

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

Minutes of the meeting held on 20 February 2018 commencing at 11.00am  
In Armstrong Room, Science Park, Wolverhampton

**Attendees:**

**Members:**

Mr P Price	Chairman
Mr D Cullis	Independent Lay Member
Mr J Oatridge	Deputy Chair of the Governing Body and Audit and Governance Committee (partial meeting)
Mr L Trigg	Independent Lay 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 N Mohan	Senior Manager, LCFS, PwC
Mr M Stocks	Partner, External Audit, Grant Thornton
Ms M Tongue	Head of Financial Resources, WCCG
Ms J Watson	Senior Internal Audit Manager, PwC

**Apologies for attendance:**

AGC/18/01 Apologies for absence were submitted by Dr Hibbs.

**Declarations of Interest**

AGC/18/02 Mr Cullis advised that he had now changed job roles and had submitted a new Declarations of Interest Form to the CCG reflecting the change.

**Minutes of the last meeting held on 18 July 2017**

AGC/18/03 The minutes of the last meeting were agreed as a correct record with the emittance of the word 'her' in the sentence on page 1. The sentence should read 'Ms Watson asked to declare for information that Dr Julian Parkes who was currently a member of the Wolverhampton Clinical Commissioning Group Governing Body was her GP.'

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

AGC/18/04 There were no matters arising to discuss.

### **Resolution Log**

- AGC/18/05 The resolution log was discussed as follows;
- Item 99 (AGC/17/86a) – Ms Watson to meet with Mr Gallagher to discuss internal audit reporting of actions – Meeting had taken place and this was on agenda. Close.
  - Item 100 (AGC/17/86b) - An update on internal audit follow up to any recommendations to actions to be brought to next meeting – On agenda.
  - Item 101 (AGC/17/87a) – Risks from each committee meeting to be brought back to next meeting – On agenda.
  - Item 102 (AGC/17/87b) - A report on the observations by Ms Watson and internal audit at committee meetings be brought back to the next meeting – Verbal Update to be given.
  - Item 104 (AGC/17/93) - Mr Gallagher to look into the number of contracts that are up for renewal and report back to the committee including the current contract with Mills and Reeves – The Mills and Reeves contract would need to be looked at via the procurement process. The information regarding the other contracts would be circulated externally by Mr Gallagher.
  - Item 105 (AGC/17/95) - Mr Grayson to liaise with Mr McKenzie around LSM updates to staff – Mr Grayson had attended a staff meeting and briefings/newsletters were circulated to staff.
  - Item 106 (AGC/17/96a) - A full report on GDPR to be brought back to the meeting in February 2018 – On agenda.
  - Item 108 (AGC/17/96c) - Committee members to review and send back any comments to Miss Patel. This will then be circulated at the next meeting with the agreed amendments – Information had been provided and circulated.

### **Internal Audit Plan 2018/2019**

AGC/18/06 Ms Watson gave a verbal update on this agenda item.

The Internal Audit team had met with members of the Executive Team and talked through their findings of report writing, national themes and this year would reflect on the Board Assurance Framework (BAF). Ms Watson would be meeting with the Executive Team on the 28 February 2018 to plan using the BAF, findings of previous audit work, themes and areas the Executive team identified. This information would be used to draft a risk based plan. This would then be circulated to the Audit Chair and members prior to the next meeting.

**RESOLUTION:** The Committee:

- Report to be brought to next meeting for approval.
- Ms Watson to circulate the internal Audit Plan to members prior to the next meeting.

## **Internal Audit Progress Report**

AGC/18/07 Ms Watson presented the Internal Audit Progress Report and gave a summary on the below items against the 2017/18 Internal Audit Plan:

- Corporate Governance – Primary Care Co-commissioning.
- Conflicts of Interest
- Risk Management
- Finance
- Better Care Fund
- Arrangements with the CSU
- QIPP
- Information Governance
- Audit follow-up

*Mr Oatridge arrived.*

Ms Watson made specific reference to the risk management report. Mr Hastings – Director of Operations and Mr McKenzie – Corporate Operations Manager had implemented new changes which had seen a marked improvement in areas particularly related to risk.

The committee provided the below comments:

- Felt that the new system was working much better and that information presented was much more accurate.
- Risk was now a fundamental issue on agendas but needed developing further in other committees.
- Risk was everyone's responsibility.
- Dashboards and Deep Dives were used better.

Ms Watson and her team would try and go to City of Wolverhampton Council in order to complete their fieldwork on the Better Care Fund for this quarter. The Internal Audit team would be revisiting their report and comments they had been made about the Commissioning Support Unit (CSU) as the CSU had felt they were of a negative nature.

It had been identified that team time was being utilised better for QIPP and there had been an improvement in reporting. The report on Information Governance was being drafted and Ms Watson would circulate this before the next Committee Meeting.

The Lay Members felt that it would be a good idea for the Internal Audit report to contain management comments including any when there was no agreement on recommendations made by the Internal Audit team. Mr Gallagher informed the Committee that the Management Team had agreed all of the actions made by Internal Audit but was in agreement that comments should be added to the final report.

RESOLUTION: The Committee:

- Noted the report.
- Ms Watson to circulate the IG report before the next meeting.
- Ms Watson to circulate the internal Audit Plan to members prior to the next meeting.
- Ms Watson to add any management comments to report.

### **External Audit Plan**

AGC/18/08 Mr Stocks presented the first external audit plan produced by Grant Thornton for the CCG.

Areas discussed were:

- Deep Business Understanding
- Significant Risks Identified
- Other Matters
- Materiality
- Value for Money Arrangements
- Audit Logistics, Team and Fees
- Independence and Non-Audit Services

Mr Stocks informed the Committee that Wolverhampton was the only CCG in his portfolio who had delivered their QIPP Plan and had a surplus. The annual assessment was also outstanding.

Mr Oatridge commented that he felt that the report focused from an STP point of view rather than a CCG point of view. Mr Stocks said that he would take the comments on board.

RESOLUTION: The Committee:

- Noted the Plan.

### **Draft Counter Fraud Plan**

AGC/18/09 Mr Mohan presented the Annual Counter Fraud Work Plan 2018/19 to the Committee had been allocated a similar level of resource to last year. The highest level of risk assessment was around leavers and Mr Mohan asked the Committee to feedback to managers to reinforce the recommendations that had previously been made by Ms Watson and Internal Audit.

Mr Price asked if any references were made to the Organisational Risk Register. Mr Mohan said that it might be useful to have an extra column indicating if there was anything on the fraud risk register that needed to be escalated.

The Counter Fraud Progress Report to be discussed under the agenda

item 'For Information' had not been circulated to the Committee. Miss Patel was asked to circulate the attachment after the meeting and that any comments were sent back to Mr Mohan by Friday 9 March 2018.

RESOLUTION: The Committee:

- Agreed the Annual Counter Fraud Work Plan 2018/19.
- Miss Patel to circulate the Counter Fraud Progress Report to committee members with comments to be sent back to Mr Mohan by Friday 9 March 2018.
- Mr Price to raise with Mr Gallagher around feedback to Managers when staff leave the organisation that protocol has been followed.

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

AGC/18/10 Mr McKenzie presented a report on the Risk Register and Board Assurance Framework. This was the latest version of the paper which had also been presented to the Governing Body Meeting in February 2018. In addition the Committee were also presented with the Update Risk Management Strategy which they were asked to approve.

Risk was now looked at in a much more robust way in greater detail at individual committees. There was ongoing work in the CCG to develop the culture around risk. Mr McKenzie that he had now recruited internal support to help with the work he was undertaking. There was now more involvement from the Governing Body in addressing and looking at the risks on the corporate risk registers.

The committee were in agreement that the work undertaken by the Director of Operations and Mr McKenzie was significant and a marked improvement on last year and welcomed the changes.

RESOLUTION: The Committee:

- Noted the report and its recommendations.
- Approved the Risk Management Strategy.

### **Draft GBAF – February Audit Committee**

AGC/18/11 This was discussed under (AGC/18/10) Risk Register Reporting/Board Assurance Framework.

### **Risk Management Strategy**

AGC/18/12 This was discussed under (AGC/18/10) Risk Register Reporting/Board Assurance Framework.

### **Governance Statement**

AGC/18/13 Mr McKenzie shared the draft Annual Governance Statement with the

Audit and Governance Committee which included reference to changes in risk management and the impact of the cyber-attacks and the CCG response. The Accountable Officer had seen the draft statement and was happy with it. Mr McKenzie asked for any comments from the Committee.

Mr Price asked that reference was made to the Black Country Joint Commissioning Committee and also the impact and changes that commissioning had on the CCG.

Mr Oatridge felt that that the statement should incorporate more of the achievements of the CCG including where progress had been made and also the fact that the CCG had been rated outstanding.

RESOLUTION: The Committee:

- Received assurance from the report.
- Mr McKenzie would incorporate the comments of the Committee members in the Governance statement.

### **Draft Committee Annual Report**

AGC/18/14 Mr McKenzie advised that he had been looking at the Committee Annual Report. The same format and themes had been used as last year. The Governing Body had received assurance from the report which had also been discussed with Internal Audit.

The Committee were asked to support the approach to the Annual Report and the proposed changes to the Committee Terms of Reference. Mr Oatridge asked if the outcome of the Audit and Governance Committee Effectiveness Questionnaire could be feedback to the Governing Body.

RESOLUTION: The Committee:

- Approved the Annual Report
- Approved the Terms of Reference
- Approved the Review of Committee Effectiveness
- Outcome of the Audit and Governance Committee Effectiveness Questionnaire to be feedback to the Governing Body.

### **Draft Review of Terms of Reference**

AGC/18/15 This was discussed under (AGC/18/14) Draft Committee Annual Report.

### **Draft Review of Effectiveness including Audit Committee Questionnaire**

AGC/18/16 This was discussed under (AGC/18/14) Draft Committee Annual Report.

It was agreed that the questionnaire would be circulated to members in advanced of the next meeting and feedback can be discussed at the April Meeting.

RESOLUTION: The Committee:

- Mr McKenzie to circulate the Effectiveness questionnaire in advance of the next meeting and feedback discussed at next meeting.

**General Data Protection Regulation (GDPR)**

AGC/18/17 The GDPR will come into force in May 2018. The paper presented to the Committee gave an outline of arrangements for the CCG including training for staff, communications and updates being provided at the Quality and Safety Committee as well as this committee.

An action plan has been developed to support the CCG's preparation for implementation of the new legislation and is being supported by Arden and Gem CSU.

RESOLUTION: The Committee:

- Noted the report

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

AGC/18/18 Governing Body:

- The high risk regarding Vocare and its provision at the Urgent Care Centre in Wolverhampton. An action plan was in place.
- The financial position of the CCG was also highlighted as a risk.

Black Country Joint Commissioning Committee:

- The Terms of Reference had now been agreed following concerns that had been raised from West Birmingham.
- The Committee had discussed using a standard template for the risk registers at each CCG and had tasked the Governance Task and Finish Group to look at this.
- The Governance Task and Finish Group to look at risk around joint committee working and reporting.

RESOLUTION: The Committee:

- Noted the update

**Final Accounts and their preparation plan including update on submission of Month 9 accounts**

AGC/18/19 Mr Gallagher and Ms Tongue highlighted the below:

- That the committee had been presented with the draft accounts with working balances.
- The accounts would be finalised by 24 April 2018 with a view to produce the full accounts on 29 May 2018.
- Mr Gallagher and Ms Tongue were looking into a coding error which had been identified.

- The 2017/2018 position only shows expenditure until Month 9 whereas the 2016/2017 expenditure showed until Month 10.
- The process had gone well and the CCG were able to evidence why there were variances between the CCG and the Providers.
- The CCG does not anticipate any risks associated with the process.

RESOLUTION: The Committee:

- Noted the report

### **Losses and Compensation Payments – Quarter 3 2018/19**

AGC/18/20 Mr Gallagher presented this report and advised the Committee that there was 1 loss of £36.12 during quarter 3 of 2017/2018 relating to the write-off of a salary overpayment to a previous CCG lay member. There were no special payments during the same quarter.

RESOLUTION: The Committee:

- Noted the report.

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

AGC/18/21 Mr Gallagher noted the below in quarter 3 of 2017/18:

- During quarter 3 of 2017/18 there were 20 invoices in breach of PFPs (2.70% of all invoices paid);
- 2 waivers were raised during quarter 3;
- 33 non-healthcare invoices were paid without a purchase order being raised during quarters 1 - 3.

RESOLUTION: The Committee:

- Noted the report

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

AGC/18/22 The Committee noted that as at 31 December 2017 there were:

- No sales invoice greater than 10k and over 6 months old.
- 13 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.

RESOLUTION: The Committee:

- Noted the above.

### **NHS CFA Strategy**

AGC/18/23 Mr Mohan presented the NHS CFA Strategy for information.



RESOLUTION: The Committee:

- Received the report for information.

**Any Other Business**

AGC/18/24 There were no items to discuss.

**Date and time of next meeting**

AGC/18/25 Tuesday 17 April 2017 at 11am in the Armstrong room at  
Wolverhampton Science Park