

**INTEGRATED GOVERNANCE & AUDIT COMMITTEE MEETING
NORTH EAST LINCOLNSHIRE CLINICAL COMMISSIONING GROUP
HELD ON FRIDAY 6th September 2019 AT 9AM
CROSLAND SUITE, GRIMSBY TOWN HALL, GRIMSBY**

PRESENT

Mr Tim Render	Chair & Governing Body lay member
Mr Joe Warner	Governing Body lay member
Cllr Margaret Cracknell	Union Board Lay Member (arrived Item 3)

IN ATTENDANCE

Ms Laura Whitton	Chief Finance Officer
Ms Debbie Baker	Group Auditor, NL Business Connect
Mr Mark Kirkham	Partner, Mazars
Karen Stamp	Exec Office PA (note taker)
Mr Rob Walsh	Chief Exec
Ms Lynne Popplewell	Head of Finance (Health Commissioning & Corporate)
Mr Rob Walker	Senior Manager, Mazars

APOLOGIES

Mrs Claire Stocks	Governance Assurance Officer
Dr Karin Severin	GP Member
Ms Sue Kendall	

Group Audit Manager, AuditOne (available to dial in For Audit section – if required)

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|-----------|--|-------------------------|
| 1. | Apologies
Apologies were noted as above. | |
| 2. | Declarations of Interest
There were no declarations of interest from those present. | |
| 3. | Minutes of the previous meeting – 19 July 2019
These were agreed as an accurate record. | |
| 4. | Matters Arising – 19 July 2019
The Matters Arising Sheet was discussed.

Counter Fraud Update: A1CF/18/0178
<i>Mr Render thanked Mr Martyn Tait for the email update and requested that if we are red in an area again could it be put in the evidence explanation why we are red. ACTION: M Tait</i> | M Tait |
| | GP contract
<i>Mr Render thanked Primary Care colleagues for the helpful update. It was confirmed that there is no audit of GP Practices as they are independent contractors/partnerships. However, they do have CQC inspections so the CCG do get assurances on Quality and Care. ACTION: Julie Wilson to do a briefing.</i> | L Whitton
– J Wilson |
| | Risk Register/ BAF Update (including Assurance framework report) & feedback from GB workshop | |

Ms Whitton confirmed that the new process is in place for the Risk manager and Governance team flagging risks to managers in routine 1:1's every month rather than having a separate meeting. Initial reports were that it was working well.

Internal Audit - Dementia

It was noted that Bev Compton is getting a stocktake from Jayne Smith in Mental Health, and Ms Whitton still needs to discuss this with Bev.

L Whitton

Alliance Agreement

Further developments in the wider system are going to Care Contracting Committee next week. The Development of PCN's has had a significant impact on the shape and scope of the Alliance Agreement as GPs do not feel they can sign up at this point in time. The Urgent Treatment Centre is now live although it is not 100% implemented. There have been some technical difficulties with systems and data flows, and a few issues with Nurse and GP cover. Members were re-assured that the strategic risk around the delivery of Integrated Urgent Care system is being closely managed.

5. NEL/CCG Union Update

Mr Rob Walsh attended to update members on the CCG/NELC Union.

Members were reminded of the rationale of bringing together the CCG and Local Authority which are two major public sector bodies working together to improve the health and wellbeing of people living in North East Lincs. Work has been ongoing looking at assets and combining resources.

There are three areas of focus;

1. Commissioning
2. Operating model
3. Performance and Delivery

Place is a major focus for the Union, particularly commissioning outcomes, doing this once to avoid duplication, getting the operating model right, tracking delivery of those outcomes, and the development of Primary Care Networks are all top priorities. Recognise that clearly there is also an important role for commissioning at scale so we need to be able to flex and be agile to support other activities. The Provider landscape needs to be solid.

Helen Kenyon is leading on the commissioning principles across the Local Authority & CCG, they are now emerging and need to translate into outcomes.

FutureGov have been engaged by the Union to develop a suitable operating model, bringing 2 groups of very skilled people together to use resources better and in the longer term looking at who is best to deliver what. This is starting to take shape and people are engaging with the process. It was felt that People and Culture are what makes the organisation a success so it is key people understand their role.

Both organisations have statutory duties to meet, so are looking at what set things need to be done separately and which ones can be worked on together. Sharon Wroot and Laura Whitton are working closely together to look at a joint financial planning approach. They have identified opportunities to combine resources in certain places and it is hoped by the next financial year it will be clear what we can share and what we cannot. All of this work takes time as people are still doing the day job.

A key priority identified by the Union Board is the development of Primary Care Networks (PCN's) which will be key for the long term plan and is the NHS bedrock. They are having to work quickly, looking at neighbourhoods on the ground and that work is being led by GPs with the support of the CCG. Again there is an opportunity to do things jointly combining resources

and this work is developing at pace.

Mr Walsh highlighted the following other areas of work to note:

- The Adult Service review has now taken place with 40% of the Councils budget being spent in this area we need assurances on that agenda.
- A recent Special Educational Needs & Disability (SEND) inspection took place in NEL which has been very challenging with CQC & Ofsted involved as it is very important and high profile nationally .
- As part of the Humber Acute Services Review the Cabinet and Clinical Leaders are considering services across the Humber and beyond.
- Wider system Integrated Care System / Humber Coast & Vale – NEL have developed a unique set of arrangements which is right for our place but we also have to adequately influence the wider footprint, no draw bridge is going up but place is most important, with the wider system second.
- Ms Whitton informed the Committee that the finance work which has taken place was to identify high level strategic goals and where we want to be in 5 years' time, with regards to the financial planning approach. We need to look at what does the financial planning need to look like to achieve a bottom up, place-based plan. Where do we expect to be in years 1,2,3,4 & 5? A piece of work has already been done around aligning deadlines across the CCG & NELC, some of deadlines are driven by national timescales but by working together there should be a better understanding of impacts on both organisations, and any system consequences on the whole pathway across health and care.
- The Union are looking at the Greater Manchester model, working with colleagues in Tameside where they have very similar arrangements to us, although the demographics are slightly different. This arrangement is unique but it is looking likely to become a model.

Feedback from the Committee:

Mr Warner felt that there are still some culture and lack of trust issues between organisations but there are huge benefits from working through those relationships but it is important not to underestimate the challenge that is still around.

It was noted that the work around Culture is ongoing led by FutureGov and this will start to take shape soon.

Cllr Cracknell added that the Union work needs to be fully grasped now and we need to be making it work smarter.

Mr Walsh left the meeting.

6. Risk Register/ BAF Update

The report was taken as read, with the following points highlighted:

At the time of writing this report one risk hasn't met the risk review date deadline (CCG-BAF.2003 – NLAG Sustainability)

Little activity to draw to the committees attention since the last report due to completion of risk management reviews. However, as noted within the report the risk management reviews have been challenging this year due to diary commitments/priorities. Therefore it has been agreed by Senior Leadership to change

the format of these slightly going forward:-

- A quarterly full risk schedule will be sent to managers and assignees to update at a 1:1 or catch up meeting
 - Annual reviews to continue, these would again be part of 1.1/catch up and the Governance Team would be invited to attend.
 - Quarterly review by the Senior Leadership team – including escalations of late reviews/issues with risk management reviews
- The feedback is that this is working, and risk management is becoming part of everyday conversations rather than an 'add on'.

The Committee agreed to this approach going forward.

Assurance Mapping

Every year Internal Audit assesses the effectiveness of controls in place within the CCG and provides an annual opinion in support of the CCG's Annual Governance Statement. This work includes reviewing the way in which the Governing Body has identified its objectives, risks, controls and sources of assurance and assessed the robustness of the assurances obtained.

Work is underway on the best approach, and one of the immediate areas currently being worked on is the BAF. It was suggested to slightly change the layout of the BAF report to include an additional three columns headed by the three lines of defence (Operational/Management/Independent) to demonstrate the source of assurances for the BAF risks.

Further work is underway to strengthen areas linked to operational model, the IAF and our statutory duties, this is currently in the early stages and a proposal yet to be established.

Mr Render indicated that he would be very much like to be more involved in this area. The work that needs to be undertaken needs to involve Mazars and will be about adding value, not creating an industry.

It was noted that there are currently 4 new risks pending, these are –

- Looked after children's initial health assessment
- Service transformation change and the pressure and ability to transform due to capacity and delivery of the OD plan
- Primary Care Networks
- Liferay

FOR DECISION / RATIFICATION

7.

Medium Term Financial Plan

Ms Whitton confirmed that the first draft of the 5 year plan must be submitted by the end of September with every organisation having to produce one.

The CCGs Plan will be submitted to the STP and is part of the Northern Lincolnshire sub-system the CCG plan will be crosschecked with other parts of the STP system eg Northern Lincolnshire & Goole NHS Foundation Trust to ensure the figures / assumptions align. It was confirmed that

a lot of work has already been done around confirm and challenge, with Directors of Finance and Planning Leads, across the STP system on a regular basis. The final version of the plan must be submitted by November, once this is complete we will then get into the detailed planning for 2020/21.

Key things for the Committee to note:

- We know what allocations are for next 4 years
- Contingency fund must be 0.5% of allocation
- Community/Primary Care/ Continuing healthcare year on year spend must increase by at least as much as the allocation growth
- There has been a lot more collaboration this year between the STP & NHSE/I so it should cut down on some of the work, as the joined up conversations are already taking place.
- The CCG plan is consistent with the plan going to Union Board next week and links to delivery of our financial plan.
- A CCG long term plan actually helps with relations with Providers
- The increase in year on year spend in Mental Health must meet the MH investment standard – (uplift > the CCG allocation uplift),
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8. Terms of Reference

The Terms of Reference had been circulated and it was noted that the main changes were as follows:

- Key change to membership we have now added a lay member from the Governing Body Philip Bond. This means that there are now 2 lay members from the Governing Body and 2 members from member organisations (Social Care and GP) As well as Cllr Cracknell from the Union perspective for the shared budgets
- Added in for further clarity was the role of the committee for signing off the CCG annual accounts and the Chief Officer's role. This is typically carried out by the Finance Assurance Sub Group with CCG Officers who attend the group doing the detailed work and bringing the assurance to wider Committee.

The Committee agreed for the ToR to now be recommended to the Governing Body for sign off.

9. Focussed Risk Areas

The ICP was deferred while work is ongoing on with the Alliance. The Alliance members have not met for a while and now need to work out their relationship with PCN's.

ACTION: Keep on agenda – December

K Stamp

FOR INFORMATION (including updates)

10. Internal Audit & Counter Fraud Update

Mr Render felt that the Report was far too long with the 10 appendices and the structure was difficult to digest, and this Committee is only interested in the bits which relate to the CCG.

A discussion ensued around a lot of the Fraud risk having disappeared since the demise of PCTs, but the CCG still buying a lot of days for Counter Fraud Unfortunately Counter Fraud are driven by a national process that they have to meet within their internal standards which means the days cannot be reduced.

It was felt that this Committee needs to be updated at a high level of ongoing investigations, their status and lessons learnt from investigations elsewhere.

Ms Whitton agreed to set up a phone call with herself, Nicki Cooper and Mr Render to discuss further with Ms Whitton to discuss with other CCG CFOs for a view on their formats and

L Whitton

reporting beforehand. **ACTION: L Whitton**

Mr Render raised the issue of slippage in a number of planned audit starts dates and requested reassurance from Ms Kendall that they will be completed on time by the end of the year? ACTION: S Kendall

S Kendall

Ms Baker highlighted that auditing in today's environment means having many audits on the go at the same time, due to clients not having the capacity to stop what they are doing whilst an audit happens. Audit have done the planning in a different way for this year as they do not want all the outcomes coming in in Quarter 4.

11. External Audit Update

A progress report was circulated to the Committee. Mr Render commented that the Report was very straightforward and well laid out.

It was noted that the Value for money conclusion was around the arrangements the CCG has in place and to identify any exceptions and bring to the CCG attention. Value for money is not meant to be giving any assurances.

12. Adult Social Care – Aged Debt

The report was taken as read and noted by members.

STANDING ITEMS

13. Information Governance sub-committee Minutes

The Minutes were noted.

14. Schedule of any virtual decisions taken by the Committee

Nothing to report

15. Ratification of Policies

Nothing to report

16. FOI Quarterly Report

The report was noted for information.

17. Independent Assurance Reports

- NHSLA Assessment (Claims) Report – *Nothing to report*
- Findings of any Ombudsman Investigation in relation to the CCG or its services *Nothing to report*
- Determination of any Tribunal held in relation to the CCG - *Nothing to report*

18. Issues for Escalation to the Governing Body

- It was noted that the ICP and Alliance situation will be discussed at the Governing Body anyway.
- The Positives drawn from the joint work ongoing with Finance and the joint planning

19. Any Other Business

None raised

20. Date and Time of Next Meeting:

Friday 6th December 2019

9-11am

Crosland Suite, Grimsby Town Hall, Grimsby