

ARC(M) 22/05
Minutes 44- 59

NHS GREATER GLASGOW AND CLYDE

Minutes of the Meeting of the Audit and Risk Committee held on Tuesday, 13 December at 9.30 am via Microsoft Teams

PRESENT

Ms Michelle Wailes (in the Chair)

Ms Susan Brimelow OBE	Cllr Martin McCluskey
Mr Alan Cowan	Cllr Michelle McGinty
Ms Jacqueline Forbes	Ms Rona Sweeney
Ms Margaret Kerr (Vice Chair)	Mr Charles Vincent

IN ATTENDANCE

Ms Lesley Aird	Assistant Director of Finance - Financial Services
Ms Denise Brown	Director of eHealth
Prof John Brown CBE	Board Chair
Ms Kim Donald	Corporate Services Manager - Governance
Mr Andrew Gibson	Chief Risk Officer
Mrs Jane Grant	Chief Executive
Ms Alison Hardie	Secretariat (Minutes)
Mr Rob Jones	External Auditor, Ernst & Young
Mr Colin Neil	Director of Finance
Mr Iain Paterson	Corporate Services Manager - Compliance
Mr Stephen Reid	External Auditor, Ernst & Young
Ms Elaine Vanhegan	Director of Corporate Services and Governance
Ms Rachael Weir	Internal Auditor, Azets
Mr Stewart Whyte	Information Governance Manager
Ms Rachel Wynne	External Auditor, Ernst & Young
Ms Elizabeth Young	Internal Auditor, Azets

			ACTION BY
44.	Welcome and Apologies		
	Due to unforeseen travel delays, the Vice Chair opened the meeting and the Chair lead the meeting from Minute No. 49 - Fraud Report.		

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			ACTION BY
	The Vice Chair welcomed those present, and there were no apologies intimated.		
	<u>NOTED</u>		
45.	Declaration(s) of Interest(s)		
	The Chair invited members to declare any interests in any of the matters being discussed. There were no declarations of interest.		
	<u>NOTED</u>		
46.	Minutes of Previous Meeting		
	The Committee considered the minute of the Audit and Risk Committee meeting held on 13 September 2022 [Paper No. ARC(M)22/04] and were content to approve the minute as a complete and accurate record, subject to the following amendments:		
	<u>Page 1, In Attendance</u>		
	<ul style="list-style-type: none"> Amend 'attendance' table to reflect JB and JG ex-officio 		Secretariat
	<u>Page 4, Item 34, Patient Private Funds Audit 2020-21</u>		
	<ul style="list-style-type: none"> Amend to 'An update on the internal process for ensuring that all funds held relate to current patients would be provided at the next meeting.' 		Secretariat
	<u>APPROVED</u>		
47.	Matters Arising		
a)	Rolling Action List		
	The Committee considered the Rolling Action List [Paper No. 22/43] and were content to accept the recommendation that 15 actions were closed.		
	There were no other matters arising noted.		
	<u>APPROVED</u>		
48.	Minutes of Sub Committees		
a)	Risk Management Steering Group Minutes		

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			ACTION BY
	<p>The Committee considered the paper 'Risk Management Steering Group Minutes' [Paper No. 22/44] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil noted good attendance at the meeting held 16 November 2022.</p> <p>Mr Neil advised that Mr Andrew Gibson, Chief Risk Officer, had presented the Risk Management Strategy, the Risk Register Policy and Guidance for Managers to the group, and discussed the Corporate Risk Management Work Plan.</p> <p>Mr Neil confirmed NHSGGC was now better placed to communicate risk management developments to the relevant stakeholders and that forward planning for 2023 was underway.</p> <p>The Committee were assured that the minute was a complete and accurate record subject to a couple of minor wording amendments highlighted by Ms Forbes.</p> <p><u>ASSURED</u></p>		Mr Neil
b)	Information Governance Steering Group Minutes		
	<p>The Committee considered the paper 'Information Governance Steering Group Minute' [Paper No. 22/45] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil advised that the steering group had been well informed with a good set of papers that included the Information Governance Annual Report.</p> <p>Mr Neil noted discussions on the Information Governance Work Plan and the Data Breach Report, in particular how to mitigate the increase in the number of emails being sent to the wrong recipients and letters to wrong addresses that accounted for 43% of the breaches.</p> <p>Mr Neil advised a review of the Information Asset Register had been carried out and asset owners of Personal and Business Assets had been contacted by letter.</p> <p>Mr Neil noted that NHSGGC had made good progress on the initial KPI target.</p>		Mr Neil

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			ACTION BY
	The Committee were assured that the minute was a complete and accurate record subject to a couple of minor wording amendments highlighted by Ms Forbes.		
	<u>ASSURED</u>		
49.	Fraud Report		
	<p>The Committee considered the paper 'Fraud Report' [Paper No. 22/46] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil noted that 22 allegations had been received in the period 01 August to 31 October 2022. One new fraud case had been reported and subsequently closed following a Counter Fraud Services (CFS) investigation. Currently, there were 11 fraud cases and 12 allegations open. Mr Neil confirmed that strong links remained in place with CFS, and that longer term, a Strategic Intelligence Assessment would be produced for NHS Scotland and used to develop a Fraud Annual Assessment Plan for NHSGGC.</p> <p>Mr Neil highlighted that within the CFS Quarterly Report there were two ongoing criminal investigations reported to the Procurator Fiscal in September 2022 related to NHSGGC cases.</p> <p>The CFS report also provided information on the level of patient exemption checking undertaken in the six months to September 2022. It was noted that there was an 83% increase in recoveries on behalf of NHSGGC compared to the previous year. Mainly, this had been due to Dental and Ophthalmic services returning to pre-COVID activity levels and the targeting of high value claims.</p> <p>In response to the question on how confident and/or reassured individuals making allegations could be that they would be protected under whistleblowing provisions, Ms Lesley Aird, Assistant Director of Finance - Financial Services, advised that an enhanced process had been put in place through the new Fraud Policy and Fraud Response Plan to ensure that anyone reporting a suspected fraud would be afforded the full protection of the Whistleblowing Policy whether the allegation was via the formal whistleblowing route or not.</p> <p>Ms Kim Donald, Whistleblowing Lead and the Corporate Services Manager - Governance, added that any fraud case linked to whistleblowing was now logged on Datix and captured on the quarterly and annual Whistleblowing Report. Protections available under whistleblowing were highlighted when fraud is reported.</p>		

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			ACTION BY
	<p>In response to the comment on whether the list of ongoing fraud cases could be used as a deterrent and to raise awareness that NHSGGC were looking at potential frauds, Ms Aird responded that awareness is already being raised through the fraud training courses and that further work was being done to enhance the financial governance pages on NHSGGC’s Intranet.</p> <p>The Committee were assured by the report.</p> <p><u>ASSURED</u></p>		
50.	Fraud Policy and Fraud Response Plan		
	<p>The Committee considered the paper ‘Fraud Policy and Fraud Prevention Plan’ [Paper No. 22/47] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil confirmed the three-year partnership agreement with CFS was in place to ensure best practice.</p> <p>Mr Neil advised that the Fraud Policy had been updated to provide more detail on how allegations of fraud should be reported. The policy now clarified that CFS should be contacted before any overt action was taken which may alert suspects and precipitate the destruction or removal of evidence. A new Whistleblowing section had also been added.</p> <p>Mr Neil advised that the newly developed Response Plan supported the Fraud Policy and reflected the roles of the CFS within the partnership agreement.</p> <p>In response to the question if the Fraud Policy applied to staff within the Integrated Joint Boards (IJB), Ms Aird confirmed that the policy was applicable to IJBs and noted that the narrative would be updated to make this clearer in the final document.</p> <p>In response to the query on the governance route of the Fraud Policy, Ms Donald to refer to the Scheme of Delegation and confirm the established route of approval of the policy.</p> <p>The Committee approved the policy subject to confirmation that the Audit and Risk Committee had delegated authority and amendments made to the narrative to reflect that the document applied to IJBs.</p> <p>APPROVED</p>	<p>Ms Aird</p> <p>Ms Donald</p>	

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			ACTION BY
51.	Introduction to Ernst & Young		
	<p>The Committee considered the paper 'Introduction to Ernst & Young' [Paper No. 22/48] presented by Mr Stephen Reid, Ernst & Young.</p> <p>Mr Reid, partner at Ernst & Young, introduced fellow colleagues, Mr Rob Jones, partner, and Ms Rachel Wynne, Senior Manager.</p> <p>Mr Reid referred to the paper introducing the External Audit Team and noted the focus on audit quality, the overview of the timeline supporting Ernst & Young's transition into the role as External Auditor.</p> <p>Mr Reid advised that good progress had already been made on the Annual Audit Plan to be presented at the next Committee meeting.</p> <p>The Committee noted the introduction.</p> <p><u>NOTED</u></p>		
52.	Internal Audit Reports		
a)	Internal Audit Progress Report		
	<p>The Committee considered the paper 'Internal Audit Progress Report' [Paper No. 22/49] presented by Ms Elizabeth Young, Azets.</p> <p>Ms Young reported good progress, underpinned by strong processes, on the Annual Delivery Plan and the Telecommunications Project reviews.</p> <p>The review of the Telecommunications Project had considered the migration of the telephony infrastructure on to the new platform. Findings were positive in terms of progress being made and a key objective being met to reduce reliance on legacy systems. Observations were made on how NHSGGC intended to maximise this platform and no significant concerns were found.</p> <p>In response to the request for more detail on particular matter noted within the report, to allow members to fully consider and provide approval, Ms Young highlighted the specific control weaknesses that the Audit and Risk Committee should be aware of.</p>		

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			ACTION BY
	<p>The Committee were content to approve the report.</p> <p><u>APPROVED</u></p>		
b)	Internal Audit Follow-up Report		
	<p>The Committee considered the paper 'Internal Audit Follow-up Report' [Paper No. 22/50] presented by Ms Rachael Weir, Azets.</p> <p>Ms Weir reported 19 open actions had been brought forward, 17 actions had been closed, including high risk actions, within agreed timescales, and noted the exceptional performance of the management team.</p> <p>Prof John Brown, Board Chair, commended the Audit and Risk Committee Chair and Members for the level of scrutiny applied, and recognised the work from all involved to clear the outstanding audits in the timescales noted.</p> <p>The Committee were content to approve the report.</p> <p><u>APPROVED</u></p>		
53.	Digital Strategy		
	<p>The Committee considered the paper 'Digital Strategy' [Paper No. 22/51] presented by Ms Denise Brown, Director of eHealth.</p> <p>Ms Brown reported the final draft of the strategy had incorporated comments from the Corporate Management Team (CMT), NHSGGC Executives attending the Board Seminar and the eHealth Strategy Board. The EQIA had been quality assured by the Equality and Human Rights Team. Ms Brown noted there was intent to build on the 5-year strategy through the eHealth governance route.</p> <p>Ms Brown advised the strategy had been aligned to strategic drivers including Moving Forward Together and the developing Clinical Infrastructure Strategy 'Digital on Demand' and the corporate objectives. Key strategic themes and priority programmes would form the basis of NHSGGC's Digital Delivery Plan.</p> <p>Prof Brown commented that a high standard had been set by the Digital Strategy, to be matched by other NHSGGC strategies.</p>		

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	The Committee were assured by the paper.		
	<u>ASSURED</u>		
54.	Risk Management		
a)	Review of Corporate Risk Register		
	<p>The Committee considered the paper 'Review of Corporate Risk Register' [Paper No. 22/52] presented by Mr Andrew Gibson, Chief Risk Officer.</p> <p>Mr Gibson advised that the Corporate Risk Register (CRR) had been updated through the risk owners and CMT, and extracts had been issued to the relevant Standing Committees. The number of risks on the CRR had risen from 20 to 22.</p> <p>Mr Gibson noted alignment to Corporate Objectives had been carried out as part of the Analysis Report.</p> <p>In response to the question on the apparent lack of movement on the Residual Scores within the CRR in the first two quarters of the year, Mr Gibson noted that frequent movement would not be expected with this type of Corporate Risk, advising that in the coming year, the Risk Management Steering Group would be carrying out ongoing in depth risk reviews to ensure progress with risk mitigation was effectively monitored.</p> <p>In response to the question on how the Committee would receive assurance on the action planning of the risks, Mr Gibson advised that the CRR system was being further developed to make action tracking more visible.</p> <p>In response to the question on NHSGGC carrying the risks whilst being dependent on the actions from external stakeholders, Prof Brown advised that the Scottish Government monitored and scrutinised the risks through regular reporting and as part of the annual review process.</p> <p>The Committee were content to approve the register and recommended escalation to the NHSGGC Board for approval.</p> <p><u>APPROVED</u></p>		
b)	Risk Management Strategy		

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	<p>The Committee considered the paper 'Risk Management Strategy' [Paper No. 22/53] presented by Mr Andrew Gibson, Chief Risk Officer.</p> <p>Mr Gibson advised the new three-year strategy draws on best practice from the International Standard for Risk Management ISO:31000, and brings greater clarity to the risk management process, governance and roles and responsibilities for risk management in NHSGGC.</p> <p>It was proposed that for future meetings the CRR be itemised on the agenda alongside the 'Minutes of Sub Committees'.</p> <p>Committee Members agreed that it was important that all Standing Committees were able to review the Risk Management Strategy. Since the strategy is Board wide and requires Board approval, which will ensure that all Standing Committee Chairs and members will have sight of it, the strategy will be presented to the Board meeting, December 2022, for approval.</p> <p>The Committee were content to recommend the Risk Management Strategy to the NHSGGC Board for approval.</p> <p><u>APPROVED</u></p>		<p>Secretariat</p> <p>Mr Gibson</p>
c)	Risk Register Policy and Guidance for Managers		
	<p>The Committee considered the paper 'Risk Register Policy and Guidance for Managers' [Paper No. 22/54] presented by Mr Andrew Gibson, Chief Risk Officer.</p> <p>Mr Gibson advised that the Risk Register Policy and Guidance for Managers were based on the strategy, and provided a toolkit and step by step process for risk owners to manage the risk(s) in line with NHSGGC arrangements.</p> <p>The Committee were content to approve the Risk Register Policy and Guidance for Managers.</p> <p><u>APPROVED</u></p>		
55.	Information Governance Annual Report 2021-22		
	<p>The Committee considered the paper 'Information Governance Annual Report' [Paper No. 22/55] presented by Mr Stewart Whyte, Information Governance Manager.</p>		

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	<p>Mr Whyte noted that the report had been reviewed and endorsed by the Information Governance Steering Group and CMT.</p> <p>Mr Whyte reported that 92.4% of staff had completed the Data Protection mandatory training module and 86% completed the Security & Threat module. 1,816 staff had completed the LearnPro Records Management module and a further 425 staff attended training sessions delivered by the Information Governance team.</p> <p>Mr Whyte noted the marked increase in the number of SARs, previously 570 per month were being received and currently 1,100 per month.</p> <p>12,544 requests for access to personal data had been received, an increase of 25.3% based on the previous year, largely due to the General Data Protection Regulation. The organisation responded to 99.9% of these requests within the 20-day timeframe.</p> <p>40+ Data Protection Impact Assessments were completed for local and national projects.</p> <p>Mr Whyte noted 1,012 requests received for advice and guidance on Information Governance and Data Protection issues.</p> <p>Mr Whyte noted pro-active work on research and innovation, and the new Information Governance Hub on SharePoint.</p> <p>The Committee were content to approve the report subject to the sign off being amended to reflect Mr Colin Neil's appointment as Director of Finance and SIRO.</p> <p><u>APPROVED</u></p>		Mr Whyte/ Mr Neil
56.	FOI Policy		
	<p>The Committee considered the paper 'Information Governance Annual Report' [Paper No. 22/55] presented by Dr Iain Paterson, Corporate Services Manager - Compliance.</p> <p>Dr Paterson referred to the detail within the paper on the revised approach to charging for FOI Requests and confirmed NHSGCC would not charge until the £600 threshold was reached.</p>		

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			ACTION BY
	In response to the question on Section 4, Policy Statement, bullet point 10, amendment to be made to the narrative to state ;...we will as a matter of good practice confirm the availability of the information with another public body and provide appropriate advice and assistance to the applicant on where the information can be obtained.'		Dr Paterson
	The Committee were content to approve the policy.		
	<u>APPROVED</u>		
57.	RESTRICTED ITEM(S)		
a)	Internal Audit Framework Tender		
	<p>Ms Lesley Aird, Assistant Director of Finance - Financial Services, confirmed the outcome of the recent Internal Audit Contract tender exercise, noting that the initial three-year contract would commence from January 2023 and run until June 2026 to cover financial years 2023/24, 2024/25 and 2025/26. The contract will allow for an extension of up to two years.</p> <p>The tender exercise was for two Lots. Lot 1 was for the NHSGGC contract and Lot 2 for a contract which covers NHS Ayrshire & Arran, NHS24 and the National Waiting Times Centre.</p> <p>Ms Aird reported that there had been three bids for Lot 1 NHSGGC contract from KPMG, BDO and Azets. Following the technical, quality and commercial scoring together with the bidder presentations and interviews, a preferred bidder had been identified as Azets, the current NHSGGC Internal Audit provider.</p> <p>Ms Michelle Wailes, Chair of the Audit and Risk Committee, confirmed that she had been part of the procurement panel and had attended the bidder presentations the previous week. Ms Wailes advised that the presentations had gone well and confirmed that Azets overall proposal and presentation were the strongest, leading to them being identified as the preferred bidder.</p> <p>Mr Neil considered a robust approach to the tender evaluation had been undertaken and was content to accept the recommendation.</p> <p>Ms Wailes confirmed that at the presentations, Azets had made it clear that in the event they were successful they would treat the contract as a new appointment and look to build on what was already working well and identify areas for further improvement.</p>		

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			ACTION BY
	<p>The Committee noted that a final decision was still outstanding on the Lot 2 contract but that it was anticipated this would be concluded shortly.</p> <p>The Committee were content to approve the appointment of the preferred bidder Azets to the Lot 1 NHSGGC contract subject to the usual standstill period.</p> <p><u>APPROVED</u></p>		
58.	Closing Remarks and Key Messages for the Board		
	<p>The Chair thanked those present for attending the meeting and advised that the key messages for the Board would be prepared from the Minute.</p> <p>The Chair summarised approval of the Fraud Policy, endorsement of the Digital Strategy, endorsement of the Risk Register Policy and Guidance for Managers and recommended escalation to the NHSGGC Board for approval.</p> <p><u>NOTED</u></p>		
59.	Date and Time of Next Scheduled Meeting		
	The next meeting would be held on 14 March 2023, at 9.30am, via MS Teams.		