

Item: 12.3

INTEGRATED AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF THE MEETING HELD ON 19 MARCH 2019 AT 9.00AM IN THE BOARDROOM, WILBERFORCE COURT, HULL, HU1 1UY

PRESENT:

K Marshall, NHS Hull CCG (Lay Member) (Chair)
J Stamp, NHS Hull CCG (Lay Member)

IN ATTENDANCE:

P Bevan, Counter Fraud Specialist, AuditOne
N Hallas, Manager – Public Services, Mazars LLP
P Heaford, NHS Hull CCG (Personal Assistant) - *Minute Taker*
S Kendall, Audit Manager, AuditOne
M Kirkham, Partner, Mazars LPP
E Sayner, NHS Hull CCG (Chief Finance Officer)
S Smyth, NHS Hull CCG (Director of Quality and Clinical Governance/Lead Nurse) (from item 8.2)
D Storr, NHS Hull CCG (Deputy Chief Finance Officer-Finance)

1. APOLOGIES FOR ABSENCE

P Jackson, NHS Hull CCG (Lay Member) Hull (Vice Chair)
M Napier, NHS Hull CCG (Associate Director of Corporate Affairs)

2. MINUTES OF THE PREVIOUS MEETING HELD ON 15 JANUARY 2019

The minutes of the Integrated Audit and Governance Committee (IAGC) meeting held on 15 January 2019 were submitted for approval. It was agreed that these were a true and accurate record of the meeting.

Resolved:

(a)	Members of the Integrated Audit and Governance Committee approved the minutes of the meeting held on 15 January 2019 as a true and accurate record and these would be signed by the Chair.
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3. MATTERS ARISING / ACTION LIST

The Action List from the meeting held on 15 January 2019 was presented for information and the following update was provided:

Action from Minute 9.3 of the IAGC meeting held on 15 January 2019

In relation to contingency planning for a deal of no deal Brexit, the Chair was still awaiting assurance from the Emergency Preparedness Resilience and Response Business Continuity Management (EPRR/BCM) group that providers had plans in place to manage the situation – this information action would now be marked as 'red'

Resolved:

(a)	The Action List from the meeting held on 15 January 2019 and the updates provided were noted.
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4. NOTIFICATION OF ANY OTHER BUSINESS

Any proposed item to be taken under Any Other Business must be raised and, subsequently approved, at least 24 hours in advance of the meeting by the Chair.

Resolved:

(a)	There were no items of Any Other Business to be taken at this meeting.
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5. 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 Item No	Nature of Interest and Action taken

Resolved:

(a)	There were no declarations of interest to note in relation to agenda items discussed at this meeting
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6. EXTERNAL AUDIT

6.1 AUDIT PROGRESS AND TECHNICAL UPDATE REPORT

Nicola Hallas, Mazars LLP, presented the above report for information.

Audit Progress

Members were advised that progress with regard to the 2018/19 audit was underway; interim work had commenced and to date there had been no issues to report. Mazars were working with the CCG and were currently on track to deliver.

Technical Update and National Publications

The National Audit Office (NAO) publications and updates provided were noted with interest and, in particular, reference was made to the deferral of IFRS 16 Leases

whereby the Treasury had delayed the implementation of the new leasing standard until 2020/21.

Assurance:

The Board can be assured that work was progressing to plan with regard to the 2018/19 audit; interim work had commenced and there had been no issues to report.

IAGC members continued to be kept updated on national guidance and publications.

Resolved:

(a)	Integrated Audit and Governance Committee members noted the contents of the Audit Progress and Technical Update Report.
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7. INTERNAL AUDIT

7.1 INTERNAL AUDIT PROGRESS REPORT

Sue Kendall, AuditOne, presented the Internal Audit Progress Report to inform the Integrated Audit and Governance Committee on progress made with regard to the 2018/19 Internal Audit Plan and the following update was provided:

Three final reports had been issued since the last meeting of the Integrated Audit and Governance Committee, namely:

- **Primary Medical Care Commissioning** - a risk based audit of Primary Medical Care had been undertaken. No major issues had been identified and a **substantial level of assurance** had been provided with one medium recommendation in relation to the Business Continuity Plan Policy (BCM)
- **Conflicts of Interest** - a compliance audit of Conflicts of Interest had been undertaken. Governance, risk management and control arrangements had provided **substantial assurance** that the risks identified were being managed effectively and compliance with the control framework had been found to be taking place. No recommendations had been made.
- **Financial Management/Financial Control** - a risk based audit of Financial Management and Financial Control had been undertaken. Governance, risk management and control arrangements had provided **substantial assurance** that the risks identified were being managed effectively and compliance with the control framework had been found to be taking place. No recommendations had been made.

Internal Audit Plan 2018/19

No changes had been made to the 2018/19 Internal Audit Plan since the previous Integrated Audit and Governance Committee meeting.

It was noted that three audits were in progress and one audit had yet to be started. It was reported that the Assurance Framework audit had now been finalised and a meeting would be taking place on 27 March 2019 to finalise the joint audit with ERY CCG in relation to Partnership Working – Aligned Incentive Contract – the final report on which would be brought to the next IAGC meeting on 14 May 2019.

In relation to the scope of the audit of Partnership Working – Local Authority Integration which had yet to commence, the Chair requested clarity around the governance arrangements and decision making process and Jason Stamp sought understanding of the reporting mechanisms and outcome in order that a complete picture of the full cycle could be gained.

The Chief Finance Officer provided assurance that there had been no legislative change and the CCG would retain its statutory responsibility. It was acknowledged that there was currently a level of duplication which would need to be worked through as both organisations gained a clearer understanding of each other's ways of working and cultures through engagement and involvement in order to use the collective resource to the best value

It was proposed that the review of Local Authority Integration be two-phased:

- Phase One – would be a technical review of the terms of reference of the relevant joint committees (Committees in Common, Integrated Commissioning Officers Board, Joint Commissioning Forum)
- Phase Two – would track a particular decision or service, both through the CCG's governance process and the Local Authority's governance process – the specific area to be tracked would be selected from the Joint Commissioning Forum workplan by the Chief Finance Officer.

Head of Internal Audit Opinion

To date, no issues had been identified that would adversely affect the annual Head of Internal Audit Opinion (HoAI) for 2018/19. It was further reported that a draft HoAI had been issued last week which had provided substantial assurance

Follow Up Summary

The period of time between the original implementation date and revised implementation date for the agreed action in relation to Continuing Healthcare (CHC) and Personal Health Budgets was queried. The reason for the time lapse would be investigated.

IAGC members were advised that there had been an increase in the day rate for 2019/20. It was noted that there was some overlap and discussion would take place between the Chair and Chief Finance Officer to look at potentially streamlining some of the reviews in order to make some efficiencies and agree the number of days required.

The final Internal Audit Plan for 2019/20 would be presented to the next IAGC meeting on 14 May 2019.

Assurance:

- (i) The Board can be assured of satisfactory progress and outcomes in delivering the Internal Audit Plan, which continued to represent appropriate coverage as part of the wider assurance framework.
- (ii) The Board can be assured that an audit of the systems and processes in place in relation to Primary Medical Care Commissioning had provided **substantial assurance** that the risks identified were being managed effectively. No major issues had been identified and one medium recommendation had been made.
- (iii) The Board can be assured that an audit of the systems and processes in place to manage Conflicts of Interest had provided **substantial assurance**

that the risks identified were being managed effectively. No major issues had been identified and no recommendations had been made.

- (iv) The Board can be assured that an audit of systems and processes in place in relation to Financial Management and Financial Control had provided **substantial assurance** that the risks identified were being managed effectively. No major issues had been identified and no recommendations had been made.

Resolved:

(a)	Integrated Audit and Governance Committee Members noted the progress against the 2018/19 Internal Audit Plan, and
(b)	Integrated Audit and Governance Committee Members noted the content of the final reports in relation to Primary Medical Care Commissioning, Conflicts of Interest and Financial Management and Financial Control which had all provided substantial assurance .
(c)	The Chair and Chief Finance Officer would look at potentially streamlining some of the reviews in order to make some efficiencies and agree the number of days required to deliver the Internal Audit Plan for 2019/20
(d)	The final Internal Audit Plan for 2019/20 would be presented to the IAGC meeting on 14 May 2019.

**7.2 COUNTER FRAUD PROGRESS REPORT
OCTOBER 2018 TO FEBRUARY 2019**

Paul Bevan, Counter Fraud Specialist for AuditOne, presented the above report which outlined the progress of counter fraud work that had been conducted in respect of the 2018/19 Counter Fraud Plan.

IAGC members were assured that work was on track and the plan would be delivered by 31 March 2019.

It was reported that the payroll matches for the 2018/19 NFI exercise had been released at the end of January 2019 and work was underway to review these. Results for additional types of matches were awaited and further information from this area of work would be provided in due course.

A number of fraud intelligence alerts had been issued during the period and shared appropriately with CCG staff.

There were currently three on-going investigations, details of which were provided.

With regard to potential issues in a premises related claim, the Chief Finance Officer advised that a meeting had taken place 27 Feb 2019 between Hull CCG, NHS England and AuditOne with the respective Counter Fraud teams in order to be clear about the issues and where the responsibility lies.

A newsletter produced by NFI had been circulated for information.

Terry Smith, Head of Service for Counter Fraud at AuditOne, would be meeting with the Chief Finance Officer on 21 March 2019 to discuss the Counter Fraud Plan for 2019/20.

Assurance:

The Board can be assured that work against the Counter Fraud Plan for 2018/19 was on track and would be delivered by end of the year.

A number of fraud intelligence alerts had been issued and shared appropriately with CCG staff and there were currently three on-going investigations taking place.

Resolved:

(a)	Integrated Audit and Governance Committee Members noted the contents of the counter fraud progress report for the period October 2018 to February 2019.
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8. FINANCIAL GOVERNANCE

8.1 FINANCIAL REPORT

The Deputy Chief Finance Officer presented the Financial Report for consideration, which provided the summary financial performance for the period 1 April 2018 to 28 February 2019 and the CCG's draft year end position for 31 March 2019.

Members were advised that the CCG was currently forecasting to achieve a balanced position against the in year allocation. There was therefore no impact on the CCG's historic surplus of £15.267m which was in line with the 2018/19 financial plan submitted to NHS England.

The 2018/19 running cost allocation was £6.21m and the current forecast was that expenditure would be contained within this financial envelope.

Financial variances were mainly the same areas as previously reported and the following update was provided:

- Community Services (forecast overspend of £1.3m) - this had increased by £0.5m compared to previous reports. This was due to various increases in estates costs that were notified to the CCG at a late stage by the property companies. The CCG had raised a number of challenges to this increase and withheld payment for a significant period; however it had now agreed to pay up to Month 9 whilst issues were resolved.
- Primary Care (forecast underspend of £3.8m) – costs in relation to prescribing continued to indicate that there was likely to be an underspend in 2018/19. There were also forecast underspends on the delegated primary care budget as notified by NHS England.
The Chair sought assurance on how the CCG ensured appropriate spend. The Chief Finance Officer advised that there was an appropriate level of spend on prescribing through delivery of the QIPP targets. Jason Stamp commented that this was a significant achievement.
- Continuing Healthcare (forecast underspend of £1.0m) - this area continued to underspend. There remained a potential issue with the Local Authority following reports of un-recharged packages of care; however further detailed information with regard to this issue was still awaited.

Discussion took place in relation to Direct Payments whereby GPs were being reimbursed for rent charged by property companies. Property companies were sending bills but a lot of these remained unpaid. This was resulting in a debt for

property companies and, moving forward, it was proposed that the CCG could help out by paying the money directly to CHP and NHS Property Services which would involve changes to process and contracts. Further information on this area would be reported in the Finance Report to the May IAGC.

Debtors and Creditors

There were ten creditors over six months old and over £5,000 which in total came to £1,350k.

In relation to the invoice from CHCP for £95k for walk in activity at Wilberforce Health Centre which was being disputed through the Contract Management Board, the Chair queried if this was due to an increase in activity as a result of the walk in service growing or whether the activity was coming from certain practices. This area would be monitored to ascertain where the peaks were coming from and addressed and would be picked up by the Primary Care Quality and Performance Sub-Committee.

Assurance:

The Board can be assured that the CCG was currently forecasting to achieve a balanced position against the in-year allocation and there was therefore no impact on the CCG's historic surplus of £15.267m. This was in line with the 2018/19 financial plan submitted to NHS England.

The 2018/19 running cost allocation was £6.21m and the current forecast was that expenditure would be contained within this financial envelope.

Resolved:

(a)	Integrated Audit and Governance Committee Members considered the performance for the year to 28 February 2019 and the forecast of an in year balanced position, and
(b)	Integrated Audit and Governance Committee Members noted the achievement of financial targets.
(c)	An update on the issue in relation to Direct Payments to GPs for rent charged by property companies would be provided in the Financial Report to the May IAGC meeting.
(d)	Increased walk in activity at Wilberforce Health Centre would be monitored to ascertain where the peaks were coming from – to be picked up by the Primary Care Quality and Performance Sub-Committee.

The Director of Quality and Clinical Governance/Lead Nurse joined the meeting.

8.2 LOSSES AND SPECIAL PAYMENTS

There were no losses or special payments to report.

8.3 ACCOUNTING POLICIES

The Deputy Chief Finance Officer reported that the Accounting Policies had not been issued in time to bring to this meeting but advised that there would be no significant changes. Any changes would be highlighted in the IAGC annual accounts review meeting due to take place on 18 April 2019.

Resolved:

(a)	Any changes to the Accounting Policies would be highlighted in the IAGC
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9. GOVERNANCE

9.1 WAIVING OF PRIME FINANCIAL POLICIES

The following three approved tender waivers were noted:

- Community Paediatric Services
 Proposed Provider: City Health Care Partnership
 Contract Value: £1,899k per annum
 Contract Period: 3 years
- Community Services that are out of scope of the Integrated Community Services Contract
 Proposed Provider: City Health Care Partnership
 Contract Value: £1.289m per annum
 Contract Period: 3 years

The Chief Finance Officer advised of proposals for possible changes to procurement legislation and requirements for NHS providers and would share this information.

- Generation Hull
 Proposed Provider: Absolutely Cultured
 Value: £65,000 non-recurrent in 2018/19

The Chief Finance Officer (CFO) advised that the above was a legacy payment on the back of the City of Culture. Members queried the approval process and value for money and the CFO agreed to feed their comments back to the Senior Leadership Team.

Assurance:

The Board can be assured that IAGC Members noted three approved tender waivers in respect of:

- Community Paediatric Services
 Proposed Provider: City Health Care Partnership
 Contract Value: £1,899k per annum
 Contract Period: 3 years
- Community Services that are out of scope of the Integrated Community Services Contract
 Proposed Provider: City Health Care Partnership
 Contract Value: £1.289m per annum
 Contract Period: 3 years
- Generation Hull
 Proposed Provider: Absolutely Cultured
 Value: £65,000 non-recurrent in 2018/19

Resolved:

(a)	Integrated Audit and Governance Committee Members noted the approved tender waivers in respect of: Community Paediatric Services, Community Services that are out of scope of the Integrated Community Services
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9.2 BOARD ASSURANCE FRAMEWORK

Members were presented with the current Board Assurance Framework (BAF) for consideration. In the absence of the Associate Director of Corporate Affairs, the Chair advised that should anyone have any queries with regard to the BAF, these would be addressed at the CCG Board on Friday 22 March 2019.

The BAF comprised of a total of 43 risks relating to the 12 strategic objectives of the CCG for 2018/19

The Director of Quality and Clinical Governance/Lead Nurse advised that the next step would be the close down of the existing 2018/19 BAF, which would be debated at the CCG Board on Friday 22 March 2019. A new BAF for 2019/20 would be developed based on the strategic objectives of the CCG for 2019/20 and the associated risks which would also link in with the staff AGM to be held on 8 May 2019. IAGC members commented that the size of the new BAF would need to be more relevant and appropriate with real risks and meaningful updates.

Assurance:

The Board can be assured that IAGC Members had considered the updates provided against the assessed risks on the Board Assurance Framework (BAF) which related to the CCG's 2018/19 strategic objectives. Following the close down of the current BAF, a new BAF would be developed based on the strategic objectives of the CCG for 2019/20 and associated risks.

Resolved:

(a)	Integrated Audit and Governance Committee Members noted the updates provided against the assessed risks on the 2018/19 Board Assurance Framework.
(b)	A new BAF would be developed for 2019/20 based on the CCG's strategic objectives and associated risks.

9.3 CORPORATE RISK REGISTER

Members were presented with the Corporate Risk Register for approval.

There were currently 26 risks on the CCG Risk Register. Of the 26 risks, 18 had a current risk rating of high or extreme and were included within the report.

It was noted that there had been no movement on the Risk Register since the previous meeting held in January 2019 and IAGC members were happy to approve the relevant risks, controls and assurances within the register. In the absence of the Associate Director of Corporate Affairs, members were advised that there would be an opportunity for greater discussion with regard to the Risk Register at the CCG Board on Friday 22 March 2019.

The Director of Quality and Clinical Governance/Lead Nurse reported that, as quality impacted on service re-design, there needed to be greater connectivity between the Planning and Commissioning Committee and the Quality and Performance Committee and this would take the form of focused pieces of work.

Assurance:

The Board can be assured that systems and processes were in place to identify and manage risks. There had been no movement on the Risk Register since the previous meeting held in January 2019.

Resolved:

(a)	Integrated Audit and Governance Committee Members noted and approved the risks, controls and assurances within the Risk Register.
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9.4 RISK MANAGEMENT STRATEGY

Members were presented with the updated Risk Management Strategy for approval.

The Risk Management Strategy was an integral part of the CCG's corporate governance framework and, as such, was subject to annual review.

It was noted that only minor housekeeping elements had been updated and IAGC members approved the updates made to the Risk Management Strategy.

Assurance:

The Board can be assured that, following annual review, the CCG's updated Risk Management Strategy had been approved by the IAGC. The strategy would now be published on the CCG website.

Resolved:

(a)	Integrated Audit and Governance Committee Members noted the updates made to the Risk Management Strategy.
(b)	Integrated Audit and Governance Committee Members approved the updated Risk Management Strategy which would be published on the CCG website.

9.5 EMPLOYEE DECLARATIONS OF SECONDARY EMPLOYMENT

Members were presented with a report which provided details of Employee Declarations of Secondary Employment, which was in compliance with the CCG's Standards of Business Conduct as set out in the CCG's Constitution.

Members considered and noted the employee declarations of secondary employment made which supported the CCG's process of transparency and openness.

Assurance:

The Board can be assured that the CCG, as part of the annual governance process, has received updated Employee Declarations of Secondary Employment.

Resolved:

(a)	Members noted the Employee Declarations of Secondary Employment
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9.6 FREEDOM OF INFORMATION (FoI) QUARTER 3 REPORT

Members were presented with the above report which provided an update on the current position and performance against FoI requests made to NHS Hull CCG from

1 October 2018 to 31 December 2018, along with a comparison against Quarter 3 in 2017/18.

All requests processed in Quarter 3 had been completed within the statutory 20 working day deadline.

In accordance with the new Code of Practice, whereby organisations would be required to publish details of their performance on handling requests for information on a quarterly basis in line with central government, it was noted that this reporting may not be in line with the IAGC meetings and information could potentially be published on the website before it was seen at IAGC meetings.

It was agreed that Fol reports would continue to be brought to the IAGC on a regular basis in order for members to retain sight of performance, along with themes and trends. Should the reporting pattern fall out of sync with IAGC meetings, then Jason Stamp would need to have sight of the information before it was published.

Assurance:

The Board can be assured that the CCG has a process in place to record and respond to all Fol requests received. All requests processed in Quarter 3 had been completed within the statutory 20 working day deadline.

Resolved:

(a)	Integrated Audit and Governance Committee Members IAGC noted the contents of the Fol Q3 Report;
(b)	Should the Fol reporting fall out of sync with IAGC meetings, then Jason Stamp would need to have sight of the information before it was published.

9.7 POLICIES

It was noted that, due to a timing issue, the Security Management Policy had been approved virtually since the last meeting of the IAGC.

9.8 HEALTH, SAFETY AND SECURITY GROUP (H,S&SG) MINUTES - the minutes of the meeting held on 12 December 2018 were noted.

9.9 QUALITY AND PERFORMANCE COMMITTEE MINUTES – the minutes from the meetings held on 18 December 2018 and 22 January 2019 were noted.

9.10 PRIMARY CARE QUALITY AND PERFORMANCE SUB-COMMITTEE MINUTES – the minutes of the meeting held on 20 November 2018 were noted. The Terms of Reference of the Primary Care Quality and Performance Sub-Committee would need to come to the IAGC in July, along with the other Committee terms of reference.

9.11 PRIMARY CARE COMMISSIONING COMMITTEE MINUTES – the minutes of the meeting held on 14 December 2018 were noted.

9.12 PLANNING AND COMMISSIONING COMMITTEE MINUTES - the minutes of the meetings held on 7 December 2018 and 4 January 2019 were noted. It was noted that the meeting on 4 January 2019 was note quorate and this would need to be stated at the top of the minutes.

It was further agreed that the ordering of minutes should reflect the order items were taken in the meeting.

9.13 COMMITTEES IN COMMON MINUTES – there were no approved minutes available for this meeting.

9.14 INFORMATION GOVERNANCE STEERING GROUP ACTION NOTES – the action notes from the meeting held on 17 October 2018 were noted.

10. GENERAL

10.1 ANY OTHER BUSINESS

10.2 DATE AND TIME OF NEXT MEETING

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

There will be extraordinary IAGC meeting on **Thursday 18 April 2019** at 2.00pm to review the draft accounts

Signed:



Chair of the Integrated Audit and Governance Committee

Date: 14/05/2019

Abbreviations

AAL	Annual Audit Letter
AGS	Annual Governance Statement
AIC	Aligned Incentive Contract
ASM	Audit Strategy Memorandum
BAF	Board Assurance Framework
BCF	Better Care Fund
CHC	Continuing Healthcare
CHCP	City Healthcare Partnership CIC
CiC	Committees in Common
CoI	Conflicts of Interest
CYP	Children and Young People
DoLS	Deprivation of Liberty Safeguard
EPRR/BCM	Emergency Preparedness Resilience and Response Business Continuity Management
EROY CCG	East Riding of Yorkshire CCG
FoI	Freedom of Information
GDPR	General Data Protection Regulation
HoIAO	Head of Internal Audit Opinion
HS&SG	Health, Safety and Security Group
HUTHT	Hull University Teaching Hospitals NHS Trust
ICC	Integrated Care Centre
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
NAO	National Audit Office
NECS	North of England Commissioning Support
NFI	National Fraud Initiative
NHSE	NHS England
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