



MEETING OF THE GOVERNING BODY

Title	Revised Terms of Reference for Audit Committee and Quality, Performance and Finance Committee	Public/ Closed:	Public
Date	24 April 2013		
Paper Author and Job Title	Celia Weldon Interim Governance Support	Director responsible	Steve Brennan
Response required from the meeting	Approve the revised terms of reference		
Summary	The Terms of reference have been updated since the draft version following the first meetings of the Committees		
Assessment of implications in respect of:			
Patient Safety	As included in roles of committees		
Finance/Resource	As included in roles of committees		
Risk Assessment	As included in roles of committees		
PPI considerations	As included in roles of committees		
Equality and Diversity	As included in roles of committees		
Legal issues	Part of the governance framework of the CCG		
FOI Exemption category	Open		
Previously considered by:			
Committee/Group	Audit Committee (Joint) Quality Performance and Finance Committee		

North Kirklees Audit Committee

Terms of Reference

Current Status:	FINAL
Author:	Pat Patrice, Governance and Corporate Affairs Senior Manager
External Guidance:	HFMA NHS Audit Committee Handbook 2011 NHS Commissioning Board Example Audit Committee Template Calderdale Kirklees and Wakefield District Cluster Partnership Audit Committee Terms of Reference
Issue Date:	April 2013
Approved by:	
Review Date:	On going

Change History

This table records the stages of development of the current document;

Version No.	Changes Applied	By	Date
0.1	Initial Draft	IJN	30/07/2012
0.2	Revision following Internal Audit recommendation and SMT and Governing body feedback at session held 7 th September 2012	IJN	11/09/2012
0.3	Review prior to presentation to first meeting of Audit Committee	CW	11/02/13
0.4	Final Amendments from Audit Committee	CW	12/04/13

Performance Indicators

Annual report to North Kirklees CCG Governing Body

AUDIT COMMITTEE

TERMS OF REFERENCE

1. Constitution of the Committee

The NHS North Kirklees CCG Governing Body hereby resolves to establish a Committee of the Governing Body to be known as the Audit Committee (the Committee). The Committee is a non-executive committee of the Governing Body and has no executive powers, other than those specifically delegated in these terms of reference.

2 Membership

The NHS North Kirklees Audit Committee shall be appointed by the Governing Body from amongst the Lay Members and GP/Practice Members (Members) of the Governing Body and shall consist of not less than three members.

The Lay Member on the Governing Body with a lead role in governance will be the Chair of this committee. The Chair of the Governing Body shall not be a member of the Committee.

Where the Chair of the Committee is unable to attend, he or she will nominate a deputy from within the other members to deputise on that occasion.

Attendance

The Chief Finance Officer will normally be present, together with appropriate representatives from internal and external audit. At least once a year the Committee shall meet privately with the external and internal auditors.

The Accountable Officer and other Senior Team Members shall be invited to attend for discussions when the Committee is discussing areas of risk or operation that are the responsibility of that Senior Team Member. The Accountable Officer shall be invited to attend, at least annually, to discuss with the Audit Committee the process for assurance that supports the Annual Governance Statement and also when the Committee considers the draft internal audit plan and the annual accounts.

Appendix 1 lists membership and attendance.

3 Arrangements for the Conduct of Business

3.1 Chairing the Meetings

The meeting will be chaired by the Chair as appointed in section 2. The Chair will preside at all meetings. In extraordinary circumstances where the Chair cannot attend, the vice Chair will chair the meeting.

3.2 Quorum

A quorum shall be two members, of which at least one must be a Lay Member.

3.3 Frequency of Meetings

Meetings shall be held at least five times a year at appropriate times in the reporting and audit cycle. The External Auditor or Head of Internal Audit may request an additional meeting if they consider that one is necessary.

3.4 Frequency of Attendance by Members

Members are expected to attend all meetings, however as a minimum should attend at least two thirds of all meetings.

3.5 Declaration of Interests

If any member has an interest, pecuniary or otherwise, in any matter and is present at the meeting at which the matter is under discussion, he / she will declare that interest as early as possible and shall not participate in the discussions. The Chair will have the power to request that member to withdraw until the Committee's consideration has been completed.

4 Secretariat support

The Governance, Corporate Affairs and Business Planning Senior Manager or their nominee shall attend to take minutes of the meeting and provide appropriate support to the Chair and Committee members. Duties will include:

- agreement of agenda with Chair and attendees and collation of papers, which will be sent out at least five days in advance of the meeting
- ensuring that minutes are taken
- keeping a record of matters arising and issues to be carried forward
- advising the Committee on pertinent areas / issues
- enabling the development and training of Committee members

5 Authority

The Committee is authorised by the Governing Body to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee is authorised by the Governing Body to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Committee is delegated the authority to constitute any sub committees or working groups it deems appropriate to support the discharge of its Terms of Reference and these sub committees and groups will be governed by Terms of Reference as agreed by the Committee in full session.

6.0 Duties

The duties of the Committee can be categorised as follows:

6.1 Governance, Risk Management and Internal Control

The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the activities (both clinical and non-clinical) of the Senior Management Team and constituent practices that support the achievement of the organisation's objectives. This will be carried out in line with the recommended Agenda and Timetable at Appendix C in the NHS Audit Committee Handbook.

In particular, the Committee will review the adequacy and effectiveness of:

- all risk and control related disclosure statements (in particular the Annual Governance Statement, together with any accompanying Head of Internal Audit statements, external audit opinions or other appropriate independent assurances, prior to endorsement by the Governing Body)
- the underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements
- the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and related reporting and self-certification, (.e.g. Standing Orders, Primary Financial Documents, Scheme of Delegation and Codes of Conduct and their application, such as register of interests, register of tenders, waiving of Standing Orders etc.)
- the policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Counter Fraud and, where necessary, the Security Management Service
- review at least annually the register of gifts, hospitality and sponsorship for Governing Body members
- review at least annually the register of interests of members of the Governing Body.

In carrying out this work the Committee will primarily utilise the work of internal audit, external audit and other assurance functions, but will not be limited to these sources. It will also seek reports and assurances from directors, managers and local groups as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

This will be evidenced through the Committee's use of an effective Assurance Framework to guide its work and that of the audit and assurance functions that report to it.

The operational development of the Assurance Framework and the process of population are within the remit of the Governance and Corporate Affairs Committee.

6.2 Internal Audit

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

- consideration of the provision of the internal audit service for the CCG, the cost of the audit and any questions of resignation and dismissal
- review and approval of the internal audit strategy for the CCG, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation as identified in the governing Body Assurance Framework
- consideration of the major findings of internal audit work (and management's response), and ensure co-ordination between the internal and external auditors to optimise audit resources
- ensuring that the internal audit function is adequately resourced for the CCG and has appropriate standing within the organisation
- annual review of the effectiveness of internal audit for the CCG.

6.3 External Audit

The Committee shall review the work and findings of the external auditors and consider the implications and management's responses to their work. This will be achieved by:

- consideration of the appointment and performance of the External Auditor, as far as the rules governing the appointment permit
- discussion and agreement with the external auditors, before the audit commences, of the nature and scope of the audit as set out in the annual plan, and ensuring co-ordination, as appropriate, with other external auditors in the local health economy
- discussion with the external auditors of their local evaluation of audit risks and assessment of the CCG and associated impact on the audit fee
- review all external audit reports, including the report to those charged with governance, agreement of the annual Management Letter before submission to the Governing Body and any work carried out outside the

annual audit plan, together with the appropriateness of management responses

6.4 Other Assurance Functions

The Audit Committee shall review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications to the governance of the organisation.

These will include, but will not be limited to, any reviews by NHS England or Regulators/Inspectors (e.g. Care Quality Commission, NHS Litigation Authority, etc.), professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc.)

In addition, the Committee will review the work of other committees within the organisation, whose work can provide relevant assurance to the Audit Committee's own scope of work. This will particularly include the Governance and Corporate Affairs Committee (and any other risk management committees that are established) which will report regularly to the Audit Committee on key issues and risks.

In reviewing the work of the Quality, Performance and Finance Committee, and issues around clinical risk management, the Audit Committee will wish to be assured about clinical risks for all services commissioned.

6.5 Counter Fraud

The Audit Committee shall satisfy itself that the CCG has adequate arrangements in place for countering fraud and shall review the outcomes of counter fraud work.

6.6 Management

The Committee shall request and review reports and positive assurances from executives, managers and local groups on the overall arrangements for governance, risk management and internal control.

They may also request specific reports from individual functions within the organisation as they may be appropriate to the overall arrangements.

6.7 Financial Reporting

The Committee shall monitor the integrity of the financial statements of the CCG and any formal announcements relating to financial performance.

The Committee should ensure that the systems for financial reporting by the CCG, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Governing Body.

The Committee shall review the annual report and financial statements for the CCG before submission to the Governing Body for approval. The review will focus particularly on:

- the wording in the Annual Governance Statement and other disclosures relevant to the Terms of Reference of the Committee
- changes in, and compliance with, accounting policies, practices and estimation techniques
- unadjusted mis-statements in the financial statements
- significant judgements in preparation of the financial statements
- significant adjustments resulting from the audit
- letter of representation
- qualitative aspects of financial reporting

7 Relationships and Reporting

The minutes of Committee meetings shall be formally recorded by the Secretary to the Committee and submitted to the Governing Body. The Chair of the Committee shall draw to the attention of the Governing Body any issues that require disclosure, or require executive action.

The Committee will report to the Governing Body at least annually on how it has discharged its duties within the terms of reference.

The Committee will submit an annual work plan to the Governing Body for approval.

The Committee will receive the minutes of the Governance and Corporate Affairs Committee.

The Committee will receive the minutes of the Quality, Performance and Finance Committee.

8 Liability of Members

The Governing Body shall provide an indemnity to any member of the Committee that if any such person acts honestly and in good faith such person will not have to meet out of personal resources any personal civil liability which is incurred in the execution or purported execution of the functions of the Committee, save where they have acted recklessly.

9 Monitoring of Compliance

Through receipt of the minutes and the annual report of the Audit Committee the Governing Body will monitor the effectiveness of the Committee.

The Secretary to the Committee will use a monitoring form to record the frequency of attendance by members, quoracy and the frequency of meetings. Any areas of concern will be highlighted to the Chair of the Audit Committee.

On an annual basis and in line with the Annual Agenda and Timetable the Committee will complete the Self-assessment Checklist recommended in the NHS Audit Committee Handbook.

10 Review of Terms of Reference

Due to the changes in the architecture in the NHS and the pace of change, these terms of reference will be reviewed during the next 12 months, as required, to support emerging governance arrangements, as agreed by the Committee or Governing Body.

As a minimum, the terms of reference will be reviewed annually.

Any amendment to the terms of reference will be agreed by the Committee for recommendation to a subsequent meeting of the Governing Body for its approval.

Approved by:

NHS North Kirklees Clinical Commissioning Group Governing Body
Date: 24 April 2013

Audit Committee
Date: March 2013

Appendix 1

AUDIT COMMITTEE

List of Membership and those in attendance

Members:	
Lay Member (Chair)	Tony Gerrard
Lay Member	Julie Elliott
GP Member	Ajit Mehrotra
Practice Member	Rachael Kilburn

In Attendance:	
Chief Finance Officer	Steve Brennan
Head of Internal Audit	To be advised
Internal Audit Manager	To be advised
External Audit representatives	To be advised
Governance, Corporate Affairs and Business Planning Senior Manager	Pat Patrice
Local Counter-fraud Specialist	To be advised

The Accountable Officer and other Executives shall be invited to attend for discussions when the Committee is discussing areas of risk or operation that are the responsibility of that Executive.

North Kirklees Quality, Performance and Finance Committee

Terms of Reference

Current Status: FINAL

Author: Pat Patrice, Governance and Corporate Affairs Manager

Issue Date: **FINAL VERSION 10 APRIL 2013**

Approved by: Governing Body

Review Date: 31 March 2014

Change History

This table records the stages of development of the current document;

Version No.	Changes Applied	By	Date
0.1	Initial Draft	IJN	31/07/2012
0.2	Revision further to Internal Audit recommendations, SMT and Governing Body feedback at 7 th September session	IJN	11/09/2012
0.3	Revision following audit group and Internal Audit further feedback	IJN	02/10/12
0.4	Revision prior to first meeting of the Committee	CW	8/02/13
0.5	Revision following first Q, P & F meeting.	JE	08/04/13
0.6	Revision following first Q, P & F meeting.	DT	09/04/13
0.7	DT reviewed		09/04/13

Quality, Performance and Finance Committee

1. Introduction

The terms of reference for the Quality, Performance and Finance Committee of NHS North Kirklees Clinical Commissioning Group (CCG) are built around the concepts outlined in the NHS Next Stage Review and the definitions of Lord Darzi and the Constitution, Standing Orders and Standing Financial Instructions of the CCG.

Quality was defined by Lord Darzi in the NHS Next Stage Review Leading Local Change as comprising three elements:

Effectiveness of the treatment and care provided to patients – measured by both clinical outcomes and patient-related outcomes. There is much evidence of wide variation in the clinical effectiveness of care delivered across the country.

The safety of treatment and care provided to patients – safety is of paramount importance to patients and is the bottom line when it comes to what NHS services must be delivering.

The experience patients have of the treatment and care they receive – how positive an experience people have on their journey through the NHS can be even more important to the individual than how clinically effective care has been.

Whilst it is important to identify and deliver against the three separate elements that comprise quality, it is critical to recognise that, though different, they are all aspects of the same thing: high quality care. Quality is only achieved if all three of these domains are present in care – delivering in just one or two in isolation is not enough.

All NHS organisations have a statutory duty to manage their finances within agreed limits, deliver value for money and maintain the highest standards of probity and accountability. The CCG is also committed to improving performance against national and locally agreed targets and quality measures developed within the CCG or with partners.

These activities are delivered within the context of national guidance and the CCG's strategic plans for service improvement and development. In order to achieve this, the CCG must take account of the key risks that could impact on delivery on any of these areas for which it is accountable.

The over-arching purpose of the committee is to monitor the performance of the CCG against its annual statutory financial duties, the agreed annual key performance indicators and make sure that plans are in line with overall CCG strategy. It will provide assurance to the Governing Body across all these areas that the CCG is delivering its statutory responsibilities.

It will ensure that Governing Body members have a sufficiently robust understanding of key financial, performance, strategy and quality issues and the risks associated with them.

2. Constitution

The Governing Body hereby resolves to establish a committee of the Governing Body to be known as the Quality, Performance and Finance Committee (the Committee). The Committee is a non-executive committee of the Governing Body and has no executive powers, other than those specifically delegated in these terms of reference.

The Committee supports the NHS North Kirklees Governing Body in delivering its aims of ensuring that the services commissioned on behalf of the CCG are of high quality, safe and affordable. This is achieved by reviewing the systems and processes that are in place to ensure the effectiveness of services and by making recommendations to the Governing Body.

3. Membership

The Committee shall be appointed by the Governing Body from amongst the Lay Members and GP Members (Members) of the Governing Body and shall consist of not less than three members. The Lay Member with responsibility for Quality, Performance and Finance will be the Chair of the meeting

4. Attendance

The Accountable Officer, Chief Finance Officer and Senior Management Team members with responsibility for Quality, Primary Care and Transformation will attend the meeting.

Where these functions or areas are addressed by outsourcing or contractual arrangements (i.e. use of CSU etc...) those officers working within the contracted agency may be asked to attend to provide specialist advice.

Other staff may request or be requested to attend the meeting when matters concerning their responsibilities are to be discussed or they are presenting a paper.

Appendix 1 lists membership and attendance.

5. Arrangements for Conduct

5.1. Chairing the Meetings

The meeting will be chaired by the Chair as appointed in section 3. The Chair will preside at all meetings. In extraordinary circumstances where the Chair cannot attend, the Chair will nominate one of the other Lay or Governing Body members to chair the meeting on that occasion.

5.2. Quorum

A quorum shall be 4 members including a Lay Member (Committee Chair) plus 3 others

5.3. Frequency

Meetings will be held monthly in order that all Agenda items may be covered routinely and in a timely manner.

5.4. Declaration of Interests

If any member has an interest, pecuniary or otherwise, in any matter and is present at the meeting at which the matter is under discussion, he / she will declare that interest as early as possible and shall not participate in the discussions. The Chair will have the power to request that member to withdraw until the Committee's consideration has been completed

5.5. Secretariat

The Committee will be supported by the Governance and Corporate Affairs Team and will include the following responsibilities;

- Call for Agenda items
- Agreement of agenda with Chair and attendees and collation of papers, which will be sent out at least five days in advance of the meeting
- Agree and circulate a schedule of agreed meetings for the coming year
- Take minutes of the meetings, keeping an accurate record of attendance, key points of the discussion, matters arising and issues to be carried forward
- Maintain an on-going list of actions, specifying members responsible, due dates and keeping track of these actions.
- Minutes will be drafted for approval by the Committee Chair within five working days of the meeting and then distributed to all attendees within 10 working days
- An annual work plan to be maintained

6. Authority

The Committee is authorised by the Governing Body to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee is authorised by the Governing Body to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Committee is delegated the authority to constitute any sub committees or working groups it deems appropriate to support the discharge of its Terms of Reference and these sub committees and groups will be governed by Terms of Reference as agreed by the Committee in full session.

7. Role and Duties

The duties of the Committee can be categorised as follows;

7.1. Role

The Committee will advise the Governing Body with a view to ensuring that effective quality arrangements underpin all services commissioned on behalf of the CCG, regulatory requirements are met and patient safety is continually improved to deliver a better patient experience. It will support the Governing Body in ensuring that commissioning decisions are based on evidence of clinical effectiveness, protect patient safety and provide a positive patient experience in line with the principles of the NHS Constitution and requirements of the Care Quality Commission (CQC).

In addition, the Committee will oversee the performance of the CCG in delivering the national targets and objectives included in the Commissioning Plan, ensuring the effective and efficient use of resources whilst delivering financial balance; providing assurance that the commissioning portfolio delivers against contracted performance metrics and outcomes.

The Committee will seek assurance from providers, raise formal queries and refer issues to the Governing Body where there are significant concerns which may compromise quality and patient safety.

An annual work plan will be produced and progress against this will be reported annually to the Governing Body.

7.2. Duties

7.2.1. Quality

7.2.2. The Committee will provide assurance to the Governing Body and be accountable for following:

- The provision of strategic leadership on all aspects of Quality improvement across the CCG and constituent practices. This will include oversight and scrutiny of adult and children safeguarding processes.
- Leading the development and implementation of high quality and clinically effective services in commissioned services
- Leading and reviewing the effectiveness of quality governance arrangements to ensure that the health care commissioned on behalf of the CCG is safe and of high quality
- Ensuring that systems to monitor the quality of commissioned services are in place and are functioning appropriately via metrics and standards within clinical contractual arrangements with providers
- Reviewing and acting upon the information from a range of sources such as patient experience feedback, – Patient Reported Outcome Measures (PROMS), Complaints, Care Quality Commission: Quality and Risk Profiles
- Developing a culture of excellence within the Governing Body by involving patients, their carers, staff and key stakeholders and by seeking patient feedback on their experiences of healthcare
- Providing leadership to the quality work of the organisation and constituent practices, and scrutiny of delivery of the CCG quality strategy and implementation plans.
- Giving direction to the development of systems and processes for managing quality governance
- Overseeing the systems and processes that are in place to ensure quality is embedded in the commissioning organisation and constituent practices
- Embedding evidence based practice and lessons learned across Health and Social Care, ensuring that evidence from quality assurance processes drive the quality improvement agenda for the CCG, and support delivery of Quality Innovation Productivity and Prevention(QIPP)
- Identifying and reporting appropriate risks appertaining to Quality, Patient Safety and Patient Experience via existing Risk Register reporting and escalation processes including appropriate measures for the recording and escalation of Never Events and Serious Incidents Requiring Investigation
- Ensure escalation processes are in place when the engagement of external bodies are required and report any significant provider concerns to the Quality Surveillance Group.

- Receiving and reviewing reports and subsequent action plans from external agencies, for example, Care Quality Commission, National Patient Safety Agency.

7.2.2 Finance and Performance

The Committee will provide assurance to the Governing Body and be accountable for following:

- Overseeing the CCG's overall Financial and Commissioning Strategies and ensuring that these complement each other and are supported by financial and service plans
- Agreeing key performance indicators regarding the management of the CCG's finances and make sure that these are being delivered
- Monitoring overall performance of the CCG's Healthcare Contracts and Service Level Agreements and reporting on them to the Governing Body.
- Receiving and considering detailed performance management reports and risks, that have been highlighted during routine contract monitoring meetings
- Requiring attendance of key personnel to account for in year performance against financial or other objectives
- Receiving and considering the following reports regarding commissioner functions:
 - QIPP
 - Member recommendations for investment or disinvestment
 - Risk reports
 - Performance issues related to quality and patient experience
- Examining all issues as requested by the Governing Body and taking/recommending appropriate action.

8. Relationships and Reporting

The minutes of the Committee will be reported to the Audit Committee and the Governing Body.

The Committee will report to the Governing Body annually on how it has discharged its duties within the terms of reference.

The Chair of the Committee shall draw to the attention of the Governing Body any issues that require disclosure, or require executive action.

The Committee will receive a monthly brief from the Primary Care Strategy Group.

The Committee will receive for information the minutes of Quality Board meetings and Contract Management Group meetings

9. Review of Terms of Reference

Due to the changes in the architecture in the NHS and the pace of change, these terms of reference will be reviewed during the next 12 months, as required, to support emerging governance arrangements, as agreed by the Committee or Governing Body.

As a minimum, the terms of reference will be reviewed annually.

Any amendment to the terms of reference will be agreed by the Committee for recommendation to a subsequent meeting of the Governing Body for its approval

Approved by:

NHS North Kirklees CCG Governing Body

Date:

Quality, Performance and Finance Committee

Date:

QUALITY, PERFORMANCE AND FINANCE COMMITTEE

List of Membership and those in attendance

Members:	
Lay Member (Chair)	Julie Elliott
Chair	David Kelly
GP Member	Nadeem Ghafoor
Secondary Care Doctor Member	Rashid Sohail
Secondary Care Nurse Member	Joanne Crewe
Practice Manager Practice Member	Rachael Kilburn
Practice Nurse Practice Member	Kath Greaves

In Attendance:	
Chief Officer	Chris Dowse
Chief Finance Officer	Steve Brennan
Head Quality and Patient Safety	Deborah Turner
Head of Primary Care and Practice Support	Jackie Holdich
Head of Transformation	Helen Severns
Contracting and Commercial Strategy Senior Manager	David Boothroyd
Designated Nurse	Christina Fairhead
Head of Medicines Management	Eric Power
Infection Control Nurse	Jane O' Donnell