

**INTEGRATED GOVERNANCE & AUDIT COMMITTEE MEETING
NORTH EAST LINCOLNSHIRE CLINICAL COMMISSIONING GROUP
HELD ON THURSDAY 29TH MARCH 2018 AT 9AM
IN ATHENA MEETING ROOM 3**

PRESENT

Mr Tim Render	Chair & Governing Body lay member
Mr Joe Warner	Partnership Board lay member
Cllr Peter Wheatley	Partnership Board lay member

IN ATTENDANCE

Ms Laura Whitton	Chief Finance Officer
Mr Robert Bassham	Audit Manager, AuditOne
Mr Terry Smith	Head of Service – Counter Fraud, AuditOne
Mrs Claire Stocks	Governance Assurance Officer
Mr Mark Kirkham	Partner, Mazars
Mr Peter Hanmer	Head of Audit and Assurance, NL Business Connect
Neil Evans	Principal Auditor, NL Business Connect
Ms Caroline Reed	Exec Office PA (note taker)

Mark Culling	Information Governance Officer, eMBED Health Consortium (Item 7.1)
Eddie McCabe	Assistant Director – Contracting and Performance (Item 8.2)

APOLOGIES

Dr Karin Severin	GP Member
Ms Debbie Baker	Group Auditor, NL Business Connect
Mr Robert Walker	Senior Manager, Mazars

1.	<p>Apologies Apologies were received as above.</p>
2.	<p>Declaration of Interest It was noted that there was a potential conflict of interest for Mr Warner in relation to Item 8.2 (ACP - control and risk issues).</p>
3	<p>Minutes of the previous meeting – 01.12.2017 The minutes were agreed as an accurate record subject to the following amendment: ECAC to be amended to AuditOne in the attendance details on p1.</p>
4.	<p>Matters Arising – 01.12.2017 The Matters Arising document was noted.</p> <p>Item 7 – Annual IG and Audit Report to Board No further comments were received and the report was submitted to the March Board meeting.</p> <p>Item 8 – Risk Register/ BAF Update - BAF 4001 - Failure to consult on service changes Further discussions took place at a recent Board workshop on this risk. The scoring on this risk has now been revised. It was noted that more work has</p>

been undertaken with regard to the risk escalation framework.

Item 10 – Workforce update

“Further benchmarking to be provided from the Q4 report as the CCG has not given approval for eMBED to access the iView portal on behalf of the CCG”. C Stocks to look into this.

C Stocks

Equality and Diversity data – L Whitton confirmed that the postponed meeting took place on 22 March). J Warner advised that this is a national issue and it is not a legal requirement for staff to provide their E&D information; focus has spoken to their staff individually.

Appraisal and induction data – L Whitton confirmed that a way forward has now been agreed following a recent meeting.

HR policies – there are currently 3 outstanding policies for review. C Stocks has escalated this to the HR lead and will follow this up. HR have submitted those policies that are being amended in light of GDPR; C Stocks will inform the Committee of these policies. T Render requested a schedule of policies for review; C Stocks to forward this. L Whitton noted that work is underway to try and consolidate a number of policies.

C Stocks

C Stocks

Item 25 – Board workshop on Risk. Councillor Wheatley highlighted the current situation with the Thames Ambulance contract following NLCCG’s withdrawal from the contract. T Render confirmed that this issue was raised at the Board meeting by J Haxby and E McCabe. L Whitton confirmed that this was on the risk register and is a national issue.

5. Terms of Reference

5.1 Review of IG and Audit Committee Terms of Reference

L Whitton provided a verbal update:

- The Terms of Reference were ratified by the Governing Body, however discussions have taken place around potential future changes to the Committee remit and membership which will be influenced by the development of the Union and the ACP as well as delegated primary care commissioning. The Committee currently has 4 members; given the large remit of the committee consideration will be given to increasing this.
- The review of the Terms of Reference will be submitted to a future meeting.

The Committee noted the update.

5.2 Annual Review of Sub Committee Terms of Reference

A report was circulated for consideration. C Stocks provided an update:

- The Delivery Assurance Committee (DAC) and Care Contracting Committee (CCC) have reviewed and agreed their Terms of Reference. The Quality Committee is to be disestablished and re-established as a Clinical Governance meeting.
- The principal changes to the ToR relate to the membership and additional responsibilities following the disestablishment of the

Quality Committee.

- It was noted that the Primary Care Commissioning Committee ToR have been approved by the Governing Body.

The Committee agreed to ratify the Terms of Reference.

6. Risk Register

A report was circulated for information. C Stocks provided an update:

- There were 4 new risks identified in the last quarter, including patient transport. 2 risks have closed, 1 risk rating has increased and 2 have decreased.
- The BAF was reviewed by the Partnership Board in March.

The Committee provided the following feedback:

- CCG-RR.4020 - Domiciliary Care – LQCS – clarification was sought on this as it is showing as both a new risk and a decreased risk. C Stocks advised that this was identified as a new risk at the start of the quarter and that the level of risk decreased during the quarter.
- CCG-RR.2007 - Failure to manage the residential/nursing care market for the elderly, leading to oversupply, poor quality care and instability in the residential care sector and undersupply in the nursing sector – the Committee queried how and when this issue will be resolved. C Stocks to escalate this and L Whitton to pick this up at the next Senior Catch Up (SCU) meeting.
- CCG-RR.3017 Capacity to undertake required engagement and consultation activities – L Whitton advised that this relates to the individual team rather than the wider strategic risk.
- CCG-RR.3013 Failure of the CCG to achieve their internal requisite financial QiPP savings in current year – query relating to the current risk rating of 12 when the savings will not be achieved in total. L Whitton confirmed that specific schemes will not achieve in year; however due to mitigations elsewhere, it does not have an overall detrimental effect on the financial balance.
- CCG-RR.3018 Extra care housing (ECH) delivery – Councillor Wheatley updated the Committee on the progress being made in ECH delivery, ie, movement with the two further developments. L Whitton advised that the risk relates to the delivery and pressures around the budget to an extent but also to the appropriate management of demand etc. There has been an increase in domiciliary care costs due to the delays.

**C Stocks
L Whitton**

The Committee noted the update.

7. Year-end Governance Reporting

7.1 Information Governance End of Year Statement

A report was circulated for consideration. Mark Culling provided a summary:

- IG Toolkit – the toolkit was submitted with a score of 74%. The CCG was assessed on 28 standards and was able to evidence compliance up to a minimum level with 25 standards through 160

different documents which have been uploaded to the website (the CCG was exempt from 3 standards). 6 standards have been maintained at Level 3 for the first time, including IG management and associated policies, SIRO and information risk planning and records management. An IG improvement plan was developed.

- Information Asset Register and Data Flow Risk Assessments – work has been completed with information asset owners and a new GDPR compliant register developed. This will be a live document and will be reviewed quarterly. There were no high risk data flows identified from the risk assessment.
- IG related incidents – there have been 5 minor IG incidents.
- IG awareness - an informal unannounced Spot check/ Floor walk in October 2017 showed excellent levels of compliance and understanding from CCG staff.
- Data Security Awareness Training - the CCG achieved the required levels of training for 2017-18 at 97% and additional training has been undertaken by the SIRO and Caldicott Guardian. In advance of GDPR, training sessions will be provided on: Privacy Impact Assessments, Subject Access Request, Information Asset Owners, Handling of Children's Data. The CCG will review its Training Needs Analysis and related documents once all of the new systems modules have been released.
- A staff survey was conducted to raise awareness of Information Governance and to provide assurance that the training is effective. The results of the survey are currently being reviewed and analysed.

The Committee provided the following feedback:

- Is further improvement for 2018-19 practical and if so, what would be the priorities? M Culling advised that there will be a revamped toolkit for next year with increased focus on cyber security. The IG Team's focus will therefore be on improvements to cyber security and ongoing focus on GDPR requirements. It was noted that the CCG may only meet the minimum compliance and that the focus will be on stabilisation following the GDPR roll out.
- Is the CCG confident around its required actions for GDPR? M Culling advised that a lot of the requirements are already being carried out by the CCG and that there is a lot of guidance from the Information Commissioner's office around the additional requirements. L Whitton and M Culling are scheduled to meet in April to discuss the new workplan and J Haxby (SIRO) will provide an update to the Partnership Board.
- Does the GDPR responsibility for adult social care sit with the CCG or Local Authority? C Stocks advised that it would depend on who is the data owner. Joint work is taking place with the Local Authority around this, eg, sharing good practice etc.
- How does NELCCG's performance compare with other CCGs? M Culling advised that NEL is performing very well. C Stocks was thanked for driving this work forward. It will be used as part of the annual governance statement.

The Committee noted the update.

7.2 Legal and Statutory Duties Year-End Report

A report was circulated for consideration. L Whitton provided an update:

- A full review of the evidence of compliance against all of the CCGs statutory requirements/ duties has been carried out, in order to ensure that the evidence previously recorded is still valid and up to date and that any additional evidence has been captured.
- One duty remains at amber, ie, Health & Wellbeing Strategy. This is being developed in line with the refresh of the Joint Strategic Needs Assessment (JSNA) and the development of the strategic outcomes framework. It was anticipated that it would be completed by year-end; however it will be carried forward into 2018/19.

The Committee agreed that it would be helpful for the Medical Director to be invited to a future meeting in order to explain her role and the work underway reshaping clinical input etc.

**Forward
plan
(Sept/Dec)**

The Committee noted the update.

7.3 Annual Governance Statement Update

A report was circulated for consideration. L Whitton provided an update:

- The CCG is required as part of the Annual Governance Statement (AGS) to report on the UK Corporate Governance Code. The CCG is not required to comply with the code; however it is required to report on its corporate governance arrangements upon best practice of the standards of the code relevant to the CCG. The CCG has fulfilled four of the five main principles of the Code; specifically in relation to leadership, effectiveness, accountability and remuneration.

It was noted that this process is helpful rather than necessary and provides evidence of an organisation that wants to learn from other sectors.

The Committee noted the update.

8. Focussed risk areas

8.1 Progress on the NELC/CCG Union and control/risk issues

Ms Whitton provided a verbal update:

- NELCCG and NELC are currently working through a refresh of the Section 75 agreement, which has been in place for 10 years. The last major refresh of the agreement occurred when the CTP became a CCG. Beachcroft solicitors have been engaged to carry out this work; the solicitor was involved in developing the original partnership agreement and is also working with NHSE on both s75 and development of the alliance contract.
- Beachcroft were jointly procured by NELCCG and NELC, and are acting on behalf of both parties in their collective interest. There have been no conflicts of interest identified at this stage, however if a conflict of interest is identified, this could be facilitated under the terms of their agreement.
- The initial intention was for the refresh to have been completed by

the end of March, however this has slipped slightly and it is acknowledged that it will take time to work through the detail to try and future proof the Section 75 agreement.

- There is full engagement within the Union board workshops and there is a core Exec team linking into Beachcroft (DCEs and CFOs from the CCG and NELC, NELC Monitoring officer and Kim Cook as project support). NHSE are also being kept informed and have provided positive assurance about the process. This is helpful as it supports the direction of travel. Rob Walsh is linking in with the work underway in Greater Manchester.
- A time limited CCG governance group has been established which includes T Render, L Whitton, P Melton and H Kenyon.
- As some of the statutory requirements won't be in place for some time, things might need to do be done slightly differently in the interim period in order to comply with current rules/regulations.

The Committee provided the following feedback:

- Is the Committee assured that the CCG's interests are protected by entering into a joint procurement with what is effectively a third party? L Whitton advised that the Committee has been briefed previously and T Render confirmed that the joint procurement was formally considered and approved by the Partnership Board. L Whitton to forward the documents and minutes of the relevant meetings to M Kirkham.
- It will be important to fully consider the different legal arrangements in health and local authorities, eg, different deadlines for accounts etc. It was requested that Internal and External auditors be given the opportunity to comment within the framework. Ms Whitton noted that the two organisations are statutorily separate and that separate requirements will need to be met. T Render emphasised the need to ensure that clarity is provided around roles and responsibilities during the move to a joint approach.

L Whitton

The Committee noted the update and agreed that this item should remain as a standing item on the agenda.

Forward plan

8.2 **ACP – control and risk issues**

It was noted that there was a potential conflict of interest for Mr Warner in relation to this item. Mr Warner remained in the meeting for the discussion.

E McCabe provided a presentation (see attached)



ITEM 8.2 - Alliance
ACP Risk and Governan

- Commissioners and providers will work together as a single integrated team in order to deliver a specific integrated service or project under a contractual framework that seeks to align their financial interests.
- There is a mutual obligation and incentive to act in a way that is best for the service or project and not necessarily best for individual

organisations. The agreement is not “at all costs”; there are some reserves and budgetary constraints.

- If a partner leaves or is asked to leave the alliance, they will not necessarily lose their contract, although they may face sanctions within their individual contracts as they will be unable to meet their obligations within the alliance, eg, performance notice, notice of improvement, breach notice, financial penalties etc.
- Other risks relate to incentivisation and reward, eg, the risk and reward mechanism being clearly defined and linked to a pot of monies. It is a potential risk to providers if they are tied to their own and another partner’s performance. It is important to ensure that a risk share arrangement is agreed.
- Kim Cook is working on the development of the risk and governance arrangements. All current parties have signed up to the principle of being partners in the ACP (NLAG, Navigo, Care Plus Group, GP federations, Core Care Links). Hospices are not currently involved but have been contacted around their relationship into the ACP, re, end of life care.
- Key areas of focus will be urgent care, including the re-procurement of NHS111 and dementia development. 2 programme strands have recently been created for the ACP: urgent care led by J Warner (4 work streams, one of which is NHS111) and projects already under consideration by the ACP around dementia, support to care homes etc; lead to be confirmed, possibly Julie Wilson.
- Timelines have been agreed: partners to formally sign up to the principle from the end of April with a contract in place by 30th June, organisations to be committed to deliver the programme of work by September with a clear plan around how to deliver winter.

The Committee provided the following feedback:

- What is the formal structure of the ACP? E McCabe advised that it is an agreement between individual partners who hold standard contracts to work together.
- Are relationships between the partners good? J Warner and E McCabe advised that all partners are signed up to the alliance and have confirmed that they are willing, but noted that NLAG being in special measures has had an impact on relationships/ dynamics. NLaG is viewed as a necessary partner within the alliance
- Will there be a phased approach? It was noted that there will be a phased approach and the ACP will have a limited number of functions initially.
- The contracts need to be clear and explicit that organisations are required to work as part of the alliance.
- Is the ACP a key focus for NLCCG? E McCabe noted that this is not a priority for them and they are unable to commit additional funding, for example for Out of hours etc. It was noted that NLaG will need to ensure that their interface element is as consistent as possible across both ends of the patch.
- Query around budgets. E McCabe advised that the expectation will be for partners to take the lead on certain areas and take responsibility for that budget. The lead would then subcontract, via

SLAs and other agreements, with other partners. This might involve moving staff. J Warner noted the challenge around staff from different organisations working together as one team yet responding to one single line manager, eg, a focus member of staff could be managed by a Line Manager from CPG.

- The Committee noted the potential positives, eg, co-operation and efficiency, eliminating duplications, ability to better react to pressures and demands.
- J Warner noted that a formal management team to sit beneath the executive team needs to be formalised.
- A formal report will be submitted to the Partnership Board / Governing Body in May.

The Committee noted the update.

9. Internal Audit

9.1 Update 2017/18

A report was circulated for information. R Bassham provided an update:

- Draft Head of Internal Audit Opinion – the provisional opinion is substantial assurance. This will be updated prior to the May meeting.
- 5 reports have been finalised since the last meeting:
 - Corporate Governance Compliance – substantial assurance
 - Risk Management Arrangements – substantial assurance
 - Adult Social Care Data Quality – Short & Long Term Care (SALT) Statutory Return - substantial assurance
 - Adult Social Care Commissioning – Care Packages - substantial assurance
 - Information Governance – an opinion was not given however there are no outstanding issues.
- 2017/18 Plan – 53% of the plan has been completed.

The Committee provided the following feedback:

- Concerns around the level of completion of work against the 2017-18 plan (53%). R Bassham advised that some of the issues during 2017-18 were linked to the changes within Internal Audit and assured the Committee that there will be an increased flow of work during 2018-19. There are now only 2 pieces of work outstanding. The Conflict of Interest report has now been awarded substantial assurance. C Stocks to forward the final report to T Render.
- Does the reference to third party providers refer to eMBED? It was noted that this also refers to payroll and the ledger. Internal Audit were engaged to undertake some work by eMBED in order to enable eMBED to provide third party assurance; the report will be circulated. L Whitton advised that a report on third party assurance will be submitted to the next meeting.
- Risk Management – has the issue related to DAC ToR been resolved? C Stocks confirmed that the Chair has agreed that the minutes should be presented to the Board.

C Stocks

**R Bassham
Forward
plan**

The Committee noted the update.9.2 **Draft Plan 2018/19**

The draft plan was circulated for consideration. R Bassham provided a summary:

- The plan was discussed at the Finance Assurance Sub Group meeting and a number of amendments have been made. The final version has been agreed by Ms Whitton.
- Key areas to note include the Adult Social care income work and the partnership work.
- The overall number of days is the same and the overall cost will decrease slightly.
- A more detailed version will be submitted to the next meeting.

The Committee provided the following feedback:

- “Joint” to be removed from Primary Care Joint Commissioning on p3.

The Committee agreed to approve the draft 2018/19 internal audit plan.9.3 **Annual update – Anti Crime/Fraud Prevention**

A report was circulated for consideration. T Smith provided an update:

- Significant changes have occurred within AuditOne Counter Fraud during the past 9 months, including a significant restructure of the team (increased from 7 to 11), a change to the model of operation (to include a full and robust risk assessment) and the development of a revised work plan (to be submitted to the next meeting).
- The Team has spent 9 months putting the new systems and foundations in place.
- The level of referrals remains low. AuditOne will launch fraud awareness months in order to increase awareness around identifying fraud and how to refer to the service. An increase in referrals is anticipated as a result.
- There has been one referral received: a taxi company allegedly offered a patient an enhanced receipt for their travel cost, however, following initial checks is not anticipated that this will be pursued further.
- NEL is not an outlier in terms of fraud (negative or positive).
- A key strategy going forward will be to build relationships, eg, further conversations to take place between AuditOne and NL Business Connect around a joint approach for adult social care.

The Committee noted the update.10. **External Audit Update 2017/18**

A report was circulated for consideration. M Kirkham provided an update:

- The Planning and Interim elements of the audit plan have been completed. No issues or significant deficiencies in internal control have been identified and the planned work is on track for the year.
- The key focus for April/May will be the review of the draft financial

statements.

- The annual enquiries for the CFO and IG and Audit Committee are listed in the report as part of the audit. L Whitton and T Render to discuss outside of the meeting and feed back to External Audit prior to the next meeting.
- The letter of representation will be submitted to the next meeting.
- The technical update highlighted a number of issues, including STP Dashboard, Capita primary care support services.

**L Whitton
T Render**

**Forward
plan**

The Committee noted the update.

11:01am – Councillor Wheatley left the meeting

11. **BAF Annual Sign Off**

The Committee noted the report.

12. **Workforce Update**

The Committee noted the report.

13. **Adult Social Care - Aged Debt**

A report was circulated for information. The Committee provided the following feedback:

- Clarification was sought regarding the legal advice on pre and post Care Act debt which would fall under the Statute Barred regulations. L Whitton advised that some of the debt was statute barred possibly due to the length of time that had elapsed; further guidance is being sought. Trigger points will need to be in place going forward in order to prevent a recurrence of this issue.
- Is there a target for a reasonable level of debt? Ms Whitton advised that a target needs to be set as part of proactive work.

The Committee noted the update.

14. **IG Incident Report**

This item was deferred.

15. **Health and Safety Annual Update**

The Committee noted the report.

16. **Ratification of Policies**

The Committee noted the report.

17. **CCG Assurance Framework - Conflict of Interests Self-certification Q3**

The Committee noted the report.

18. **Freedom of Information Quarterly Report Q3**

The Committee noted the report.

19. **Finance Assurance Minutes** – there was no update available.

20. **Hospitality Sponsorship**
A report was circulated for information.
- It was noted that there was only one item on the register. C Stocks advised that this was raised at a joint governance meeting on 28 April. One CCG only had four items declared during a 6 year period. The register applies to all CCG employees, GPs, non-executive members etc, however a declaration is only required if a person is undertaking CCG business.
- The Committee noted the update.**
21. **Schedule of any virtual decisions taken by the Committee**
There were no items for discussion/information.
22. **Independent Assurance Reports**
There were no items for circulation.
23. **Issues for Escalation to the Board**
The Committee agreed that the following will be escalated to the Board:
- ACP
 - Aged debt positives to be highlighted in the finance report.
24. **Any Other Business**
There were no items of any other business.
- Date and Time of Next Meeting:**
Thursday 24th May
9-11am
Meeting Room, Cromwell Primary Care Centre, 297 Cromwell Rd,
Grimsby DN31 2BH