

Audit and Quality Assurance Committee Annual Report 2015/16

1. ROLE OF THE AUDIT AND QUALITY COMMITTEE

This annual report sets out the work of the Audit and Quality Assurance Committee of NHS Rotherham CCG during 2015/16

The public rightly expect that the NHS should adhere to the highest standards of governance and the existence of the Rotherham Audit and Quality Assurance Committee conveys to both staff and the public the importance the Governing Body continues to attach to both internal control and corporate governance.

The Committee's primary role is to obtain assurance that:

- There is an effective and consistent process in commissioning for quality and safety across the Clinical Commissioning Group
- High standards of care and treatment are delivered. This includes areas regarding patient safety, effectiveness of care and patient experience.
- An effective system of integrated governance, risk management and assurance across the Governing Body activities is established and maintained.
- Reasonable steps are taken to prevent and detect fraud, bribery and corruption and other irregularities, in line with NHS Protect's Standards for Commissioners; fraud, bribery and corruption.
- Risks to the achievement of Governing Body objectives are identified and assurances obtained that appropriate mitigating action is being taken.
- Make recommendations to Governing Body within delegated responsibilities

This role is set out clearly in the Committee's terms of reference which have been revised during 2015/16 to ensure these key functions are embedded within the Constitution and governance arrangements of the Rotherham Clinical Commissioning Group. This will be reviewed again in September 2016.

The Committee reviews the effective local operation of Internal and External Audit, as well as the Counter Fraud Service. In addition it ensures that a professional relationship is maintained between the External and Internal Auditors, so that reporting lines can be effectively used. In addition the Committee maintains oversight of the assurance processes associated with the quality of services commissioned on behalf of Rotherham patients.

The purpose of this Annual report, in line with best practice, is to summarise the main topics considered by the Group during the past year and to set out the agenda for action during 2016/17.

COMPOSITION OF THE AUDIT AND QUALITY COMMITTEE

The Committee membership during 2015/16 was comprised of two lay members of the Clinical Commissioning Group (CCG) and two General Practitioners supported by representatives of both Internal and External Audit and senior CCG officers. During the year the CCG appointed a third Lay Member for Primary Care. Following this appointment it has been agreed in the Terms of Reference that there will be a minimum of two Lay Members on the Governing Body one of whom will act as Chair and one as Deputy Chair.

AQuA Member	Position	From - To
Mr John Barber	Lay member for governance	1 st April 2015 – 31 st March 2016
Mr P Moss	Lay Member – Public and patient Engagement	1 st April 2015 – 31 st March 2016
Dr R Carlisle	Lay member – Primary Care	1 st September 2015 – 31 st March 2016
Dr R Cullen	GP - SCE	1 st April 2015 – 31 st March 2016
Dr S Holden	GP - GPMC	1 st April 2015 - 31 st March 2016

Standing invitations to attend:

- The Chief Finance Officer – Keely Firth
- The Chief Nurse – Sue Cassin
- Assistant Chief Officer – Sarah Whittle
- The CCG'S Internal Auditors - provided by 360 Assurance
- The CCG's External Auditors – provided by KPMG
- The local Counter Fraud Officer - provided by 360 Assurance

In addition, other officers from within the organisation have been invited to attend where it was felt that to do so would assist in the effective fulfilment of the Committee's responsibilities. In accordance with the terms of reference the Chief Officer attends one meeting annually.

Administration has been provided by Lisa Gash.

2. Meetings During the Year

The Audit and Quality Committee has met formally on 6 occasions during the year with all members attending regularly. Minutes of these meetings have been reported back directly to the Clinical Commissioning Group Governing Body.

The Chairman attends periodic meetings of the 'chairs of the audit committees' of all the public sector organisations in Rotherham

Links established between the Audit and Quality Committee Chair and the Chairs of the Audit committees of other Rotherham public service organisations to discuss areas of mutual interest in partnership working have been continued.

The Audit and Quality Committee itself has focused upon examining the risks associated with both the new health service structures and also upon the effects of financial constraints particularly upon our major local health provider services. Close working relationships have been maintained with all health providers.

The Committee has examined the effectiveness of the governance arrangements of the CCG the Chair and Vice Chair have both attended and reported back on the functioning of the Strategic Clinical Executive meetings and the work of the Operational Risk, Governance & Quality Management Group.

Additionally the Committee has examined in detail a number of proposed new policy documents relating to matters as varied as human resources, conflict of interest, Fraud, Bribery and Corruption Policy 2015/16 Health & Safety, Safeguarding, Healthy Workforce, Budget management, Complaints and Information Governance Policies all of which contribute to the governance processes of the CCG.

3. Review of the effectiveness of the committee

In 2015, I requested '360 Assurance' to facilitate a workshop to enable members and attendees to review the effectiveness of the committee and assess benchmarking information available from other CCGs with regards to assurance and risk management and especially the accountability for quality in the governance structure.

The workshop took place on the 18th September 2015.

I as the Chair of the AQUA considered the findings of the workshop and proposed that the subsequent priorities are structured under the following 4 headings:

a) Improving the focus on quality

- Create a two way dialogue with the governing Body (escalation/delegation) on managing the quality agenda and issues arising from The Chief Nurse's quality report.
- Recognise the national focus and priority on quality
- Strengthen the focus on quality at AQUA
- Review how Quality Sub Committee works and should work in the future
- Refocus on contract quality performance

b) Relationship with Governing Body

- The Governing Body to review our Terms of Reference and membership and integration with other committees
- Consider exception/highlight reports
- AQuA to attend and assess other Committees effectiveness
- Other committees to do self- assessments
- Cover sheets to clarify purpose of papers (across all GB Committees)
- Confirm approach to negative / outstanding assurances

c) Improve Effectiveness and Management of AQUA Agenda

- Speed up process of AQUA feedback to GB (currently three months)
- Strengthen the forward planner/agenda setting process
- Finalise update of Terms of Reference
- Ensure right attendees to support discussion and enable challenge
- Clearer delineation between audit/governance and quality aspects of agenda to create time/scope
- Annual appraisal process
- Assurance mapping exercise

d) Clarify the financial role of AQUA

- No desire for a Finance committee at this stage
- Take a greater role in development of future financial strategies
- Support development and testing of future financial reporting.

The following was agreed at its meeting in November 2015:

- The AQuA meeting would stay the same i.e. covering all 3 elements (Finance, Quality and Governance).
- The meeting would commence earlier at 9.00am and have 10 minute breaks between each element of the meeting.
- The agenda will cover Finance first so that attendees have the choice to leave the meeting once their area has been discussed. The next element will be Quality followed by Corporate Governance.
- Each of the leads will meet together, two weeks prior to the meeting to set the agenda and ensure each element is given the appropriate time.
- The terms of reference will be updated to reflect each of the headings above and shared with both AQuA and Governing Body. This will strengthen the focus on the Quality element and also refocus on contract quality performance.
- Draft minutes of AQuA will be sent to the next confidential part of the Governing Body meeting. This will improve on the relationship and dialogue between GB and AQuA
- Discontinue the Operational Risk, Governance & Quality Group (Sub-AQuA) and review the quality groups that sit below e.g. SI committee etc.
- Review the Governance structure and terms of reference of all sub-committees
- Members of AQuA to visit other sub-committees to ensure links between decision making meetings.
- Request that other sub-committees carry out self-assessments
- Ensure Cover sheets accompany any report being presented.
- Ensure the right people are in attendance at the meeting to answer questions.

A 'survey monkey' has been undertaken by 9 people who attend the Committee meetings, the findings can be found at Appendix 1 & 2 at the end of this document.

4. Financial Statements

During the financial year the group has received exception updates on financial issues of the CCG.

The Chief Finance Officer reported on any risks to the financial position together with other miscellaneous matters such as single tender actions and losses and special payments. The Committee has also received updates on progress with the agreed efficiency programmes which are integral to both the delivery of the medium term financial plan and the overall Commissioning Plan.

All CCGs were asked to complete and submit a self-assessment of their Financial Control Environment in August 2015. Formal feedback was provided by NHS England and the CCG was able to compare its position against other CCGs across Yorkshire and Humber.

Overall the CCG's self-assessment looks reasonable compared to the other CCGs. The areas where CCG officers assessed as needing review were generally around the use of the Board report as a control mechanism and a lever with which to manage the overall financial position and the extent to which risks were quantified.

During the year the Committee has been assured by the robustness of the financial arrangements through independent audit reports.

5. Internal Control and Risk Management Systems

The Committee undertook a range of deep dive reviews to better understand the risk ratings and mitigating actions, particularly related to the performance of our providers.

At each meeting the Committee has considered reports from its Internal and External Auditors, and has also received updates on the risk management framework operating within the CCG. This has enabled the Audit and Quality Assurance Committee to examine the effectiveness of the organisation's Assurance Framework, financial performance and the processes for governance. Consideration of these areas has informed further work to ensure that the Risk Register has been regularly revised to both reflect the rapidly changing backdrop to the work of the CCG and also to improve the actual maintenance of data within the register itself.

6. External Audit

The CCG's External Auditors have been KPMG and during the year the Audit and Quality Assurance Committee has worked constructively with the audit manager and his team. Areas jointly examined have included:

- The nature and scope of the Annual audit Plan.
- The extent of the co-ordination between Internal and External Audit plans.
- Receiving and considering reports derived from the Annual Plan.
- Receiving and considering the Annual Audit letter before its submission to the Board.

The work of external audit is monitored by the Committee through regular progress reports. Their work is both timely and professional. The recommendations made are relevant and helpful in our overall assurance and governance arrangements and our work on minimising risk. There are clear and open relationships with officers and the reports produced are comprehensive and well presented.

In addition to local health service matters the Committee has been kept apprised by our external auditors of developments elsewhere in public services both nationally and on the world stage. These discussions have been helpful in extending the Committees awareness of the wider context of our work.

7. Internal Audit

The Audit and Quality Assurance Committee has regularly reviewed and considered the work and findings of Internal Audit. 360 Assurance our internal auditors have attended every meeting to discuss their work. The auditors have not indicated any area of particular concern that should be brought to the Committee or Governing Body's attention and the Committee is highly satisfied with the liaison and coordination with our internal auditors.

During the year the following areas relating to internal audit have been considered;

- The nature and scope of the Annual Audit Plan

- Progress on implementing the plan including individual audit reports
- The Head of Internal Audit's annual opinion on the system of Governance
- Local Counter Fraud Progress Reports presented to each meeting.

All reports provided by internal audit have given 'significant assurance' in this years plan.

For both Internal and External Audit, the Audit Committee have ensured that management actions agreed in response to reported weaknesses are being fully implemented in a timely manner.

Reports are generally received on time and enable the Committee to understand operational and financial risks. In addition our internal auditors have provided valuable benchmarking information arising from their work elsewhere in the region.

The counter fraud work following organisational changes continues to evolve and the service is appreciated by the Audit and Quality Assurance Committee as it has improved our ability to tackle fraud issues. In particular the Committee are assured that the counter fraud training offered to NHS organisations and the widely distributed newsletter are playing an important role in raising awareness of potential fraud within the health service.

8. Integrated Governance

The Audit and Quality Assurance Committee is responsible for the maintenance of an effective system of integrated governance. It has maintained oversight of the whole process by seeking specific reports on assurance on clinical, financial and managerial matters. In addition the group has been closely involved with establishing a governance and assurance framework fit for purpose for the Clinical Commissioning Group.

During 2015/16 the Audit and Quality Assurance Committee has reported areas of concern directly to the Clinical Commissioning Group's Governing Body and played a proactive role in communicating suggested amendments to both the risk assurance framework and the risk register.

9. Quality

During 2015/16 the Audit and Quality Assurance Committee has given attention to assuring the quality of services the CCG commissioned on behalf of patients. Specifically:

Our Committee meetings are organised to allocate a specific part of the agendas to cover quality and patient safety issues together with patient experience and engagement work, including examination of the quality reports of our major providers as well as updates on serious incidents and other quality indicators from the Chief Nurse. The Committee also seeks assurance through the presentation and discussion of reports from both the Adult and Children's safeguarding Boards and reports of liaison with the Care Quality Commission and Local Authority in relation to residential and nursing homes. Reports and updates about healthcare associated infection (HCAI) regarding Rotherham CCG commissioned services are received and discussed by the committee.

Feedback is given to the Committee from announced and unannounced clinically led visits to health service providers. Similarly the Committee is given details of clinical audits carried out within the services we commission as a CCG.

Close liaison has been maintained with all our providers and the assurance processes on quality of patient care have been strengthened during the year by board to board meetings with the local hospital foundation trust and Mental Health Trust.

10 Looking Ahead

As a result of its work during the year the Committee is satisfied that the CCG has appropriate and robust internal controls in place and that the systems of governance incorporated in the constitution are fully embedded within the organisation. The Committee has been assured that there are no areas of significant duplication or omission in the systems of governance and

internal control. Constant vigilance has been maintained in relation to the quality of services commissioned.

Looking forward to 2016/17 the Audit and Quality Assurance Committee will continue to explore the financial, management, governance and quality issues that are an essential component of the success of the Rotherham Clinical Commissioning Group.

Specifically the Committee will;

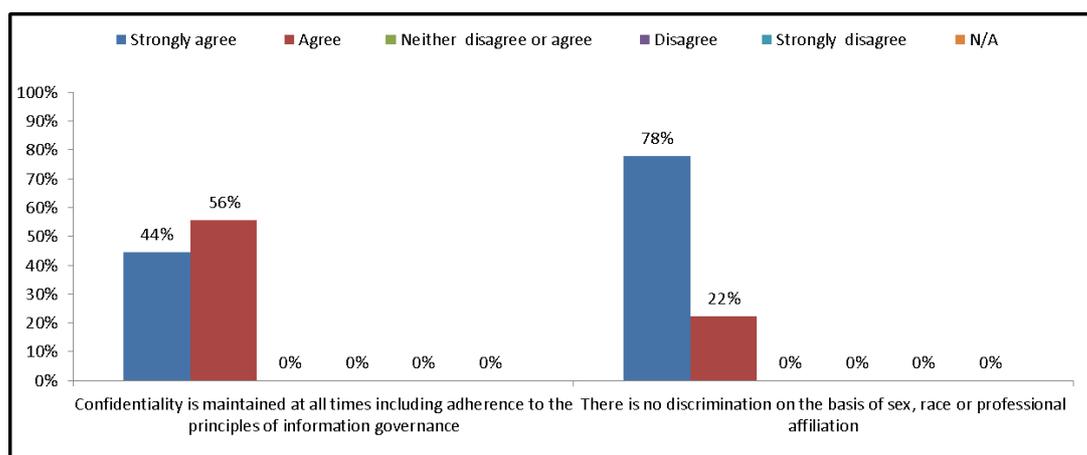
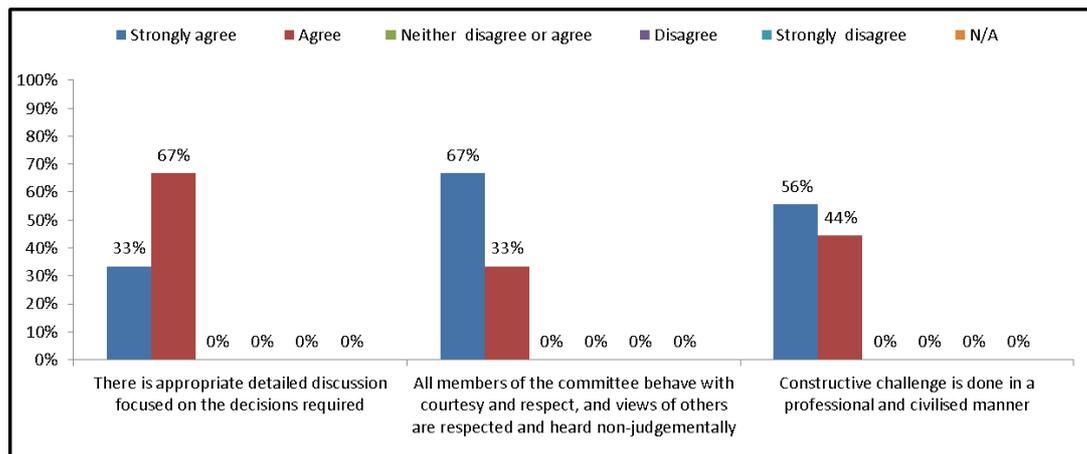
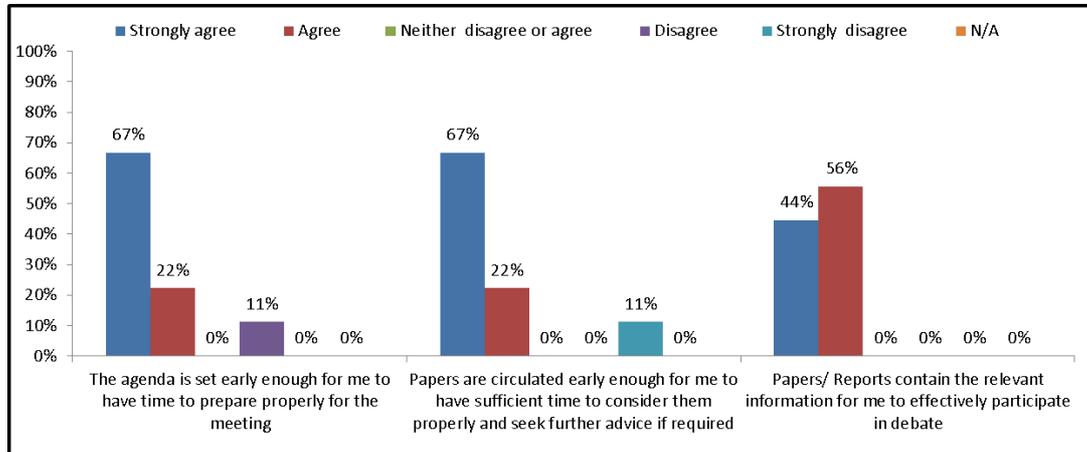
- Continue to examine the governance and internal control arrangements of the Clinical Commissioning Group
- Continue to seek assurance upon quality and patient safety within the services commissioned by the CCG including local providers responses to the Francis, Winterbourne, Berwick, Keogh, Saville investigation, Alexis Jay and Casey reports.
- Monitor closely risks faced by the CCG itself and also by our major providers.
- Work closely with the local authority audit committee on issues arising from financial and governance matters affecting the public sector community for example the Better Care Fund.
- Work closely with our external and internal auditors on issues arising from both the current and new agendas for the Clinical Commissioning Group
- Ensure the CCG is kept aware of our work including both positive and adverse developments.
- Request and discuss in detail a number of 'deep dives' into specific areas to ensure adequate assurance is received by the CCG.

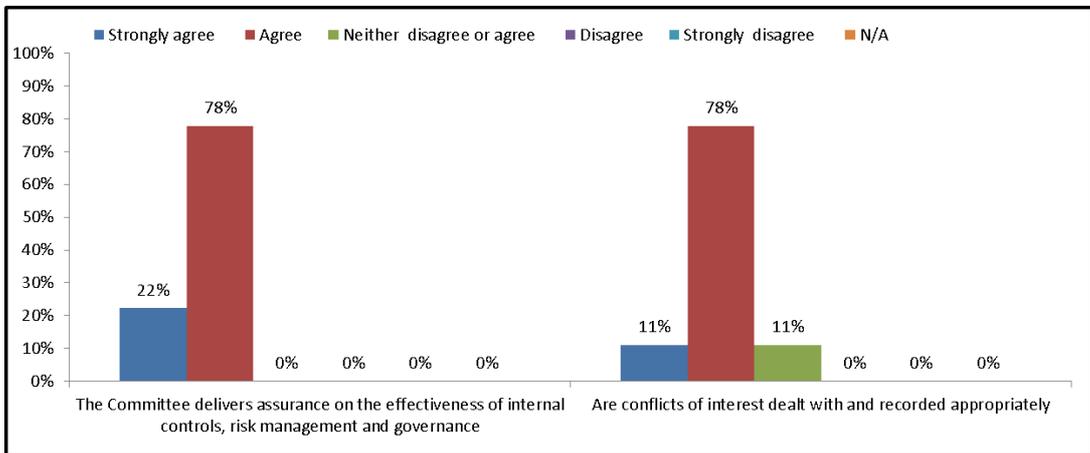
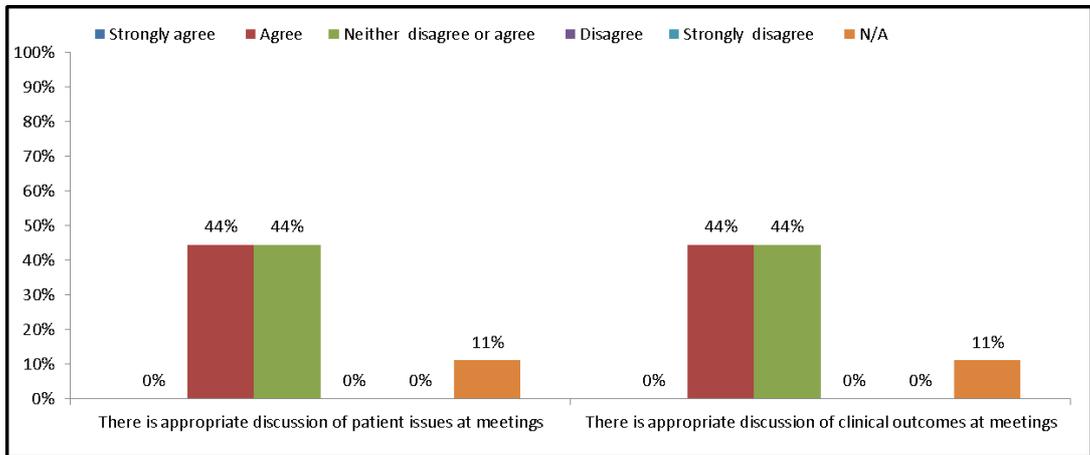
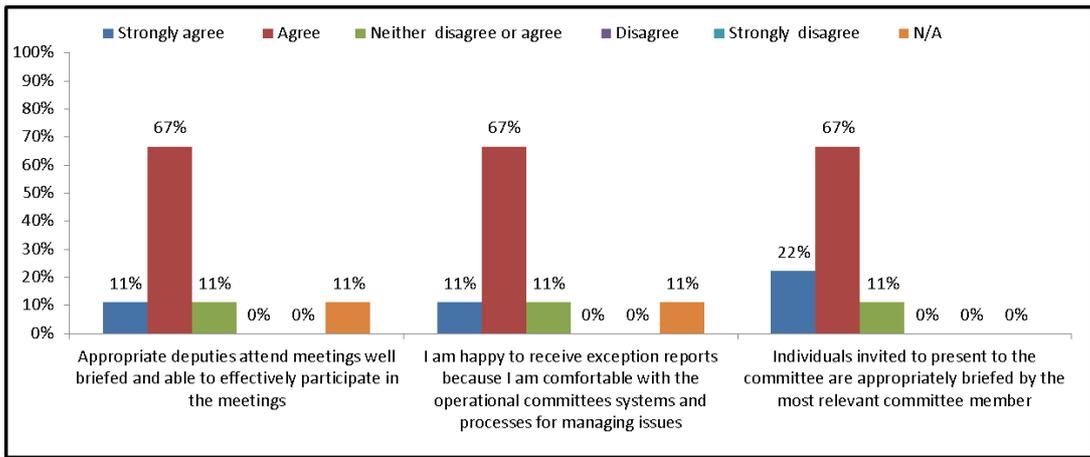
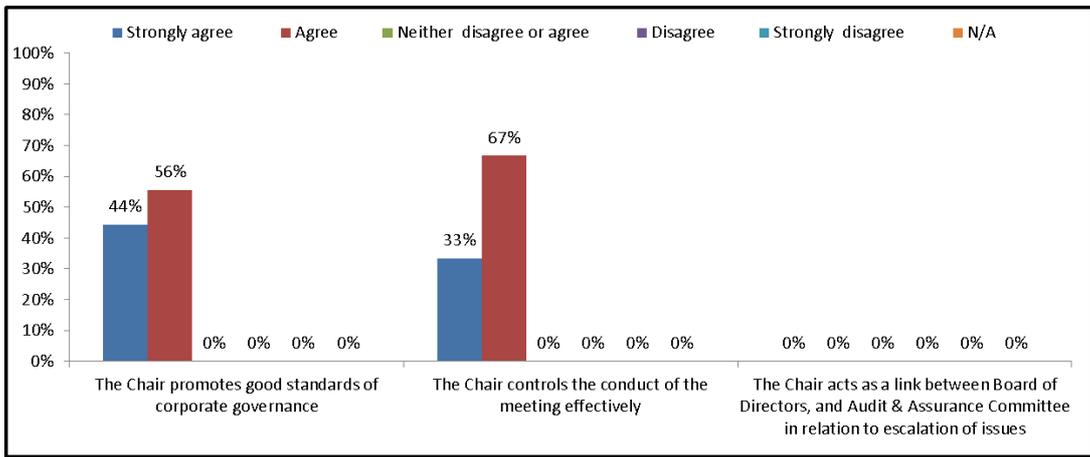
John Barber - Chair - Audit and Quality Assurance Committee - March 2016

AQA Committee Members Effectiveness 2014/15

Results from the committee members effectiveness review of the Audit and Quality Assurance Meetings.

Sample Size = 9





Comments –

- This is a good dynamic on the AC with all attendees and members contributing to the discussions.
- Consideration of front sheet for all items?
- I personally find the quantity of papers to read within the timescale prior to the meetings difficult at times.

Suggestions for Improvements –

- Consideration of items that need to be included on the agenda or where else they could usefully be dealt with within the CCG, as the agenda is very large and it can sometimes feel as though items towards the end are a little more rushed. However, swapping the Audit & Quality timings will go a way to address this.
- I would find it beneficial if the papers were circulated earlier -even if by a few days, but equally appreciate that the agenda and deadlines for this are tight and this may not be feasible,

AQA Committee Members Effectiveness

Results from the committee members effectiveness at the Audit and Quality Assurance Meetings.

Comparison between 2012/13, 2013/14, 2014/15 and 2015/16.

