

NHS Greater Glasgow and Clyde	Paper No. 22/33
Meeting:	NHSGGC Board
Meeting Date:	28 June 2022
Title:	Governance Statement 2021-22
Sponsoring Director/Manager	Chair of the Audit and Risk Committee
Report Author:	Assistant Director of Finance – Financial Services, Capital & Payroll

1. Purpose

To present the Audit and Risk Committee's Statement of Assurance and seek approval of the attached Governance Statement.

2. Executive Summary

As Accountable Officers, Chief Executives of NHS Boards have responsibility for maintaining a sound system of internal control within their organisations. Chief Executives of NHS Bodies, as Accountable Officers, are required to sign the Governance Statement as part of the annual accounts. The statement describes the effectiveness of the organisation's governance processes and system of internal control; it is not restricted to internal financial controls and considers all aspects of the organisation's system of internal control and corporate governance, clinical governance, staff governance and risk management. If any significant aspect of governance or internal control is found to be unsatisfactory, this should be disclosed in the Governance Statement.

Guidance issued by the Scottish Government states that NHS Boards are responsible for reviewing the effectiveness of internal controls having regard to the assurances obtained from the Audit Committee and any other standing committee which covers internal control e.g. risk management and clinical governance committees. The remit of the NHS Greater Glasgow and Clyde Audit and Risk Committee incorporates this responsibility; it states that: "The Audit and Risk Committee will provide the NHS Board and the Accountable Officer with an annual report on the NHS Board's system of internal control timed to support finalisation of the Statement of Accounts and the Governance Statement. This report will include a summary of the Committee's conclusions from the work it has carried out during the year." This is attached as Appendix A.

The format of the Governance Statement and its contents are specified in guidance issued by the Scottish Government. The statement for 2021-22 has been prepared in accordance with this guidance. The statement is attached as Appendix B.

Key Issues to be considered

At its meeting on 21 June 2022, the Audit and Risk Committee reviewed the system of internal control and based on this review, approved the following documents, with a recommendation that the Chief Executive should sign the Governance Statement:

- The Statement of Assurance from the Audit and Risk Committee to the NHS Board on the system of internal control within NHS Greater Glasgow and Clyde (Appendix A);
- NHS Greater Glasgow and Clyde Governance Statement (this forms part of the Annual Report and Accounts, copy attached for ease of reference at Appendix B).

As part of the annual accounts process the Accountable Officer is required to submit a letter of representation to the Auditors for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework. A copy of this letter is enclosed at Appendix C.

3. Recommendations

The NHS Board is asked to:

1. Consider and note the attached Statement of Assurance by the Audit Committee; and
2. Approve the attached Governance Statement (which is part of the Annual Report and Accounts 2021-22) for signature by the Chief Executive.
3. Authorise the Chief Executive to sign the Letter of Representation and submit this to Audit Scotland.

4. Response Required

This paper is presented for approval

5. Impact Assessment

The impact of this paper on NHSGGC's corporate aims, approach to equality and diversity and environmental impact are assessed as follows:

- **Better Health** Positive impact
- **Better Care** Positive impact
- **Better Value** Positive impact
- **Better Workplace** Neutral impact
- **Equality & Diversity** Neutral impact
- **Environment** Neutral impact

6. Engagement & Communications

The issues addressed in this paper were subject to the following engagement and communications activity: N/A

7. Governance Route

This paper has been previously considered by the following groups as part of its development: Audit and Risk Committee 21 June 2022.

8. Date Prepared & Issued

Reported Written: June 2022

Statement of Assurance by the Audit and Risk Committee in respect of the system of internal control within NHS Greater Glasgow and Clyde for 2021-22

As Accountable Officer, the Chief Executive is required to sign a Governance Statement as part of the annual accounts. The Governance Statement is required to describe the effectiveness of the system of internal control and to declare any significant aspects where this system is unsatisfactory.

In accordance with its remit and the Scottish Government Audit and Risk Committee Handbook, the Audit and Risk Committee reviews all audit reports on systems of internal control within NHS Greater Glasgow and Clyde. The result of this review is reported in this Statement of Assurance to the NHS Board and is intended to inform the Governance Statement.

The Audit and Risk Committee's review of the system of internal control in place during 2021-22 was informed by a number of sources of assurance including the following:

- Review of the NHS Board's internal control arrangements against the extant guidance from the Scottish Government Health Directorates;
- Statements of assurance by executive directors;
- Reports issued by the internal auditors, including the annual statement of their independent opinion on the adequacy and effectiveness of the system of internal control;
- Reports issued by Audit Scotland arising from the audit of the annual accounts and the programme of performance audits;
- Statement of Accounts;
- Third party assurances in respect of key services provided by National Services Scotland and NHS Ayrshire and Arran;
- Annual Fraud Report 2021-22;
- Report on Losses and Compensations 2021-22.

Conclusion

The Internal Auditor's Annual Report for 2021-22 gives the opinion that:

"NHSGGC has a framework of governance and internal control that provides reasonable assurance regarding the effective and efficient achievement of objectives."

It is the opinion of the Audit and Risk Committee that, overall, there was a satisfactory system of internal control in place within NHS Greater Glasgow and Clyde throughout 2021-22.

The Audit and Risk Committee recommends, therefore, that the NHS Board should approve the Governance Statement and that the Governance Statement should be signed by the Chief Executive as Accountable Officer.

Margaret Kerr
Chair, Audit and Risk Committee
21 June 2022

NHS Greater Glasgow and Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2022

Governance Statement

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with the organisation's policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. Also I am responsible for safeguarding the public funds and assets assigned to NHSGGC. I have been supported in my role as Accountable Officer throughout the year by a multi-disciplinary management team, focused on ensuring the delivery of strategic objectives in a prudent, economical, efficient and effective manner.

Purpose of Internal Control

The system of internal control is based on an on-going process designed to identify, prioritise and manage the principal risks facing the organisation. The system aims to evaluate the nature and extent of risks, and manage risks efficiently, effectively and economically.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's aims and objectives. As such, it can only provide reasonable and not absolute assurance.

The process within the organisation accords with guidance from Scottish Ministers in the Scottish Public Finance Manual (SPFM) and supplementary NHS guidance, and has been in place for the financial year and up to the date of approval of the annual report and accounts.

The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy, and promotes good practice and high standards of propriety.

NHS Endowments

In accordance with IFRS 10 – Consolidated Financial Statements, the Financial Statements consolidate the NHSGGC Endowment Fund. This statement includes any relevant disclosure in respect of these Endowment Accounts.

IJB Accounts

In accordance with IFRS 11 – Joint Arrangements, the Financial Statements consolidate the IJB Accounts of Glasgow City, Inverclyde, Renfrewshire, East Dunbartonshire, East Renfrewshire and West Dunbartonshire. This statement includes any relevant disclosure in respect of these IJB Accounts.

Self-Assessment of Performance

At the Annual Review held on 28 March 2022, the Board assessed its own performance in the presentation of an overview of performance during 2020-21 and our pandemic experience to date. During that year, NHSGGC sought to address the significant challenges presented by balancing the demands of Covid-19 and the requirements of Remobilisation. Despite the pressures and unprecedented challenges of Covid-19 during 2020-21, NHSGGC made steady progress in reaching a number of key service priority milestones agreed with Scottish Government and outlined in our Remobilisation Plan (RMP2). The 2021-22 Review is expected to be held during 2022-23 and will be reported in the 2022-23 accounts.

As part of our RMP2 we also implemented a range of initiatives underpinning our commitment to remobilising services and delivering agreed levels of activity. Key initiatives and programmes of work were introduced including revised patient pathways and extending the use of digital technology to maximise the potential new ways of interacting with patients. Key examples are noted below:

- The Flow Navigation Centre went live on 1 December 2020 to deliver an appointment booking service aligned to a clinical hub to deliver virtual triage. Near Me assessments continue to provide effective patient streaming and rescheduling of urgent care activity was introduced. Both approaches continue to support patient flow.
- The red and green pathways in our hospitals through Specialist Assessment and Treatment Areas (SATAs) and in the community through Community Assessment Centres (CACs) were established and have been maintained.
- Work continued to further embed the service changes and redesign of the emergency care access routes to ensure that the alternative pathways continue to help avoid a return to pre-Covid-19 levels of demand. The Regional Trauma Centres for adults and children opened at the Queen Elizabeth University Hospital and the Royal Hospital for Children in August 2021.
- NHSGGC implemented the national guidance on the management of individual patients who require cancer treatments agreed by the national COVID-19 treatment Response Team. All cancer patients awaiting surgery continued to be reviewed on a weekly basis and cases continued to be booked for surgery in line with urgency categories.
- In Mental Health Services, improvement activity included renewal and recovery funded recruitment to prioritised areas, focus on patients waiting over 18 weeks for treatment, focus on a complex trauma service response to people and the flexible approach to resources to share capacity across care groups and HSCP boundaries.
- The CAMHS Mental Health Recovery and Renewal Programme Board was initiated to oversee the plan to improve waiting times in CAMHS, deliver full service specification and increase the age range from 18 years to 25 years.
- The Covid-19 vaccination programme began in December 2020 with a focus on care home residents, healthcare staff and the most vulnerable groups, then continued to expand during the year in light of emerging evidence, national policy and the outlook of the pandemic in general. This led to a significant drop in the number of care home Covid-19 outbreaks and Covid mortality.

As well as managing the pandemic, NHSGGC continued to work closely with the Oversight Board in respect of the QEUH and RHC and escalation to Level 4 of the Scottish Government's Performance Framework to address the challenges around infection management, control and prevention. Further to the publication of the oversight Board

Report and the Case Note Review Report in March 2021, a comprehensive action plan was developed to ensure all the recommendations, including those of the External Review led by Drs Montgomery and Fraser, were being put in place to address the issues described in the respective reports. Progress was overseen by the AARG led by the Scottish Government. NHSGGC has now completed all 108 recommendations across these reports and has a comprehensive audit process in place to ensure all the recommendations from these reports are embedded within the organisation. The Board has been de-escalated to Level 2 from June 2022.

Governance Framework

Under the terms of the Scottish Health Plan, the Board is a board of governance. Its purpose is to ensure the efficient, effective and accountable governance of the local NHS system and to provide strategic leadership and direction for the system as a whole, focusing on agreed outcomes.

Board members are appointed by Scottish Ministers and are selected on the basis of their stakeholder position or the particular expertise which enables them to contribute to the decision making process at a strategic level. At 31 March 2022 the Board comprised the Chair, twenty-six Non-Executive and five Executive Board members (at 31 March two of the Executive Directors had retired, recruitment had concluded for their replacements and both posts were being covered on an interim basis in the meantime); of the Non-Executive members, six are Council Members nominated by their respective councils.

The Board and its Standing Committees have clearly defined and documented roles and responsibilities, and the purpose of each committee is set out below. The Non-Executive members of the Standing Committees have the opportunity to scrutinise and seek assurance from the Board's executive management.

The Board has an integrated approach to governance across clinical areas, performance management, staff, and involving and engaging people in its services and developments. These are defined through the standing committees outlined below. These committees are charged with assessing performance of the Board and regularly receive relevant performance data for each of their respective areas. The Board itself receives at each meeting an Integrated Performance Report, which outlines performance over a period of time, with relevant actions to improve where relevant presented by the responsible Director.

The approach to Active Governance has developed throughout the year with regular updates against the Active Governance Programme 2021-22 at each Board meeting. Active governance is a key element of the implementation arrangements for the NHS Scotland Blueprint for Good Governance ('the Blueprint') issued under DL (2019) 02 on 1 February 2019.

The continuing pandemic clearly brought ongoing governance challenges.

At the outset, NHSGGC created a robust response framework to the Covid-19 outbreak. A Strategic Executive Group (SEG) was established to co-ordinate the organisation's strategic response to the pandemic. The SEG has continued to meet throughout the year at varying frequency, depending on the pressures and impact of the pandemic. The SEG continues to be supported by Tactical Groups for Acute, HSCPs and Recovery which report to the SEG. There are also a number of specific national groups from which the SEG receives updates through NHSGGC Executive members.

The focus of the SEG meetings includes supporting operational teams with immediate issues arising from Covid-19, both in hospital and across the community, monitoring Covid-19 activity and the impact on services and staff. The SEG also oversees progress on delivery of the vaccination programme, redesign of unscheduled care, care homes and Test and Protect. There is also a dedicated focus on recovery, with the SEG overseeing the development of the varying iterations of the Remobilisation Plan.

In terms of corporate governance the pandemic also required the Board to consider how to ensure continued good governance in the face of the significant challenge. During the first wave, the Board agreed to introduce an Interim Board to undertake all functions of the Board required during the public health emergency. The Board agreed to suspend the functioning of established governance committees during this period. The Board reviewed this arrangements in June 2020 and reintroduced more routine arrangement in a proportionate manner. During 2021-22, governance arrangements have been kept continually under review, opting to continue the proportionate approach with our Board sub-committees as the impact of Covid-19 on the organisation has remained significant throughout the reporting year. Core priorities were agreed to ensure focus and minimise the impact on the Executive Team. The Board and Committees continued to meet throughout the year.

The Board undertakes, on an annual basis, a review of corporate governance arrangements to ensure that they are fit for purpose.

The Board has the following standing committees to support it, and which are directly accountable to it:

- Acute Services Committee (ASC);
- Audit and Risk Committee (ARC);
- Clinical and Care Governance Committee;
- Finance, Planning and Performance Committee (FPPC);
- Population Health and Wellbeing Committee; and
- Staff Governance Committee (SGC) (including Remuneration Sub-committee).

Each Committee has comprehensive terms of reference with the general scope of each described below.

The Board also has a Pharmacy Practices Committee which carries out the functions of NHSGGC in terms of the National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009 (as amended), i.e. to prepare “the pharmaceutical list” – the list of those eligible to provide pharmaceutical services within the Board area.

The Endowment Fund Trustees have one directly accountable standing committee, the Endowments Management Committee, as detailed in the Endowment Fund Annual Accounts.

Acute Services Committee

The scope of the ASC comprises the functions of scrutiny, governance and strategic direction for Acute Services, covering the functions below:

- The quality function of services delivered to patients;
- Effective patient safety and governance systems;

- Delivery of Corporate Objectives, including those set out in the Annual Operational Plan;
- Financial Planning and Management (in conjunction with the Finance, Planning and Performance Committee);
- Staff and patient focused public involvement; and
- Ensuring that learning from performance issues drives improvement.

The areas of clinical governance, patient safety, quality and finance have been integrated in reporting terms and there is a focus on organisational change and capability for improvement.

The ASC met six times during 2021-22.

In addition to the members of the Committee, meetings were attended by other Board members, Directors, Chief Officers and senior managers.

Audit and Risk Committee

The purpose of the ARC is to assist the Board and the Accountable Officer in delivering their responsibilities for the conduct of business, including the stewardship of funds under their control. In particular, the Committee seeks to provide assurance to the Board and the Accountable Officer that appropriate systems of internal control and risk management had been in place throughout the year.

The ARC met four times during 2021-22.

Clinical and Care Governance Committee

Non-executive oversight of clinical governance arrangements across NHSGGC is provided by the Clinical Care and Governance Committee. Its functions are to:

- ensure clinical care and services provided by NHSGGC, including those provided in partnership with other organisations, are of an appropriate quality;
- ensure the clinical and care governance arrangements are effective, including interactions with other organisational arrangements, in improving and monitoring the quality of clinical care;
- provide assurance to the Board that NHSGGC is meeting its statutory and mandatory obligations relating to the NHS Duty of Quality; and
- provide advice and assurance to the Board that clinical service proposals are consistent with the continued provision of safe and effective care.

The Committee met four times during 2021-22.

Finance, Planning and Performance Committee

The remit of the FPPC is to oversee the financial and planning strategies of the Board, oversee performance of Board functions, oversee the Board's Property and Asset Management and Strategic Capital Projects, whole system strategic planning and performance including oversight of the healthcare services delegated to the six Integrated Joint Boards (IJBs) and provide a forum for discussion of common issues arising from the IJBs.

The remit of the FPPC comprises the following core elements:

- Finance and Planning;
- Performance;

- Property and Asset Management; and
- Strategic/Capital Projects.

The Committee considers the Board's Strategic and Integrated Business Planning activities, ensuring that strategic planning objectives are aligned with the Board's overall objectives, strategic vision and direction. It also ensures that the Property & Asset Management Strategy is aligned with the Clinical Strategy, and is supported by affordable and deliverable business cases and reviews overall development of major schemes including capital investment business cases.

The Committee further receives performance monitoring information related to all functions within the Health Board system. The Committee met five times during 2021-22.

Population Health and Wellbeing Committee

The remit of the Population Health and Wellbeing Committee is to promote public health, oversee population health activities and to develop a long term vision and strategy for public health.

The Committee met three times during 2021-22.

Staff Governance Committee

The purpose of the SGC is to provide assurance to the Board that NHSGGC meets its obligations in relation to staff governance under the National Health Service Reform (Scotland) Act 2004 and the Staff Governance Standard. The SGC is a Committee of the Board. In particular, the Committee will seek to ensure that staff governance mechanisms are in place that take responsibility for performance against the Staff Governance Standard and are accountable for progress towards achievement of the Standard. The Committee met five times during 2021-22.

The Remuneration Committee is a sub-committee of the SGC and its main role is to ensure the application and implementation of fair and equitable systems for pay and for performance management on behalf of the Board as determined by Scottish Ministers and the Scottish Government Health and Social Care Directorate (SGHSCD).

Whilst pay arrangements for NHS staff are determined under national arrangements, the pay arrangements for the Board's senior managers whose posts are part of the Executive and Senior Management Cohorts, are subject to SGHSCD guidance. The Remuneration Committee met three times during the year, and, in accordance with SGHSCD guidance, it determined and reviewed the pay arrangements for the Board's senior managers whose posts are part of the Executive and Senior Management Cohorts, and ensured that a fair, equitable and effective system of performance management for these groups was in operation.

Information Governance

The Information Governance Team continues to work with all services to ensure the Board meets its obligations under the UK General Data Protection Regulation (UKGDPR), the Data Protection Act 2018 and the Public Records (Scotland) Act 2011.

The Information Governance (IG) Steering Group continue to meet quarterly to monitor IG and Information Security (IS) compliance by reviewing regular reports on subject access requests, data breaches, data protection impact assessments, security compliance, training and associated risk management. The Information Governance Team continues

to work on updating and developing the Board Records Management Plan in line with obligations under the Public Records (Scotland) Act 2011. The Group also reviews all Information Governance and IT Security policies. The IG Steering Group reports into the Corporate Management Team.

This year the Board received over 12,500 subject access requests for personal data, an increase of 25% over last year, 99.9% of these requests were actioned within the required statutory timeframe of 1 month.

In addition to the statutory / mandatory training modules for Safe Information Handling and Security & Threat and the training and guidance materials available on StaffNet, the IG team continues to provide ad hoc support and training to ensure staff are aware of their obligations to protect patient and staff data by continued participation in training programmes, including training to, student nurses and GP practice staff.

Proactive communications have been issued to staff on a wide range of topics for example with guidance on: the appropriate use of Microsoft Teams; handling and reporting of data breaches; safe data sharing to ensure continued awareness and compliance, and to remind staff of the availability of support through training and guidance materials located on StaffNet. Work is in train to develop a Digital IG Knowledge Hub that will improve access to the training, information and guidance that is available.

Implementation of the Network Information System's (NIS) regulations is now based on the Scottish Government's Cyber Resilience Framework (CRF) which provides a structure and focus for controls adoption. The 2021 audit showed GGC has made good progress from the 2020 audit position and is continuing to work through key actions as we prepare for the 2022 NIS Audit. The 2022 work plan will bring a focus on Corporate Management, learning and awareness, and on supply chain security.

Other Governance Arrangements

The conduct and proceedings of the Board are set out in its Standing Orders; the document specifies the matters which are solely reserved for the Board to determine, the matters which are delegated under the Scheme of Delegation, and the matters which are remitted to a Standing Committee of the Board.

The Standing Orders also include the Code of Conduct that Board members must comply with and, along with the Standing Financial Instructions, these documents are the focus of the Board's Annual Review of Governance Arrangements. The annual review also covers the remits of the Board's Standing Committees.

In addition to the Code of Conduct for Members the Board has in place a Code of Conduct for Staff. This includes reference to the disclosure internally or externally by staff who have concerns about patient safety, malpractice, misconduct, wrongdoing or serious risk. There is also in place a well-established complaints system, whereby members of the public can make a formal complaint to the Board regarding care or treatment provided by or through the NHS, or how services in their local area are organised if this has affected care or treatment; information on our complaints procedures is available on the NHSGGC website. [Complaints - NHSGGC](#)

All of the Board's Executive Directors undertake a review of their development needs as part of the annual performance management and development process. A leadership development framework is in place to offer a range of development activities to meet

needs identified, with additional support from the Human Resources department when required. Access to external and national programmes in line with their development plans and career objectives is also available. The Chief Executive is accountable to the Board through the Chair of the Board.

Non-Executive Directors have a supported orientation and induction to the organisation with the establishment of a 'buddy' system for newly appointed members. Opportunities for development also exist, at a national level, for some specific Non-Executive roles such as Chairman and Area Clinical Forum Chairs.

Internal policies are created in line with the Board's Policy Development Framework, which ensures that there is a consistent and clear approach to policy development, consultation, approval, dissemination/communication, access to documents and review, and that NHSGGC complies with relevant legislation, governance, audit and controls assurance requirements. All policies, strategies or procedures are reviewed every three years as a minimum, or sooner if there is a specific legislative or service requirement or change in guidance, law or practice.

All Health Boards in Scotland are required to abide by the national Whistleblowing Standards, as published by the Scottish Public Services Ombudsman. These Standards aim to bring consistency across NHS Scotland in how whistleblowing concerns are handled, in terms of accessibility, impartiality and fairness. NHSGGC has always aimed to look into any concerns brought forward through the process in a thorough and empathetic way. The Standards have given NHSGGC an opportunity to focus and make improvements to our whistleblowing arrangements, strengthening the support offered to all those involved with cases, and tightening our reporting processes.

Communication and Engagement

How we inform, engage and consult with patients and the public in transforming services is an important part of how we plan for the future. NHSGGC strives to engage effectively with all of its key stakeholders as set out in the Board's Stakeholder Communications and Engagement Strategy 2020-23. [Stakeholder Communications and Engagement Strategy 2020-2023](#)

At the heart of this strategy is a commitment to openness, honesty and transparency in all our communications and engagement activity. We are working to foster a listening culture where feedback from our patients, the public and our stakeholders is proactively sought, heard and taken into consideration in our commissioning decisions. We are committed to explaining clearly and transparently how decisions are made and providing feedback to the public and our stakeholders about how they have made a difference. Importantly, when we get things wrong, we acknowledge when mistakes are made and learn from them, including our obligations to fulfil the legal duty of candour.

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the effectiveness of the system of internal control. My review is informed by:

- the Executive Directors and managers within the organisation who have responsibility for developing, implementing and maintaining internal controls across their areas;
- the work of the internal auditors, who submit regular reports to the organisation's ARC. Reports include the auditors' independent and objective opinion on the adequacy and

effectiveness of the organisation's systems of internal control together with recommendations for improvement, and

- statements made by the external auditors.

The following processes have been applied in maintaining and reviewing the effectiveness of the system of internal control:

- The Board, along with its Standing Committees, met seven times during 2021-22 to consider plans and strategic direction, to allocate resources, to review the management of performance and to receive minutes and reports from its Standing Committees.
- Within the Acute Division, the Chief Operating Officer chairs monthly meetings of the Strategic Management Group (SMG), which oversees the governance and strategic management of Acute Services.
- The Chief Executive chairs a monthly meeting of the Corporate Management Team attended by the HSCP Chief Officers, Chief Operating Officer and other Directors comprising Finance, Medical, Nursing, Public Health, Human Resources, eHealth, Corporate Services and Governance, Facilities and Estates, and Communications, as well as the Employee Director. The focus of the group includes:
 - development of proposals for the Board on financial and capital allocations and the Remobilisation Plan;
 - approval of system-wide policy;
 - ensuring that the Clinical Strategy/Transformational Plan reflects the population needs;
 - monitoring variations in performance against local and national targets/guarantees;
 - oversight of Board-wide functions including Civil Contingencies, e-Health, Facilities accommodation and property, and
 - Board-wide service planning and approval of material investments and disinvestment propositions and review of the Risk Register.

In addition the Board Corporate Directors meet weekly in an informal setting. This is also chaired by the Chief Executive and is attended by the Chief Operating Officer (Acute Services) and the Corporate Directors. These groups have continued to meet throughout the year in addition to the specific Covid-19 response fora described.

- The ARC provides assurance that an appropriate system of internal control is in place. The Committee met, as detailed above, throughout the year, reviewing the system of internal control.
- The Internal Auditors delivered their service based on an approved risk-based audit plan which is compliant with Public Sector Internal Audit Standards.
- The External Auditors also considered the adequacy of the processes put in place by the Chief Executive as Accountable Officer.
- Work has continued during the year to achieve the revised targets set out in the Remobilisation Plan. Reporting mechanisms have been further developed to ensure a culture of continuous improvement continues to be promoted.
- Staff objectives and development plans include where appropriate maintenance and review of internal controls.
- An on-line performance appraisal system is in place for senior staff with personal objectives and development plans designed to support the Board in the attainment of corporate objectives. The performance of other staff is assessed under the Knowledge and Skills Framework.
- An on-line Register of Staff Interests system is maintained. It ensures effective management control of the information held on the staff register of interests and identifies potential conflicts of interest.

- In accordance with the principles of best value, the Board aims to foster a culture of continuous improvement. The Board's processes focus strongly on best value and is committed to ensuring that resources are used efficiently, effectively and economically, taking into consideration equal opportunities and sustainable development requirements.

Covid-19 – Financial Support Measures paid to Family Health Services (FHS)

Contractors

As part of a package of financial support for business in Scotland, announced by Scottish Government during Covid-19 pandemic, specific guidance was issued for NHS Primary Care contractors within Medical, Pharmacy, Dental and Optometry. Aligned to this financial support measures were implemented to maintain the Primary Care infrastructure and ensure contractor workforce were protected during pandemic.

Amounts paid to Primary Care contractors, as part of this financial support package, included sums to assist with costs relating to adaption of premises, PPE supplies, increased activity and the reimbursement of costs relating to locum cover for Covid-19 sickness or Covid-19 isolation procedures.

For payments to contractors which were based on 'item of service' fee based income which decreased due to the pandemic, revised payment calculations were based on a pre-pandemic prior year, or most relevant period, activity instead of 2021-22 actual activity. Additional payments to contractors for Enhanced Services were also guaranteed at prior year payment levels even though some activity decreased due to the pandemic.

During the course of 2021-22, and as pandemic restrictions have lifted, items of service fee based claims have increased from 2020-21 levels and therefore the value of monthly financial support payments has decreased as contractors gradually resume post pandemic working procedures.

All additional payments to FHS contractors have been supported by Scottish Government funding.

All payments to Primary Care contractors, were processed via National Services Scotland (Practitioners Services Division) to ensure accuracy and consistency across all Health Boards.

Risk Assessment

NHSGGC has significantly enhanced risk management arrangements during 2021-22. An updated Risk Management Strategy and Risk Register Policy and Guidance document were approved and the Board agreed a formal Risk Appetite Statement.

In fulfilling this aim, NHSGGC has established a robust framework for the management of risk. The framework is proactive in identifying and understanding risk and will build upon existing good practice. As a Board we continue to strive to make Risk Management integral to strategic and service planning, decision making, performance reporting and health care service delivery. The strategy is based on the belief that Risk Management is:

- a key activity to ensure the health and well-being of patients, visitors and staff;
- an inclusive and integral part of our health care services and set against guiding risk management principles;
- implemented with good practice acknowledged and built upon, and

- a major corporate responsibility requiring strong leadership commitment and regular review.

We believe that the provision of high standards of health, safety and welfare within a risk management framework is fundamental to the provision of high standards of health care. The following principles underpin our approach to risk management in NHSGGC:

- A consistent and standard approach to risk management;
- Integral to strategic and service planning and informs performance review;
- Involvement of clinicians and key stakeholders to support effective prioritisation and to inform decision-making;
- Comprehensive and systematically integrated into all processes;
- Responsibility for management, escalation, monitoring and communication of key risks is clearly defined;
- Risk is managed at the operational level closest to the risk supported by clear escalation processes;
- All types of risks are considered including NHSGGC's strategic risks, and
- Provides assurance that effective systems are in place to manage risks.

All of the key areas within the organisation maintain a risk register; the high level risks that the Board needs to ensure are being managed are then consolidated into the Corporate Risk Register (CRR). The CRR summarises the main risks identified within each of the organisational areas, and the processes by which these risks are being managed. Each Risk on the CRR is assigned to a Standing Committee and that Committee reviews their CRR extract at each meeting. The full CRR is reviewed at each Audit and Risk Committee meeting and once a year by the full Board.

There is a strong application of risk management practices across the Board, particularly in clinical services. The Board is constantly reviewing risk management processes, under the guidance of the Risk Management Steering Group (RMSG). During the year, the RMSG has:

- Updated the Risk Management Strategy;
- Updated the Risk Register Policy and Guidance note for managers;
- Updated risk descriptors to include risk description, cause and impact for each risk;
- Directed work to review and update older records on the electronic risk register module; and
- Ensured it has an active role in ensuring a coherent and high quality description of risks and the associated controls.

The following are the highest risk rated areas (as recorded in the CRR) that the Board faces:

- Environmental and capacity flow impacting on patient experience.
- Failure to comply with recognised policies and procedures in relation to infection control.
- Financial challenges around delivery of the Financial Plan due to significantly higher than expected cost pressures above the allocated funding.
- Failure to deliver NHSGGC scheduled care and unscheduled care Waiting Time targets and Treatment Time Guarantees to agreed standards, thereby impacting on patient experience and outcomes.
- Failure to identify and act on a potential risk following referral to the Public Protection Unit.

- Inability to recruit and retain high caliber staff to the right roles, at the right times, in the right place, within an affordable budget.
- Failure to train and develop staff members to deliver role or key competencies not identified and developed.

Management has implemented a range of control measures to mitigate the effects of each of these risks, and are working on additional actions which will strengthen controls and further reduce the consequences.

In respect of clinical governance and risk management arrangements we continue to have:

- Clearly embedded risk management structures throughout the organisation;
- A strong commitment to clinical effectiveness and quality improvement across the organisation;
- A sound cycle of annual clinical governance reporting arrangements for operational entities with devolved responsibilities, and
- A robust performance management framework that provides the context to support statistics with a high level of qualitative information.

Health and Safety

The health, safety and wellbeing of our staff remains a key objective and priority and the following activity has been put in place during the year:

- Implementation of the Staff Mental Health and Wellbeing Strategy and associated Action Plan.
- Ongoing monitoring and implementation of the Staff Health Strategy to 2023.
- Introduced a range of programmes to support our staff including Mental Health Check Ins, increased Psychological Support through our Occupational Health Team, enhanced rollout of our Peer Support Programme and other measures including a Wellbeing Bus for support for community staff, and rest and recuperation hubs across Acute sites.
- Continued focus and activity in relation to the development and embedding of a professional health and safety culture as outlined in our Workforce Strategy, including approval of the Boards Health and Safety Strategy.
- Positive engagement with the Health & Safety Executive on key areas of focus.
- Revised policies and systems to ensure safe working practices for staff through the pandemic and continual review and audit of these.
- Ongoing monitoring of health and safety training and compliance and promotion with staff.

Integration

The Board has worked in partnership with the six councils, and has agreed principles for financial management including budget management, virement and terms of reference for IJB Audit Committees. Governance arrangements, which include internal audit, give assurance to the Board that each IJB is performing in line with its strategic plan.

Developments

The organisation continues its commitment to a process of ongoing development and improvement, developing systems in response to any relevant reviews and developments in best practice. In particular, in the period covering the year to 31 March 2022 and up to

the signing of the accounts, the organisation has continued to monitor, review and enhance its governance arrangements to support the organisational structure.

Annual Service Reports

The Audit & Risk Committee received the 2021-22 service audit reports on 21 June 2022. These reports are commissioned by NHS National Services Scotland (NSS) to provide assurance to NHS Boards in respect of national payment arrangements for Family Health Service (FHS) contractors and various shared IT systems that are managed on behalf of NHS Scotland by NSS (including Atos, NSS digital and IT security support services). Similarly, NHS Ayrshire and Arran provide an annual service audit in respect of their management of the National Single Instance financial ledger service on behalf of all NHS Boards.

For the year 2021-22, the Service Audit reports in relation to all shared services and payment arrangements for FHS contractors were unqualified and were prepared in accordance with the standards and approach defined in the International Standard on Assurance Engagements 3402 (ISAE 3402) "Assurance Reports on Controls at a Service Organisation" issued by the International Auditing and Assurance Standards Board ("IAASB").

Whilst all reports provided an unqualified audit opinion, an emphasis of matter disclosure was included in the report relating to the payment arrangements for FHS contractors due to the lack of post payment verification checks performed during 2021-22. NSS suspended post payment verification checks during the financial year in line with Covid advice and guidance issued by the Scottish Government. This matter was disclosed in the service audit report as it was considered to be of fundamental importance to the understanding of the financial statements, however it does not alter the overall unqualified audit opinion provided. NHSGGC are satisfied that this does not impact on our system of internal control or financial governance arrangements in respect of payments made to FHS contractors.

Significant Issues

The Board's internal auditors carried out 525 days of internal audit work, completing 10 standard audit reviews and 3 further consultancy style reviews during the year. There were no grade 4 recommendations raised (very high risk exposure) and no control objectives assessed as "Critical" where there was a fundamental absence or failure of key controls. Overall their reports can be summarised as follows:

- **Red rated – nil:** controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met;
- **Amber rated – three:** numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met;
- **Yellow rated – six:** a few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives should be met;
- **Green rated – one** controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

There were three amber rated reports in the year. The recommendations from the Procurement and Tendering report were actioned in full during the year. The remaining two amber reports were on Delayed Discharges and Time of Day Discharge, both of which are areas of focus for the Board. Internal Audit was content that the recommended changes in these reports do not impact the Board's overall control environment for the year.

It is the opinion of the Chief Internal Auditor that:

"NHSGGC has a framework of governance and internal control that provides reasonable assurance regarding the effective and efficient achievement of objectives."

All recommendations made in the prior year amber rated Internal Audit reports on Records Management and Risk Management were completed in full by the end of 2021-22.

Disclosures

The control systems outlined above have been in place for the year under review and up to the date of the approval of these accounts. Therefore, I have no other disclosures to report.

Key actions planned relating to governance for 2022-23

- Continuation of the Active Governance Programme work which commenced in 2020-21, including the development of an Assurance Framework and Information Assurance System to ensure Board members have clarity on the Board's strategic aims, objectives, performance and outcomes.
- The Annual Delivery Plan for 2022-23 will be submitted in July and reflect the current position and key strategic actions for the Board.
- Ongoing governance arrangements will remain in place around the public enquiry and legal claim but will be regularly reviewed and amended if required as each area develops and evolves.
- The Board's Risk Appetite Statement will be reviewed and updated to ensure that it continues to meet the needs of the Health Board.
- Ongoing rollout of the Investors in People (IiP) Framework and standards across NHSGGC.

John Cornett, Executive Director of Audit
Services
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

Date:
Our Ref:

Enquiries to:
Direct Line:
E-mail:

Dear John,

NHS Greater Glasgow and Clyde Annual report and accounts 2021/22

1. This representation letter is provided in connection with your audit of the annual report and accounts of NHS Greater Glasgow and Clyde for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the regularity of income and expenditure, remuneration and staff report, performance report and governance statement.

2. I confirm to the best of my knowledge and belief, and having made such enquiries as I considered necessary, the following representations given to you in connection with your audit of NHS Greater Glasgow and Clyde's annual report and accounts for the year ended 31 March 2022.

General

3. I have fulfilled my responsibilities for the preparation of the 2021/22 annual report and accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual report and accounts have been made available to you for the purposes of your audit. All transactions undertaken by NHS Greater Glasgow and Clyde have been recorded in the accounting records and are properly reflected in the financial statements.

4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Regularity of Expenditure and Income

5. I confirm that, in all material respects, expenditure was incurred and income applied in accordance with applicable enactments and guidance issued by the Scottish Ministers.

Financial Reporting Framework

6. The annual report and accounts have been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

7. I have ensured that the financial statements give a true and fair view of the financial position of NHS Greater Glasgow and Clyde and its group at 31 March 2022 and the transactions for 2021/22.

Accounting Policies & Estimates

8. All significant accounting policies applied are as shown in the note included in the financial statements. The accounting policies are determined by the 2021/22 Government Financial Reporting Manual (FReM), where applicable. Where the FReM does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to NHS Greater Glasgow and Clyde's circumstances and have been consistently applied.

9. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

10. I have assessed NHS Greater Glasgow and Clyde's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on NHS Greater Glasgow and Clyde's ability to continue as a going concern.

Assets

11. Where a rolling programme of asset valuations has been used, I have satisfied myself that the carrying amount of assets at 31 March 2022 does not differ materially from that which would be determined if a revaluation had been carried out at that date.

12. I carried out an assessment at 31 March 2022 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.

13. I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2022.

14. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.

15. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

Liabilities

16. All liabilities at 31 March 2022 of which I am aware have been recognised in the financial statements.

17. Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2022 of which I am aware where the conditions

specified in IAS 37 have been met. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the obligation at 31 March 2022. Where the effect of the time value of money is material, the amount of the provision has been discounted to the present value of the expected payments.

18. Provisions recognised in previous years have been reviewed and adjusted, where appropriate, to reflect the best estimate at 31 March 2022 or to reflect material changes in the assumptions underlying the calculations of the cash flows.

19. The accruals recognised in the financial statements for SLA activity shortfall and holiday untaken by 31 March 2022 have been estimated on a reasonable basis.

20. Underspends on health care services delegated to the Integration Joint Boards have been remitted to the relevant partner local authorities.

21. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Fraud

22. I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated as a result of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

23. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

24. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with IAS 24 as interpreted by the FReM. I have made available to you the identity of all NHS Greater Glasgow and Clyde's related parties and all the related party relationships and transactions of which I am aware.

Remuneration and Staff Report

25. The Remuneration and Staff Report has been prepared in accordance with the requirements of the FReM to the extent they apply in Scotland, and all required information of which I am aware has been provided to you.

Performance report

26. I confirm that the Performance Report has been prepared in accordance with the requirements of the FReM to the extent they apply in Scotland and the information is consistent with the financial statements.

Corporate Governance

27. I have fulfilled my responsibilities for NHS Greater Glasgow and Clyde's corporate governance arrangements. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

28. I confirm that the Governance Statement has been prepared in accordance with the Scottish Public Finance Manual and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2022, which require to be reflected.

Group Accounts

29. I have identified all the other entities in which NHS Greater Glasgow and Clyde has a material interest and have classified and accounted for them in accordance with the 2021/22 FReM. Any significant issues with the financial statements of group entities, including any qualified audit opinions, have been advised to you.

Events Subsequent to the Date of the Statement of Financial Position

30. All events subsequent to 31 March 2022 for which IAS 10 as interpreted by the FReM requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Jane Grant

Accountable Officer