

**NHS GREATER GLASGOW AND CLYDE**

**Minutes of the Meeting of the  
Audit and Risk Committee  
held on Tuesday, 12 March at 9.30 am  
via Microsoft Teams**

**PRESENT**

Ms Michelle Wailes (in the Chair)

Ms Jacqueline Forbes	Cllr Martin McCluskey
Ms Margaret Kerr (Vice Chair)	Ms Rona Sweeney
Mr Charles Vincent	Cllr Michelle McGinty

**IN ATTENDANCE**

Ms Katrina Heenan	Chief Risk Officer
Mr Colin Neil	Director of Finance
Mr Iain Paterson	Corporate Services Manager - Compliance
Ms Elaine Vanhegan	Director of Corporate Services and Governance
Ms Rachael Weir	Internal Auditor, Azets
Ms Elizabeth Young	Internal Auditor, Azets
Mr John Thomson	Assistant Director of Finance
Ms Claire MacDonald	Business Manager, Acute
Mr Martin Gil	BDO LLP, Statutory Auditor
Dr Lesley Thomson KC	NHSGGC Chair
Mr Stewart Whyte	Data Protection Officer
Mr Colin McKay	Deputy Medical Director
Mr Rob Jones	Ernst and Young
Ms Anne MacPherson	Director of Human Resources
Ms Natalie Smith	Deputy Director Human Resources
Ms Emilia Crighton	Director of Public Health

			<b>ACTION BY</b>
<b>75.</b>	<b>Welcome and Apologies</b>		
	The Chair welcomed those present.		
	Apologies were noted on behalf of Mr Alan Cowan and Mrs Jane Grant.		
	<b><u>NOTED</u></b>		
<b>76.</b>	<b>Declaration(s) of Interest(s)</b>		

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			<b>ACTION BY</b>
	The Chair invited members to declare any interests in any of the matters being discussed. There were no declarations of interest.  <b><u>NOTED</u></b>		
<b>77.</b>	<b>Minutes of Previous Meeting</b>		
	The Committee considered the minute of the Audit and Risk Committee meeting held on 12 December 2023 [Paper No. ARC(M)23/12] and were content to approve the minute as a complete and accurate record.  <b><u>APPROVED</u></b>		
<b>78.</b>	<b>Matters Arising</b>		
	<b>a) Rolling Action List</b>		
	The Committee considered the Rolling Action List [Paper No. 24/01]. The following updates were noted.  <b><u>Minute No 64 – Fraud Report:</u></b> Mr Neil confirmed that there were now controls in place for members of staff to escalate through internal security and noted Police involvement. Communication around the wearing of badges and staff team escalation was noted as well as tightening controls of leavers badges. The Committee discussed whether mandatory training was required noting the issue of Fraud Prevention on the RAL. Mr Neil advised work was underway to establish where this training could be included, with the Fraud Prevention Officer liaising with Organisational Development colleagues considering requirements, i.e. induction. Ms Vanhegan also highlighted the Business Conduct Policy which was due to be reviewed by the ARC in June and would also provide the opportunity to raise these issues.  Timescales were requested to be added to the Fraud Prevention Action Plan  <b><u>APPROVED</u></b>		Colin Neil/ Janet Richardson

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			<b>ACTION BY</b>
<b>79.</b>	<b>Patient Private Funds</b>		
	<p>The Committee considered the paper 'Patient Private Funds' [Paper No. 24/02] presented by Mr Michael Gill, BDO.</p> <p>Mr Gill presented the paper noting the independent role of BDO. He drew attention to the summary on Page 1 of the Report. On analysis of cash in/cash out, no material issues had been identified. Five hospitals had been visited with the plan to visit all sites over a three year. Mr Gill assured the Committee that there were no significant entries to note. In response to a query regarding the cash figure, Mr Thomson reported that this was in relation to petty cash across each site. One recommendation was made to ensure sign off from bank reconciliations, which is being taken forward.</p> <p>The Committee recommended the accounts be adopted and approved by the Chief Executive and Director of Finance. The would be presented to the NHS Board in April.</p> <p><b><u>APPROVED</u></b></p>		
<b>80.</b>	<b>Minutes of Sub Committees</b>		
	<b>a) Information Governance Steering Group</b>		
	<p>The Committee considered the paper 'Information Governance Steering Group – Approved Minutes of the meeting held on 14 February 2024' [Paper No. IGSG(M)/24-01] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil reported progress on mandatory training compliance, noting that work was ongoing to improve the overall figure of 86.5%.</p> <p>Mr Neil also highlighted the changes to the Microsoft 365 licences and WhatsApp usage, noting that Microsoft 365 can be used on personal phones. In response to a query regarding assurances around the use of WhatsApp and business continuity, Mr Whyte highlighted that with regards to Civil Contingency WhatsApp would not be the communication method of choice, an issue considered nationally.</p> <p>The Committee agreed that the terms of reference for the Committee should be reviewed with regards to Civil Contingencies and where this sits organisationally and updated as necessary.</p> <p>The Committee were content to note the update.</p> <p><b><u>ASSURED</u></b></p>		Ms Vanhegan

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			ACTION BY
<b>81.</b>	<b>Fraud Report</b>		
	<p>The Committee considered the paper 'Fraud Report' [Paper No. 24/03] presented by Mr Colin Neil, Director of Finance and Mr John Thomson, Deputy Director of Finance.</p> <p>Mr Thomson reported the number of reports received in the period of 30 which was higher than the previous year at 21. He highlighted 3 new cases of fraud, with 11 cases open since January 2024. In response to a query regarding media interest acknowledging a recent national case in respect of IT Equipment, Mr Thomson highlighted that he was not aware of any specific interest and that communications is via Counter Fraud Services as a strategic partner.</p> <p>In response to a question regarding the length of time for prosecution, Mr Thomson recognised the challenges faced but that this was an external process and out with the Board's control.</p> <p>The Committee were assured by the update.</p> <p><b><u>ASSURED</u></b></p>		
<b>82.</b>	<b>Bad Debt Written Off</b>		
	<p>The Committee considered the paper 'Bad Debt Write off' [Paper No. 24/04] presented by Mr John Thomson, Assistant Director of Finance.</p> <p>Mr Thomson reported £120,856.31 of bad debt relating to an overseas patient and Lloyds Pharmacy liquidation. The Committee were also asked to note the debt below £20,000 written off of £31,087 as well as noting the £28M advance provided to Community Pharmacy Scotland, with NHSGGC allocated £6.7M in other debtors last year.</p> <p>In response to a question regarding writing off bad debt within 2 years of the event, Mr Neil described the role of the Home Office in overseas cases.</p> <p>A concern was raised with regards to the Lloyds Debt and the timeline in respect of this. Mr Thomson advised that NSS were leading the process and significant amounts had been recovered. Committee members enquired as to the NHSGGC role in this situation and the accounting treatment for this both locally and nationally. It was agreed that more detail would be provided at the June meeting.</p>		Mr Thomson

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			<b>ACTION BY</b>
	<p>The Committee were concerned with the risk of further loss associated with pharmacies and sought further assurance.</p> <p>The Committee were content to approve.</p> <p><b><u>APPROVED</u></b></p>		Mr Thomson
<b>83a.</b>	<b>External Audit Update</b>		
	<p>The Committee considered the paper '2022-23 External Audit Actions Progress update' [Paper No. 24/05] presented by Mr Colin Neil, Director of Finance.</p> <p>The position in terms of the Audit work at this stage in the year was noted with only two slightly revised timescales in discussion with management, with conclusion expected by the end of March.</p> <p>He noted a review was underway of some likely accounting treatments in respect of IFRS15, working with Audit Scotland, the Scottish Government and External Audit around substantive arrangements for this issue. In respect of IFRS 16, the Finance Team were updating current PFI models which had been assessed by External Audit ahead of any central guidance being confirmed.</p> <p>Mr Neil reported also reported that a subgroup of the National Technical Accounting Group had been created to review the accounting treatment with regards to the SLAs, with a view to reaching an interim solution for 2023/24.</p> <p>The Committee were assured by the update.</p> <p><b><u>ASSURED</u></b></p>		
<b>83b.</b>	<b>2022-23 External Audit Actions Progress update</b>		
	<p>The Committee considered the paper '2022-23 External Audit Actions Progress update' [Paper No. 25/05] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil highlighted that updates on actions would be brought to the ARC for oversight. In response to a query regarding the RAL and minute no. 65; Mr Neil advised that an inflation rate of 6% had been discussed nationally but confirmation would be provided at the next meeting.</p> <p>The Committee were assured by the update.</p> <p><b><u>ASSURED</u></b></p>		Mr Neil

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84.	<b>Strategic Internal Audit Annual Plan 2024-25</b>		
	<p>The Committee considered the paper ‘Strategic Internal Audit Plan 2023/2024 – 2025/2026 [Paper No. 25/06] presented by Ms R Weir and Ms E Young, Azets.</p> <p>Ms Young reported that the Internal Audit Plan was linked to achieving NHSGGC corporate objectives and reflected the increasing risk profile over financial challenges. She advised two audits will potentially address the financial risks, both Sustainability and Value and Strategic and Operational Planning.</p> <p>The Committee discussed the discharge planning audit and hospital discharge audit, these audits were to be planned in sequence to audit value. The committee requested that any final changes to scope be approved by the Committee. This would be circulated for virtual approval.</p> <p>The Committee were assured by the update.</p> <p><b><u>ASSURED</u></b></p>		
85.	<b>Internal Audit Reports</b>		
	<p>The Committee considered the paper ‘Internal Audit Progress Report’ [Paper No. 25/07] presented by, Ms Rachael Weir, Azets and Ms Elizabeth Young, Azets.</p> <p>(a) <u>Internal Audit Progress Report</u> Ms Young noted Appendix 1 – Audit plan progress.</p> <ul style="list-style-type: none"> <li>• 4 Audits were underway</li> <li>• 1 Audit is still in discussion – the scope of the audit has yet to be agreed for discharge planning</li> </ul> <p>It was agreed that changes to the scope would be drafted and circulated to the Committee for approval.</p> <p>(b) <u>Internal Audit Report - Public Health Screening</u> The report was discussed and agreed with minor improvements required and actions will be updated locally. It was also agreed that the terms of reference should also be reviewed and signed off as accurate by the respective steering group on an annual basis, noting the issue of access particularly from a Learning Disability perspective .</p> <p>Separately, Dr Crighton noted a review of the clinical pathways had been completed.</p> <p>(c) <u>Internal Audit Report - Managing Attendance</u></p>	Ms Young	

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	<p>It was noted that this was a much improved audit with a minor recommendation in terms of absence reason codes and recording return to work.</p> <p>In response to a concern regarding the unsatisfactory level of compliance for 1:1s, and the system being unable to record Return To Work interviews, Mrs MacPherson reported that there was ongoing work with local areas, including spot checks on compliance.</p> <p>(d) <u>Management Action Follow Up</u></p> <p>Ms Weir highlighted, there were no other no significant concerns noting request for timescale changes to be monitored.</p> <p>The Committee were assured by the report.</p> <p><b><u>ASSURED</u></b></p>		
86.	<b>Corporate Risk Register</b>		
	<p>The Committee considered the paper 'Corporate Risk Register [Paper No. 24/08] presented by Ms K Heenan Chief Risk Officer.</p> <p>Ms Keenan noted that there were 4 changes to the register, which included:</p> <ul style="list-style-type: none"> <li>• 20 Risks</li> <li>• 1 increased</li> <li>• 3 decreased</li> </ul> <p>The rationale for the increase was due to internal audit.</p> <p>The Committee were assured by the report.</p> <p><b><u>NOTED</u></b></p>		
87.	<b>Whistleblowing Quarter 3 Report</b>		
	<p>The Committee considered the paper 'Whistleblowing Quarter 3 Report' [Paper No. 24/09] presented by Ms Elaine Vanhegan, Director of Corporate Services and Governance.</p> <p>The paper was presented</p> <ul style="list-style-type: none"> <li>• Noting performance of Stage 1s at 100%</li> <li>• No stage 2's closed in the quarter</li> </ul> <p>Ms Vanhegan highlighted that NHSGGC had received the first Stage 3 response from the Independent National Whistleblowing</p>		

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	Officer which was not upheld. She also noted work was underway with HR regarding Speak Up!		
	The Committee were assured by the update.		
	<b><u>ASSURED</u></b>		
<b>88.</b>	<b>Legal Claims Quarter 3 Report</b>		
	<p>The Committee considered the paper 'Legal Update Quarter 3 Report 2023/2024' [Paper No. 24/10] presented by Mr Iain Paterson Corporate Services Manager - Compliance.</p> <p>Mr Paterson noted the open claims ratio of 2:1 regarding medical negligence claims and staff claims, noting there are on average 400-500 open claims at any one time. There are a small number of high value claims, 11 claims due to adverse events in childbirth, some dating back a significant period .</p> <p>Mr Paterson highlighted Section 4 summary on other litigation activity, noting a significant increase in the number of Fatal Accident Inquiries (FAI).</p> <p>The Committee discussed the increase in FAIs nationally, noting that this was not specific to NHSGGC.</p> <p>In response to a query regarding Operation Koper, Ms Vanhegan noted complexity of area, and partnership working with HSCPs were underway with regards to information relating to Care Homes. Ms Thomson KC highlighted the letter received from the UK Blood Inquiry; Ms Vanhegan advised a number of Health Boards had been in receipt of the letter and updates would be brought to the Committee as required.</p> <p>The Committee were assured by the update.</p> <p><b><u>ASSURED</u></b></p>		
<b>89</b>	<b>Terms of Reference</b>		
	<p>The Committee considered the paper 'ARC TOR 24' [Paper No. 24/11] presented by Ms E Vanhegan – Director of Corporate Services and Governance.</p> <p>Ms Vanhegan noted no significant changes to the TOR for the ARC, and that this formed part of the annual review, which will go to the Board in June.</p> <p>The Committee discussed variation from the Scheme of Delegation at the back of the TOR, as well as the requirement to review</p>		Ms Vanhegan



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			<b>ACTION BY</b>
	<p>narrative to reflect current pressures and challenges as well as the issue noted earlier around Civil Contingencies. Ms Vanhegan advised the TOR would be reviewed and brought back to the June meeting.</p> <p><b><u>DEFERRED</u></b></p>		
<b>90</b>	<b>Committee Annual Cycle of Business 2024/2025</b>		
	<p>The Committee considered the paper 'ARC Annual Cycle of Business 24_25' [Paper No. 24/12] presented by Ms Vanhegan Director of Corporate Services and Governance.</p> <p>Ms E Vanhegan noted this would be brought to each meeting, nothing to pick up.</p> <p>The Chair of the Committee requested that the Internal Audit and Governance to be brought forward.</p> <p><b><u>APPROVED</u></b></p>		Ms Vanhegan
<b>91</b>	<b>Closing Remarks and Key Messages for the Board</b>		
	<p>The Chair thanked those present for attending the meeting and advised that the key messages for the Board would be prepared from the Minutes.</p> <p><b><u>NOTED</u></b></p>		
<b>92.</b>	<b>Date and Time of Next Scheduled Meeting</b>		
	<p>The next meeting would be held on Tuesday 4 June 2024 at 9.30 and Tuesday 18<sup>th</sup> June 9.30 am via MS Teams.</p>		