

INTEGRATED AUDIT AND GOVERNANCE COMMITTEE

**MINUTES OF THE EXTRAORDINARY MEETING HELD ON 21 APRIL 2021
at 3.30pm via Teams**

PRESENT:

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

IN ATTENDANCE:

P Heaford, NHS Hull CCG (Personal Assistant) - *Minute Taker*
S Milner, NHS Hull CCG (Head of Finance)
M Napier, NHS Hull CCG (Associate Director of Corporate Affairs)
E Sayner, NHS Hull CCG (Chief Finance Officer)
D Storr, NHS Hull CCG (Deputy Chief Finance Officer)
R Walker, Mazars LPP (External Audit) (*up to item 2*)

1. APOLOGIES FOR ABSENCE

Apologies for absence had been received from M Kirkham, Mazars LPP

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

Resolved

(a)	No declarations of interest were made.
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The Chair expressed her thanks to the Chief Finance Officer and her team for their continued hard work in producing a comprehensive set of draft annual accounts.

The Chief Finance Officer also wished to convey her thanks to the team, in particular to the Deputy Chief Finance Officer and the Senior Finance Manager who had taken the lead in delivering and achieving the set of draft annual accounts which were being presented today.

The submission deadline for the draft annual accounts was Tuesday 27 April 2021 and members were advised that this was a working draft and there may be some formatting issues and areas of clarification to draw out in terms of analytical review.

3. DRAFT ANNUAL ACCOUNTS 2020/21

The Head of Finance presented the NHS Hull CCG draft Annual Accounts for 2020/21 for consideration.

IAGC Members were taken through the accounts in detail, in order for any specific questions and points of clarification to be addressed

The following significant movements and points of note were highlighted:

Statement of Comprehensive Net Expenditure

The values for this section were showing significant increases in spend from last year due to the Covid spend and ICS spend for normal running and of Covid top-up. This section would be covered in more detail in future notes.

Statement of Cash Flows

The CCG had reported a final cash balance of £18k in the bank at 31 March 2020. This was the result of a £15k payment bounce-back on the final day, prior to this the cash balance had been down to £3k.

Notes to the Financial Statements

This section was still being worked through and some of the notes would be removed and finalised.

Other Operating Revenue

The values for this section were significantly lower which was mainly due to the fact that block arrangements had been in place within the NHS and there had been no recharges made.

Employee Benefits and staff numbers

These were slightly lower than the previous year and there had been some transfers out as part of the old STP team.

Operating Expenses

With regard to the increased expenditure, particularly with NHS Trusts and Foundation Trusts, the Chief Finance Officer advised that this was a result of the way that system funding for the Humber Coast and Vale region had flowed through Hull to provider organisations and other CCGs. It was agreed that further wording would be included to explain the role that the CCG had taken to clearly articulate particularly where it had an impact on the income and expenditure lines within the statutory accounts.

There had also been an increase in non NHS spend, with Hull City Council and City Healthcare Partnership for Covid related costs, primarily associated with the Hospital Discharge programme.

Increased expenditure for GP contracts had been made up of pass through payments from NHS England for Covid related costs plus the re-imbursments that the CCG had processed in the first part of the year, for which top-up funding had been received.

Consultancy costs, for which there had been no spend previously, were in relation to the transition to an ICS.

Other Professional Fees was a reduction because last year Business Intelligence Services with emBED had sat in here and they had now moved to NECS and sat within NHS expenditure.

A breakdown of Other Expenditure had been included but this had not significantly changed from last year.

Better Payment Practice Code

Performance against targets had remained largely the same as last year.

Property, Plant and Equipment

This referred to the CCGs limited assets and related to the refit of floor 3 at Wilberforce Court.

Trade and other receivables

The accruals for the Maternity Pathway had been released to I&E, the net effect of this with incomplete spells was not material.

The reduction in Non-NHS and Other WGA receivables: Revenue was due to outstanding credit notes.

There were higher levels of accruals, rather than actual invoices, for flu vaccines and prescribing recharges from last year

Receivables past their due date but not impaired

The £11k credit referred to a refund received for some non-contracted activity that had not been matched off against an actual invoice. This would be matched off and cleared.

Trade and other payables

This section included the release of incomplete spells

There were significantly lower levels of NHS accruals due to the national block contract payment arrangements

The non-NHS accruals were in line with the increase in spend

Contingent Liabilities

The contingent liability note for the VAT on the eMBED contract had been left in.

The Chief Finance Officer advised that she would look at this area before final submission with a view to enhancing the wording.

Related party transactions

This section was in the usual format, it was noted that some of the payments to practices for Covid had increased and this had been split down into the PCNs for further information.

It was agreed that any locum work carried out by Dr Vince Rawcliffe would need to be reflected under this section. It was further agreed that reference would need to be included with regards to Dr Rawcliffe's daughters professional role in a Hull GP practice..

Payments made to Dr David Heseltine, as the Secondary Care GP, would also need to be included as this had formed part of a block payment with York FT this year

Financial Performance Targets

In relation to targets, it was reported that a final allocation change in relation to the hospital discharge programme of £122k was still awaited. There was also a £2k underspend in relation to the Independent Sector.

The Chief Finance Officer requested everyone, as a priority, to have a close read through the draft accounts and if they had any further questions or comments to submit these to either herself or the Chief Finance Manager by Friday 23 April 2021.

The Chair also re-iterated this request as she was aware that Members had not had much time to look at these in detail before the meeting.

Subject to some minor amendments to formatting and areas identified during the meeting and a final consistency check, the draft Annual Accounts would be submitted by the deadline of 9.30am Tuesday 27 April 2021

The draft accounts would then go through a rigorous process of audit and the audited Annual Accounts 2020/21 would be presented to Integrated Audit and Governance Committee members at an extraordinary meeting on 26 May 2021, prior to submission to the CCG Board on 28 May 2021 for formal sign off.

The Chair expressed her sincere thanks to all those involved in the production of an accurate and comprehensive set of accounts.

4. DRAFT REMUNERATION REPORT 2020/21

The Chief Finance Officer presented the Remuneration Report for consideration which contained information which would form part of the Annual Report. Members were requested to check that this information was correct for themselves and if there were any comments or queries in relation to the Remuneration Report to submit these by Friday 23 April 2021

It was noted that there was an on-going query in relation to Clare Linley's pension benefits which was being raised by North Lincs CCG

5. DRAFT ANNUAL GOVERNANCE STATEMENT 2020/21

The Associate Director of Corporate Affairs presented the draft Annual Governance Statement (AGS) 2020/21 for consideration. Members were advised that this document was still a 'work in progress' and there were a number of highlighted areas where either further information was awaited or the information needed to be updated.

The following areas of particular note were highlighted:

Governance Statement

A lot of the wording in this section was standardised and the narrative around governance arrangements and effectiveness had been worked through in previous years.

The Committee chart on page 2 had been updated in relation to the Operational Delivery Group (the name of the group had been changed in-year from the Programme Delivery Board).

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

The summaries of each committee were similar to previous years, with highlights of the activity and work undertaken by each committee.

Each of the committees had been updated in terms of the summary of the activity that they have done during the year and, for the majority of the committees, that had included reference to their role in oversight or direction in relation to the Covid response.

Council of Members had not been quorate at one meeting and this had been flagged; meetings of the Governing Body, Integrated Audit and Governance Committee, Quality and Performance Committee, Primary Care Commissioning Committee and the Remuneration Committee had all been quorate. The Planning and Commissioning Committee had not been quorate on two episodes and the steps taken in that regard had been explained.

It was noted that resilience around quoracy had been maintained across the majority of meetings through the adoption of flexible and virtual arrangements for those meetings.

Members were requested to submit any comments in relation to the summary of the activity of each of the committees. The Chair requested that the IAGC's scrutiny of the finance report be reflected (on pages 19 and 20).

In relation to committees and their membership and attendance, the Chair pointed out that the information for Committees in Common was incorrect. This would be picked up and Members were requested to advise of any other inaccuracies noted. The improved format of recording committee attendance was welcomed and demonstrated rigorous governance.

UK Corporate Governance Code

This was the same as in previous years in terms of the CCG's position in relation to this code which drove the statutory functions.

Discharge of Statutory Functions

Risk Management arrangements and effectiveness

This section followed the same format as in previous years where a description was given of the arrangements in place for the CCG.

It was highlighted that the last time the Risk Management Strategy had been formally updated and reviewed was March 2020, therefore technically we were outside of the 12 month period, this would be picked up and addressed and Members were advised that it still remained extant and valid.

Capacity to Handle Risk

Risk Assessment Process

This section followed the same narrative and methodology as in previous years. The approach taken in Hull in reporting our risk assessment was to describe the risk rating

process: extreme, high and medium rated risks and report the extreme rated risks at the start of the year and the end of the year in order that people can track progress.

This year, by the end of 2021, we had no extreme rated risks and therefore the next highest rated risks had been included, of which there were 5. A description of each risk along with the controls and assurances, including the action taken to mitigate each of these risks, had been included.

Other Sources of Assurance

Internal Control Framework – this section was the same as in previous years.

Annual audit of conflicts of interests

The CCG had received substantial assurance following an annual internal audit of conflicts of interest management.

Data Quality/Information Governance

Good progress had been made to date in relation to the annual data security and protection toolkit submission. The deadline for the submission was June 2021 and we were now 90% complete with all the evidence required. There were still some IT technical submissions required in order to be complete. The CCG was required to achieve 95% staff compliance with Data Security Awareness Training – this had almost been reached and a final push was being made with the remaining individuals. It had been assumed that we would submit on time and would be able to report again a satisfactory level of compliance to the standards.

Business Critical Models

This was similar to previous years – there had been no changes.

Third Party Assurances

As members were aware this was always a last minute inclusion and the CCG was totally dependent on the assurances being sent in from third parties.

To date none of the assurances had been received, but it was reported that there was a collective effort between the finance teams in Hull, East Riding of Yorkshire and North Lincolnshire CCGs who were awaiting the same third party assurances and, when received, these would be shared.

An update on the position with NHS SBS was still awaited. If there was no change, then the narrative from the previous year would be reflected.

Control Issues

The control issues were consistent with those that had been reported in Month 9.

The precise year-end figures would need to be obtained and, as reported previously, the areas which we were reporting lack of control where we had failed to meet the targets were Cancer Access, RTT and A&E Waits.

Economy, Efficiency and Effectiveness

Delegation of Functions

Counter Fraud Arrangements

This wording was the same as in previous years as the circumstances and the controls and measures that we have in place have not changed.

Counter fraud arrangements would be updated following a conversation with the Local Counter Fraud Specialist but these would fundamentally remain the same.

Head of Internal Audit Opinion (HoIAO)

The Chief Finance Officer advised that the draft HoIAO had been received and had been submitted to Sharepoint within the relevant timescales. A copy of the draft HoIAO would be forwarded to the Associate Director of Corporate Affairs in order for this to be reflected in the AGS accordingly.

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

This section was standard wording that had been used in previous years and the conclusion was that, with the exception of the internal control issues outlined, there were no other matters of internal control.

The Chair requested that if anyone had any queries or comments they wished to raise in relation to the content of the AGS, that these be submitted to the Associate Director of Corporate Affairs.

The Chair thanked everyone involved for all their effort in getting the CCG to this point on time and in the current climate.

6. DATE AND TIME OF NEXT MEETING

The next full meeting of the IAGC would be held on **Tuesday 11 May 2021**, at 9.00am via Teams.

There would be a further extraordinary IAGC meeting on **Wednesday 26 May 2021** at 4.00pm to review the audited accounts, prior to formal sign off by the CCG Board on 28 May 2021.

Signed:



Chair of the Integrated Audit and Governance Committee

Date: 11 May 2021

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