

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

Minutes of the meeting held on 30 July 2019 commencing at 11.00am
In Armstrong 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	PA to Chief Officer and Chair of Governing Body, WCCG (minute taker)

In Attendance:

Ms R Bajaj	Internal Audit Manager, PwC
Mr T Gallagher	Director of Finance, WCCG
Mr J Green	Chief Finance Officer, Sandwell and West Birmingham CCG and WCCG
Mr N Mohan	Senior Manager, PwC
Mr M Stocks	Partner, External Audit, Grant Thornton

Apologies for attendance:

AGC/19/65 Apologies were received from Ms Breadon, Mr McLarnan, Ms Putwa, and Ms Watson

Declarations of Interest

AGC/19/66 There were no declarations of interest.

Minutes of the last meeting held on 23 April 2019

AGC/19/67 The minutes of the last meeting were agreed as a true record.

Matters arising (not on resolution log)

AGC/19/68 There were no matters arising.

Resolution Log

AGC/19/69 The resolution log was discussed as follows;

- Item 149 – (AGC/19/15) - Counter Fraud Progress Report – Mr

Mohan advised that there was an increase in the number of fake prescriptions being circulated within Wolverhampton. Mr Mohan confirmed that it was a West Midlands issue with Wolverhampton being the prominent area and that other CCGs had been alerted with communications being circulated by the Commissioning Support Unit. The police were now involved in investigations and the Committee would continue to be updated as and when they could.

- Item 154 – (AGC/19/30) - Cyber Security - Mr McKenzie to bring back a report of the organisations performance against the 10 cyber risks once completed – This was in the internal audit workplan and would be brought to the next meeting following discussions with the Director of Operations and Internal Audit.
- Item 157 – (AGC/19/33) - Draft Internal Audit Plan for 2019/2020 - Mr McKenzie to add a line in the Board Assurance Framework to show which audit function was sending assurance around certain areas – This had been included in the Board Assurance Framework. Closed.
- Item 163 – (AGC/19/50) - Final 2019/20 Internal Audit Plan - Internal Audit to add a KPI around the proportion of audits completed through the year – There is a column added in the progress report for this meeting and will further report at the next meeting on how they are performing and to pull this into a KPI. Mr Oatridge asked that the performance against the plan and the days worked on audit against the plan should also be in two KPI. To be added to the next progress report.
- Item 164 – (AGC/19/52) - Internal Audit Annual Report 2018/19 (which includes the Head of Internal Audit Opinion) - Internal Audit to provide a paper on learning experiences from merged organisations and risks to be shared with the Black Country Transition Board – Included in the progress report. Closed.
- Item 165 – (AGC/19/54) - Management Representation Letters to be issued in advance for Governing Body Review in the future – Bring Forward for Audit Programme.
- Item 166 – (AGC/19/60) - Receivable/Payable Greater than £10,000 and over 6 months old - Mr Kay to look into the resolution of outstanding invoices – Mr Gallagher to look into this with Mr Kay and circulate before the 11 November 2019 meeting.

Annual Audit Letter

AGC/19/70 Mr Stocks gave a general update that the annual audit letter would go onto the CCG website and said that it was a positive letter.

It reconfirmed that it gave an 'unqualified opinion' and that the External Audit Team had not had to use their statutory powers,

RESOLUTION: The Committee:

- Accepted the report

Mr Stocks left the meeting.

Internal Audit Progress Report

AGC/19/72 Ms Bajaj presented the Internal Audit Progress Report which included the Finance Report which had been circulated with the internal audit pack of papers.

Ms Bajaj also updated that the Stakeholder Engagement Report had now been finalised but had missed the deadline for this meeting so asked if it could be circulated to Committee members before the next meeting.

Highlights from the Stakeholder Engagement Report included:

- Positive comments received including work with stakeholders and the relationship with the Accountable Officer.
- Not a risk rated report so no themes or issues have come out of this.
- The stakeholders who responded (GPs, Director of Adult Social Care at Wolverhampton City Council, Director of Strategic Planning and Performance and Director of Integration from the Royal Wolverhampton Hospitals Trust and from the CCG the Director of Strategy and Transformation, Director of Nursing and Chief Nurse and the Director for Operations).
- Areas of focus included a lack of change.
- Importance of working with GPs.
- More work in Mental Health to make it more profile within the Better Care Fund and ICA arenas.

The progress report gave updates on each area and in which quarter of the plan it would be delivered. The areas identified were:

1. Corporate Governance – Equality and Diversity
2. Finance
3. Delegated Commissioning
4. Cybersecurity
5. Continuing Healthcare
6. Brexit Planning
7. Conflicts of Interest
8. Information Governance
9. HR/Restructuring
10. Audit Follow Up

Ms Watson had met with Mr Gallagher to discuss audit follow up. Internal Audit had moved away from the Connect system and emails had been sent to individuals regarding overdue risks. As a last resort, if risks were overdue by 4 weeks it would be escalated to the Chair of the Audit and Governance Committee. An update on the status of risks would be given at the next meeting.

Mr Oatridge asked why there had been a move from the Connect system. Mr Gallagher advised that this was due to the onerous nature of working and it was hoped this would be a better system to use. Mr Price asked how insufficient responses would be dealt with. Ms Bajaj advised that responses were tested and evidence was asked for and the Committee

would be kept up to date. Each area had a designated lead along with Internal Audit and the lead was responsible for closing actions.

The report also the KPIs which would be amended with Mr Oatridge's comments.

Also included was a paper that had been requested by the Audit and Governance Committee around joint working. Mr Oatridge did not feel that the paper touched on learning exercises and identified people that the CCG could speak with about mergers that had occurred previously.

Mr McKenzie updated that learning had been discussed at the Transition Board and the Transition Director had met with colleagues at Birmingham and Solihull. There were also discussions around potential committees in common, governance structures, terms of reference, audits, multiple reporting etc A lot of work was being undertaken to look at this. Coventry and Warwickshire and Hereford and Worcestershire were identified as being ahead of the Black Country.

Mr Price was happy to touch on this in his summary report to the Governing Body.

Mr Green was asked to look at contracts for External Audit in the other CCGs and to bring a paper in November Meeting.

RESOLUTION: The Committee:

- Noted and accepted the report.
- Status of actions to be given at next meeting.
- Mr Green to bring findings of External Audit contracts from other CCGs to the November meeting.

Internal Audit Charter

AGC/19/73 The Internal Audit Charter was presented to the Audit and Governance Committee for approval. The Charter outlines the purpose and scope, responsibilities of internal audit and CCG management responsibility. The changes that were requested last year had been added to the Internal Audit Charter.

RESOLUTION: The Committee:

- Accepted and approved the report.

Finance Review – Final Internal Audit Report

AGC/19/74 The Finance Review focused on single tender waivers. It looked at processes, documentation and approval process. There were 2 medium and 1 low risk finding identified.

Documentation was inconsistent and there were a lack of documentation

and evidence why forms had been approved. Some forms had been approved by the Head of Contracting and Procurement at the CCG rather than at the CSU as per the detailed financial policies.

There was also a lack of understanding of how to fill in waiver forms by senior members of the CCG and that training had not been conducted since 2012.

Mr Gallagher advised that a short deadline had been set to update the form and give training to staff in order to ensure that the medium risk was not taken forward into the new financial year. Mr Mohan praised the CCG on taking a proactive approach and offered assistance if required.

RESOLUTION: The Committee:

- Noted the report.
- Review recommendations at a future date.

Risk Register Reporting/Board Assurance Framework

AGC/19/75 Mr McKenzie presented a report on the Risk Register and Board Assurance Framework to update the Committee since the last meeting.

As highlighted at the last meeting of the committee, the CCG's Operating Plan for 2019/20 set five priorities for the year ahead:-

1. Continue to commission high quality, safe healthcare services within our budget;
2. Focus on prevention and early treatment;
3. Ensure our services are cost effective and sustainable;
4. Align our clinical priorities, as appropriate, to the Black Country and West Birmingham STP/ICS;
5. Build on our Primary Care Networks (PCNs), wrapping community, social care and mental health services around them.

The Governing Body chose to re-assess the strategic objectives in the current GBAF in relation to the operational priorities for 2019/2020. They agreed to look at:

1. Improving the quality and safety of the services we commission
2. Reducing health inequalities in Wolverhampton
3. System effectiveness within our financial envelope

Mr McKenzie gave updates on the risk that had been presented to this committee and asked them to note the changes that had been made.

It was hoped that a deep dive could be conducted following the refresh of the Primary Care Strategy. Processes were being looked at across the STP and there was continued engagement with colleagues across the CCGs.

The Chair asked if a programme could be presented to the committee at the next meeting around deep dives for the rest of the year.

RESOLUTION: The Committee:

- Noted the report.
- Noted the changes and actions taken against the risks in the risk register.
- Asked for a programme of Deep Dives to be presented to the Committee in November.

Review of Whistleblowing Policy

AGC/19/76 The Committee was given an update around the Whistleblowing Policy which was due for review next year. It would be picked up as a whole review of policies by HR.

There had been no instances of Whistleblowing reported and no instances of GPs approaching the CCG to use the Freedom to Speak Up Guardian.

Mr Oatridge asked if GP practices and RWT could be approached to produce a summary of whistleblowing in those organisations.

Mr McKenzie advised that nursing homes were not covered by the whistleblowing policy but would approach the Quality Team to see if they had received any soft intelligence.

RESOLUTION: The Committee:

- Noted the report.
- Mr McKenzie to produce a summary around whistleblowing in GP Practices and at RWT.
- Mr McKenzie to speak with the Quality Team around whistleblowing in nursing homes.

Requirements of an Audit Committee as referenced in HFMA Document

AGC/19/77 The Committee were presented with a briefing paper summarising the role of the Committee and External Audit.

There was a positive relationship between the CCG and External Audit.

RESOLUTION: The Committee:

- Accepted the report.

Feedback to and from the Audit and Governance Committee

AGC/19/78 Mr Price advised that the CCG had been rated as 'Outstanding' for the fourth time in a row.

The Transition Board had discussed the recruitment for a Single

Accountable Officer and the advert would go out shortly.

RESOLUTION: The Committee:

- Noted and accepted the report.

Losses and Compensation Payments – Quarter 1 2019/20

AGC/19/79 The papers had been missed from the pack and would be circulated after the meeting and any comments to be sent to Mr Gallagher and Mr Kay.

RESOLUTION: The Committee:

- Noted the report.

Suspension, Waiver and Breaches of SO/PFPS

AGC/19/80 Mr Gallagher noted the below in quarter 1 of 2019/20:

- During quarter 4 of 2019/20 there were 45 invoices in breach of PFPs (6.4% of all invoices paid);
- 40 waivers were raised during quarter 1;
- 46 non-healthcare invoices were paid without a purchase order being raised during quarters 1.

The Committee discussed the number of invoices that were generated towards the end of the financial year and if this would continue to be the same. Mr Gallagher advised that this was down to the retrospective invoices being raised for the Continuing Healthcare Team and Mental Health placements.

RESOLUTION: The Committee:

- Noted the report.

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

AGC/19/81 The Committee noted that as at 30 June 2019 there were:

- There was 5 invoices greater than 10k and over 6 months old.
- 4 payables greater than £10k and over 6 months old.

RESOLUTION: The Committee:

- Noted the above.

Counter Fraud Progress Report

AGC/19/82 Mr Mohan presented the Counter Fraud Progress Report for information which gave the Committee an update on work being undertaken and to give the Committee assurance.

RESOLUTION:

- The Committee accepted the report.

Any Other Business

AGC/19/83 There were no items to discuss under Any Other Business.

Date and time of next meeting

AGC/19/84 Tuesday 19 November 2019 at 11am at Wolverhampton Science Park