

Minutes
NNE Audit and Governance Committee Meeting
Wednesday 10th May 2017, Wollaton Room, Easthorpe House 11am-1.00pm
Present

Terry Allen (TA)	Lay Member – Financial Management & Audit (<i>Chair</i>)
Janet Champion (JC)	Lay Member – Patient & Public Engagement
Mike Wilkins (MW)	Lay Member - Primary Care

In Attendance

Jonathan Bemrose (JB)	Chief Finance Officer, South CCGs
Jasper Cain (JP)	360 Assurance
Tony Crawley (TC)	Director, KPMG
Louisa Hall (LH)	Corporate Admin Officer (<i>minute taker</i>)
Audrey McDonald (AM)	Assistant Chief Finance Officer
Claire Page (CP)	Client Manager, 360 Assurance
Emma Pearson (EP)	Governance Manager

Apologies

None noted

Cumulative Record of Members Attendance (2017/18)

Name	Possible	Actual
Terry Allen	1	1
Janet Champion	1	1
Mike Wilkins	1	1

Agenda Items		Actions
AC 17/043	Apologies & Welcome Terry Allen (TA) welcomed all to the meeting. No Apologies were noted.	
AC 17/044	Declarations of Interest TA reminded committee members of their obligation to declare any interests they may have on any issues arising at Audit and Governance Committee meetings, which might conflict with the business of the CCG. Declarations of the Audit and Governance Committee were listed in the CCG's Register of Interests. TA noted that the Register was available either via the secretary to the Audit and Governance Committee or the CCG website at the following link: http://www.nottinghamnortheastccg.nhs.uk/contact-us/freedom-of-information/conflicts-of-interest/	

	<p>No conflicts of interest in relation to the agenda were declared by members.</p> <p>The Chair confirmed that the meeting was quorate.</p>	
AC 17/045	<p>Minutes and Actions from the meeting held on 30th March 2017</p> <p>The minutes were approved as a true and accurate record with the following acknowledged:</p> <p><u>AC 17/032</u>: Emma Pearson (EP) discussed the previous action and informed the group that cross referencing has been completed for finance and quality; however, bigger transformations need to be looked at. EP added the 3 South CCGs will be working together on this.</p> <p><u>AC 17/037</u>: Terry Allen (TA) updated the group on behalf of Andy Hall (AH) who was unable to attend today's meeting. The IGMT committee annual report was initially hoped for today's meeting; however, this item has been deferred to the Governing Body meeting take place on 16th May 2017. TA informed the group that AH has agreed to this decision.</p>	
AC 17/046	<p>Annual Accounts</p> <p>Audrey McDonald (AM) gave an update to the Committee on the current status of the draft Annual Accounts with key points highlighted:</p> <ul style="list-style-type: none"> • Accounts submitted within deadline, CCG remained within the resource limit, maximum cash drawdown and running cost allowance. • Delivered Control Total planned surplus of £1.8 million, plus the 1% National Reserve released per Paul Baumann's letter of 15th March resulting in a reported £3.9 million surplus overall. • BPPC targets all above 95% and cash balance at year-end £11k. • KPMG currently auditing accounts. To date two minor issues have been identified regarding refunds of 15/16 external audit fees and their recording as either income or reduced expenditure. In addition there are unresolved agreement of balance issues with NHS Property Services for the prior year. • Sickness information has not yet been received. • An individual issue with the reporting of incorrect pension benefit in the remuneration report. The Committee acknowledged that this situation arose last year and will be resolved in the same way. <p>The Committee received the draft Annual Accounts noting successful delivery of financial duties/targets and progress to date on the audit.</p> <p>TA asked AM to pass on the Committee's thanks to the team for all their hard work on the annual accounts.</p>	

AC 17/047	<p>Draft Annual Report including Governance Statement</p> <p>EP presented the Draft Annual report and governance statement to the Committee for review and comment with the following points discussed:</p> <ul style="list-style-type: none"> • Submitted as an updated draft and presented for comment. • External audit has previously commented on staffing cost and banding for VSMs. Governing Body members/numbers have also been updated since last meeting. • TA added that he would send details of areas to check to EP via email. • TA highlighted that the current position on Chief Officer's Introduction could better reflect what the CCG has achieved and requested this be revisited. <p>EP confirmed that the Report will be finalised by Nick Lupton next week.</p> <p>Janet Champion (JC) pointed out the following statement: "HR: adhered to the 2 ticks scheme" and believed that this is no longer operating and requested this to be reviewed and removed from the Report as necessary.</p>	<p>TA NL/EP EP</p>
AC 17/048	<p>Review IA Progress report</p> <p>Claire Page (CP) gave a brief presentation to the Committee on key elements of the Progress report.</p> <p>Contract performance against plan is currently shown for 16/17 with 68.5 days used against the planned 75. In terms of work in progress the following reviews are underway and will be concluded shortly:-</p> <ul style="list-style-type: none"> • Collaborative Commissioning • Continuing Healthcare • Managing Transformation • Personal Health Budgets <p>The final Head of Internal Audit Opinion will be reported to the 24th May Committee.</p> <p>In terms of 17/18 plan and to ensure best use of CCG and internal audit resources a meeting with governance leads was recently held. It was agreed to revisit the profile of proposed reviews eg the Governance & Risk Management review deferred from Q1 to Q2, with the Quality Governance review (Primary Care focus) brought forward with Nichola's agreement. In addition changes to the process for follow-up of previous recommendations should be focused on the lead organisation, reducing the resource burden.</p> <p>The Committee received the report and noted progress in delivering the internal audit plans.</p>	
AC 17/049	<p>Terms of Reference</p>	

	<p>The Committee noted the agreed Terms of Reference for the following reviews:</p> <ul style="list-style-type: none"> • Greater Nottingham CCGs Managing Transformation • Continuing Healthcare 	
AC 17/050	<p>Internal Audit Reports</p> <p>The Committee noted issue of the following reports:</p> <ul style="list-style-type: none"> • Procurement (Significant Assurance) • Safeguarding Children (Significant Assurance) 	
AC 17/051	<p>Internal Audit Follow Up Reports</p> <p>CP presented the following Follow up Reports to the group:</p> <ul style="list-style-type: none"> • Safeguarding Adults • Better Care Fund <p>The Committee noted progress from the Follow up Reports.</p>	
AC 17/052	<p>Quarter 4 Commissioner Technical Update</p> <p>The Committee received the Commissioner Technical Update Quarter 4 2016/17</p>	
AC 17/053	<p>Counter Fraud Annual Report 2016/17</p> <p>Claire Page (CP) updated the Committee on behalf of Ian Morris:</p> <p>The report usefully summarised information previously shared in update reports. The table on page 8 confirmed all days had been utilised.</p> <p>As a follow-up to the March discussions TA queried why there were no numbers completed on the SRT template submission to highlight how many days were utilised in year? CP to follow up with Ian Morris when this has to be provided.</p> <p>The Committee noted the report.</p>	CP
AC 17/054	<p>Security Management Service Work Plan 2017/18</p> <p>CP confirmed that Lynne Sharpe has led the work on this plan on behalf of the three South Notts CCGs and that it had previously been shared in draft via email.</p> <p>The Committee approved the plan.</p>	
AC 17/055	<p>Final Accounts Audit Update</p> <p>Tony Crawley (TC) from KPMG gave an update to the Committee:</p>	

	<p>It was highlighted that the audit work is well underway and the progress to date is good. TC informed the group that the adverse ISAE3402 Service Auditor report on Capita systems recently shared by NHSE was predicted based on known concerns and a plan to secure assurance to cover the identified system shortcomings was already in place.</p> <p>The Committee was advised that there was a need to look at possible assertions we have made as a CCG in documents or other returns and if the report undermines anything we believe has been signed off they may need to be revisited. External audit agreed to do the same.</p> <p>The Committee noted the audit update.</p>	
<p>AC 17/56</p>	<p>System Risk Reserve and 2017/18</p> <p>JB gave the Committee an update on the system risk reserve direction from NHSE and how the late inclusion in the CCG bottom line surplus distorts the underlying financial challenge faced by the organisation for both member practices and the public. JB requested that appropriate wording needed to reflect this in the Annual Report.</p> <p>JB gave the Committee an update on the Deloitte's Capacity & Capability Review:</p> <p>Debrief from Deloitte's has been that they were hoping to complete field work this week and produce a draft report the following week, hopefully to tie in with the meeting with Paul Watson scheduled for 25th May.</p> <p>JB also gave the Committee a financial update for 17/18 with the following highlighted:</p> <ul style="list-style-type: none"> • Challenge is £12.4 QIPP savings, just under 6 %. • Wayne Greenwood as Turnaround Director has added capacity across all 4 CCGs (including City) to galvanize a unified approach. • £48 million is QIPP challenge for all 4 CCGs. Wayne has worked on a stocktake exercise critically reviewing emerging schemes to assess deliverability for 17/18 and that is around £27 million currently. • JB informed the Committee that weekly PMO meetings now take place on Tuesdays. Issued targets to SROs to look at where we can be flexible, secure reductions etc. to produce a plan that delivers. • JB gave the Committee an update on the project work labelled "90 pence in the pound". Meetings have been held with clinical Leads to help prioritise/ review services. JB confirmed that the meetings were positive, helped analyse and review specialties/ procedures etc., and demonstrated good alignment amongst Clinical Leads. A discussion took place around the example of coding of the same Trauma & Orthopaedic procedures as both outpatient and day case. It was highlighted that not having local pricing structures in place could affect coding of certain services. JB added that the challenge is now for individual clinicians to look at services/procedures in more detail and to refer back to Andy Hall to collate findings. Prior approval was discussed in relation to certain services or procedures and that clinical expertise will help to review the services to which this could be appropriately applied. 	<p>JB/EP</p>

	<p>Mike Wilkins (MW) questioned if there has been any patient view around QIPP. JB confirmed he will be attending the next PPG in May to give an update.</p> <p>MW queried if Wayne Greenwood's work can be modelled across all CCGs. JB informed the group that Wayne has looked at benchmarking etc. to ensure realistic assessment of deliverability. All agreed that it is important to alert the public to difficult issues and engagement will be needed at an early stage to ensure a mature and wide ranging debate.</p> <p>TA asked whether additional specialities had already been identified beyond Trauma & Orthopaedics that may present opportunities for review. JB informed that individual leads have gone away to consider all the data and indicators we hold. A discussion was held on the availability of any other clinical expertise to be used to lead on different specialities as they arise. JB confirmed leads were already identified but they also have expertise to tap into across primary care to synthesise all the data and identify opportunities.</p> <p>MW enquired if the approach includes following NIHCCE guidelines, use of Right Care indicators etc. JB confirmed this.</p> <p>TA thanked Jonathan for the update.</p>	
AC 17/059	<p>Financial Governance</p> <p>There were no updates for the following:</p> <ul style="list-style-type: none"> • Losses and Compensation Payments • Waiver of Standing Orders • Use of Company Seal 	
CLOSING ITEMS		
AC 17/060	<p>Any Other Business:</p> <p>There was no other business raised by members of the Committee.</p>	
	<p>Date and Time of Next Meeting</p> <p style="text-align: center;">24 May 2017 – 11am Clumber Meeting Room, Easthorpe House, 165 Loughborough Road, Ruddington, NG11 6LQ</p>	