

NHS LIVERPOOL CLINICAL COMMISSIONING GROUP
GOVERNING BODY FOR FINAL ANNUAL REPORT AND ACCOUNT
3 JUNE 2014 12:00PM – 1:00PM
Boardroom – Arthouse Square

Present

Prof Maureen Williams	Chair/ Lay Member Governance/Deputy Chair
Katherine Sheerin	Chief Officer
Tom Jackson	Chief Finance Officer
Jane Lunt	Head of Quality/Chief Nurse
Dr Fiona Lemmens	GP – Governing Body Member
Dr Janet Bliss	GP – Governing Body Member
Dr Shamim Rose	GP – Governing Body Member
Dr Maurice Smith	GP – Governing Body Member
Dr Rosie Kaur	GP – Governing Body Member

In Attendance

Kim McNaught	Deputy Chief Finance Officer
Alison Ormrod	Chief Accountant
Cheryl Mould	Head of Primary Care Quality and Improvements
Dr Paula Finnerty	GP - North Locality Chair
Dr Rob Barnett	Secretary, Liverpool Local Medical Committee
Dr Dave Webster	GP - Matchworks Locality
Derek Rothwell	Head of Contracts and Procurement
Robin Baker	Associate Director – Grant Thornton
Liz Richards	Communication Manager

Apologies

Dr Nadim Fazlani	Chair
Dr Simon Bowers	GP /Clinical Vice Chair
Dr Jim Cuthbert	GP – Governing Body Member
Dr Jude Mahadanaarachchi	GP – Governing Body Member
Moira Cain	Practice Nurse
Dave Antrobus	Lay Member Patient Engagement
Dr Donal O'Donoghue	Secondary Care Doctor
Ray Guy	Practice Manager
Ian Davies	Head of Operations & Corporate Performance

Samih Kalekeche Director of Adult Services and Health
Tony Woods Head of Strategy and Outcomes

Public Attendeess

1 member of the public in attendance

PART 1 Introductions and Welcome

Maureen Williams welcomed all present to the Governing Body meeting, stating that this was a single item on the agenda the Draft Annual Report and Accounts 2013/14 and therefore, will not be following the normal process of agreeing minutes, actions or taking questions from members of the public.

Dr Rosie Kaur was welcomed to the meeting as the new Governing Body member.

Maureen Williams stated that approving the Annual Report and Accounts was not a delegated authority requirement and the Governing Body are required to see and approve them. However as we do not have the full 11 voting members and we are therefore not quorate, under the Constitution that the CCG is governed by we can either use Suspension of Standing Orders (3.9) or use of Emergency Powers and Urgent Decisions (3.8).

- ✓ **It was agreed that Emergency Powers and Urgent Decisions will therefore be exercised on this occasion.**

The Annual Report and Accounts will be signed under the Emergency Powers and Urgent Decisions and will be reported to the next Governing Body meeting on 10th June 2014.

MW stated that the reason for the urgency of sign off is heavily prescribed by NHS England timetable and is not of our making. The requirement for the accounts to be signed off and formally submitted and online by 6th June 2014 is to enable consolidated national accounts to be put before the House of Commons before recess.

Maureen Williams acknowledged that the Annual Report and Accounts Guidance kept changing and we are still receiving changes. The guidance is a technical matter and will not affect the substantive report.

1.1 Declarations of Interest

None declared.

1.2. Draft Minutes from the Audit, Risk and Scrutiny Committee held on 23 May 2014

Maureen Williams stated that the draft minutes circulated are from the 23 May 2014 Audit, Risk and Scrutiny Committee and noted that it is unusual to receive them unratified. However they are here to provide reassurance to the Governing Body that the examination of the Annual Report and Accounts has taken place and that the Governing Body will be reassured that they are acceptable for sign off.

PART 2

2.1 Draft Annual Report and Accounts 2013/14

Maureen Williams confirmed that the Annual Report and Accounts is one document and asked Katherine Sheerin and Tom Jackson to introduce each of the sections.

2.1.1 Annual Report Section

Katherine Sheerin reported that Clinical Commissioning Groups are required to produce an Annual Report and this is the first one for Liverpool CCG. The Annual Report details first year key achievements; how we have spent the money allocated and that we have achieved our statutory requirements.

The Annual Report and Accounts will be presented at an Annual General Meeting (AGM) in the July 2014 Governing Body meeting at an external venue. Members of the public are invited and will be able to ask questions on the reports. A shorter version of the report will be available; however this will not be a summary version, but a user friendly guide.

The following key issues were highlighted

Page 3 - Opening remarks, welcome and introduction by the Chair and Chief Officer

Page 6 -Member Practices' Introduction. Information was received from the Local Medical Committee (LMC) and Member Practices and quotes used in the Annual Report.

Page 8 and 9 – Case Studies are included throughout the report. The first case explains practice engagement and support is included in a message from Dr Jude Mahadanaarachchi, GP Governing Body member.

Page 10 to 52 - Strategic Report – introduces the CCG, its objectives, visions and values, operations and achievements including the setup of new innovations and groups such as CLARHC, Benefits Advice Service and the phlebotomy service. The Annual Report shows the population profile and main contracts with our providers.

Page 52 to 72 - Details the Members' Report list of all the practices and the GB members, key committees and a series of statements on salaries and pensions, sickness absence report and a profile of Governing Body members detailing the key committees.

Page 69 – Includes the Remuneration Report of Senior Managers, which includes all full Governing Body Members.

Page 77 - Includes the Statement of the Accountable Officer's Responsibilities. This has a declaration that states *"to the best of my knowledge and belief, I have properly discharged the responsibilities set out in my Clinical Commissioning Group Accountable Officer Appointment Letter"*. Katherine Sheerin as the Accountable Officer has to sign this declaration.

Governance Statement

Page 80 to 92 - Sets out the stewardship of the organisation and how we as a CCG know we have met the required standards.

Page 83 – Details the Clinical Commissioning Group Risk Management framework and Internal Controls Framework. Included are some breaches by key providers on page 86. This gives an overview of governance and adequacy of our systems.

It was noted that Mersey Internal Audit Agency (MIAA) have given the CCG significant assurance (Page 90 and 91) and the statement is included in the report. The Annual Report also highlights keys risks identified during the year and how we have managed these.

No significant control issues were identified other than those highlighted and we are satisfied that we have met our statutory duties

- ✓ **The Governing Body members noted and accepted the Annual Report Section and no questions were raised.**

2.1.2 Annual Accounts Section (Page 93-118)

Tom Jackson reported on the Annual Accounts stating pages 93-96 include notes to the financial statements. These are a standard set of statements. The Annual Accounts include the Statement of Comprehensive Net Expenditure and the Statement of the Financial Position from 1 April 2013 to the year ending 31 March 2014

Tom Jackson stated that the CCG has delivered its financial duties as set by NHS England at the start of the year and highlighted on Page 117.

- ✓ **The Governing Body members noted and accepted the Annual Accounts Section and no questions were raised.**

Katherine Sheerin thanked Ian Davies and his team for their effort in pulling together the Annual Report Section and also to Kim McNaught and Alison Ormrod and team for the Annual Accounts Section. This had been particularly challenging and difficult due to the late and changing guidance. Maureen Williams seconded the appreciation for their hard work and speed at which they adapted the changes based on the late

guidance. Congratulations and thanks were given to all those involved in the preparation.

2.1.3 Governing Body Statement of Disclosure to Auditors

Maureen Williams report that we as a CCG Governing Body have to agree to the Statement of Disclosure to the Auditors.

“Statement of Disclosure to Auditors

Each individual who is a member of the Governing Body at the time the Members Report is approved confirms:

• So far as the member is aware, that there is no relevant audit information of which the clinical commissioning group’s external auditor is unaware; and

• The member has taken all the steps that they ought to have taken as a member in order to make them self-aware of any relevant audit information and to establish that the clinical commissioning group’s auditor is aware of that information.”

- ✓ Individual Governing Body member’s agreement to the statement were noted. All agreed and there were no dissents.
- ✓ The Governing Body approved and adopted the Annual Report and Accounts 2013/14.

Maureen Williams requested that the Governing Body approve and adopt the Annual Report and Accounts 2013/14 and delegate the possible very minor technical alterations in light of new guidance that have been received or may be received before the deadline.

As an example, Tom Jackson stated that we have today received information stating how that we account for the legacy balances might change. There may be further minor adjustments, but these will not change the bottom line

- ✓ **The Governing Body delegated authority for minor amendments to the Annual Report and Accounts 2013/14.**

Maureen Williams confirmed that the Annual Report and Accounts will now be signed off using the Emergency Powers and Urgent Decisions (3.8), and will be confirmed to the Governing Body meeting on 10th June 2014.

Questions from the public will not be dealt with today however the public are most welcome to attend on the 10th July 2014 Governing Body meeting at an external venue.

2.2 Draft External Audit Report Findings

Robin Baker, from Grant Thornton introduced himself and confirmed that the Annual Report and Accounts and Draft Audit Report findings had been through the Audit Risk and Scrutiny Committee of 23 May as well as other informal meetings and discussions with the Senior Finance Team and Ian Davies since then.

Robin Baker report that the areas covered would be what the report is about, the key issues and the key findings and clarified what was being asked today of the Governing Body.

External Audit is required to report to the Governing Body the findings of the Annual Audit and highlight any key issues. There had been a significant amount of late guidance received, and the guidance that we have to comply with has still not yet been finalised. However, this shall not prevent the CCG or Auditors from signing off the reports today.

Robin Baker highlighted the three areas

- The figures in the accounts
- Responsibilities for Value for Money
- The Annual Report

Figures in the accounts

Robin Baker reported that all the accounts work is complete and there will be a final check before sign off. However, he is comfortable to

confirm that there are no material errors and will be providing an unqualified opinion on the accounts. With regard to the aspect of no material errors or uncertainty, this can fall within the region of £14m and will not have any effect on the accounts. This was previously discussed annual accounts at the April and May 2014 Audit, Risk and Scrutiny Committee meetings.

Value for Money (VfM) Responsibilities

Robin Baker reported that there are wider responsibilities on this than what has been asked of CCGs this year as they are new organisations, and rather than submit a positive assurance, Grant Thornton have been asked to report on any exceptions. This would be for example a failure to deliver financial duties. However, Liverpool CCG has a strong financial position and he is also satisfied that the Value for Money responsibilities have been achieved. Areas that had been reviewed to give this outcome included the Better Care Fund, collaborative commissioning arrangements, setting the CCG's strategy and the Strategic Plan, which is clear and ambitious. There are no matters to highlight as an exception.

Robin Baker asked the CCG to be aware that as it has a strong financial position, others may come to Liverpool CCG for pump priming, this needs to be considered carefully.

Annual Report

Robin Baker reported that the Annual Report is read for consistency in relation to the figures, the details within the Annual Governance Statement and the Remuneration Report

The Auditors are satisfied with the Annual Report and that this reflects the Clinical Commissioning Group and satisfied with the governance aspects and that the risks have been highlighted and mitigated. The Remuneration Report has been subject to very late and changing guidance and clarification and this is still on going.

Robin Baker stated that the key issue that has been discussed has been in relation to the disclosure of pension liability for Governing Body Members. Some CCGs are regarding the GPs effectively as employees of the CCG and therefore on the payroll and CCG makes payments for pensions and accrument of the pensions are made for this. These pension payments need to be included in the Remuneration Report.

Other CCGs dealt with this in a different way and by making use of the GP and pay the practice for the use of the time of the GP and in these cases the pensions do not need to be in the Remuneration Report.

In relation to Liverpool CCG, it has been noted that GPs are not employees and there are no direct payments to the Pension Scheme for GPs. Therefore there is no requirement to include in the Annual Report and Accounts. This may be an area that NHS England will review for next year.

Robin Baker reported that this is the conclusion Grant Thornton have reached and are satisfied with this. The Letter of Representation is to be signed by Katherine Sheerin as Chief Officer (Accountable Officer) and Tom Jackson (Chief Finance Officer) and the letter states that we are not making direct payments to GPs for Pension schemes.

Robin Baker also thanked all those involved in the production of the Annual Report and Accounts and for the full co-operation by the teams.

- ✓ **No further comments received from the Governing Body members and the Auditor's comments on the pension position was noted.**
- ✓ **The Governing Body noted the comments of the Audit Findings Report, that an unqualified opinion on the accounts was given, that an unqualified Value for Money (VfM) statement was given and that the Remuneration Report on Governing Body Pension position was accepted.**

2.3 Letter of Representation

The Governing Body members were comfortable with the content of the Letter of Representation and agreed for Katherine Sheerin and Tom Jackson to sign.

- ✓ **Katherine Sheerin and Tom Jackson signed the Letter of Representation**

Maureen Williams thanked the Governing Body and members present.

3 Date and Time of next formal Governing Body meeting

Tuesday 10th June at 1pm Boardroom, Arthouse.