

**Item: 12.3**

**INTEGRATED AUDIT AND GOVERNANCE COMMITTEE**

**MINUTES OF THE EXTRAORDINARY MEETING HELD ON 18 APRIL 2019  
AT 9.00AM IN THE BOARDROOM, WILBERFORCE COURT, HULL**

**PRESENT:**

K Marshall, Lay Member, Hull CCG (*Chair*)

**IN ATTENDANCE:**

M Kirkham, Partner, Mazars LPP

M Napier, Associate Director of Corporate Affairs, Hull CCG

S Milner, Senior Finance Manager, Hull CCG

E Sayner, Chief Finance Officer, Hull CCG – (*via. Phone*)

D Storr, Deputy Chief Finance Officer- Finance, Hull CCG

P Heaford, Personal Assistant, Hull CCG - (*Minute Taker*)

**1. APOLOGIES FOR ABSENCE**

P Jackson, Lay Member, Hull CCG

The purpose of this meeting was to allow IAGC members to review the draft annual accounts for 2018/19 in detail and to be fully briefed on any exceptions and significant movements, whilst also providing an opportunity to raise any comments and views in order to ensure that full assurance could be gained.

**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;

Name	Agenda No	Nature of Interest and Action Taken
J Stamp	2	J Stamp declared an interest in Related Party Transactions as Chief Officer of North Bank Forum who could potentially benefit from being a sub-contractor of CAB – the declaration was noted.

## Resolved

(a)	The above declaration was noted
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### 2. **DRAFT ANNUAL ACCOUNTS 2018/19**

The Deputy Chief Finance Officer presented the NHS Hull CCG draft Annual Accounts for 2018/19.

J Stamp declared an interest in Related Party Transactions as Chief Officer of North Bank Forum who could potentially benefit from being a sub-contractor of CAB – the declaration was noted.

Members were advised that the production of the accounts was now complete and, subject to minor formatting and inclusion of some additional accounting notes, followed by a final check, these would be submitted on Tuesday 23 April 2019.

Members were taken through the accounts page by page and the following significant movements and points of notes were highlighted:

#### **Statement of Comprehensive Net Expenditure**

The increase in the value of the purchase of goods and services was a result of increased available funds.

#### **Statement of Cash Flows**

The depreciation figure of £9k related to the fit out of floor 3, Wilberforce Court, which was the same as the previous year.

The CCG had reported a final cash balance of £4k in the bank at 31 March 2019.

#### **Notes to the Financial Statements**

The Deputy Chief Finance Officer advised that the accounting policies had been largely lifted from the template and stated that some areas would be taken out for the final accounts as the notes were not applicable to this organisation, this was in agreement with the auditors. Members were made aware of which notes would be taken out.

#### **Other Operating Revenue**

Non-patient care services to other bodies had decreased in 2018/19. 2017/18 had been higher due to non recurrent NHS England Community Services income. Income for 2018/19 included the Hull City Council contribution to Wilberforce Health Centre, joint funded packages of care, prescribing recharges and Ambulance contract re-imburement. The Deputy CFO highlighted that the prescribing recharges should potentially be netted off the cost of prescribing rather than shown in income. If this was the case it would be adjusted before the final submission.

Recoveries in respect of employee benefits related to secondees.

#### **Disaggregation of Income – Income from sale of goods and services (contracts)**

Members were advised that this was a new page that had been added. The first part referred to contract income and the bottom part referred to non-contract income.

#### **Employee Benefits and staff numbers**

Salaries and wages – the Chair queried the ‘Other’ category and the use of agency staff, this related to an individual from Attain working in the Commissioning Team to carry out a short term piece of work. This category also included secondments. Members were advised that in order to meet the 20% reduction in running costs and value for money, this type of arrangement would be likely to increase in the future in place of recruiting on a like for like basis.

A note would be added at the bottom of this section to clarify that it included secondees as well as agency costs.

A further note would also be added to clarify the impact of Agenda for Change.

### **Average Number of People Employed**

There had been an increase from 64 to 67 people employed by the CCG which was still operating under it’s running cost allowance.

There had been one redundancy payment of £3,000 which had been made. The wording in the table would be change from “requiring HMT approval” to “following HMT approval”.

### **Operating Expenses**

Explanatory notes had been provided for all the major changes:

Note 7 - a value would be added to Internal Audit fees.

Note 8 - this would be expanded to “Development of Primary Care Estate”

Note 9 - with regard to the “other expenditure” table, the Chief Finance Officer provided assurance around process with regard to governance arrangements and appropriate level of delegation in place and stated that there was a push to be inclusive across the city and confirmed that all the schemes had gone through due process. The Chair requested that the description be expanded further to make this clearer to the reader of the accounts,.

### **Better Payment Practice Code**

Performance against target had continued to be well over 95%.

### **Property, Plant and Equipment**

The asset register related to the fit out of the 3<sup>rd</sup> floor.

### **Trade and other receivables**

Explanatory notes had been provided for any significant movements.

The CCG was owed less money this year than last year.

### **Cash and cash equivalents**

There had been £4k cash in the bank at 31 March 2019

### **Trade and other payables**

There had been an increase in outstanding invoices with Hull University Teaching Hospitals NHS Trust which had been offset by lower levels of NHS accruals.

### **Contingent Liabilities**

HMRC had raised concerns over the recovery of VAT by other CCGs for the eMBED contract. Although this had not been raised directly with Hull CCG it was

felt prudent to include the potential liability in these accounts although the timing or likelihood of this are unclear.

### **Financial Risk Management**

The standard notes stated in this section would be left in.

**Operating segments** – the disclosure related to “Commissioning of Healthcare Services”

### **Joint arrangements – interests in joint operations**

Although the CCG did not have any interest in joint operations, this page would be retained to maintain the numbering and a note would be added to state that the CCG does not have any joint arrangements.

### **Related party transactions**

North Lincs CCG to be added

For transparency, J Stamp declared an interest in this area as Chief Officer of North Bank Forum who could potentially benefit from being a sub-contractor of CAB.

### **Events after the end of the reporting period**

There were no post balance sheet events which would have a material effect on the financial statements.

### **Effect of application of IFRS 15 on current year closing balance**

Disclosure note to be changed to “IFRS 15 resulted in no changes”

Subject to some minor amendments to formatting and accounting notes identified during the meeting and a final consistency check, the draft Annual Accounts would be submitted by the deadline.

The draft accounts would then go through a rigorous process of audit and the audited Annual Accounts 2018/19 would be presented to the Integrated Audit and Governance Committee members at an extraordinary meeting on 23 May 2019, prior to submission to the CCG Board on 24 May 2019 for formal sign off.

The Chair expressed her thanks to all those involved in the production of a timely and accurate set of accounts.

## **3. DRAFT REMUNERATION REPORT**

The Deputy Chief Finance Officer presented this report for review which contained information which would form part of the Annual Report.

As a comparator, figures had been provided for 2017/18 below.

The salary values for E Latimer and E Sayner, who were currently in joint posts with NHS North Lincolnshire CCG, related only to NHS Hull CCG.

The pension related benefits for NHS North Lincolnshire CCG would be clarified.

All GPs were now paid through practice pensions – note to be added to clarify this change.

#### **4. DRAFT ANNUAL GOVERNANCE STATEMENT**

The Associate Director of Corporate Affairs presented the draft Annual Governance Statement (AGS) for review and comment. The standard format was the same as in previous years.

The document would be consistency checked, eg for capitalisation of Board, Council of Members and Committees, etc.

##### **Governance arrangements and effectiveness**

This section described the main role of the Governing Body, constitution arrangements in place, scheme of delegation etc.

In relation to the diagram which showed the function of each committee, IFR would be moved to sit under the Planning and Commissioning Committee.

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

This section provided details of attendance at meetings and key highlights of each committee, Council of Members and governing body.

With regard to committee attendance, there was a need to agree as an organisation whether people were there as attendees or as representatives of directors and the minutes would need to be an accurate reflection of who was there. Also there was a need to make a distinction between quoracy and attendance.

The Associate Director of Corporate Governance would reference Paul Jackson's absence and reflect this sensitively.

##### **Other Sources of Assurance**

3<sup>rd</sup> party assurance was being sought and the Chair requested notification when this was received.

##### Annual audit of Conflicts of Interest management

NHS Hull CCG were fully compliant with the control framework and had met 24 out of the 25 criteria assessed. It was noted, however, that there needed to be an adoption of consistent wording around Conflicts of Interests in Committee minutes.

##### Information Governance

NHS Hull CCG had submitted a satisfactory level of compliance with the data security and protection toolkit assessment.

##### Control Issues

The areas where performance had fallen below the target level were consistent and as previously reported, yet disappointing.

##### Use of Resources

This section explained how the CCG sought assurance, along with the delegation of functions.

##### **Head of Internal Audit Opinion (HoIAO)**

The HoIAO had provided substantial assurance that the system of internal control had been effectively designed to meet the organisation's objectives and that controls were being consistently applied.

## Conclusion

This was standard wording and confirmed that the CCG overall had a sound system of internal control which was a reflection of the work undertaken

A final document would be brought to the next IAGC meeting on 23 May 2019.

## 5. ANNUAL REPORT

A first draft of the Annual Report had been e-mailed out for information which had now been submitted, the second draft would be taken in more detail.

## 6. DATE AND TIME OF NEXT MEETING

The next full meeting of the IAGC would be held on **Tuesday 14 May 2019**, at 9.00am in the Boardroom at Wilberforce Court.

There would be an extraordinary IAGC meeting on **Thursday 23 May 2019** at 1.00pm to review the audited accounts



Signed:

Chair of the Integrated Audit and Governance Committee

Date: 14/05/2019

## Abbreviations

ASM	Audit Strategy Memorandum
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