Berkshire West CCG

Internal Audit Terms of Reference
Commissioning and procurement of primary medical care services

December 2019

To: Sarah Wise, Primary Care Contracts Manager
From: Emma Butler, Head of Internal Audit
Background and audit objectives

This review is being undertaken as part of the 2019/20 internal audit plan agreed by the Audit Committee.

Background and audit objectives

On the 22 August 2018 NHS England published the Primary Medical Care Commissioning and Contracting: Internal Audit Framework for delegated Clinical Commissioning Groups. As part of this there is a formal requirement for an annual audit of primary care provision that must cover the following four areas over the course of a three year cycle:

• Commissioning and Procurement of Services;
• Contract Oversight and Management Functions;
• Primary Care Finance; and
• Governance (common to each of the above areas).

It has been agreed with members of the Audit Committee and management that this year’s audit will focus on Commissioning and Procurement of Services and the Governance arrangements in this area.

The Framework contains additional audit reporting requirements which need to be complied with. The audit’s overall risk rating (low, medium, high, and critical) must now be aligned to one of four assurance levels used by NHS England:

• Full;
• Substantial;
• Limited;
• No assurance.

It is the responsibility of internal audit to provide guidance to the CCG and the Committee on how the risk ratings and assurance levels should be aligned. Work is currently ongoing to develop such guidance and will be shared as part of the final report. The Framework mandates that the Primary Care Commissioning Committee should have a lead role in discussing and agreeing the report prior to being presented to the Audit Committee. Therefore, the draft report will go in full to a meeting of the Primary Care Commissioning Committee. In addition to consideration by the Audit Committee the report’s overall rating should be discussed at a Governing Body in public and the CCG must report the report’s overall rating, using one of the four assurance levels outlined above, to NHS England within one month of the report being finalised.
Audit scope and approach (page 1 of 3)

Scope

We will review the design and operating effectiveness of key controls in place relating to the CCG’s commissioning and procurement of primary medical care services as set out below during the period 1 April to 30 November 2019. The sub-processes and related control objectives included in this review are:

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<th>Sub-process</th>
<th>Objectives</th>
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| Governance                               | • The terms of reference for the Primary Care Commissioning Committee (PCC)  
• Identifies roles and responsibilities for discharging the commissioning and procurement of primary medical care services, as well as the requirements for quorate decision making.  
• Complete and relevant performance information is provided to the PCC to enable informed decisions to be made regarding commissioning and procurement of primary medical care services.  
• Key individuals involved in the commissioning and procurement of services are identified and their roles and responsibilities clearly defined. Any conflicts of interest are declared and managed. |
| Commissioning and Procurement of Services | • Policies and procedures surrounding the procurement of primary medical care services have been established in line with NHS England policies and guidance (i.e. the Primary Medical Care Policy and Guidance Manual) and is made available to the relevant staff.  
• In planning the provision of primary medical care services in Berkshire West the CCG has considered:  
  ▪ Forecast future needs of communities, including housing and population growth;  
  ▪ The views of the local population; and  
  ▪ The appropriate level of involvement of other healthcare providers and local authorities;  
• In commissioning primary medical care services the CCG has considered its obligations in relation to procurement (e.g. The NHS (Procurement, Patient Choice and Competition) Regulation 2013, Public Contract Regulations 2015) where appropriate.  
• The commissioning of primary medical care services is undertaken in line with the CCG’s financial policies and procedures, including the scheme of delegation.  
• Where contracts were agreed with providers prior to delegation a schedule is in place for their renewal in order to allow sufficient time for the CCG to undertake due diligence.  
• There has been robust engagement of patients and the wider stakeholder population, including staff, in arriving at commissioning and procurement decisions.  
• Where a procurement decision relates to a practice closure or other disruption to service provision consultation follows the statutory guidance for patient and public participation. |
Audit scope and approach (page 2 of 3)

Scope (cont.)

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<th>Sub-process</th>
<th>Objectives</th>
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| Commissioning and Procurement of Services (cont.) | ▪ Decisions to close or merge a practice have taken into account the relevant equality and health inequality duties as well as other relevant non-equality and health inequalities related duties as set out in the guidance from NHS England dated 22 August 2018.  
▪ For practice closures or other disruptions to service the CCG has provided regular support to the practice from sufficiently qualified staff and clear records of such support has been obtained.  
▪ In developing Community Enhanced Services (CES) there has been robust scrutiny by the CCG that these will deliver clear medical benefits.  
▪ That approval of CES is in line with the CCG’s financial policies and procedures, including the scheme of delegation.  
▪ In developing the specifications for CES, clear performance metrics have been developed to enable the effective monitoring of the service. |

Limitations of scope

The scope of this review will be limited to the areas identified above. Our review will focus on the processes and documentary evidence for the 2019/20 financial year only, unless it is appropriate to review documentation from 2018/19 to evidence processes followed by the CCG. Our testing is based on a sampling approach and findings may not be representative of all instances of a process undertaken by the CCG. We note that since delegation the CCG has not entered into any new contracts for the procurement of non-standard primary medical care services, e.g. other than out of hours or special allocation schemes. Therefore, for these contracts we will consider the processes the CCG has in place to re-new them.

Internal audit work is performed in accordance with PwC's Internal Audit methodology which is aligned to the Public Sector Internal Audit Standards. As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Committee (IAASB), International Framework for Assurance Engagements (IFAE) and International Standard on Assurance Engagements (ISAE) 3000.

The procedures performed will be limited to information and controls operated by the CCG, and we will not perform inquiry or review documentation that are owned by external third parties.

As in 2018/19, internal audit work over process and controls at the CSU itself will be undertaken by the CSU’s internal auditor, Deloitte. The assurance provision for all CSUs has been agreed on a national level with local services and processes in each CSU taken into consideration as part of each scope of work. The approach that Deloitte are taking will result in a Service Auditor Report (in conformance with International Assurance Standards – ISAE3000) which will enable CCG management and their internal and external auditors to take assurance over the processes and controls in operation at Central Southern CSU. Therefore, it is not our intention to undertake any internal audit procedures on behalf of the CCG at the CSU. The CCGs should consider the output of the CSU internal audit work carefully and ensure that it meets expectations and requirements as a key customer of the CSU.
Audit scope and approach (page 3 of 3)

Audit approach
Our audit approach is as follows:
• Obtain a detailed understanding of how the processes and controls over the commissioning and procurement of primary medical care services work.
• Identify the key risks of the CCG’s processes and controls.
• Evaluate the design of the controls in place to address the key risks.
• Test the operating effectiveness of the key controls.

Information Request
Please can the following documentation be made available prior to the audit or on the first day of the audit fieldwork as detailed above:

• Primary Medical Care procurement policy and guidance
• List of all current Primary Care Contracts.
• List of surgery closures, mergers and contract extensions from 1 April to 30 November 2019.
• Supporting evaluation and public engagement documentation for surgery closures, mergers and contract extensions from 1 April to 30 November 2019.
• PCC Committee meeting agendas and minutes for last 12 months.
• CES performance measures and reporting for last 12 months.
• Financial policies and procedures including Delegation of Authority.
## Internal audit team and key contacts

### Internal audit team

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
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### Key contacts

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Agreed timescales are subject to the following assumptions:

- All relevant documentation, including source data, reports and procedures, will be made available to us promptly on request.
- Staff and management will make reasonable time available for interviews and will respond promptly to follow-up questions or requests for documentation.

Please note that if Berkshire West CCG requests the audit timing to be changed at short notice and the audit staff cannot be deployed to other client work, the Trust may still be charged for all/some of this time. PwC will make every effort to redeploy audit staff in such circumstances.
In the event that, pursuant to a request which Berkshire West CCG has received under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the “Legislation”), Berkshire West CCG is required to disclose any information contained in this document, it will notify PwC promptly and will consult with PwC prior to disclosing such document. Berkshire West CCG agrees to pay due regard to any representations which PwC may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such report. If, following consultation with PwC, Berkshire West CCG discloses any this document or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

This document has been prepared only for Berkshire West CCG and solely for the purpose and on the terms agreed with Bracknell and Ascot CCG, Windsor, Ascot and Maidenhead CCG or Slough CCG in our agreement dated 26 May 2017 (which novated to East Berkshire CCG on 1 April 2018). We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

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