

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

Minutes of the meeting held on 13 November 2018 commencing at 4.14pm  
In Stephenson 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:**

Mr T Gallagher	Chief Finance Officer, WCCG and Walsall CCG
Mr J McLarnon	Manager, External Audit, Grant Thornton
Ms T Putwa	Counter Fraud Manager, PwC
Mr M Stocks	External Audit Partner, Grant Thornton
Ms J Watson	Senior Internal Audit Manager, PwC

**Apologies for attendance:**

AGC/18/93 Apologies were received from Dr H Hibbs, Dr S Reehana, Ms M Tonge, Mr Mohan, Mr Grayson

**Declarations of Interest**

AGC/18/94 There were no declarations of interest.

**Counter Fraud Progress Report**

AGC/18/95 Ms Putwa presented the Counter Fraud Progress Report for information.

The Executive summary gave progress to date and the Committee were advised that a Fraud Risk Group meeting had taken place since the last Audit and Governance Committee Meeting. The Anti-Fraud standard action plan had been discussed at the group.

Mr Cullis asked about the fraud referral received in February 2018 and asked if it was a significant referral. Ms Putwa said that she couldn't say if it was at this stage as they were still waiting to have a conversation with the relevant manager at the Trust. Mr Gallagher advised that he would

need to meet with the Head of Medicines Optimisation to see if this needed to be progressed.

RESOLUTION: The Committee:

- Noted and accepted the report.
- Mr Gallagher to speak with the Head of Medicines Optimisation about the fraud referral received in February 2018.

### **Minutes of the last meeting held on 31 July 2018**

AGC/18/95 The minutes of the last meeting were agreed as a true record.

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

AGC/18/96 There were no matters arising.

### **Resolution Log**

AGC/18/97 The resolution log was discussed as follows;

- Item 126 (AGC/18/80a) – Internal Audit Report – 2017/2018 Primary Care Commissioning – Mr McKenzie to ensure that audit finding reports were taken back to the relevant committees – This had been picked up at the respective meetings. Closed.
- Item 127 – (AGC/18/80b) – Internal Audit Report – 2017/2018 Primary Care Commissioning – Mr McKenzie to ensure that conflicts was highlighted as a top priority at the PCCC – This had been picked up and highlighted and committee members were adhering to the guidance around Declarations of Interest.
- Item 128 – (AGC/18/81) – Internal Audit Charter – Revisions – the Head of Internal Audit opinion was added to the Internal Audit Charter - This had been completed. Closed.
- Item 129 – (AGC/18/83) - Annual Audit Letter – Mr McLarnon to check if there was an internal quality report for Grant Thornton which could be shared with the Committee - Document circulated for information on 25.10.18. Closed.
- Item 130 – (AGC/18/85) - Risk Register Reporting/Board Assurance Framework – Mr McKenzie to report at next Audit and Governance Committee on end dates for risks where appropriate – Mr Oatridge had met with Mr P Maubach and Mr A McIntyre and constructed a template for risk reporting. This would be used if any joint commissioning took place and that this would be discussed at the Joint Commissioning Committee. Mr Maubach had asked Mr Oatridge to raise how other CCGs would feel about having a common audit meeting. The group discussed this and felt that at present there was not a need for this.
- Item 131 – (AGC/18/85) - Review of Performance against Whistleblowing Policy - 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 – On agenda.

- Item 132 – (AGC/18/86) - Feedback to and From the Audit and Governance Committee and Wolverhampton CCG Governing Body Meetings and Black Country Joint Governance Forum – Mr Oatridge and Mr McKenzie to liaise and arrange another date for the BCJGF – On agenda.
- Item 133 – (AGC/18/88) - Suspension, Waiver and Breaches of SO/PFPS – Mr Gallagher to bring year on year trend report to next Audit and Governance Committee – On agenda.

Mr Price asked that it was noted that under AGC/18/79 – Internal Audit Report 2017/2018 Governance Arrangements Relating To The Better Care Fund that the report that had been presented at the Health and Wellbeing Board had now been shared with Governing Body Members.

### **Internal Audit Progress Report**

AGC/18/98 Ms Watson presented the Internal Audit Progress Report to the Committee. Ms Watson asked the committee to approve the recommendation to merge Ref 4 - GP Five Year Forward View into Ref 1 - Corporate Governance Primary Care Strategy recommendation. This was accepted by the Committee.

In addition updates were given for:

- Risk Management
- Finance
- Safeguarding
- Quality and Safety
- Information Governance
- Audit Follow Up
- Delegated Commissioning

The Committee were asked to approve the recommendation that PwC use the freed up days from the Information Governance review to complete Delegated Commissioning work. The Committee agreed to this recommendation.

Progress on actions allowed the Committee to see the status of a number of actions. Ms Watson highlighted two actions around Contract Management where further extensions had been requested. Mr Price queried why an extension had been requested again. Mr Gallagher advised that he would speak to the Head of Contracting and Procurement about this. Mr Oatridge and Mr Trigg voiced concerns about leaving unresolved actions.

There were seven overdue actions and not update had been received as at 6 November 2018 on the Wolverhampton CCG Connect site. Mr Price asked Mr Gallagher if he could remind managers to update the action log.

RESOLUTION: The Committee:

- Noted and accepted the report.
- Accepted the recommendation for Ref 4 - GP Five Year Forward View to be merged into Ref 1 - Corporate Governance Primary Care Strategy.
- The Committee approved the recommendation that PwC use the freed up days from the Information Governance review to complete the Delegated Commissioning work.
- Mr Gallagher to speak with the Head of Contracting and Procurement regarding the request for extensions on the actions identified by Internal Audit.
- Mr Gallagher to remind managers to update action log.

### **Internal Audit Charter**

AGC/18/99 Ms Watson presented the Internal Audit Charter to the Committee in response to the action from the last meeting that the Head of Internal Audit opinion was added to the document.

RESOLUTION: The Committee:

- Noted and accepted the report.

### **Internal Audit of Finance**

AGC/18/100 The Internal Audit of Finance document was presented to the Committee. Ms Watson advised that positive comments had been received.

RESOLUTION: The Committee:

- Noted and accepted the report.

### **Internal Audit of Quality and Safety**

AGC/18/101 Ms Watson presented the Internal Audit of Quality and Safety which was received as being positive. There was one low risk and one advisory reported.

Mr Cullis queried if there was a 60 day reporting period for Serious Incidents and if the CCG was within this time frame. Ms Watson said that she would check this. The report would be taken to the Quality and Safety Committee next month.

RESOLUTION: The Committee:

- Noted and accepted the report.
- Ms Watson to check if the CCG were adhering to the 60 day reporting period for Serious Incidents.

### **Primary Care Internal Audit Framework including Draft Reporting Template**

AGC/18/102 The section under item 23 on page of the document highlighted the key areas which were:

- Commissioning and procurement of Primary Medical Services
- Contract Oversight and Management Functions
- Primary Care Finance
- Governance

Mr McKenzie stated that the CCG Governance statement would need to be updated with the information from the Governance section.

RESOLUTION: The Committee:

- Noted the report.

### **External Audit Progress Report**

AGC/18/103 Mr McLarnon presented the External Audit Progress Report to the Committee. Page number 4 headlined the progress to date. It was expected that an audit plan summarising the external audit approach to key risks would be produced in February 2019.

Annual Accounts Workshop dates had been emailed out to staff.

RESOLUTION: The Committee:

- Noted the report.

### **Governance Statement**

AGC/18/104 Mr McKenzie presented a report to give the committee an insight into the themes and content which were likely to be included in the Annual Governance Statement. This would include the impact of the role of the STP under the leadership of the Accountable Officer.

Mr Oatridge offered some comments under Governance Arrangements, Risk Management and Management to Excess Treatment Costs.

RESOLUTION: The Committee:

- Noted the report.

### **Risk Register Reporting/Board Assurance Framework including GBAF and Risk Register**

AGC/18/105 Mr McKenzie presented the report on the Risk Register Reporting/Board Assurance Framework.

The Risk Register and Board Assurance Framework in the pack were the latest versions. They had been discussed at the Senior Management Team last month. Risks are being updated and discussed at committees. A table top review had been undertaken by the CCG Governance team.

The risk level for BAF3a had been reduced and details were given of changes in the overall corporate risk profile. It was highlighted that the risk around Governing Body leadership (CR06) remained open as the Governing Body Secondary Care Consultant had recently resigned.

Mr Price said that the culture around risk was changing and that it was being discussed more at Committees.

RESOLUTION: The Committee:

- Noted the report.

### **Risk Management Progress including Deep Dives**

AGC/18/106 This had been discussed with the Senior Management Team and the template which would be used was attached to papers.

Risks had been scored appropriately and one new risk had been identified. There had been discussions around staff capacity challenges.

Mr Gallagher felt that it was a positive step that this had been taken through SMT.

Mr Price asked Internal Audit if they had seen any examples of Executive Directors attending Audit & Governance Committees to discuss risk rather than just at Executive meetings. Ms Watson and Mr Stocks said that it was individual preference.

Mr Oatridge asked if further assurance could be received around staff and especially around staff retention. Mr McKenzie was asked to bring a further update around this.

RESOLUTION: The Committee:

- Noted the report and its recommendations.
- Mr McKenzie to bring back a further update around staff retention.

### **Whistleblowing Update**

AGC/18/107 There had been no issues raised under the Whistleblowing policy.

There had been a previous discussion about disclosures being made by non CCG staff and not having protection. Mr McKenzie gave a brief overview of whistleblowing policies at The Royal Wolverhampton Hospitals Trust and the Black Country Partnership Foundation Trust and also about arrangements in Primary Care. NHS England had introduced a learning package for staff around national developments, assurance aspects and next steps.

Mr Cullis asked if a summarisation of the programme of communications

would be helpful.

Mr Cullis asked if there was a whistleblowing hotline. Mr McKenzie advised that he was the Speak up Guardian and that the policy had all the relevant numbers in there.

The Committee continued to voice their concerns that there were no whistleblowing cases being raised, Mr Gallagher said that the statistics were also similar in Walsall CCG and if they could be reassured that the policy was effective.

RESOLUTION: The Committee:

- Noted the report and accepted the next steps.
- Mr McKenzie to pick up comments given by the Committee.

*Mr Trigg left the meeting.*

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

AGC/18/108 Mr Price highlighted the Governing Body had discussed Cancer Targets and Mortality.

The Black Country Joint Governance Forum had been discussed previously.

RESOLUTION: The Committee:

- Approved the report.

#### **Compliance with Constitution and Principles of Good Governance**

AGC/18/109 This item was not discussed.

#### **Losses and Compensation Payments – Quarter 2 2018/2019**

AGC/18/110 There were no losses or payments to report.

RESOLUTION: The Committee:

- Noted the above.

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

AGC/18/111 Mr Gallagher noted the below in quarter 2 of 2018/19:

- During quarter 2 of 2017/18 there were 14 invoices in breach of PFPs (5.30% of all invoices paid);
- 17 waivers were raised during quarter 2;
- 32 non-healthcare invoices were paid without a purchase order being raised during quarters 2.
- Assured the Committee that the Finance department liaised with

individuals where invoices were paid without a Purchase Order.

The report requested to show trends against performance last year with regards to non-purchase order was presented to the committee.

Mills and Reeves continued to be retained as the legal provider for the CCG following a look at other potential providers as they provided better value for money.

RESOLUTION: The Committee:

- Noted the above.
- An extra column to be added to the spreadsheet showing value for money where evidence is available.
- Mr Gallagher to look into where people were asking for legal advice and if it is value for money.

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

AGC/18/112 The Committee noted that as at 30 September 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.

Mr Gallagher also highlighted that there were issues around STP recharging as there was not a formal process in place. The CFOs of each CCG were in discussion about this.

The £4.8million from RWT had still not been paid. Mr Stocks said that he would like this to be resolved by 2018/2019.

RESOLUTION: The Committee:

- Noted the above.

#### **Local Security Management Update**

AGC/18/113 Mr McKenzie presented the progress report on behalf of Mr Grayson.

RESOLUTION: The Committee:

- Accepted the report.

#### **Any Other Business**

AGC/18/114 There were no items to be discussed under this agenda item.

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

AGC/18/115 Tuesday 19 February at 11am at Wolverhampton Science Park