

## Governing Body meeting in public

**DATE: 25 May 2016**

### Executive Summary

**Date of meeting: 20 April 2016**

The AIAC held a special meeting on 20th April 2016 to consider the draft Annual Accounts & associated matters.

**Present:** Keith Wood (Chair), Mary Currie, Dr Graham Rehling.

**In attendance:**

**NHS Bexley CCG**

Sarah Blow, Chief Officer (item 3 below onwards)

Theresa Osborne, Chief Financial Officer

Simon Evans-Evans, Director of Governance and Quality

Julie Witherall, AD Financial Management

Simon Beard, Head of Finance & Planning

Louise Hart, Financial Management Administrator

**South East CSU**

Martin Campbell-Smith, Financial Controller

Kris Stewart, Associate Partner – Finance

At the meeting the AIAC:

1. **Considered, page by page, the draft accounts** with explanations by South East CSU and Bexley CCG Finance leads.
2. **The following particular matters arose**
  - It was noted that the CCG had met all of its statutory financial duties for 2015/6
  - The matters agreed at the March meeting of the AIAC had been incorporated into the notes as appropriate
  - Page numbers and note references needed to be finalised
  - It was explained that the reduction in other operating revenue was due to the CCG no longer hosting the Practitioner Health Programme (part of London levies)
  - A small number of immaterial CHC claims are still being received
  - A more cautious approach had been taken in calculating the prescribing accrual because actual expenditure had not followed the historic pattern
  - A 1% contingency provision had been made in respect of the final values of acute contracts other than the four main providers where the outturn could be determined with confidence.
  - The apparent increase in administrative staff and their salaries was satisfactorily explained as being due to less contractors (interim staff) and relocations between the CCG & CSU.



## **Clinical Commissioning Group**

- The treatment of property leases with NHS Property Services is in accordance with published guidance and as the CCG has not yet signed the lease agreement, we are not required to declare future lease payments. However, we have signed the Head of Terms and agreed the rental value and so this may be seen as an implied contract and the auditors may require us to declare future lease values in the accounts. The CCG will take advice from external audit if required.
  - Assets under construction relates to IT equipment not fully deployed.
  - NHS accrued income to be amended; there will be a compensating adjustment to receivables such that the net position is correct and the impact is zero.
  - No legal actions, apart from one notification received on the last day of the financial year. Consideration is being given by the CCG and the NHSLA regarding the validity of the claim; if valid it will be settled by NHSLA and the CCG has provided for the excess.
  - The Better Care Fund will be shown under Pooled Budgets. The note is incomplete as London Borough of Bexley, the lead commissioner under the Section 75 agreement, completes its accounts to a different timescale. LBB are available for the auditors. The Integrated care, LSCB and PEI budgets are all immaterial (i.e. under £2m). The CCG's and LBB's pooled budgets are shown separately in their own accounts. Actual BCF contributions less expenditure are below plan as the Rapid Response Plus plan was withdrawn after planning was submitted.
  - Related party transactions – Governing Body declarations had been considered. In addition to those already declared it was agreed that as all GPs have an interest in Bexley Health Ltd, although no individual has an interest of 20% or more, this should be declared and a note should be added to explain why this was being included this year and the comparator for 2014/15 should be included. It was confirmed that anything we pay to GP providers and Clinical Leads is included. Mary Currie confirmed that her partner does have over 20% shareholding in PML and therefore this related party disclosure should remain.
  - Those in attendance confirmed that they were not aware of any post balance sheet events at this time.
  - It was confirmed that there had not been any losses or special payments during the year.
  - The Remuneration Report needed to be checked for consistency with the detail included in the Annual Report
3. **Confirmed** that it was content for the draft accounts to be submitted by the Chief Financial Officer on behalf of the Chief Officer, subject to the resolution of matters arising from the meeting.
4. **Received** confirmation from the Chief Financial Officer and Director of Governance & Quality that there was no actual or threatened litigation other than that noted above.
5. **Reviewed** the content of the latest draft of the Annual Report & Governance Statement and noted proposed changes and **noted** that it was due to be submitted to NHS England on 22<sup>nd</sup> April.
6. **Considered and agreed subject** to matters arising, the Annual Report and self-assessment of the AIAC to be submitted to the Governing Body.

## ***Clinical Commissioning Group***

7. **Noted** the draft Head of Internal Audit opinion and the clarification required in respect of service auditor reporting as identified by South East CSU.
8. **Thanked** all concerned for their hard work and commitment in meeting the timetable and expressed gratitude to Simon Evans–Evans who had been a valuable asset to the AIAC during his time at the CCG.

### **Date of meeting: 25 May 2016**

The AIGC held a special meeting on 25 May 2016 to consider the Audited Annual Report and Accounts & associated matters.

**Present:** Keith Wood (Chair), Mary Currie, Tina Khanna, Dr Graham Rehling.

At the meeting the AIAC:

9. **Noted the interests declared by Committee members** and received confirmation that there were no further declarations to be made.
10. **Received the Head of Internal Audit Annual Report and Head of Internal Audit Opinion** and noted that the opinion identified “significant assurance with minor improvements”.
11. **Received the 2015-16 South East Commissioning Support Unit’s (SECSU) Service Auditor Report** which covered the period to 29<sup>th</sup> February 2016 and noted the assurance provided by the SECSU corporate assurance team in respect of March 2016
12. **Noted the Audit Findings Report** from Grant Thornton.
13. **Approved** the response to the Statutory Obligations Report and confirmed that, in the Committee’s opinion, the CCG had met its statutory obligations.
14. **Approved** the Annual Accounts which had now been audited and **noted** the explanations and clarification of changes to the draft version previously considered by the AIAC.
15. **Approved** the Annual Report and Accounts checklist and the draft of the Annual Report & Accounts to be submitted to NHS England on 26<sup>th</sup> May.
16. **Approved** the consistency statement in respect of the Annual Accounts.
17. **Noted and approved** the letter of representation to the external auditors to be signed by the Chief Officer, Chief Financial Officer and also the Chair of the AIAC on its behalf.

Keith Wood  
May 2016