

NHS GREATER GLASGOW AND CLYDE

**Minutes of the Meeting of the
Audit and Risk Committee
held on Tuesday, 3 December 2024 at 9.30am
via Microsoft Teams**

PRESENT

Ms Michelle Wailes (in the Chair)

Mr Brian Auld	Mr Colin Neil
Ms Margaret Kerr	Mr Charles Vincent
Dr Rebecca Metcalfe	

IN ATTENDANCE

Ms Denise Brown	Director of Digital Services
Ms Kim Donald	Corporate Services Manager (Governance)
Mr Martin Gill	BDO
Mrs Jane Grant	Chief Executive
Ms Katrina Heenan	Chief Risk Officer
Mr Paul Kelly	Internal Auditor, Azets
Mr Iain Paterson	Corporate Services Manager (Compliance)(for items 14 & 15)
Mr Stephen Reid	External Auditor, Ernst and Young
Ms Janet Richardson	Head of Financial Governance/Fraud Liaison Officer
Ms Louise Russell	Secretariat Manager (Minutes)
Mr Michael Sheils	Head of Financial Services
Mr John Thomson	Assistant Director of Finance
Mr Scott Wilson	Senior Business and Delivery Manager
Ms Rachael Weir	Internal Auditor, Azets
Ms Rachel Wynne	External Auditor, Ernst and Young

			ACTION BY
50.	Welcome and Apologies		
	The Chair welcomed those present to the December meeting of the Audit and Risk Committee.		
	Apologies were noted on behalf of Dr Lesley Thomson KC, Cllr Jacqueline Cameron, Ms Elizabeth Young, Ms Rachel King and Dr Scott Davidson.		
	<u>NOTED</u>		

BOARD OFFICIAL

			ACTION BY
51.	Declaration(s) of Interest(s)		
	<p>The Chair invited members to declare any interests in any of the matters being discussed. There were no declarations of interest.</p> <p><u>NOTED</u></p>		
52.	Minutes of Previous Meeting		
	<p>The Committee considered the minute of the Audit and Risk Committee meeting held on 17 September 2024 [Paper No. ARC(M)24/04] and were content to approve the minute as a complete and accurate record.</p> <p><u>APPROVED</u></p>		
53.	Matters Arising		
	a) Rolling Action List		
	<p>The Committee considered the Rolling Action List [Paper No. 24/45] and were content to accept the recommendation that 6 items were closed.</p> <p>The Committee noted that a paper would be submitted regarding legal claim processes and additional clarity provided regarding Delegated Authority.</p> <p>There were no other matters arising noted.</p> <p><u>APPROVED</u></p>		
54.	Urgent Items of Business		
	<p>There were no urgent items of business raised.</p> <p><u>NOTED</u></p>		
55.	Fraud Report and Counter Fraud Services Update		
	<p>The Committee considered the paper 'Fraud Report and Counter Fraud Services Update' [Paper 24/46] presented by Ms Janet Richardson, Head of Financial Governance/Fraud Liaison Officer.</p> <p>The paper provided an update on current fraud cases and on the actions undertaken to prevent, detect and investigate fraud in the period 1st August 2024 to 31st October 2024.</p>		

BOARD OFFICIAL

			ACTION BY
	<p>There were 3 new cases of fraud recorded during the reporting period, and these were being reviewed by the Counter Fraud Service. Two of the cases were in relation to irregularities in pharmaceutical claims by contractors and one in relation to irregularities in the procurement process. There were 28 allegations received in the reporting period, which was consistent with the same period in the previous year. As at 31st October 2024, there were 13 open fraud cases on the Fraud Register and 15 open allegations. The Committee noted that one allegation relating to the theft of controlled drugs was subject to a Police investigation. A CFS investigation, supported by Police Scotland, was ongoing in relation to the irregularities in the procurement process and all new orders had ceased during this period. A further update would be provided to the Committee in due course.</p> <p>The Fraud Annual Action Plan for 2024/25 had been updated to reflect current progress. An initial review of Operational Estates and minor capital expenditure cost centres has been undertaken by CFS as part of the proposed Fraud, Bribery and Corruption Risk Assessment, however further discussion was taking place with CFS, therefore it was likely that the completion date would be extended.</p> <p>International Fraud Awareness Week took place from 17th to 23rd November 2024. Fraud Awareness posters and leaflets were widely distributed by Facilities to hospital sites and Health Centres. During the week CFS provided daily alerts, which were highlighted on Staffnet.</p> <p>The Committee noted that the level and nature of fraud occurring during the period August 2024 to October 2024 indicated that the arrangements and measures in place were generally appropriate and didn't indicate any significant weakness in the overall system of internal control within the organisation. The Committee received assurance that processes and controls would be reviewed in light of the current active investigation, with changes implemented as required.</p> <p>In response to a question regarding Primary Care and whether the potential risk, for example underreporting, was reflected, the Committee received assurance that regular PSD meetings to discuss Primary Care were held and internal escalation would take place if required. The Committee noted that Primary Care was a high risk nationally.</p> <p>The Committee discussed Whistleblowing and whether there was enough awareness that fraud could be reported through whistleblowing. It was noted that work was ongoing to raise awareness and develop an action plan with Human Resources.</p>		

BOARD OFFICIAL

			ACTION BY
	<p>The Committee noted that employees could also report fraud directly with CFS which would be treated anonymously.</p> <p>The Committee were content to note the update.</p> <p><u>NOTED</u></p>		
56.	Patient Private Funds Annual Report and Audit to 31 March 2024		
	<p>The Committee considered the paper 'Patient Private Funds Annual Report and Audit to 31 March 2024' [Paper 24/47] presented by Mr Martin Gill, BDO.</p> <p>Mr Gill provided an overview of the Patients' Private Funds Annual Accounts for the year ended 31 March 2024.</p> <p>He reported that the audit opinion on the special purpose financial statements of NHS Greater Glasgow and Clyde Patients' Private Funds Annual Accounts for the year ended 31 March 2024 were prepared, in all material respects, in accordance with the 2023/24 NHS Board Accounts Manual. There were no changes to final materiality and triviality from the levels determined at planning. He noted that BDO were not made aware of any fraud on private funds.</p> <p>The report detailed the audit work carried out. Mr Gill highlighted a risk that had been identified in relation to the misstatement of cash, however this was accounted for, and a chronology of activity was included in the report.</p> <p>The Committee discussed the interest gathered and applied on patient fund bank accounts. It was agreed that further information on the position would be brought back to the Committee.</p> <p>The Committee were content to approve the paper.</p> <p><u>APPROVED</u></p>		Mr Thomson/Mr Neil
57.	Draft External Audit Plan		
	<p>The Committee considered the paper 'Draft External Audit Plan' [Paper 24/48] presented by Mr Stephen Reid, External Auditor, Ernst & Young.</p> <p>Mr Reid provided a summary of the report and noted the report largely remained unchanged. He highlighted that the Materiality Assessment in 2024/25 was at the higher end of the range compared to last year, with performance materiality assessed at</p>		

BOARD OFFICIAL

			ACTION BY
	<p>75% of overall materiality for the financial statements. He noted that errors above £1.6m would be reported to the Committee.</p> <p>Mr Reid reported that four significant risks, impacting the audit of the financial statements, had been identified and were summarised in the paper. He also noted that another focus area had been identified in relation to climate change disclosures. The Committee noted that there had been engagement with the Head of Sustainability.</p> <p>In relation to a question regarding the Scottish Public Pensions Agency (SPPA), the Committee noted that work was ongoing nationally and the outcome awaited. The Committee received assurance that there was ongoing engagement with the SPPA.</p> <p>In relation to Fairness and Equality, the Committee noted that the position would be reviewed after the first wave was completed.</p> <p>In response to a question regarding the Scottish Hospital Inquiry and Police investigation, the Committee noted that this would not be concluded within this financial year. The approach would be similar to previous years.</p> <p>The Committee were assured by the report provided.</p> <p><u>NOTED</u></p>		
58.	External Audit Action Tracker		
	<p>The Committee considered the paper 'External Audit Action Tracker' [Paper 24/49] presented by Mr John Thomson, Assistant Director of Finance.</p> <p>Mr Thomson provided an update on the progress to date in delivering the 15 audit recommendations made by Ernst Young in the 2022/23 Annual Audit Report and the 7 recommendations in the 2023/24 Annual Audit Report.</p> <p>Mr Thomson reported that a meeting had been held with Ernst Young to discuss the audit actions. He noted that some actions were unable to be closed until the end of the audit, however he assured the Committee that good progress was being made.</p> <p>The Committee were assured by the report provided.</p> <p><u>NOTED</u></p>		

BOARD OFFICIAL

			ACTION BY
59.	Internal Audit Reports		
	<p>The Committee considered the paper 'Internal Audit Reports' [Paper No. 24/50] presented by, Azets.</p> <p>a) <u>Internal Audit Progress Report</u></p> <p>The paper provided a summary of internal audit activity. There had been a minor delay to the Mental Health Waiting List audit due to the unavailability of key contacts, therefore the report would be presented to the Committee in March 2025. The audit of Cyber Security had been completed along with the Management Action Follow Up for Q3 2024/25. Work had also been carried out with management to refresh the Internal Audit Plan for 2025/26. The Committee noted reports on Staff Training and Development, eHealth Project and Programme, Management Action Follow Up – Q4 2024/25 and Internal Audit Plan 2025/26 would be presented to the Committee in March 2025, along with the Mental Health Waiting List Management report.</p> <p>b) <u>Internal Audit Follow Up Report</u></p> <p>The Committee noted the Internal Audit Follow Up Report and noted that out of 35 actions, 13 had been closed, 14 were not yet due at the time of validation work and 8 were partially completed. The Committee received assurance that progress was being made and the position was robust.</p> <p>c) <u>Draft Internal Audit Plan 25/26</u></p> <p>The Committee noted that the Internal Audit Plan 25/26 would be refreshed and submitted to the Committee for consideration in March 2025.</p> <p>Consideration would be given to potential audit areas, including mandatory training, estate management and prescribing.</p> <p>d) <u>Internal Audit Report – Cyber Security</u></p> <p>The Committee noted that the Cyber Security audit highlighted that, in the main, the Board had effective controls in place over remote access to network and data and a range of measures</p>		

BOARD OFFICIAL

			ACTION BY
	<p>were in place. The report included examples of technical controls that had been implemented which were consistent in leading practice for providing secure remote access. The review identified a small number of weaknesses to be addressed.</p> <p>The Committee noted that NHSGGC were working towards implementation of a Security Incident and Event Monitoring (SIEM) tool, and received assurance that this had been added to an action plan and interim arrangements were in place.</p> <p>The Committee were assured by the reports provided.</p> <p><u>ASSURED</u></p>		
60.	NIS (Network and Information System) Report 2024		
	<p>The Committee considered the paper 'NIS (Network and Information System) Report 2024' [Paper No. 24/51] presented by Ms Denise Brown, Director of Digital Services.</p> <p>Ms Brown provided an update on the Network and Information Systems (NIS) audit carried out in the Board in 2024. She reported that two three-year programmes of audits were commissioned. This was the second audit of the second cycle. The report noted an improvement on the previous yearly results across a number of categories.</p> <p>The Committee noted an overall compliance rate of 97% in 2024. Potential areas for development included Account Management, End-Point Device Management and Business Continuity/DR Testing Policies and Procedures.</p> <p>The Committee recognised this was a detailed audit and the compliance level had been outstanding. The Committee congratulated the team on the level of achievement.</p> <p>The Committee were assured by the report provided.</p> <p><u>NOTED</u></p>		
61.	Risk Appetite Statement		
	<p>The Committee considered the paper 'Risk Appetite Statement' [Paper No. 24/52] presented by Ms Katrina Heenan, Chief Risk Officer.</p> <p>Ms Heenan provided an overview of the process that had been undertaken to fully review the Risk Appetite Statement for</p>		

BOARD OFFICIAL

			ACTION BY
	<p>NHSGGC. In order to further build on the NHS Greater Glasgow and Clyde Risk Appetite Statements, it was proposed that Risk Appetite and Tolerance Statements were developed in line with the consequence (impact) of the risk.</p> <p>The report highlighted the changes in category of Risk Appetite from Cause to Impact for the Committee to consider. This would enable the clear identification of Risk Appetite and Tolerance across NHSGGC Risks.</p> <p>The Committee noted the Risk Appetite and Tolerance statements would be subject to review at the Board Seminar, where there would be an opportunity to comment further, and in January 2025 and the NHSGGC Board meeting in February 2025.</p> <p>The Committee were content to approve the paper.</p> <p><u>APPROVED</u></p>		
62.	Corporate Risk Register		
	<p>The Committee considered the paper 'Corporate Risk Register' [Paper No. 24/53] presented by Ms Katrina Heenan, Chief Risk Officer.</p> <p>Ms Heenan provided an overview of the current Corporate Risk Register and changes that had been made since the last meeting.</p> <p>The Committee noted that a risk from the Human Resources and Organisational Development Directorate Risk Register had been escalated to Corporate Level. This risk related to the Management of Staff Attendance. The risk had been escalated due to the current level of Staff Absence and associated risk should this level continue or increase further. The Risk had been subject to a full review including causes, controls, score and actions prior to inclusion within the paper.</p> <p>Ms Heenan reported that 4 detailed risk reviews had been carried out which had resulted in a change to 3 of the risk scores. The paper included the action status associated with the revised Risks that had undergone detailed reviews.</p> <p>In response to a question regarding the status of the risk in relation to Urgent and Unscheduled Care Delivery, the Committee noted that the risk review had been completed and would be submitted to the Corporate Management Team, presented to the Acute Services Committee before being submitted to the next Audit and Risk Committee meeting.</p>		

BOARD OFFICIAL

			ACTION BY
	<p>With regards to the Regulatory Body Compliance risk (3052), the Committee noted that work was ongoing with Estates and an update would be provided to the Committee at a future meeting.</p> <p>The Committee received assurance that fire risk assessments continued to be reviewed and updated. Further updates would be provided to the risks with revised actions.</p> <p>The Committee were content to approve the paper.</p> <p><u>APPROVED</u></p>		
63.	Freedom of Information Quarter 2 Report		
	<p>The Committee considered the paper 'Freedom of Information Quarter 2 Report' [Paper No. 24/54] presented by Mr Iain Paterson, Corporate Services Manager, Compliance.</p> <p>Mr Paterson provided an update on the Freedom of Information performance as at Quarter 2 2025/25, following the decision to place NHSGGC into Level 3 Intervention.</p> <p>Mr Paterson reported that significant improvement had been demonstrated. Between 1 July and 30 September, NHSGGC received 305 FOI/EIR requests. He noted that 61% of requests had been responded to within statutory timescales during the Quarter, however if performance was examined in relation to the 305 requests received in the period, then the figure increased to 84%.</p> <p>The report highlighted that the top 5 range of requests in Quarter 2 were Mental Health, Dentistry, GPs – Out of Hours services, Staffing and Acute waiting times.</p> <p>Mr Paterson reported that of the 305 requests received, 49 were issued beyond the statutory 20 working days deadline. He also provided an update on the number of breaches that had occurred. The report highlighted that 9 requests for reviews were received for this Quarter.</p> <p>Mr Paterson provided a Quarter 3 projection, and a confirmed Quarter 3 position would be provided to the Committee in March 2025.</p> <p>The Committee noted the actions that had been discussed with the Commissioner to maintain and further improve FOI performance.</p>		

BOARD OFFICIAL

			ACTION BY
	<p>The Committee acknowledged the number of requests that were being received and the workload challenge that this created. The Committee received assurance that additional resource had been added and would be monitored in order to maintain performance.</p> <p>The Committee were assured by the report provided.</p> <p><u>NOTED</u></p>		
64.	Legal Update Quarter 2 Report		
	<p>The Committee considered the paper 'Legal Update Quarter 2 Report' [Paper No. 24/55] presented by Mr Iain Paterson, Corporate Services Manager, Compliance.</p> <p>The paper provided a 2024/25 mid-year position regarding legal claims within the Board. Mr Paterson reported that 77 claims were settled during the first half of 2024/25 and 43 claims were closed for other reasons. The paper provided a summary of the number of open cases. The paper also included a list of published Fatal Accident Inquiries with NHSGGC participation.</p> <p>The Committee were assured by the report.</p> <p><u>NOTED</u></p>		
65.	Whistleblowing Quarter 2 Report		
	<p>The Committee considered the paper 'Whistleblowing Quarter 2 Report' [Paper No. 24/56] presented by Ms Kim Donald, Corporate Services Manager, Governance.</p> <p>Ms Donald provided an overview of whistleblowing activity across Quarter 2 of 2024/25. Performance in relation Stage 1 cases remained consistent at 100%, however, meeting the 20-day target for Stage 2 cases remained a challenge due to the complex nature of the cases. This was a challenge also experienced by other Health Boards. There were 2 stage 3 cases being reviewed by the INWO and the outcome of their assessment was awaited.</p> <p>The Committee were assured by the paper provided.</p> <p><u>NOTED</u></p>		
66.	Information Governance Steering Group Minutes		
	<p>The Committee considered the paper 'Information Governance Steering Group Minutes' [Paper No. 24/57] presented by Mr Colin Neil, Director of Finance.</p>		

BOARD OFFICIAL

			ACTION BY
	Mr Neil provided a summary of the key discussions and decisions at the meeting held on Wednesday 27th November 2024.		
	Mr Neil highlighted that the number of Subject Access Requests remained high, and the throughput was being managed. A paper was presented to the Group highlighting a recent call to action by the Information Commissioner asking organisations to review how they managed personal data breaches, and in particular the wider consequences that could occur following a breach. Mr Neil reported that a Short Life Working Group had been established to focus on communications. The Group also discussed the formation of a new AI Working Group to create a single point of contact for AI Work and requests to implement AI Tools within NHSGGC.		
	The Committee were content to note the report.		
	<u>NOTED</u>		
67.	Committee Annual Cycle of Business 2024/25		
	The Committee considered the paper 'Committee Annual Cycle of Business 2024/25 [Paper No. 24/58] presented by Ms Kim Donald, Corporate Services Manager, Governance.		
	The Committee were content to approve the Annual Cycle of Business.		
	<u>APPROVED</u>		
68.	Closing Remarks and Key Messages for the Board		
	The Chair thanked those present for attending the meeting and for the interesting discussion.		
	<u>NOTED</u>		
69.	Date and Time of Next Scheduled Meeting		
	The next meeting would be held on Tuesday 18 March 2025 at 9.30 am via MS Teams.		