

**Wolverhampton Clinical Commissioning Group
Audit and Governance Committee**

Minutes of the meeting held on 18 July 2017 commencing at 11.00am
In Armstrong Room, Science Park, Wolverhampton

Attendees:

Members:

Mr P Price	Chairman (Interim)
Mr D Cullis	Independent Lay Member
Mr L Trigg	Independent Lay Member

In Regular Attendance:

Mr J Oatridge	Interim Chair of the Governing Body
Mr P McKenzie	Corporate Operations Manager, WCCG
Miss M Patel	Administrative Support Officer, WCCG (minute taker)

In Attendance:

Mr T Gallagher	Chief Finance Officer, WCCG and Walsall CCG
Ms J Watson	Senior Internal Audit Manager, PwC
Mr N Mohan	Senior Manager, LCFS, PwC
Mr M Stocks	Partner, External Audit, Grant Thornton
Mr V Sarjan	Audit Manager, E&Y LLP

Apologies for attendance:

AGC/17/62 Apologies for absence were submitted by Mr Grayson and Ms Garcha.

Declarations of Interest

AGC/17/63 There were no declarations of interest to be declared.

Minutes of the last meeting held on 23 May 2017

AGC/17/64 The minutes of the last meeting were agreed as a correct record.

Matters arising (not on resolution log)

AGC/17/65 There were no matters arising.

Resolution Log

AGC/17/66 The resolution log was discussed as follows;

- Item 79 (Item b/f from private session) – Review results of Coding Audit at Nuffield; arranged via CCG Contracts Team –

independent checks had been carried out by CHKS for the Nuffield. Mr V Middlemiss to provide information once received.

- Item 90 (AGC/17/29) – Internal Audit mid-year review 2017/18 to be bought back as an agenda item to the September Audit and Governance Committee meeting - on agenda for review.
- Item 94 (AGC/17/54) – Ms Watson to speak to Mr Mohan and Mrs Tongue about an analytical review of National Fraud Initiative Accounts Payable by the next meeting – Mr Mohan had met with Mr Gallagher.
- Item 95 (AGC/17/59) – Mrs Skidmore to ask Mr Hastings to align his briefing on the recent cyber-attack alongside guidance from NHS Digital – on agenda.

Briefing on Recent Cyber Attack

AGC/17/67 Mr Hastings presented to the group a paper on the Cyber attack which took place on Friday 12 May 2017.

The paper outlined details the incident that occurred and the steps undertaken in response by Mr Hastings and his team alongside the IT department at The Royal Wolverhampton NHS Hospital, which provided IT services for the CCG and Wolverhampton GP practices. Mr Hastings provided the Committee with reassurance that the CCG had weekly meetings with the Trust regarding technical support and monthly Service Level Agreement Meetings. This meeting was attended by the Director of IT, Head of IT and other Senior IT staff from the Trust. All computers received regular patches which ensured that software was kept up to date. The compliance level was at 95% with the remaining 5% due to a number of computers at The Trust which were not physically manned but ran specific equipment, patching for these machines was being looked at.

Due to the diligence and good working between colleagues of the CCG and the Trust no machines were affected by the attack and no patient services were impacted.

Mr Cullis asked Mr Hastings where this was ranked on the Risk Register. Mr Hastings advised that it was not rated as a high risk on the register as it was with other organisations due to the strong mitigation in place but would remain on there as this would always be a risk.

RESOLUTION: The Committee:

- Noted and received assurance from the report.

Mr Hastings left the meeting.

Internal Auditor Progress Report

AGC/17/68 Ms Watson reported on progress made since the last Audit and Governance Committee meeting and informed that she had met with Mr Gallagher to discuss the existing plans which were risk assessed. This meant that the plan included a follow up on Risk Management following last year's audit findings. Ms Watson had also liaised with Mr Steven Marshall and Mr Hastings on the proposed plan for the year.

The table on page 4 of the document listed changes to dates in the plan. This had received approval from the Executive team and was now seeking approval from this Committee.

Mr Oatridge asked with regards to the timing of the planned review of QIPP if enough information would be received in Quarter 3 to react to any actions arising from the review in year. Mr Gallagher advised that the reason for using Quarter 3 is that there would be more monitoring undertaken and the challenge of QIPP increasing. Although more QIPP schemes were being identified there was still the challenge of meeting the £2.2million QIPP delivery and suggested that he meet with Mr Oatridge outside of the meeting to discuss.

Ms Watson asked if the CCG would benefit from meeting with Specialists in cost reduction in a round table exercise as they had seen success with other organisations taking up this offer. Mr Price and Mr Gallagher felt that this might be a good idea and offered to discuss outside the meeting.

Mr Cullis suggested looking at lessons learnt from last year's QIPP to use towards how QIPP was looked at this year.

In respect of the proposal to delay planned work on public engagement, Mr Oatridge stated that although the CCG had been noted as being exemplar in public engagement, he had concerns that the Lay Member for Public and Patient Engagement was retiring from the Board in September and that this had not been identified in the report and would potentially leave a gap in the organisation. Mr Price also asked for clarification within public engagement around communication especially regarding external communications. Ms Watson explained that last year they had looked at the CSU delivery against the statement of work for the CSU. The findings were fed into the CCG's engagement strategy. Mr McKenzie had been advised that NHS England had identified the CCG as an exemplar in this area following their consideration of a self-assessment tool which formed part of the CCG's assurance arrangements last year. This had particularly identified the CCG's strong public engagement framework which was effectively embedded into the CCG's operations. Mr Oatridge felt that if this position wasn't filled that this may impact the rating. Mr Cullis asked if a management summary report could be prepared to look at planned activities and consider the potential risk. This was taken as an action by Ms Watson.

Mr Trigg asked how the Internal Audit team liaised with the City of Wolverhampton Council regarding the BCF programme and whether there was an overview of the whole programme and not just the view of the CCG. Ms Watson advised that any CCG concerns could be voiced through the Health and Wellbeing Board. Mr Trigg felt that it might be an action for the Management at this committee to monitor the CCG's contribution to the BCF programme. Ms Watson was not involved in the audit work with the Council as she was currently a Governor at a Wolverhampton School and it had been deemed as a potential conflict of interest at PwC.

Mr Price asked if IT security would be covered. Ms Watson informed Mr Price that this was covered last year as part of a broader piece of work using an IT diagnostic tool and she would be happy to share the findings with Mr Price and Mr Gallagher. The CCG had robust arrangements in place through its Service Level Agreement with the Trust.

With regards to Risk Management, proposals for 2017/2018, there were concerns raised last year around the Risk Register and the Board Assurance Framework. The actions that should have been completed by now were delayed and would be discussed in more detail later on the agenda.

The appendices in the document referenced Declarations of Interest implementation across 13 CCGs and where WCCG was and also General Data Protection Regulation (GDPR) which will begin in May 2018. Mr McKenzie outlined that an action plan was being looked at with the help of the Information Governance Team at the CSU. The Quality and Safety Committee monitored this through reports from the IG Team.

RESOLUTION: The Committee:

- Agreed with the plan subject to QIPP timing this year
- Public Engagement – having a paper around the Lay Member leaving and any implications.
- Ms Watson to circulate IT summary Mr Price and Mr Gallagher.

Internal Audit Charter

AGC/17/69 The Internal Audit Charter was an annual report. It had been brought to the Audit and Governance Committee meeting for approval and then sighted at the Governing Body Meeting for information.

Mr Cullis as under 'reporting and monitoring' – there was nothing specific on following up on actions and asked if this could be approached more robustly. Ms Watson to amend document to reflect this.

RESOLUTION: The Committee:

- Accepted the report.
- Ms Watson to provide an update on actions at the next meeting.

Counter Fraud Progress Report

AGC/17/70 Mr Mohan presented to the Committee the Counter Fraud Progress Report. Mr Mohan had met with Mr Gallagher to review risks and how they were being managed.

The team were also assisting the CCG to help with the National Fraud Initiative.

RESOLUTION: The Committee:

- Noted the report.

WCCG LSMS Progress Report July 2017

AGC/17/71 Mr McKenzie presented the report on behalf of Mr Grayson and advised that work continued to progress following the action plan being presented at the April Audit and Governance Meeting. Mr Grayson had attended a recent Staff Meeting in June to raise staff awareness and that planned actions were in place. He also advised that Mr Grayson would be coming to the Science Park to meet with contractors to do a security risk assessment and seek assurance around the premises.

RESOLUTION: The Committee:

- Noted the report.

Annual Audit Letter

AGC/17/72 Mr Sarjan presented the Annual Audit Letter and advised that the content remained unchanged and that a certificate had been issued to WCCG stating that Ernst and Young had provided an unqualified opinion.

RESOLUTION: The Committee:

- Noted the report.

Risk Register Reporting/Board Assurance Framework

AGC/17/73 Mr McKenzie presented the report on behalf of Ms Garcha. This report is in response to the findings last year from an audit conducted by the Internal Audit team. Mr McKenzie was asked to support Ms Garcha to identify strategic risks and the structure of the Board Assurance Framework (BAF).

Mr McKenzie was asked to concentrate on the top risks that the Governing Body needed to be made aware of. There were 60 risks to review. The Datix system which is used to monitor risks only allows at present a single layered view of risks identified across the organisation. Mr McKenzie's review of the risks identified 8 as corporate level risks and 4 further risks were identified as composite risks from linked risks described on the system which were relevant to the Governing Body. The next step would be to discuss at the Senior Management Team meeting that the risks were correctly aligned to the CCG's objectives to support the population of the CCG BAF. Work continued to be ongoing.

Mr Price asked Ms Watson if she felt that this was an accurate reflection of work be undertaken currently at the CCG. Ms Watson advised that although the CCG continued to make progress, it was not in the position that had been anticipated at following the Internal Audit Review. Ms Watson also raised a concern with the BAF-Risk Management Project Implementation Plan point 1.2 (Once strategic objectives have been reconfirmed, the Governing Body will populate the BAF, setting out risks

with clear lines of responsibility and actions) which had been marked as complete as she felt that it had not been actioned. In order to achieve this it would have been anticipated that the Governing Body had approved the BAF which it had not been done.

Mr Oatridge also raised that there would be Governing Body elections shortly and this could lead to a change in the current members of both this committee as well as the Governing Body.

Mr Stocks remarked that it was unusual to not have an approved BAF in place.

Ms Watson remarked that although the CCG was risk aware that the documentation relating to BAF did not reflect this and that more emphasis needed to be made on agendas relating to this.

The group also asked if this would be reflected in the annual governance statement.

It was agreed that it would be good to have a more in depth discussion around Risk at a Governing Body Development Session potentially in September 2017 with further development once the new Governing Body was elected in October 2017. Risk would also feature as an agenda item at the SMT meeting due to take place next week.

RESOLUTION: The Committee:

- Noted the report
- Asked that reporting was reviewed as timelines had still not been achieved
- That information in the Implementation Plan was reviewed
- More in depth discussion needed with the Governing Body in September and once elections had taken place and a new Governing Body had been elected.

Review of Performance against Whistleblowing Policy

AGC/17/74 Mr McKenzie informed the group that the Whistle Blowing Policy had been formally approved at the Remuneration Committee and that he had been nominated as the CCG Speak Up Guardian.

No formal disclosures had been made so far. The policy was due to be reviewed at the next Remuneration Committee in November with the only minor changes made relating to contact information.

New NHS guidelines had been issued since the last time the policy had been presented at this Committee.

Mr Cullis raised concerns around the fact that there was no reference to disclosures being made by external parties and no provision in place for external stakeholders/suppliers/contractors/ex-partners. He also asked if there was currently a route for informal concerns to be raised and if not was this something that should be looked at. He also felt that the CCG policy should address the protection of whistleblowers identities in case of civil suits being raised. Mr McKenzie advised that, as the policy was due for review in November 2017, these comments could be taken on board as part of the review.

RESOLUTION: The Committee:

- Noted the report
- That the policy could be subject to the comments around disclosures being made by external parties and protection of whistleblowers identities.

Conflict of Interest Guidance

AGC/17/75 Mr McKenzie presented to the Committee the report on Conflicts of Interest following the publication of national guidance from NHS England. Changes had been outlined under 2.3 in the document.

Mr Oatridge left the meeting.

The group discussed 4.2 in the report around the declaring of interests by 'decision making' staff with relation to staff at Agenda for Change Band 8d. Mr Trigg asked if it was part of statutory requirement for staff to declare an interest on the register. Mr McKenzie confirmed that currently it was. Mr Trigg asked about the publishing of data with regards to the Data Protection Act and Mr McKenzie advised that the policy included a provision for staff to redact details in the register if they were concerned about them being in the public domain.

Mr Mohan spoke from a counter fraud perspective and felt that all declarations were a beneficial thing for the CCG.

RESOLUTION: The Committee:

- Noted the report.
- That the policy remained the same at present but that staff consultation should be undertaken.

Losses and Compensation Payments – Quarter 2 2017/18

AGC/17/76 Mr Gallagher presented this report and advised the Committee that there had been no losses or special payments during quarter 2 of 2017/2018.

RESOLUTION: The Committee:

- Noted the above.

Suspension, Waiver and Breaches of SO/PFPS

AGC/17/77 Mr Gallagher noted that there have been no suspensions of SO/PFPs in quarter 2 of 2017/18.

8 waivers were raised during quarter 2.

RESOLUTION: The Committee:

- Noted the above.

Receivable/Payable Greater than £10,000 and over 6 months old

AGC/17/78 The Committee noted that as at 30 June 2017 there were:

- No sales invoice greater than 10k and over 6 months old.
- 5 purchase ledger invoices greater than £10k and over 6 months old.
- The £4.8m invoice sent by RWT continued to be disputed by the CCG. NHSE and NHSI are aware of the situation.

RESOLUTION: The Committee:

- Noted the above.

Any Other Business

AGC/17/79 There were no items to discuss under this agenda item.

Date and time of next meeting

AGC/17/61 Tbc