.

Attendance at the Governing Body during the year was as follows:

DATE OF MEETING		26/05/17	28/07/17	29/09/17	24/11/17	26/01/18	23/03/18
SURNAME	FIRST NAME						
Ali	Bushra		✓	✓	✓		
Daley	Erica	✓	✓	X	✓	✓	✓
Heseltine	David	✓	✓	X	✓	X	✓
Jackson	Paul	✓	✓	✓	✓	✓	✓
Latimer	Emma	✓	✓	X	✓	X	X
Marshall	Karen	✓	✓	✓	✓	✓	✓
Moult	James	✓	✓	✓	✓	✓	✓
Oehring	Amy	✓				✓	✓
Raghunath	Ragu	✓	X	✓	✓	X	✓
Rawcliffe	Vince	✓	✓	✓	✓	✓	✓
Richardson	Scot	✓	✓	X	X	✓	✓
Roper	Dan	✓	✓	✓	✓	✓	✓
Sayner	Emma	✓	✓	✓	✓	✓	✓
Smyth	Sarah	✓	✓	✓	✓	✓	✓
Stamp	Jason	✓	✓	✓	✓	X	✓
Weldon	Julia	✓	X	✓	✓	✓	✓
Whitaker	Mark		X	✓	✓	✓	✓
	Was not a member at the time						

Integrated Audit and Governance Committee

The Integrated Audit & Governance Committee is responsible for providing assurance to the CCG Governing Body on the processes operating within the organisation for risk, control and governance. It assesses the adequacy of assurances that are available with respect to financial, corporate, clinical and information governance. The committee is able to direct further scrutiny, both internally and externally where appropriate, for those functions or areas where it believes insufficient assurance is being provided to the CCG Governing Body.

During 2017-18, the committee met eight times during the year and was quorate on each occasion. The committee's activities included:

- Receiving and reviewing the Board Assurance Framework and Risk Register at each meeting of the Committee throughout the year;

- Considering reports and opinions from a variety of internal and external sources including external audit, NHS Counter Fraud Authority, internal audit and the other committees of the Governing Body;
- Receiving and scrutinising reports on tender waivers, declarations of interest and gifts and hospitality;
- Reviewing the annual accounts and annual governance statement and made recommendations to the Governing Body; and,
- Through its work programme provided assurance to the Governing Body that the system of internal control is being implemented effectively.

Attendance at the Committee during the year was as follows:

DATE OF MEETING		21/04/17	09/05/17	22/05/17	04/07/17	12/09/17	14/11/17	16/01/18	13/03/18
SURNAME	FIRST NAME								
Karen	Marshall	✓	✓	✓	✓	✓	✓	✓	✓
Paul	Jackson	✓	✓	✓	✓	✓	X	✓	✓
Jason	Stamp	✓	✓	✓	✓	✓	✓	✓	X
	Extraordinary Meeting								

Planning and Commissioning Committee

The Planning & Commissioning Committee is responsible for ensuring that the planning, commissioning and procurement of commissioning-related business is in line with the CCG organisational objectives. In particular, the Committee is responsible for preparing and recommending a Commissioning Plan to the Governing Body, together with the establishment of and reporting on effective key performance indicators within specifications which will deliver planned Quality, Innovation, Productivity and Prevention (QIPP) benefits. An update report is produced by the committee after each meeting for consideration by the Governing Body as to the sources of confidence available in relation to the areas of responsibility of the committee.

The Committee met eleven times during the year and was quorate on ten occasions. The committee's activities included:

- Development of the CCG plan for the Better Care Fund (iBCF) and integration process;

- Receiving and reviewing a wide range of clinical commissioning policies, including those relating to prescribing;
- Consideration of the frailty pathway / Hull Integrated Care Centre service modelling;
- Review and approval of public health programmes; and
- Review of the progress and delivery of main work programmes.

Attendance at the Committee during the year was as follows:

DATE OF MEETING		05/04/17	03/05/17	07/06/17	05/07/17	01/09/17	06/10/2017	03/11/17	01/12/17	05/01/18	02/02/18	02/03/18
SURNAME	FIRST NAME											
Parker	John	√										
Jackson	Paul	√	X	X	√	√	X	√	√	√	√	√
Ali	Bushra				√	√	√	√	√			
Billany	Karen	√	√	√	√	√	X	√	√	X	√	X
Bradbury	Mel	X	X	√	√	X	X	X	X	X	X	X
Daley	Erica	√	√	√	√	√	√	√	√	√	√	√
Davis	Phil	X	X	√	√	√	√	X	√	√	√	√
Dawson	Bernie	√	X	X	√	√	X	√	√	√	√	√
Dodson	Joy	√	√	√	X	√	√	X	√	√	√	√
Fielding	Tim	√	√	√	√	X	X	√	X	√	√	X
Lee	Sue	√	√	X	√	√	√	√	X	X	√	X
Oehring	Amy	√	√	√							√	√
Raghunath	Ragu	√	√	X	X	√	√	X	√	√	√	√
Rawcliffe	Vince	√	√	√	√	√	X	√	√	√	√	√
Storr	Danny	√	√	√	√	√	X	X	√	√	√	√
Whitaker	Mark			X	√	√	X	X	√	X	√	X
	Was not a member at the time											
	Not Quorate											

Quality and Performance Committee

The Quality & Performance Committee is responsible for the continuing development, monitoring and reporting of performance outcome measures in relation to quality improvement, financial performance and management plans. It ensures the delivery of improved outcomes for patients in relation to the CCG's agreed strategic priorities.

The Committee met eleven times during the year and was quorate on each occasion. An update report is produced by the committee after each meeting for consideration by the Governing Body as to the sources of confidence available in relation to the areas of responsibility of the committee. The committee's activities during the year included:

- Provider quality monitoring and performance escalation;

Primary Care Commissioning Committee

The Primary Care Commissioning Committee has responsibility for commissioning primary medical services across the city. In particular, the committee is responsible for considering General Medical Services (GMS), Personal Medical Services (PMS) and Advanced Personal Medical Services (APMS) contracts, enhanced services, local incentive schemes, decision making on establishment of new GP practices and practice mergers and newly designed services to be commissioned from primary care.

The Committee met on six occasions during the year and was quorate on four occasions. The committee's activities during the year included:

- Implementation of the CCG's Strategic Commissioning Plan for Primary Care – "Blueprint";
- Contractual issues – including contract mergers and list closure requests;
- Primary care workforce issues including development of clinical pharmacist and physician associate roles in general practice;
- Integrated Delivery Framework and Quality Premium for 2017/18 and 2018/19;
- Extended access – options for meeting requirement to commissioning for 100% of population by October 2018; and
- Primary care estates issues.

Attendance at the Committee during the year was as follows:

DATE OF MEETING		28/04/17	30/06/17	25/08/17	27/10/17	15/12/17	23/02/18
SURNAME	FIRST NAME						
Jackson	Paul	X	√	√	√	√	√
Daley	Erica	√	X	X	√	√	X
Day	Geoff	√					
Latimer	Emma	X	√	√	√	X	√
Marshall	Karen	√	X	√	√	√	√
Roper	Dan	X	√	√	√	√	√
Sayner	Emma	X	√	X	√	√	√
Smyth	Sarah	X	√	X	X	√	√
Stamp	Jason	√	√	√	√	√	√
Weldon	Julia	X	X	X	√	X	√
	Was not a member at the time						
	Not Quorate						

Remuneration Committee

The purpose of the Committee is to advise and assist the Governing Body in meeting its responsibilities on determinations about the remuneration, fees and other allowances for employees and for people who provide services to the CCG, as well as with regards to determinations about allowances under any pension scheme that the CCG may establish as an alternative to the NHS pension scheme. In so doing the Committee will have proper regard to the organisation's circumstances and performance and to the provisions of any national agreements and NHS Commissioning Board (NHS England) guidance as necessary.

The Committee met six times during the year and was quorate on each occasion. Highlights of the Committees activity included pay progression considerations, honorary contracts reviews and VSM performance frameworks. It also considered the remuneration arrangements for the interim accountable officer and interim chief finance officer support to North Lincolnshire CCG.

Attendance at the Committee was as follows:

DATE OF MEETING		07/06/17	04/07/17	29/09/17	04/12/17	26/01/18	23/03/18
SURNAME	FIRST NAME						
Marshall	Karen	✓	✓	✓	✓	✓	✓
Roper	Dan	✓	✓	✓	✓	✓	✓
Jackson	Paul	✓	✓	✓	✓	✓	✓
Stamp	Jason	✓	✓	✓	✓	X	✓
Extraordinary Meeting							

UK Corporate Governance Code

NHS Bodies are not required to comply with the UK Code of Corporate Governance. However, we have reported on our corporate governance arrangements by drawing upon the best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the CCG.

In particular, we have described through the narrative within this annual governance statement and our annual report and accounts four of the five main principles of the Code; namely, leadership, effectiveness, accountability and remuneration.

The CCG is a statutory NHS organisation. It does not have shareholders and we do not therefore report on our compliance with the fifth main principle of the Code; relations with shareholders. We do however set out within this annual governance statement and our annual report and accounts how we have discharged our responsibilities with regards to our members and the general public.

Discharge of Statutory Functions

In light of recommendations of the 1983 Harris Review, the CCG has reviewed all of the statutory duties and powers conferred on it by the National Health Service Act 2006 (as amended) and other associated legislative and regulations. As a result, I can confirm that the CCG is clear about the legislative requirements associated with each of the statutory functions for which it is responsible, including any restrictions on delegation of those functions.

Responsibility for each duty and power has been clearly allocated to a lead Director. Directorates have confirmed that their structures provide the necessary capability and capacity to undertake all of the CCG's statutory duties.

Risk management arrangements and effectiveness

The CCG maintains a Risk Management Strategy which sets out its appetite for risk, together with the practical means through which risk is identified and evaluated as well as the control mechanisms through which it is managed. It creates a framework to achieve a culture that encourages staff to:

- Avoid undue risk aversion but rather identify and control risks which may adversely affect the operational ability of the CCG;
- Compare and prioritise risks in a consistent manner using defined risk grading guidance; and
- Where possible, eliminate or transfer risks or reduce them to an acceptable and cost effective level or otherwise ensure the organisation accepts the remaining risk.

The Risk Management Strategy was reviewed and updated in February 2018. The CCG maintains a Risk Register through an electronic reporting system which is accessible to all staff.

Risks are systematically reviewed at the Integrated Audit and Governance Committee and other committees of the Governing Body, as well as by directorates, senior managers and individual risk owners. The Risk Register assesses the original and mitigated risks for their impact and likelihood and tracks the progress of individual risks over time through a standardised risk grading matrix. Risks that increase in rating are subject to additional scrutiny and review.

All formal papers, strategies or policies to the Council of Members, Governing Body or its committees are assessed for their risks against the defined framework. All new or updated policies of the CCG are subject to equality impact assessments which gauge and mitigate wider public risks. The CCG's Equality Impact Assessment Framework has been comprehensively revised and re-developed during the year to increase the value of the process to the CCG's commissioning cycle.

The CCG maintains an active programme of engagement with the public and other stakeholders on key strategic and service decisions and considers its plans in the light of any risks identified. This work includes engagement with the CCG's ambassadors and health champions, the Building Health Partnership with local

community and voluntary organisations and a combination of formal and informal consultations on key aspects of its commissioning programme.

The system has been in place in the CCG for the year ended 31 March 2018 and up to the date of approval of the Annual Report and Accounts. The process of review and strengthening of the risk and control framework of the CCG will continue throughout 2018/19.

Capacity to Handle Risk

The CCG's Chief Officer has overall responsibility for risk management. Through delegated responsibility the Associate Director of Corporate Affairs has day to day management of the organisations risk management process. The specific responsibilities of other committees, senior officers, lay members and all other staff within the CCG are clearly articulated.

The Board Assurance Framework is an essential part of the CCG's risk and governance arrangements. It provides the means through which threats to the achievement of the organisation's strategic objectives are clearly identified, assessed and mitigated. It has been subject to regular review throughout 2017/18 and is received at each meeting of the Integrated Audit and Governance Committee. The committee provides an opinion to the Governing Body as to the adequacy of the assurances available with respect to management of the risks identified within the Board Assurance Framework. In doing so the committee draws upon the sources of assurance available to it, including the work of the CCG's external auditors, a comprehensive internal audit programme and the work of NHS Protect.

In May 2017 the Governing Body completed an internal audit facilitated comprehensive review of the risks within the Board Assurance Framework to ensure that these continue to reflect the evolving strategic objectives of the organisation as well as its updated strategic plan.

The Integrated Audit and Governance Committee maintains oversight of the risks to the CCG through review of the Risk Register at each of its meetings. It provides an opinion to the Governing Body as to the adequacy of assurances available with respect to the control mechanisms for risk. The other committees of the Governing Body receive and review risks pertaining to their areas of responsibility at each of their meetings.

Both the Board Assurance Framework and the Corporate Risk Register are reviewed by the Governing Body. The Governing Body and its Quality and Performance Committee have continued to maintain rigorous oversight of the performance of the CCG and the Integrated Audit and Governance Committee has assessed the adequacy of the assurances available in relation to performance. Comprehensive quality and performance reports are a standing item at the Governing Body and each of these committee meetings.

Staff training on risk management is provided with additional supported via the in-house risk management specialists.

Risk Assessment

All risks to the clinical commissioning group are assessed for their impact and likelihood to give an overall risk rating. The CCG's governance, risk management and internal control frameworks have been subject to review in-year to ensure that they remain fit for purpose. No significant risks to governance, risk management or internal control were identified during the year.

At the start of 2017/18 the CCG had two extreme (red) rated risks and fourteen high (amber) rated risks within its Corporate Risk Register. The two extreme risks had their ratings lowered in-year through mitigating actions. A summary of these risks and the actions are as follows:

Risk	Controls	Assurances
Risk that the CCG may receive legislative challenges regarding unapproved applications for Deprivation of Liberty Safeguards (DoLS) due to back log in Supervisory Body (Local Authority).	Local NHS providers completing training for Mental Capacity Act /DoLS, compliance monitored via Contract Management Board / Contract Quality Forum. Local NHS providers completing DoLS applications to supervisory body (Local Authority). CCG contributing to funding of DoLS co-ordinator post in the Multi Agency Safeguarding Hub (MASH).	Matter included in safeguarding adult reports to Quality and Performance Committee that monitors increase in applications through the MASH. Monitored by Hull Safeguarding Adults Partnership Board Executive Group.
NHS England have commissioned Primary Care Services from CAPITA which has resulted in delays in the transfer of patient records and patient registration. The GPs will not be able to access the patient's history when the records are not received or the registration or removal is not processed.	Contact now made with new team recruited to NHS England to resolve the national CAPITA issues. All Hull GP concerns are with this new team who have confirmed they are addressing local issues.	Remedial plan monitored by CCG Primary Care Commissioning Committee and Quality & Performance Committee.

By the end of 2017/18 the CCG had three extreme risks and sixteen high risks within its Corporate Risk Register. The extreme rated risks were as follows:

Risk	Controls	Assurance
That the waiting times for Children and Young People (CYP) Autism: Assessment and Diagnosis exceeds the national 18 week target.	<p>Previous additional investment under waiting list initiative.</p> <p>Revised pathway for post diagnostic service is under development in partnership with Humber NHS Foundation Trust (HFT), Hull City Council and Voluntary Sector.</p>	<p>Contract Management Board / contract monitoring and review meetings in relation to the lead organisation (HFT).</p> <p>CYP Autism Strategy Group which reports to the CYP and Maternity Programme Board (CCG).</p>
That the CCG is not compliant with the statutory requirements identified within the Special Educational Needs and Disability (SEND) Code of Practice: 0-25 years (DfE and DH 2015) that relates to Part 3 of the Children and Families Act 2014.	<p>There is Designated Medical Officer and Clinical Designated Officer in post within the provider community paediatric services (CHCP) that are working with the CCG and the local authority to ensure that the health requirements for SEND are in place across the health community. The joint strategic SEND Board receives progress and assurance in relation to the joint SEND Strategy and associated work plan. There is an internal CCG and health provider forum that meets 6-8 weekly to review and update the Hull CCG SEND action plan that supports the readiness for joint SEND inspection agenda. The CCG SEND action plan is shared with the Local Authority for the Joint SEND Inspection Plan.</p>	<p>CCG SEND Inspection group.</p> <p>Hull Children, Young People and Families Board</p> <p>Hull SEND Board</p> <p>Partnership working with HCC and local providers continues via the agreed SEND work plan through the boards.</p>
The functionality allowing safeguarding teams to override sharing consent preferences is being removed from SystmOne. Therefore the risk of not being able to rapidly spot serious abuse, which may lead to death, could increase significantly.	<p>Senior and urgent representations made from Humber locality to NHS England, NHS Digital and other national stakeholders.</p> <p>Development and issuing of mitigating steps within Humber area</p>	<p>Complete solution dependent on appropriate mitigations being developed and approved at a national level.</p> <p>Lobbying continues.</p>

Other sources of assurance

Internal Control Framework

A system of internal control is the set of processes and procedures in place in the clinical commissioning group to ensure it delivers its policies, aims and objectives. It is designed to identify and prioritise the risks, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control allows risk to be managed to a reasonable level rather than eliminating all risk; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Governing Body, on behalf of the Council of Members, ensures that the organisation maintains a comprehensive system of internal control through the application of its standing orders, prime financial policies and scheme of delegation. These are supported by a comprehensive suite financial and governance policies.

The Integrated Audit and Governance Committee routinely considers performance and other reports which enables it to assess the effectiveness of internal control mechanisms. It then provides an opinion to the Governing Body as to the adequacy of these.

Annual audit of conflicts of interest management

The revised statutory guidance on managing conflicts of interest for CCGs (published June 2016) requires CCGs to undertake an annual internal audit of conflicts of interest management. To support CCGs to undertake this task, NHS England has published a template audit framework.

The CCG has carried out an annual internal audit of conflicts of interest which found that the CCG’s governance, risk management and control arrangements provide substantial assurance that the risks identified are managed effectively. Compliance with the control framework was found to be taking place and the CCG was found to be fully compliant in 24 of the 25 criteria assessed.

A breakdown of the findings were as follows:

Assessment area	Compliance Level
Section 1: Governance arrangements	Fully Compliant
Section 2: Declarations of interest and gifts and hospitality	Fully Compliant
Section 3: Registers of interest, gifts and hospitality and procurement decisions	Partially Compliant
Section 4: Decision making processes and contract monitoring	Fully Compliant
Section 5: Identifying and managing non-compliance	Fully compliant

Data Quality

The Governing Body is advised by its Quality & Performance Committee as to the maintenance of a satisfactory level of data quality available and the clinical commissioning group maintains a process of continuous data quality improvement.

Information Governance

The NHS Information Governance Framework sets the processes and procedures by which the NHS handles information about patients and employees, in particular personal identifiable information. The NHS Information Governance Framework is supported by an information governance toolkit and the annual submission process provides assurances to the clinical commissioning group, other organisations and to individuals that personal information is dealt with legally, securely, efficiently and effectively.

We have submitted a satisfactory level of compliance with the information governance toolkit assessment and have established an information governance management framework. Information governance processes and procedures have been developed in line with the information governance toolkit. We have ensured all staff undertake annual information governance training and have taken steps to ensure staff are aware of their information governance roles and responsibilities.

We place high importance on ensuring there are robust information governance systems and processes in place to help protect patient and corporate information. We have established an information governance management framework and are developing / have developed information governance processes and procedures in line with the information governance toolkit. We have ensured all staff undertake annual information governance training and have implemented a staff information governance handbook to ensure staff are aware of their information governance roles and responsibilities.

There are processes in place for incident reporting and investigation of serious incidents. We are developing information risk assessment and management procedures and a programme will be established to fully embed an information risk culture throughout the organisation against identified risks.

Business Critical Models

The CCG recognises the principles reflected in the Macpherson Report as a direction of travel for business modelling in respect of service analysis, planning and delivery. An appropriate framework and environment is in place to provide quality assurance of business critical models within the CCG.

The CCG has adopted a range of quality assurance systems to mitigate business risks. These include:

- Stakeholder experience including patient complaints and serious untoward incident management arrangements;
- Risk Assessment (including risk registers and a board assurance framework);
- Internal Audit Programme and External Audit review;
- Executive Leads with clear work portfolios;
- Policy control and review processes;
- Public and Patient Engagement, and
- Third Party Assurance mechanisms.

Third party assurances

The CCG currently contracts with a number of external organisations for the provision of support services and functions. This specifically includes the NHS Shared Business Service, NHS Business Services Authority, Sheffield Teaching Hospitals NHS Foundation Trust (Victoria Payroll Services) and Capita / Deloitte. Assurances on the effectiveness of the controls in place for these third parties are received in part from an annual Service Auditor Report from the relevant service and I have been advised that adequate assurances have been provided for 2017/18. .

Control Issues

The CCG achieved a high level of performance across the operating framework requirements. However performance fell below the target level in the following areas:

NHS HULL CCG PERFORMANCE		Actual (YTD)	Target
NHS NATIONAL REQUIREMENTS			
A&E waiting time - total time in the A&E department, SitRep data	2017-18	90.38% (Feb 2018)	95%
<p>Commentary Pressures associated with winter have affected the performance of the A&E measures, particularly around patients hospitalised by flu which continues to impact on the trust performance. The CCG is working collaboratively with the provider on a daily basis to support issues that present. The nominated CCG lead for emergency pressures communicates operational issues affecting patient flow, coordinates wider system responses and works with external stakeholders to support improvement where possible.</p>			
		Actual (Month)	Target
RTT - The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the period.	2017-18	80.86% (Jan 2018)	92%
<p>Commentary There have been significant performance issues within the RTT Pathways. There is an ongoing programme of work to redesign pathways at specialty level. GP uptake of referral information on the pathway information portal (PIP) continues to increase on a monthly basis with the aim of ensuring referrals are of a consistent quality. The CCG continues to prioritise increased utilisation of NHS E referral for all specialties (including cancer).</p>			
		Actual (YTD)	Target
Cancer - 31 Day standard for subsequent cancer treatments -surgery	2017-18	93.01% (Jan 2018)	94%
Cancer - All cancer 62 day urgent referral to first treatment wait	2017-18	79.45% (Jan 2018)	85%
<p>Commentary The CCG continues to work with stakeholders and prioritise waiting time standards and challenge the provider where standards are breached. Where this occurs remedial actions are progressed and joint cancer monitoring meetings continue between commissioner and provider.</p> <p>Performance for 2 week waits has improved significantly in line with plans and expectations. Hull & East Yorkshire Hospitals are monitoring performance on a daily basis which includes slot availability, booking 2 week wait appointments and delivery of 62 day waiting times.</p>			
CCG OUTCOMES INDICATORS			
QUALITY		Actual (YTD)	Target
Healthcare acquired infections (HCAI) measure (MRSA)	2017-18	1 (Feb 2018)	0
<p>Commentary This is a zero tolerance indicator within the NHS Constitution for healthcare acquired infections. A multi-disciplinary team with representation from commissioners and providers meets monthly to review all cases which include community acquired and acute patients.</p>			

Review of economy, efficiency & effectiveness of the use of resources

The Chief Finance Officer has delegated responsibility to determine arrangements to ensure a sound system of financial control. The CCG continues to meet all of its statutory financial duties. Budgets were established and maintained against all CCG business areas and performance monitored via a Quality & Performance Report as a standing item at the Governing Body and Quality and Performance Committee.

Individual budget holders have regular budget review meetings to ensure that any cost pressures are adequately considered, managed or escalated as necessary.

The Integrated Audit and Governance Committee receive a regular update from the Quality and Performance Committee as to the economic, efficient and effective use of resources by the clinical commissioning group. The Integrated Audit and Governance Committee advise the Governing Body on the assurances available with regards to the economic, efficient and effective use of resources.

An internal audit programme of activity is agreed and established to assess the adequacy of assurances available to the CCG in relation to the economic, efficient and effective use of resources. The findings are reported to the Integrated Audit and Governance Committee.

The CCG has been rated as outstanding for the Quality of Leadership indicator of the CCG Improvement and Assessment Framework 2017/18.

Delegation of functions

The CCG undertakes a regular process of review of its internal control mechanisms, including an annual internal audit plan. All internal audit reports are agreed by senior officers of the CCG and reviewed by the Integrated Audit and Governance Committee.

A review of the effectiveness of the CCG governance structure and processes has been undertaken during the year; including a review of committee's terms of reference. Committee action plans were developed and progress against their delivery monitored by the Integrated Audit and Governance Committee.

Budgets were established and maintained against all CCG business areas and performance monitored via a quality and performance report as a standing item at the Governing Body and Quality and Performance Committee.

Individual budget holders have regular budget review meetings to ensure that any cost pressures are adequately considered, managed or escalated as necessary.

Counter fraud arrangements

The Integrated Audit and Governance Committee (IAGC) has assured itself that the organisation has adequate arrangements in place for countering fraud and regularly reviews the outcomes of counter fraud work. The CCG has an accredited Local Counter Fraud Specialist (LCFS) in place to undertake work against NHS Counter Fraud Authority Standards; the LCFS resource is contracted in from AuditOne and is part of a wider Fraud Team resource with additional LCFS resource available as and when required. The Chief Finance Officer is accountable for fraud work undertaken and a Counter Fraud Annual Report (detailing counter fraud work undertaken against each standard) is reported to the Integrated Audit and Governance Committee annually.

There is an approved and proportionate risk-based counter-fraud workplan in place which is monitored at each Integrated Audit and Governance Committee meeting. In line with NHS Counter Fraud Authority Commissioner Standards, which first became effective 1st April 2015 and are reviewed annually, the CCG completed an online Self Review Tool (SRT) quality assessment in March 2018 to assess the work completed around anti-fraud, bribery and corruption work and assessed itself as an 'Amber' rating. This self-assessment (SRT) detailing our scoring was approved by Chief Finance Officer prior to submission. The CCG was subject to an inspection by the NHS Counter Fraud Authority in 2017/18. Of the two domains assessed; *Strategic Governance* and *Inform and Involve*, the assessment found that the CCG was fully compliant in nine of the standards, partially compliant in two of the standards and not compliant in two of the standards. An action plan is in place to address the areas of partial and non-compliance.

Head of Internal Audit Opinion

Following completion of the planned audit work for the financial year for the clinical commissioning group, the Head of Internal Audit issued an independent and objective opinion on the adequacy and effectiveness of the clinical commissioning group's system of risk management, governance and internal control. The Head of Internal Audit concluded that:

Significant Assurance can be given that there is a generally sound system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weaknesses in the design or inconsistent application of controls put the achievement of a particular objective at risk.

During the year, Internal Audit issued the following audit reports:

Area of Audit	Level of Assurance Given
Continuing Healthcare / Personal Health Budgets	Substantial
Corporate Governance & Risk Management	Substantial
Committee Arrangements	No assurance level to be provided
Conflicts of Interest	Substantial
Safeguarding *	Substantial
Quality Governance	Audit in planning stage
Commissioning Cycle *	Substantial
Information Governance	No opinion to be reported
Assurance Framework Opinion	Substantial
Estate Costs	Audit in planning stage

* Provisional assurance level which may be subject to change in final version

Review of the effectiveness of governance, risk management and internal control

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, executive managers and clinical leads within the CCG who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their annual audit letter and other reports.

Our assurance framework provides me with evidence that the effectiveness of controls that manage risks to the CCG achieving its principle objectives have been reviewed.

I have been advised on the implications of the result of this review by:

- The Governing Body;
- The Integrated Audit and Governance Committee;
- The assessment of the CCG through the quarterly IAF checkpoint meetings with NHS North of England;
- The CCG's governance, risk management and internal control arrangements;
- The work undertaken by the CCG's internal auditors which has not identified any significant weaknesses in internal control;
- The results of national staff and stakeholder surveys; and
- The statutory external audit undertaken by Mazars, who will provide an opinion on the financial statements and form a conclusion on the CCG's arrangements for ensuring economy, efficiency and effectiveness in its use of resources during 2018/19.

The role and conclusions of each were that a satisfactory framework was in place throughout the year.

Conclusion

With the exception of the internal control issues that I have outlined in this statement, my review confirms that the CCG overall has a sound system of internal controls that supports the achievement of its policies, aims and objectives and that those control issues have been or are being addressed.