

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

Minutes of the meeting held on 31 July 2018 commencing at 10.00am  
In Brindley Room, Science Park, Wolverhampton

**Attendees:**

**Members:**

Mr P Price	Chairman/Governing Body Member
Mr D Cullis	Independent Lay Member
Mr J Oatridge	Deputy Chair of the Governing Body and Audit and Governance Committee
Mr L Trigg	Lay Member/Governing Body Member

**In Regular Attendance:**

Mr P McKenzie	Corporate Operations Manager, WCCG
Miss M Patel	Administrative Support Officer, WCCG (minute taker)

**In Attendance:**

Ms R Bajaj	Internal Audit Manager, PwC
Ms A Breedan	Partner, PwC
Mr T Gallagher	Chief Finance Officer, WCCG and Walsall CCG
Mr J McLarnon	Manager, External Audit, Grant Thornton
Mr N Mohan	Senior Manager and LCFS, PwC

**Apologies for attendance:**

AGC/18/72 Apologies were received from Dr H Hibbs, Dr S Reehana, Ms M Tonge, Ms J Watson, Mr M Stocks

**Declarations of Interest**

AGC/18/73 There were no declarations of interest.

**Minutes of the last meeting held on 22 May 2018**

AGC/18/74 The minutes of the last meeting were agreed as a true record.

**Matters arising (not on resolution log)**

AGC/18/75 Mr Price asked if his query to Ms Watson around risk being addressed in the Draft Internal Audit Annual Report had been acknowledged.. Ms Bajaj advised that this would be picked up within the reports already on the agenda.

### **Resolution Log**

AGC/18/76 The resolution log was discussed as follows;

- Item 120 (AGC/18/40) - Informing the Audit Risk Assessment - Results from the mapping exercise around the National Standard Contracts to be brought to the next meeting – In terms of 2018/2019 there were only 5 contracts outstanding out of over 100 contracts. Going forward Providers would be asked to report back on compliance on a regular basis.
- Item 121 – (AGC/18/64) – Draft Internal Audit Plan 2018/19 – Ms Watson to provide further information around the areas of risk that have been identified – this would be discussed on the agenda.

### **Internal Audit Progress Report**

AGC/18/77 Ms Bajaj presented the Internal Audit Progress Report to the Committee which updated them on activity since the last meeting and against the key recommendations and when they were due.

Mr Oatridge asked if 2018/2019 reports could be produced before year end in order for outcomes to be fed into the annual statement and governance report. Mr Oatridge advised that he was aware that this would depend on receiving the management opinion.

Mr Price asked if there were more or less reports in Quarter 4 which Ms Breedan advised that there were more reports. Ms Breedan asked if management could look into avoiding deferring items as this did impact the production of reports.

Mr Price commented on outstanding actions which had due date slippage as to how an end date could be finalised. Ms Bajaj said that Internal Audit were trying to chase the owners of the actions in order to ascertain this.

**RESOLUTION:** The Committee:

- Noted and accepted the report.
- That the Internal Audit Team would look to produce reports in time for the production of the annual statement and governance report dependent on receiving the management opinion.

### **Internal Audit Report – QIPP 2017/2018**

AGC/18/78 Ms Bajaj presented the QIPP report for 2017/2018.

Three medium risks had been identified:

- Potential QIPP Opportunities
- Papers for the QIPP Programme Board
- Reporting QIPP Performance

Mr Gallagher advised that he had been working with Mr Marshall to look at the identified risks. Mr Marshall had put in place the recommendations and that Finance and Performance were more sighted on delivery and non-delivery of QIPP. The Executive Team were supportive of the report.

Mr Trigg praised the layout of the dashboard.

Mr Oatridge asked Mr Gallagher if there was a group that looked at the in year delivery and drove the performance. Mr Gallagher said there were detailed reports and PMO played a key role in this. The emphasis needed to be changed to look at QIPP opportunities. He felt that a lot of future arrangements around integrated systems and that more transparency was needed.

Mr Price said that the report was very helpful.

RESOLUTION: The Committee:

- Noted and accepted the report.

#### **Internal Audit Report 2017/2018 Governance Arrangements Relating To The Better Care Fund**

AGC/18/79

Internal Audit Report 2017/2018 Governance Arrangements Relating To The Better Care Fund had identified one risk that stipulated that although the Better Care Fund was referenced in Governing Body papers a dedicated paper to this area was not presented.

The recommendation was that the Better Care Fund report which was presented at the Health and Wellbeing Board could be shared with the Governing Body Members.

The risk rating for this had been assessed as low as the Governing Body were kept informed about the subject area.

RESOLUTION: The Committee:

- Accepted the report and its findings. It was agreed to provide a formal paper to the Governing Body in future.

#### **Internal Audit Report – 2017/2018 Primary Care Commissioning**

AGC/18/80

The Internal Audit Report on 2017/2018 Primary Care Commissioning had identified 4 low rated risks:

- Primary Care Commissioning Committee (PCCC) control design
- Financial reporting updates to the PCCC
- Clinical performance monitoring
- Contract management KPIs

The report felt that the focus seemed to be more around operational work rather than strategic work.

Mr Trigg asked what route the report would take to be fed back to the PCCC. Mr McKenzie advised that it had been discussed at the PCCC last month and at the August Primary Care Operations Management Group and an action plan had been devised. Audit Reports should be sent back to the PCCC following this.

Mr Price asked if this route would be the same to other Committees and asked Mr McKenzie to pick this up as an action to ensure that this took place.

Mr Price enquired if there was a forum for strategic decision making. Mr McKenzie said a report had been taken to the last PCCC and the Governing Body. In the first formation of the PCCC it was more operationally focused in order for the CCG to gain delegated access. A Primary Care Strategy Committee was established to address this but as this became 'business as usual' the meeting had now become the Milestone Review Board.

The new governance around the Primary Care Committee would look at the Primary Care Strategy going forward.

Mr Oatridge highlighted that the importance of Conflicts of Interest being addressed at the Committee.

**RESOLUTION: The Committee:**

- Accepted the report and its recommendations.
- Mr McKenzie to ensure that audit finding reports were taken back to the relevant committees.
- That Conflicts of Interest was highlighted as a top priority at the PCCC.

### **Internal Audit Charter - Revisions**

AGC/18/81 The Internal Audit Charter outlined the responsibilities of the Internal Audit function for the year.

Mr Cullis noted that there was no reference in the document to the Head of Internal Audit Opinion and asked that this was added.

**RESOLUTION: The Committee:**

- Noted the report.
- That the Head of Internal Audit opinion was added to the Internal Audit Charter.

### **Internal Audit Recommendations**

AGC/18/82 This agenda item was covered in the progress reports.

### **Annual Audit Letter**

AGC/18/83 Mr McLarnan presented the Annual Audit Letter which was not dissimilar to the audit findings report but was a document that was more public facing report. It was issued as an unqualified report. One risk was identified at a local STP level.

Mr Oatridge highlighted that the internal audit progress report had included a benchmarking report from the Financial Reporting Council (FRC) which had identified that 2 of the 8 Grant Thornton audits inspected had required 'significant improvements'. Mr McLarnan advised that he was not able to comment on the specific information required or the audit work it related to. Mr Oatridge asked Ms Breedan if this related to internal and external audit work or just external work. Ms Breedan confirmed that it was external audits which fell in the remit of an Audit Quality Review (AQR) inspection.

Mr Cullis asked Mr McLarnon what internal quality reviews were undertaken. Mr McLarnon explained that there was a robust process in place. Mr Oatridge asked if there was a public internal quality report produced around process and regulations as an independent piece of governance. Mr McLarnon said he would look into this and bring back a report if it was available.

RESOLUTION: The Committee:

- Noted the report.
- Mr McLarnon to check if there was an internal quality report for Grant Thornton which could be shared with the Committee.

### **Risk Register Reporting/Board Assurance Framework**

AGC/18/84 Mr McKenzie presented the report on the CCG's Risk Management arrangements, including the latest updated Governing Body Assurance Framework (GBAF) and Corporate Risk Register.

Risk around VOCARE and the Improvement Board was moving more to 'business as usual'. Performance against Cancer standards continues to be concern and is monitored through Quality and Safety Committee and through Finance and Performance Committee.

No new strategic risks had been identified. Constitutional targets were not being met and were discussed at Finance and Performance Committee following discussions and Senior Management Team (SMT).

Last year's review had identified that SMT should be conducting quarterly deep dive reviews around risk. Mr Price asked if a summary would be received by the committee and Mr McKenzie confirmed that it would.

Mr McKenzie assured the Committee that continuous improvement and risk management continued to be high priority. A Governing Body Development Session had been utilised to discuss risk and its discussions on agendas.

Mr Oatridge asked about the potential staff capacity changes due to possible changes and how they would be addressed. Mr Gallagher said that this had been noted and that risk was at the forefront of the organisation and managing risks. The STP was trying to ensure that there was a more streamlined process so there was no duplication of work. Mr Oatridge felt that there was no process in place to pull organisation effectiveness together. Mr Gallagher felt that the corporate risk register was a way of addressing this. Overall it was the Accountable Officers responsibility to look at this and Mr Oatridge felt that this should be addressed in the Chief Executives Report around organisational resilience to the Governing Body.

Mr Price had a query around process/assurance where there were risks in 2016/2017 that were still open and if there was an end date. Mr McKenzie said he would be working with the Governance and Risk Coordinator to look at this.

**RESOLUTION: The Committee:**

- Noted the report and its recommendations.
- Mr McKenzie to report at next Audit and Governance Committee on end dates for risks where appropriate.

### **Review of Performance against Whistleblowing Policy**

AGC/18/85 Mr McKenzie presented the report on the review of performance against the whistleblowing policy. The report was an annual assessment of the policy and that no disclosures had been made. The Speak up Guardian for the CCG could act on behalf of practices if they wanted.

Generally across the NHS whistleblowing remained high on the national agenda.

Mr Trigg said that as there had been no reported whistleblowing incidents reported and how could the committee be reassured that the policy was effective if there had not been any incidents reported because it wasn't effective or if it was effective. Mr Cullis asked if Mr McKenzie had asked managers if anything had been raised. Mr McKenzie advised that he hadn't been approached.

There was a discussion between the committee about how far the whistleblowing policy extended out to stakeholder organisations and how assurance was in place.

RESOLUTION: The Committee:

- Approved the report with some potential amendments in the future.
- Mr Oatridge and Mr McKenzie to meet outside of committee meeting to discuss policy further. Mr McKenzie to take to Executive Team meeting and bring to Audit and Governance Committee.

### **Feedback to and From the Audit and Governance Committee and Wolverhampton CCG Governing Body Meetings and Black Country Joint Governance Forum**

AGC/18/86 Mr Price reported that more assurance had been received regarding VOCARE and the Governing Body were happy to deescalate to the Quality and Safety Committee.

Mr Oatridge updated that the Black Country Joint Governance Forum (BCJGF) had not met as there had been ongoing discussions around the uniform reporting of risks. The templates had now been approved at the Black Country Joint Commissioning Committee and that himself and Mr Maubauch would be meeting to populate the Risk Register. Mr Oatridge suggested that he meet with Mr McKenzie to find a suitable date for another BCJGF. Mr McKenzie also updated that Dr Helen Hibbs was now the Black Country STP SRO there was a change in the direction of travel and a new STP PMO office was being established including the appointment of the STP Portfolio Director in the coming weeks.

RESOLUTION: The Committee:

- Approved the report.
- Mr Oatridge and Mr McKenzie to liaise and arrange another date for the BCJGF.

### **Losses and Compensation Payments – Quarter 1 2018/2019**

AGC/18/87 Mr Gallagher presented this report and advised the Committee that there were no loses or special payments for the period ending 30 June 2018.

RESOLUTION: The Committee:

- Noted the above.

### **Suspension, Waiver and Breaches of SO/PFPS**

AGC/18/88 Mr Gallagher noted the below in quarter 1 of 2018/19:

- During quarter 1 of 2017/18 there were 24 invoices in breach of PFPs (5.30% of all invoices paid);
- 17 waivers were raised during quarter 1;
- 10 non-healthcare invoices were paid without a purchase order being raised during quarters 1.
- Assured the Committee that the Finance department liaised with individuals where invoices were paid without a Purchase Order.

Mr Price asked Mr Gallagher if a report could be brought to the next meeting showing trends against performance last year with regards to non-purchase order.

RESOLUTION: The Committee:

- Noted the above.
- Mr Gallagher to bring a year on year trend report to next Audit and Governance Committee.

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

AGC/18/89 The Committee noted that as at 30 June 2018 there were:

- No sales invoice greater than 10k and over 6 months old.
- 21 purchase ledger invoices greater than £10k and over 6 months old.

RESOLUTION: The Committee:

- Noted the above.

### **Counter Fraud Progress Report**

AGC/18/90 Mr Mohan reported that a new Fraud Risk Group Meeting had been arranged. All plans were on target and no referrals had been made.

RESOLUTION: The Committee:

- Accepted the report.

### **Any Other Business**

AGC/18/91 There were no items to be discussed under this agenda item.

### **Date and time of next meeting**

AGC/18/92 Tuesday 13 November 2018 at 11am at Wolverhampton Science





**Wolverhampton**  
Clinical Commissioning Group

Park