

Bristol, North Somerset and South Gloucestershire Audit, Governance and Risk Committee

Minutes of the meeting held on 12 June 2020, at 3pm, MS Teams Call

Minutes

| Present | | |
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| John Rushforth | Committee Chair, Lay Member Audit and Governance | JRu |
| Nick Kennedy | Independent Clinical Member Secondary Care Doctor | NK |
| John Cappock | Lay Member, Strategic Finance | JC |
| Apologies | | |
| Jon Hayes | Clinical Chair, CCG | JH |
| In attendance | | |
| Julia Ross | Chief Executive | JR |
| Sarah Truelove | Chief Financial Officer | ST |
| Jon Lund | Deputy Chief Finance Officer | JL |
| Steve Freeman | Head of Financial Services | SF |
| Sarah Carr | Corporate Secretary | SC |
| Nick Atkinson | Head of Internal Audit, RSM | NA |
| Victoria Gould | Client Manager, Internal Audit RSM | VG |
| Elias Hayes | Manager, Audit South West | EH |
| Barrie Morris | Director, Grant Thornton | BM |
| Liam Royale | Manager, Grant Thornton | LR |
| Steve Rea | Associate Director of Programme Delivery/Healthier Together PMO Lead | SR |

| | Item | Action |
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| 01 | <p>Apologies</p> <p>The above apologies were noted. JRu thanked auditors for the completion of the planned work; this had been a challenging period. JRu asked for papers submitted within 3 working days of the meeting to be agreed with the Chair prior to circulation.</p> | |
| 02 | <p>Declarations of interest</p> <p>There were no declarations of interest relevant to the agenda. NK explained he was now a Non-Executive Director of a start-up company not linked to any agenda items.</p> | |

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| 03 | <p>Minutes of the previous meeting, matters and actions arising</p> <p>The minute was agreed as a correct record. The action log was reviewed:</p> <ul style="list-style-type: none"> • 19/12/19 item15 ref1; The GB seminar had been held and the GBAF would be discussed at the July and August Governing Body meetings. The action was closed. • 19/12/19 item 16 ref 1; timescales for the update of the intranet had been amended. The action was closed • 11/02/20 item 3 ref 1; ST had discussed the CHC review with Rosi Shepherd. The report would come to the next meeting. The action remained open. • 11/02/20 item 20 ref 1: it was agreed to extend the deadline for the action. • 11/02/20 item 25 ref 1: it was agreed to extend the deadline for the action. • 03/04/20 item 5 ref 1; ST had raised the issue with the Quality Directorate and this matter was being followed up with NHSE. The action was closed. • 03/04/20 item 6 ref 1; the audit plan had been amended allowing sufficient resource for the locality governance and local authority integration audit. The action was closed. • 03/04/20 item 8 ref 1; the self-assessment had been completed. The action was closed • 03/04/20 item 10 ref 1 personal safety communications were circulated. The action was closed <p>All other due actions were closed.</p> | |
| 04 | <p>Identification of any other business not on the agenda</p> <p>There was no other business to be raised.</p> | |
| 05 | <p>Internal Audit Annual Report and Opinion 2019-20</p> <p>NA drew attention to final Head of Internal Audit Opinion (HIAO), which included a number of Service Auditor Reports. NA explained the Service Auditor Report for primary care services provided by CAPITA had been delayed until mid-June. This was a national issue. The delayed report would not make a material difference to the Head of Internal Audit Opinion.</p> <p>JC asked about the data analytics and benchmarking referenced in the “adding value” section. NA explained the work sharing the HOIA opinions RSM had issued across their CCG client base to indicate the CCG’s position was an example for this work. NA would check the data analytics undertaken and share this with the committee.</p> | NA |



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| | <p>JR asked if auditors had identified areas for improvement in the CCG's arrangements for the Learning Disability Mortality Review Programme (LeDeR). NA explained the audit found the CCG LeDeR processes were effective. There were national issues relating to the reporting of deaths. The audit did not find gaps in arrangements specific to the CCG. JR asked why the LeDeR audit assurance level was "Reasonable Assurance". NA agreed to share the audit and the reasons underpinning the level of assurance given.</p> <p>The Committee received the report</p> | <p>NA</p> |
| <p>06</p> | <p>Internal Audit Progress Report</p> <p>NA highlighted progress since the last meeting. The audit work looking at financial and governance arrangements in response to the covid-19 pandemic was noted. No specific weaknesses in systems and controls were identified. JRu asked if there had been a management response. NA explained this was not an element of the audit plan and a formal response was not requested. A response would be considered by the Strategic Finance Committee. NK asked if the auditor comments in the letter felt reasonable. ST explained these were reasonable; the position had been fast moving and the CCG had worked across the region with other CCG's, sharing learning. JR noted a number of the points highlighted were no longer relevant. NA flagged the planned audit programme and thanked Rob Hayday for his support organising the forward programme.</p> <p>The Committee received the report</p> | <p>ST</p> |
| <p>07</p> | <p>Counter Fraud Annual Report 2019-20</p> <p>EH highlighted the following:</p> <ul style="list-style-type: none"> • The NHS Counter Fraud Authority Qualitative Assessment Process: the submission had shown improvement across three amber standards and the overall assessment was green. • Counter Fraud advice: advice had been provided to CCG staff across a range of topics described in the report. • Local Counter Fraud Risk Assessment: the fraud risks identified were detailed in the report. These risks had been shared with directorates for inclusion on Directorate Risk Registers. • Hold to Account: the investigations were detailed in the report. It was noted one case had been transferred to NHS Wales. <p>All allocated days had been used and the objectives met.</p> <p>JRu asked if there was a culture of fraud awareness. EH confirmed there was culture of fraud awareness across the CCG. The benchmarking exercise had indicated there were areas where</p> | |



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| | <p>training needed to be repeated. ST noted EH had been approached by staff from across the CCG indicating an encouraging level of awareness. ST thanked EH for his contribution to the recent all CCG staff virtual meeting. NK asked about the seniority of staff seeking advice from the service. EH explained a range of staff sought advice including senior managers.</p> <p>The Committee received the report</p> | |
| 08 | <p>Draft Security Management Annual report 2019-20</p> <p>EH drew attention to:</p> <ul style="list-style-type: none"> • Security advice including advice relating to security risks linked to working from home. • Security alerts relating to FP10 Prescription Forms and Covid-19 security alerts communicated to staff • Hold to accounts: there were three referrals detailed in the paper. One referral related to the fear of an incident. <p>All allocated days had been used and the objectives met.</p> <p>JRu asked whether the fears of theft related to within the office space. EH explained this related to travel to and from work.</p> <p>The Committee received the report</p> | |
| 09 | <p>External Audit Findings Report</p> <p>BM thanked ST, JL, SF, and the finance team for their support during the audit. BM drew attention to the headlines, including the risk assessment updated as a result of the Covid-19 pandemic. The audit work had been completed on the financial statements. A number of adjustments had been agreed with CCG management. All testing was completed. An unqualified opinion had been issued on the financial statements; the opinion on regularity was qualified due to the breach of the CCG's Revenue Resource Limit. A section 30 referral had been issued to the Secretary of State. A qualified 'except for' value for money conclusion had been issued as result of the underlying structural deficit. The progress to reduce this was recognised. This conclusion had been referred to the External Auditor's national panel for consistency checking. There were no 'going concern' issues to bring to the committee's attention. The approach to materiality was noted.</p> <p>Attention was drawn to the Significant Risks: Secondary Healthcare expenditure – contract variations and the differences in the agreement of balances exercise. The impact of these differences was not significant and the CCG had in place appropriate</p> | |



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| | <p>arrangements. The External Auditors were satisfied the CCG was presenting a fair position. The delayed Service Auditor Report from Capita was noted; the prior year qualifications had been used to support the audit certification. There were no significant findings in relation to accounting policies. The detailed Value for Money section and Actions were highlighted, as were the Audit Adjustments.</p> <p>JRu asked if there was an underlying reason for the mismatches of balances. SF explained there were different reasons for each mismatch. JL observed issues related to reporting processes and technical accounting procedures across organisations.</p> <p>JRu commented the phrasing of the Value of Money conclusion implied there was an issue with the approach taken by the CCG. The issues were significantly outside of the control of the CCG and were not related to its arrangements. BM explained a detailed description of the CCG's position, the actions taken and progress made had been included in the report. The National Audit Office (NAO) had mandatory wording for the conclusion that could not be amended. JR asked if the conclusion related to the breach of the Resource Revenue Limit, observing it was important to understand the position and whether arrangements required revision. BM confirmed the deficit position was the reason for the conclusion.</p> <p>NK asked if there were actions in place to reduce the number of differences in balances. ST explained issues related to accounting treatments. The CCG was assured it understood the reasons for each mismatch. JR observed the finance team was skilled and experienced and the External Auditors had no concerns. BM agreed the issues had been investigated and the External Auditors were satisfied the CCG position was appropriate.</p> <p>The Committee received the report</p> | |
| 10 | <p>Section 30 Letter to Secretary of State</p> <p>The Section 30 letter had been agreed with CCG management.</p> <p>The Committee received the report</p> | |
| 11 | <p>Letter of Representation</p> <p>The letter of representation followed the standard format and once approved would be signed by Julia Ross and Sarah Truelove.</p> <p>The Committee approved the signing of the Letter of Representation</p> | |



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| 12 | <p>Going Concern Assessment</p> <p>The paper formalised the audited position. The system challenges were highlighted and the wider NHS and public sector context noted. The CCG and wider system had in place a plan to return to balance. The impact of the covid-19 pandemic was noted.</p> <p>The Committee received the assessment</p> | |
| 13 | <p>Approval of the Annual Report 2019-20</p> <p>The Chair and Chief Executives' introduction was being finalised and would be added prior to submission. The introduction was not part of the formal template and audited report. The introduction would be circulated before submission. SC thanked colleagues for their support. JRu noted the report set out the range and volume of activity taken forward by the CCG in the year and thanked the team. JR highlighted the CCG's achievements and progress. JR observed performance against some NHS Constitutional Standards had been worse than the previous year and it was likely the impact of covid-19 on performance in 2020-21 would be significant. Improving performance against constitutional standards would be an area of focus as the CCG moved through recovery. JR thanked SC.</p> <p>The Committee approved the Final Annual Report 2019-20</p> | SC |
| 14 | <p>Approval Annual Accounts 2019-20</p> <p>SF explained there had been no changes to the accounts presented. JRu asked if the number of employees reported was whole time equivalent. SF confirmed this and highlighted the in-housing of CHC staff and the reduction in agency staff. There were no other questions. The Committee welcomed the accounts. JR thanked SF.</p> <p>The Committee approved the Final Annual Accounts 2019-20</p> | |
| 15 | <p>Information Risk Report 2019-20</p> <p>The report set out the findings of the Information Governance Risk Assessment. Information assets were identified and categorised by risk. No information assets were categorised as extreme risk. Mitigations to reduce risks relating to assets categorised as high-risk were in place. The flow of information had been assessed and mapped. The majority of information flows outside of the UK and EEA related to commercial data managed by SBS. The identifiable flow related to a Freedom of Information request and the applicant was fully aware of the flow of their information. The audit work and action plans were highlighted. One incident had been reported to the Information Commissioner who had confirmed no further action would be taken.</p> | |



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| | <p>JRu asked about the membership of the Information Governance Group. ST explained the Group's members included herself, Martin Jones, CCG Caldicott Guardian, Caroline Dominey-Strange, and Thom Manning, CCG data Protection Officer. JRu welcomed the report and asked that future reports include a conclusion/opinion on the CCG position. NK asked if there would be an increase in Information Governance issues related to home working. ST commented there had been a reduction in the number of incidents; information governance issues related to home working had been discussed by members of staff with Caroline Dominey-Strange.</p> <p>The Committee received the report</p> | |
| 16 | <p>Freedom of Information Update Q4</p> <p>SC reported to date there had been no breaches for Q1. JRu thanked the team.</p> <p>The Committee received the report</p> | |
| 17 | <p>The Management of Conflicts of Interest Update</p> <p>The Annual Self-Assessment had been submitted to NHSE</p> <p>The Committee received the report</p> | |
| 18 | <p>Governing Body Assurance Framework (GBAF) and Corporate Risk Register (CRR)</p> <p>SC highlighted the principal objectives reported on the Governing Body Assurance Framework were being considered by the Governing Body. Attention was drawn to the additions to the CRR made since its last review. Directorates had reviewed risks to identify the impact of covid-19 on existing risks. The Silver Cell Risk Register was discussed. It was noted risks on this register were scored using the CCG risk scoring matrix and risks score at 15 and over were included on the CRR. It was agreed the Executive Team would review the silver cell risk register and identify risks to be escalated to the Governing Body Committees. It was agreed information about the Silver Cell Risk Register would be reported in the CRR cover paper presented to the Governing Body.</p> <p>The Committee received and discussed the Governing Body Assurance Framework and the Corporate Risk Register</p> | <p>ST</p> <p>SC</p> |
| 19 | <p>Covid-19 Lessons Learnt– Governance</p> <p>SR attended for this item and took members through the presentation highlighting this was a work in progress and drew attention to:</p> <ul style="list-style-type: none"> • the learning during the covid-19 response • observations on what makes an effective system, group, board • work underway | |



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| | <ul style="list-style-type: none"> • considerations for system governance and the proposed revised system governance structure <p>Key areas for consideration were identified as:</p> <ul style="list-style-type: none"> • Ensuring individual organisations fulfilled their statutory duties alongside a system first approach • Ensuring CCG teams were best set up to work as part of the system and maintain clarity on routes for decision making with the CCG. <p>ST reiterated this was early thinking and there was national consideration of the actions required to support systems. New Planning guidance was expected. JRu observed the presentation focused on system governance and commented other sectors had changed the focus of their governance. JRu asked if there was a similar opportunity for change. JR explained the presentation was an early iteration. The incident response governance was not long term. There was ongoing national consideration of governance and linked issues. It was important to take the successes from the response and ensure these were continued with the return to the formal governance of organisations. JRu asked if there was exploration of different governance. JR noted that changes to governance would require legislative changes.</p> <p>NK commented on the importance of maintaining the engagement of clinicians. JC noted the direction of travel relating to PCNs. JL observed it was important to maintain clinical engagement. ST commented helping clinicians understand the decision-making path would support levels of engagement. JR noted enabling clinical agency to continue was important and required further consideration. JR observed it would be helpful for the system Chairs of Audit to discuss these issues. JR and JRu agreed to discuss this further.</p> <p>JRu invited comment from the auditors. BM commented that a meeting of Audit Chairs would be supported by other local organisations. NA commented the increased focus nationally on systems presented a challenge to CCGs and retaining focus on statutory functions and duties was important. Increased use of digital technologies presented opportunities for different ways of working.</p> <p>NK commented on issues relating to capacity and demand and highlighted the role of the CCG in prioritising resources across the</p> | |



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| | <p>system. JR observed that this was an element of national discussions. The CCG's work on strategic commissioning was important and it needed to consider its development needs.</p> <p>JRu asked how the work would be progressed. ST explained there would be further discussion of the issues highlighted in the paper with system leaders. JR commented it was important to consider the CCG's position. This would be part of the recovery process. A further update would be provided at the next meeting.</p> <p>The Committee received the report</p> | ST |
| 20 | <p>Committee Effectiveness Annual Review 2019-20 and Committee Terms of Reference</p> <p>The Committee confirmed there were no changes to the Terms of Reference.</p> <p>The Committee recommended the Terms of Reference to the Governing Body</p> | |
| 21 | <p>Losses and compensation payments</p> <p>The paper was a matter for information.</p> <p>The Committee received the report</p> | |
| 22 | <p>Redundancy Provisions</p> <p>The paper was a matter for information.</p> <p>The Committee received the report</p> | |
| 23 | <p>National fraud Initiative Update</p> <p>The paper was a matter for information.</p> <p>The Committee received the report</p> | |
| 24 | <p>Waiver of Standing Financial Instructions</p> <p>The paper was a matter for information.</p> <p>The Committee received the report</p> | |
| 25 | <p>Counter Fraud Policy</p> <p>The paper was a matter for information.</p> <p>The Committee received the policy</p> | |
| 26 | <p>Audit, Governance and Risk Committee Work plan</p> <p>The Committee received the work plan</p> | |
| 27 | <p>Committee Effectiveness</p> <p>Members considered the checklist and agreed the meeting had been effective. Items discussed to be flagged to the Governing Body included the committee's thanks relating to the Annual Report and Accounts, and the awareness of staff of counter fraud issues.</p> | |
| 28 | <p>Meeting without auditors:</p> <p>There was no meeting</p> | |

Sarah Carr, Corporate Secretary, June 2020

