

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

Minutes of the meeting held on 21 February 2017 commencing at 11.00am  
In Armstrong 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:**

Mr P McKenzie	Corporate Operations Manager, WCCG
Mr H Rohimun	Executive Director, E&Y LLP
Mrs C Skidmore	Chief Finance and Operating Officer, WCCG
Miss M Patel	Administrative Support Officer, WCCG (minute taker)

**In Attendance**

Ms A Breadon	Head of Internal Audit, PwC
Mrs M Garcha	Director of Nursing and Quality, WCCG (part meeting)
Ms G Lakh	Manager, Counter Fraud Specialist, PwC
Mr V Sarjan	Manager, E&Y LLP

**Apologies for attendance:**

AGC/17/01 Apologies for absence were submitted by Ms J Watson, Ms M Tongue, Mr N Mohan and Mr M Surridge.

**Declarations of Interest**

AGC/17/02 Mr Cullis declared an interest to be noted that his primary workplace Carillion PLC provided services to the NHS. Mr Cullis will complete a Declarations of Interest Form for the CCG to be kept on record.

**Minutes of the last meeting held on 15 November 2016**

AGC/17/03 The minutes of the last meeting were agreed as a correct record.

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

AGC/17/04 There were no matters arising.

**Resolution Log**

AGC/17/05 The resolution log was discussed as follows;

- Item 79 (Item b/f from private session) – Review results of Coding Audit at Nuffield; arranged via CCG Contracts Team – remain open. Mrs Skidmore to pick up with Mr Middlemiss.
- Item 85 (AGC/16/71) - Clarification from HR regarding applicability of the Whistleblowing policy to Governing Body Members – Mr McKenzie updated that this had been clarified at the last meeting. The Members of the Governing Body were protected around their employment and this had been confirmed by HR. The CCG's liability cover through the NHS Litigation Authority includes indemnity cover arrangements for Officers and would therefore cover any issues raised by a Governing Body member in their role for the CCG.
- Item 87 (AGC/16/87) – Mr Oatridge to raise the prescribing issue at the national Audit Chairs Forum – Mr Oatridge had raised this with Joanne Shaw (Chair of NHSE Audit Committee) who advised that she would raise this with the Chief Pharmacist. No response had been received to date.
- Item 88 (AGC/16/91) – External Audit Update work plan for 2016/2017 to be shared at next meeting – this was covered in the agenda today.

RESOLUTION: Resolution log to be updated accordingly.

### **Internal Auditor Progress Report**

AGC/17/06 Ms Breadon covered the Internal Auditor Progress Report under:

- **Internal Audit Progress Report.**
  - This was currently on track to be completed by the end of the year.
  - The Finance Report was finished.
  - The Stakeholder review would be going out this week.
  - The IG and Conflicts of Interest reports would be brought to the next meeting.

- **Internal Audit Report on Corporate Governance**

The Committee reflected on the findings contained within the report and noted the work planned by the management team to address the audit recommendations. In particular, Mrs Skidmore undertook to consider how to encourage consideration of progress against strategic objections both within the management team and at Governing Body.

- **Internal Audit Report on Risk Management**

This was noted a high risk report. Mr Oatridge commented that the report reflected that the CCG needed to address structure, ownership and scrutiny. Mrs Skidmore advised that Mrs Garcha was undertaking a lot of work around this and could articulate further later on in the meeting.

In response to a question from Mr Oatridge, Mrs Skidmore confirmed that each risk has a Risk Manager and Director and that each committee will have its own set of risks to have oversight of. Mr Cullis noted that lots

of risks were captured by Datix but felt that the principle risks for the CCG needed to be clearly articulated.

Mr Cullis asked how the CCG compared to its peers with regard to risk reporting and management. Ms Breadon stated that lots of organisations struggled with assurance and were at various stages.

Mr Rohimun felt that this was one of the more critical reports that had been presented to a CCG and needed to be addressed. He confirmed that the external audit plan would need to be updated to reflect further audit action required in light of the internal audit findings.

RESOLUTION: The Committee:

- Noted the recommendations of the reports undertook to keep a watching brief on progress with the actions described in the Risk Management report.

### **Draft Head of Internal Audit Opinion**

AGC/17/07 Ms Breadon advised that the draft Opinion would be made available at the April 2017 Audit and Governance Committee Meeting.

### **Draft Internal Audit Plan 2017/18**

AGC/17/08 Ms Breadon advised that the draft plan would be made available at the April 2017 Audit and Governance Committee Meeting. Diary dates are held in March for discussions with both the Executive Team and Senior Management Team.

### **Local Counter Fraud Specialist Progress Report**

AGC/17/09 Ms Lakh presented the Local Counter Fraud Specialist Progress Report on behalf of Mr Mohan. Work continued as planned with the majority now completed. Fraud awareness articles had been circulated and the CCG Staff Intranet website has been updated.

Highlighted was a national issue around emails being fraudulently sent to staff stating that they were from senior people in organisations asking for the transfer of funds. Staff have been reminded to be vigilant.

Miss Patel asked Ms Lakh if the team's contact have been details listed on the Intranet were correct as there had been an incident where a staff member had been unable to contact the Counter Fraud Team. Ms Lakh advised that she would check the information and respond to Miss Patel outside of the meeting.

*Mrs Garcha arrived*

Mr Cullis asked if communications were sent out to GPs. Mrs Skidmore advised that the CCG do not have a contract with practices to send out

this information but important messages can be feedback through the Practice Managers Forum. Mr Oatridge asked Mr McKenzie if this could be picked up through another forum and Mr McKenzie advised that this could be bought up as a topic at the Team W event organised by WCCG for GPs.

RESOLUTION: The Committee;

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

### **Draft Counter Fraud Plan**

AGC/17/10 The draft Counter Fraud Plan 2017/18 was presented to the committee outlining resources by PwC for the coming financial year.

RESOLUTION: The Committee;

- The committee accepted the contents and comments of the report.

### **Circular Quality Assurance Process**

AGC/17/11 This circular was circulated for information only.

### **External Audit**

AGC/17/12 Mr Rohimun presented the External Audit Report for 2016/2017 to the committee.

The key elements of the report were:

- Financial statement risks
- Responsibilities in respect of fraud and error
- Value for money risks
- Audit process and strategy

Mr Cullis asked if the risk diagram in the Overview section would change and be updated as the CCG's principle risks became more apparent. Mr Rohimun confirmed that this is possible.

RESOLUTION: The Committee:

- Noted and received the report. A further update will be circulated after the meeting to incorporate wording to reflect an additional focus as a result the internal audit risk management recommendations.

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

AGC/17/13 Ms Garcha gave a verbal update on the Risk Register Reporting/Board Assurance Framework following the report that had been presented at the Audit and Governance Committee meeting in November 2016. Work has been undertaken to meet the requirements of the internal audit action plan. Revised reporting templates have been shared with the Quality and Safety Committee prior to roll out across all committees and a dedicated section on the agenda for the February 2017 Governing Body Development session will reconfirm strategic priorities in order to assist in the development of an updated Board Assurance Framework.

The risk register is being reviewed and a cleanse is currently being undertaken. The risks will be aligned to CCG committees including Quality and Safety Committee, Finance and Performance Committee, Commissioning Committee and Primary Care Joint Commissioning Committee. The Audit and Governance Committee and Remuneration Committee would not be allocated any risks. Each risk has a Director and Manager assigned to it. Update reports will be brought to Audit and Governance Committee in order that the robustness of system and process can be reviewed.

RESOLUTION: The Committee:

- Requested that Mrs Garcha bring back a further update to the 18 April 2017 Meeting.

*Mrs Garcha left the meeting.*

### **Draft Annual Governance Statement**

AGC/17/14 Mr McKenzie presented the first draft of the annual governance statement to the committee and informed the group of the additional work that needs to be done to ensure its completion.

There were no issues from last year's governance statement that needed to be brought forward to the statement this year. Mr McKenzie flagged to the committee an item raised in Month 9. This related to the Chair of the Governing Body. As part of the New Models of Care system the Chair's practice was potentially looking at subcontracting their GMS contract as part of the Vertical Integration programme run by the Royal Wolverhampton Hospitals Trust. Reporting flagged the CCG's approach to management of the potential conflict of interest and Mr McKenzie gave assurance that all correspondence and decisions in relation to this matter had been properly documented. The CCG has now received confirmation from the practice that they will be going ahead with the contract and the decision had been taken by the Chair that he will step down from his position at the CCG on 31 March 2017.

Mr McKenzie asked for any comments on the report and Mr Oatridge asked that written comments should be sent back to Mr McKenzie as soon as possible.

RESOLUTION: The Committee:

- Noted the report
- Agreed to provide any comments to Mr McKenzie as soon as possible for a second draft to be completed by the end of March 2017 in order to be brought back for further review at the Audit and Governance Committee in April 2017

## **Committee Annual Report**

AGC/17/15 The Committee Annual Report is due for sign off in May 2017. It will be brought back to the Audit and Governance Committee in April 2017 before being presented to the Governing Body in May 2017.

Mrs Skidmore felt that it might be beneficial for Mr Price the outgoing Lay Member for the Audit and Governance Committee to give some input into this. Mr McKenzie would speak to Mr Price.

Mr Trigg asked Mr McKenzie why work from the Auditor Panel had not been picked up in the report. It was agreed that the information in the report could be expanded to incorporate comments about this.

RESOLUTION: The Committee:

- Noted the report
- Agree that Mr McKenzie would speak with Mr Price about input for the Committee Annual Report.
- Asked Mr McKenzie to expand on the information in the report around the Auditor Panel.
- Committed to sending any further comments to Mr McKenzie as soon as possible.

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

AGC/17/16 Mrs Skidmore presented a report on the Month 9 Interim Accounts and  
Final Accounts Plan. She reiterated that this was a month 9 position and not a year end position. This report had been sent to NHSE within the deadline for submission but to date no comments or feedback had been received.

There is a proven system in place with an established team behind this both within the CCG and the CSU. An exercise had been undertaken around variance analysis at month 9, no significant queries had been raised from this.

Work is on track to meet the accounts submission deadline of 31 May 2017 with a draft to be presented to the Audit and Governance Committee on the 18 April 2017. A meeting is scheduled to review the final audited accounts on the 23 May 2017 before they are taken for sign off at the Governing Body Meeting also scheduled for the 23 May 2017.

Mr Oatridge asked if there were any issues around timely receipt of information about pensions costs. Mrs Skidmore advised that the information request had been submitted to deadline and no delays were anticipated.

RESOLUTION: The Committee:

- Noted the report

### **Losses and Compensation Payments – Quarter 3 2016/17**

AGC/17/17 Mrs Skidmore presented this report and advised the Committee that there had been no losses or special payments during quarter 3 of 2016/2017.

RESOLUTION: The Committee:

- Noted the report

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

AGC/17/18 Mrs Skidmore noted that there have been no suspensions of SO/PFPs in quarters 1 to 3 of 2016/17.

2 waivers were raised during quarter 3.

Ms Breadon asked if the narratives for the waivers relating to Johnston Associates Ltd and The Advisory Board Company could be expanded to offer more details regarding the reasons for the waiver. Mr Cullis suggested that bullet points could be added for retrospective orders to aid understanding of the issues.

RESOLUTION: The Committee;

- Noted the contents of the report.
- Tasked Mrs Skidmore to add further information to future reports in respect of retrospective orders and to expand the narrative for waivers for Johnston Associates Ltd and The Advisory Board Company.

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

AGC/17/19 The Committee noted that as at 31 December 2016 there were:

- 5 sales invoices greater than 10k and over 6 months old.
- 18 purchase ledger invoices greater than £10k and over 6 months old.

Mr Oatridge raised a query around the sentence 'Other aged debt continues to be chased on a regular basis ...'. Mrs Skidmore informed that the invoices for Wolverhampton City Council proved to be a problem. This was not related to the invoices not being recognised but more around the system and process at the council in order to release payments. Mr Oatridge suggested that an escalation to the Directors of Finance might rectify this.

RESOLUTION: The Committee:

- Noted the contents of the report.
- Asked Mrs Skidmore escalate discussions with Wolverhampton City Council regarding payment of invoices.

**Any Other Business**

AGC/17/20 There were no items to be raised under Any Other Business.

**Date and time of next meeting**

AGC/17/21 Tuesday 18 April 2017 at 11.00am in the Armstrong Room,  
Science Park.

**Signed:**

**Dated:**