

Item: 11.4

INTEGRATED AUDIT AND GOVERNANCE COMMITTEE

**MINUTES OF THE EXTRAORDINARY MEETING HELD ON 24 MAY 2018
AT 1.00PM IN THE BOARDROOM, WILBERFORCE COURT, HULL**

PRESENT:

Karen Marshall, Lay Member, Hull CCG (*Chair*)
Jason Stamp, Lay Member, Hull CCG

IN ATTENDANCE:

Campbell Dearden, External Audit Manager, Mazars LLP
Mark Kirkham, Partner, Mazars LLP
Mike Napier, Associate Director of Corporate Affairs, Hull CCG
Sarah Milner, Senior Finance Manager, Hull CCG
Emma Sayner, Chief Finance Officer, Hull CCG
Danny Storr, Deputy Chief Finance Officer- Finance, Hull CCG
Pam Heaford, Personal Assistant, Hull CCG - (*Minute Taker*)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Paul Jackson, Lay Member, Hull CCG

2. DECLARATIONS OF INTEREST

In relation to any item on the agenda of the meeting, members were reminded of the need to declare:

- (i) any interests which are relevant or material to the CCG;
- (ii) any changes in interest previously declared; or
- (iii) any financial interest (direct or indirect) on any item on the agenda

Any declaration of interest should be brought to the attention of the Chair in advance of the meeting, or as soon as they become apparent in the meeting. For any interest declared, the minutes of the meeting must record:

- (i) the name of the person declaring the interest;
- (ii) the agenda item number to which the interest relates;
- (iii) the nature of the interest;
- (iv) be declared under this section and at the top of the agenda item which it relates to;

Resolved:

(a)	No declarations of interest were made.
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2. **NHS HULL CCG AUDITED ANNUAL ACCOUNTS 2017/18**

The Audited Annual Accounts 2017/18 for NHS Hull CCG were presented to IAGC members for consideration and comment, prior to the final version being presented to the CCG Board for adoption on Friday 25 May 2018.

The Chief Finance Officer expressed her thanks to the Hull CCG finance team and the new Auditors, Mazars, for what had been a smooth audit process. The CFO confirmed that there had been no change to the CCG's financial performance.

The Deputy Chief Finance Officer advised that no significant changes had been made since the detailed line-by-line review of the draft accounts carried out by the IAGC at its meeting on 18 April 2018 and that the adjustments made had all been minor in nature and were largely a result of formatting and template issues along with some rounding differences. He then went on to draw members' attention to the following minor changes which had been made to the annual accounts:

Page 7 - Statement of Financial Position - notes 9 and 11 had been referenced.

Page 8 - Statement of Changes to Taxpayers Equity – the net operating financial expenditure for the financial year had incorrectly included the prior year's balance of £19.8m due to a formula error on the template – this had now been amended and there had been no impact on the balance carried forward.

Page 10 – Notes to the Financial Statements:

Note 1.6 now referred to the pooled budget arrangement with Hull City Council in relation to the Better Care Fund.

Note 1.7.2 relating to Secondary Care Activity had some minor wording changes.

Page 16 – a change to the note on the impact of future Accounting Standards was noted.

Page 17 – Other Operating Revenue – some rounding differences had been made.

Page 19 – Average Number of People Employed – the Total for 2016/17 had now been corrected as there had been a template issue.

Page 21 – Operating Expenses – note 9 had been added in to explain that Internal Audit fees were included in services from Foundation Trusts as hosted by Humber FT and Northumbria FT to be consistent with last year.

The value previously shown as Legal Fees had been reduced due to a mapping issue with increases in both Other Professional Fees and Premises.

Page 22 – Better Payment Practice Code – a small adjustment had been made, 2017/18 numbers had fractionally increased.

Operating Leases – a small correction had been made which had been the result of an issue with the template.

Page 23 – Receivables past their due date – Non- DH Group Bodies – the figures for 3 and 6 months had been the wrong way round.

Page 24 – Cash and cash equivalents – it was noted that the figures were in £'s due to rounding issues if shown in thousands.

Page 27 – Financial Assets –Total 2017/18 for Receivables: NHS to be amended from 882 to 883 to follow through.

Page 29 – Related Party Transactions – two members of the governing body had not been disclosed in error. One was a new member in 2017/18 and the other was on maternity leave. These had been amended in the disclosure note.

Page 30 – The Performance note had been updated to remove the cumulative impact of the brought forward surplus.

The IAGC would formally recommend that the CCG Board approves the audited Annual accounts 2017/18 at it's meeting tomorrow (25 May 2018), prior to submission to NHS England.

The Chair expressed her thanks to all those involved in the production of an unqualified set of annual accounts and for their continued hard work.

Resolved

(a)	The minor amendments made to the audited Annual Accounts 2017/18 were noted, and
(b)	the IAGC would recommend the Audited Annual Accounts for 2017/18 for adoption and formal sign off by the CCG Board on 25 May 2018.

3. NHS HULL CCG ANNUAL REPORT 2017/18

A Word version of the Annual Report 2017/18 had been circulated for IAGC members to note, ahead of its submission to NHS England by 9.00am on 29 May 2018 and the formal publication of the designed version on 15 June 2018.

It was noted that no significant changes had been made to the version previously seen by the IAGC and the following minor amendments were highlighted:

A snapshot of 2017/18 – the figures for Prescribing and Primary Care had been the adjusted to correctly show the impact of delegated primary care commissioning – the table would be shown as a pie-chart in the published glossy version.

Patient population numbers – there had been some inconsistency issues which had now been corrected.

Remuneration Report – it had not been possible to provide the pension related benefits for Dr Vince Rawcliffe and Dr Bushra Ali due to a lack of information supplied by the Business Services Authority.

A note had been added with regard to performance related bonus and how the performance related bonus was determined.

Third Party Assurance statement had been updated to reflect the relevant assurances that had been received.

The final Head of Internal Audit Opinion had now been received and updated. The statement still provided “substantial assurance”.

The IAGC Chair thanked everyone for their work and input and the IAGC would recommend that the CCG Board approved the Annual Report 2017/18 t it's meeting tomorrow (25 May 2018),

Resolved

(a)	The IAGC would recommend that the Annual Report for 2017/18 be approved by the CCG Board on 25 May 2018.
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4. **AUDIT COMPLETION REPORT**

Mark Kirkham, Partner, Mazars LLP presented the Audit Completion Report for Hull CCG for the year ending 31 March 2018 and advised that he would be issuing an unqualified opinion and stated that there were no exceptions to report

Campbell Dearden, External Audit Manager, Mazars LLP then went through the report and highlighted the following key areas:

Section 1 – Executive Summary

The work outstanding at the time of writing this report had now been completed and there were no matters to report.

Section 2 – Opinion Audit

The audit work had addressed the following risk areas, against which were the findings of the work:

- Management override of controls – there were no matters to report
- Revenue recognition – there were no significant issues to report
- Related party transactions – there were no matters to bring to the attention of the committee

Section 3 – Internal Control Recommendations

Audit work had not identified any matters to report in this section

Section 4 – Summary of Misstatements

Minor amendments required to the draft annual accounts had all been addressed as detailed above in Agenda Item 2.

Section 5 – Value for Money (VfM) Conclusion

The Aligned Incentive Contract (AIC) had been identified as a significant VfM risk. Arrangements in place had been reviewed and there was evidence that the CCG had reliable and timely monitoring of the AIC contract to ensure that contractual obligations were being met and no matters had been identified to report this year.

Appendix A - a draft management representation letter had been provided which would be signed by the CCG Board tomorrow (25 May 2018)

Appendix B – Draft Auditors Report

The auditors expressed their thanks to the finance team and advised that the process had gone very smoothly from an audit point of view and commended the timeliness and quality of the work provided to support the audit.

The Chair thanked everyone for their work on the annual accounts, and for sustaining a high level of financial performance with no recommendations for 5 years running which was a testament to the work carried out.

5. DRAFT LETTER OF REPRESENTATION

The standard wording of the draft letter of representation was noted and no additional comments had been added for the CCG. This would form the concluding part of the annual accounts process and it was the role of the Chief Officer to sign this letter off as Accountable Officer.

The IAGC recommended that the CCG Board adopts and approves the Audited Annual Accounts 2017/18 for NHS Hull CCG at it's the Board meeting on Friday 25 May 2018 with sign off by the Chief Officer prior to submission to NHS England.

6. DATE AND TIME OF NEXT MEETING

The next meeting of the IAGC would be held on **Tuesday 10 July 2018**, at 9.00am in the Boardroom at Wilberforce Court.

Signed:



Chair of the Integrated Audit and Governance Committee

Date: 10 July 2018

Abbreviations

AIC	Aligned Incentive Contract
BAF	Board Assurance Framework
BCF	Better Care Fund
CHC	Continuing Healthcare
Col	Conflicts of Interest
CYP	Children and Young People
DoLS	Deprivation of Liberty Safeguard
EPRR/BCM	Emergency Preparedness Resilience and Response Business Continuity Management
FoI	Freedom of Information
GDPR	General Data Protection Regulation
HEYHT	Hull and East Yorkshire Hospitals Trust
HS&SG	Health, Safety and Security Group
ICOB	Integrated Commissioning Officers Board
IFP	Integrated Financial Plan
IFR	Individual Funding Requests
LAC	Looked After Children
LCFS	Local Counter Fraud Specialist
LSMS	Local Security Management Specialist
LWAB	Local Workforce Advisory Board
MH & LD	Mental Health and Learning Disabilities
MoU	Memorandum of Understanding
NECS	North of England Commissioning Support
NFI	National Fraud Initiative
NHS-CHC	NHS Continuing Healthcare
PBR	Payment by Results
PCCC	Primary Care Commissioning Committee
PHB	Personal Health Budget
PPD	Prescription Pricing Division
QIPP	Quality Innovation Productivity and Prevention
SEND	Special Educational Needs and Disability
SI	Serious Incident
SOPs	Standard Operating Procedures
STP	Sustainability and Transformation Plan
SRT	Self Review Tool
TCP	Transforming Care Programme
ToR	Terms of Reference
VfM	Value for Money