

Wolverhampton Clinical Commissioning Group
Audit and Governance Committee

Minutes of the meeting held on 19 July 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 J Watson	Senior Internal Audit Manager, PwC (part meeting)

In Attendance

Mr S Grayson	Local Security Management Specialist, CWADIT (part meeting)
Mrs M Tongue	Head of Financial Resources, WCCG (part meeting)
Miss M Patel	Administrative Support Officer, WCCG (minute taker)

Apologies for attendance:

AGC/16/60 Apologies for absence were submitted by Ms A Breadan.

Declarations of Interest

AGC/16/61 Mr Trigg declared an interest in Agenda Item 13 and advised that he would withdraw from the meeting when discussions take place around Committee membership.

Minutes of the last meeting held on 24 May 2016

AGC/16/62 The minutes of the last meeting were agreed as a correct record.

Matters arising (not on resolution log)

AGC/16/63 The following was raised;

- AGC/16/55 –2015/16 Report to those charged with Governance (ISA260) Mrs Skidmore asked that the in the paragraph ‘Mrs

Skidmore described to the Committee how the ledger system can post entries into SOFT codes that whilst not complying with a 'gross accounting' principle were not necessarily incorrect.' that the word 'SOFT' was amended to 'SOFP'.

RESOLUTION: That Miss Patel would amend this correction in the final minutes.

Resolution Log

AGC/16/64 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 – feedback had been received and this action could be closed.
- Item 70 (AGC/16/16) – Committee to consider a Deep Dive from the Risk Register on a quarterly basis – this action was to remain open on the register.
- Item 75 (AGC/16/36) – Benchmarking of Risk Management against that of other CCGs – a workshop had been set up in September 2016. Ms Watson will draw upon examples from other organisations in the presentation.
- Item 76 (AGC/16/36) – Local Counter Fraud Staff Survey to be shared with Committee when finalised – this was covered on the agenda and could be closed.
- Item 78 (AGC/16/36) - Conflicts of Interest. Following consultation a CCG response had been submitted to NHS England – new guidance had been received and had been taken to the Governing Body, this is covered later on the agenda.
- Item 80 (AGC/16/40) – Entry to be added to CCG risk register to reflect the mitigated risk of journals into the ledger not being fully authorised – this had been added to the register and this item could be closed.
- Item 82 (AGC/16/32 & AGC/16/52) – Tier 4 CAMHS (risk ID 267) – continued red risk for CCG. Waiting confirmation from NHS England that this has been entered on their risk register before risk is closed down by CCG – email had been received from NHS England. As this still remained open on the CCG risk register at the date of the meeting this action was to remain open.

RESOLUTION: Resolution log to be updated accordingly.

Chief Internal Auditors Progress Report

AGC/16/65 Mrs Watson presented this report which gave an update of progress with Internal audit work including summaries of the key outcomes of Internal Audit assignments finalised and reported since the last meeting.

- Item 1 – Corporate Governance – looking at how the CCG develops its strategy and how it is embedded in the organisation.
- Item 2 – Risk Management – a review will be undertaken of risk management arrangements and a meeting has been arranged with Manjeet Garcha – Executive Director of Nursing and Quality.

- Item 3 – Finance - a review of financial controls operated by the CCG on a rotation basis.
- Item 4 – IT Risk Diagnostic – Meeting had been arranged with the CCG and RWT. CCG IT arrangements would be looked at.
- Item 5 – Audit follow-up – An update was given on outstanding audit actions as of the 18 July 2016. They were rated as being 3 Low Priority, 25 Medium Priority and 2 High Priority. The actions rated high were being looked at and had plans of action.
- Item 6 – Contract Management – the intention is to look at how the CCG links finance activity and quality consistently across all contracts.
- Item 7 – Stakeholder Engagement – a review to be undertaken to look how the CG works with its stakeholders, both on an external and internal basis.

In reference to Ref 24 ‘The CCG should undertake a thorough review and update of its business continuity framework, critical systems, assessments and operational documentation.’ Mrs Skidmore advised that there was ongoing work around this. Mr Oatridge felt that the slippage in delivery timescales was a concern.

Mrs Skidmore suggested that progress reports could be shared and would ask Mr A Smith, Emergency Planning Manager to produce a report for the Governing Body. This would also be picked up through the Operations Board by Mrs Skidmore.

RESOLUTION: The Committee;

- The group noted the contents and comments of the report.
- Noted that reports will be produced for Governing Body and picked up through Operations Board.

Internal Audit Charter

AGC/16/66 Mrs Watson presented the Internal Audit Charter to the Committee, which is a requirement of the Public Sector Internal Audit Standards (PSIAS).

Mr Oatridge felt that it would be beneficial for the Head of Internal Audit Ms Breadon to attend future Committee meetings.

RESOLUTION: The Committee:

- Noted the contents and comments relating to this report.

Ms Watson left the meeting.

Counter Fraud Progress Report

AGC/16/67 Ms Kortus introduced the paper which highlighted the progress on counter fraud activity at the CCG against the Annual Local Counter

Fraud Work Plan. The plan had been approved at the Committee on 19 April 2016.

The key points were highlighted as follows;

- Inform and Involve – including Team introduction and Fraud awareness.
- Prevent and Deter – Fraud Risk Group and Fraud Risk Assessment and Fraud Alerts.
- Hold to account – Strategic Governance covering Anti-Fraud Standards and Other Strategic Governance Activity.

RESOLUTION: The Committee agreed to note this report.

Local Security Management Annual Workplan

AGC/16/68 Mr Grayson presented the report to inform the Committee of the proposed plan of work in relation to Security Management.

It set out actions required to meet the security standards of NHS Protect. Key areas outlined with summaries were Strategic Governance, Inform and Involve, Prevent and Deter and Hold to Account.

Mr Price asked Mr Grayson if the remit of this work was just around the CCG or if it also covered practices. Mr Grayson advised that alerts would be sent to practices when deemed necessary. Workload may increase once the CCG becomes fully delegated for Primary Care Community Commissioning

RESOLUTION: The Committee accepted the report and agreed to receive future updates on progress of the workplan.

Mr Grayson left the meeting

Annual Audit Letter including Horizon Scan – upcoming issues in the audit landscape

AGC/16/69 Mr Surrige and Mr Rohimun presented the Annual Audit Letter. Following the completion of their procedures for the year ended 31 March 2016.

RESOLUTION: The Committee noted and received the report.

Risk Register Reporting/Board Assurance Framework

AGC/16/70 The Quality Team were unable to attend the Committee meeting to present this report.

Mr Oatridge noted that the document received for this agenda item was substantial, however did not offer sufficient clarity to the meeting. Mr Oatridge informed the group that he would address this with Mrs M Garcha, Executive Director of Nursing and Quality.

Mr Surridge felt that whilst assurance was received, it is difficult to extract the key headlines from all of the detail. Mrs Skidmore reiterated that the purpose of the Committee was to receive assurance around the robustness of the CCG's risk process but not to analyse the detail of the content at this Committee.

In relation to page 174 of the presentation within this item an omitted word was noted as follows 'Detail will be excluded from **public** reports to Committee's and groups to maintain confidentiality/sensitivity of content'. Mrs Skidmore agreed to feed this back to Mrs Garcha.

RESOLUTION: The Committee did not receive assurance from this document.

- That this item was added to the agenda for the next Committee meeting and attendance from a member of the Quality Team.
- Mr Oatridge to speak to Mrs Garcha regarding points raised about the paper.
- Mrs Skidmore to feed back comments on presentation to Mrs Garcha.

Review of Performance against Whistleblowing Policy

AGC/16/71 The HR63 Whistleblowing Policy was presented to the Committee by Mr McKenzie. The purpose of the report was to provide the Committee with details of the operation of the CCG's whistleblowing policy to allow the Committee to monitor its effectiveness.

There have been no disclosures received at the CCG regarding whistleblowing in the last 12 months.

The policy had been subject to some minor amendments (around contact details). It had also been subject to a 'policy health check' before the change of provider by HR and the CSU.

There is now a specific guidance around conflict of interests.

Mr Oatridge enquired if the Policy should apply to Governing Body Members. Mr McKenzie advised that it would apply in principle but they would not be able to receive the same legal protection received by staff. Mrs Skidmore suggested getting a statement from HR to clarify this.

RESOLUTION: The Committee:

- Received this policy and received assurance from it.
- Asked for from HR regarding applicability of the policy to Governing Body Members.

New Conflict of Interest Guidance

AGC/16/72 Mr McKenzie presented the Policy on Declaring and Managing Interests Including Managing Conflicts of Interest. The Committee was asked to review the revisions to the policy following publication of revised national guidance and to consider the implications for membership of this Committee.

Mr Trigg had declared an interest in this item and would only remain for the part related to discussion around the actual policy.

A final version of the new statutory guidance on managing conflicts of interests was published on 30 June 2016.

A revised version of the CCG's Policy on Managing Interests was presented to the Governing Body at the Governing Body Meeting on the 12 July 2016 for approval pending consideration by other stakeholders. The Committee were asked for views as part of the further review.

RESOLUTION: The Committee;

- Supported and agreed the revised policy for declaring and managing interests.

Discussion on the Committee membership was deferred to the end of the meeting.

Mrs Tongue joined the meeting.

Assurance of the Robustness of Activity and Performance Monitoring

AGC/16/73 Mrs Skidmore provided assurance to the Committee that CCG activity and performance monitoring processes are proactive and robust and sought endorsement for a work programme to audit coding practice at RWT in order that the CCG can be satisfied with current system and process.

RESOLUTION: The Committee received and noted the this report and approved the recommendation.

Losses and Compensation Payments – Quarter 1 2016/17

AGC/16/74 Mrs Skidmore presented this report and advised the Committee that there had been no losses or special payments for the period ending 30 June 2016.

RESOLUTION: The Committee received and noted the report.

Suspension, Waiver and Breaches of SO/PFPS

AGC/16/75 Mrs Skidmore noted that there have been no suspensions of SO/PFPs in quarter 1 2016/17.

2 waivers were raised during quarter 1.

A query was raised around 2 retrospective orders in quarter 1 relating to performance. Details to be checked and clarified to the Committee.

RESOLUTION: The Committee;

- Noted the contents of the report.
- Agreed to receive an update regarding the figure for performance relating to the analysis of retrospective orders in quarter 1 2016/17 (£12,667).

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

AGC/16/76 The Committee noted that as at 30 June 2016 there were:

- 3 sales invoices greater than 10k and over 6 months old.
- 14 purchase ledger invoices greater than £10k and over 6 months old. Noted that 5 invoices will be paid in July.

RESOLUTION: The Committee received this report and received assurance from it.

Review of Prime Financial Policies (PFP)

AGC/16/77 Members were asked to review the amendments to Prime Financial Policies, Scheme of Reservation and Detailed Scheme of Delegation prior to them being submitted to the governing body for approval.

RESOLUTION: The Committee noted the amendments in the report and supported an action to take the final version to the Governing Body for approval as part of the broader changes to the constitution that will be required as part of the application for delegated primary care commissioning.

Mr Trigg left the meeting

New Conflict of Interest Guidance

AGC/16/78 Under Point 3 of the guidance – Lay Member Recruitment, there was a strong recommendation that CCGs should appoint a role for an additional lay member to serve on the Governing Body for Finance and Performance. Mr Price had expressed an interest in this role and the Governing Body supported this appointment to the post. Mr Price will take up his duties in shadow form pending this being formalised through the CCG's constitution late in the year.

This would create a vacancy on this Committee for an independent member. Also, given the expansion of the Committee's responsibilities, it was suggested that a new role of Deputy Chair is created. The Remuneration Committee have been asked to formally approve this new role and agreed that Mr Trigg should be appointed to this position.

RESOLUTION: The Committee;

- Noted the appointment of Mr Price as Lay Member for Finance and Performance Committee.
- Noted Mr Trigg's appointment to the new role of Deputy Chairman of the Audit and Governance Committee subject to approval by the Remuneration Committee.
- Agreed that the vacant position on the Audit and Governance Committee should be recruited to appropriately.

Any Other Business

AGC/16/79 There were no items to discuss under this agenda item.

Date and time of next meeting

AGC/16/80 Tuesday 15 November 2016 at 11.00am in the CCG Main Meeting Room, Science Park

Signed:

Dated: