

# NHS Rotherham Clinical Commissioning Group

Audit & Quality Assurance Committee – 17<sup>th</sup> March 2017

Clinical Commissioning Group Governing Body - 5<sup>th</sup> April 2017

## Audit & Quality Assurance Committee (AQuA) – Terms of Reference Review

Lead Executive:	Keely Firth – Chief Finance Officer
Lead Officer:	Ruth Nutbrown – Assistant Chief Officer
Lead GP:	Dr Richard Cullen

### Purpose:

To review the AQuA terms of reference in line with suggestions from Internal Audit.

### Background:

Following on from the previous Head of Internal Audit statement, a suggestion was made that all principal risk owners attend AQuA for presentation of the risk register. This required an alteration to the Terms of Reference.

At the meeting of the Audit & Quality Assurance Committee on Friday 17<sup>th</sup> March, AQuA Members concurred with the recommendation that the Deputy Chief Officer becomes a core member of the Committee.

### Analysis of key issues and of risks

The Deputy Chief Officer was not represented on the Terms of Reference for AQuA, as a principal risk owner this needed amending to allow the Deputy Chief Officer to attend.

### Patient, Public and Stakeholder Involvement:

N/A

### Equality Impact:

N/A

### Financial Implications:

N/A

### Human Resource Implications:

The time of the Deputy Chief Officer to attend.

### Procurement:

N/A

### Approval history:

N/A

### Recommendations:

- Governing Body is requested to note the decision made by AQuA to include the Deputy Chief Officer as a core member of the Committee and approve the resulting amended Terms of Reference.

**Audit & Quality Assurance Sub-Committee (AQuA)**

**TERMS OF REFERENCE**

<b>Contact Details:</b>			
<b>Lay Member:</b>	John Barber	<b>Lead Officer:</b>	Keely Firth
<b>Title:</b>	Lay Member – Finance & Governance	<b>Title:</b>	Chief Finance Officer

The Governing Body of the Clinical Commissioning Group has established a committee to support its work. Known as the Audit & Quality Assurance Committee (AQuA), it has no powers other than as specifically delegated in these terms of reference.

The Committee is authorised by the Governing Body to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee.

The Committee shall provide assurance and advice to the Governing Body on the proper stewardship of resources and assets, including value for money; financial reporting; the effectiveness of audit arrangements (internal and external); compliance with NHS Protect's Standards for Commissioners: fraud, bribery and corruption; risk management, and on control and integrated governance arrangements within the Clinical Commissioning Group.

The Committee is authorised to create Sub Committees or task and finish groups as are necessary to fulfil its responsibilities within its terms of reference. It may not delegate responsibilities from these terms of reference (unless expressly authorised by the Governing Body) and thus remains accountable for the work of any such Sub-committee or task and finish group

There are 3 main elements to the committee: Audit & Finance, Quality & Safety and Corporate Governance.

<b>Purpose:</b>
<p>To obtain assurance that:-</p> <ul style="list-style-type: none"> <li>• There is an effective and consistent process in commissioning for quality and safety across the Clinical Commissioning Group</li> <li>• High standards of care and treatment are delivered. This will include areas regarding patient safety, effectiveness of care and patient experience.</li> <li>• An effective system of integrated governance, risk management and assurance across the Governing Body activities is established and maintained.</li> <li>• 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.</li> <li>• Risks to the achievement of Governing Body objectives are identified and assurances obtained that appropriate mitigating action is being taken</li> </ul> <p>And to make recommendations to Governing Body within delegated responsibilities.</p>
<b>Responsibilities:</b>
<b>Audit &amp; Finance</b>
In regard to Financial Reporting, the Committee will:-

- Monitor the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance.
- Ensure that the systems for financial reporting to the Group, including those of budgetary control are subject to review as to completeness and accuracy of the information provided.
- Inform the committee quarterly (by way of a paper) of any changes in guidance around financial reporting and the impact this may have on the accounts/monthly financial reporting. e.g. accounting for BCF / Gross to Net. Capital accounting in CCG's / Off payroll sign off

In regard to Annual Accounts and disclosure statements, the Committee will:-

- Receive and review the Annual Accounts.
- Receive and review the Annual Report.
- Receive and review the Annual Governance Statement.
- Receive and review the external auditors "Audit Highlights Memorandum" (ISA260)
- Receive and review the Head of Internal Audit Opinion.
- Receive and review the "Letter of Representation"

The AQuA chair will recommend to the Governing Body that they approve the documents prior to the national submission deadlines.

In regard to External Audit, the Committee will:-

- Consider the findings of external audit work - national and local.
- Receive the Auditor's Annual Letter.
- Discuss problems arising in the work of External Audit.
- Monitor progress with delivery of the audit plan.
- Review and challenge the delivery of external audit services

In regard to Counter-Fraud:-

- The Committee shall satisfy itself that the organisation has adequate arrangements in place for countering fraud, bribery and corruption and shall review the outcomes of counter fraud, bribery and corruption work. The Committee will seek assurance regarding the organisation's compliance with NHS Protect's Standards for Commissioners: fraud, bribery and corruption by means including reports from the Counter Fraud Specialist, the CCG's annual self-assessment (Self Review Tool) submissions to NHS Protect and from NHS Protect inspection reports.

## **Quality & Safety**

In regard to Quality & Safety, the Committee will:-

- Undertake an overview of provider achievement against actions in response to inspections by regulatory agencies e.g. Care Quality Commission, Monitor. Making recommendations to Governing Body as to the level of assurance.
- Oversee "deep dives" into areas where the Governing Body requests additional or more detailed assurance e.g. infection control, Continuing Health Care, patient experience, etc, this may be undertaken by a specific task and finish group authorised by AQuA.
- Receive exception reports in relation to directly commissioned and contracted services regarding quality, safety and experience, legislative and contractual requirements, including any significant concerns, via contract quality and other arrangements
- Receive annual reports from other Committees of the Governing Body.
- Ensure significant clinical risks are identified and reported on the risk register, escalating to the Assurance Framework where necessary
- Review quality accounts from main providers

## **Corporate Governance**

In regard to Governance, Risk Management and Assurance, the Committee will review the adequacy and effectiveness of:-

- All risk and assurance-related disclosure statements together with any appropriate assurances from Internal Audit or other independent sources.
- Underlying assurance processes that indicate the degree of the achievement of Group objectives; the effectiveness of the management of principal risks, and the appropriateness of the above disclosure statements.
- The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and related reporting and self-certification. e.g. Compliance with Information Governance and IT Security or requirements and compliance with Health & Safety
- Policies for HR, Corporate Governance, Quality & Safety and Finance.
- The plans, policies and procedures for all work related to fraud, bribery and corruption to ensure compliance with NHS Protect's Standards for Commissioners: fraud, bribery and corruption including ratification as part of the governance process
- In reviewing these, the Committee will primarily utilise the work of Internal Audit, External Audit, the Local Counter Fraud Specialist, NHS Protect and other assurance functions, but will not be limited to these sources. It will also seek reports and assurances from staff of the Group (and its agencies), concentrating on the over-arching systems of integrated governance, risk management and assurance, together with indicators of their effectiveness.

This will be evidenced through the Committee's use of an effective Assurance Framework to guide its work and that of the audit and assurance functions that report to it.

In regard to Internal Audit, the Committee will:-

- Review the Internal Audit programme of work, ensuring that this is consistent with the audit needs of the Group as identified in the Group's Assurance Framework.
- Consider the findings of internal audit work, including the opinion given on the Annual Governance Statement.
- Monitor the responsiveness to the findings and recommendations of Internal Audit.
- Discuss problems and reservations arising from the work of Internal Audit.

In regard to Other Assurance Functions, the Committee will:-

- Review the findings of other significant assurance functions, both internal and external to the Group, and consider the implications for the governance of the Group.
- These will include, but will not be limited to, any reviews by Department of Health Arm's Length Bodies or Regulators/Inspectors (e.g. Care Quality Commission, NHS Litigation Authority, etc.) and professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc.)
- Review the work of any other Committees under the Governing Body, whose work can provide relevant assurance to the Committee's own scope of work.

## **Management of the Group**

### **Chair:**

Lay member – Finance & Governance of the Clinical Commissioning Group

### **Composition of group:**

The Committee shall consist of the following members:

- GP member of the GP Members Committee
- GP lead on Governance and Finance
- Minimum two Lay Members (Governance, PPE or Primary Care) on the Governing Body one of whom will act as Chair and one as Deputy Chair.

Appropriate deputies are acceptable, however, for GP's this may not be possible.

**In Attendance: (Appropriate deputies are acceptable)**

- Deputy Chief Officer
- Chief Finance Officer
- Chief Nurse
- Assistant Chief Officer.
- The Accountable Officer (Chief Officer) shall attend at least once a year – ideally when the Annual Audit Letter is considered.
- Representatives from Internal Audit, External Audit and the local Counter Fraud Specialist (CFS) shall normally attend. (periodic attendance by the CFS is agreed by the Committee)
- Other Governing Body or commissioning staff shall also attend by request of the Chair.
- Others will be invited to attend as appropriate for topics under discussion.

Regardless of attendance, external audit, internal audit, local counter fraud and security management providers will have full and unrestricted rights of access to the audit committee.

**Quorum:**

Shall be at least two Governing Body Members.

Attendance is set at 80% for members.

**Accountability:**

The minutes of Committee meetings shall be formally recorded and submitted to the next confidential section of the Governing Body. The Chair of the Committee shall draw the attention of the Governing Body to key issues. Once the Minutes have been approved by the following AQuA those minutes would then be sent for information to the 'public' agenda of the Governing Body.

**Frequency of meetings:**

Meetings shall be held at least five times a year.

**Order of business:**

Each of the leads for the 3 elements will meet together, two weeks prior to the meeting to set the agenda and ensure each element is given the appropriate time. Final sign off will be by the Chair

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 & Safety followed by Corporate Governance.

The meeting will commence at 9.00am on the agreed date and will have 10 minute breaks between each element of the meeting.

**Agenda deadlines:**

The papers will go out 1 week prior to the meeting.

**Minutes:**

The minutes of Committee meetings shall be formally recorded and submitted to the next confidential section of the Governing Body. The Chair of the Committee shall draw the attention of the Governing Body to key issues. Once the Minutes have been approved by the following AQuA those minutes would then be sent for information to the 'public' agenda of the Governing Body.

Minutes will be distributed within 1 month of the meeting date.

Minutes will be stored on the R drive – Rotherham CCG drive.

**Administration:**

The Committee shall be supported by an administrator whose duties will include:

- The Organisation of the 'Agenda setting meeting'
- Agree the draft agenda with the Chair.
- Collate papers for the meeting. Each report will have an accompanying 'cover sheet' to summarise the content of the report.
- Organise meetings and invite members and attendees
- Taking the minutes & keeping a record of matters arising and issues to be carried forward in the actions log.
- Advising the Committee on pertinent areas.

**Sub-committees of Audit & Quality Assurance Committee**

- Serious Incident Committee
- Equality Steering Group
- Contract Quality – The Rotherham Foundation Trust
- Contract Quality – Sheffield Teaching Hospitals & Sheffield Children's Hospital
- Information Governance Group (to be developed)
- Health & Safety Group (to be developed)

**Review Date: March 2017**

The effectiveness of the Committee will be monitored on an annual basis via:

- Review of the terms of reference
- Review of attendance rate of members
- Review of the work plan.
- Self-assessment review of effectiveness document

The Committee will produce an annual report summarising its work and the above review will be incorporated. In addition, these terms of reference shall be reviewed at least annually and sooner if changing circumstances dictate.