

NHS GREATER GLASGOW AND CLYDE

**Minutes of the Meeting of the
Audit and Risk Committee
held in the Boardroom, JB Russell House
on Tuesday, 10 December 2019**

PRESENT

Mr. A MacLeod (in the Chair)

Mr. S Carr	Ms. A M Monaghan
Ms. J Forbes	Ms. M Kerr
Dr. D Lyons	Mr. R Finnie
Mr J Matthews OBE (from minute 53)	

IN ATTENDANCE

Ms. J Grant	..	Chief Executive
Mr. M White	..	Director of Finance
Mr. C Brown	..	Scott-Moncrieff
Ms. R Weir	..	Scott-Moncrieff
Mr J Cornett	..	Audit Scotland
Ms. L Maconachie	..	Audit Scotland
Ms. L Yule	..	Audit Scotland
Mr. G Forrester	..	Deputy Head of Board Administration
Mr. Z Barlow	..	Secretariat (Minutes)

		ACTION BY
48.	WELCOME AND APOLOGIES	
	Apologies for absence were intimated on behalf of Prof. J Brown CBE, Mr. W Edwards, Mr. J Hobson, Councillor Jonathan McColl, Ms. J Richardson and Ms. E Vanhegan.	
	<u>NOTED</u>	
49.	DECLARATIONS OF INTEREST	
	Mr Macleod invited members to declare interest in any of the agenda items being discussed.	
	Ms Kerr declared an interest in relation to Agenda Item 52 due to previous involvement with the Internal Audit. The Committee were content to note this.	
	<u>NOTED</u>	

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50.	MINUTES OF THE MEETING HELD ON 10 SEPTEMBER 2019		
	<p>The Committee considered the minute of the meeting held on Tuesday 10 September 2019 [Paper No A (M)19/04] and were content to approve this as an accurate record, subject to the amendment of item 45 of the second line of the final paragraph, to read ‘Ms Vanhegan clarified that other Board Committees, including the Clinical and Care Governance Committee, received relevant reports which provided assurance on the work undertaken to mitigate claims risk.</p> <p><u>APPROVED</u></p>		
a)	ROLLING ACTION LIST		
	<p>The committee received recommendation to close 5 actions. The committee agreed to mark the Deactivation of IT Accounts and Endowments Funding as ongoing. The other 3 actions would be closed as recommended.</p> <p>Mr White agreed to check the Endowments Management Committee minutes to clarify if funding had been received from the Scottish Government.</p> <p><u>APPROVED</u></p>	Mr White	
51.	MINUTES OF MEETINGS		
	RISK MANAGEMENT STEERING GROUP HELD ON 26th NOVEMBER 2019		
	The Committee were content to note the minutes of the meeting held on 26 November 2019.		
	INFORMATION GOVERNANCE STEERING GROUP – 20th NOVEMBER 2019		
	The Committee were content to note the minutes of the meeting held on 20 th November 2019.		
	<u>AGREED</u>		
52.	INTERNAL AUDIT		
	The Committee considered the paper “Internal Audit Papers” [Paper No 6] presented by Mr. C Brown, Partner from Scott Moncrieff and were asked to note the following papers from the Board’s Internal Auditors.		
	PROGRESS REPORT TO NOVEMBER 2019		

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	<p>Mr Brown provided an update from the Internal Audit Plan Progress Report.</p> <p>Mr Brown reported that 7 reviews had been completed in 2019, with four reviews completed this quarter including Financial Systems Health Check, Grievance Process, Capacity Planning – Delayed Discharges and Follow up – Q2.</p> <p>Mr Brown advised that Scott-Moncrieff had scheduled to present the Operational Planning report to the committee however it was unfortunately delayed. Findings were being finalised and the report would be presented in March.</p> <p>A total of 8 reviews were to be brought to the committee in March, 5 of which had been considered and approved by the NHSGGC Corporate Management Team.</p> <p>Following questions, Mr Brown gave assurance to the committee that all reports would be complete by the end of the year.</p> <p><u>NOTED</u></p>	
	<p>INTERNAL AUDIT FOLLOW UP REPORT – QUARTER 2</p>	
	<p>Mr Brown provided an update from the Internal Audit Follow Up Report for quarter 2.</p> <p>Mr Brown reported that management had maintained reasonable progress overall in closing outstanding actions with a total of 11 actions closed. The total number of open actions carried forward had decreased however the total number of actions that were past their original due date had risen from 10 to 20. It was confirmed that 17 of the 20 actions were in progress however updates on the remaining 3 had not been received.</p> <p>The committee noted concern in the increase in actions past their original due date. The committee felt that effort must be made to take forward outstanding actions, recognising priority matters and appropriate scheduling.</p> <p>Ms Grant agreed to raise the committee’s concerns regarding timeous follow up at the Informal Directors Group meeting.</p> <p><u>NOTED</u></p>	<p>Ms Grant</p>
	<p>CAPACITY PLANNING – DELAYED DISCHARGES</p>	
	<p>Mr Brown presented the Capacity Planning – Delayed Discharges audit to the committee.</p>	

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	<p>The committee were advised that all controls tested within the audit were scored as 'green', but as management of delayed discharges are an important process of the healthcare system, it was felt that this audit should be presented to the committee.</p> <p>It was advised that although NHSGGC has implemented robust and effective controls for the management of delayed discharges, there was one area of difference highlighted between the Discharge Policy as written and common discharge practice. It was suggested that aligning discharge paperwork with the documented Discharge Policy, procedure and established practice to provide clearer direction for ward staff. It was noted that although the identified difference was not considered to give rise to significant risk, the implementation of the improvement action would enable NHSGGC to further strengthen its control environment in this area.</p> <p>Committee discussion highlighted the importance in promoting cross system working between the Board and its partnerships. The committee felt that joint effort would usefully be made in auditing these processes, and others, on a whole-system basis. Ms Grant agreed to discuss the committee's view with HSCP Chief Officers and advised that a paper on delayed discharges was scheduled for the next Corporate Management Team.</p> <p>NOTED</p>	<p>Ms Grant</p>
<p>53.</p>	<p>EXTERNAL AUDIT</p>	
	<p>ANNUAL AUDIT PLAN</p>	
	<p>The Annual Audit Plan was presented to the committee by Ms L Maconachie, Audit Scotland. The plan contained an overview of the planned scope and timing of audit work. The plan identified the audit work to be undertaken to provide an opinion on the financial statements and related matters, and meet the wider scope requirements of public sector audit, by contributing to conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.</p> <p>Based on discussions with staff, attendance at the committee meetings and a review of supporting information, Audit Scotland identified the main risk areas for NHSGGC in the plan. These key audit risks were categorised into financial statements risks, as well as wider dimensions risks.</p> <p>Members noted that the plan aligned closely with that of previous years. The committee noted a reduced materiality value, and asked the Chief Executive and Director of Finance to consider any required changes to the performance report and governance statement for 2019-20 to reflect the role of the appointed Oversight Board. It was also noted that the audit fee for the year had yet to be confirmed.</p>	<p>Mr White</p>

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	<p>The committee highlighted that Audit Risk 4 on deferred income read as though the Board could not demonstrate evidence that the deferred income balance was in adherence with the requirements of IFRS 15. Audit Scotland agreed to amend the wording to confirm that the difficulty in providing evidence emanated from the wording used in the guidance.</p> <p><u>NOTED</u></p>	<p>Audit Scotland</p>
<p>54.</p>	<p>FRAUD REPORT</p>	
	<p>The Committee considered the paper “Fraud Report” presented by Mr M White, Director of Finance on behalf of Ms Janet Richardson, Fraud Liaison Officer. The paper asked the Committee to note the Board’s current fraud cases and other fraud related issues. The key issues to be considered were the level and nature of fraud which occurred during the period August to October 2019, that indicated the arrangements and measures in place to prevent and counter fraud were appropriate and do not indicate any significant weakness in the overall system of internal control within the Organisation.</p> <p>Mr White provided an overview from the paper provided and explained that there had been 31 enquiries recorded in the Board’s Enquiries Register.</p> <p>A total of 10,561 matches were identified through the National Fraud Initiative data matching exercise. These included 9 instances of staff potentially working elsewhere while on sick leave from their post with the Board. Investigations remained ongoing for 7 of the 9 instances.</p> <p>Mr White provided an overview of Appendix 1 from the paper. The committee commented on the significant number of dental service allegations, noting a possible theme.</p> <p>The report also included the Counter Fraud Services (CFS) Quarterly Report for noting. There had been a total of 113 referrals, representing a decrease of 1.7% compared with the second quarter in the previous year (115 referrals). At the end of the quarter there were 54 ongoing national cases. The CFS issued 1 intelligence alert in the quarter to September 2019 related to a payment diversion fraud.</p> <p>In summary, the committee were content to note the Fraud Report and CFS Quarterly Report.</p> <p><u>NOTED</u></p>	
<p>55.</p>	<p>CORPORATE RISK REGISTER</p>	
	<p>The Audit and Risk Committee undertook half yearly review of the Corporate Risk Register.</p>	

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	<p>Mr White presented the register which had been the subject of detailed review by the Risk Management Steering Group. Mr White highlighted amendments to a number of strategic risks reflecting the increased focus on infection control and financial performance.</p> <p>Following established practice, the amended corporate risk register would be distributed to standing committees as appropriate for oversight and management of risks within each service area.</p> <p>Mr White welcomed post meeting comments from members.</p> <p><u>NOTED</u></p>	
56.	OVERVIEW REPORT – NHS IN SCOTLAND 2019	
	<p>The committee received the NHS in Scotland Overview Report 2019 for noting.</p> <p>The report was due to be presented by Fiona Watson however due to circumstances, it was decided that presentation of this be considered for the next meeting.</p> <p><u>NOTED</u></p>	
57.	DEVELOPMENT OF AUDIT AND RISK WORK PLAN	
	<p>The Chair asked the committee to consider an annual work plan for the Audit and Risk Committee.</p> <p>The committee were supporting of the creation of a work plan, highlighting that it would ensure there was an even spread of agenda topics throughout the year.</p> <p>It was agreed that a draft work plan would be presented to the Audit and Risk Committee in March.</p> <p><u>AGREED</u></p>	
58.	CLOSING REMARKS AND KEY MESSAGES TO THE BOARD	
	<p>The Chair concluded the formal business of the meeting and summarised the key themes to be reported to the Board from the Audit and Risk Committee.</p> <ul style="list-style-type: none"> • Internal Audit Plan • Delayed Discharges Report • Corporate Risk Register • Annual Audit Plan 	

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	<u>NOTED</u>		
59.	DATE AND TIME OF NEXT MEETING		
	Tuesday 17 March 2020, at 9.30am, in the Board Room, JB Russell		