NHS
Eastern Cheshire
Clinical Commissioning Group

GOVERNING BODY MEETING

26 November 2014

Agenda Item 3.4.1

Report/ Paper Title	**Minutes of the Governance & Audit Committee Meeting Held 10 September 2014**

Purpose of paper / report
To provide an overview of the Governance & Audit Committee (GAC) by the reporting of its minutes to the Governing Body.
Key points
• *The GAC received assurance that the Information Governance resubmission was on target to meet the March 2015 deadline.* • *The GAC agreed the process around the reporting of the Caring Together (CT) Programme Risks.* • *The GAC received assurance from Mersey Internal Audit Agency (MIAA) Anti-Fraud Services that* NHS Eastern Cheshire Clinical Commissioning Group *(ECCCG) had no areas of concern, although CHC had been flagged nationally as a high risk and would be the focus of future work.*

The Governing Body is asked to:			
Approve		Decide	
Ratify		Note for information	☑
Endorse			

Benefits / value to our population / communities
This provides assurance that ECCCG is discharging its duties in line with good governance and is supporting the delivery of its visions and objectives.

Report Author
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Contributors
Gerry Gray *Governing Body Lay Member (Governance)*

Minutes of the Governance & Audit Committee Meeting Held 10 September 2014

1. Executive Summary

1.1 The Governance & Audit Committee (GAC) meeting held on 10 September 14 discussed and reviewed a number of areas.

1.2 The GAC was presented with the internal audit tracker which highlighted the progress around implementing actions that have arisen out of previous internal audits. The GAC agreed that the tracker was a useful report on seeking assurance and that it should form a regular report to the committee.

1.3 The Assurance Framework review on Care Homes was deferred to the next meeting due to the time constraints of the individuals presenting, following a delay in starting.

1.4 The GAC was presented with an overview of the progress made around Information Governance (IG). The GAC received the Asset Register and Data Flow mapping returns. The GAC was assured that ECCCG was on track to comply with the next submission due by March 2015.

1.5 The GAC noted the third party assurance report for 2013/14 from St Helens & Knowsley Teaching Hospital NHS Trust.

1.6 The GAC was presented with the risks associated with CT and asked for its feedback around the approach currently in place within the CT governance arrangements. The GAC supported the approach around the risks being reviewed by the CT Programme Management Board, signed off by the CT Executive Board and subsequently presented to ECCCG's Governing Body via a director's report. The GAC requested that the CT Risk Register be presented at alternate GAC meetings and that the CT Risks should form part of the MIAA review.

1.7 An update was provided around ECCCG's progress relating to Anti-Fraud Services. Nationally, the CHC application process has been identified as high risk and would therefore be an area of focus for the MIAA team. The GAC was also informed of the National Fraud Initiative which cross references data across the whole of the public sector to identify any issues.

1.8 The Medicines Management Team and lead GP presented a paper around the potential use of Rebate Schemes. The GAC recommended further work should be undertaken and submitted to a future GAC before any recommendations are made.

2. Recommendation(s)

2.1 The Governing Body is asked to note for information:

- **Appendix One**; minutes of the GAC meeting held on 10 September 14.

3. Reasons for recommendation(s)

3.1 The GAC is a sub-committee of the Governing Body and under its Schemes of Delegation the Governing Body receives the minutes of the sub-committee.

4. Peer Group Area / Town Area Affected

4.1 Relates to all of NHS Eastern Cheshire geographical areas.

5. Population affected

5.1 Relates to all of NHS Eastern Cheshire population.

6. Context

6.1 The GAC seeks assurance that ECCCG is discharging its duties in line with good governance and is supporting the delivery of its vision and objectives.

7 Finance

7.1 Not applicable

8 Quality and Patient Experience

8.1 Related issues reviewed as part of the Assurance Framework.

9 Consultation and Engagement (Public/Patient/Carer/Clinical/Staff)

9.1 Not applicable

10 Equality

10.1 Related issues reviewed as part of the Assurance Framework.

11 Legal

11.1 Not applicable

12 Communication

12.1 Minutes reported through to the Governing Body and made available via ECCCG's website.

13 Background and Options

13.1 Not Applicable

14 Access to further information

14.1 For further information relating to this report contact:

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15 Glossary of Terms

ECCCG NHS Eastern Cheshire Clinical Commissioning Group
GAC Governance and Audit Committee
IG Information Governance
MIAA Mersey Internal Audit Agency

16 Appendices

Appendix One	Minutes of the ECCCG GAC Meeting held on 10 September 2014

Prior Committee Approval / Link to other Committees
Not Applicable

CCG Health Needs Priorities addressed by this report			
To protect our citizens from harm		To make care more integrated & co-ordinated	
To prevent alcohol related harm		To ensure high quality and effective mental health services are available to all	
To prevent people dying prematurely		To address inequalities across our towns and villages	

CCG 2013/14 Annual Plan programme of work this report is linked to			
Caring Together		Quality Improvement	✓
Mental Health & Alcohol		Other	

Key Implications of this report			
Strategic	✓	Consultation & Engagement	
Finance	✓	Equality	✓
Quality & Patient Experience	✓	Legal	✓
Staff / Workforce	✓		

CCG Values supported by this report – please indicate			
Valuing People		Innovation	
Working Together		Quality	✓
Investing Responsibly	✓		

NHS Constitution Values supported by this report – please indicate			
Working together for patients		Compassion	
Respect and dignity		Improving lives	
Commitment to quality of care		Everyone counts	

Appendix One

MINUTES

Chair: Gerry Gray

Date/Time: 10 September 2014 @ 10.00am – 12.30pm

Venue: Meeting Room A, New Alderley House, Victoria Rd, Macclesfield, SK10 3BL

ECCCG Governance & Audit Committee Meeting			
Attendees	**Key**	**Title & Organisation**	**Present**
Gerry Gray (Chair)	GG	ECCCG Governing Body Lay Member (Governance)	✓ From 10.45am
Gill Boston	GBo	ECCCG Governing Body Lay Member	Apols
Melanie Lyman	ML	General Practice Representative, ECCCG	✓
Bill Swann	BS	Lay Member, ECCCG Patient & Public Involvement	Apols
In Attendance			
Robin Baker	RB	External Audit Representative	No
Roger Causer	RC	Counter Fraud	No
Suzanne Crutchley	SC	Information Governance	✓ For AI3.3 Only
Matthew Elcock	ME	Counter Fraud	Yes
Anne-marie Harrop	AMH	MIAA Internal Audit Representative	No
Jerry Hawker	JH	Chief Officer, ECCCG	✓ For AI3.5 Only
Alex Mitchell	AM	Chief Finance Officer, ECCCG	✓
Mike Purdie	MP	Corporate Programmes & Governance Manager, ECCCG	No
Helen Stevenson	HS	External Audit Representative	No
In Attendance			
Mark Dickinson	MD	Head of Prescribing and Medicines Optimisation	✓ For AI3.7 Only
Graham Duce	GD	Executive GP	✓ For AI3.7 Only
Emma Harrison	EH	Interim Caring Together Programme Coordinator	✓ For AI3.5 Only
Minute Taker			
Philippa Pearce	PP	PA to Chief Finance Officer, ECCCG	✓

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		Action By
	Gerry Gray was present from 10.45am and, as such, items that did not require his presence were discussed first. All items have been recorded in Agenda Item order for ease of reference.	
1.0	**STANDING ITEMS**	
1.1	**Apologies for Absence** Apologies for absences were noted as above.	
1.2	**Declarations of Interest** There were no new declarations of interest.	
1.3	**Minutes of the Previous Meeting – 4 Aug 2014** The minutes were agreed as a true and accurate record of the meeting.	
1.4	**Action Log of the Previous Meeting – 4 Aug 2014** The Action Log was discussed with the following updates made: **GAC49 NHS Audit Committees** This was on the Agenda, AI3.4, and was therefore removed from the Action Log. **GAC53 AI3.7 External Audit Update** AM and RB had a meeting scheduled on 11 Sept 14 to discuss and review the Section 19 referral. To remain on Action Log. **GAC54 AI2.1 NHS England Guidance Updates** AM to speak to AMH regarding MIAA internal updates that could be shared with ECCCG. ML requested that the updates be circulated to practice managers and raised awareness that some practices and external staff had experienced difficulties accessing the Intranet. **GAC57a AI3.3 Draft Annual Governance Statement (AGS)** It had been confirmed that the Caring Together (CT) Executive Board is an advisory committee to the Governing Body. Action completed and to be removed from Action Log. **GAC60 AI3.3 NHS England Guidance Updates** Action completed and to be removed from Action Log. **GAC61a AI3.1 AOB Assurance Framework – GB Agenda Item** Action completed and to be removed from Action Log. **GAC61b AI3.1 AOB Assurance Framework – Quality Assurance in Care Homes** Risk GBAF09 was deferred from 10 Sept 14 to the GAC meeting	

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	scheduled for 12 Nov 14. **GAC61c AI3.1 AOB Assurance Framework – Mental Health Capacity** Risk GBAF03 to be added to the GAC agenda on 25 Feb 15. **GAC61d AI3.1 AOB Assurance Framework – MIAA Support** AM had agreed for AMH, MIAA, to provide ECCCG with support around the Assurance Framework. This had been scheduled for 29/30 Sept 14. **GAC62 AI3.4.1 IG Update Report** E-brief articles had been circulated to all ECCCG staff and added to the Intranet. Action completed and to be removed from the Action Log. **GAC63 AI3.4.2-3.4.6 IG Policies** IG policies had been updated, circulated to all ECCCG staff and added to the Intranet. Action completed and to be removed from the Action Log. **GAC64 AI3.9 GAC Membership (AI3.9a) & Meeting Dates (AI3.9b)** GAC64a: GG to speak to Paul Bowen in order to extend an invitation for other GB members to join the GAC. GAC64b ML's membership of the GAC had been confirmed (see Agenda Item AI3.8 for further discussions). The GAC meeting schedule had been revised and circulated to members. Action completed and to be removed from the Action Log.	
2.0	**REGULAR ITEMS**	
2.1	**NHS England Guidance Updates** Deferred to the next meeting.	
3.0	**ANY OTHER BUSINESS**	
3.1	**MIAA Audit Tracker** AM tabled the Audit Tracker, explaining that MIAA undertake a number of audits per year as listed in the report, some of which are mandatory, some selected by ECCCG. Following completion of each audit, MIAA produce a report with a number of recommendations to improve systems or elements of systems. These are discussed with the area lead prior to being finalised, with the list of recommendations agreed and implementation dates set for completion of the actions. The Audit Tracker provides a summary of the audits and a further detailed section for each. The summary outlines the number of recommendations per audit with three classifications; outstanding and overdue, due in the future, resolved. The report had been presented to the GAC to show ECCCG's progress	

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	in terms of the recommendations and to provide assurance that MIAA's recommendations are being implemented. AM talked through a selection of the outstanding recommendations: • QIPP Review (ref M002). This is recorded as a high risk. The Finance Committee terms of reference had been created in draft and work was ongoing to attract membership. • Core Financial Systems (ref M003). Following an organisational review within ECCCG, the associated budgets are being revised which will result in a named lead being allocated for each budget. • Data Quality Review (ref M004). ECCCG had pulled out of elements of CSU's services. As a result, work is ongoing to link the outstanding actions to the revised SLA for 2014/15 which is due to be signed at the end of Sept 14.	
3.2	**Assurance Framework Risks** • **Risk GBAF09 Quality Assurance in Care Homes** This item was deferred to the next meeting due to the limited number of members present and limited availability of colleagues presenting the item.	
3.3	**Information Governance (IG) Report Sept 14** *Suzanne Crutchley (SC) attended for this Agenda Item only.* SC asked the GAC to receive the 2014/15 Information Asset Register return and the 2014/15 Data Flow Mapping return. The Information Asset Register had been coordinated by MP and independently checked by SC. There were 32 key assets declared, with the risk score ranging between one and six, eg, network system failure and no system access. SC explained that all ECCCG staff members are required to complete mandatory IG training on an annual basis. E-brief articles had been circulated to all staff and were available on the Intranet. SC advised that spot checks were carried out routinely, with some taking place on today's date. SC advised that the Asset Register would continue to be reviewed, updated and maintained throughout 2014/15. The completed Data Flow Mapping template had been submitted and independently checked by SC. There were minimal risks which posed no significant IG concern for ECCCG. 16 key data flows had been declared and all are being transferred appropriately. E-learning and spot checks are carried out routinely. SC advised that the Data Flow Mapping would continue to be reviewed, updated and maintained throughout 2014/15.	

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	SC asked the GAC to receive the returns and to continue to support compliance ahead of the submission in March 2015. She advised that all is on track with no issues to date. The GAC received the returns. **Action: SC to forward Information Asset Register and Data Flow Mapping template for circulation with the GAC minutes.**	**SC/PP**
3.4	**St Helens & Knowsley Teaching Hospitals NHS Trust (STHK) HR & Payroll (ESR) Review Assignment Report 2013/14** AM informed the GAC that they had received the third party assurance statement from STHK. The findings of the report were of significant assurance with some recommendations for implementation. These actions will be monitored through regular meetings with STHK. AM confirmed that some minor payroll issues relating to superannuation rates had occurred which affected 7-8 staff members but had been resolved. AM advised that it was good practice as part of the year end process to receive the report. In response to a query, AM noted that any high risks or concerns would be against STHK but the onus would be on ECCCG to ensure that any recommendations are implemented.	
3.5	**Caring Together Risk Register** *Jerry Hawker and Emma Harrison (EH) attended for this Agenda Item only.* JH advised that the CT Risk Register was being presented to the GAC to ensure that they were supportive of the approach with regard to CT risks and to ask for feedback with how to reflect CT risks and translate them onto ECCCG's risk log. JH explained that currently each CT programme area has a senior officer responsible for the risks in their area. EH coordinates the risks which are presented to the Programme Management Group, chaired by JH. JH has executive responsibility to present to the CT Exec Board the three highest level risks in order to provide an update and to explain any mitigating actions being taken. New risks are presented to determine if the CT Exec Board is in agreement with the assessment of the risk level and mitigating actions. A paper is presented to the CT Exec Board to summarise the risks and is then reflected in the CT Directors Report to ECCCG's Governing Body. The Assurance Framework is a separate report that presents the risks in a different way. JH asked the GAC to consider if the reports should continue to be presented in the same format or if any changes were required.	

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	Recognising the importance of CT, GG requested that a report be presented to the GAC, at every other meeting, to highlight any significant risks and to provide an opportunity to discuss and challenge the risks. JH noted that a key risk is Primary Care and the level of engagement in the CT Programme, advising that it is a whole system risk if it cannot be demonstrated that all 23 practices are engaged. A paper is due to be presented at ECCCG's Private Governing Body meeting in October 14 to address the risk in Primary Care. It had been agreed that ECCCG representatives would be attending peer group meetings during October in order to provide a clear steer at the Governing Body meeting. As previously noted, AM advised that MIAA was scheduled to provide additional support regarding the Assurance Framework on 29/30 Sept 14. He advised that the CT Risk Register would need to be reviewed at the same time. **Actions:** • **CT Risk Register to be presented at alternate GAC meetings, with the next but one meeting being scheduled for 25 February 2015. JH or member of CT Team to attend and present report.** • **Updated version of CT Risk Register to be provided to MP for 29/30 Sept re MIAA additional support being provided.**	**PP** **EH**
3.6	**MIAA Anti-Fraud Services Progress Report Sept 14** ME advised the GAC that the Anti-Fraud Services Progress Report presented covered the period from April to August 2014 and highlights activities and outcomes for consideration. ME noted that RC had met with AM to review performance management arrangements and the regular issue of newsletters and e-alerts. A local priority is to review Continuing Healthcare (CHC) to examine areas of potential fraud risk, including, validating new claims before they reach the CCG. This is an area that NHS Protect has flagged as high risk for CCGs. A briefing had been circulated regarding overpayment of salaries, advising that this had been reclassified as theft rather than fraud and would no longer be dealt with by MIAA. It was noted that any individual being overpaid has a moral obligation to declare it and pay the amount back in full. ME advised that preparatory work had commenced with the National Fraud Initiative (NFI) and a note had been issued in payslips and on the Intranet to raise awareness that data may be used for the NFI.	

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	Work is to take place across the whole of the public sector looking at payroll, NI numbers, tax details etc to provide assurance that robust systems are in place. ME confirmed that there had been no fraud investigations reported during the reporting period. AM noted that ME was leaving MIAA and this would be his last GAC meeting. He extended his thanks on behalf of the GAC and wished him all the very best in the future. **Action: AM to contact the National Fraud Office to register as Chief Finance Officer for ECCCG.**	**AM**
3.7	**Rebate Schemes** *Graham Duce (GD) and Mark Dickinson (MD) attended for this Agenda Item only.* AM advised the GAC that there had been a lot of history regarding whether to enter into rebate schemes with the national view trying to discourage the practice. There are some financial savings but consideration has to be given to the time and cost involved in support costs and debate to be had regarding whether the risks are too high for the value involved. GD explained that the paper had been presented to provide an insight into the rebate scheme and to look for a steer from the GAC as to whether it is supportive or against the scheme. He provided a brief summary of the proposal, explaining that if a drug had a rebate applied to it then the monies would be returned to the CCG. Appendix 3 was tabled, noting that the content was confidential. It was a draft document issued by NHS England to a selection of Chief Executives for their feedback. GD noted the benefits of entering into the rebate scheme being potential savings of circa £40k to the CCG. Potential pitfalls could include destabilising the long term pricing strategy. The scheme is not unlawful and can be agreed by CCGs as long as certain requirements are met. It would require robust governance and transparency of the formulary process. GD suggested that it might require legal sign off from the Governing Body if it was decided to sign up to the scheme. GG questioned why the decision had been left to individual CCGs rather than being taken centrally by NHS England. He expressed concern about the robustness of a process that requires a legal opinion and noted that it was a comparatively low saving for the potential risks involved. MD explained that the pricing had been negotiated centrally but that	

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	small pharmaceutical companies were offering rebates as their way of obtaining a market advantage. In response to a query from AM, MD confirmed that the small pharmaceutical companies were included on the framework and contribute to Primary Care Rebate Schemes (PCRS). He noted that this is a short term arrangement for a period of 1-3 years. MD advised that PrescQIPP will review the scheme in terms of legality, appropriateness and regarding formula issues. He explained that ECCCG is a member of PrescQIPP, an NHS Medicines Management organisation set up by the Strategic Health Authority, which aims to help CCGs looking at cost saving methods and benchmarking and is considered to be a reputable organisation to say if the scheme is approved. It is an external provider but works wholly within the NHS. MD noted that an advantage with the rebate scheme is that it is providing a rebate on money already spent, with the rebate being provided to the CCG on a quarterly or annual basis as a percentage of the annual spend. It would be for the CCG to determine how to utilise the rebate, noting that it could not be given to practices as this would be seen as an incentive. GD pointed out that if the rebate scheme was taken up, it would only entertain rebates on drugs approved by PrescQIPP using a legal agreement. GG asked GD and MD for their opinion, noting that it would be difficult to support the scheme if it was not a joint recommendation. It was noted that other CCGs are expressing caution in terms of the risk involved and that there are other interventions that provide bigger value interventions. AM expressed concerns about the possible reputational risk and potential for coercion to use particular drugs. The importance of ensuring robust transparent processes was discussed. It was noted that the publication of the rebate scheme could attract more freedom of information requests. GD explained that, in view of the potential financial savings, they had felt compelled to bring the scheme to the attention of the GAC. GG requested that the scheme be reviewed, including administration costs, to establish if it is worthwhile and a definite recommendation returned to the GAC for consideration. **Action: Rebate Scheme to be reviewed to look at specific aspects, checking the financial viability. Report to be resubmitted to the GAC with clear recommendations from those presenting the paper.**	**GD/MD**
3.8	**GAC Membership** Discussions took place regarding quoracy of the GAC, noting that the	

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	constitution currently states that this includes the Chair (or Nominated Deputy) and one of the following, Lay Member or General Practice Representative but does not specify if the second person needs to be a Governing Body member. All present were in agreement that the second person should be a Governing Body member. ML was invited to remain as a member of the GAC, noting that a lot of information relates to Primary Care and wider clinical services, where previously it had related to governance of the CCG and policies. AM noted that ML's contribution was invaluable and were within the mandate to continue to attend. ML confirmed that she was willing to continue to attend the GAC meetings. **Action: GAC Terms of Reference to be updated to reflect that quoracy is the Chair (or Nominated Deputy) and one of the following, Lay member or General Practice Representative of the Governing Body. ECCCG Constitution to be updated.**	**MP**
3.9	**GAC Agenda Items for Future Meetings** • Assurance Framework Risks (November 14) o **GBAF09 Quality Assurance in Care Homes** • Scheme of Delegated Authority (November 2014) • Rebate Schemes (November 2014) • CT Risk Register (February 2015)	
	DATE, TIME & VENUE OF NEXT MEETINGS	
	12 Nov 14 — 12.00pm-2.00pm GAC Cte Mtg — Mtg Rm A, New Alderley House 12 Nov 14 — 2.30pm-4.00pm Self-Assessment Session — Mtg Rm A, New Alderley House 25 Feb 15 — Time to be confirmed in line with Private GB meeting	

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