

Wolverhampton Clinical Commissioning Group
Audit and Governance Committee

Minutes of the meeting held on 24th May 2016 commencing at 11.00am
In Main Meeting Room, Science Park, Wolverhampton

Attendees:

Members:

Mr J Oatridge	Chairman
Mr P Price	Independent Lay Member
Mr L Trigg	Independent Lay Member

In Regular Attendance:

Ms D Kortus	Manager, Counter Fraud Specialist, PwC
Mr P McKenzie	Corporate Operations Manager, WCCG
Mr H Rohimun	Executive Director, E&Y LLP
Mrs C Skidmore	Chief Finance and Operating Officer, WCCG
Mr M Surridge	Senior Manager, E&Y LLP
Mrs H Pidoux	Administrative Officer, CCG (minute taker)

In Attendance

Dr H Hibbs	Chief Officer, WCCG
Dr D DeRosa	Chair, WCCG
Mrs M Tongue	Head of Financial Resources, WCCG
Miss M Patel	Administrative Support Officer, WCCG (observer)

Apologies for attendance:

AGC/16/49 Apologies for absence were submitted by Mrs J Watson.

Declarations of Interest

AGC/16/50 There were no declarations of interest.

Mr Oatridge, as Chair of the AGC, welcomed Dr DeRosa, WCCG Chair, to the meeting.

Minutes of the last meeting held on 19th April 2016

AGC/16/51 The minutes of the last meeting were agreed as a correct record.

Matters arising (not on resolution log)

AGC/16/52 The following was raised;

- AGC/16/32 – Tier 4 CAMHS (risk ID 267). Mr Price asked for an update following his query raised at the last meeting regarding the continual rating of this risk as red. It was confirmed that the CCG Senior Management Team are waiting for confirmation from NHS England that this has been entered on their risk register before it can be closed down by the CCG.

RESOLUTION: The Committee agreed to add this as an action on the Resolution Log.

Resolution Log

AGC/16/53 The resolution log was discussed as follows;

- Item 69 (AGC/16/15) – EY to share with Committee how much reliance is place on 3rd party/service auditor reporting and include in report – report and letter from Deloittes have been received and assurance taken from these. Agreed to share with members.
- Item 77 (AGC/16/38) – Clarify the frequency of requirements for information governance audits. The CCG’s Information Governance Support recommends that it is best practice to review annually. The Internal Audit work plan has been amended to incorporate this and specific areas have been identified for audit as part of the rolling programme.
- Item 78 (AGC/16/42) – Conflicts of Interest, consultation response to be submitted to NHS England – a response was made and final guidance is awaited before any actions arising can be recommended to Governing Body for sign off.
- Item 81 (AGC/16/47) – Draft accounts to be shared with Committee once submitted to NHS England – on agenda – item closed.

Chief Internal Auditors Opinion

AGC/16/54 Mrs Skidmore explained that this report was considered at the last Audit and Governance Committee meeting, where Mr Larby stated the following;

‘My overall opinion is that significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation’s objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk.’

The summary of opinions contained in the report and shown below, was noted as indicating where improvement has been made between years;

Domain	Overall Opinion 2015/16	Overall Opinion 2014/15
Finance	Substantial	Substantial
Governance and Risk	Substantial	Substantial
HR	Substantial	Substantial

IM & T	Substantial	-
Performance	Substantial	Requires Improvement
Quality and Safety	Substantial	Requires Improvement

It was highlighted that appendix A of the report, Head of Internal Audit Opinion on the effectiveness of the system of internal control at Wolverhampton CCG, was added to the summary Committee for the last Governing Body meeting.

RESOLUTION: The Committee;

- Noted the Internal Auditor's overall opinion of **significant assurance** and the improvements made year on year.

2015/16 Report to those charged with Governance (ISA260)

AGC/16/55 Mr Rohimun reported that as of 24th May he expects to;

- Issue an unqualified opinion on the financial statements
- Issue an unqualified opinion on the regularity of income and expenditure; and
- Confirm that the figures reported in the final audited statutory financial statements agreed to the figures reported in the summarisation schedules/accounts template

In respect of Value for Money it is anticipated that there will be no matters to report about the CCG's arrangements to secure economy, efficiency and effectiveness in its use of resources.

It was recommended that going forward the CCG should keep its, governance arrangements under review due to increased joint working and changes to the commissioning environment.

During the audit process a misstatement within receivables and payables was noted. Mr Surridge report that this had been raised with Mrs Skidmore and it had been agreed that the accounts would not be changed.

Mrs Skidmore described to the Committee how the ledger system can post entries into SOFP codes that whilst not complying with a 'gross accounting' principle were not necessarily incorrect. The audit recommendation to deploy gross accounting principles would only be possible via manual recording as the CCG cannot alter the system postings. Mrs Skidmore noted that the use of manual overrides in the system may introduce additional risk with regard to SOFP posting and therefore was not minded to do this.

The external audit team were comfortable with this response and the Committee supported Mrs Skidmore's view.

Mr Surridge reported that the report set out the significant audit risks considered. Work was completed as planned and testing gave assurance that there are no significant concerns.

The Committee was reminded that at the last meeting arrangements regarding the manual inputting for journals was discussed. This was tested as part of the audit and there were no issues to report.

All other audit risks had been addressed in line with the Audit Plan and assurance gained over those issues.

The impact on the Value for Money conclusion from the Better Care Fund (BCF) was considered and assurance was given at year end that processes and reporting were adequate. No issues have arisen relating to expenditure through BCF.

Mr Surridge reported that the majority of the audit work has been completed and it is expected that an unqualified audit opinion on the financial statements and an unqualified conclusion on the use of resources will be issued.

It was recommended that going forward the CCG should keep its governance arrangements under review due to increased joint working and changes to the commissioning environment.

Discussion took place regarding risk and assurance going forward relating to shared arrangements. It was stated that as part of the CCG's Audit Plan early work is planned to baseline governance and culture to show the impact of these changes.

RESOLUTION: The Committee:

- Noted the contents of the ISA260 and comments relating to this report.
- Agreed not to amend the accounts in relation to the misstatement identified.

CCG Annual Report, Accounts and Governance Statement

AGC/16/56 Mrs Skidmore introduced the paper which included a full set of accounts and financial policies.

Mrs Skidmore stated that due to the hard work of the teams pulling the document together the information was robust and completed in a timely manner. She commented that draft submission to NHS England had received positive feedback.

The key points of the full set of CCG accounts were highlighted as follows;

- All statutory financial duties have been met.
- There is no capital expenditure.

- Exceeded requirement for 1% underspend.
- There are no significant material areas of judgement to note relating to debtors or creditors.

The report was considered and a few minor changes to wording were highlighted to be made prior to submission.

Dr Hibbs commented that she was comfortable with the reporting contained in the document and thanked the teams for producing a satisfactory report at the end of year.

Mrs Skidmore set out the next steps for the finalisation of the statutory returns as follows;

- To Governing Body for sign off 26th May
- Cosmetic points to be resolved
- All requirements to be submitted and published in line with national deadlines.

RESOLUTION: The Committee agreed to make the recommendation to the Governing Body to sign off the CCG's Annual Report, Accounts and Governance Statement for 2015/16.

Management Representation Letter

AGC/16/57 Mrs Skidmore stated that she was happy to sign off the Management Representation Letter, which would reflect the decision not to amend the accounts in line with the misstatement identified.

It was highlighted that the letter will also be signed by Dr Hibbs as the CCG's Chief Officer.

RESOLUTION: The Committee

- The Committee noted that Mrs Skidmore and Dr Hibbs will sign off the Management Representation Letter.

Any Other Business

AGC/16/58 Mr Oatridge conveyed congratulations, via Dr Hibbs, from the Audit and Governance Committee, the Finance Team and all the staff who had been involved with meeting the challenging deadlines.

Date and time of next meeting

AGC/16/59 Tuesday 19th July 2016 at 11.00am in the CCG Main Meeting Room, Science Park

Signed:

Dated: