ENCLOSURE: D

Agenda Item: 136/15

NHS Bexley Clinical Commissioning Group

Governing Body meeting (held in public)

DATE: 24 September 2015

Title	**Decision Log from other Fora**
This paper is for **the standing agenda**	
Recommended action for the Governing Body	That the Governing Body: **Note** 1. Decisions that have been made by the Governing Body in different fora or on behalf of the Governing Body. 2. Ratify the Better Care Fund Submission (attached).
Potential areas for Conflicts of interest	None.
Executive summary	Sometimes decisions need to be made by the Governing Body in private session that "having regard to the confidential nature of the business to be transacted, which relates to financial and commercial issues upon which would be prejudicial to the public interest." Section 1(2) of the Public Bodies (admission to Meeting) Act 1960. NHS Bexley CCG endeavours to be as open and transparent as possible and therefore will report decisions that have been made in fora other than a public meeting at the most appropriate time. This report covers decisions made since the Governing Body (public) meeting held on 30 July 2015. **Financial Control Environment Assessment For NHS England** **Approved** the submission of the assessment, subject to addressing any matters arising at this meeting and from Internal Audit's response, with endorsement from the Chief Officer and Audit and Integrated Assurance (AIAC) Chair. **Diabetes Pathway** **Approved** the proposed timelines and governance structure for the development of a redesign proposal for Diabetes Service. It was agreed

	that the current contracts would remain in place until a revised service model could be agreed (to maintain the "status quo"). **Accountable Officer's Action** Bexley CCG's Accountable Officer needed to make an initial Better Care Fund (BCF) Q1 submission by Friday 28 August 2015. The submission required the approval of the GB and HWB (LB Bexley has responsibility for organising the HWB approval). As per the CCG's constitution under Sub-subsection 3.2.21, Emergency powers and urgent decisions the Accountable Officer consulted the North Bexley Locality Lead on GB (Dr Varun Bhalla). The submission of the initial Better Care Fund (BCF) Q1 has been made meeting the deadline and the governing body is asked to **ratify** the decision taken by the Accountable Officer.

How does this paper support the CCGs objectives	**Patients:**	Improve the health and wellbeing of people in Bexley in partnership with our key stakeholders.
	People:	Empower our staff to make NHS Bexley CCG the most successful CCG in (south) London.
	Pounds:	Delivering on all of our statutory duties and become an effective, efficient and economical organisation.
	Process:	Commission safe, sustainable and equitable services in line with the operating framework and which improves outcomes and patient experience.

What are the Organisational implications	Key risks	None.
	Equality	None.
	Financial	None.
	Data	None.
	Legal issues	None.
	NHS constitution	None.

Engagement	None.	
Audit trail	None.	
Comms plan	None.	
Author: Mary Stoneham Board	Clinical lead: Dr Howard Stoate CCG Chair	Executive sponsor: Simon Evans-Evans Director of Governance & Quality

Secretary		
Date	14 July 2015	

Date of Decision	Authorised Person	Reason the Decision was not taken at a public Meeting	Title	Decision	Governing Body Notified	Agenda item at Governing Body (public) Meeting
30.07.15	Governing Body Private Meeting	Decision needed due to time constraints	Financial Control Environment Assessment For NHS England	The Governing Body **Approved** the submission of the assessment, subject to addressing any matters arising at this meeting and from Internal Audit's response, with endorsement from the Chief Officer and Audit & Integrated Assurance (AIAC) Chair	24.09.15	24.09.15
30.07.15	Governing Body Private Meeting	Commercial in Confidence	Diabetes Pathway	The Governing Body **Approved** the proposed timelines and governance structure for the development of a redesign proposal for Diabetes Service. It was agreed that the current contracts would remain in place until a revised service model could be agreed (to maintain the "status quo").	24.09.15	24.09.15
27/08/2015	CCG Accountable	Decision required as a	Initial Better Care Fund (BCF) Q1	Bexley CCG's Accountable Officer needed to make an	24/09/2015	24/09/2015

Date of Decision	Authorised Person	Reason the Decision was not taken at a public Meeting	Title	Decision	Governing Body Notified	Agenda item at Governing Body (public) Meeting
	Officer	result of time constrains (To meet submission deadline of 28 August 2015	submission.	initial Better Care Fund (BCF) Q1 submission by Friday 28 August 2015. The submission required the approval of the GB and HWB (LB Bexley has responsibility for organising the HWB approval). The Accountable Officer consulted with the Locality Lead for North Bexley as per the CCG's constitution under Sub-subsection 3.2.21, Emergency powers and urgent decisions. The submission was made and the governing is required to **ratify** the decision.		

NHS
Bexley
Clinical Commissioning Group

ENCLOSURE: D (i)

Agenda Item: 38/15

Governing Body meeting (held in private)

DATE: 30 July 2015

Title	**Financial Control Environment Assessment for NHS England**
This paper is for **Decision**	
Recommended action for the Governing Body	That the Governing Body: **Discuss:** 1. The Assessment made on the CCG's financial control environment; **Approve**: 1. Submission of the assessment, subject to addressing any matters arising at this meeting and from Internal Audit's response, with endorsement from the Audit & Integrated Assurance (AIAC) Chair.
Potential areas for Conflicts of interest	None
Reasons for the paper to come to a private meeting	Ideally the paper would have been presented in public but unfortunately timescales for the return have precluded this. To ensure that the return is discussed by the Governing Body prior to submission it has therefore been added to this part 2 meeting.
Proposals to publish details contained in this and supporting papers	n/a
Executive summary	A letter was received from Paul Baumann, NHSE Chief Financial Officer, on 17 July (Appendix 1) asking CCGs to complete a Financial Control Environment Assessment, with the aim of achieving financial resilience and sustainability. The assessment has been requested in part because a "significant contributory factor to the financial position last year was a small

	number of CCGs that deteriorated materially from plan, thereby threatening the overall financial position of the commissioning system". The top five with the worst financial performance in 2014/15 were highlighted to have weak financial governance. CCGs have therefore been requested to "conduct a rapid review of their financial stewardship arrangements to help assess whether they may be vulnerable to unexpected financial deterioration and to identify development needs". This is to be reviewed with the Governing Body and Audit Committee and we are also involving the Internal Auditors. The assessment asks the CCG to evaluate the strength of its financial governance and controls over a range of key areas on a scale from 'excellent' to 'improvement needed'. The draft assessment completed has the CCG with no areas for improvement, 4 moderate, 8 good and 6 excellent. Some areas are marked lower than desirable due to the CCG's financial position. Guidance for completions is attached at Appendix 2. The full return is shown at Appendix 3. Unfortunately, the rows cannot be expanded, as the document is protected, so some of the narrative / justification is unable to be viewed. The deadline for submission is 31 August which is prior to the next Governing Body and AIAC meeting, hence the hurried report to this meeting. The draft document has been shared with the Chief Officer and Chair of the AIAC for comment. Internal Audit will be reviewing the document this week based on their knowledge of the CCG. We will then be arranging a detailed review by Internal Audit to substantiate the CCG's view.
How does this paper support the CCGs objectives	**Patients:**	n/a
	People:	n/a
	Pounds:	Delivering on all of our statutory duties and become an effective, efficient and economical organisation.
	Process:	Ensuring that appropriate processes and procedures are in place to safeguard the resources of the organisation.
What are the Organisational implications	Key risks	That the CCG is considered by NHS England to have insufficient processes in place to safeguard the resources of the organisation.
	Equality	n/a
	Financial	n/a
	Data	n/a
	Legal issues	n/a
	NHS constitution	n/a

NHS
Bexley
Clinical Commissioning Group

Engagement	The draft return has been shared with the Chief Officer and Chair of the AIAC. It has also been sent to Internal Audit for comment.	
Audit trail	A previous extension to provide clinical continuity during the diabetes procurement was presented and approved to the Finance Sub-Committee.	
Comms plan	None.	
Author: Omari Moir Project Moir	Clinical lead: Dr Sid Deshmukh	Executive sponsor: Theresa Osborne Chief Financial Officer
Date	28 July 2015	

Publications Gateway Reference 03779

Paul Baumann
Chief Financial Officer
NHS England
Skipton House
80 London Rd
SE1 6LH

17 July 2015

To CCG Audit Chairs, Accountable Officers and Chief Finance Officers

Financial Control Environment Assessment

I am writing to advise you of an initiative that we are launching across the commissioning system to help us in delivering one of our key priorities for the NHS in 2015/16 – to achieve financial resilience and sustainability. A financial resilience toolkit will be rolled out during the summer and autumn, with the aim of supporting commissioners to secure robust financial delivery in a year of significant challenge. Building on learnings from a number of recent financial failures in the commissioning system, the toolkit will focus on four areas – prevention, early warning, financial recovery, and a menu of supporting tools.

A key element of the prevention module is an assessment of the financial governance and control environment of each CCG, and it is this in particular that I am writing to you about today.

As you will know, the NHS is facing a very challenging financial year in 2015/16, one of the toughest yet. Although we achieved financial balance across the commissioning system in 2014/15, this was in no small part because of one-off benefits and reactive interventions at a local and national level. Had we been unable to deploy such mitigations then CCGs in aggregate would have finished the year with a significant deficit. In setting balanced plans for 2015/16 we have already made use of a number of the mitigations deployed in the latter stages of 2014/15.

A significant contributory factor to the financial position last year was a small number of CCGs that deteriorated materially from plan, thereby threatening the overall financial position of the commissioning system. The ten largest deteriorations from plan amounted to £132m. This level of deterioration will simply be unaffordable in 2015/16, and we need to work together to prevent this happening, to detect earlier where pressures are building, and to design and implement recovery plans at pace where necessary.

A review of five of the CCGs with the worst financial performance in 2014/15 highlighted a common issue among them – weak financial governance. I am therefore asking all CCGs to conduct a rapid review of their financial stewardship arrangements to help assess whether they may be vulnerable to unexpected financial deterioration and to identify development needs. As part of the review I

would ask that remedial actions are agreed with support from local NHSE offices where appropriate.

To support this process, I enclose a self-assessment checklist. I would be grateful if you would complete this and review it in your Audit Committee and Governing Body. You may also find it helpful to discuss the assessment with your internal auditors. Please forward a copy of your completed checklist to NHS England by the end of August (in draft with a final version to follow if it is not possible to complete the Audit Committee review by then). We are developing a separate checklist based on the CCG version for use by NHS England direct commissioning.

The checklist asks each organisation to evaluate the strength of its financial governance and controls over a range of key areas. The checklist outlines for each area the level of governance and control on a scale from 'excellent' to 'improvement needed'. The descriptions for 'improvement needed' are specifically based on recent observations of organisations in financial distress. This is not expected to be a tick-box exercise, and should be used to provide an overall sense of the organisation's standing against each indicator for the organisation's own benefit. The checklist is designed to be aligned with the finance elements of the 2015/16 CCG Assurance framework and should inform the assurance process. CCGs are asked to make an honest assessment of their current state, and organisations will doubtless wish to address any areas identified as needing improvement as quickly as possible. We will also develop a feedback process that will enable CCGs to compare their own assessment with the national picture.

A brief completion guide and FAQ are provided with the checklist.

Regional offices and DCOs will be supporting the completion process and will be in touch with you shortly. The checklist has been designed as a self-assessment tool, though in some cases it may be more appropriate for the CCG and the regional office to complete the document together.

I would like to thank you in advance for engaging with this process, which I think will play a vital part in ensuring we maintain financial balance in this most challenging of years.

Yours sincerely

Paul Baumann

Chief Financial Officer

Ed Smith, CBE, FCA, CPFA, Hon DUniv, Hon LLDs
Chair of the Audit Committee

High quality care for all, now and for future generations

Financial Control Environment Assessment Guidance & FAQs

Checklist completion and sign off

It is expected that the checklist will be completed by senior members of the CCG with sufficient knowledge and experience of the governance of the CCG to respond appropriately. The Accountable Officer should oversee the process and is responsible for obtaining the sign off from the Audit Committee and Governing Body as per the letter from Paul Baumann. If a draft assessment is submitted it is expected that as a minimum the Accountable Officer will have reviewed it.

Completion guidance

The assessment checklist is an excel spreadsheet with all the cells protected except for those that are to be completed by CCGs.

Could you please save and submit any versions of your assessment using the following naming convention:

CCGCODE- CCGNAME – Financial_Assessment_DATE

The CCG code is your 3 digit code and could you please put in the date as well to help identify the right version.

There are 4 cells to record the CCG name, author and approval history in column G.

The CCG is asked to consider each of the 18 areas - covering financial performance, controls and governance – and to judge which description best fits the current position of the CCG. It is not necessary to satisfy every element of the description in each box to assess your CCG as meeting that level but more important to consider your overall performance and be satisfied that your CCG broadly fits the description in the box. In the event of doubt we would encourage you to err on the side of caution and go for the lower status category.

To select a category please choose the option from the drop down menu in column J. This will record the current status you have chosen and highlight the relevant box. There is a summary worksheet which shows on one page your assessment in each area.

We encourage CCGs to use columns K to M to note down the main reasons for the selection and to outline the key actions required to improve the governance and controls including the date for actions to be complete where possible.

The process for completing the assessment is down to CCGs and regional geographies to determine, and your regional colleagues will discuss this with you. It is important that a copy is sent to NHS England once a version has been approved. Your regional colleagues will inform you who to send it to. The assessments of all CCGs will be collated nationally to help identify any common areas of strength/weakness in order to inform the development of the financial resilience toolkit.

If you have any queries on the completion of the assessment please contact Neil Blakeman on neil.blakeman@nhs.net .

FAQ

Question	Response
Will NHS England be assessing itself for areas of direct commissioning?	Yes – a separate assessment checklist is being developed based on the CCG version to a similar timescale
Will the exercise be repeated?	There are no plans to repeat the exercise and the process will be reviewed post –completion. It is expected that some form of self-assessment is part of the overall toolkit and CCGs will be encouraged to utilise the toolkit and will link to the CCG assurance process. CCGs with significant areas for improvement may be requested to revisit the assessment once remedial actions have been implemented.
When will the toolkit mentioned in the letter be available?	The Financial Resilience Working group is working on the overall toolkit and will release a draft menu of support before the end of August. The items on the menu will be released over the autumn. Please e-mail any suggestions for content to neil.blakeman@nhs.net
Is the assessment mandatory?	All CCGs are expected to complete the assessment and take actions to remedy any shortcomings. If a CCG has any concerns about the completion of the exercise we would expect this to be discussed with the DCO as soon as possible.
What will happen if we highlight a number of areas where improvement is needed – are there consequences?	The assessment is essentially a tool for use by the CCG. NHS England will want to review with CCGs how they can support the CCG to address these areas.
How does this exercise link with CCG Assurance?	The assessment categories are closely aligned with those in the 2015/16 assurance framework.
How do we decide which category to select if we don't fit all the descriptions in any box?	The boxes have a number of areas and the CCG should select the description that best fits with where the CCG is. You do not have to meet all the elements but the box should generally reflect your position. In the event of doubt we would encourage you to err on the side of caution and select the lower status category
Why can't we use objective quantitative metrics to make an assessment?	The review of five CCGs that underperformed against plan showed that the reported metrics were slow in flagging up a problem. We are reviewing all the financial metrics used in monthly reporting, planning, deep dives and CCG assurance to make sure we use those that

	identify real issues as early as possible.
What about broader governance as this has an impact on financial resilience?	We are conscious that broader corporate governance is covered in the CCG Assurance process and are therefore focussing this assessment primarily on specific finance related areas.
What if my local providers are all in deficit and/or I am in a challenged health economy?	This assessment is focused on CCG financial controls and governance and the external environment should only have an impact if the CCG is not set up to identify and where possible mitigate these risks. The assessment should identify the extent to which the CCG can identify risks and is flexible enough to react quickly and effectively.
How do we assess the credibility of a plan if we had to amend to meet NHS England targets	This should be an honest assessment and if there is a high risk that the plan is not achievable your assessment should reflect this.
Does the assessment need internal and external audit opinion?	We suggest that it be discussed with internal audit but our view is that a review by external audit is not required.
What will happen to the output?	The key part of the process is the local assessment and action plan. It is important that the output is shared with your local regional office to access support if appropriate. The output will be collated nationally to identify any particular focusses for improvement across the country in order to inform the development work for the toolkit. There will not be a national league table.
Specific questions on checklist (reference to line number)	
2. Do QIPP plans have to be stretching to be excellent	Ideally both stretching and achievable but the quality and achievability of the plan is the key factor in assessing plan credibility and stretch.
5. Do reconciliations between ledger and reports have to be formally signed off?	In effect this means there has to be a defined process by which the ledger and reports are reconciled and that this is reviewed monthly by the CFO or suitably qualified member of the team.
6. Do variances have to be reviewed monthly to be classed as excellent if info is not available to these timescales	If budget variances are reviewed when data is available this would be sufficient. Major variances should be reviewed at least monthly though.
15. In small teams one member of staff leaving could be high turnover.	Use judgement as to the reasons for and impact of any turnover. A couple of well-planned departures with good handover and replacement should not be viewed adversely.
18. The HfMA Audit Committee handbook has a good checklist – shouldn't this be used?	We would encourage the use of the HfMA checklist to assist in completing the assessment.

	It has not been included specifically in the document for space reasons and has a broader scope than the financial governance that is the focus of this assessment.

Financial Control Environment Assessment

CCG name	NHS Bexley CCG
Prepared by	Julie Witherall
Approved by	
Date approved	

Choose from drop down

		Area of consideration	Sub-area	Excellent	Good	Moderate	Improvement needed	Self-assessment	Key reasons for categorisation of assessment	Actions to address issues identified	Timing for completion of actions
Financial performance	1	Longer term planning		Medium term financial strategy, well developed, consistent with and with sufficient funding to deliver commissioning strategy. Meets business rules and sustainable. Adequate contingencies and reserves to respond to unforeseen events. Key risks identified with clear mitigation plans. Finance actively involved in service developments, procurements and wider commissioning agenda.	Medium term financial strategy, well developed, largely consistent with sufficient funding to deliver the commissioning strategy. Meets business rules and sustainable. Contingencies and reserves identified to respond to unforeseen events. Key risks identified with some mitigation plans. Finance consulted on service developments, procurements and other changes.	Medium term financial strategy largely consistent with commissioning strategy but needs further development and has potential funding gaps. Meets majority of business rules including surplus but some issues re sustainability. Some contingencies and reserves identified but may not be sufficient to respond to unforeseen events. Some key risks identified with mitigation plans but further work required. Limited finance input to service improvements, procurements and improvements except for immediate finance impact.	Medium term financial strategy not consistent with commissioning strategy, needs further development and shows significant funding gaps. Does not meet majority of business rules including surplus; issues re sustainability. Some contingencies and reserves identified but not deemed sufficient to respond to unforeseen events. Key risks to be identified and mitigations developed. Service developments, procurements and improvements initiated with limited or no finance input.	Moderate	NHS Bexley CCG has a challenged financial position and also has a £8m gap in terms of distance from target on current allocation methodology. The planning is robust and meets all business rules except for the 1% surplus. The CCG has some contingency and reserve but there is a risk this will be insufficient to address risks. Risks are well developed and mitigations developed. There is finance input into service improvements and procurements. 2015/16, however, is seen to be a safer financial environment than previous years, although this may not continue over the 5 year period.	CCG continues to identify areas for improvement and to review all areas of spend. The CCG works on innovative models of care to deliver services within budget. NHS England are aware of the financial position of organisation.	Ongoing
	2	Detailed financial planning	Credibility and degree of stretch	Planning assumptions within the guidelines set by NHS England. Plans stretching with challenging, fully identified QIPP. Comprehensive plans with responsibilities and timescales identified. Very high confidence that plan achievable with well worked contingency plans and/or reserves. Plans including QIPP are appropriately phased and reflected in budgets.	Planning assumptions within the guidelines set by NHS England. Plans stretching with challenging QIPP. Comprehensive plans with key responsibilities and timescales identified. Moderate to high confidence that plan achievable with contingency plans and/or reserves identified. Key elements of plans including QIPP are phased appropriately and reflected in budgets.	Planning assumptions largely within the guidelines set by NHS England with justified exceptions. Achievable QIPP that could be stretched further, or significant amount of unidentified QIPP. Plans with some key responsibilities and timescales identified but further work required. Moderate confidence that plan achievable with some contingency plans and/or reserves identified. Majority of plans including QIPP have phasing that reflects delivery and are reflected in budgets but some work required.	Planning assumptions significantly outside the guidelines set by NHS England. QIPP lacks ambition compared to others, and/or has significant elements under developed or unidentified. Plans require responsibilities and timescales to be identified. Low to moderate confidence that plan achievable with limited contingency plans and/or reserves identified. Major issues with phasing of plans including QIPP with phasing out of line with delivery.	Good	As above, planning is in line with NHSE guidelines and NHSE have agreed breakeven posiiton for 2015/16. The CCG has historically set challenging QIPP targets and consider 2015/16 QIPP to be realistic and achievable. QIPP is phased appropriately and reflected in budgets. Some reserves are in place to mitigate risks and acute contracts have been negotiated so as to mitigate risk in 2015/16.	None	N/a
	3		Alignment with activity and provider contracts	Plans well aligned with planned and contracted activity Contracts signed with all main providers. Very high confidence that plans have sufficient financial resource to deliver CCG & national targets	Plans largely aligned with planned and contracted activity but some limited gaps being resolved. Contracts signed with providers making up over 80% of expenditure. Moderate to high confidence that plans have sufficient financial resource to deliver CCG & national targets.	Plans reasonably aligned with planned and contracted activity but some significant gaps being resolved. Contracts signed with providers making up over 70% of expenditure. Moderate confidence that plans have sufficient financial resource to deliver CCG & national targets.	Plans only partially or not aligned with planned and contracted activity. Major gaps to be resolved. Contracts with main providers remain unsigned. Low/moderate confidence that plans have sufficient financial resource to deliver CCG & national targets.	Good	Activity is aligned with plans and all major contracts are signed. Given that some of the providers in SE are not meeting some national targets, there is only moderate confidence that the plans have sufficient financial resources to deliver these.	CCG working with providers to ensure delivery of national targets.	Ongoing
	4	In year financial performance		All business rules forecast to be delivered for full year with contingency plans and reserves available as required. QIPP plan forecast to be achieved. Year to date expenditure to be in line with plan or below with minimal offsetting across categories. Expenditure run rate forecast to be in line with plan with no signs of deterioration.	All business rules forecast to be delivered for full year with contingency plans and reserves available as required with only minor exceptions. QIPP plan forecast to be achieved. Year to date expenditure to be in line with plan or below. Expenditure run rate forecast to be in line with plan any signs of deterioration being addressed.	Business rules largely forecast to be delivered for full year with some contingency plans and reserves available - more work required to secure plan outturn. QIPP plan forecast to be over 75% achieved. Year to date expenditure to be align with plan overall but with some significant areas of overspend. Expenditure run rate forecast to be broadly in line with plan but with significant signs of deterioration that need to be addressed.	Majority of business rules forecast not to be delivered for full year. Limited or no contingency and reserves available. Low confidence that will secure plan outturn. QIPP plan forecast to be less than 75% achieved. Year to date expenditure above plan or some key areas of overspend. Expenditure run rate forecast to be higher than plan.	Good	At present CCG is on track to deliver to plan. There are some reporting issues with L& G Trust due to implementation of a new system, but the CCG has reserves in place to cover the cap value of teh contract. The CCG is incurring increasing CHC expenditure and although reserves are in place to cover this in 2015/16, this will present a problem for future years. The QIPP plan is forecast to achieve.	The CCG continues to work on plans, including QIPP, to try and attain a 1% surplus in fiture years. However, this is not currently planned for 2016/17.	Ongoing
	5	Financial reporting	Consistency of reporting with ledgers and NHSE submissions	Reports reconcile to ledger with reconciling items fully documented and signed off by Chief Financial Officer. Non-ISFE submissions agree to board reports and are in compliance with NHS England guidelines including AoB.	Reports reconcile to ledger with reconciling items documented and major items signed off by Chief Financial Officer. Non-ISFE submissions agree to board reports and are substantially in compliance with NHS England guidelines.	Reports don't fully reconcile to ledger with only some items documented. Evidence of sign off by Chief Financial Officer. Non-ISFE submissions normally agree to board reports and are mostly in compliance with NHS England guidelines.	Reports don't reconcile to ledger with no evidence of sign off by Chief Financial Officer. Non-ISFE submissions don't routinely agree to board reports and are not in compliance with NHS England guidelines.	Excellent	The ledger always reconciles to reports and non ISFE returns are appended to the monthly Governing Body report. There are no reconciling items. The returns are approved by the CFO prior to submission.	Ensure sign off by CFO is documented	From next NHSE return
	6		Comprehensiveness and use as control mechanism	Financial reports provide detailed information of actual and budgeted spend on all areas of expenditure. Standard and customised ISFE reports used. Variances from budget and forecast outturn actively reviewed monthly with budget holders identifying actions to achieve agreed outturn. QIPP performance monitored at least monthly at individual initiative level with figures reconciling to I&E performance. Non-financial indicators used extensively to inform QIPP and overall financial performance.	Financial reports provide detailed information of actual and budgeted spend on key areas of expenditure. Standard and customised ISFE reports used. Variances from budget and forecast outturn reviewed with budget holders identifying actions to achieve agreed outturn with major areas of concern reviewed monthly. High confidence that agreed actions will resolve variances. QIPP performance monitored monthly at individual initiative level with figures reconciling to I&E performance. Non-financial indicators used to inform QIPP and overall financial performance.	Financial reports provide detailed information of actual and budgeted spend on key areas of expenditure but with some issues on timeliness or quality. Standard and customised ISFE reports used but significant use of off-ledger reporting. Variances from budget and forecast outturn reviewed with budget holders identifying actions to achieve agreed outturn with major areas of concern reviewed monthly with moderate confidence that the actions will resolve variances. QIPP performance monitored monthly for key individual initiatives with figures reconciling to I&E performance. All initiatives reviewed at least quarterly. Non- financial indicators used in some cases to inform QIPP and overall financial performance but with further scope.	Financial reports don't provide timely and accurate information of actual and budgeted spend on key areas of expenditure. Standard and customised ISFE reports used but extensive use of off-ledger reporting that isn't reconciled to the ledger. Variances from budget and forecast outturn not routinely and systematically reviewed with budget holders. Limited actions identified and agreed to achieve outturn. Low confidence that variances will be resolved or offset. QIPP performance not monitored monthly at individual initiative level. Figures don't reconcile to I&E performance. Non-financial indicators used infrequently to inform QIPP and overall financial performance.	Good	Board reports are very comprehensive and include copies of returns made in month, expenditure and FOT, risks, QIPP, balance sheet, cash, debtors and BPPC. They are presented to both the Finance Sub Committee monthly, and the Governing Body every two months (in line with meetings). Budget holders are in constant liaison with finance team, and have monthly meetings, to ensure that they remain within budget or identify issues early so that mitigating action can be taken. QIPP performance, by initiative, is monitred and revised monthly and RAG rated by finance, quality and performance. THe CCG received significant assurance with minor improvement opprtunities for its last QIPP internal audit.	Continued working with CSU to obtain robust QIPP performance	Ongoing
	7		Sufficiency of board reporting to manage overall financial position	Reporting provides very clear explanation of current and forecast position and underlying run rate, including corrective actions and full risk analysis. I&E, cash and balance sheet all covered with integration with key non-financial measures including activity. Format formally & regularly reviewed by appropriate committee.	Reporting provides good explanation of current and forecast position including corrective actions and risk analysis for key risks. I&E, cash and balance sheet all covered with integration with key non-financial measures including activity. Format reviewed by appropriate committee as need identified.	Reporting provides some explanation of current and forecast position including some corrective actions and risk analysis for key risks but reports could be better. Cash and balance sheet partially covered with limited integration with key non-financial measures including activity. Format reviewed from time to time but not approved by appropriate committee .	Reporting provides limited explanation of current and forecast position. Corrective actions and risk analysis difficult to understand and not comprehensive. Cash and balance sheet only partially covered. Very limited integration with key non-financial measures. Format not reviewed in last year.	Excellent	Board reports are very comprehensive and include copies of returns made in month, expenditure and FOT, risks, QIPP, balance sheet, cash, debtors and BPPC. They are presented to both the Finance Sub Committee monthly, and the Governing Body every two months (in line with meetings).The format is regularly reviewd and Governing Body and Finance Sub Committee members are encourage and given the	None	N/a
	8		Standing orders, SFIs and delegated authorities	Standing Orders, standing financial instructions and delegated authorities regularly reviewed and approved. Clear guidance documents in place for relevant aspects such as procurement and recruitment. All staff trained on financial governance and training documented. Delegated authorities built into ISFE with complete hierarchies.	Standing Orders, standing financial instructions and delegated authorities regularly reviewed and approved. Guidance documents in place for relevant aspects such as procurement and recruitment. Key staff trained on financial governance. Delegated authorities built into ISFE with substantially complete hierarchies or well documented and approved working arrangements for exceptions.	Standing Orders, standing financial instructions and delegated authorities reviewed and approved in the past 12 months but no timetable for future reviews. Guidance documents in place for relevant aspects such as procurement and recruitment. Some evidence of staff training on financial governance but more needed. Delegated authorities built into ISFE but with incomplete or out of date hierarchies. Adequate working arrangements in place but not fully documented.	Standing Orders, standing financial instructions and delegated authorities not reviewed and approved in the past 12 months. No timetable for future reviews. Limited or no guidance documents for relevant aspects such as procurement and recruitment. Limited or no staff training provided and if delivered it is on an ad hoc basis. Delegated authorities built into ISFE but with incomplete or out of date hierarchies. Working arrangements to operate ISFE inadequate and not documented.	Good	Standing Orders, Prime Financial Policies and the Scheme of Delegation are included in the CCG's constution and are reviewed when this is updated. The CCG also has a detailed Schedule of Matters delegted to Officers which is reviewed annually and in place by 1st April every year. There are clear guidance documents in place for procurement, recruitment and QIPP. Key staff have been trained in financial governance and training is due to take place for Audit and Finance Sub Committeee members. Budget holder training has also recently taken place for all budget	To consider undertaking financial governance training for all staff and ensure that iy is documented.	31/03/2016
	9		Budget setting, monitoring and forecasting and key area cost control	Draft budgets prepared by fully trained budget holders with guidance on assumptions including growth, efficiencies and inflation provided by CFO. Budget holders take budget management responsibilities seriously. Budgets include the impact of QIPP and are phased in line with activity or other primary cost driver. Reserves and contingencies transparent and phased appropriately. Budgets formally accepted by budget holders by start of financial year and any budget adjustments clearly documented and agreed. Budget virement process clear with high level sign off of major changes. All areas of expenditure budgeted at sufficiently detailed level to facilitate understanding of actual performance and enable control.	Budgets prepared by budget holders with guidance on assumptions including growth, efficiencies and inflation provided by CFO. Majority of budget holders take responsibilities seriously. Budgets including QIPP phased in line with activity or primary cost driver. Reserves and contingencies transparent and phased appropriately. Budgets formally accepted by budget holders by end of April and any budget adjustments clearly documented and agreed. Budget virement process documented with clear system of sign off of major changes. Key areas of expenditure budgeted at sufficiently detailed level to facilitate understanding of actual performance and enable control.	Budgets largely prepared by budget holders with some guidance on assumptions including growth, efficiencies and inflation provided by CFO. Some budgets imposed to achieve overall surplus. Some budget holders not taking responsibilities seriously. Most expenditure and QIPP budgets phased in line with activity or primary cost driver but some key lines phased in straight line. Reserves and contingencies not as transparent as they should be to the governing body. Budgets not formally accepted by budget holders and adjustments not always clearly documented and agreed. Budget virement process working but without documented or appropriate sign off of changes. Key areas of expenditure budgeted at reasonably detailed level to facilitate understanding of actual performance and enable control but some evidence of off ledger record keeping.	Budgets largely prepared by finance with limited consultation with budget holders. Limited evidence of budget holders taking their responsibilities seriously. Poor or no guidance on assumptions including growth, efficiencies and inflation. Expenditure budgets not phased in line with activity or primary cost driver. Reserves and contingencies not transparent and if exist are hidden in budget lines or phasing. Budgets not formally accepted by budget holders and adjustments not documented and agreed. Budget virement process ad hoc without documented or appropriate sign off. Key areas of expenditure not budgeted at a detailed level so understanding of actual performance difficult. Substantial off-ledger record keeping.	Good	Budgets are prepared by finance in conjunction with budget holders, there is formal sign off of budgets and budget holders receive a hand book. All budget holders have recently undratken budget holder training. Monthly meetings are held with budget holders and the CCG is very clear that this is a priority for staff. Budgets, QIPP, reserves and contingencies are all appropriately phased. Reserves and contingencies held were presented to the Governing Body and all budget changes are documented and presented to the GB monthly. Budgets are signed off by the Board by end of March, for implementation on 1st April and Budget Holders soon after. Budget virements have a process in place and are signed off by appropriate parties and fully documented. Budgeting takes place a a detailed code level and there is a 5 year plan in existence at both summary and detail level	None	N/a

Financial controls & processes	10	Systems of financial control	Balance sheet including intercompany balances (AoB) & cash	Balance sheet reviewed and signed off every month with full reconciliations especially for accruals, provisions and prepayments. Agreement of balance returns reconcile to ledger and completed on time - differences with providers and other NHS bodies actively resolved. Supplier statements for all non-NHS providers routinely reconciled with no unresolved issues. Ledger and other systems with financial impact subject to active access and posting control in line with delegated authorities. Cash forecast and drawdown requirements signed off. Cash at bank minimised without overdrafts and no supplementary cash drawdowns.	Balance sheet reviewed every month with full reconciliations for key accounts and minimum quarterly reconciliations for remaining accounts. Agreement of balance returns reconcile to ledger and completed on time - major differences with providers and other NHS bodies actively resolved. Supplier statements for key non-NHS providers routinely reconciled and no major issues. Ledger and other systems with financial impact subject to active access and posting control in line with delegated authorities. Cash forecast and drawdown requirements signed off. Cash at bank minimised with only occasional overdraft or supplementary drawdown requests.	Balance sheet reviewed most months with full reconciliations for key accounts and minimum quarterly reconciliations for remaining accounts. Some reconciliations incomplete. Agreement of balance returns reconcile to ledger and completed on time - major differences with providers and other NHS bodies being resolved but some historical and unresolved issues. Supplier statements for non-NHS providers routinely reconciled when issues arise with supplier. Ledger and other systems with financial impact subject to active access and posting control in line with delegated authorities. Some outstanding issues. Cash forecast and drawdown requirements signed off. Overall low cash balances at bank with occasional overdraft or high cash balances.	Balance sheet reviewed irregularly by CFO. Incomplete reconciliations for key accounts with items on control accounts unresolved for long periods. Agreement of balance returns don't reconcile to ledger and not completed on time. Major differences with providers and other NHS bodies not being resolved. Supplier statements for non-NHS providers not reconciled with frequent issues with suppliers. Ledger and other systems with financial impact not subject to active access and posting control in line with delegated authorities. Cash forecast and drawdown requirements not signed off. Poor cash forecasting and high variability in month end cash balance.	Good	**This function is undertaken by SE CSU. However control account reconciliations are a KPI and undertaken every month. The Balance sheet is also reviewed by CFO at monthly ARC meetings and questions asked of the CSU team. Resolution of AoB actively undertaken by CSU and CCG finance team. Cash management generally good with weekly cashflows produced by the CSU and provided to the CFO for comment; but there has been the need for additional draw down on occasion. The CSU is being managed against national KPIs in this respect. Robute processes in place to manage access to the ledger which is reviewed monthly.**	**The CCG is working with the CSU to continually improve cash forecasting and minimise agreement of balances differences.**	**Ongoing**
	11		Systems & processes (including internal audit response)	Robust system of controls exists including segregation of duties & control account and other balance sheet reconciliations. Journals fully documented and approved by appropriate level supervisor. Accounts payable and receivable regularly reviewed with minimal overdue debts or delayed payments to creditors . All processes documented with clear responsibilities for delivery and review. No internal audit category 1 findings and recommendations and all lower level recommendations implemented on time and in full. Unqualified external audit report.	Robust system of controls exists. Segregation of duties, control account and other balance sheet reconciliations almost 100% in place with only minor exceptions. Journals fully documented and approved by appropriate level supervisor. Accounts payable and receivable regularly reviewed with minimal overdue debts or delayed payments to creditors. Key processes documented with clear responsibilities for delivery and review. No more than one internal audit category 1 finding and recommendation in last year. Remaining lower level recommendations implemented on time and in full. Unqualified external audit report.	Robust system of controls exists with some minor issues. Segregation of duties, control account and other balance sheet reconciliations substantially in place with only minor exceptions. Journals well documented and approved by appropriate level supervisor with minor exceptions. Accounts payable and receivable regularly reviewed but with some overdue debts and/or delayed payments to creditors. Key processes documented with clear responsibilities for delivery and review. No more than two internal audit category 1 findings and recommendations in last year. Remaining lower level recommendations implemented on time and in full. Unqualified external audit report.	System of control poorly documented with some major issues. Issues with segregation of duties, control accounts and other balance sheet reconciliations. Journals poorly documented and not generally approved by appropriate level supervisor. Accounts payable and receivable not regularly reviewed and show significant overdue debts and/or delayed payments to creditors. Key processes not documented, clear responsibilities for delivery and review not clear. More than two internal audit category 1 findings and recommendations in last year and majority of lower level recommendations not implemented on time and in full. Qualified external audit.	Excellent	**A robust system of controls exists within the CCG. Significant Assurance was received from Internal Audit and an Unqualified external audit report and no category 1 internal audit issues. Robust segrgation of duties in place. Accounts payable and receiveable reviewed at monthly ARC meetings with CFO and also during the month by both CSU and CCG teams. A Financial Governance report is written annual for the Audit Committee for review. All journals are reviiwed and approved by authorised personnel. The CCG routinely achieves its BPPC and is a member of the Prompt Payment Code. Effective debt collection is in place and the CCG write off no debts in 2014/15. The CCG has robust processes in place.**	**None**	**N/a**
	12		Risk sharing & income recognition	Where applicable, risk sharing arrangements with other CCGs and trusts fully documented and associated financial risks evaluated monthly. Total risk evaluated and CCG share agreed with other parties. All anticipated recharges have agreement. Where CCG receives income for the provision of services commissioned by other organisations financial controls are in place to ensure the CCG is not placed at any risk, and that all transactions and balances are separately identified. No income, expenditure or cash transactions that could be constituted to be brokerage or similar arrangement.	Where applicable, risk sharing arrangements with other CCGs and trusts documented and associated financial risks routinely evaluated. Sufficient information for CCG to assess and account for its own risk. Risk included in risk register and in risk adjusted position. All anticipated recharges have outline agreement or a process for getting agreement. Where CCG receives income for the provision of services commissioned by other organisations financial controls are in place to ensure the CCG has minimal risk, and that all transactions and balances can be identified. No income, expenditure or cash transactions that could be constituted to be brokerage or similar arrangement.	Where applicable, risk sharing arrangements with other CCGs and trusts documented sufficiently to evaluate associated financial risks. Risk assessed at least quarterly and included in risk register and in risk adjusted position. Majority of anticipated recharges have outline agreement or a process for getting agreement. Where CCG receives income for the provision of services commissioned by other organisations - financial controls need strengthening. CCG has moderate exposure to risk that it can't directly mitigate. Any income, expenditure or cash transactions that could be constituted as brokerage or similar are minimal, transparent arrangements and don't have a major impact on surplus.	Where applicable, risk sharing arrangements with other CCGs and trusts not documented sufficiently to evaluate associated financial risks. Majority of anticipated recharges don't have outline agreement or a process for getting agreement. CCG receives income for the provision of services commissioned by other organisations - poor financial controls. CCG has significant exposure to risk that it can't directly mitigate. Significant income has been received non-recurrently or invoices reduced in value on the basis that this will be reversed in future periods. Lack of transparency.	Good	**Risk share agreements are in place within the CCG as part of contracts and they are regularly reviewed and assessed and included in risk register as appropriate. A rick schedule is included in the monthly Finance report that is discused at the Finance Sub Committee and Governing Body. Recharges in place are generally documented. All transactions are transparent and do not have any impact on surplus. South East London has recently agreed a new collaborative framework and risk pool across all six CCGs.**	**Ensure no transactions imply brokerage.**	**31/03/2016**
	13	Risk management	Identification and monitoring process	Pro-active horizon scanning process with risks assessed in terms of likelihood and financial impact. Clear responsibility of governing body or appointed committee. Clear documented process for identifying mitigations. Mitigations evaluated financially with early and effective stakeholder engagement. Tracking and reporting system in place with regular reporting to the appropriate committee. All risks on risk register financially assessed monthly.	Process for assessing risk well established with risks assessed in terms of likelihood and financial impact. Clear responsibility of governing body or appointed committee. Mitigations evaluated financially with stakeholder engagement. Tracking and reporting system in place with regular reporting to the appropriate committee. All risks on risk register financially assessed with major risks reviewed regularly.	Process for assessing risk reasonably well established with risks assessed in terms of likelihood and financial impact - some improvements needed. Responsibility of governing body or appointed committee clear. Risks sometimes overlooked. Mitigations evaluated financially with some stakeholder engagement. Tracking and reporting system in place with regular reporting to the appropriate committee. Key risks on risk register financially assessed but more in depth review required to fully evaluate.	Process for assessing risk ill defined - major improvements needed. Unclear responsibilities for assessing and reporting. Only some mitigations evaluated financially with limited stakeholder engagement. Tracking and reporting system poor with irregular reporting to the appropriate committee. Key risks on risk register financially assessed but more in depth review required.	Moderate	**There is a robust risk management process in place within the organisation which is discussed at the audit commottee, EMC and the Governing Body. Finance risks are assessed and quantified monthly and reported as best, most likely and worst case in the monthly finance report to the Finance Sub Committee and GB. Risks. Mitigations are evaluated and offset against the risks but they are not routinely discussed with Stakeholders unless they relate to a specific contract or for example a year end control total.**	**Assess risks for likelihood**	**31/03/2016**
	14		Level of net risk	Fully quantified risk. All risks matched by fully worked and credible mitigations capable of deployment in-year, leaving a net opportunity.	Key risks fully quantified risk. Risks matched by mitigations leaving no net risk.	Majority of risks quantified but with some key risks under evaluation. Risks matched by mitigations leaving overall net risk within business rules.	Risks only partially quantified & only partially matched by under-developed mitigations leaving material net risk outside business rules.	Moderate	**Risks are identified and assessed but there are some areas which this early in the year are more difficult to quantify e.g. prescribing (where reporting is 2 months in arrears, acute where L&G Trust are having data issues. Best, most likely and worst case risks are reported). Mitigations are put in place where possible**	**Continue to identify mitigations to imrove net risk position**	**31/12/2015**
	15	Finance team capability and capacity including support services	Core team	Fully staffed team with clear roles and responsibilities. All permanent roles filled, low staff turnover. Staff well trained and appropriately qualified, training & development taken seriously, CPD up to date for all applicable staff members. Where relevant, shared management team recognises the organisational boundaries and allows sufficient time to focus on the separate issues of each CCG.	Fully staffed team with clear roles and responsibilities with minimal use of interims. Low staff turnover. Staff well trained and appropriately qualified. Training and development taken seriously but some areas to address. Where relevant, shared management team recognises the organisational boundaries and allows time to focus on the separate issues of each CCG.	Clear roles and responsibilities with some use of interims but with firm plans to recruit substantively. Moderate staff turnover. Training & development seen as important but limited progress. Where relevant, shared management team usually recognises the organisational boundaries and allows some time to focus on the separate issues of each CCG.	Roles and responsibilities unclear with extensive use of interims - high staff turnover with ***CFO interim for more than 3 months*** . No firm plans to reduce reliance on interims. Staff not all qualified to perform roles. No training and development plan. Where relevant, shared management team does not always recognise the organisational boundaries and sometimes allows insufficient time to focus on the separate issues of each CCG.	Excellent	**Finance team fully staffed. Low staff turnover. Staff well trainined and qualified where appropriate. CFO also reposnsible for organisational training and training is high priority within department. CPD in place and all staff have PDPs and training opportunities. CCG also has employer accrediation from all CCAB bodies.**	**None**	**N/a**
	16		Commissioning support services (mark as N/a if no CSU support)	Signed contract with commissioning support service provider detailing all services to be delivered and related standards of performance. Excellent working partnership with roles and working arrangements clearly defined. Commissioning support service provider rated highly by the CCG, reports etc. delivered on time to a high standard, no unresolved formal disputes.	Signed contract with commissioning support service provider detailing all services to be delivered and related standards of performance. Good working partnership with roles and working arrangements defined. Commissioning support service provider rated highly by the CCG with majority of reports and other deliverables delivered on time to reasonable standard, no major unresolved formal disputes.	Signed contract with commissioning support service provider outlining all services, but detailed service specifications an/or standards of performance missing for some services. Good working partnership with roles and routine feedback reasonably defined but some clarification required. Commissioning support service provider rated moderate by the CCG with some key reports and other deliverables delivered late or incomplete. No major unresolved formal disputes but number of minor disputes or long running service issues.	Commissioning support service contract is missing detail of service provision in a significant number of areas. Poor working arrangements with roles and routine feedback not clearly defined. Commissioning support service provider rated moderate to poor by the CCG with some key reports and other deliverables often delivered late or incomplete. Major unresolved formal disputes.	Moderate	**Signed contract for CSU in place with detailed specifications and KPIs in place. Good working relationship in place with regular feedback given. Some of the CSU services are very good but others have outstannding issues to be resolved and require improvement.**	**CCG undertaking work to re-procure with framework fro implmeentation from 1/4/16. Need to continue to work with CSU to improve service provision where it is below atandards expected.**	**31/03/2016**
	17	Audit and other finance committees	Governing body ensures effective financial management	Committee structure well designed with clear roles and reporting for all finance related committees. Reviewed in last 12 months and fit for purpose. All committees chaired by a different suitably qualified non-executive or member of the governing body. Audit chair is a qualified accountant. Separate audit and financial committees. Training on responsibilities and processes provided to members to a high standard and documented. Committees meet as regularly as stipulated in terms of reference with agendas and decisions within the committee's remit. Constructive, focussed and relevant challenges with timely and robust monitoring and follow up of actions. Committee chairs report to the governing body following each meeting and have an annual review of the committee's performance reported to the governing body.	Committee structure well designed with clear roles and reporting for finance related committees. Reviewed in last 12 months, fit for purpose and future review scheduled. Chaired by suitably qualified non-executive or member of the governing body. Audit chair is a qualified accountant or is supported by a suitably qualified lay member. Separate audit and financial committees. Training on responsibilities and processes provided to members where requested by Chair. Committees meet as regularly as stipulated in terms of reference with agendas and decisions within the remit . Some constructive, focussed and relevant challenges, and actions followed up regularly. Committee chairs report to the governing body following each meeting and review the committee's performance at least once per year.	Committee structure established but some areas of overlap and gaps to be addressed. Not reviewed in last 12 months with no process for committee structure to respond to financial and operational challenges. Chaired by non-executive or member of the governing body with reasonable qualifications and/or experience. Audit and financial committees not separate. Training on responsibilities and processes provided to members on an ad hoc basis and needs strengthening. Committees plan to meet as regularly as stipulated in terms of reference but sometimes meeting cancelled. Agendas and decisions largely within the remit but some gaps and overlaps in work with other committees. Members provide some financial challenge but needs improvement. Committee chairs report to the governing body on an irregular basis and performance reviewed informally at least once per year.	Committee structure in need of redesign and not reviewed in last 12 months. No process for committee structure to be reviewed in response to financial and operational challenges. Audit chair not a qualified accountant and/or other chairs not suitably qualified or experienced. Audit and financial committees not separate. Training on responsibilities and processes not provided to members. Committees fail to meet as regularly as stipulated in terms of reference. Agendas and decisions not within the remit with major gaps and overlaps in work with other committees. Members as a group provide limited financial challenge with poor follow up of actions. Committee chairs report to the governing body on irregular basis and performance not reviewed formally or informally.	Excellent	**Committee structure is robust and has been reviewed by IA and found to be fit for purpose. There are separate finance and audit committees and each has different, suitable chairs. The AIAC Chair is a qualified accountant and they are supported by other GB members including a GP. Training has been arranged for w/c 27/7/15 for all AIAC members. ToR are in place and have just been updated and meetings are held in accordance with these. Decisions taken are within the committee's remit. There is constructive, focussed and relevant challenge at the meetings. A summary of each meeting, as well as an annual review, is prepared by the chair and reported to each GB. An annual report on Financial Governance and Financial Management is also provided to the AIAC for scrutiny and to provide assurance of controls in place.**	**None**	**N/A**

	18		**Audit Committee performance**	Audit Committee ensures responsibilities for implementing recommendations are appropriately assigned and implemented within timescales agreed. Audit recommendations followed up as a standard item on agenda. Audit Committee receives and follows up all internal audit reports and approves internal audit plan. Chair meets with internal and external auditors without management present. Chair ensures that lay members are appropriately skilled and experienced. Audit Committee receives service auditor reports from commissioning support service providers and ensures overall control environment is of excellent quality with only minor issues. Audit Committee obtains direct evidence where appropriate and is not reliant on representations from senior management.	Audit Committee ensures responsibilities for implementing recommendations are appropriately assigned with timescales agreed with major items delivered on time. Audit recommendations followed up as a standard item. Audit Committee receives all internal audit reports and approves internal audit plan. Chair meets with internal and external auditors. Chair works actively to improve the skills and experience of lay members. Audit Committee receives service auditor reports from commissioning support service providers and ensures overall control environment is of a good quality. Audit Committee obtains direct evidence in key areas of concern to reduce reliance on representations from senior management.	Audit Committee ensures responsibilities for implementing recommendations are appropriately assigned with timescales agreed with majority of items delivered on time but with some exceptions to be addressed. Audit recommendations followed up as a standard item. Audit Committee receives all internal audit reports and approves internal audit plan. Chair may be considering working more actively to improve the skills and experience of lay members. Control environment is of a good quality but with some areas of concern which Audit Committee needs to address. Audit Committee may often rely on representations from senior management.	Audit Committee does not ensure responsibilities for implementing recommendations are appropriately assigned with timescales agreed. Audit recommendations not followed up as a standard item. Audit Committee does not receive all internal audit reports and/or approve internal audit plan. Skills and experience of lay members not sufficient to fulfil role. Control environment is considered to be poor quality with significant areas of concern. Audit Committee usually relies on representations from senior management and rarely seeks direct evidence.	**Excellent**	**An action log of all recommendations, and responsibile officers, is kept and this is reviewed at every meeting to ensure that recommendations are implmented within agreed timescales. Audit committee are made aware of progress with audit recs via Internal Audit reports. This details those that have been cleared, outstanding and not yet due. The Audit Committee sees and reviews all IA reports and agrees the IA plan, both of which are presneted by IA directly. The Chair invites both IA and EA to meet with him, without management, at every meeting. IA & EA also know that they can independently contact the audit chair for a discussion is they deem it necessary. The Chair has ensured that all members of the Audit Committee are given the Audit Coommittee handbook and a guide on CCG Annual Accounts and Annual report. The Chair has also asked for specific financial training for all members, which is to be held w/c**	**None**	**N/a**

Financial Control Environment Assessment

		Area of consideration	Sub-area	Self-assessment
Financial performance	1	Longer term planning		Moderate
	2	Detailed financial planning	Credibility and degree of stretch	Good
	3		Alignment with activity and provider contracts	Good
	4	In year financial performance		Good
	5	Financial reporting	Consistency of reporting with ledgers and NHSE submissions	Excellent
	6		Comprehensiveness and use as control mechanism	Good
	7		Sufficiency of board reporting to manage overall financial position	Excellent
Financial controls & processes	8	Systems of financial control	Standing orders, SFIs and delegated authorities	Good
	9		Budget setting, monitoring and forecasting and key area cost control	Good
	10		Balance sheet including intercompany balances (AoB) & cash	Good
	11		Systems & processes (including internal audit response)	Excellent
	12		Risk sharing & income recognition	Good
	13	Risk management	Identification and monitoring process	Moderate
	14		Level of net risk	Moderate
	15	Finance team capability and capacity including support services	Core team	Excellent
	16		Commissioning support services (mark as N/a if no CSU support)	Moderate
	17	Audit and other finance committees	Governing body ensures effective financial management	Excellent
	18		Audit Committee performance	Excellent

NHS
Bexley
Clinical Commissioning Group

GOVERNING BODY

Accountable Officer's Action No.

Title: NHS Bexley CCG Accountable Officer's action for ratification.

Decision: Bexley CCG's Accountable Officer needed to make an initial Better Care Fund (BCF) Q1 submission by Friday 28 August 2015. The submission required the approval of the GB and HWB (LB Bexley has responsibility for organising the HWB approval)

As per the CCG's constitution under Sub-subsection 3.2.21, **Emergency powers and urgent decisions**;

- 3.2.21.6. The Chair and/or the Accountable Officer have the authority to make an urgent decision without consultation with the localities or governing body;
- 3.2.21.6.1 Where possible, the Accountable Officer will always discuss decisions with the Chair, clinical vice-chair or Deputy Chair, and in their absence will notify a governing body GP lead.

Summary of submission:

In the BCF we have set a target for a maximum number of admissions in Q1 of 2015/16 – of 5026, at present the data records on admissions show 5002, but this is heavily caveated as the data records are not yet complete (as the freeze date (post reconciliation point) after which records cannot be added has not yet been reached).

If the 5026 target is achieved then we would be liable for the performance payment to LBB (but the cost of EOLC scheme is deducted from this first before any payment is made) – however, if the 5026 target is not achieved then the performance element of the payment is used for any over performance (i.e. the cost of those admissions).

We are therefore going to caveat the return with NHS England pointing out clearly that the post reconciliation point is yet to be reached – and until that point we cannot fully judge the performance element of the Better Care Fund.

Documentation: None available

Decision made by: Bexley CCG's Accountable Officer (Sarah Blow)

After consultation with: North Bexley Locality Lead on GB (Dr Varun Bhalla)

By authorisation of: Bexley CCG's to ratify decision taken by the Accountable Officer

Reason for Accountable Officer's Action:

- Deadline for the Q1 BCF initial submission
- The CCG Chair, Clinical Vice-Chair and Deputy Chair all away on holidays

Communicated to: North Bexley Locality Lead on GB on 25 August 2015

Governing Body Public Meeting on Thursday, 24 September 2015

Sarah Blow – Chief Officer
25 August 2015 via email

Dr Varun Bhalla – GP Locality Lead, North Bexley
25 August 2015 via email

Mary Currie – Nurse Member, Governing Body
25 August 2015 via email