

NHS GREATER GLASGOW AND CLYDE

**Minutes of the Meeting of the
Audit and Risk Committee
held via Microsoft Teams
on Tuesday, 16 March 2021**

PRESENT

Mr. A MacLeod (in the Chair)

Ms J Forbes	Ms K Miles
Ms M Kerr	Mr C Vincent
Cllr J Clocherty	Ms J Grant
Prof J Brown CBE	Mr M White

IN ATTENDANCE

Ms L Aird	..	Assistant Director of Finance
Mr. W Edwards	..	Director of eHealth
Mr. G Forrester	..	Deputy Head of Board Administration
Mr. C Brown	..	Azets
Ms. R Weir	..	Azets
Ms L Johnson	..	Audit Scotland
Ms. L Yule	..	Audit Scotland
Mr. J Cornett	..	Audit Scotland
Ms. F Aitken	..	Royal College of Physicians Edinburgh
Mr. M Deighan	..	Royal College of Physicians Edinburgh
Mr. Z Barlow	..	Secretariat (Minutes)

		ACTION BY
1.	WELCOME AND APOLOGIES	
	<p>The Committee noted apologies received from Jonathan McColl, Liz Maconachie and Janet Richardson.</p> <p>The Chair welcomed observers Fiona Aitken and Michael Deighan from the Royal College of Physicians Edinburgh as part of the Board-initiated governance assurance work.</p> <p>Mr White welcomed new Assistant Director of Finance, Lesley Aird, and advised that Ms Aird would be the direct liaison for the Audit and Risk Committee moving forward.</p> <p>NOTED</p>	

2.	DECLARATIONS OF INTEREST	
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	Mr MacLeod invited members to declare interest in any of the agenda items being discussed. There were no declarations of interest. <u>NOTED</u>	
3.	MINUTES OF THE MEETING HELD ON 15th DECEMBER 2020	
	The Committee considered the minute of the meeting held on Tuesday 15 th December 2020 [Paper No AR (M)20/04] and were content to approve this as an accurate record subject to the following; <ul style="list-style-type: none"> - Remove additional 'was' under item 45a) Internal Audit Plan. - Item 47.3, update records management action to show Ms Vanhegan and Mr Edwards as responsible officers. <u>APPROVED</u>	
4.	ROLLING ACTION LIST	
	The Committee reviewed the Rolling Action List and were content to accept the recommendation to close 7 actions. In addition, updates were provided on the following actions: <u>Risk Management Steering Group Minutes</u> Following a question, it was agreed that the Risk Management Steering Group minutes should be presented to each meeting of the relevant Audit & Risk Committee. <u>Records Management Policy</u> Mr Edwards, Director of eHealth advised that a Retention and Disposal Policy had been approved by the Corporate Management Team on 4 th March 2021. <u>APPROVED</u>	Secretary
5.	INTERNAL AUDIT	
	The Committee considered the paper "Internal Audit Papers" [Paper No 5] prepared by Mr. C Brown, Partner, from Azets and were asked to note the following papers from the Board's Internal Auditors:	
5.1	INTERNAL AUDIT PROGRESS REPORT – MARCH 2021	
	Mr C Brown provided an update from the Internal Audit Plan Progress Report.	

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	<p>Mr Brown reported that 2 reports had been completed this quarter, the Financial Systems health Check and Management Action Follow Up Q4 2020/21.</p> <p>Fieldwork for the Duty of Candour had progressed and work was also underway to provide 'consultancy style' support for the development of the Assurance Framework.</p> <p>There would be 10 scheduled reports presented to the Audit and Risk Committee in June 2021.</p> <p>Discussions remained ongoing around the management and scope for the audit of IJB Accountabilities which links closely with the Assurance Framework. Prof Brown highlighted the importance of ensuring the coordination of IJB plans and Health Board plans. Prof Brown asked Mr Brown to explain further the IJB accountability work and it's its impact on the Issue of governance. Ms Grant suggested that a meeting takes place with the Chair, Prof Brown, Mr White and Mr Brown to consider the expectations from this review. Prof. Brown confirmed there would be an update on the development of the Assurance Framework presented to the Board in April.</p> <p>In response to a request for assurance regarding the completion of the audit plan work for this year's year end and whether elements would rollover into 2021/22, Mr Brown advised that all reports listed within the Progress Report were scheduled to come to the June meeting and that work was progressing accordingly, however the work on the development of a risk management framework would still be 'work in progress'.</p> <p>Mr White advised that there was a target of the end of August for the accounts to be signed off.</p> <p>The Chair noted the importance of internal audit in not only reviewing the systems of internal of control, but the value added that the work contributes to the organisation.</p> <p>The Committee were assured that the organisation was making continued improvements across the matters highlighted in the reports.</p> <p><u>NOTED</u></p>	<p>Ms Vanhegan</p>
<p>5.2</p>	<p>INTERNAL AUDIT FOLLOW UP REPORT – QUARTER 4</p>	
	<p>Ms Weir provided an update from the Internal Audit Follow Up Report for quarter 4.</p> <p>Ms Weir reported that the total actions for follow-up were 50, with 16 closed off and 34 being carried forward into the next quarter. 17 actions, a reduction from 25 previously reported, had passed their original date and remained partially complete. Of these 7 were grade 3 actions which</p>	

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	<p>were being reported as outstanding and were being targeted as the priority areas for management.</p> <p>Ms Weir advised that the position had improved in comparison to the previous quarter which reflected management's efforts to ensure the actions were closed.</p> <p>Ms Kerr asked for reassurance that the Deanery's actions were being progressed at the QEUH. Ms Grant advised that significant progress had been made, visits and discussions from the Deanery continued and the implications of the new pathways were being considered. Ms Grant agreed to ask a member of her management team to draft a short summary of the progress made to be shared with the Audit & Risk Committee.</p> <p>The Committee noted the report and the steady progress made to close off agreed management actions despite other challenges being faced. The Committee noted the status of each action and confirmed it would look for a further update at the next meeting.</p> <p><u>NOTED</u></p>	<p>Ms Grant</p>
<p>6.</p>	<p>EXTERNAL AUDIT</p>	
<p>6.1</p>	<p>NHS IN SCOTLAND 2020</p>	
	<p>The Committee considered the paper "NHS in Scotland 2020" presented by Ms L Johnston, Audit Scotland.</p> <p>Ms Johnston advised that the report was different compared to previous years, focussing on the Scottish Government and NHS response to Covid-19, as well as the financial and operational performance of the NHS in 2019/20.</p> <p>Ms Johnston noted the challenging circumstance and demands as a result of Covid-19. The report highlights these challenges and outlines the work towards support for health and social care staff. The report recommended a focus towards NHS remobilisation and measures to deal with the backlog of patients as a result of the pandemic. It was recommended that data on waiting times be published to enable transparency on how NHS Boards are managing waiting lists. Moving forward to the 2021 report there would be efforts made to build on engagement that takes place post publication of the report, to discuss the lessons Boards have learned and the innovation taken to sustain the changes going forward.</p> <p>The Chair asked if increased activity within the months since the report had been undertaken raised any new concerns/ issues. Ms Johnson advised that the report was primarily based on the first wave of the pandemic and the 2021 report would focus on matters arising thereafter,</p>	

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	<p>including the vaccination programme. Ms Johnson advised that some data within the report had been updated continually up to publication, however acknowledged further activity had taken place since and would be considered moving forward.</p> <p>Following a question regarding the Scottish Government’s response to the report, Ms Johnson advised that evidence had been given to the Public Audit committee at the Scottish Parliament on 25th February, and more recently colleagues from the Scottish Government had been asked to provide evidence. Ms Johnson advised that all recommendations had been accepted.</p> <p>The Chair asked Mr Forrester to circulate the report to all members of the Board for their information.</p> <p>The Committee were content to note the NHS in Scotland 2020 report and the Chair thanked Ms Johnson for her presentation.</p> <p><u>NOTED</u></p>	<p>Mr Forrester</p>
<p>6.2</p>	<p>NHSGGC ANNUAL AUDIT PLAN 2020/21</p>	
	<p>The Committee considered the paper “NHSGGC Annual Audit Plan 2020/21” presented by Mr J Cornett, Audit Scotland.</p> <p>Mr Cornett highlighted the time table set out within the plan and the target date for the completion of the accounts as 31st August 2021. He advised that since the writing of the report, the statutory deadline for the completion of the Accounts had been pushed back by a further month to 30th September 2021. However following discussions with the Finance Team, there would be a push to have the accounts completed by the original target date of 31st August.</p> <p>Following question from Prof Brown regarding the demands placed on management for the completion of the 2020/21 plan, Mr Cornett advised that Audit Scotland did not envisage the work as being significantly time consuming and therefore there would not be high demand on the senior management team. Mr Cornett advised that moving forward to the 2021/22 plan, Audit Scotland would look at whether the Board was focussing on the right issues and reviewing the correct areas expected during the ongoing unprecedented challenges. Prof Brown raised concern that Audit Scotland’s work had initially proposed a review of management capacity however now appeared to be moving towards a governance review. Mr Cornett advised that the work originated from a previous discussion that had taken place at the Audit & Risk Committee in 2020 where there were concerns of the impact on management and its capacity to deal with the challenges presented. Mr Cornett advised that the focus moving forward would be on recognising that risk, building on the work already started. It was agreed that a meeting would be arranged between</p>	

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	<p>the Chair, Mr Cornett, the Chairman and the Chief Executive to gain a clearer understanding of the scope of this future work.</p> <p>Ms Kerr questioned the source of assurance at risk number 4 within the plan which discusses the Board adhering to the final guidance on how covid costs and funding are to be reflected within the annual accounts. Ms Kerr questioned the ‘final guidance’ and asked if this was something that would be shared with the Committee. It was advised that there was guidance awaited from Scottish Government around how expenditure was reflected within the accounts. There was an ongoing discussion also around the allocation of funding to IJBs that was then passed onwards to external organisations.</p> <p>Ms Kerr highlighted that clarity was needed around the Board dates and the practicalities around the accounts being signed off by 31st August.</p> <p>Prof Brown questioned if Audit Scotland would provide an external view and have a role moving forward to 2022 in ensuring that the Assurance Framework and related systems were being implemented appropriately. Mr Cornett advised that Audit Scotland’s approach would be to gain an understanding of the annual governance statement and recognise that the Assurance Framework had been changed mid-year and consider whether these changes were effective and underpinned the production of the year-end annual governance statement.</p> <p>The Committee were content to note the Annual Audit Plan 2020/21 and that the revised timetable would require a change to future Audit & Risk Committee meeting dates. In this regard the chair asked Mr Forrester to review the future meeting cycle and circulate revised dates when determined.</p> <p><u>NOTED</u></p>	<p>Chair</p>
<p>7.</p>	<p>FRAUD REPORT</p>	
<p>7.1</p>	<p>FRAUD REPORT MARCH 2021</p>	
	<p>The Committee considered the paper “Fraud Report” presented by Mr M White, Director of Finance. The paper highlighted that there was one new case of fraud reported during the period of December 2020 to January 2021. There were 11 ongoing cases in the Fraud Register at the end of the period. There were 8 enquires recorded in the Board’s Enquiries Register with 1 employee dismissed for gross misconduct.</p> <p>It was advised that CFS had delivered fraud awareness training sessions to over 100 NHSGGC Finance staff via Microsoft Teams in December. A number of planned workshops were scheduled to be delivered online during March</p> <p>The Committee were content to note the report presented.</p>	

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	<u>NOTED</u>		
7.2	COUNTER FRAUD SERVICES QUARTERLY REPORT		
	<p>Mr White presented the Counter Fraud Services (CFS) Quarterly Report which included reports for the quarter ending December 2020 for noting. The most recent report showed that there had been a total of 58 referrals, representing a decrease of 46% compared with the third quarter in the previous year. At the end of the quarter there were 59 ongoing national cases compared to 52 ongoing national cases at the end of the previous quarter. CFS issued 3 intelligence alerts in the quarter to December 2020.</p> <p><u>NOTED</u></p>		
8.	INFORMATION GOVERNANCE UPDATE		
	<p>The Chair welcomed Mr William Edwards, Director of eHealth to provide a verbal update on information governance.</p> <p>Mr Edwards assured colleagues that the Information Governance Steering Group was still very active and continually monitors the IT Security Report and the Information Governance Report, and any associated breaches that occur across the organisation. Targeted training and awareness sessions continue to run as a result of the IT Security Report.</p> <p>Mr Edwards assured members that the actions contained within the Records Management Audit remained a focus. It was advised that the Retention and Disposal Policy, contained in the Records Management Audit was approved by the Corporate Management Team on 4^h March and would align with the national policy and would be communicated across the organisation.</p> <p>Mr Edwards advised that the Information Asset Register required to be reviewed regularly to ensure good housekeeping was taking place across the Board. It was advised that following targeted intervention to a number of areas across the Board the required traction was being seen.</p> <p>Mr Edwards reminded the Committee that in February 2020, all territorial Boards were subjected to a NIS Audit. Each Board undertook a NIS assessment and were then asked to submit evidence by 4th September 2020 to outline progress to the questions presented within the audit. No physical audit had yet taken place. Mr Edwards advised that he had received preliminary feedback relating to the NIS Audit which highlighted recommendations in areas where no testing had been carried out. Mr Edwards advised that NHSGGC was reported as being significantly ahead of other territorial Board in Scotland with regards to the NIS Audit position and that there were no critical areas highlighted within the audit and the</p>		

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	<p>overall audit report was assessed as “Yellow” status. He stressed that actions would still be required to be undertaken but the focus in previous years on physical and environmental security controls had contributed towards the “Yellow” risk rating. Mr Edwards advised that the full report would be brought to the next meeting of the Audit & Risk Committee.</p> <p>The Committee thanked Mr Edwards for the positive update and welcomed that the final report would be brought to the next meeting.</p> <p><u>NOTED</u></p>	
9.	AUDIT & RISK DRAFT WORK PLAN	
	<p>The Committee considered the paper “Audit & Risk Draft Work Plan” presented by the Chair.</p> <p>The Chair advised of the proposal to reschedule the review of the annual accounts in June to be replaced with a special meeting towards the end of August in line with previous discussions.</p> <p>The Chair asked Mr Forrester to consider including visual confirmation on the workplan of agenda items that have been presented to the Audit & Risk Committee.</p> <p>Ms Kerr suggested that private meetings with external auditors should be included within the workplan. The Chair agreed to contact Mr Cornett following the meeting to make arrangements.</p> <p><u>AGREED</u></p>	<p>Mr Forrester</p> <p>Chair</p>
10.	BAD DEBT WRITE OFF	
	<p>The Committee considered the paper “Bad Debt Write Off” presented by Mr Mark White, Director of Finance.</p> <p>Mr White asked members to approve the write off of a list of 8 individual debts amounting to £332,734 following failure to recover the debts despite employing external agencies. Mr White advised that 4 debts were for overseas patients and 4 for catering.</p> <p>The Committee were content to approve the write off of the debt presented by Mr White.</p> <p><u>APPROVED</u></p>	
11.	CLOSING REMARKS AND KEY MESSAGES TO THE BOARD	

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	<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"> • Recognition of the steady progress made on delivery of the Audit Plan and success of the Senior Management Team on implementing recommendations from previous audit actions. • Confirmation of the revised annual accounts timetable and consideration towards feeding into the Boards business cycle. • Reassurance from Mr Edwards around cyber security and IT. • Reassurance that steering groups continue to progress on behalf of the Board despite no minutes being presented to the Audit & Risk Committee. <p><u>NOTED</u></p>	
12.	DATE AND TIME OF NEXT MEETING	
	Tuesday 1 st June 2021 at 9.30am, Microsoft Teams	