

Wolverhampton Clinical Commissioning Group
Audit and Governance Committee

Minutes of the meeting held on 15 November 2016 commencing at 11.00am
In Main Meeting Room, Science Park, Wolverhampton

Attendees:

Members:

Mr J Oatridge	Chairman
Mr D Cullis	Independent Lay Member
Mr L Trigg	Independent Lay Member

In Regular Attendance:

Ms D Kortus	Manager, Counter Fraud Specialist,
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

Ms A Breadon	Head of Internal Audit, PwC
Mrs M Garcha	Director of Nursing and Quality, WCCG
Mr S Grayson	Local Security Management Specialist, CWADIT (part meeting)
Mr N Mohan	Senior Manager – Lead Counter Fraud Specialist, PwC (part meeting)
Miss M Patel	Administrative Support Officer, WCCG (minute taker)

Apologies for attendance:

AGC/16/81 Apologies for absence were submitted by Ms D Kortus.

Declarations of Interest

AGC/16/82 There were no declarations of interest

Minutes of the last meeting held on 19 July 2016

AGC/16/83 The minutes of the last meeting were agreed as a correct record.

Matters arising (not on resolution log)

AGC/16/84 There were no matters arising.

Resolution Log

AGC/16/85 The resolution log was discussed as follows;

- Item 70 (AGC/16/16) – Committee to consider a Deep Dive from the Risk Register on a quarterly basis – closed
- Item 75 (AGC/16/36) – Benchmarking of Risk Management against that of other CCGs – ongoing work - closed.
- Item 79 (Item b/f from private session) – Review results of Coding Audit at Nuffield; arranged via CCG Contracts Team – remain open.
- 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 – closed on risk register as confirmation had been received that this was on the NHSE risk register – close.
- Item 83 (AGC/16/65) - Concern was expressed about how to update the CCG's business continuity plans. Mrs Skidmore agreed to arrange for an update to be taken to the Governing Body – update paper will be taken to the Governing Body in December 2016, January and February 2017 – closed.
- Item 84 (AGC/16/70) – all below actions were closed.
 - That this item was added to the agenda for the next Committee meeting a member of the Quality Team in attendance to present it.
 - JO to speak to Mrs Garcha regarding points raised about the paper.
 - CS to feed back comments on presentation to Mrs Garcha.
- Item 85 (AGC/16/71) - Clarification from HR regarding applicability of the Whistleblowing policy to Governing Body Members – the policy had been reported to the GB. PM was asked to seek legal advice around this action to ascertain Mr Oatridge's query if the Governing Body may be liable for prosecution if a case of whistleblowing was against a board member.
- Item 86 (AGC/16/75) - To receive an update regarding the figure of £12,667 for performance relating to the analysis of retrospective orders in quarter 1 2016/2017 – Ms Tongue had actioned this by sending round an email to committee members – closed.

RESOLUTION: Resolution log to be updated accordingly.

Appointment of Committee Member

AGC/16/86 Mr McKenzie briefed the Committee on the appointment of Mr Dean Cullis as the new Independent Member of the Audit and Governance Committee subject to the Committee's approval following the vacancy left by Mr Price due to his appointment to the Finance and Performance Committee.

The recruiting panel had been made up of the Chair, Deputy Chair and Corporate Operations Manager. Mr Oatridge stated that there had been 4 candidates. The 2 top scoring candidates were excellent tied in scores and Mr Cullis was appointed following discussions. Mr Cullis is very experienced in areas such as facilities management contracts, whistleblowing and fraud and is a Chartered Internal Auditor.

RESOLUTION: The Committee:

- Noted the recommendations and agreed to the appointment of Mr Cullis as an Independent Member of the Audit and Governance Committee.

Local Counter Fraud Specialist Progress Report

AGC/16/87 Mr Mohan introduced the paper in the absence of Ms Kortus 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 as follows;

- Inform and Involve – this work continues to be ongoing.
- Prevent and Deter – work continues to be ongoing with fraud alerts issued for the following:
 - NHS Mail fraudulent emails
 - Payment requests emails
 - Phishing scam relating to remote monitoring service
- Hold to account – Mr Mohan discussed two referrals that had been received and had been closed.
 - The first referral had been inherited from the predecessor auditors and related to 2015/2016 and the potential overcharging for prescriptions by a pharmacist. Discussions had taken place with Mrs Skidmore and also Mr D Birch – Head of Medicines Optimisation. Whilst there were no grounds for a case, the issue around the potential for pharmacists to increase their own profitability at the CCG's expense whilst not breaching current guidelines was discussed. Mr Oatridge suggested that it might be beneficial to raise this at the Audit Chairs Conference in order to highlight this issue. The Committee agreed that this would be a good idea.
 - The second referral had been received in 2016/2017 and related to concerns about a patient who had attempted to register with a GP practice on a temporary basis. This did not fall under the remit of the Local Counter Fraud Specialist (LCFS) so details for the NHS England LCFS were passed onto the practice.

RESOLUTION: The Committee:

- Agreed to note this report.
- Mr Oatridge to raise the prescribing issue at the National Audit Chairs Forum.

Mr Mohan left the meeting.

Local Security Management

AGC/16/88 Mr Grayson presented this report and other enclosures to inform the Committee of work in relation to Security Management.

The reports presented to the Committee were:

- WCCG Lone Working Policy
- Local Security Management Strategy
- Local Security Management Policy
- WCCG LSMS Progress Report November 2016
 - This is a new report and a brief overview was given around the progress report including its objectives and deliverables. It uses a traffic light system which Mr Oatridge asked if it was a work in progress function and not a RAG rating system. Mr Grayson confirmed that this was correct. Mr Grayson confirmed that the Security Management Director had been confirmed as Mrs Skidmore and that he was the Local Security Management Specialist. This had been formally notified to NHS Protect.

Ms Breadon and Mr Cullis arrived.

Mr Oatridge enquired if the Committee was an approving body for policies. Mr McKenzie advised that the policies had been brought to the Committee meeting for review and that the once finalised they would be ratified by the appropriate committee.

RESOLUTION: The Committee:

- Noted the report and policies.

Mr Grayson left the meeting

Internal Auditors Progress Report

AGC/16/89 Mrs Watson presented this report which gave an update of progress with Internal audit work against the 2016/2017 audit plan.

Fieldwork has been carried out in the following areas:

- Corporate Governance
- Risk Management
- IT Risk Diagnostic
- Audit follow-up
- Contract Management

Draft reports have been issued on Risk Management and Corporate Governance with final reports issued on IT Risk Diagnostic, Contract Management and Audit follow-up. NHSE had issued guidance and information around a new requirement to audit Conflicts of Interest.

The Committee discussed the headlines from the draft risk management report. Identified were 3 high risks and 4 low risks. Mrs Watson had observed through her attendance to key CCG meetings that although staff were aware of risk, documentation completed did not reflect this. It is important that ownership is taken of risk and risk should be a standing item on agendas.

The Contract Management report was shared with the Committee. Currently identified were a number of low risks. Mrs Watson felt it would be beneficial that the Governing Body had more insight into contract working. It would also be advisable to ensure that the right people are attending the Contract Review meetings and that they are quorate. Mr Oatridge asked if the Finance and Performance Committee had a copy of the full schedule of Contracts. Mrs Skidmore advised that this is shared at Commissioning Committee.

Mrs Watson presented the IT Risk Diagnostic Assessment and Benchmarking Report. There was a positive view overall, IT risks are being managed effectively but some actions had been identified. Mr Oatridge felt that this could be reflected in the annual governance statement. Mrs Skidmore advised that she is working with Mr T Kalea who had recently been recruited to the position of Commissioning Operations Manager to ensure that the CCG has an up to date Sustainability policy (which includes 'green IT').

RESOLUTION: The Committee;

- The group noted the contents and comments of the report.

Internal Audit Report – Audit Follow Up

AGC/16/90 Mrs Watson presented the Internal Audit Follow Up Report. There were 30 audit recommendations that had been agreed with the previous auditors and were outstanding as at 31 March 2016. It was reported that 25 of these recommendations had now been put in place with 5 remaining outstanding but with target dates (none of these are high risk items). Mr Oatridge enquired if recommendations were all from 2015/2016 and that they were not related to 2016/2017 or previous years. Mrs Skidmore confirmed that this was correct.

RESOLUTION: The Committee:

- Noted the contents and comments relating to this report.

External Audit Update

AGC/16/91 Mr Rohimun and Mr Surridge gave a verbal update to the Committee. Following a meeting with Mrs Skidmore discussions had been had around the work plan for 2016/2017. This will be shared at the next meeting.

Risk Register Reporting/Board Assurance Framework

AGC/16/92 Mrs Garcha advised that although a report had been made available to the Committee regarding the Board Assurance Framework (BAF) and Risk Register for Quarter 2, 2016/17 there had been further developments in this area.

The key points were:

- There had been numerous discussions and meetings around BAF working since July 2016 including a deep dive.
- There would be further information given to the Governing Body at a forthcoming Development session.
- Mrs Watson had attended several CCG meetings including the Governing Body Meeting, SMT and Quality and Safety Committee.
- A paper had been received at the November Governing Body meeting on the Governing Body Risk Management Workshop which had taken place on 27 September 2016.
- It is recommended that all agendas for Committees and Senior Meetings will have Risk as an agenda item.
- There is a plan to cleanse the risk register in January 2017.
- There are 12 open risks of which 15 are red rated.

RESOLUTION: The Committee:

- Noted and received the report.
- Expect an update on the Risk Register/Board Assurance Framework to be given at the next Committee meeting.

Annual Governance Statement

AGC/16/93 Mr McKenzie presented to the Committee a report and template for the Annual Governance Statement that would need to be completed for the CCG. The statement is a key part of the CCG's annual accounts and reporting requirements.

A timeline has been proposed with key committee meetings and key milestone details.

Mr Oatridge asked who would be signing off the Governance Statement as the Accountable Officer (AO) is currently on long term sick leave but is anticipated to return early in the New Year. Mrs Skidmore advised that the AO will sign off the statement but a narrative will be included to advise of the periods covered by the Interim Accountable Officer.

RESOLUTION: The Committee:

- Noted the action being taken to develop the Annual Governance Statement for 2016/17

Mrs Garcha left the meeting.

Financial Control Environment Assessment Submission and update on actions

AGC/16/94 This report was provided to the Committee for information. Submissions have been made and shared with the Finance and Performance Committee. No feedback had been received to date from NHSE.

RESOLUTION: The Committee:

- Noted the report.

Losses and Compensation Payments – Quarter 2 2016/17

AGC/16/95 Mrs Skidmore presented this report and advised the Committee that there had been no losses or special payments during quarter 2 of 2016/2017. However the Committee was asked for approval to dispose of an asset that had nil residual value.

This relates to an IT asset that was transferred to the CCG's asset register from the PCT asset register. The asset is not physically located in CCG premises and cannot be traced therefore should not be included in the asset register.

RESOLUTION: The Committee:

- Noted the report
- Agreed to formally 'dispose' of the asset and therefore remove from the CCG asset register.

Suspension, Waiver and Breaches of SO/PFPS

AGC/16/96 Mrs Skidmore noted that there have been no suspensions of SO/PFPs in quarters 1 and 2 during 2016/17.

4 waivers were raised during quarter 2.

Mrs Skidmore advised that she had not approved one waiver as there had been no evidence of due process being undertaken. The person requesting the waiver was currently on long term sickness and the individual's work was being picked up by the team. Mrs Skidmore had met with the Manager of the team and reiterated the importance of following proper process.

RESOLUTION: The Committee;

- Noted the contents of the report and the action taken by the Chief Finance and Operating Officer.

Receivables/Payables Greater than £10,000 and over 6 months old

AGC/16/97 The Committee noted that as at 30 September 2016 there were:

- 4 sales invoices greater than 10k and over 6 months old.
- 18 purchase ledger invoices greater than £10k and over 6 months old.
- Of the remainder, the majority related to invoices from NHS Property Services (NHSPS). The CCG has met with NHSPS on several occasions to discuss this and are waiting for a response, NHSE are apprised of the situation.

RESOLUTION: The Committee:

- Noted the contents of the report.

Any Other Business

AGC/16/79 The Committee discussed the proposed dates for the forthcoming Audit and Governance Meetings as listed below:

- Tuesday 21 February 2017
- Tuesday 18 April 2017
- Tuesday 23 May 2017
- Tuesday 18 July 2017
- Tuesday 21 November 2017

RESOLUTION: The dates were accepted by the Committee.

Date and time of next meeting

AGC/16/80 Tuesday 21 February 2017 at 11.00am in the CCG Main Meeting Room, Science Park.

Signed:

Dated: