



**GOVERNING BODY**

<b>Agenda Item No.</b>	<b>16</b>
<b>Reference No.</b>	<b>IESCCG 19-33</b>
<b>Date.</b>	<b>21 May 2019</b>

<b>Title</b>	<b>Sub-Committee Terms of Reference for Approval</b>
<b>Lead Chief Officer</b>	Amanda Lyes, Chief Corporate Services Officer
<b>Author(s)</b>	Jo Mael, Corporate Governance Officer
<b>Purpose</b>	To present the following revised sub-committee terms of reference for approval;  1) Audit Committee, subject to agreement by the Audit Committee on 20 May 2019 2) Clinical Scrutiny Committee

<b>Applicable CCG Clinical Priorities:</b>	
1.	To promote self care
2.	To ensure high quality local services where possible
3.	To improve the health of those most in need
4.	To improve health & educational attainment for children and young people
5.	To improve access to mental health services
6.	To improve outcomes for patients with diabetes to above national averages
7.	To improve care for frail elderly individuals
8.	To allow patients to die with dignity and compassion and to choose their place of death where appropriate
9.	To ensure that the CCG operates within agreed budgets

<p><b>Action required by Governing Body:</b></p> <p>The Governing Body is asked to consider approval of the attached revised terms of reference for both the Audit Committee and Clinical Scrutiny Committee. Changes are denoted in red. The Governing Body is asked to note that the Audit Committee terms of reference are subject to meeting scheduled to take place on 20 May 2019.</p>
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## **NHS IPSWICH AND EAST SUFFOLK CLINICAL COMMISSIONING GROUP**

### **AUDIT COMMITTEE**

#### **TERMS OF REFERENCE**

#### **1 INTRODUCTION**

The Committee is established in accordance with the NHS Ipswich and East Suffolk Clinical Commissioning Group's constitution and shall provide the Governing body with an independent and objective review of the adequacy and effective operation of the organisations' overall internal control system including its financial systems, financial information and compliance with laws, guidance, and regulations governing the NHS. The Terms of Reference are based on the specimen terms of reference set out in the NHS Audit Committee Handbook amended as necessary, the NHS Commissioning Board template and are approved by the NHS Ipswich and East Suffolk Clinical Commissioning Group Governing body. They are reviewed each year.

#### **2 REMIT AND RESPONSIBILITIES OF THE COMMITTEE**

- 2.1 The duties of the Committee will be driven by the priorities identified by the NHS Ipswich and Suffolk Clinical Commissioning Group and the associated risks. It will operate to a programme of business, agreed by the Clinical Commissioning Group's governing body that will be flexible to new and emerging priorities and risks. The key duties of an audit committee will be as follows:

##### **Integrated Governance, Risk Management and Internal Control**

- 2.2 The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the NHS Ipswich and East Suffolk Clinical Commissioning Group's activities that support the achievement of its objectives.
- 2.3 In particular, the committee will review the Governing Body Assurance Framework (GBAF) at each meeting to ensure the adequacy and effectiveness of:

- (i) The completeness and relevance of the controls described within the GBAF and that they relate to the organisations strategic objectives.
- (ii) The reliability of the assurances within the GBAF and that they are of good quality taking into account their source, the skills of those providing them and the extent of the work that lies behind them.

In addition:

- (iii) All risk and control related disclosure statements (in particular the Annual Governance Statement), together with any appropriate independent assurances, prior to endorsement by the Clinical Commissioning Group.
- (iv) The underlying assurance processes that indicate the degree of achievement of the organisations objectives, the effectiveness of the management of principal risks and the appropriateness of disclosure statements.
- (v) The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and related reporting and self-certification.
- (vi) The policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the NHS Counter Fraud and Security Management Service; NHS Protect.

2.4 In carrying out this work the Committee will utilise the work of internal audit, external audit and other assurance functions, but will not be limited to these sources. It will also seek reports and assurances from senior officers and managers as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control, 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.

#### **Internal Audit**

2.5 The Committee shall ensure that there is an effective internal audit function that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Committee, Accountable Officer and Clinical Commissioning Group. This will be achieved by:

- (i) Consideration of the provision of the internal audit service, the cost of the audit and any questions of resignation and dismissal
- (ii) Review and approval of the internal audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation, as identified in the assurance framework.
- (iii) Considering the major findings of internal audit work (and management's response) and ensuring co-ordination between the internal and external auditors to optimise audit resources.
- (iv) Ensuring that the internal audit function is adequately resourced and has appropriate standing within the Clinical Commissioning Group.
- (v) An annual review of the effectiveness of internal audit

### **External Audit**

2.6 The Committee shall review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process. This will be achieved by:

- (i) Consideration of the performance of the external auditors, as far as the rules governing the appointment permit.
- (ii) Discussion and agreement with the external auditors, before the audit commences, on the nature and scope of the audit as set out in the annual plan, and ensuring co-ordination, as appropriate, with other external auditors in the local health economy.
- (iii) Discussion with the external auditors of their local evaluation of audit risks and assessment of the Clinical Commissioning Group and associated impact on the audit fee.
- (iv) Review of all external audit reports, including the report to those charged with governance, agreement of the annual audit letter before submission to the Clinical Commissioning Group and any work undertaken outside the annual audit plan, together with the appropriateness of management responses.
- (v) Ensuring there is a clear policy in place for the engagement of external auditors to supply non-audit services.

### **Other Assurance Functions**

2.7 The Committee shall review the findings of other significant assurance functions, both internal and external and consider the implications for the governance of the Clinical Commissioning Group.

These will include, but will not be limited to, any reviews by Department of Health arm's length bodies or regulators/inspectors (for example, the Care Quality Commission and **NHS Resolution** (formerly the NHS Litigation Authority) and professional bodies with responsibility for the performance of staff or functions (for example, Royal Colleges and accreditation bodies).

- 2.8 In addition, the Committee will review the work of other committees within the organisation whose work can provide relevant assurance to the Audit Committee's own areas of responsibility.

### **Counter Fraud**

- 2.9 The Committee shall satisfy itself that the Clinical Commissioning Group has adequate arrangements in place for countering fraud and shall review the outcomes of counter fraud work. It shall also approve the counter fraud work programme.

- 2.10 In Accordance with point 3.2 of the NHS Counter Fraud Authority (NHSCFA) Fraud Commissioners Standards, the Committee commits to ensuring the CCG achieves these standards and requires assurance that they are being met via the NHSCFA's quality assurance programme.

### **Whistle Blowing**

- 2.11 The Committee shall review the adequacy and security of the organisation's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrong doing in financial reporting and other matters. The committee shall ensure such whistle blowing arrangements allow proportionate investigation of such matters and appropriate follow-up action in accordance with the Whistle Blowing Policy.

### **Management**

- 2.12 The Committee shall request and review reports and positive assurances from Senior Officers and managers on the overall arrangements for governance, risk management and internal control.
- 2.13 The committee may also request specific reports from individual functions within the Clinical Commissioning Group as they may be appropriate to the overall arrangements.

### **Financial Reporting**

- 2.14 The Committee shall monitor the integrity of the Clinical Commissioning Group's financial statements and any formal announcements relating to

its financial performance.

- 2.15 The Committee shall ensure that the systems for financial reporting to the Clinical Commissioning Group, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided.
- 2.16 The Committee shall review the annual report and financial statements before submission to the Governing body and the Clinical Commissioning Group, focusing particularly on:
- (i) The wording in the governance statement and other disclosures relevant to the terms of reference of the committee.
  - (ii) Changes in, and compliance with, accounting policies, practices and estimation techniques.
  - (iii) Unadjusted misstatements in the financial statements.
  - (iv) Significant judgements in preparing of the financial statements.
  - (v) Significant adjustments resulting from the audit.
  - (vi) Letter of representation.
  - (vii) Qualitative aspects of financial reporting.

### **3 RELATIONSHIP WITH THE GOVERNING BODY**

- 3.1 The Committee shall have delegated authority from the Governing body to undertake its function.
- 3.2 Formal minutes shall be kept of the proceedings and approved by members of the Audit Committee prior to submission to the next meeting of the NHS Ipswich and East Suffolk Clinical Commissioning Group Governing body.
- 3.3 The Chair of the Committee shall draw to the attention of the Governing body any issues that require disclosure to the full Governing body, or require executive action.
- 3.4 The Committee will report to the Governing body annually on its work in support of the Annual Governance Statement.

### **4 MEMBERSHIP OF AUDIT COMMITTEE**

- 4.1 The Committee shall consist of not less than three members appointed by the NHS Ipswich and East Suffolk Clinical Commissioning Group

Governing body as set out in the Constitution and may include individuals who are not on the Governing body.

- 4.2 The lay member on the Governing body, with a lead role for overseeing key elements of governance, will chair the Audit Committee. In the event of the Chair being unable to attend all or part of a Committee meeting, he or she will nominate a replacement from within the membership to deputise for that meeting.
- 4.3 The Chair of NHS Ipswich and East Suffolk Clinical Commissioning Group Governing body shall not be a member of the Committee.
- 4.4 Full time employees or individuals who claim a significant proportion of their income from the Clinical Commissioning Group will not be Members of the Committee and the Member Practices should not be in the majority.

## **5 ATTENDANCE**

- 5.1 The Chief Finance Officer and appropriate Internal and External Audit representatives shall normally attend meetings. However, at least once a year the Committee should meet privately with the External and Internal Auditors.
- 5.2 Regardless of attendance, external audit, internal audit and local counter fraud specialist providers will have full and unrestricted rights of access to the audit committee.
- 5.3 The Accountable Officer will be invited to attend the committee each year to discuss the Annual Report and Accounts.
- 5.4 Any other Senior Officers or managers may be invited to attend, particularly when the Committee is discussing areas of risk or operation that are the responsibility of that Senior Officer and/or manager.

## **6 SECRETARY**

The Governance Advisor shall be secretary to the Committee and he/she, or their nominee, shall attend to take minutes. The Governance Advisor shall provide appropriate support to the Chair and committee members by drawing their attention to best practice, national guidance and other relevant issues as appropriate.

## **7 QUORUM**

A quorum shall be two members.

## **8 MEETINGS**

- 8.1 Meetings shall be held at least quarterly or as required. The External Auditor or Head of Internal Audit may request a meeting if either considers one to be necessary.
- 8.2 The agenda and supporting papers will be sent out at least 5 days in advance of the meetings to allow time for due consideration of issues.
- 8.3 Meetings will be timetabled and agreed in advance.
- 8.4 Meetings will ordinarily be held in person. However, meetings may be conducted on a 'virtual' basis through the use of e-mail or teleconference communication if necessary.

## **9 CONDUCT OF THE COMMITTEE**

The Committee will review on an annual basis its own performance and effectiveness including running costs and membership and terms of reference. The Governing body will approve any resulting changes to the terms of reference or membership.

<b>Initial Approval:</b>	August 2013
<b>Last Review Date:</b>	April 2018
<b>Next Review Date:</b>	April 2019



## **IPSWICH AND EAST SUFFOLK CLINICAL COMMISSIONING GROUP**

### **CLINICAL SCRUTINY COMMITTEE**

#### **TERMS OF REFERENCE**

#### **1. OVERVIEW**

Clinical governance is a systematic approach to maintaining and improving the quality of patient care within a health system. It is a framework through which NHS organisations are accountable for continually improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish.

#### **2. PURPOSE OF THE COMMITTEE**

As a formal sub-committee of the CCG Governing Body, the purpose of the Clinical Scrutiny Committee is to:

- (i) Provide a dedicated forum for the oversight of clinical governance.
- (ii) Provide assurance to the Governing Body and Audit Committee that the CCG has the necessary clinical governance arrangements in place to meet its objectives.
- (iii) Ensure effective clinical engagement in clinical governance processes, utilising clinician's specific expertise and knowledge of local communities and public/patient involvement.
- (iv) Facilitate a culture where clinical quality, patient experience and patient safety are of the highest priority.
- (v) Provide confidence to the Governing Body and wider public that the CCGs resources are being used effectively and efficiently in the context of clinical quality

#### **3. ROLE OF THE COMMITTEE**

The role of the Clinical Scrutiny Committee is to:

- (i) Support the highest standards of clinical quality and patient safety in the context of finance and performance

- (ii) Develop and monitor clinical quality standards and scrutinise integrated performance reports.
- (iii) Provide the Governing Body and Audit Committee with demonstrable evidence of scrutiny, challenge and escalation where necessary.
- (iv) Receive, review and approve clinical policies and procedures.
- (v) Monitor providers' compliance with CQC Essential Standards, National Service Framework requirements, NICE recommendations/guidance and local performance standards.
- (vi) Review Serious Untoward Incident and Child/Adult Safeguarding Reports monitoring the relevant action plans to identify areas of learning and change.
- (vii) Monitor clinical risks, by reference to the Governing Body Assurance Framework (GBAF), satisfying itself and assuring the Audit Committee that the mitigating actions for each clinical risk identified are reasonable and that action plans are being progressed.
- (viii) Ensure commissioned services sustain high quality and patient focused care.
- (ix) Support a culture of clinical safety.
- (x) Ensure that the relevant recommendations arising from external and internal reviews and guidance pertaining to clinical governance, are implemented in an appropriate and effective manner.
- (xi) Ensure the necessary oversight and scrutiny of financial performance in relation to clinical quality and governance.

#### **4. AUTHORITY**

The Committee is accountable to the CCG Governing Body and operates within agreed delegated powers.

#### **5. MEETINGS**

The Committee will meet every two months. Minutes of its meetings will be presented to the next available meeting of the CCG Governing Body in public.

Agendas and any papers for Committee meetings will be circulated to members at least five days in advance. A Committee and Governance Officer will attend to formally minute the proceedings.

Meetings will ordinarily be held in person. However, meetings may be conducted on a 'virtual' basis through the use of e-mail communication if necessary.

## **6. MEMBERSHIP**

Membership of the Committee comprises all of the existing Clinical Executive Committee and the Secondary Care Doctor and Governing Body Lay Members.

A quorum shall comprise at least six members, four of whom shall be professional members and two officer or other members. Either the Chief Nursing Officer or nominated deputy should be present at each meeting.

In the absence of the Chairman, those members present shall choose one member to chair the meeting.

Where voting is required and in the event of an equality of votes, the Chairman shall have a casting vote.

## **7. REVIEW**

The Committee shall review its own performance and terms of reference on an annual basis.

## **8. AUTHOR**

Colin Boakes  
Governance Advisor

<b>Date Approved:</b>	August 2013
<b>Last Review:</b>	February 2018
<b>Next Review:</b>	April 2019