

ARC (M) 20/01  
Minutes: 1 - 14

## NHS GREATER GLASGOW AND CLYDE

**Minutes of the Meeting of the  
Audit and Risk Committee  
held in the Boardroom, JB Russell House  
on Tuesday, 17 March 2020**

**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	Cllr. J McColl

**IN ATTENDANCE**

Ms. J Grant	..	Chief Executive
Prof. J Brown CBE	..	Chairman
Mr. M White	..	Director of Finance
Mr. W Edwards	..	Director of eHealth
Mrs. A MacPherson	..	Director of Human Resources and Organisational Development
Ms G Caldwell	..	Director of Pharmacy
Ms. E Vanhegan	..	Head of Corporate Governance & Board Administration
Mr. C Brown	..	Scott-Moncrieff
Ms. R Weir	..	Scott-Moncrieff
Ms. L Maconachie	..	Audit Scotland
Ms. L Yule	..	Audit Scotland
Mrs. S Johnston	..	Head of Civil Contingencies (For item 10)
Mrs. J Richardson	..	Head of Financial Governance (For item 8)
Mr. Z Barlow	..	Secretariat (Minutes)

		<b>ACTION BY</b>
<b>1.</b>	<b>WELCOME AND APOLOGIES</b>	
	Apologies for absence were intimated on behalf of Mr. J Hobson and Mr J Cornett.	
	Due to the development of Covid-19, several members had asked to participate via teleconference and therefore the meeting was moved from the Boardroom to the Ante Room to accommodate the facilities.	
	The Chair sought the approval from members to amend the running order of the agenda to discuss item 6 before item 5(e) as a decision on a contract extension of the internal contractor Scott-Moncrieff was a	

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	necessary prerequisite to consider item 5(e). Members agreed to amend the order.  <b><u>NOTED</u></b>	
<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>	
	Mr MacLeod invited members to declare interest in any of the agenda items being discussed. There were no declarations of interest declared.  <b><u>NOTED</u></b>	
<b>3.</b>	<b>MINUTES OF THE MEETING HELD ON 10 DECEMBER 2019</b>	
	The Committee considered the minute of the meeting held on Tuesday 10 December 2019 [Paper No AR (M)19/05] and were content to approve this as an accurate record.  <b><u>APPROVED</u></b>	
<b>a)</b>	<b>ROLLING ACTION LIST</b>	
	The Committee reviewed the Rolling Action List and were content to accept the recommendation to close 5 actions. In addition, an update was provided on the following actions:  <u>Endowments Funding</u>  Mr White advised that the use of endowments was at the discretion of Trustee's based on the principles set out in the Endowments Charter and Operating Procedures. It was agreed that this action would be remitted back to the Endowments Committee for consideration and would be closed on the rolling action list.  <u>Deactivation of IT Accounts</u>  Mr Edwards advised that there was a process in place between HR and IT colleagues to ensure the consistent deactivation of IT accounts. It was agreed that this action would be closed on the rolling action list.  <b><u>APPROVED</u></b>	<b>Secretary</b>  <b>Secretary</b>
<b>4.</b>	<b>MINUTES OF MEETINGS</b>	
<b>a)</b>	<b>RISK MANAGEMENT STEERING GROUP HELD ON 3<sup>rd</sup> MARCH 2020</b>	
	The Committee were content to note the minutes of the meeting held on 3 <sup>rd</sup> March 2020.	

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b)	<b>INFORMATION GOVERNANCE STEERING GROUP – 26<sup>th</sup> FEBRUARY 2020</b>	
	<p>The Committee were content to note the minutes of the meeting held on 26<sup>th</sup> February 2020.</p> <p><b><u>AGREED</u></b></p>	
c)	<b>NIS DIRECTIVE AUDIT</b>	
	<p>The Committee considered the paper ‘Notification of Network and Information Systems (NIS Regulation) Audit 2020’ presented by Mr. W Edwards.</p> <p>The paper detailed the responsibility for the Health Board’s Audit and Risk Committee to take ownership of any actions arising from the audit. Following the audit, results would be presented to a future meeting of the Audit and Risk Committee.</p> <p>The Committee noted the importance of the scheduled NIS audit in September 2020 and were content to accept the recommendation to take ownership of any actions arising from it.</p> <p><b><u>AGREED</u></b></p>	
5.	<b>INTERNAL AUDIT</b>	
	<p>The Committee considered the paper “Internal Audit Papers” [Paper No 5] presented by Mr. C Brown, Partner from Scott-Moncrieff and were asked to note the following papers from the Board’s Internal Auditors:</p>	
a)	<b>INTERNAL AUDIT PROGRESS REPORT – MARCH 2020</b>	
	<p>Mr C Brown provided an update from the Internal Audit Plan Progress Report.</p> <p>Mr C Brown reported that 12 reviews had been completed in 2019, with 4 reviews completed this quarter including IJB Financial Information and Reporting, Medicines Reconciliation in Hospital, Sickness Absence – Follow Up, Statutory and Mandatory Training, and Management Action Follow Up - Q3.</p> <p>Mr C Brown advised that Scott-Moncrieff had scheduled to present the Operational Planning report and Clinical Pathways - Enhanced Monitoring in IAU to the Committee however this was delayed. Findings were being finalised and the reports would be presented to the Committee in June.</p>	<p><b>Mr C Brown</b></p>

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	<p>Mr C Brown highlighted the very positive findings from the IJB Financial Information and Reporting, and the improvements and changes made since June 2018 to improve completion rates for statutory and mandatory training. The Board had increased its overall completion rates from 56% in June 2018 to 86% at September 2019. Minor improvement was required to meet the 90% target.</p> <p>The Chairman on behalf of the Committee thanked Mr C Brown and colleagues from Scott-Moncrieff for the report. The Committee were assured that the organisation was making continuous improvements across many areas.</p> <p><b><u>NOTED</u></b></p>	
b)	<b>INTERNAL AUDIT FOLLOW UP REPORT – QUARTER 3</b>	
	<p>Mr C Brown provided an update from the Internal Audit Follow Up Report for quarter 3.</p> <p>Mr C Brown reported that management had maintained good progress overall in closing outstanding actions with a total of 20 actions completed. The total number of open actions carried forward had decreased significantly this quarter from 28 to 13. The total number of actions that were past their original due date had decreased from 20 to 7. It was confirmed that the remaining 7 actions were in progress and a revised timescale for completion had been provided. There were a total of 6 new actions added to the tracker.</p> <p>The Committee were assured by the report and commented on the positive and significant reduction in outstanding follow up items.</p> <p><b><u>NOTED</u></b></p>	
c)	<b>SICKNESS ABSENCE FOLLOW UP</b>	
	<p>Ms Weir presented the Sickness Absence Follow Up report to the committee.</p> <p>Ms Weir advised that following the 2018/19 review, a robust framework had been put in place for managing sickness absence by HR&amp;OD however it was found that line managers and supervisors were not consistently using this framework or adhering to documented processes. A number of improvement actions were identified, designed to allow NHSGGC to support a reduction in sickness absence rates through consistent application of the framework.</p> <p>The follow-up review presented highlighted that individual and team compliance with the process was still inconsistent and would remain the main issue of the follow-up audit. It was however noted that the delayed</p>	

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	<p>release of revised national guidance had hindered ongoing improvement activity on absence management but despite this, progress had been made implementing previous recommendations.</p> <p>Ms Weir highlighted areas of good practice which included a well-designed sickness absence process, robust arrangements to collate and report absence data, the high proportion of absences recorded by line managers within SSTS using non-specific reason codes and the issue of notification letters where entitlement to occupational sick pay had been exhausted.</p> <p>Ms Weir also highlighted areas for improvement which included the overall responsibility for ensuring compliance with the Attendance Management Policy with the new policy expected imminently from NHS Scotland.</p> <p>Mrs MacPherson commented that since the last audit the housekeeping elements had been addressed.</p> <p>Mrs MacPherson advised that the new Attendance Management Policy was available from the 1<sup>st</sup> March containing much clearer, shorter and more precise information and guidance.</p> <p>Roadshows with colleagues had been taking place and work was ongoing around managing stress and mental health &amp; wellbeing of staff.</p> <p>Mrs MacPherson advised that figures had remained steady and were sitting at 6.2% absence compared to 6.4% when the audit was taken.</p> <p>The Committee were content to note the report and acknowledged the progress made. The Committee recognised that further improvement was required. It was agreed that follow up and monitoring of progress would be undertaken by the Staff Governance Committee.</p> <p><b><u>NOTED</u></b></p>	
<p>d)</p>	<p><b>MEDICINES RECONCILIATION IN HOSPITALS</b></p>	
	<p>Mr C Brown presented the Medicines Reconciliation in Hospital report to the Committee.</p> <p>Mr C Brown advised that the national guidelines for medicines reconciliation involved using at least two sources of information on patient's medicines history in order to establish an accurate record of their current medication.</p> <p>Mr C Brown advised that a number of areas were found which could be improved to support more uniform application of the Medicines Reconciliation in Hospital Policy. It was explained that within a hospital context, junior doctors were expected to drive the medicines reconciliation process but it was found that there was no management information in</p>	

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	<p>place to ensure that reconciliations were completed as expected, meaning that consultants were unable to monitor the performance of junior doctors in this area.</p> <p>It was noted that NHSGGC were in the early stages of adopting the Hospital Electronic Prescribing and Medicines Administration (HEPMA) software, which the original Orion system would integrate with to enable electronic prescribing throughout the patients stay in hospital. Although it was expected to improve the situation, the new system would not be the final solution to solving the non-compliance issues with the policy. Scott-Moncrieff had identified within the report the issues unable to be addressed through the HEPMA system.</p> <p>Ms Caldwell advised that a new dashboard had been created that would provide data and drive improvement.</p> <p>Committee members commented positively on the introductions of the new measures and HEPMA system though acknowledged that it would not solve the issue entirely.</p> <p>Following questions, Mr Edwards advised that the Board were in discussions with contractors around the HEPMA system business case and that once an agreement had been made, the design phase of the system would take 6 months followed by an 18 month rollout. Ms Muir acknowledged that although the rollout period may seem potentially longer than members anticipated, this was an ambitious timescale in comparison to the rollout periods of other health boards.</p> <p>Members highlighted that although the HEPMA system would be of large benefit, the Board should not wait on the system being implemented before taking action towards the improvement of medicines reconciliation.</p> <p>The Committee agreed to note the report and the monitoring of further progress would be undertaken by the Clinical and Care Governance Committee.</p> <p><b><u>NOTED</u></b></p>	
<p><b>6.</b></p>	<p><b>EXTENSION OF INTERNAL AUDIT CONTRACTS</b></p>	
	<p>Mr White asked the Committee to consider the paper 'Extension of Internal Audit Contract' and asked Scott-Moncrieff representatives to leave the room.</p> <p>The Audit and Risk Committee were asked to approve the contract extension with the Board's Internal Auditors, Scott-Moncrieff. The contract was awarded in May 2018 after a competitive tendering process to run for an initial two year periods with the option to extend for a further one or two years.</p>	

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	<p>It was agreed that the Board would extend the contract for a further 2 year period at which point it would require to be put to tender again.</p> <p>The Committee noted thanks to Scott-Moncrieff for their ongoing support and highlighted that the decision to approve the extension was due to the high level, consistent service already provided.</p> <p><b><u>APPROVED</u></b></p>	
<b>5(e)</b>	<b>DISCUSSION DRAFT – INTERNAL AUDIT PLAN 2020/21</b>	
	<p>Following the approval of the extension of internal audit contracts, Mr C Brown presented the Internal Audit Plan 2020/21.</p> <p>Mr C Brown advised that as part of refreshing the plan for 2020/21, the Scott-Moncrieff team had met with members of the Corporate Management Team (CMT) during February 2020. The meetings resulted in a small number of changes to reflect the Board’s changing risk profile and issues that have arisen since last year’s refresh of the audit plan. The draft plan requires feedback from the Audit and Risk Committee as well as scrutiny by the CMT as a whole and by the Chief Executive before being finalised and presented to the Audit and Risk Committee for approval in June 2020.</p> <p>Members highlighted the effects Covid-19 could have on audit plans in 2020. It was also highlighted that links within the risk registers were not available on all IT equipment and this should be recorded as a risk in the event that this equipment was not replaced. Mr White advised that actions were in place for the upgrading of IT equipment, and NHSGGC would also be looking to upgrade to Office 365.</p> <p>Following discussion, it was agreed that Scott-Moncrieff would produce a 3 year plan. The Committee highlighted the function of Scott-Moncrieff, to support the organisation policies and business by providing a resource to be used positively by management.</p> <p>The Chair suggested to Committee members that any suggestions or recommendations be submitted to him by Friday 27<sup>th</sup> March for collation prior to discussion with the Chief Executive, the Chairman and Scott-Moncrieff.</p> <p><b><u>NOTED</u></b></p>	<p><b>Scott Moncrieff</b></p> <p><b>All</b></p>
<b>7.</b>	<b>EXTERNAL AUDIT</b>	
<b>a)</b>	<b>ANNUAL AUDIT PLAN</b>	

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	<p>The Annual Audit Plan was presented to the Committee by Ms L Maconachie, Audit Scotland.</p> <p>Ms Maconachie advised that following action from the previous meeting, the plan had been updated to reflect the deferred income/IFRS15 risk in the Annual Audit Plan to ensure that it correctly reflected circumstances arising from the 2018/19 audit. It was also advised that senior management capacity risk had been added, as previously suggested following the escalation of the organisation to Level 4 of the NHS Scotland Performance Framework, combined with the pressures experienced at the QEUH and legal action against the building contractors.</p> <p>The Committee highlighted the possible effect Covid-19 may have on external audit. Ms Maconachie advised that the Scottish Government and Audit Scotland were having ongoing discussions around the impact there may be on all public sector bodies.</p> <p>The Chairman questioned the methodology of the audit following the risk noted around senior management capacity. The Chairman highlighted that the capacity in NHSGGC leadership team was very experienced and further questioned how the team was measured in an objective way. Ms Maconachie agreed to consider the Chairman's comments and the Committee agreed to note the paper.</p> <p><b><u>NOTED</u></b></p>	
<b>b)</b>	<b>MANAGEMENT REPORT</b>	
	<p>The Management Report was presented to the Committee by Ms L Maconachie, Audit Scotland.</p> <p>The report highlighted that no significant key control weaknesses were identified from the interim audit work however there was one weakness identified around petty cash as part of a review. One large balance of £15,000 was selected for review and was identified as not completed on the correct reconciliation template as required by the operating procedures. An additional balance of £15,000 had been requested however it was confirmed that the balance had subsequently been returned.</p> <p>Ms Maconachie was happy to advise there were no other issues to report.</p> <p>The Committee agreed to note the management report.</p> <p><b><u>NOTED</u></b></p>	
<b>8.</b>	<b>FRAUD REPORT</b>	
	<p>The Committee considered the paper "Fraud Report" presented by Ms Janet Richardson, Fraud Liaison Officer. The paper asked the Committee</p>	



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	<p>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 November 2019 to January 2020, 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>Ms Richardson provided an overview from the paper provided and explained that there were 3 new cases of fraud reported between November 2019 and January 2020 all of which related to allegations against NHS employees. As at the 31 January 2020, there had been 24 enquiries recorded in the Board’s Enquiries Register.</p> <p>The report also included the Counter Fraud Services (CFS) Quarterly Report for noting. There had been a total of 107 referrals, representing an increase of 34% compared with the third quarter in the previous year (80 referrals). At the end of the quarter there were 55 ongoing national cases. The CFS issued 3 intelligence alerts in the quarter to December 2019 related to a payment diversion fraud.</p> <p>In summary, the Committee were content to note the Fraud Report and CFS Quarterly Report and were assured by the information provided.</p> <p><b><u>NOTED</u></b></p>	
<p><b>9.</b></p>	<p><b>CORPORATE RISK REGISTER</b></p>	
	<p>The Audit and Risk Committee undertook review of the Corporate Risk Register.</p> <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 around unscheduled care, delayed discharge, the out of hours service and the influenza pandemic.</p> <p>Mr Finnie questioned steps around mitigating risks and highlighted that HEPMA had been added to the risk register despite the completion of the rollout not being for over 24 months.</p> <p>The Committee noted that Covid-19 had its own risk register.</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><b><u>NOTED</u></b></p>	

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<b>10.</b>	<b>BUSINESS CONTINUITY PLANNING AND RESILIENCE TESTING</b>	
	<p>The Committee considered the paper “Business Continuity Update” presented by Mrs Sally Johnston, Head of Civil Contingencies.</p> <p>Mrs Johnston highlighted that most business continuity plans (BCP) across all directorates and departments were due for annual review over the next few months, with a small number of plans already exceeding their annual review date.</p> <p>Covid-19 continued to be a key focus, with some departments invoking some or all of their BCP arrangements.</p> <p>NHSGGC has implemented its Pandemic flu structure to coordinate the response to Covid-19. An Incident Management Team (IMT) had been in place since 6th February to plan and prepare the organisations response. The IMT included representation from Health and Social Partnerships, Primary Care, Acute Services and the Infection Prevention and Control Team and was chaired by Public Health Team. As part of our pandemic structure, specific sub groups including Acute, HSCP and Communications have been established to address specific areas of detailed planning.</p> <p>Mrs Johnston advised that a pandemic flu exercise took place on 13<sup>th</sup> March 2020 which tested both the pandemic and individual BCPs to ensure they remain fit for purpose. The exercise highlighted gaps within some BCPs and the need for robust, tested and exercised plans.</p> <p>Ms Grant advised that the South Sectors plans required urgent update and measures had been put in place to ensure this was done promptly.</p> <p>The Chair asked Mrs Johnston for future reports to provide more details of where the gaps and critical areas were across NHSGGC. Mr C Brown advised that Scott-Moncrieff have business continuity colleagues who would be happy to assist in getting plans up to date.</p> <p>The Committee were content to note the update, recognised the priorities and urgent need for the updating of South Sector plans, and were assured by the information provided.</p> <p><b><u>NOTED</u></b></p>	
<b>11.</b>	<b>DRAFT AUDIT AND RISK WORK PLAN</b>	
	<p>Mr White presented the Audit and Risk Committee work plan. The Committee were asked to review the draft work plan and provide comment.</p>	

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	<p>Ms Vanhegan, Head of Corporate Governance and Administration highlighted that a standard work plan across all governance committees would be established.</p> <p>Ms Maconachie asked that the Audit Scotland Annual Audit Plan be added to December 2020, and the Audit Scotland Management Report be added to March 2021.</p> <p>The Committee were asked to provide comment to the Secretary and Mr White by 27 March 2020. Comments would be considered and the final work plan would be presented to the June meeting of the Committee.</p> <p><b><u>AGREED</u></b></p>	<p><b>All</b></p>
<p><b>12.</b></p>	<p><b>GOVERNANCE</b></p>	
	<p>An update on governance was provided by the Chairman, Prof John Brown.</p> <p>Prof Brown advised that in line with all other Health Boards, NHSGGC faces unprecedented challenges in managing the response to the Coronavirus pandemic in the coming months. He recognised that this was a fast moving situation and is subject to continual change and suggested that effective management of the situation will require some changes to the existing corporate governance system.</p> <p>While not underestimating the importance of maintaining effective corporate governance, particularly while NHSGGC remains at Level Four of the NHS Scotland Performance Management Framework, Prof Brown argued that it is equally important that the governance arrangements recognise the unprecedented demands on the Chief Executive and her Executive Team while they respond to the situation and the new challenges this brings to the organisation on a daily basis.</p> <p>Prof Brown asked the Audit and Risk Committee to consider the corporate governance system and how to manage and mitigate risks going forward He went onto highlight the risks he had already identified to effective governance as follows:</p> <ol style="list-style-type: none"> <li>1. The current governance arrangements are too inflexible and compartmentalised to give the Board the necessary assurance and oversight of the organisation’s response to the escalating Coronavirus pandemic across Greater Glasgow &amp; Clyde.</li> <li>2. The governance arrangements put unnecessary demands on the Chief Executive, the Senior Leadership Team and Executive Team, and the Board Administration Team at a time when these resources are required elsewhere to manage the public health emergency.</li> </ol>	

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3. There is a risk to the health and wellbeing of the people involved in the governance process if the Board continues mainly to rely on face-to-face meetings to conduct its business.

The Audit & Risk Committee recognised that mitigation of these risks required alternative approaches to be found to delivering good governance during the emergency situation and that this would require striking a balance between short-term service delivery requirements and longer-term assurance needs. The Committee also agreed that it was important to have an auditable process for any changes to the governance system.

Prof Brown went on to advise the Committee that (following consultation with the Chief Executive, Vice Chair, Head of Board Administration, Scottish Government officials, the Board's internal and external auditors) he was proposing that standing committees review work programmes for the next 6 months to help prioritise critical committee business. Committees would be asked to consider the extent to which they require executives to report on the position while acknowledging the challenging and busy times ahead.

Prof Brown suggested reviewing the quorum of Board Committees, acknowledging that there was potential that members may come into contact with the virus or require to self-isolate. It was also considered that Board members may be asked to participate in standing committees if there were a shortage of members due to the virus. It was advised that Mr Edwards was exploring options for increasing virtual attendance, to ensure that access was available to all members. Prof Brown suggested that new ways of working may come of the actions being taken to ensure committees continued to operate.

Prof Brown also suggested having a review with programme leads, to establish which programmes could be postponed to help response to the Boards escalation and effects of Covid-19.

Committee members agreed that there was a need to facilitate Board Committees as much as possible while following government advice. Ms Vanhegan advised that executives may consider providing verbal updates or PowerPoint presentation rather than written papers to make best use of their time. There was consideration of the postponement of some Committees, to focus on urgent matters which were expected to arise on a regular basis.

Mr Finnie highlighted that the government's guidelines apply to everyone across the country and within the NHS. It was highlighted that redeployment of staff may occur and would have an impact on other business, which further highlighted the need to address urgent business only.

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	<p>The Committee stressed the importance of maintaining regular updates from IJB's. It was agreed that Ms Vanhegan would ask IJBs to share regular updates on business going forward.</p> <p>The Committee were content to support the initial principals discussed and it was agreed that these would be detailed formally to all Board members by email for consideration and agreement.</p> <p><b><u>NOTED</u></b></p>	<p><b>Ms Vanhegan</b></p>
<p><b>13.</b></p>	<p><b>CLOSING REMARKS AND KEY MESSAGES TO THE BOARD</b></p>	
	<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"> <li>• NIS Directive Audit</li> <li>• Internal Audit</li> <li>• Extension of Audit Contracts</li> <li>• Corporate Risk Register</li> <li>• Business Continuity Planning and Resilience Testing</li> <li>• Draft Audit and Risk Work Plan</li> <li>• Governance</li> </ul> <p><b><u>NOTED</u></b></p>	
<p><b>14.</b></p>	<p><b>DATE AND TIME OF NEXT MEETING</b></p>	
	<p>Tuesday 2<sup>nd</sup> June 2020, at 9.30am, in the Board Room, JB Russell</p>	