

NHS ROTHERHAM

To be Approved by Chair/To be approved by next meeting

Minutes of the NHS Rotherham **Clinical Commissioning Group Extra Ordinary Governing Body Meeting** held on **Friday 20 May 2016** in the Birch Room, Oak House

Present: Mr J Barber (Chair) Dr Geoff Avery
Mrs K Firth Dr S MacKeown
Mrs S Cassin Mr P Moss
Dr R Cullen

Participating observers: No observers participating

In Attendance: Mr I Atkinson, Deputy Chief Officer
Mr G Laidlaw, Communications Manager, RCCG
Mr M Jones, Head of Financial Services, RCCG
Mrs M Robinson, Secretariat, RCCG
Mr A Newall, KPMG

/15 Apologies for Absence

Dr J Kitlowski (Chair)
Dr R Carlisle
Mr C Edwards
Dr A Darby
Mrs S Whittle, Assistant Chief Officer (Governing Body Secretary)
Cllr D Roche, RMBC
Ms T Roche, RMBC, Public Health
Ms J Abbott, RMBC, Public Health

Mr Barber informed the meeting he would be Chairing the meeting today in Dr Kitlowski absence. Mr Barber welcomed Mr Alastair Newall to the meeting and gave a brief insight into today's meeting and what this would entail.

53/16 Declarations of Pecuniary or Non-Pecuniary Interests

There were no declarations of Pecuniary or Non-Pecuniary interests raised.

54/16 Patient & Public Questions

There was no patient or public questions received for the meeting

55/16 Presentation of Annual Accounts

Mr Barber informed the meeting that the Annual Accounts papers have been reviewed prior to this meeting at the Audit and Quality Assurance Committee Extra meeting for Annual Accounts.

Mr Barber reported he would give feedback and assurance later in the meeting.

56/16 a) Annual Accounts

Mr Jones informed the meeting that Clinical Commissioning Groups (CCGs) are required to publish, as a single document an Annual Report and Accounts (ARA) in accordance with Directions issued by NHS England and those Directions require CCG's to comply with the requirements laid out in the Manual for Accounts issued by the Department of Health.

Mr Jones informed the meeting that in its third year of operation the CCG has continued to deliver on all its financial obligations namely a minimum 1% surplus,

maintaining recurrent headroom of 1% and non-recurrent use of the 1% contingency. In addition 99.8% of non-NHS and 99.9% of NHS receipted and valid invoices were paid within 30 days

Mr Jones informed the meeting of the changes to the final accounts which were circulated on a new paper.

Mrs Firth informed the meeting that during the AQuA meeting Dr Sophie Holden had raised that on page 25 of Annual Accounts the GPs name come before the practice name and this may cause confusion that the GPs are receiving the payments and not the practices.

Mrs Firth reported that this will be amended to show the Practice name followed by the GP's name.

The Governing Body members noted the changes to the accounts and approved the accounts.

In order to fulfil the Governing Body Members responsibilities in adopting the Annual Accounts, the following statement was verbally given by Mrs Firth:-

'Each Member must state, and it must be minuted, that as far as they are aware there is no relevant audit information of which the Clinical Commissioning Group's auditors are unaware and that they have taken all the steps that they ought to have taken as a member of the Governing Body in order to make themselves aware of any relevant audit information and to establish that the Clinical Commissioning Group's auditors are aware of that information (Companies Act 2006 Section 418 requirement adopted by the Government Financial Reporting Manual)'.

Positive assurance of their responsibilities was given by all the present members.

b. Annual Report Including Annual Governance Statement

Mr Laidlaw informed the meeting that the Annual Report this year included the Annual Governance Statement which had been prepared by Mrs Whittle.

Mr Laidlaw reported to the meeting that the report was in sections:-

- Performance Report
- Accountability Report
- Annual Governance Statement
- Finance Review
- Remuneration and Staff Report

Mr Laidlaw informed the meeting that the graphs within Appendix 1 show the results from the committee members' effectiveness review of the Governing Body Meetings 2015/16.

Mr Laidlaw informed the meeting of the following changes to the Annual Report.

Page 18:- Currently reads – The AQuA membership table states Dr Leonard Jacob as a member. This will be changed and Dr Jacob has been removed and Dr Robin Carlisle added with a note from September onwards.

Page 56:- Currently reads – The Head of Internal Audit Opinion in appendix2 of the AGS only contains the first two chapters. This has now been changed and the full Head of Internal Audit Opinion has now been included within the report.

Page 65:- Currently reads – The audit fee in relation to the statutory audit for 2015/16 was £68,000. This will be changed to The audit fee in relation to the statutory audit for 2015/16 was £56,500 plus VAT at 20%

Mr Barber raised the question of what will happen next to the report?

Mr Laidlaw informed the meeting that the relevant sections will be signed and forwarded to NHS England and the report will be upload onto the public website and hard copies will be available at the AGM.

c. Letter of Representation

Mrs Firth informed the meeting that following the Governing body meeting Mr Edwards will write to Mr Khangura confirming the information is correct, that he has listened to the views of the internal and external auditors and that these views provide a positive reflection of the figures and statements in line with accounting standards and as the assurance from the board to undertake this.

Mr Newall informed the meeting the letter of representation is a standard form though auditors can often ask for additional representation. The auditors agree that no additional representation is required from the CCG.

d. Head of Internal Audit Opinion

Mrs Firth informed the meeting that Mrs Hey had attended the AQuA meeting prior to this meeting to present the Internal Audit paper.

Mrs Firth reported to the meeting that Mrs Hey had informed the meeting that the Internal Auditors had given overall Significant Assurance that there is a generally sound system of internal control, designed to meet the organisation's objectives and that controls are generally being applied consistently.

Mrs Firth informed the meeting that Mrs Hey had reported to the meeting that Auditors risk focussed internal Audit Plan for 2015/16 resulted in the provision of nine reports, seven of which had significant assurance.

Mrs Firth reported to the meeting that Mrs Hey had informed the AQuA meeting about the recommendations on page 3 and page 4 of the report around Risk Management and Assurance Framework.

Mr Barber informed the meeting that the report recommends that the format of the Assurance Framework has not been reviewed since the CCG's authorisation and given the rapidly changing environment, the auditors feel that the document would benefit from review and refresh to reflect the future strategic direction of the CCG and record the challenges it faces.

Mr Barber informed the meeting that AQuA had taken assurance from the report and the reports over the year.

The members of the Governing Body received and noted the report.

e) External Audit Findings

Mr Newall informed the meeting that the report was a standard end of audit report, which makes observations and set out recommendations.

Mr Newall reported to the meeting that audit was good and final checks were taking place and assurance reports from other NHS Auditors where expected early next week.

Mr Newall informed the meeting that there had been good progress of the audit report and changes made to the audit report had been the odd word change and roundings.

Mr Newall reported to the meeting that the report provides the results of the procedures the auditors performed over the accounting treatment of the Better Care Fund and the Co-commissioning expenditure which were identified as significant risks within the audit plan.

Mr Newall informed the meeting that the audit work confirmed that the CCG has accurately accounted for the transactions within its Better Care Fund arrangements in its 2015/16 Financial Statements and that the CCG Financial Statements comply with the disclosure requirements of the Manual for Accounts.

Mr Newall reported to the meeting that from 1st April 2015 the CCG assumed full responsibility for the commissioning of Primary Care within Rotherham and for 2015/16, the scope of Primary Care co-commissioning is general practice services only.

Mr Newall informed the meeting that the Department of Health Manual for Accounts did not contain any specific guidance on accounting for co-commissioning, and the financial transactions were made and processed by NHS England on the CCGs behalf.

Mr Newall reported to the meeting that the risk our audit was designed to gain assurance over was that co-commissioning arrangements are not accounted for within CCGs accounts in accordance with accounting standards requirements. Our initial audit approach was based on the expectation that we would receive significant assurance from a service auditor report from NHS England on the completeness and accuracy of the transactions made through the 'Exeter' system by NHS England for the CCG.

Mr Newall informed that during April it became clear that this assurance received would not be significant and that we would need to design alternative audit procedures in order to obtain the required assurance. These procedures included obtaining information on payments made by NHS England and reconciling these to the details in the CCG ledger, and obtaining supporting evidence for a sample of the payments confirming the amount paid was correct and accurate.

Mr Newall confirmed that the audit work confirmed that:

- The amounts included in the CCG ledger reconciled to the data provided by NHS England, providing assurance that the amounts included in the CCG Financial Statements are complete;
- The sample of payments selected were all agreed to supporting contract schedules, confirming that the payments were accurately recorded.

Mr Newall reported to the meeting that the ISA 260 requires the auditors to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors and this declaration is provided in appendix 3.

Mr Newall informed the meeting that the fee for the audit plan for 2015/16 was £56,250 excluding VAT.

The Governing Body Members approved the report.

Mr Barber reported to the meeting that the AQuA Committee had taken good assurance from the reports and accounts and the robustness of the budget setting for 2016/17 and gave thanks to Mrs Firth and the Finance team for their hard work.

57/16 Future Agenda Item

No items to note

58/16 Urgent Other Business

No items to note.

59/16 Issues For Escalation – to Governing Body or other Committees

No items to note.

60/15 Date, Time and Venue of Next Meeting

The next Rotherham Clinical Commissioning Group's Governing Body to be held in public is scheduled to commence at 1.00 pm on **Wednesday 1 June 2016** at Oak House, Moorhead Way, Bramley, Rotherham S66 1YY