

**RATIFIED minutes of the meetings in common of:
NHS Bassetlaw CCG Audit Committee
NHS Nottingham and Nottinghamshire CCG Audit and Governance Committee
held on
16/06/2022, 09:50-11:00
Via MS Teams**

Members present Bassetlaw CCG:

Sue Sunderland Non-Executive Director (Chair)
Sam Senior Non-Executive Director

Members present Nottingham and Nottinghamshire CCG:

Sue Sunderland Non-Executive Director (Chair)
Jon Towler Non-Executive Director

In attendance Bassetlaw CCG:

Michele Godley Deputy Chief Finance Officer

In attendance Nottingham and Nottinghamshire CCG:

Lucy Branson Associate Director of Governance
Michael Cawley Operational Director of Finance
Sian Gascoigne Head of Corporate Assurance
Audrey MacDonald Head of Finance
Andrew Morton Operational Director of Finance
Stuart Poynor Chief Finance Officer
Sue Wass Corporate Governance Officer (minutes)

In attendance:

Caroline Maley ICB Non-Executive Director Designate
Claire Page Client Manager, 360 Assurance
Richard Walton Director, KPMG
Kevin Watkins Client Manager, 360 Assurance

Apologies Bassetlaw CCG:

None

Apologies Nottingham and Nottinghamshire CCG:

Eleri de Gilbert Non-Executive Director

Introductory Items

AG 22 042 Welcome and apologies
AC22048

Sue Sunderland welcomed everyone to the meeting in common of the Audit and Governance Committees of Bassetlaw CCG and Nottingham and Nottinghamshire CCG, which was held via MS Teams.

Apologies were noted as above.

**AG 22 043 /
AC22049** **Confirmation of quoracy**

The meetings were declared quorate for both CCGs.

**AG 22 044 /
AC22050** **Declaration of interest for any item on the agenda**

No interests were noted on any item on the agenda.
Sue Sunderland reminded members of their responsibility to highlight any interests should they transpire as a result of discussions during the meeting.

**AG 22 045 /
AC22051** **Management of any real or perceived conflicts of interest**

This item was not required, as no interests were declared.

**AG 22 046 /
AC22052** **Minutes from the Committee in Common meeting held on 19 May 2022**

The minutes of the meeting in common held on 19 May 2022 were agreed as an accurate record of the discussions held.

**AG 22 047 /
AC22053** **Action log and matters arising from the meeting held on 19 May 2022**

All actions were agreed as completed and there were no other matters arising.

Annual Reporting - Bassetlaw CCG

AC22054 **Third Party Assurances Report**

Michael Cawley presented this item and highlighted the following key points:

- a) This item covered both Bassetlaw and Nottingham and Nottinghamshire CCGs.
- b) As part of the annual accounting process a number of service auditor reports on the internal controls and procedures operated by client organisations contracted to the CCGs for a range of services had been received.
- c) Attention was drawn to Appendix One of the report, which provided a summary of the reports and their conclusions.
- d) All but one report had provided a qualified opinion; however, it was noted that the opinions had been qualified on the basis of a relatively small number of exceptions and, as the audits were generic in nature, they did not necessarily detect issues particular to individual organisations.
- e) Overall, the CCG was satisfied with the management responses provided in relation to these exceptions and the actions being implemented to address them.

The following points were raised in discussion:

- f) Members noted the limitations of the reports and noted that arrangements for seeking assurance from these reports may be subject to change for this financial year.

The Committees:

- **NOTED** the CCG's summary of the 2021/22 Service Auditor Reports.

AC22055 Final 2021/22 Head of Internal Audit Opinion

Claire Page presented this item and highlighted the following key points:

- a) The report presented the final Head of Internal Audit Opinion and the Internal Audit Annual Report.
- b) The Opinion provided an overall rating of 'Significant Assurance', which had not changed since the interim report.

The following points were raised in discussion:

- c) Members thanked the Bassetlaw CCG's Internal Audit Team for their support throughout the year.

The Committees:

- **RECEIVED** the Final HOIAO and Annual Report.

AC22056 ISA 260 Report on the Financial Statements

Richard Walton presented this item and highlighted the following key points:

- a) The report provided the results of the External Auditor's audit of the financial statements of the CCG for the year ended 31 March 2022; and included commentary on the areas of significant risk and the Auditor's conclusions.
- b) Regarding significant audit risks, the results of testing found the amount of expenditure recognised as acceptable; and although not yet completed, no instances of management override of controls had been identified to date.
- c) A significant risk for the CCG was an incentive for management to overstate expenditure in year so that the CCG reported that the resource allocation had been complied with, having achieved a surplus in the first half of the financial year. A number of inspections had been undertaken and audit work performed considered expenditure to be appropriate.
- d) The design and implementation of controls to reduce the risk of material misstatement of expenditure accruals had been inspected and controls were found to be in place, however, as these controls were not formally documented to the level of precision specified in order to meet the requirements per auditing standards, there was a requirement to bring this to the Committee's attention.
- e) In other areas of risk, no concerns had been found regarding Primary Care co-commissioning expenditure, implementation of IFRS 16, and disclosure treatment of the organisation as a going concern.
- f) No significant weaknesses had been identified in arrangements for securing value for money.
- g) The audit was substantially complete and an unqualified opinion on the CCG's accounts had been given.

- h) An Annual Report would be drafted for inclusion on the CCG's website, which would include a narrative summary of findings.
- i) Confirmation of the independence of the audit findings and thanks to the CCG's Finance Team for their co-operation during the audit were given.

The following points were raised in discussion:

- a) Members thanked the External Audit Team for a thorough and pragmatic report.

The Committees:

- **RECEIVED** the report.

AC22057 Annual Report 2021/22: Final

Michele Godley presented this item and highlighted the following key points:

- a) The report presented the final Annual Report for the Committee's consideration and approval prior to the deadline for submission of 22 June 2022.
- b) All amendments and additions since the Committee had last received the report were highlighted in a separate appendix, with the majority of additions being updates on data not available at that time. The Remuneration Report had been updated to clarify the treatment of the disclosure of a redundancy payment.

The following points were raised in discussion:

- c) It was noted that the Internal Audit Report table would be amended to make it consistent with the table in the Nottingham and Nottinghamshire CCG's report.

The Committees:

- **APPROVED** the Annual Report.

AC22058 Accounts 2021/22: Audited

Michele Godley presented this item and highlighted the following key points:

- a) Following presentation of the unaudited accounts at the April meeting, limited changes had been made as a result of review by the External Auditors.

The following points were raised in discussion:

- a) The Chair thanked the Bassetlaw CCG's Governance and Finance Teams for their hard work in the compilation of the Annual Report and Accounts.

The Committees:

- **APPROVED** the Statutory Annual Accounts for Bassetlaw CCG for the year end 31st March.

AC22059 Letter of Representation

Michael Cawley presented this item and highlighted the following key points:

- a) The letter of representation had been drafted for the signature of the Accountable Officer and referenced compliance with accounting and auditing standards. This was a standard template that made reference to specific technical points within the accounts.

The Committees:

- **NOTED** the content in the letter of representation.
- **ENDORSED** the action of the Accountable Officer to sign the letter of representation on behalf of the Bassetlaw CCG Governing Body.

Nottingham and Nottinghamshire CCG

AG 22 048 **Third Party Assurances Report**
Item taken within agenda item AC22054

AG/22/049 **Final 2021/22 Head of Internal Audit Opinion**

Kevin Watkins presented this item and highlighted the following key points:

- a) The report presented the final Head of Internal Audit Opinion and the Internal Audit Annual Report.
- b) The Opinion provided an overall rating of 'Significant Assurance', which had not changed since the interim report.

The following points were raised in discussion:

- c) Members thanked the Nottingham and Nottinghamshire CCG's Internal Audit Team for their support throughout the year.

The Committees:

- **RECEIVED** the Final HOIAO and Annual Report.

AG/22/050 **ISA 260 Report on the Financial Statements**

Richard Walton presented this item and highlighted the following key points:

- a) The report provided the results of the External Auditor's audit of the financial statements of the CCG for the year ended 31 March 2022; and included commentary on the areas of significant risk and the Auditor's conclusions.
- b) Regarding significant audit risks, the results of testing found the amount of expenditure recognised as acceptable; and although not yet completed, no instances of management override of controls had been identified to date.
- c) A significant risk for the CCG was an incentive for management to understate expenditure in year so that the CCG reported that its resource allocation had been complied with, as the achievement had been subject to meeting specific efficiency requirements. A number of inspections had been undertaken and audit work performed considered expenditure to be appropriate.
- d) The design and implementation of controls to reduce the risk of material misstatement of expenditure accruals had been inspected and controls were found to be in place, however, as these controls were not formally documented to the level of precision specified to meet the requirements per auditing standards, there was a requirement to bring this to the Committee's attention.
- e) In other areas of risk, no concerns had been found regarding Primary Care co-commissioning expenditure, implementation of IFRS 16, and disclosure treatment of the organisation as a going concern.
- f) No significant weaknesses had been identified in arrangements for securing value for money.

- g) The audit was substantially complete and an unqualified opinion on the CCG's accounts had been given.
- h) An Annual Report would be drafted for inclusion on the CCG's website, which would include a narrative summary of findings.
- i) Confirmation of the independence of the audit findings and thanks to the CCG's Finance Team for their co-operation during the audit was given.

The following points were raised in discussion:

- j) Members thanked the External Audit Team for a thorough and pragmatic report.

The Committees:

- **RECEIVED** the report.

AG/22/051 Annual Report 2021/22: Final

Lucy Branson presented this item and highlighted the following key points:

- a) The report presented the final Annual Report for the Committee's consideration and approval prior to the deadline for submission of 22 June 2022.
- b) Since the report had been received by the Committee at its May meeting, a number of areas had been updated with information not available at the time. A number of additions had also been made to the report following notification from NHS England Regional Team that this year, the report would be the main source document used to inform its annual assessment of the CCG.
- c) Since the report had been drafted, there had been a update on arrangements for the CCGs' Annual Reports and Accounts for April-June 2022. The deadline for submission had been extended to 5 October 2022 and superseded the deadline of 19 July 2022, as stated in the report. Responsibility for approval and publication of reports for both CCGs would move to the ICB.

The Committees:

- **APPROVED** the Statutory Annual Accounts for Nottingham and Nottinghamshire for the year end 31st March 2022.

AG/22/052 Accounts 2021/22: Audited

Michael Cawley presented this item and highlighted the following key points:

- b) Following presentation of the unaudited accounts at the May meeting, limited changes had been made as a result of review by the External Auditors.

The following points were raised in discussion:

- b) The Chair thanked the Nottingham and Nottinghamshire's CCG's Governance and Finance Teams for their hard work in the compilation of the Annual Report and Accounts.

The Committees:

- **APPROVED** the Statutory Annual Accounts for Nottingham and Nottinghamshire CCG for the year end 31st March.

AG/22/053 Letter of Representation

Michael Cawley presented this item and highlighted the following key points:

- a) The letter of representation had been drafted for the signature of the Chief Finance Officer and referenced compliance with accounting and auditing standards. This was a standard template that made reference to specific technical points within the accounts.

The Committees:

- **NOTED** the content in the letter of representation.
- **ENDORSED** the action of the Chief Finance Officer to sign the letter of representation on behalf of the CCG Governing Body.

Internal Audit

**AG/22/054 /
AC22060 Joint Internal Audit Plan 2022/23**

Claire Page presented this item and highlighted the following key points:

- a) The Plan had been brought to the Committee for completeness following the presentation of the draft plan at the last meeting.
- b) Time set aside for contingency had been utilised for the preparation of the April-June 2022 Head of Internal Audit Opinion.

The Committees:

- **RECEIVED** the plan.

External Audit

**AG/22/055 /
AC22060 Annual Report**

As discussed under item AC22056 and AG/22/050, this item was not required.

Due Diligence Arrangements

**AG/22/056 /
AC22060 CCG Closedown/ICB Establishment – Outcome of Due Diligence Risk Exercise**

Sian Gascoigne presented this item and highlighted the following key points:

- a) Following discussion at the previous meeting, and as part of the due diligence exercise to close down the CCGs and establish the ICB, work had taken place to ensure that all current, 'live' risks had been identified and transferred.
- b) The report provided assurance that CCG risk registers had continued to be maintained during the period April to June 2022 and detailed the work that had been undertaken to review, assess and identify those risks that would be 'transferred' to the ICB.

The following points were raised in discussion:

- c) Members took assurance from the report that risk continued to be managed appropriately.

The Committees:

- **CONFIRMED** that a comprehensive due diligence process has been undertaken by the CCGs to identify all current, 'live' risks to transfer into the Nottingham and Nottinghamshire ICB; and
- **NOTED** the outcome of the due diligence risk exercise.

Closing Items

AG 22 057 / Any other business
AC22061

The Chair thanked all members, the Internal and External Auditors and the CCG Team for their support and hard work.