

**NHS Nottingham City CCG Audit and Governance Committee
NHS Nottingham North and East CCG Audit and Governance Committee
NHS Nottingham West CCG Audit and Governance Committee
NHS Rushcliffe CCG Audit and Governance Committee**

**Ratified Shared Minutes of the Meetings Held in Common on 27 September 2018, 09.30 – 11:00,
Stapleford Suite, Stapleford Care Centre, Church Street, Stapleford, Nottinghamshire NG9 8DB**

Organisation

		NHS Nottingham City CCG	NHS Nottingham North and East CCG	NHS Nottingham West CCG	NHS Rushcliffe CCG
Members present:					
Tim Woods	Lay Member – Financial Management and Audit (Convener of the meetings in common)	✓*		✓*	
Terry Allen	Lay Member – Financial Management and Audit		✓*		
Ian Blair	Lay Member – Financial Management and Audit				✓*
Sue Clague	Lay Member	✓**			✓**
Mike Wilkins	Lay Member		✓**		

* As the Audit and Governance Committee Chair

** As a Lay Member Representative

In attendance:

Jonathan Bemrose	Chief Finance Officer	✓	✓	✓	✓
Lucy Branson	Director of Corporate Development	✓	✓	✓	✓
Jo Simmonds	Head of Corporate Assurance	✓	✓	✓	✓
Helen Clark	Governance Officer (Minutes)	✓	✓	✓	✓
Tony Crawley	KPMG – External Audit				
Claire Page	360 Assurance – Internal Audit				
Imran Asif	360 Assurance – Internal Audit				
Joanna Clark	360 Assurance – Counter Fraud				
Taelor Martin	360 Assurance - Counter Fraud				

Apologies:

Janet Champion	Lay Member	✓	✓		
Beverley Brooks	Lay Member			✓	
Sue Sunderland	Lay Member	✓			

Ref	Item
INTRODUCTORY ITEMS	
AG 047/18	<p>Welcome and apologies</p> <p>Tim Woods, as Chair of the meeting, welcomed everyone to the meetings in common and introductions were given.</p> <p>Apologies were noted as above.</p>
AG 048/18	<p>Confirmation of quoracy</p> <p>It was confirmed that the NHS Nottingham City CCG, NHS Nottingham North and East CCG and NHS Rushcliffe CCG Audit and Governance Committees were quorate in line with their own terms of reference.</p> <p>The NHS Nottingham West CCG Audit and Governance Committee meeting was not quorate in line with its own terms of reference. Lucy Branson and Jo Simmonds had assessed whether to go ahead with the meeting and had agreed with Tim Woods that this would be appropriate, as the number of Lay Members present would make the meeting effective and Tim would still be able to report back to Nottingham West's Governing Body.</p>
AG 049/18	<p>Declarations of interest for any item on the agenda</p> <p>There were no declarations of interest in relation to any items on the agenda.</p> <p>Sue Clague noted that the Conflicts of Interest Register needed to be amended as the entries for Sue Sunderland and Sue Clague had merged. This would be rectified by the Corporate Governance team.</p>
AG 050/18	<p>Management of any real or perceived conflicts of interest</p> <p>As there were no identified conflicts of interest, this item was not required.</p>
AG 051/18	<p>Minutes from the previous Committee meetings in common held on 24 May 2018</p> <p>Terry Allen queried whether himself, Tim Woods and Ann Greenwood should all have the title <i>Lay Member – Financial Management and Audit</i> as documented on page one of the minutes. Lucy confirmed that this was the statutory title of the role and was correct.</p> <p>The minutes were agreed as an accurate record.</p>
AG 052/18	<p>Action log and matters arising from the Committee meetings in common held on 24 May 2018</p> <p>There were no outstanding actions to comment on. Updates on the actions in progress were provided as follows:</p> <p><u>Assurance Framework</u> – Jo explained that a risk had been incorporated on to the Greater Nottingham risk register in relation to assurance or lack thereof that risks were being identified and escalated effectively. It was a low risk and the committee meetings in common would receive an Internal Audit follow-up report on the Greater Nottingham Transformation Programme governance arrangements in December 2018. It was agreed that this action could be closed as it was being monitored via the appropriate channels.</p> <p><u>Capita ISAE 3402 Final Type II Report for 2017/18</u> - it was noted that the NHS England National Audit Chairs Forum would meet in November 2018. The Chairs will report back to the next meeting as necessary.</p>

Information Governance Toolkit – Lucy explained that the planned Corporate Assurance Committee had been disestablished and confirmed that the Information Governance, Management and Technology Committee had delegated responsibility for Information Governance on behalf of the Greater Nottingham CCGs. This action was now complete.

All other actions were noted as complete or in progress.

COUNTER FRAUD

AG 053/18

Fraud, Bribery and Corruption Policy

Joanna Clarke presented the Fraud, Bribery and Corruption Policy for approval. The following key points were highlighted and discussed:

- (a) There was now one aligned Policy across the four Greater Nottingham Clinical Commissioning Groups.
- (b) No major changes were required but it had been updated to reflect that NHS Protect was now known as the NHS Counter Fraud Authority.
- (c) In response to a question from Ian Blair, discussion ensued regarding whether overall responsibility for this policy sat with the CCGs' senior managers or with the Committees. It was confirmed that the Committees were responsible for receiving assurance around the implementation and effectiveness of the policy (and Counter Fraud arrangements). The wording of section 5.2 on page seven would be amended to reflect this.

ACTION:

Jo Simmonds to amend the wording of section 5.2 to clarify the Committees responsibility.

The Committees **APPROVED** the Fraud, Bribery and Corruption Policy pending the amendment to section 5.2 on page seven.

Joanna Clark and Taelor Martin left the meeting at 9.45am

Tony Crawley joined the meeting at 9.45am

GOVERNANCE AND RISK

AG 054/18

Greater Nottingham CCG's Joint Risk Management Arrangements

Jo Simmonds provided an update regarding the implementation of a shared risk management framework across the four Greater Nottingham Clinical Commissioning Groups. Jo advised members of the following key points:

- (a) Each Governing Body had approved the CCGs' joint Integrated Risk Management Framework at their meetings in July 2018. The Framework sets out the CCGs' commitment to a total risk management function, a joint risk appetite statement, and approach to risk tolerance.
- (b) Work has been undertaken to combine the individual Greater Nottingham CCG risk registers. Collectively, there are now around 80 risks.
- (c) Jo confirmed that the relevant section of the risk register would be submitted to the relevant Committee with delegated responsibility for the particular risk area. Members agreed that it would be useful to know which risk/s each Committee had responsibility for managing.
- (d) The Audit and Governance Committee had been assigned risk GN077 following discussion at the 24 May 2018 Audit and Governance Committee meetings in

common. It related to the Greater Nottingham Clinical Commissioning Partnership's reporting arrangements and the risk that they could become fragmented due to the complexities of joint working, whilst still being required to operate as single organisations.

- (e) Jo highlighted that there were currently 3 major risks on the corporate risk register which had received robust scrutiny via the Joint Commissioning Committee and the Governing Bodies. These had also recently been discussed with the Executive Management Team.
- (f) Confirmation was received that the identification of risk was embedded in all meetings across the Greater Nottingham Clinical Commissioning Partnership.

Discussion ensued as follows:

- (g) In response to a question from Sue Clague, Jo confirmed that no individual or Committee had overall scrutiny of the risk register. However, the Audit and Governance Committees' were responsible for reviewing the underlying risk management processes across the Greater Nottingham CCGs and satisfying themselves that the overall system in place was effective. Members agreed that it would be useful to review the full risk register at the next meeting.
- (h) Members discussed the wording of risk GN077 and agreed that it correctly reflected what the Committee had discussed. It was noted that the risk had been expanded to encompass all reporting within the joint governance structure. It was also noted that the upcoming Internal Audit reviews on governance and risk management would also contribute to the mitigations.
- (i) Members discussed the presentation of the organisations' combined risk profile and noted that it could be misinterpreted as the profile reflected the number of risks per work area only and not the weighting of the risks documented.
- (j) Jo thanked members for their feedback on the report and advised that she would make amendments to the next update.

Jo was thanked for her update.

ACTION:

Jo Simmonds to:

- **Provide the Committees' with a copy of the full risk register;**
- **Provide a map of risk reporting arrangements;**
- **Present the risk profile in alternative methods and provide additional context in line with members' comments.**

The Committees' **NOTED** the ongoing work with regard to the Greater Nottingham CCGs' risk management arrangements, **COMMENTED** on their allocated risk and provided **FEEDBACK** on future reporting requirements.

AG 055/18

Greater Nottingham CCG's Joint Probity Arrangements

Jo Simmonds provided an update on the implementation of the Greater Nottingham Clinical Commissioning Partnerships' implementation of joint probity arrangements. Jo advised members of the following key points:

- (a) The Governing Bodies had approved the Conflicts of Interest, Gifts, Hospitality and Sponsorship and Raising Concerns (Whistleblowing) Policies. These were based on the latest national guidance and applied to anyone working for or on behalf of the organisations. Whilst these are joint policies, it was stressed that it remained the responsibility of each organisation to evidence that it was meeting the statutory requirements.
- (b) The Conflicts of Interest Register has been aligned across the four CCGs. An

exercise is underway to review and verify each entry on the Conflicts of Interest Register for accuracy and confirm that the language used is consistent. It will also ensure that the nature of any conflicts can be easily understood, ensuring complete transparency.

- (c) The Corporate Director can also exercise her delegated responsibility to remove any entries from the register that do not constitute a genuine declaration of interest. The outputs of this exercise will be presented to the Committees at their December 2018 meeting.
- (d) It was noted that the alignment of the four Greater Nottingham Clinical Commissioning Groups meant that additional interests now had to be declared, including membership of GP Practice, where individuals could be perceived as being conflicted.
- (e) Jo reiterated that the Gifts, Hospitality and Sponsorship Policy has been aligned to the most recent national guidance which detailed a lower declaration threshold.
- (f) Work is ongoing to develop detailed guidance for joint working, commercial sponsorship and engagement with the pharmaceutical industry as it has been agreed that common guidance will be established across the Integrated Care System (ICS).
- (g) There is currently only one entry on the Gifts, Hospitality and Sponsorship Register as the threshold for making a declaration has increased to £25.
- (h) Maxine Bunn, Director of Contracting and Procurement, would produce an assurance paper on how the Procurement Policy has been implemented, alongside the Procurement decisions log, for submission to the December 2018 Audit and Governance Committee meetings in common.
- (i) Whistleblowing was a key element of probity arrangements, however it was difficult to evaluate the effectiveness of arrangements as the process was not always visible. Options available to provide assurance that the process was working included the staff survey and the absence of public disclosure.
- (j) The Chairs of the Audit and Governance Committees held the role of a Freedom to Speak up Guardian that could give independent advice and support in relation to raising concerns. Lucy Branson was the named Senior Manager whom individuals could turn to internally.
- (k) The staff survey was a medium by which messages around raising concerns could be promoted and staff perception gauged. The responses to the staff survey would be reported via each of the Governing Bodies.

Discussion ensued as follows:

- (l) In response to a question from Mike Wilkins, it was confirmed that the full Conflicts of Interest Register was made available to the public via the organisations' websites.
- (m) Members emphasised the need to feel assured that staff were receiving sufficient training in relation to the declaration and management of Gifts, Hospitality and Sponsorship. Jo confirmed that staff received a monthly email prompting them to make a declaration in line with organisational Policy.
- (n) Jo advised that she would pull together more information on the role of the Freedom to Speak Up Guardians. Members were assured that a number of independent organisations' were also documented in the Policy and could be contacted by individuals requiring advice and support.
- (o) Members sought and received assurance that there were adequate reporting channels open to staff that wanted to report bullying.
- (p) Ian Blair was interested to know what information was available to members of the public that wanted to raise a concern. Lucy would confirm the public raising concerns message on the organisations' websites.

Jo was thanked for her update and excellent work in relation to probity arrangements.

ACTION:

Lucy Branson to confirm the detail of the public raising concerns message on the organisations' websites.

Jo Simmonds to provide further details to Chairs on the Freedom to Speak Up Guardian roles.

Jo to provide the Committees' with a copy of the full Conflicts of Interest Register at the December 2018 meeting.

The Committees' **NOTED** the arrangements in place for managing conflicts of interest; gifts, hospitality and sponsorship and raising concerns and **COMMENTED** on future reporting requirements.

INTERNAL AUDIT

AG 056/18

Internal Audit Progress Report

Claire Page was in attendance to present the Internal Audit Progress Report as at September 2018. She circulated a *Cyclical Review of Key Financial Systems* and gave a verbal overview of the Internal Audit Progress Report, advising members that assurances would continue to be received throughout the year.

Fiona Callaghan joined the meeting at 10.30am

The following key points were made:

- (a) Income and debtors would be audited this year to confirm controls were working as expected. The terms of reference would be circulated in due course.
- (b) There was a requirement to audit the new Data Security and Protection Toolkit but guidance was still pending from NHS England regarding the format this would take. 360 Assurance were carrying out a two stage audit, looking at both the Data Security and Protection Toolkit plan and its implementation.
- (c) The Contract Management team had proposed a review of 2018/19 contract management arrangements for Nottingham University Hospitals NHS Trust (NUH). However, Penny Harris, Senior Advisory Consultant had suggested that all management arrangements be reviewed for consistency and it was felt that this should be the approach taken, with the Committees' support.
- (d) The Primary Care audit was yet to be specified.

Discussion ensued as follows:

- (e) Mike queried whether the Data Security and Protection Toolkit would be audited in absence of the NHS England guidelines. Claire explained that she was keen to wait for the guidance in case an alternative approach to the audit was required.
- (f) Members discussed contracts, specifically those put in place within localities, and noted concern that they were not being managed centrally and that there needed to be clear oversight on how the commissioning budget was used.

The Committees' **NOTED** the progress against the Internal Audit Report and **APPROVED** the change in focus of the 2018/19 contract management review.

AG 057/18

Head of Internal Audit Opinion – Stage One

Claire Page presented the Internal Audit Opinion – Stage One and explained that no opinion would be given at this stage as this was an interim report only.

In response to a question from Ian Blair in relation to Appendix B; Regulatory Compliance and Third Party Assurances, Jonathan Bemrose explained that all key recommendations had been addressed and confirmed that the new organisational structure had been

implemented.

The Committees' **NOTED** the Stage One report.

AG 058/18

QIPP Programme Management Office Report

Fiona Callaghan and Claire Page talked to the final report following the audit of the governance arrangements and processes for developing and monitoring Quality, Innovation, Productivity and Prevention (QIPP) schemes.

Claire Page made the following points:

- (a) The audit did not look at the QIPP plans themselves or the deliverables of the individual QIPP schemes. The focus was on the arrangements in place.
- (b) An audit opinion of *limited assurance* had been provided and a number of recommendations made.

Fiona Callaghan made the following points:

- (c) The audit report reflected a specific point in time and although it was a helpful document it was disappointing that a verdict of limited assurance had been given.
- (d) The action plan identified within the report had informed the Programme Management Office (PMO) workplan and actions had been delivered within recommended timelines.
- (e) It was noted that there remained a challenge with paperwork as some schemes would require paperwork that other schemes wouldn't.
- (f) 2019/20 QIPP targets had been set.
- (g) There was less traction with the Transformation work programme but there was ongoing discussion with the PMO team about areas of control and work that could be brought forward.

The following points were made during discussion:

- (h) It was felt that there would be value in understanding what best practice looked like and what other PMO's were doing better. Claire noted this point and agreed to outline best practice processes in relation to the governance arrangements and processes for developing and monitoring Quality, Innovation, Productivity and Prevention (QIPP) schemes. Further to this, Jonathan Bemrose explained that support had been received from NHS England regarding implementation and expressed confidence that the PMO team was demonstrating best practice.
- (i) Claire noted that the verdict of *limited assurance* was not perceived to be accurate by Senior Managers within the Greater Nottingham Clinical Commissioning Partnership.
- (j) A disconnect between targets and delivery at an operational level was recognised. Members discussed the new arrangements in place for the Financial Recovery Delivery Board and were assured that the right progress and culture change would ensue.

ACTION:

Claire Page to prioritise the follow up of medium risk actions if their implementation date has passed and produce a detailed progress report. This would be included within the report which would be drafted after the follow up exercise to be undertaken during quarter three.

The Committees' **NOTED** the report.

Fiona Callaghan left the meeting at 11am

AG 059/18

Implementation of Internal Audit Recommendations

Claire introduced the item and explained that there had been a need to review the

internal audit recommendations for each of the four Clinical Commissioning Groups following the establishment of the Greater Nottingham Clinical Commissioning Partnership.

The following key points were made:

- (a) The actions had been reviewed, consolidated and refined with the relevant executive leads.
- (b) There were 49 actions across the Partnership that required follow up to establish whether they had been implemented by the CCGs.
- (c) Confirmation was received from Claire Page that there were no concerns regarding the time taken to implement the actions.

The following points were made during discussion:

- (d) The report was acknowledged as helpful but assurance was needed that the 49 actions had been implemented.
- (e) The process for taking forward the actions was discussed and it was noted that the medium actions were not necessarily overdue and did not require a response as yet. However, Claire and Lucy agreed to meet outside of the Committee meetings' to review and address the medium risks in advance of their allocated deadlines and produce a detailed progress report.

ACTION:

Claire and Lucy to review and address the medium risks in advance of their allocated deadlines and produce a detailed progress report.

The Committees' **NOTED** the report.

EXTERNAL AUDIT

AG 060/18 **Technical Audit**

Tony Crawley advised that this report was being presented for information as it was too early for testing to begin.

The Committees' **NOTED** the report.

AG 061/18 **Annual Audit Letters**

Tony Crawley explained that the letters summarised the outcome of the 2017/18 external audit for each of the Clinical Commissioning Groups and confirmed that all targets had been met.

The Committees' **NOTED** the report.

Tony advised that this was his last meeting as he was leaving KPMG and thanked the CCGs' for their open way of working. The Committees' thanked Tony for his support during his time at KPMG.

FINANCIAL REPORTING

AG 062/18 **CCG Financial Control, Planning and Governance Self-Assessment**

Jonathan Bemrose presented the Greater Nottingham CCGs' self-assessment of financial controls, planning and governance, as required by NHS England and talked to the responses submitted.

The following key points were made:

- (a) The self-assessment had already been submitted to NHS England prior to the deadline of 19 September 2018; with the expectation that the four Greater Nottingham Audit and Governance Committees would review and approve it

retrospectively.

- (b) It reflected the current financial position and there were no surprises.
- (c) A number of people had contributed to the self-assessment and the dashboard reflected what had been said on the consolidated summary.

The following points were made during discussion:

- (d) A disconnect was recognised between the self-assessment score for QIPP (green) and the *limited assurance* opinion given by internal audit. This point was noted but assurance was given that the work that informed the internal audit opinion was undertaken during 2017/18 whereas the self-assessment was completed in September 2018.

The Committees' **APPROVED** the CCG Financial Control, Planning and Governance Self-Assessment.

AG 063/18

NHS Property Services Update

Jonathan introduced the briefing paper and made the following points:

- (a) Work was ongoing to source the 2018/19 billing model from NHS Property Services.
- (b) The CCGs' were currently paying against the 2017/18 billing model.
- (c) The Department of Health were supporting the CCGs to source the required information but it was still not forthcoming.

The following points were made during discussion:

- (d) The report would benefit from more context and detail.
- (e) Concern was raised as to whether the 2018/19 billing model would put additional financial pressure on the CCGs. Jonathan noted this point but explained that until he had seen the billing model he was not in a position to provide the Committees' with the assurances they sought.
- (f) The approach to be taken was considered and there was support for paying back the amount that had been allocated by NHS Property Services in the first instance.
- (g) The potential risk that there would be a difference on the CCGs' consolidated balance was noted.
- (h) Tony highlighted that KPMG would need to be kept updated of the CCGs' position.

The Committees' **ACKNOWLEDGED** the update and **SUPPORTED** the CCGs' intention to continue paying against the 2017/18 billing model until the 2018/19 model was made available.

AG 064/18

NHS England's Management of the Primary Care Support Services Contract with Capita - Report

Jonathan introduced the report and drew the Committees' attention to the key findings.

The following points were made during the course of the discussion:

- (a) Members noted that their concerns regarding the Capita failings had been raised already and would be highlighted at the National Audit Chairs Forum in November 2018.
- (b) The risk of exposure across the Greater Nottingham Clinical Commissioning Partnership was considered. Jonathan confirmed that risk of exposure was limited advising that KPMG would be conducting additional checks across the Partnership for added assurance.
- (c) The level of harm as a result of these failings remained unclear.

The Committees' **NOTED** the NHS England's Management of the Primary Care Support Services Contract with Capita – Report.

COMMITTEE BUSINESS

AG 065/18 **(Draft) Shared Annual Work Programme 2018/19**

Jo Simmonds presented the proposed Annual Work Programme for the Greater Nottingham CCGs' Audit and Governance Committees during 2018/19.

Items had been scheduled throughout the year but it was anticipated that additional items would need to be incorporated on an ad hoc basis.

Jo highlighted that the additional meetings would be scheduled to accommodate the annual report process.

It was agreed that the Committee meetings' needed to be increased from 90 minutes to two hours for the rest of the year.

ACTION:

Jo to increase the time of the Committee meetings' to two hours.

The Committees' **APPROVED** the Shared Annual Work Programme 2018/19

AG 066/18 **Audit and Governance Committees' Self-Assessment Results**

Jo introduced the item and explained that during August 2018, members of each of the Greater Nottingham CCGs' Audit and Governance Committees were asked to participate in a self-assessment exercise in order to ascertain current views on the effectiveness of the meetings 'in common' approach.

The exercise has been undertaken at this stage of the year in order to gain a baseline position and agree whether any specific actions were required to support meetings for the rest of the year.

The following points were made during discussion:

- (a) The report was noted as helpful but it was felt that the Committees' implicit objectives needed to be formally set. Tim Woods and Jo Simmonds would meet to progress this.
- (b) The number of respondents was discussed and it was acknowledged that in some instances, one respondent was providing a response in relation to multiple positions held within the Committees'.
- (c) It was stressed that the Committees' needed to demonstrate that they were individual Committee's conducting their meetings in common.
- (d) It was confirmed that the self-assessment was drawn from the HFMA Audit Committee Handbook (2018).

ACTION:

Tim Woods and Jo Simmonds to meet and formally set the Committees' objectives.

The Committees' **NOTED** the self-assessment results and **AGREED** that the Committees' objectives would be formally set and that the questionnaire would be repeated at year end. No specific actions were required for an individual Committee.

CLOSING ITEMS

AG 067/18 **Any other business**

Claire Page and Imran Asif stepped out of the meeting room.

Jonathan provided an update on the Internal Audit contract, explaining that the current contract is due to end on the 31 March 2019. An overview of the timeline and options was given

Claire Page and Imran Asif rejoined the meeting.

AG 068/18 **Risks identified during the course of the meeting**

No new risks were identified.

AG 069/18 **Key issues and recommendations to highlight to the Governing Bodies**

None raised.

AG 070/18 **Date of next meeting:**

The following dates are proposed and will be confirmed with members following the meeting:

- 6 December 2018
- 28 February 2019

Tim Woods closed the meeting and thanked everyone for their attendance.