

Audit and Integrated Governance Committee Annual Report for 2018/19

Governing Body meeting

Item 22i

2 May 2019

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| Author(s) | Carol Henderson, Committee Secretary, on behalf of: Phil Taylor, Chair of the Audit and Integrated Governance Committee |
| Purpose of Paper | Assurance: The Chair of the Audit and Integrated Governance Committee produces an annual report for the Committee for the Governing Body. |
| Key Issues | As noted in the report. |
| Is your report for Approval / Consideration / Noting | Noting. |
| Recommendations / Action Required by Governing Body | The Governing Body is asked to note the report |
| Governing Body Assurance Framework | <p>Which of the CCG's objectives does this paper support?</p> <p>5. Organisational development to ensure CCG meets organisational health and capability requirements</p> <p>Principal Risk 5.4 Inadequate adherence to principles of good governance and legal framework leading to breach of regulations and consequent reputational or financial damage particularly at a period of change.</p> |
| Are there any Resource Implications (including Financial, Staffing etc)? | Not applicable |
| Have you carried out an Equality Impact Assessment and is it attached? | <p>Please attach if completed. Please explain if not, why not</p> <p>No, not applicable</p> |

Equality impact assessment

Have you carried out an Equality Impact Assessment and is it attached? No

If not, why not? Not applicable

Have you involved patients, carers and the public in the preparation of the report?

Not applicable

PPE Activity

How does your paper support involving patients, carers and the public? Not applicable

Audit and Integrated Governance Committee Annual Report for 2018/19

Audit and Integrated Governance Committee meeting

28 March 2019

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| Author(s)/Presenter and title | Phil Taylor, Chair of the Audit and Integrated Governance Committee | |
| Purpose of Paper | This paper provides an annual report of the activities of the Audit and Integrated Governance Committee for 2018/19. | |
| What assurance does this report provide to the Audit and Integrated Governance Committee in relation to Assurance Framework objectives? | | |
| Assurance Framework Number and Title | Description of assurances for Audit and Integrated Governance Committee | |
| 5.4 Inadequate adherence to principles of good governance and legal framework leading to breach of regulations and consequent reputational or financial damage. | The Chair of the Audit and Integrated Governance Committee produces an annual report for the Committee for the Governing Body. | |

Audit and Integrated Governance Committee Annual Report for 2018/19

Audit and Integrated Governance Committee meeting

28 March 2019

1. INTRODUCTION

The NHS Audit Committee Handbook recommends as good practice that Audit Committees should prepare a report to the Board or Governing Body detailing how the Committee has met its Terms of Reference for each year.

2. BACKGROUND

The Sheffield CCG Governing Body established the Audit and Integrated Governance Committee (AIGC) in accordance with the CCG's Constitution. The AIGC plays a pivotal role in ensuring that the Governing Body has effective internal control arrangements in place across the CCG. The main purpose of the Audit and Integrated Governance Committee is to scrutinise and critically review the CCG's financial reporting and internal control principles and ensure an appropriate relationship with both internal and external auditors is maintained.

In performing this role during 2018/19, the Audit and Integrated Governance Committee predominantly focused upon the framework of risks, controls and related assurances that underpin the delivery of the CCG's duties and objectives. In discharging these duties the Committee has considered reports, documentation and other information from officers of the CCG and its representatives, Internal Audit, External Audit and Counter Fraud.

As Chair of AIGC, I have reported key issues by the presentation of minutes and written and verbal reports to each of the CCG Governing Body meetings as appropriate. The Committee has presented key issues to the Governing Body meetings to ensure that members are effectively briefed.

This Annual Report of the AIGC is presented to the Governing Body to summarise the work of the Audit and Integrated Governance Committee during the 2018/19 financial year.

3. TERMS OF REFERENCE AND WORKPLAN

The Terms of Reference for the Audit and Integrated Governance Committee were reviewed during 2018/19 in May 2018 and December 2018.

In carrying out its duties, five meetings of the Audit and Integrated Governance Committee have been held during 2018/19 (the AIGC usually meets four times a year, however, as we were not able to schedule a quorate meeting in March 2018, this meeting had to be deferred to April 2018) and all meetings have been quorate. In addition to the Committee members, the Director of Finance and representatives from Internal Audit and External Audit have regularly attended meetings. Other members of staff have also attended meetings in order to present reports or provide information and explanation in relation to specific items on the agenda.

A workplan covering the period March 2018 to March 2019 inclusive was developed to ensure that all key areas and reports from internal and external audit and from other committees were considered by the Audit and Integrated Governance Committee at appropriate intervals throughout that period. This workplan has been achieved for 2018/19 and is attached as Appendix A to this report for information.

At each meeting AIGC has considered the work of the Governance Sub-Committee including receiving its minutes and has considered reports on issues from the Risk Register and Assurance Framework, as well as various reports relating to financial governance matters.

Whilst AIGC has completed a full cycle of meetings and work in 2018/19, it will not be until May 2019 that it receives and considers a set of statutory financial statements for the CCG, together with appropriate external audit reports.

The CCG is in the process of preparing a revised Constitution, following guidance issued from NHS England on a new model constitution for CCGs. In support of this, the AIGC have reviewed proposed changes to the Standing Orders, Scheme of Reservation and Delegation and Prime Financial Policies which form part of the Constitution and for which AIGC has responsibility to review annually and to make recommendations to Governing Body on any changes. In addition, AIGC has considered the draft Standing Financial Instructions which have been created from the current operational scheme of delegation and which need to be incorporated as a separate document in the Constitution going forward. Final recommendations are expected to be made to Governing Body in May 2019.

In January all members and key attendees of AIGC completed a questionnaire which considered the work and effectiveness of AIGC. The results of this questionnaire are being considered at the March 2019 meeting and overall were very positive. We will be considering any development issues for AIGC members as well.

The minutes of all meetings of AIGC have been formally recorded and submitted, together with recommendations, where appropriate, to the Governing Body.

In summary, I believe AIGC has had a positive and productive year of operation and has supported Governing Body successfully in discharging a range of governance functions for the CCG.

Phil Taylor
Chair of the Audit and Integrated Governance Committee
March 2019

Audit and Integrated Governance Committee (AIGC) Work Plan 2018/19

| Details | Apr 2018 | May 2018 | Sep 2018 | Dec 2018 | Mar 2019 |
|--|----------|----------|----------|----------|----------|
| Internal Audit | | | | | |
| Internal Audit Annual Plan and Fee | x | x | | | x |
| Internal Audit Progress Reports | x | x | x | x | x |
| Internal Audit Annual Report and Head of Internal Audit Opinion Statement | | x | | | draft |
| Local Counter Fraud Reports (Annual report will be in May 2018) | x | x | x | x | x |
| Local Counter Fraud Annual Work Plan | x | | | | x |
| Internal Audit Recommendations - High and Medium Risks | x | x | x | x | x |
| External Audit | | | | | |
| External Audit Annual Plan | x | | | | x |
| External Audit Progress Reports | x | | x | x | x |
| External Audit Management Letter | | | x | | |
| External Audit Annual Governance Report | | x | | | |
| Annual Accounts | | | | | |
| Agreement of final accounts timetable and plans | x | | | | x |
| Annual review of accounting policies and estimations | x | | | | x |
| Receive Annual Financial Statements of Sheffield CCG (for recommending to Governing Body for approval) | | x | | | |
| AIGC's own business | | | | | |
| Review Terms of Reference | x | | | x | |
| AIGC Annual Work Plan | x | | | | x |
| AIGC Annual Report | x | | | | x |
| AIGC Self Assessment Checklist | x | | | x | x |
| Agree AIGC Meeting Dates | | | | x | |
| Private discussion with Internal and External Audit | | | | | x |
| CCG Governance and Assurance | | | | | |
| Review Standing Orders, Prime Financial Policies and Detailed Financial Policies | x | | | | x |
| Review of CCG Assurance Framework & Risk Register | x | x | x | x | x |
| Governance sub committee reports (Annual report in March 2019) | x | x | x | x | x |
| Quality Assurance committee reports | x | x | x | x | x |
| Annual Governance Statement | x | | | | draft |
| Review of CCG Registers of Interests, Procurement and Gifts and Hospitality and Sponsorship | | x | | x | |
| Accountable Care Partnership (ACP) / Integrated Care System (ICS) Governance update | | | x | x | x |
| Risk Management Strategy and Action Plan | x | | | | x |
| Other reports | | | | | |
| Aged Debtors and Creditors Report | x | | x | x | x |
| Losses and Special Payments Report | x | x | x | x | x |
| Competitive Tender Waivers | x | x | x | x | x |
| Legal Claims Report | | x | | x | |