

<b>NHS Greater Glasgow &amp; Clyde</b>	<b>Paper No. 22/97</b>
<b>Paper Title</b>	<b>Standing Committee Chair's Board Report</b>
<b>Meeting:</b>	<b>Board Meeting</b>
<b>Date of Meeting:</b>	<b>Tuesday, 20 December 2022</b>
<b>Purpose of Paper:</b>	<b>For Assurance</b>
<b>Classification:</b>	<b>Board Official</b>
<b>Name of Reporting Committee</b>	<b>Audit and Risk Committee</b>
<b>Date of Reporting Committee</b>	<b>13 December 2022</b>
<b>Committee Chairperson</b>	<b>Ms Michelle Wailes</b>

## 1. Purpose of Paper

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

## 2. Recommendation

The Board is asked to note the key items of discussion at the recent meeting of the Audit and Risk Committee on 13 December 2022 as set out below and seek further assurance as required.

## 3. Key Items of Discussion

### 3.1 Information Governance Steering Group Minutes

- Paper provided for assurance.
- The Committee were advised that a total of 3,592 Subject Access Requests had been received, a slight increase on the last quarter. 95% of these were dealt with by requests for Acute records.

### 3.2 Fraud Report

- Paper provided for assurance.
- Board members received an update that 11 open fraud cases and 12 open allegations as at 31 October 2022. 22 allegations received for the quarterly

period, broadly compared to previous year of 23. One new case of fraud recorded, subsequently closed following a CFS investigation.

- Committee members were assured by the report.

### **3.3 Fraud Policy and Fraud Response Plan**

- Paper provided for approval.
- The Committee were notified that the Fraud Policy has been updated to provide more detail on how allegations of fraud should be reported.
- A section on whistleblowing has been added.
- The Fraud Policy now clarifies that CFS should be contacted before any overt action is taken which may alert suspects and precipitate the destruction or removal of evidence.
- The Committee approved the policy.

### **3.4 Introduction to Ernst & Young**

- Paper provided for awareness.
- Members were informed that the transition into the role of external auditors well underway, and good progress being made on Annual Audit Plan expected March 2023.

### **3.5 Digital Strategy**

- Paper provided for assurance.
- The Committee was assured with the strategy and communicated the high standard had now been set for all other strategies.

### **3.6 Risk Management**

- The papers provided for endorsement for approval at the December Board Meeting.
- The Committee were assured by the guidance document which would be helpful for management across the Board.
- The Corporate Risk Register, Risk Management Strategy and Risk Register Policy and Guidance for Managers were endorsed by the Committee.

### **3.7 Information Governance Annual Report 2021-22**

- The paper provided for awareness.
- The Committee received an update 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 LearnPro Records Management Module and a further 425 staff attended training sessions delivered by the IG Team.
- The board received 12,544 requests for access to personal data, an increase of 25.3% on the previous year. The organisation responded to 99.9% of these requests within the timeframe of 20 days.
- 40+ Data Protection Impact Assessments were completed for local and national projects.

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

There were no issues for referral to other Standing Committees or escalation to the NHS Board.

**5. Date of Next Meeting**

The next meeting of the Audit and Risk Committee will take place on Tuesday, 14 March 2023.

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**NHS GREATER GLASGOW AND CLYDE**

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

**PRESENT**

Ms Michelle Wailes (in the Chair)

Ms Susan Brimelow OBE	Cllr Michelle McGinty
Ms Jacqueline Forbes	Ms Rona Sweeney
Ms Margaret Kerr	Mr Charles Vincent
Cllr Martin McCluskey	

**IN ATTENDANCE**

Ms Lesley Aird	Assistant Director of Finance - Financial Services
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 Colin Neil	Director of Finance
Dr Iain Paterson	Corporate Services Manager - Compliance
Ms Elaine Vanhegan	Director of Corporate Services and Governance
Ms Elizabeth Young	Internal Auditor, Azets

			<b>ACTION BY</b>
<b>28.</b>	<b>Welcome and Apologies</b>		
	<p>Ms Wailes welcomed those present to the September 2022 meeting, and welcomed the new Committee members Mr Alan Cowan, Cllr Martin McCluskey, Cllr Michelle McGinty and Ms Rona Sweeney, and noted the role changes of Ms Margaret Kerr as Vice Chair and Ms Michelle Wailes as Chair.</p> <p>The Chair noted the decision had been taken to continue with the meeting, and a formal acknowledgement on the death of Queen Elizabeth II would be made by NHSGGC at the October Board Meeting.</p>		

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	Apologies were intimated on behalf of Mr Alan Cowan and Ms Rachael Weir.		
	<b><u>NOTED</u></b>		
<b>29.</b>	<b>Declaration(s) of Interest(s)</b>		
	The Chair invited members to declare any interests in any of the matters being discussed.		
	Mr Colin Neil, Director of Finance, apologised for the late circulation of Item 8 - Risk Management, Appendix A - Risk Appetite Statement Methodology. Members accepted the Paper.		
	<b><u>NOTED</u></b>		
<b>30.</b>	<b>Minutes of Previous Meeting</b>		
	The Committee considered the minute of the Audit and Risk Committee meeting held on 21 June 2022 [Paper No. ARC(M)22/03] and were content to approve the minute as a complete and accurate record, subject to the following amendments:		
	<u>Page 5, Item 21, External Audit Papers, Paragraph 6</u> Amend Scottish Government Performance Framework to Scottish Government Performance <i>Management</i> Framework.		Secretariat
	<u>Page 5, Item 21, External Audit Papers</u> Amend from Noted to Approved.		Secretariat
	<b><u>APPROVED</u></b>		
<b>31.</b>	<b>Matters Arising</b>		
<b>a)</b>	<b>Rolling Action List</b>		
	The Committee considered the Rolling Action List [Paper No. 22/29] and were content to accept the recommendation that nine actions were closed. In addition, the following matter was discussed:		
	<u>Annual Review of Corporate Governance:</u> It was confirmed that the Annual Report from the Remuneration Committee would be submitted to the Audit and Risk Committee for assurance, when available.		Secretariat

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			<b>ACTION BY</b>
	There were no other matters arising noted.		
	<b><u>APPROVED</u></b>		
<b>32.</b>	<b>Minutes of Sub Committees</b>		
<b>a)</b>	<b>Risk Management Steering Group Minutes</b>		
	The Committee considered the paper 'Risk Management Steering Group Minute' [Paper No. 22/30] and were content to note the minute as a complete and accurate record.		
	<b><u>NOTED</u></b>		
<b>b)</b>	<b>Information Governance Steering Group Minutes</b>		
	The Committee considered the paper 'Information Governance Steering Group Minute' [Paper No. 22/31] and were content to note the minute as a complete and accurate record.		
	With regards to the destruction of records, assurance was given that the timeline of the destruction of clinical records was being adhered to by the Health Records Team, with no impact on the information required for the various public inquiries.		
	<b><u>NOTED</u></b>		
<b>33.</b>	<b>Fraud Report</b>		
	The Committee considered the paper 'Fraud Report' [Paper No. 22/32] presented by Mr Colin Neil, Director of Finance, who noted the 23 allegations that had been received between April and July and highlighted that this figure was broadly comparable to same period the previous year. There were no new cases of fraud reported, and 11 open cases as at 31 July 2022.		
	The Partnership Agreement with Counter Fraud Services (CFS) for 2022-25 had been signed. Progress on the implementation of the NHS Scotland Counter Fraud Standards would be highlighted in the next Fraud report brought to the Committee.		Mr Neil/ Ms Aird
	The Committee referenced Appendix 1 - List of Ongoing Fraud Cases, and a query was raised regarding the length of time taken to close cases. Mr Neil confirmed there was no time limit on fraud cases due to their varying nature.		

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	<p>Ms Lesley Aird, Assistant Director of Finance - Financial Services, noted cases were monitored and assessed by the Fraud Liaison Officer, and referred to Police Scotland, where appropriate.</p> <p>It was confirmed that NHSGGC had the responsibility to pursue debts relating to overseas visitors accessing NHS services.</p> <p>The Committee were content to note the report.</p> <p><b><u>NOTED</u></b></p>		
<b>34.</b>	<b>Patient Private Funds Audit 2020-21</b>		
	<p>Audit 2020-21' [Paper No. 22/33] presented by Mr Colin Neil, Director of Finance, who noted the lengthy delay in finalising this report with KPMG. Mr Neil confirmed the appointment of BDO to carry out the 2021-22 audit which would commence once the 2020-21 accounts have been signed and which would be concluded more timeously.</p> <p>Mr Neil iterated recommendations in the paper; that the Patient Private Funds Annual Accounts 2020-21 were to be adopted by the NHSGGC Board, the CEO and the Director of Finance was authorised to sign the Abstract of Receipts and Payments, and the Director of Finance was to sign the Letter of Representation.</p> <p>In response to a query regarding the delays in the accounts being completed by KPMG, Mr Neil confirmed there were no implications on the main Board accounts as a result of the KPMG delay in finalising the 2020-21 accounts, and provided assurance that an update on the BDO timeline for concluding the 2021-22 and 2022-23 Patient Private Funds Accounts, would be shared with Committee once they have been confirmed with BDO.</p> <p>An update on the internal process for ensuring that all funds held relate to current patients would be provided at the next meeting.</p> <p>In response to a question on why internal auditors did not prepare these accounts, Ms Aird noted that the contract for the Patient Private Funds audit from 2021-22 had been retendered. Ms Aird agreed to provide a retrospective update on the appointment of BDO.</p> <p>The Committee were content to recommend the Patient Private Funds Annual Accounts 2020-21 to be adopted by the NHSGGC Board and that the CEO and the Director of Finance should be</p>		<p>Mr Neil/ Ms Aird</p> <p>Mr Neil/ Ms Aird</p> <p>Ms Aird</p>

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			<b>ACTION BY</b>
	authorised by the Board to sign the Abstract of Receipts and Payments, Letter of Representation.		
	<b><u>APPROVED</u></b>		
<b>35.</b>	<b>Internal Audit Reports</b>		
<b>a)</b>	<b>Internal Audit Progress Report</b>		
	<p>The Committee considered the paper ‘Internal Audit Progress Report’ [Paper No. 22/34] presented by Ms Elizabeth Young, Azets, who noted that planning work had started on the 2022-23 Audits, and timings had been changed to the planned audits listed in Appendix 1 to accommodate anticipated pressures on front line staff over the winter period.</p> <p>Ms Young referred to Appendix 2, Property Transaction Monitoring section, and noted that all transactions had been classified and the required audit conducted in accordance with the NHS Scotland’s Property Transaction’s Handbook.</p> <p>In response to a query regarding the ‘new lease agreement - 19 Blythswood Square’, it was confirmed that details on the use of this property would be shared with the Committee.</p> <p>The Committee were content to note the report.</p> <p><b><u>NOTED</u></b></p>		Ms Aird
<b>b)</b>	<b>Internal Audit Follow-up Report</b>		
	<p>The Committee considered the paper ‘Internal Audit Follow-up Report’ [Paper No. 22/35] presented by Ms Elizabeth Young, Azets, who noted thanks to the Senior Management Team for their effective engagement throughout the audit process.</p> <p>Ms Young noted no actions were overdue, and commended the NHSGGC’s position, noting that having no audit actions overdue over an extended period was unparalleled within the Health sector.</p> <p>Mr Neil confirmed an initial meeting with the Internal Auditors had taken place to discuss the portfolio of activities and that there would be regular interactions throughout the year to ensure the good work continued.</p>		

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	<p>The Chair noted this was a positive message and that assurance could be passed to the Board on the overall control environment. The Chair noted thanks for all participants' efforts.</p> <p>The Committee were content to note the report.</p> <p><b>NOTED</b></p>		
<b>36.</b>	<b>Risk Management</b>		
<b>a)</b>	<b>Review of Corporate Risk Register</b>		
	<p>The Committee considered the paper 'Review of Corporate Risk Register' [Paper No. 22/36] presented by Mr Andrew Gibson, Chief Risk Officer, who noted the last full Corporate Risk Register (CRR) was approved 07 June 2022.</p> <p>Mr Gibson stated the Corporate Risk Register (CRR) had been reviewed with the Corporate Management Team (CMT) and other relevant Standing Committees.</p> <p>Mr Gibson noted a more comprehensive CRR was now in place, and asked the Committee to note assurance of the overall Risk Management Governance arrangements.</p> <p>In response to a question regarding the decrease in the Infection Prevention and Control score, Mr Gibson noted a full review had been undertaken by the Infection Prevention Control Team on the Corporate Risk and reconsideration of the impacts had revised the score from 20 to 10.</p> <p>In response to a discussion regarding possible medical and nursing strike action, Mr Gibson confirmed emerging corporate risks were actively being worked on to consider any future impacts such as strike action, staffing levels and the winter risk plan.</p> <p>In respect of the Corporate Risk on the 'QEUH and RHC' it was queried whether this was a new risk or a de-escalation. Mr Gibson confirmed it was a review and de-escalation of the existing risk. Mr Neil confirmed that regulatory risks were considered across the framework, and the multi-factorial issues and impacts on service provision were considered at the Finance, Planning and Performance Committee.</p> <p>Mrs Grant responded that following discussions with the relevant committees, the 'QEUH and RHC' had been transferred to the</p>		

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			<b>ACTION BY</b>
	<p>Acute South Sector Risk Register where it would be closely monitored.</p> <p>Mr Neil responded to the question on the financial sustainability of the organisation and noted NHSGGC was in the high risk bracket with the £78.5m deficit and the recovery position was estimated to be a 3-5 year period. Mr Neil provided assurance that regular discussions to reduce the deficit to £51.5m continued with the Scottish Government. Mrs Grant also offered assurance that work was ongoing with the CMT to consider efficiencies and costs, and actions that could be taken to reach a better position.</p> <p>The Committee asked for assurance on how the Corporate Risk Management System can be aligned to all 20 Corporate Objectives, the overall aims and the 12 Operational Priorities of NHSGGC. It was agreed that Mr Gibson would ensure that going forward the risks were aligned to the Corporate Objectives and update the CRR accordingly.</p> <p>The Committee agreed that the CRR would be reviewed at the Board at least annually and the ACOB would be updated to reflect this.</p> <p>Members agreed the CRR to be presented to the NHSGGC Board meeting, October 2022, subject to minor amendments.</p> <p><b><u>NOTED</u></b></p>		<p>Mr Gibson</p> <p>Secretariat</p> <p>Mr Gibson/ Secretariat</p>
<b>b)</b>	<b>Risk Appetite Statement</b>		
	<p>The Committee considered the paper 'Risk Appetite Statement' [Paper No. 22/37] presented by Mr Andrew Gibson, Chief Risk Officer, who outlined the annual review process which has taken place around the Risk Appetite Statement (RAS) and the proposed changes to the document which included; Risk Type for Property added, Risk Appetite Levels reduced from 5 to 4 and the introduction of Risk Tolerance Levels.</p> <p>Mr Gibson noted consultation had taken place through a series of facilitated sessions with representative stakeholder groups including Operational Leads Groups, the Risk Management Steering Group, CMT and some Non Executives.</p> <p>Mr Gibson asked the Committee to consider the proposed changes to the overall approach to risk, and recommend the updated statement be presented to the NHSGGC Board.</p>		

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		<b>ACTION BY</b>
	<p>The paper was discussed at length by the Committee. In response to the Committee’s query on the newly added Risk Type for ‘Property’ and whether this encompassed both operational property risks and wider strategic estates risks, Mr Gibson confirmed that in reviewing each Risk Type, reference had been made to the HM Government Orange Book Risk Appetite Guidance Note in developing the definitions for each Risk Type.</p> <p>The Committee agreed that the ‘strategic’ element of the Property Risk Type definition could be strengthened. Mr Gibson agreed to update the description to better reflect both the operational and strategic elements of the risk.</p> <p>In response to the members’ debate regarding risk tolerance vs risk appetite, Mr Neil suggested the RAS be considered as a work in progress. It was agreed that the RAS would be amended to: update the narrative for the Property Risk Type and simplify the statement to exclude Risk Tolerance and continue to focus solely on Risk Appetite. The updated RAS would be presented to the NHSGGC Board meeting. Mr Neil noted that this would allow for continued development work of the Risk Management Framework in future iterations of the Risk Appetite Statement.</p> <p>Mrs Grant noted further debate and continued developments can be made through engagement with key stakeholder groups, as appropriate.</p> <p>Members agreed the RAS to be presented to the next NHSGGC Board meeting subject to agreed amendments.</p> <p><b><u>NOTED</u></b></p>	Mr Gibson
<b>37.</b>	<b>FOI Annual Report</b>	
	<p>The Committee considered the paper ‘FOI Annual Report’ [Paper No. 22/38] presented by Dr Iain Paterson, Corporate Services Manager - Compliance, who noted reporting was in line with the Scheme of Delegation.</p> <p>Dr Paterson advised that there has been 950 requests for information in the year; 85% meeting the statutory response deadline of 20 working days, 15% related to COVID-19, and other popular topics included infection control, the condition of facilities and staffing levels. 14% of responses carried some form of exemption where information was partially or fully withheld. The corporate performance target had been set at 90%.</p>	

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	<p>In response to a query from the Committee regarding the sources of requests, Dr Paterson noted approximately 10-15% requests for information come from the media and about the same from elected members. This information can be supplied in future reports however the importance of the principle of ensuring an ‘applicant blind’ approach was highlighted.</p> <p>Dr Paterson will provide Committee members with more information on the nine requests for review noted in the report.</p> <p>Members were content to note the report.</p> <p><b><u>NOTED</u></b></p>	<p>Dr Paterson</p> <p>Dr Paterson</p>
<b>38.</b>	<b>FOI Policy</b>	
	<p>The Committee considered the paper ‘FOI Policy’ [Paper No. 22/39] presented by Dr Iain Paterson, Corporate Services Manager - Compliance, who noted the four key areas of change; (i) processing of FOIs through a single route/generic email to ensure requests to be ‘applicant and purpose blind’, (ii) two new sections introduced on fees to reflect NHSGGC’s ability to charge for information under the terms of the legislation, (iii) reviews carried out by a suitable senior manager without the need for a Non-Executive Board Member to undertake this responsibility (iv) where practical, no employee below AfC Grade 8b to be named in an FOI or EIR response.</p> <p>In response to a question from the Committee on ‘chargeable amounts’, Dr Paterson confirmed it was current practice that NHSGGC would only charge for the formatting of information requested (e.g. Braille) and not the information itself – we would either provide information for free or refuse to do so on the grounds of cost (£600 or above).</p> <p>Ms Vanhegan confirmed if charges were to be applied, Director approval would be needed.</p> <p>It was agreed that Dr Paterson would develop options on the criteria by which NHSGGC would charge for information under EIR. It was also agreed that reference to outdated media formats would be removed and the completed Equality Impact Assessment would be presented with the policy as an addendum.</p> <p><b>The decision to approve the policy was deferred until the next Committee meeting.</b></p>	<p>Dr Paterson</p>

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<b>39.</b>	<b>Whistleblowing Annual Report and Quarter 1 Report</b>		
	<p>The Committee considered the paper ‘Whistleblowing Annual Report and Quarter 1 Report’ [Paper No. 22/40] presented by Ms Kim Donald, Corporate Services Manager - Governance, who noted that the Annual Report included four legacy cases from 2020-21 before the new Standards had been introduced in April 2021, for transparency.</p> <p>The average time to respond to cases had reduced; Stage 1s - 100% against 5 working days and Stage 2s - 0% against 20 working days. The overall performance for Stage 1s was 86%, and Stage 2s 50%.</p> <p>The main themes of cases throughout the reporting period were staff levels, appropriate rota cover and recruitment processes.</p> <p>In response to the query on ‘nepotism’ in a department, Ms Vanhegan confirmed she had reviewed the proceedings and was assured that due process had been followed.</p> <p>The report was endorsed by Mr Vincent, Whistleblowing Champion for NHSGGC, on the basis of performance and transparency.</p> <p>The Committee were content to note the report.</p> <p><b><u>NOTED</u></b></p>		
<b>40.</b>	<b>ACOB Discussion and Planning 2022/23</b>		
	<p>The Committee considered the paper ‘ACOB Discussion and Planning 2022-23’ [Paper No. 22/41] presented by Ms Elaine Vanhegan, Director of Corporate Services and Governance, who noted that Annual Cycles of Business were reviewed by the Executive Leads on a regular basis.</p> <p>ACOBs to be amended to the month of June as per the ARC cycle.</p> <p>The Committee were content to approve the report.</p> <p><b><u>APPROVED</u></b></p>		Secretariat

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<b>41.</b>	<b>Restricted Item(s)</b>		
<b>a)</b>	<b>Internal Audit Framework Tender</b>		
	<p>The Committee considered the paper 'Internal Audit Framework Tender' [Paper No. 22/42] presented by Mr Colin Neil, Director of Finance, who noted that the contract for Internal Audit Services was initially for two a two-year period, 2018-19 and 2019-20, with an option to extend for a further two years. Extensions had been agreed and the current contract was due to end May 2023.</p> <p>Mr Neil confirmed the re-tendering process was underway and it was planned to award the contract from January 2023. The Committee would be updated accordingly.</p> <p>In response to the query from the Committee, it was confirmed that the tender is done over two Lots to ensure that smaller audit firms were able to bid for the contract with the smaller NHS organisations.</p> <p>The Committee were content to note the report.</p> <p><b><u>NOTED</u></b></p>		
<b>42.</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 Minute.</p> <p><b><u>NOTED</u></b></p>		
<b>43.</b>	<b>Date and Time of Next Scheduled Meeting</b>		
	<p>The next meeting would be held on 13 December 2022, at 9.30am, via MS Teams.</p>		