

**WOLVERHAMPTON CCG
GOVERNING BODY
8th March 2016**

Agenda item 12a

Title of Report:	Summary – Wolverhampton Clinical Commissioning Group(WCCG) Audit and Governance Committee (AGC)- 23rd February 2016
Report of:	Jim Oatridge – Chair, Audit and Governance Committee
Contact:	Claire Skidmore – Chief Finance and Operating Officer
Governing Body Action Required:	<input checked="" type="checkbox"/> Decision <input checked="" type="checkbox"/> Assurance
Purpose of Report:	<ul style="list-style-type: none"> • To provide an update of the WCCG Audit and Governance Committee to the Governing Body of the WCCG. • Ratify Conflict of Interest Policy • Auditor Panel establishment.
Public or Private:	This Report is intended for the public domain.
Relevance to CCG Priority:	The AGC delivers its remit in the context of the CCG’s priorities in order to provide assurance to the Governing Body of the robustness of system and process.
Relevance to Board Assurance Framework (BAF):	
<ul style="list-style-type: none"> • Domain 1: A Well Led Organisation 	The AGC is accountable to the group’s governing body and its remit is to provide the governing body with an independent and objective view of the group’s systems, information and compliance with laws, regulations and directions governing the group. It will deliver this remit in the context of the group’s priorities, as they emerge and develop, and the risks associated with achieving them.



The AGC shall critically review the group's financial reporting and internal control principles and ensure that an appropriate relationship with both internal and external auditors is maintained.

1. BACKGROUND AND CURRENT SITUATION

1.1 Chief Internal Auditor Progress Report

The Committee was updated on the progress of 2015/16 Internal Audit work including summaries of the key outcomes (including agreed actions) of assignments finalised and reported since the previous meeting.

1.2 Management Action Plan Update

The Committee was informed of the current position and progress in respect of the implementation of Internal Audit recommendations. It was noted that the outstanding recommendations had recently been considered by the Senior Management Team

1.3 Draft Head of Internal Audit Opinion

The Committee received the Head of Internal Audit's annual opinion, based upon and limited to, the relevant Internal Audit work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The draft overall opinion was '**Significant Assurance**'.

It was noted that in accordance with guidance the Opinion was submitted to NHS England on 22nd February, the day prior to the AGC meeting. Members had been given the opportunity to raise any concerns or queries prior to the submission.

1.4 Draft Internal Audit Plan 2016/17

An introductory report from PricewaterhouseCooper was received and an updated report will be brought to the next meeting.

1.5 Local Counter Fraud Specialist Progress Report

The Committee received and noted the activity undertaken as part of the Counter Fraud annual work plan since the last meeting.

1.6 Counter Fraud Policies for Sign Off

The Committee considered and signed off the new policy relating to the applications of Sanctions and Redress against anyone that commits fraudulent acts against the CCG.

1.7 Fraud, Bribery and Corruption Standards for Commissioners, Self Review Tool (SRT) and CCG Work plan



The Committee received an update on progress against the work plan and noted that it is on track with actions due to be completed by the end of March.

1.8 Draft Counter Fraud Plan

An introductory report from PricewaterhouseCooper was received and an updated report will be brought to the next meeting.

1.9 External Audit Progress Report

The Committee received a refreshed version of the Audit Planning Report for 2015/16 following further guidance from the National Audit Office on the new approach to the value for money conclusion. It was noted that the report summarised the assessment of key issues which drive the development of an effective audit for the CCG and outlined the planned audit strategy in response to those risks.

1.10 Risk Register Reporting/Board Assurance Framework

The Committee noted the report which provided an update on Quarter 3 activity. The Committee agreed to hold deep dives from the Risk Register on a quarterly basis going forward following a successful pilot.

1.11 Annual Governance Statement

The Committee received an overview of the work being undertaken to prepare the Statement for 2015/16. An updated draft will be brought to the April meeting.

1.12 AGC Committee Annual Report

The Committee considered the first draft of its annual report, which highlights the work of the Committee during the year against its terms of reference and provides an opportunity to discuss how effectively the Committee discharges its remit.

1.13 Review of Conflict of Interest Policy

The Committee considered the proposed changes to this policy and recommended the revised version to the Governing Body.

1.14 Auditor Panel

The Committee noted the progress made to date regarding the creation of an Auditor Panel. The draft terms of reference were discussed and it was noted that final approval of these must be made by the Governing Body. The first meeting is due to be held in April.

1.15 Final Accounts and Preparation Plan

The Committee was informed of the outcome of the Month 9, Interim Accounts submission process and was advised of the process for producing the CCG's 2015/16 Year-End Accounts.



1.16 Losses and Compensation Payments – Quarter 3 2015/16

The Committee noted the contents of the report. The CCG had not recorded any losses during the third quarter of 2015/16 and had not made any special payments during the same time period.

1.17 Suspension, Waiver and Breaches of SO/PFPs

The Committee noted the contents of the report. There have been no suspensions of SO/PFPs, 4 waivers have been utilised appropriately.

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

The Committee noted that as at 31st December 2015, there was 1 sales ledger invoices greater than £10k and over 6 months old and 8 purchase ledger invoices greater than £10k and over 6 months old.

1.19 Financial Control Environment Assessment (FCEA)

The Committee noted the progress in delivering the FCEA Metrics.

2. KEY RISKS AND IMPLICATIONS

2.1 The Audit and Governance Committee will regularly scrutinise the risk register and the Board Assurance Framework of the CCG to gain assurance that processes for the recording and management of risk are robust. If risk is not scrutinised at all levels of the organisation, particularly at Governing Body level, the CCG will suffer a loss of control with potentially significant results.

3. RECOMMENDATIONS

- **Receive** this report and **note** the actions taken by the Audit and Governance Committee
- **Ratify** Conflict of Interest Policy
- **Support** establishment of Auditor Panel using Terms of Reference Shared at meeting

Name: Claire Skidmore

Job Title: Chief Finance and Operating Officer

Date: 24th February 2016

ATTACHED:

Appendix 1 – Conflict of Interest Policy



Appendix 2 – Auditor Panel Terms of Reference

