

NHS Greater Glasgow & Clyde	Paper No. 22/44
Paper Title	Standing Committee Chairs Board Report
Meeting:	Board Meeting
Date of Meeting:	28 June 2022
Purpose of Paper:	For Assurance
Classification:	Board Official
Name of Reporting Committee	Audit & Risk Committee
Date of Reporting Committee	21 June 2022
Committee Chairperson	Ms Margaret Kerr

1. Purpose of Paper:

The purpose of this paper is to inform the NHS Board on key items of discussion at **NHS GGC Audit & Risk Committee**.

2. Recommendation:

The Board is asked to note the key items of discussion at the recent meeting of the **Audit & Risk Committee** on **21 June 2022** as set out below and seek further assurance as required.

3. Key Items of Discussion noting purpose; Assurance/Approval/Awareness.

3.1 Annual Review of Corporate Governance

- For Assurance
- The Audit & Risk Committee received the Annual Review of Corporate Governance presented by the Director of Corporate Service and Governance. Following review by the Committee in September 2021, a further update had been undertaken to bring the Framework Review

BOARD OFFICIAL

back in line with the usual timing and the 2021/2022 Annual Accounts. The Committee were asked to endorse the following combined governance framework; the revised Model Code of Conduct for members of NHS Greater Glasgow and Clyde, the NHS Board Standing Orders, including Decisions Reserved for the NHS Board, the Standing Financial Instructions, the Scheme of Delegation drawn from the Standing Financial Instructions and other Board requirements in respect of specific roles and functions, the Standing Committee Terms of Reference (ToRs) and the Standing Committee Annual Reports.

- The Audit and Risk Committee were content to endorse the work undertaken to update the Governance Framework, including a review of Committee membership, for onward approval by the NHSGGC Board.

3.2 Endowments Funds Auditors Report

- For Assurance
- The Audit & Risk Committee were presented with the Endowment Funds Auditors Report presented by Mr M Gill, BDO. The Auditor's Report provided a summary of the results of completing the planned audit for the year end 31 March 2022. The Committee noted that no significant issues had been identified.
- The Audit & Risk Committee were content to note and took assurance from the Endowments Funds Auditors Report.

3.3 Draft Endowment Fund Accounts for the year end 31 March 2022

- For Approval
- The Audit & Risk Committee were presented with the Draft Endowments Fund Accounts for the Year End 31 March 2022 presented by Ms L Aird, Assistant Director of Finance. The Committee noted that the income for the year was £9.2M, which was £4.3m less than the previous year income, mainly due to Charitable Activities income from research and clinical trials reducing back to normal levels. Investment income went up slightly by £0.2m and donations and legacy income was up by £0.3m
- The total expenditure from unrestricted funds amounted to £2.1M. The Audit and Risk Committee noted the year-end position.
- The Committee noted thanks to those involved in preparation of the comprehensive report, and noted this was a significant piece of work for the Auditors and Financial Services Team.
- The Audit & Risk Committee were content to endorse the draft endowment fund accounts for year end 31 March 2022 and recommend that the accounts are adopted by the Board of Trustees of the Endowments Fund.

3.4 NHSGGC Annual Report and Accounts

- For Approval
- The Audit & Risk Committee considered the paper Annual Report and Consolidated Accounts 2021-22 presented by Ms L Aird, Assistant Director of Finance.

BOARD OFFICIAL

- The Audit and Risk Committee noted that the Board has achieved its 3 key financial targets; Revenue Resource Limit, Capital Resource Limit and cash in 2021-22.
- The Committee noted that there was a total of £0.361m surplus for the year against the core revenue resource limit. Due to the exceptional nature of 2021-22 NHSGGC received COVID-19 funding of £284m which included funding for the six IJBs and £68.5m in unachievable savings relief.
- The Audit & Risk Committee were content to approve the NHSGGC Annual Report and Accounts and recommend that the accounts are adopted by the NHS Board.

3.5 External Audit - NHSGGC Annual Report 2021/22

- For Assurance
- The Audit & Risk Committee considered the paper NHSGGC Annual Audit Report 2021/22 presented by Mr J Cornett, Audit Scotland. Mr Cornett advised that Audit Scotland's work provided an unqualified opinion on the accounts. The report set out conclusions from consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice. The Committee noted that two items had been reported as outstanding were now complete, no issues were anticipated and no specific areas of risk were identified.
- The Audit and Risk Committee noted that overall the report was positive and good governance arrangements were in place.
- The Committee noted thanks to those involved in the preparation and delivery of the audit and accounts to ensure this was brought back in line with the pre-pandemic timeline.
- Following consideration of the external audit paper NHSGGC Annual Audit Report 2021/22, subject to minor amendments, the Audit and Risk Committee were satisfied to note and took assurance from the report.

3.6 Financial Statements 2021-22 – Statement of Assurance And Review Of Systems Of Internal Control

- For Approval
- The Audit & Risk Committee considered the paper Statement of Assurance and Review of System of Internal Control presented by Ms L Aird, Assistant Director of Finance. The paper included a number of recommendations, those being:
 - that the Committee note the summary of System of Internal Control;
 - approve the paper for submission to the NHS Board the Statement of Assurance,
 - Authorise the Audit and Risk Committee Chair to sign and submit the significant issues letter (in this case confirmation that there are none) to the Scottish Government,
 - approve the draft Governance Statement for submission to the NHS Board with a recommendation that the Chief Executive, as Accountable Officer, signs the Governance Statement and

BOARD OFFICIAL

- note the Directors Statements of Assurance.
- The Audit & Risk Committee were content to approve the recommendations.

3.7 NSI and NSS Service Audits

- For Assurance
- The Audit & Risk Committee considered the paper NSI and NSS Service Audits which advised the Committee of the outcome of the National Single Instance (NSI) and National Services Scotland (NSS) Service Audits for 2021-22.
- The Audit and Risk Committee noted that 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. The Committee noted that internal verification arrangements of the payments means that this does not materially impact on the GGC system of internal control or financial governance arrangements.
- The Audit & Risk Committee were content to note the NSI and NSS Service Audit Report and were assured that processes and controls were operating as expected.

3.8 Best Value

- For Approval
- The Audit & Risk Committee considered the paper Best Value Statement presented by the Director of Corporate Services and Governance.
- The Audit and Risk Committee noted the annual update following recommendation from Audit Scotland that Best Value process could be further enhanced. The Committee noted that the report reflects Best Value activity throughout the year for NHS Greater Glasgow and Clyde.
- The Audit & Risk Committee were content to approve the Best Value Statement.

4. Issues for referral to other Standing Committees or escalation to the NHS Board:

- The Audit & Risk Committee recommend that the NHSGGC Annual Report and Accounts be adopted by the Board.
- The Audit & Risk Committee recommend that the NHSGGC Endowment Funds Annual Accounts are adopted by the Trustees of the Endowments Fund.

5. Date of Next Meeting:

13 September 2022 at 09.30am