

ARC(M) 23/01  
 Minutes 60- 74

**NHS GREATER GLASGOW AND CLYDE**
**Minutes of the Meeting of the  
 Audit and Risk Committee  
 held on Tuesday, 14 March 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 Margaret Kerr (Vice Chair)	Mr Charles Vincent

**IN ATTENDANCE**

Ms Lesley Aird	Assistant Director of Finance - Financial Services
Ms Kim Donald	Corporate Services Manager - Governance
Mr Andrew Gibson	Chief Risk Officer
Mrs Jane Grant	Chief Executive
Ms Alison Hardie	Secretariat (Minute)
Mr Rob Jones	External Auditor, Ernst & Young
Mr Colin Neil	Director of Finance
Ms Rachael Weir	Internal Auditor, Azets
Ms Rachel Wynne	External Auditor, Ernst & Young
Ms Elizabeth Young	Internal Auditor, Azets

			<b>ACTION BY</b>
<b>60.</b>	<b>Welcome and Apologies</b>		
	The Chair welcomed those present, and apologies intimated on behalf of, Ms Jacqueline Forbes, and Ms Rona Sweeney.		
	<b><u>NOTED</u></b>		
<b>61.</b>	<b>Declaration(s) of Interest(s)</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>		

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			ACTION BY
<b>62.</b>	<b>Minutes of Previous Meeting</b>		
	<p>The Committee considered the minute of the Audit and Risk Committee meeting held on 13 December 2022 [Paper No. ARC(M)22/05] and were content to approve the minute as a complete and accurate record.</p> <p><b><u>APPROVED</u></b></p>		
<b>63.</b>	<b>Matters Arising</b>		
<b>a)</b>	<b>Rolling Action List</b>		
	<p>The Committee considered the Rolling Action List [Paper No. 23/01] and were content to accept the recommendation that nine actions were closed.</p> <p>There were no other matters arising noted.</p> <p><b><u>APPROVED</u></b></p>		
<b>64.</b>	<b>Minutes of Sub Committees</b>		
<b>a)</b>	<b>Information Governance Steering Group Minutes</b>		
	<p>The Committee considered the paper 'Information Governance Steering Group Minute' [Paper No. 23/02] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil reported progress with the Information Governance Workplan, noted the updated IT Risk Management and IT Information Security Policies, highlighting the introduction of the national Clinical (Patient) Photography and Video Policy approach. Ms Brimelow welcomed the approach and noted disciplinary cases that she had been involved in where staff had been taking photographs of patients on their own mobile phones.</p> <p>Mr Neil advised good work continued on the IG Knowledge Hub and the planned live date was expected end of March 2023.</p> <p>Mr Neil noted monitoring of the cyber, security and supplier &amp; system assurance continued, and progress had been excellent as cyber risks remained constant.</p> <p>Mr Neil provided a summary of Quarter 3; a total of 3,340 Subject Access Requests (SAR) had been received, with 95% managed</p>		

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		<b>ACTION BY</b>
	<p>by Acute records, and added that Prison Service SARs can be labour intensive, complex and challenging in terms of redaction. Mr Vincent noted his external work with the Prison Service in relation to SAR requests. Mr Neil agreed to liaise with Mr Vincent later in the process, as required. Mr Neil to meet with Interim Director of eHealth, the Chief Risk Officer and Information Governance Manager to review the process and ensure validity.</p> <p>Mr Neil commended the team on the high Assurance Rating on the Information Commissioners Office (ICO) Audit on the Data Protection and Information Governance processes, and noted an action plan had been agreed with ICO.</p> <p>Mr Neil noted significant progress on both the Personal and Business Assets register.</p> <p>Mr Neil advised that a detailed training session had been delivered on SARs, and noted progress in Safe Information Handling module at 91.4% completion and Security and Threat at 86.5%.</p> <p>In response to the query if there was a policy in place that informs of the due process on Fair-Warning breaches, Mr Neil confirmed a policy was in place.</p> <p>The Committee were assured by the minute.</p> <p><b><u>NOTED</u></b></p>	
<b>65.</b>	<b>Fraud Report and Counter Fraud Services Update</b>	
	<p>The Committee considered the paper 'Fraud Report and Counter Fraud Services Update' [Paper No. 23/03] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil reported 18 allegations had been received from 01 November 2022 to 31 January 2023, compared to 27 for the previous year. One new case of fraud had been recorded and 12 cases remained open. Eighteen allegations/issues had been referred to the Fraud Liaison Officer with no preliminary conclusions reached or evidence identified. Seventeen allegations remained open and there were no sanctions for the period.</p> <p>Mr Neil noted a revised Fraud Policy and a new Fraud Response Plan had been approved with due compliance to the terms of the Partnership Agreement with the Counter Fraud Services (CFS).</p>	

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			<b>ACTION BY</b>
	<p>The CFS Fraud Report received for the quarter to 20 December 2022 noted receipt of 70 referrals, representing a decrease of 24.7% on the previous year. The report provided an update on the number of criminal investigations heard at court or reported to the Procurator Fiscal. Mr Neil advised that none of these investigations related to NHSGGC cases.</p> <p>In response to the question on the National Fraud Initiative 2022-23, Ms Aird noted that all 10,570 matches would be checked through the Accounts Payable team and the Fraud Liaison Officer, noting any appropriate actions would be taken.</p> <p>In response to the query on the questionnaire distributed to budget holders and the training aspect noted within the CFS report, Ms Aird advised the next fraud report will reflect fraud awareness questionnaire responses and the uptake of training.</p> <p>The Committee were assured by the update.</p> <p><b><u>ASSURED</u></b></p>		Ms Aird
<b>66.</b>	<b>Bad Debt Write Off</b>		
	<p>The Committee considered the paper 'Bad Debt Write Off' [Paper No. 23/04] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil noted that approval was required from the Committee to write off one debt over £20,000, totalling £112,700 for Clovis Oncology who had filed for bankruptcy in the US. Subsequent authorisation would be solicited from the Scottish Government Health and Social Care Directorates. Mr Neil noted that a claim had been submitted to the Administrator, and any monies recovered would be written back into the accounts.</p> <p>Mr Neil advised that a total of 399 debts with balances under £20,000 had been written off, totalling £175,513, and noted £99,000 related to overseas patients and £47,000 related to 316 trade debts.</p> <p>In response to the question if there would be an additional cost to continue with the research being carried out by Clovis Oncology, Mr Neil assured the Committee that the research was continuing and he did not anticipate any corresponding consequence although it was not clear if there would be an additional cost to conclude the research.</p>		

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			<b>ACTION BY</b>
	<p>In response to the question on how the number of debts written off compared to previous years, Ms Aird advised that five debts had been written off in 2021-22, totalling circa £250,000, mainly overseas debts. Ms Aird assured Members that regular reviews were being carried out, advice taken from Debt Collection Agencies and appropriate actions taken before the write off stage.</p> <p>The Committee approved the paper.</p> <p><b><u>APPROVED</u></b></p>		
<b>67.</b>	<b>External Audit Annual Audit Plan</b>		
	<p>The Committee considered the paper 'External Audit Annual Audit Plan' [Paper No. 23/05] presented by Mr Rob Jones, Ernst &amp; Young.</p> <p>Mr Jones reported that the audit work being carried out considered key developments within the sector, and outlined the approach to the audit and the assessment of risks adhering to the new auditing standard in place, ISA315, which includes considering the use of ICT and internal controls and represents a significant change in the audit work and level of review this year.</p> <p>Mr Jones advised that due to the investments being held by the Endowment Fund, group instructions would be issued to the Endowment Fund auditors, BDO LLP.</p> <p>Mr Jones noted the additional assurance checks around the integrity of the data and transactions through the NSI e-financials system upgrade.</p> <p>The risk of fraud in revenue and expenditure recognition was noted. Mr Jones referred to inherent risks detailed within the plan and, although not classified as significant risks, these risks remained important when considering the risks of material mis-statement to the financial statement and disclosures and the requirement for these areas to be key in financial statements.</p> <p>Mr Jones noted the potential involvement of Ernst &amp; Young's internal specialists to challenge the work performed by NHSGGC's valuers of Property, Plant and Equipment, and noted a similar approach with the PFI/PPP Liabilities.</p> <p>Mr Jones stated that Audit Scotland had requested additional work nationally around cyber security and climate change/sustainability reporting.</p>		

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			<b>ACTION BY</b>
	<p>In response to Members' questions on the additional work required to address both cyber security and climate change, Mr Jones advised that there would be a risk based approach to understanding the overall Board arrangements and confirmed that Audit Scotland had developed a specific additional information request to cover these areas which would be shared with the Finance team in advance of the audit. Ms Aird added that the Finance team were already aware of the additional checks around cyber security and climate change sustainability and that the management report would be updated accordingly to reflect these additional disclosures.</p> <p>In response to the question on the duplication of work in these areas, Mr Jones confirmed that discussions were ongoing to avoid replicating the work of the internal auditors where appropriate.</p> <p>In response to the question on the 21.8% increase in the External Audit fee, Mr Jones noted the revised base fee was in accordance with the new audit appointment following the 2022 tender exercise. The increase reflected inflationary costs since the previous appointment, and the additional work required to meet the new auditing standards including ISA315. Mr Neil confirmed that the Directors of Finance across the Health Boards had written to Audit Scotland regarding the increased fee and received a similar response.</p> <p>The Committee were assured by the plan.</p> <p><b><u>NOTED</u></b></p>		
<b>68.</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. 23/06] presented by Ms Elizabeth Young, Azets.</p> <p>Ms Young reported an improved position in terms of audit progress for the current year compared to the previous year.</p> <p>Ms Young noted that the draft report from the audit of the Moving Forward Together Implementation had been deferred to allow additional time for management discussion and comment. The Committee were content with this approach.</p>		

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			<b>ACTION BY</b>
	<p>Ms Young noted that management had requested deferral of the planned audit of Significant Adverse Events Management to 2024-25 and the bringing forward of the Public Protection Arrangements audit to replace it in the 2022-23 plan. The Committee approved the proposed change to the 2022-23 plan.</p> <p>Ms Weir reported that four audits had been concluded in the period including a number in high risk areas each of which had demonstrated high levels of assurance: Financial Systems Health Check (Payroll), Sustainability and Value Programme (SVP), Capital/Estates Planning - Neurological Science Project and Waiting List Management.</p> <p>Ms Weir noted significant progress with SVP and the delivery of savings and a clear project management approach to prioritise patients on the waiting list.</p> <p>The Committee were assured by the report.</p> <p><b><u>NOTED</u></b></p>		
<b>b)</b>	<b>Internal Audit Follow-up Report</b>		
	<p>The Committee considered the paper 'Internal Audit Follow-up Report' [Paper No. 23/07] presented by Ms Rachael Weir, Azets.</p> <p>Ms Weir reported seven actions to follow-up, four actions had been closed and there were no outstanding actions. Ms Weir acknowledged the hard work of the management team.</p> <p>The Chair noted the excellent progress with the outstanding actions and the hard work of the management team to sustain this position with no overdue audit actions.</p> <p>The Committee were assured by the report.</p> <p><b><u>ASSURED</u></b></p>		
<b>c)</b>	<b>Internal Audit Draft Audit Plan 2023-24</b>		
	<p>The Committee considered the paper 'Internal Audit Draft Audit Plan 2023-24' [Paper No. 23/05] presented by Ms Elizabeth Young, Azets.</p> <p>Ms Young referred to Appendix 1, Financial Management and Reporting, and noted discussions were ongoing to consider NHSGGC's oversight of IJB reserves positions.</p>		



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		ACTION BY
	<p>Mr Neil reported that the CRR had last been approved at the Audit and Risk Committee meeting, 13 December 2022, and in the interim, had been reviewed and updated by the risk owners, Corporate Management Team (CMT) and relevant Standing Committees.</p> <p>Mr Neil summarised 22 risks in total for Quarter 3 2022-23, noting an increased risk score on Delayed Discharges, and decreased risk scores on Financial Sustainability - Revenue, In Patient/Day Case Treatment Time Guarantee - Scheduled Care Waiting Time Targets, Outpatients - Scheduled Care Waiting Time Targets and Succession Planning.</p> <p>In response to the query on the pressure on the CMT to manage the risks on a day to day basis, Mr Neil noted that the CMT was the catalyst of some of the noted changes which had been affected through active discussions.</p> <p>In response to the question on NHSGGC preparedness for another pandemic, Mr Gibson noted development work was required to consider future risks and actions.</p> <p>In response to the comment on the increased risk score to Delayed Discharges noted within NHSGGC, Mr Neil advised that a system-wide based approach was applied to risk management, and regular discussions were taking place with the Chief Officers of each of the six HSCP areas through CMT meetings. Mr Gibson advised the planned deep dive process would highlight any interdependencies and external drivers across all risks.</p> <p>In response to the comment on Public Protection in relation to a vulnerable child or adult, Mr Gibson assured members that discussions had taken place at the Clinical and Care Governance Committee and a range of further actions had been agreed.</p> <p>In response to the question on the low scoring of cyber threats, Mr Neil assured members that the score was proportionate and cyber threats remained a priority matter.</p> <p>The Committee were assured by the paper.</p> <p><b><u>NOTED</u></b></p>	
<b>70.</b>	<b>Risk Management Steering Group</b>	
<b>a)</b>	<b>Annual Report</b>	

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		<b>ACTION BY</b>
	<p>The Committee considered the paper 'Risk Management Steering Group Annual Report' [Paper No. 23/10] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil noted that the Annual Report covered an extended time period from September 2021 to December 2022 to realign the reporting timeframe.</p> <p>Mr Neil advised that the report provided an analysis of the changes to the risk scores noted within the CRR, an update on the Risk Management Work Plan, key achievements throughout 2022, and a summary of risk management objectives to be delivered in 2023.</p> <p>The Chair commented that the report demonstrated that an effective process was in place and provided clarity in the escalation and de-escalation of risks.</p> <p>The Committee were assured by the report.</p> <p><b><u>NOTED</u></b></p>	
<b>b)</b>	<b>Risk Management Steering Group Minute</b>	
	<p>The Committee considered the paper 'Risk Management Steering Group Minute' [Paper No. 23/10] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil noted that the meetings had reduced from quarterly to bi-annual, supplemented by monthly operational Risk Management groups and the reporting of the CRR to CMT on a monthly basis.</p> <p>The Committee were assured by the minute.</p> <p><b><u>NOTED</u></b></p>	
<b>71.</b>	<b>Whistleblowing Quarter 2 and 3 Report</b>	
	<p>The Committee considered the paper 'Information Governance Annual Report' [Paper No. 23/11] presented by Ms Kim Donald, Corporate Services Manager - Governance.</p> <p>Ms Donald noted an overall reduction in response times to Stage 2 cases, and the pattern continued following the implementation of the Standards and the Speak Up! campaign launched in October 2022.</p>	

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			<b>ACTION BY</b>
	<p>Ms Donald noted an increase in the number of Stage 2 cases compared to the previous year, and considered the upsurge in the number of cases received was related to the time period.</p> <p>In response to the comment that the vast majority of Whistleblowing complaints were not being upheld, Mr Vincent assured the Committee in his capacity as Whistleblowing Champion that all complaints were scrutinised and actions taken, as appropriate.</p> <p>In response to the comment that staff members might not be clear on the type of complaints to be referred through the Whistleblowing process, Ms Donald noted that the Whistleblowing criteria and process was regularly promoted through the Speak Up! campaign, Staff Support and Wellbeing resource pages and the regular employee update 'Core Brief'.</p> <p>The Committee noted a recommendation for one of the cases was an EQIA. It was recognised that the process of EQIA had been raised before, and the Committee were keen to glean a better understanding of the process. Ms Donald confirmed she would review and update at the next meeting.</p> <p>The Committee were assured by the reports.</p> <p><b><u>ASSURED</u></b></p>		Ms Donald
<b>72.</b>	<b>Audit and Risk Committee Annual Report</b>		
	<p>The Committee considered the paper 'Audit and Risk Committee Annual Report' [Paper No. 23/12] presented by Mr Collin Neil, Director of Finance.</p> <p>Mr Neil noted the reporting from 01 April 2022 to 31 March 2023.</p> <p>In response to comments from the Committee, Ms Donald will update the report to reflect Committee Member changes, and redraft the External Audit detail to include amendments to the process and control elements noted within the paper.</p> <p>The Committee were assured by the report.</p> <p><b><u>ASSURED</u></b></p>		Ms Donald

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<b>73.</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>The Chair congratulated Ms Rachael Weir and Ms Elizabeth Young on the on Azets securing the contract as Internal Auditors.</p> <p>The Chair acknowledged Ms Susan Brimelow’s final attendance at the Audit and Risk Committee, and noted thanks on behalf of the Committee for the clear clinical input during Ms Brimelow’s tenure. In response, Ms Brimelow recommended that a Non Executive Member with a clinical background replace her appointment on the Committee.</p> <p><b><u>NOTED</u></b></p>		
<b>74.</b>	<b>Date and Time of Next Scheduled Meeting</b>		
	<p>The next meeting would be held on 06 June 2023, at 9.30am, via MS Teams.</p>		