

Audit and Governance Committee

23 February 2018 @ 9.30am

Boardroom Room, Town Hall, Scarborough

Present	Philip Hewitson (PH)	Lay Member, Governing Body Vice-Chair and Chair Audit & Governance Committee
	Dr Julian Wadsworth (JW)	General Practitioner
	Andrew Hudson (AH)	Lay Member
Attendees	Sally Brown (SBr)	Associate Director of Corporate Affairs
	Emma Parker (EP)	Corporate Services Manager
	Abigail Combes (AC)	Solicitor - Legal Services Manager
	Sue Peckitt (SP)	Associate Director of Nursing, Quality & Performance Improvement
	Richard Mellor (RM)	Chief Finance Officer
	James Collins	Senior Manager, Mazars
	Anne Ellis-Playfair (AE-P)	Audit Manager
	Steve Moss (SM)	Local Counter Fraud Specialist
Apologies	Simon Cox (SC)	Chief Officer
	Dr Ian Woods (IW)	Secondary Care Doctor, Governing Body
	Carrie Wollerton (CW)	Executive Nurse
	Mark Kirkham (MK)	Partner, Mazars
Observer	Caroline Swanson (CS)	Senior Associate, Price Waterhouse Coopers
Minutes:	Adèle Birch (AB)	Corporate Services Assistant (SCRCCG)

Item	Minutes	Action
AGC/18/205	<p>Welcome and Apologies</p> <p>Noted as above. The Chair introduced Caroline Swanson, (CS) Senior Associate of Price Waterhouse Coopers to the Committee. CS is part of the Capability and Capacity team working across several Yorkshire CCG'S, focusing on finance and joint working. She explained that she would spend some time over the next few weeks liaising with Governing Body board members and observing various committees.</p>	
AGC/18/206	<p>Declaration of Members Interest in relation to the business of the meeting</p> <p>None declared</p>	

AGC/18/207	<p>Quoracy</p> <p>The Quoracy of the Audit and Governance Committee was confirmed with three committee members present.</p>	
AGC/18/208	<p>Gifts & Hospitality</p> <p>No gifts or hospitality were declared by CCG staff</p>	
Previous Meeting		
AGC/18/209	<p>Minutes of Last Meeting – 10 November 2018</p> <p>The minutes of the previous meeting were agreed as a true and accurate record.</p>	
AGC/18/210	<p>Matters arising/Action Tracker</p> <p><u>UM Non-elective pressures and performance review on York Hospital NHS Foundation Trust (YFT)</u></p> <p>The CCG is still waiting for a report on performance actions.</p> <p>RM explained that the A&E Delivery Board would pick up some of the required actions from the UM report and an unplanned work stream was to be put in place to cover non-A&E performance. He said that the acute system recovery and transformation board would feed into the Governing Body, but that none of these arrangements were yet in place.</p> <p>During the ensuing discussion the Committee agreed that:</p> <ul style="list-style-type: none"> • The programme represented a mainstream element of the CCGs accountability and performance framework and needed to be regarded as core business for the Governing Body; • Reports from the Acute Transformation and Recovery programme needed to go to the Governing Body as a matter of routine; • The specific reporting framework for the programme and timetables needed to be established; • The programme needed to present its short - medium term plan for acute hospital services in accordance with the Ambition for Health strategy within the month to inform the 2018/19 programme of work; • Data and details of changes to clinical services needed to be 	

<p>routed through the Business Committee as a matter of routine;</p> <ul style="list-style-type: none"> The Committee needed a progress report on the Programme from SC. 	
<p>ACTION - RM to pick up outstanding report on actions arising from the UM Review;</p> <p>ACTION - PH to write to SC requesting a report on progress in the Acute Transformation and Recovery Programme together with a workplan</p>	<p>RM</p> <p>PH</p>
<p><u>North Yorkshire CCG Proposed Management Structure Changes</u></p> <p>PH reminded the Committee that a workshop of governing Body members from the three North Yorkshire CCGs had recommended that the formation of a joint committee be explored for commissioning services across the County in Learning Disabilities, Mental Health, Continuing Health Care and Safeguarding Children.</p> <p>AC stated that she has not been instructed to move this forward and was unaware of the status of this proposal. PH said that the three clinical chairs and chief officers had met on a number of occasions since the August 2017 workshop to look at collaborative working, but there had been no feedback from these meetings.</p> <p>ACTION: PH to pick up progress with SC</p> <p><u>Workforce</u></p> <p>EP advised that the Data Security training had only been completed by 69% of staff and that the IG Toolkit requires 95% of staff to have completed the training in order for the CCG to achieve Level 2 compliance. Staff members who have not completed the training had been identified. This was now a high priority.</p> <p>It was noted that there has been a delay this year in staff having access to the ESR computer based training however completion of statutory and mandatory training in general was improving slowly and numbers are increasing.</p> <p>ACTION: SB to draft an email reminder to staff.</p> <p><u>Sustainability Development Management Plan</u></p>	<p>PH</p> <p>SB</p>

EP confirmed that a review of the Sustainability Development Management Plan will be complete by the next Audit and Governance Committee and will also be covered in the Annual Report.

RM advised that he had been contacted by the national team which is offering resources to assist CCGs in training for Sustainable Development.

Action: RM to forward emails to EP to look into

EP

Joint Committee Assurance

SB noted that assurance from joint committees and partnership working was still an issue and she was in the process of drawing up a schedule of joint committees referred to in the Constitution, their ToRs, delegated authority and reporting arrangements. She would discuss this schedule with the SMT for presentation at the next Committee meeting.

ACTION SB to bring details of joint committees and the reporting arrangements to the next meeting and to incorporate these into the Accountability Framework

SB

The Committee was informed that the Business Committee had been presented with a recommendation for a Joint Committee with NHS East Riding of Yorkshire CCG, NHS Scarborough and Ryedale CCG and NHS Vale of York CCG to commission acute services which are provide by York Teaching Hospital NHS Foundation Trust

The Business Committee, while accepting the principle of the committee, rejected the proposed terms of reference because of:

- Concerns over the pooled budget and the impact of an aligned incentive contract;
- The voting/quoracy arrangements given the differing involvement/investment from the various stakeholders;
- A lack of clinical involvement – public health and primary care;
- A lack of clarification on the governance and delegation arrangements.

AC informed the committee that she would be meeting with SC regarding these. She proposed to put revised ToRs on the Governing Body Agenda in March.

ACTION: AC to meet with SC and provide update at next A&G

SC/AC

	<p>Committee</p> <p><u>Diabetes Services</u></p> <p>SP advised that no confirmation has been received yet regarding funding for diabetes services in 2018/2019 and she is awaiting confirmation on the MCP position</p> <p>Julie McGregor the new Programme Director for CHC will be attending the next Audit & Governance Committee meeting.</p> <p>Action: EP to invite Julie McGregor to the next A&G Committee</p> <p><u>PCU Transition Audit Plan</u></p> <p>AE-P confirmed that an audit brief had been issued to Chief Finance Officers and Chief Nurses for comment. This included a review of the quality of financial data and data sharing agreements going forward.</p> <p>Vale of York CCG has requested an additional piece of work including sample testing and AE-P confirmed that they are progressing this as quickly as possible and the audit will be carried out at the same time as NHS Scarborough and Ryedale CCG's audit.</p>	<p>EP</p>
	<p>Action Tracker</p> <p>The Committee reviewed the updated action tracker and noted the following:</p> <ul style="list-style-type: none"> • Audit of coding and Primary Care remained Open. The Committee was advised that payment verification is not in place. The GMS contract will include commissioner visits and scheduled practice visits are in place. Open • SB confirmed that she had now received a draft Primary Care Dashboard from eMBED, two indicators needed changing and it would be presented to the next Primary Care Co-Commissioning Committee. Action Closed • SB confirmed that she would chase regarding the advert for the R&D GP volunteer. Open • EP advised that admin have been reminded to send minutes of committees to all A&G Committee members including Quality and Performance Committee minutes to ensure a process for reporting. Closed • Scheme of Delegation has been updated to reflect PCU changes. Closed. 	

- AC advised she needs to chase the S75 Agreement with NYCC. **Open.**
- RM circulated the QUIPP report to members. **Closed.**
- The Committee was advised that the A&E Delivery Board reports into the Business Committee. The data will also go into the Progress and Exceptions Report for Governing Body. **Closed.**
- The Committee has not yet been provided with assurance reports from Victoria Pay or Occupational Health. **Open.**
- A lack of suitable assurance reports received from eMBED has been raised at the contract management board. The interim update has no assurance reports from Victoria Pay or Occupational Health. RM expecting the next report to pick this up. **Open.**
- Following on from the Risk Workshop with Governing Body members and SMT AC will be leading a Risk Steering Group- to review the CCG’s risk tolerance level and produce a risk tolerance statement. The work will be complete by the next Audit & Governance Committee. **Open**
- EP to review the Agenda Planner with PH and SB and agree what committees will be reporting in to the committee and when. It was noted that Action Trackers could be provided by the following committees:
 - Finance & Contracting
 - Business Committee
 - Primary Care Co-Commissioning
 - Quality & Performance
 - Communications and Engagement **Open**

Resolved: The Committee noted the update

Governance & Assurance

AGC/18/211	<p>Month 9 Annual Governance Statement</p> <p>EP confirmed that the Month 9 Annual Governance Statement had been submitted to NHS England and the Governing Body was advised in January 2018 that the following areas were identified as significant failure on the report:</p> <ul style="list-style-type: none"> • Failing to financially break even
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	<ul style="list-style-type: none"> Failing to show a financially balanced plan <p>The report did not identify any other significant breaches of control, breaches to Information Governance or lapse of control.</p>	
	Resolved: The Committee noted the submission	
AGC/18/212	<p>Policies for Approval</p> <p>The Committee reviewed the:</p> <ul style="list-style-type: none"> a) Anti-Fraud, Bribery and Corruption Policy and b) Conflicts of Interest Policy. 	
	Resolved: The Committee approved the policies	
AGC/18/213	<p>Primary Care Co-Commissioning Report</p> <p>SB presented the General Practice Forward View and the CCG's progress as at February 2018.</p> <p>SB advised that reasonable progress was being made against target times and that a number of NHS England funding streams were being released which will progress some red work areas.</p> <p>SB advised that she attends the Primary Care Leads meeting each month and narrative on progress of key areas are presented to Primary Care Co-Commissioning Committee and Ambitions for Health via quarterly reports.</p> <p>The RAG rating report is reported to the LMC and has been adopted by the North Yorkshire LMC.</p> <p>SB is working with Public Health to produce assurance reports regarding prevention services, best practices and lessons learned. These will be presented to the Primary Care Co-Commissioning Committee as different topics each month. This month's report will concern smoking and the next report will cover Health Checks.</p> <p>The Committee discussed an Aligned Incentive Contract (AIC) for acute services and the impact this might have on Primary Care programmes and funding. It was pointed out that plans made in acute care needed to factor the impact on out of hospital care, including nursing home care and primary care. Plans should include an analysis of savings and required investment/reinvestment. There needed to be an overarching financial model reflecting the investment in hospital,</p>	

	<p>community and primary care and health promotion/disease prevention. PH said that this was being picked up as part of the Ambition for Health strategy.</p> <p>SB confirmed that work is ongoing with recruitment and attracting new employees to Scarborough and Ryedale. The Committee noted that there are national shortages, but good progress was being made with international and non-medical recruits.</p>	
AGC/18/214	<p>Research and Development</p> <p>a) Research and Development Report</p> <p>SP briefed the Committee on the challenges the R&D team is facing and the Committee received a copy of the R&D Report for 2016/17.</p> <p>SP advised that the current lead for the R&D service had resigned and discussions were being held regarding options to source the R&D work going forward.</p> <p>The Committee was advised that currently NHS East Riding of Yorkshire CCG host the service but concerns had been raised that the service was not delivering to expectations. The changes to R&D Management might improve the options.</p> <p>SP reported that a conference call was scheduled for 23/02 with NHS East Riding of Yorkshire CCG and NHS Harrogate and Rural District CCG to discuss options.</p> <p>SP said that the CCG has stipulated that a quarterly report is required to provide assurance and that the CCG wants more visibility of R&D within the practices. SP also advised that funding was available for R&D, which the CCG can access. Both Whitby and York have robust Research & Development through their federations and the Committee agreed that NHS Scarborough and Ryedale CCG now has the opportunity to do the same.</p> <p>a) Research and Development Policy</p> <p>The Committee approved the Research and Development Policy</p>	
	<p>Action: SP to provide an update to the next A&G Committee</p> <p>Resolved: The Committee approved the Research and</p>	SP

	Development Policy	
AGC/18/215	A&G Committee Workshop 31/01/18	
	<p>a) Notes or Workshop</p> <p>The Committee members and other attendees at the workshop agreed that the notes were a fair reflection of the discussion. The appointment process for new Governing Body members from April 2019 was noted.</p> <p>b) Maturity Matrix</p> <p>The Committee discussed the outcome of the Matrix, which had been agreed at the workshop and it was agreed that this was a fair analysis. It was agreed that the Maturity Matrix would be presented at the March Governing Body meeting for them to note and discuss.</p> <p>c) Survey Responses</p> <p>Internal Audit had circulated a survey to Committee members, SMT and the auditors on completion regarding the effectiveness of the A&G Committee. The report reflected that there was a general agreement that the Committee was run efficiently and effectively.</p>	
	<p>Resolved: The Committee members agreed the notes of the workshop</p> <p>Resolved: The Committee noted the results of the Maturity Matrix and Survey Report</p> <p>Action: Report Maturity Matrix to Governing Body.</p>	EP
AGC/18/216	<p>Corporate Risk Register</p> <p>The Committee noted that there would be further work on the CCG's Committee and Corporate Risk Registers following on from the Risk Workshop for Governing Body members in January 2018. AC would lead on this. This work will include the development of a risk strategy, which will include risk appetite.</p> <p>In reviewing the Risk Register, the Committee requested that SMT consider a new risk that may arise from the Capacity and Capability review that will create a heightened unsettling environment for staff given the reorganisation of the CCG staffing that was already</p>	

	underway because of the acute recovery programme.	
	Resolved: The Committee noted and accepted the report ACTION: SB to raise the impact of the Capacity and Capability review as a risk to staff morale and continuity	SB
AGC/18/217	eMBED Assurance Report The Committee noted that that eMBED Assurance Report had been discussed at the Finance and Contracting Committee and compliance was being pursued through the contract management board.	
	Resolved: The Audit and Governance Committee noted and accepted the report.	
AGC/18/218	Capacity and Capability Review Guidance note The Committee was asked to note the Guidance note from NHS England (North), which outlined the process and implications of special measures.	
	Resolved: The Audit and Governance Committee noted the Guidance Note.	
Internal Audit		
AGC/18/219	Internal Audit Progress Reports AE-P presented the Internal Audit Progress Reports 2017/18 and a summary of reports provided to the CCG and assurance that Audit Yorkshire was meeting its KPIs. Audit reports were received for: <ol style="list-style-type: none"> 1. Prescribing and Medicines Management – significant assurance; 2. Primary Care Estates Strategy – significant assurance; 	
	Resolved: The Committee noted and accepted the Internal Audit Progress Reports	
AGC/18/220	Internal Audit Recommendations AE-P advised that 52 recommendations had been completed; there were 30 recommendations to implement..	

	Resolved: The Committee noted and accepted the Internal Audit Recommendations	
AGC/18/221	<p>Draft Internal Audit Operational Plan for 2018/19</p> <p>AE-P noted that that the CCG was in the third year of the 3 year strategic plan with a review by SMT.</p> <p>AE-P advised the Committee that the review provided for audits to include Financial Recovery, Joint Commissioning and GDPR compliance. Time was also identified in the plan for the audit of services previously provided by PCU</p>	
	Resolved: The Committee noted and approved the Internal Audit Operational Plan for 2018/19	
External Audit		
AGC/18/222	<p>External Audit Reports</p> <p>JC gave an update on the work to be undertaken by external audit in respect of the year-end. He reported that there were no issues arising or significant deficiencies in internal control at this stage.</p>	
	Resolved: The Committee noted and accepted the External Audit Report	
AGC/18/223	<p>External Audit Strategy Memorandum</p> <p>JC presented the External Audit Strategy Memorandum and advised that responsibilities would remain the same as previous years as outlined in the memorandum.</p> <p>JC drew the Committees attention to Section 4 which outlined the significant risks and key judgement areas where work would be concentrated.</p>	
	Resolved: The Committee noted and accepted the External Audit Strategy Memorandum	
Counter Fraud		
AGC/18/224	<p>Counter Fraud Progress Report</p> <p>SM gave a brief summary on the Counter Fraud Progress Report. It</p>	

	<p>was noted that this is the fourth edition of the report.</p> <p>In the absence of national alerts, SM has been sending out local alerts. Areas that were discussed and highlighted as local issues where as follows;</p> <ul style="list-style-type: none"> • West-Yorkshire toner scams • Phishing alerts • Whaling in cyber security • Patient data <p>Particular attention was brought to whaling in cyber security. SM described this as large transfers of money being extracted from Chief Officer’s budgets through fraudulent mimic accounts. Alerts are raising awareness and making this less likely to happen.</p> <p>SM also advised that Personal Health Budgets had been identified as being a risk of fraud from carers submitting claims forms for things they shouldn’t be claiming for. Issues can be resolved by checking time sheets and thorough pre-employment checks.</p> <p>SM confirmed his attendance at NHS Protect Quarterly Review Meetings and will raise issues on behalf of the CCG.</p> <p>There was a brief discussion around prescription fraud and patients obtaining drugs from online sources. The Counter Fraud team are liaising with Police regarding this.</p>	
	<p>Action: SM to include EP in Counter Fraud Progress Reports circulations</p> <p>Resolved: The Committee noted and accepted the Counter Fraud Progress Report</p>	<p>SM</p>
<p>Finance & Contracting</p>		
<p>AGC/18/225</p>	<p>Finance Report Month 9 2017/18</p> <p>a) Report</p> <p>RM gave a verbal update on the month 9 position, giving an update on the deficit, which now stood at £7 million. The Month 10 forecast out turn was an estimated deficit of £8.5 million, which incorporated £3 million that had previously been classified as risk. Although this outturn was predominantly based on an agreed figure with York Hospital NHS</p>	

	<p>Foundation Trust, there was still an element of risk because there had been no agreement on the level of outstanding elective work that would be undertaken in March.</p> <p>RM informed the Committee that there were also increased pressures in the following areas:</p> <ul style="list-style-type: none"> • Mental Health • Prescribing • Continuing Health care <p>RM advised that the CCG was planning for QIPP schemes to deliver £6.2m of savings, which was above the level previously achieved. Monitoring of schemes against the agreed trajectories looks favourable at individual scheme level however the impact on the financial position was not clearly evident.</p> <p>b) Dashboard</p> <p>The committee noted the dashboard report</p>	
	<p>Resolved: The Committee noted and accepted the Financial Report and Dashboard</p>	
AGC/18/226	<p>Financial Recovery Plan Update</p> <p>RM gave a verbal update on the Financial Recovery Plan that had been submitted to NHS Improvement and NHS England in January 2018. The Committee noted that this was a high level analysis suggesting financial recovery over 4 years and was predicated on an aligned incentive contract for hospital services combined with a collaborative approach across the Scarborough/York system from both commissioners and the provider.</p>	
	<p>Resolved: The Committee noted the Financial Recovery Plan Update</p>	
AGC/18/227	<p>Report on the Use of the Corporate Seal</p>	
	<p>The Committee noted details of the corporate seal usage in November 2017 for a Grant Agreement with North Yorkshire County Council in relation to Syrian Resettlement Programme</p>	
	<p>Resolved: The Committee noted and accepted the Report on the Use of the Corporate Seal</p>	

AGC/18/228	<p>a) Bad Debts & Special Payments</p> <p>The Committee was advised that this was a nil report for 2017/18</p> <p>b) Standing Financial Instructions Waivers</p> <p>The Committee were presented with the report for the Standing Financial Instructions Waivers in 2017/18</p>	
	<p>Resolved: The Committee noted and accepted the Bad Debts & Special Payments and Standing Financial Instructions Waivers Reports</p>	
AGC/18/229	<p>Multi-Speciality Community Provider Assurance Update</p> <p>The Committee was provided with an update on the integrated community services procurement. AC advised that the CCG was currently mobilising the contract with Humber NHS Foundation Trust,</p> <p>Based on advice from NHS England, the CCG will adapt the NHS Standard Contract to incorporate the MCP elements with the aim that the service would be live from the beginning of May..</p> <p>There had been correspondence from York Hospital NHS Foundation Trust seeking clarification on various elements of the new service and the contract process.</p> <p>The Committee were assured that the procurement process which was followed was sound and the mobilisation was making good progress.</p> <p>Resolved: The Committee noted the update.</p>	
AGC/18/230	<p>Aligned Incentive Contract</p> <p>RM advised that the Aligned Incentive Contract (AIC) aimed at fixing a financial value between the CCG, VOY CCG and YFT to address the £60m gap in the system. A risk share is being considered and RM advised that NHS Hull CCG and NHS East Riding of Yorkshire CCG had had an AIC in place during 2016/17 and had positive outcomes, although full savings and impact had not been received.</p> <p>RM advised that there was an update to the presentation. PH asked that RM to provide a copy of the report to members.</p>	
	<p>ACTION: RM to provide the Committee members with an update on the AIC</p>	RM

	Resolved: The Committee noted the update.	
General		
AGC/18/231	2018/19 A&G Committee Agenda Planner The Committee received and reviewed the Agenda Planner.	
	Resolved: The Committee Approved the Agenda Planner for 2018/19	
AGC/18/232	Dates for 2018/19 A&G Committee	
	Resolved: The Committee noted and agreed the dates for 2018/19 A&G Committee	
Any Other Business		
	No further business was discussed with the full Committee. All attendees left the room	
AGC/18/233	Review the effectiveness of External Audit The Committee members confirmed that they were happy with current service provision from the CCG's external Auditors, Mazars	
Date, time and location of next meeting		
4 th May 2018, 9.30-12.30. Boardroom, Town Hall-York House		