

**INTEGRATED AUDIT AND GOVERNANCE COMMITTEE**

**MINUTES OF THE EXTRAORDINARY MEETING HELD ON 26 MAY 2021  
at 4.00pm 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:**

K Betts, Audit Yorkshire (Internal Audit Manager)  
P Heaford, NHS Hull CCG (Personal Assistant) - *Minute Taker*  
H Kemp-Taylor, Audit Yorkshire (Managing Director and Head of Internal Audit)  
M Kirkham, Mazars LPP (External Audit)  
S Milner, NHS Hull CCG (Head of Finance)  
M Napier, NHS Hull CCG (Associate Director of Corporate Affairs)  
D Storr, NHS Hull CCG (Deputy Chief Finance Officer)  
R Walker, Mazars LPP (External Audit)

**1. APOLOGIES FOR ABSENCE**

Apologies for absence had been received from:  
E Sayner, NHS Hull CCG (Chief Finance Officer)

**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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**3. NHS HULL CCG AUDITED ANNUAL ACCOUNTS 2020/21**

The Head of Finance presented the audited NHS Hull CCG Annual Accounts 2020/21.

Members were 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 21 April 2021.

The Head of Finance took members through the key highlights and pointed out any minor changes made and new notes that had been added since the last review.

These were as follows:

Page 2

The contents page had changed slightly: one of the headings and the page numbers had been amended

Pages 7, 8 and 9

Some of the rows had been hidden which contained nil values.

(Rob Walker advised that this had been actioned at the request of the technical team)

Page 10

Some of the nil value rows had been hidden and note numbers amended.

Page 11

Notes to the financial statements

Some of the notes had been removed which did not relate to Hull CCG.

1.3 The wording had been changed slightly on the Pooled Budget note in order for it to make more sense

Page 14

Numbering had been amended from 3.1 to 3

Page 16

4.3 The Exit Packages table had been removed and had been reduced to a note that stated that there weren't any

4.4 The Pensions note had changed in accordance with an updated note received from NHS England

Page 17

5 Operating Expenses

The following notes at the bottom of the page were highlighted:

Notes 1 and 2 that explained the Covid Top-up funding for the NHS providers had been amended slightly

Note 5 - had been included

Note 7 – the Internal Audit fee note had been amended to include the value

Page 18

7 Operating Leases - the table for 7.1.2 was now showing and the payments had been split into different time categories

Page 19

9 Property, plant and equipment - the prior year had been added

Page 20

11 Trade and other payables - a note to include the 19/20 value for pensions had been added

Page 21

What had been Note 12 – Contingent Liabilities for the eMBED VAT, had been removed

Page 22

13 - Operating Segments – a prior year comparison had been included with a short explanation underneath with the value of the ICS top-up and Covid funding.

14 – Pooled Budgets – the note had been expanded.

Page 23

15 Related Party Transactions - Dr Vince Rawcliffe and David Heseltine had been added in. The prior year numbers had also been added.

Page 27

17 Financial performance targets - a note had been added regarding the ICS funding

Rob Walker informed that they had almost completed the work, there were various pieces of testing that they needed to complete and there was a possibility that there may be minor changes required to text relating to some of the final reviews. No major issues had been identified and he was not anticipating any major changes.

The plan was to sign off the accounts during w/c 7 June 2021, following the closure of the ledger.

The Chair confirmed that the IAGC would formally recommend that the NHS Hull CCG audited Annual Accounts 2020/21 were adopted and approved by the CCG Board at its meeting on Friday 28 May 2021. A clear mechanism would be produced to grant delegated authority to sign the final statements after the Board meeting.

Rob Walker advised that, once a finalised position had been reached, an update letter would be produced that would explain if they had identified any further issues. This would be done as a matter of course to provide positive assurance that they had completed their work and that there are no more issues to report.

The Chair expressed her thanks to everyone involved and for all the hard work that had gone into the production of the accounts during what had been a challenging year.

### **Resolved**

(a)	The minor amendments made to the Annual Accounts for 2020/21 were noted;
(b)	The IAGC would formally recommend the audited Annual Accounts for 2020/21 to the CCG Board for approval on Friday 28 May 2021, subject to completion of the final pieces of testing.
(c)	A process of delegated authority would be produced to sign the final statements after the Board meeting

IAGC Members had received a Word version of the Annual Report 2020/21 for information.

The Associate Director of Corporate Affairs advised that there were two forms of assurance that members could take from this document: the draft was well on in terms of preparation and it covered all the required essentials, and secondly, the consistency of what was said in terms of the AGS and ultimately now the accounts. The accounts would only be cut and pasted into the annual report once they had been finalised and signed off, and similarly with the AGS, once there was a completed and full version that the committee was happy to sign off.

Member noted the content of the annual report which was a representation of the work carried out this year by the organisation.

The IAGC would recommend that the Board approve the NHS Hull CCG Annual Report 2020/21, at it's meeting on 28 May 2021.

### **Resolved**

(a)	The contents of the NHS Hull CCG Annual Report 2012/21 were noted, and
(b)	the IAGC would recommend to the CCG Board that they approve the NHS Hull CCG Annual Report 2012/21 on 28 May 2021.

## **5. ANNUAL GOVERNANCE STATEMENT (AGS)**

The Associate Director of Corporate Affairs provided an update on the following changes that had been made to the AGS following discussion at the previous meeting.

Page 16 – Information Governance – in relation to the Data Security and Protection Toolkit (DSPT), members were advised that the final meeting to confirm the submission with the Chief Finance Officer as SIRO would take place tomorrow (27 May 2021). The CCG would be reporting a satisfactory level of attainment in terms of the self-assessment against the toolkit evidence.

Kim Betts advised that the file had been reviewed and the CCG had been given a high level of assurance for the DSPT review and they would be issuing the final report.

Page 17 - Third Party Assurances – as had been reported previously, these assurances came in over time. Two assurances had been highlighted in particular where qualified assurance had been given, these related to the NHS Business Services Authority (BSA) and Capita.

In relation to BSA, the main reason the qualified assurance had been highlighted was because their auditors had identified a lack of potential control in some of the physical checks and balances they do as part of the service they provide and, as a result of Covid, it hadn't been possible for them to do that during the year, so whilst the management response highlighted the number of steps and actions they have taken to either mitigate that and also follow it up, it was still a qualified assurance which we had chosen to highlight without going into the specific details.

Similarly in relation to Capita, the qualified assurance highlighted some additional steps, in addition to some of the controls they already have in place around setting up new payees on their system, and secondly, as part of their routine checks they were asked to provide a list of authorised administrators for their ophthalmic systems which wasn't as up to date as it should have been which again resulted in a

commentary in the auditors report. Reference was being made to the qualified assurance but it wasn't felt necessary to go into the detail in relation to that.

Pages 19-20 - Head of internal Audit Opinion (HoIAO) – the final HoIAO had been incorporated into the AGS which reflected the exact wording that had been provided to us and also highlighted the very high achievement against the core audit areas against which we are measured. It was further reported that, as the Data Security & Protection Toolkit audit was now complete, we would be in a position to update the assurance level for that area to High resulting in a High assurance level across all four areas.

IAGC members duly considered the AGS and would recommend to the CCG Board that they approve the AGS at the Board meeting on 28 May 2021

### **Resolved**

(a)	The changes made to the Annual Governance Statement were noted, and
(b)	the IAGC would recommend to the CCG Board that they approve the Annual Governance Statement on 28 May 2021

## **6. AUDIT COMPLETION REPORT UPDATE**

Mark Kirkham presented the Audit Completion Report for NHS Hull CCG for the year ended 31 March 2021 and advised the IAGC that, from the findings of the work completed and the anticipated results of the minor outstanding testing work, they were in a position to give an unqualified opinion on the accounts and a good view of value for money arrangements. These were two good important overall messages in the executive summary which reflected well on the CCG and the officers that had prepared a good set of accounts to work to in the timetable. He reported that these were a good set of results for the organisation and that excellent assistance had been provided in completing the audit.

Included in the Audit Plan had been significant risks around which additional audit testing would be carried out to safeguard the audit opinion and value for money conclusion.

Rob Walker provided an update in relation to those risks based on the work they had done to date, he reported that good progress had been made and advised that most of the tasks shown as outstanding on Page 7 of the report had now been completed and there were only some minor pieces of testing work to complete. He stated that it had been a really good audit, processes had worked well and very good support had been provided from the finance team within the CCG which had helped tremendously.

In terms of the key significant risks there were two main areas:

- Management of override of controls
- Related party transactions

These were inherent risks relating to all CCGs and a standard approach to these had been adopted across the sector in terms of the audit work.

No major issues had been identified from the work completed to date and it was not anticipated that there would be any further issues; there was evidence of a good control framework in both the two areas.

Some changes to disclosures had been identified and members had been taken through these as part of the earlier annual accounts discussion. Because the CCG

had gone above £500m spending, a detailed technical review had been undertaken which had identified most of those points. There had been no significant issues, which were mainly around compliance with the standards and nothing had been done which would change the reporting financial position.

The Chair thanked the auditors for their work which was very re-assuring for the committee.

## Resolved

(a)	IAGC members noted the principal conclusions and significant findings of the audit of NHS Hull CCG Annual Accounts 2020/21
(b)	IAGC members noted that the findings of the work completed and the anticipated results of the outstanding minor testing work, had indicated that an unqualified opinion on the accounts and a good view of value for money arrangements would be given.

## 7. FINAL HEAD OF INTERNAL AUDIT OPINION 2020/21

Helen Kemp-Taylor, Head of Internal Audit – Audit Yorkshire, presented the Internal Audit Annual Report and formal Head of Internal Audit Opinion 2020/21 and highlighted the following key messages:

A change of Internal Audit provider mid-way through the year had resulted in Audit Yorkshire delivering a half year audit plan for an agreed 40 internal audit days. They had kept their focus under review, given the context with Covid and the changes to the risk profile of the CCG, and had completed the plan in the agreed number of days and had met all the agreed KPIs which was a testament to the team within the CCG.

The purpose of the Head of Internal Audit Opinion (HoAIO) was to contribute to the CCG's assurances on the effectiveness of the organisation's system of internal control and in particular to support the Annual Governance Statement.

The basis for forming the HoAIO was as follows:

- an assessment of the design and operation of the CCG's assurance framework and the supporting governance and risk management processes;
- an assessment of the range of individual opinions from risk-based audit assessments, and
- an assessment of the CCG's response to Internal Audit recommendations, and the extent to which they have been implemented, particularly in the year.

A note had been included in the opinion in relation to the Public Sector Internal Audit Standards to provide reassurance that they were working in accordance with those standards.

In terms of overall outcomes, a significant overall opinion had been provided which had, at the time, been based on the 3 high assurance opinions. The outcome of the DSPT review had now also provided a high assurance opinion and this would be updated accordingly.

18 out of 26 recommendations had been implemented during the year; there was 1 overdue recommendation and 3 overdue recommendations with revised date which was not yet due.

The outcomes from AuditOne's work had been appended for completeness.

There had been no limited or low assurance reports and there were no notable control weaknesses to bring to the IAGC's attention.

Kim Betts stated that it had been a smooth transition and a good relationship had been built between the team and the CCG.

**Resolved**

(a)	IAGC members noted the content of the Internal Audit Annual Report;
(b)	noted that the final report for the DSPT review had provided a High assurance opinion, and
(b)	noted the content of the Head of Internal Audit Opinion for 2020/21 which provided a significant overall opinion.

The Chair conveyed her thanks for another successful year which was a reflection of everyone's hard work and commitment.

**8. DATE AND TIME OF NEXT MEETING:**

The next full meeting of the IAGC will be held on **Tuesday 6 July 2021**, at 9.00am

Signed: 

Chair of the Integrated Audit and Governance Committee

Date: 6 July 2021

## **Abbreviations**

ASM	Audit Strategy Memorandum
BAF	Board Assurance Framework
BCF	Better Care Fund
CHC	Continuing Healthcare
CoI	Conflicts of Interest
CYP	Children and Young People
DoLS	Deprivation of Liberty Safeguard
DSPT	Data Security and Protection Toolkit
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
NHS BSA	NHS Business Services Authority
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