

ARC(M) 23/02  
Minutes 75 - 93

**NHS GREATER GLASGOW AND CLYDE**

**Minutes of the Meeting of the  
Audit and Risk Committee  
held on Tuesday, 06 June at 9.30 am  
via Microsoft Teams**

**PRESENT**

Ms Michelle Wailes (in the Chair)

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

**IN ATTENDANCE**

Ms Lesley Aird	Assistant Director of Finance - Financial Services
Ms Denise Brown	Director of Digital Services
Ms Gillian Duncan	Secretariat
Mr Andrew Gibson	Chief Risk Officer
Mrs Jane Grant	Chief Executive
Ms Alison Hardie	Secretariat (Minute)
Steven Munce	Head of Workforce Planning and Resources
Mr Colin Neil	Director of Finance
Dr Iain Paterson	Corporate Service Manager - Compliance
Mr Stephen Reid	External Auditor, Ernst & Young
Ms Elaine Vanhegan	Director of Corporate Services and Governance
Ms Rachael Weir	Internal Auditor, Azets
Ms Rachel Wynne	External Auditor, Ernst & Young
Ms Elizabeth Young	Internal Auditor, Azets

			<b>ACTION BY</b>
<b>75.</b>	<b>Welcome and Apologies</b>		
	The Chair welcomed those present, and apologies intimated on behalf of Mr Alan Cowan and Professor John Brown CBE.		
	<b>NOTED</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 14 March 2023 [Paper No. ARC(M)23/01] 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)</b>	<b>Rolling Action List</b>		
	The Committee considered the Rolling Action List [Paper No. 23/13] and were content to accept the recommendation that three actions were closed.		
	There were no other matters arising noted.		
	<b><u>APPROVED</u></b>		
<b>79.</b>	<b>Annual Fraud Report</b>		
	The Committee considered the paper 'Annual Fraud Report' [Paper No. 23/14] presented by Ms Lesley Aird, Assistant Director of Finance.		
	Ms Aird provided an update on the progress in implementing the NHS Scotland Counter Fraud Standards and self-assessment contained within the report. The Board was currently meeting 9 of the 12 components of the standard and partially meeting the remaining 3. Ms Aird assured members that NHSGGC would be fully compliant with the Assessment by the end of the three year period of the agreement.		
	In response to a query on the Counter Fraud Standard fraud reviews, Ms Aird advised that Counter Fraud Services had already identified potential areas for this review to be carried out and would be scheduled for later in 2023-24.		

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			<b>ACTION BY</b>
	<p>Ms Aird reported that 917 employees had completed the CFS Fraud Awareness, Bribery and Corruption e-learning module.</p> <p>Ms Aird summarised that 82 allegations of fraud had been reported compared to 92 allegations the previous year. Fifty of these allegations had been made against NHS staff, 6 against FHS Contractors or their employees, 6 against patients and 20 other allegations were made.</p> <p>Five new cases were added to the Fraud and Irregularity Register during 2022-23, and as at March 2023, 13 fraud investigations were ongoing.</p> <p>Ms Aird agreed to provide further detail on staff trained in the CFS Fraud Awareness, Bribery and Corruption e-learning module in the next quarterly fraud report to the Committee.</p> <p>The Committee were assured by the report.</p> <p><b><u>ASSURED</u></b></p>		Ms Aird
<b>80.</b>	<b>Losses and Compensation Payments</b>		
	<p>The Committee considered the paper 'Losses and Compensation Payments' [Paper No. 23/15] presented by Ms Lesley Aird, Assistant Director of Finance.</p> <p>Ms Aird reported on the losses, compensations and special payments incurred by the Board during 2022-23 as included in the Board's SFR18 return.</p> <p>Ms Aird advised that 96.5% of the losses in the year related to compensation payments made under legal obligation, the majority of which were recoverable through CNORIS.</p> <p>The Committee were assured by the paper.</p> <p><b><u>ASSURED</u></b></p>		

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<b>81.</b>	<b>NSI and NSS Service Audits</b>		
	<p>The Committee considered the paper 'NSI and NSS Service Audits' [Paper No. 23/16] presented by Ms Lesley Aird, Assistant Director of Finance.</p> <p>Ms Aird presented the report which set out the National Single Instance (NSI) Service Audit carried out by NHS Ayrshire and Arran and the NSS Service Audits commissioned by NHS National Services Scotland.</p> <p>Ms Aird referred to the three exceptions noted within the NSI Service Audit Report and advised that the exceptions did not impact on NHSGGC's system of internal controls nor the financial governance arrangements.</p> <p>In response to the question on the avoidance of double auditing, Mr Reid, External Auditor, Ernst &amp; Young, noted that he was content with the reporting.</p> <p>An update on the NSI System Disaster Recovery test would be provided at the next Committee meeting.</p> <p>The Committee were assured by the paper.</p> <p><b><u>ASSURED</u></b></p>		Ms Aird
<b>82.</b>	<b>Draft Governance Statement</b>		
	<p>The Committee considered the paper 'Draft Governance Statement' [Paper No. 23/17] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil advised that the draft Governance Statement formed part of the Annual Accounts. Mr Neil referred to guidance issued by the Scottish Government and noted the current remit of the Audit and Risk Committee and advised that the report had concluded that internal controls had been in place throughout 2022-23.</p> <p>Mr Neil referred to the draft Statement of Assurance to be submitted to the NHS Board by the Chair of the Audit and Risk Committee, the signed Directors' Statement of Assurance to the Accountable Officer and the draft Governance Statement to be signed by the Chief Executive once the accounts were approved.</p> <p>Ms Kerr referred to the Integration section on page 17 of the report and noted that this seemed fairly brief given the additional focus on integration during the year.</p>		

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	<p>Ms Kerr noted that the Director’s Assurance Certificate for East Dunbartonshire HSCP included a caveat. Ms Aird advised that this related to the recovery of the £1.1m credit for charges for continuing care beds which had been made in error to East Dunbartonshire HSCP. Mr Neil confirmed that further detail regarding the issue would be brought back to a future meeting, and assured the Committee that measures had been put in place within East Dunbartonshire HSCP to avert future errors of this nature.</p> <p>The Committee approved the statement.</p> <p><b><u>APPROVED</u></b></p>		<p>Ms Aird</p>
<p><b>83.</b></p>	<p><b>External Audit Update</b></p>		
	<p>The Committee considered the verbal ‘External Audit Update’ presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil noted that this was the first year with Ernst &amp; Young as external auditors and advised that overall, the audit was progressing well and that a clearance meeting with the new external auditors was scheduled for 12 June 2023.</p> <p>Mr Neil noted that there was one particular entry being the current focus of attention relating to an accrual for SLA activity with Other Health Boards, which had been in our accounts for the previous two financial years and was in place within this financial year. Ernst &amp; Young has queried this accounting treatment and are working with the Finance team on the detail and evidence. The value is material at around £58m in 2020/21, £98m in 2021/22 and £103m in 2022/23. The accrual came into play as the three year rolling average could no longer be applied during the pandemic however, the obligation to treat patients remained with NHS GGC. The pandemic had impacted in being able to action usual levels of activity, hence an increased waiting list. Income levels from Other Health Boards were therefore only based on 2019/20 plus agreed national inflation.</p> <p>Mr Neil advised that the treatment within the accounts was historically agreed with Audit Scotland for the previous two financial years and was also agreed with the Scottish Government.</p> <p>As with the first year of all new audits, Ernst &amp; Young undertake a review of balances and accruals and as such, require further evidence before confirming a formal position.</p>		

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	<p>If agreement is reached then the accrual stays as is, if not this may impact on the accounts either by a change to the accounts, which is to be confirmed, or if not adjusted then this may affect the auditors opinion of our accounts.</p> <p>The position is currently ongoing to reach a conclusion.</p> <p>Mr Stephen Reid concurred with Mr Neil’s summation of the position and noted the positive audit progress and ongoing discussions with the management team to conclude matters in relation to this accrual.</p> <p>The Committee were assured by the update.</p> <p><b><u>ASSURED</u></b></p>		
84.	<b>Internal Audit Reports</b>		
a)	<b>Internal Audit Progress Report</b>		
	<p>The Committee considered the paper ‘Internal Audit Progress Report’ [Paper No. 23/18] presented by Ms Elizabeth Young, Azets.</p> <p>Ms Young noted the conclusion of the core assurance elements of the annual internal audit plan.</p> <p>Members were informed of the deferral of the report on Public Protection Arrangements. It had been agreed with the Audit and Risk Committee Chair that this audit would now form part of the 2023-24 programme of work, and a report to be presented at the next Committee meeting.</p> <p>Ms Young noted the progress with management on Workforce Planning and confirmed that this advisory work would conclude in June 2023 and a summary report presented at the September 2023 meeting.</p> <p>The Committee were advised that the Management Action Follow Up review for Q1 2023-24 had been completed and initial discussions with management had commenced.</p> <p>Ms Young referred to the recent Cyber Resilience review and noted the areas where further work was required in relation to cyber incident response planning and documentation for NHSGGC’s supply chain.</p> <p>The Committee were assured by the report.</p>		

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	<b><u>ASSURED</u></b>		
<b>b)</b>	<b>Internal Audit Report - Management Action Follow-up - Q1 2023/24</b>		
	<p>The Committee considered the paper 'Internal Audit Report - Management Action Follow-up - Q1 2023/24' [Paper No. 23/19] presented by Ms Elizabeth Young, Azets.</p> <p>Ms Young reported that management had continued to make excellent progress in implementing agreed audit recommendations, with a total of six actions closed. Ms Young noted that the Board had managed to ensure no overdue audit actions for the last 6 quarters which given the size and complexity of the Board was a significant achievement. Ms Young commended the sustained efforts by management to implement agreed audit actions in line with the agreed timescales.</p> <p>The Committee were assured by the report.</p> <p><b><u>ASSURED</u></b></p>		
<b>c)</b>	<b>Internal Audit Moving Forward Together Implementation Report</b>		
	<p>The Committee considered the paper 'Internal Audit Moving Forward Together Implementation Report' [Paper No. 23/20] presented by Ms Rachael Weir, Azets.</p> <p>Ms Weir referred to the revised Moving Forward Together (MFT) strategic priorities and noted that progress had been slow due to the ongoing impacts of the pandemic and the need to align transformational activity with the new and emerging Scottish Government priorities.</p> <p>Members were informed that transformational activity remained an area of significant uncertainty due to the increased pressure on services, resourcing and financial constraints.</p> <p>Ms Weir referred to the improvement actions noted within the report, most notably the need to refine and finalise consistent project plans that operationalise the activities needed to attain each of the revised MFT strategic priorities.</p> <p>The Committee were assured by the report.</p> <p><b><u>ASSURED</u></b></p>		

<b>d)</b>	<b>Internal Audit Use of Agency Staff Report</b>		
	<p>The Committee considered the paper ‘Internal Audit Use of Staff Agency Report’ [Paper No. 23/21] presented by Ms Rachael Weir, Azets.</p> <p>Ms Weir reported that the usage of agency staff continued to be a high risk, and referred to the noted areas for improvement that would strengthen NHSGGC’s control framework.</p> <p>Mr Steven Munce, Head of Workforce Planning and Resources, provided assurance that rotas were being managed more effectively and considerable efforts were being made to recruit contracted staff members and reduce the usage of agency staff for both planned and unplanned absences.</p> <p>The Committee were assured by the report.</p> <p><b><u>ASSURED</u></b></p>		
<b>e)</b>	<b>Internal Audit Annual Report</b>		
	<p>The Committee considered the paper ‘Internal Audit Annual Report’ [Paper No. 23/22] presented by Ms Elizabeth Young, Azets.</p> <p>Ms Young noted that the audit opinion was unqualified again and advised that the most significant change to the planned programme of work related to the audit of Significant Adverse Events Management which was deferred to 2024-25.</p> <p>The Committee were provided assurance on the robust framework of internal controls that had been implemented in response to the noted challenges; the provision of business as usual activity alongside ongoing work to remobilise services to pre-Covid levels, the transformation activity to futureproof services and the continued challenges with budgets.</p> <p>Members were informed that the audit of the Annual Delivery Plan highlighted that plans were consistently aligned with national priorities and also reflective of the local priorities within NHSGGC.</p> <p>Ms Young noted the continued challenges faced in achieving the Waiting Times targets for planned care.</p> <p>The Committee were assured by the report.</p> <p><b><u>ASSURED</u></b></p>		

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<b>85.</b>	<b>NIS Audit Report and Action Plan</b>		
	<p>The Committee considered the paper ‘NIS Audit Report and Action Plan’ [Paper No. 23/23] presented by Ms Denise Brown, Director of Digital Services.</p> <p>Ms Brown reported on the 2022 Network &amp; Information System (NIS) review and noted the significant improvement on previous yearly results across a number of key audit categories. As a consequence, NHSGGC had surpassed the overall compliance key performance indicator target of 60%.</p> <p>Ms Brown advised that work had commenced on the NIS Audit 2023, and noted the submission date for evidence as 17 July 2023.</p> <p>Members were informed that the addition of the new categories and a new subcategory in the ‘Supplier Management’ section that contained 16 new questions regarding ‘Security in cloud based services’ was likely to reduce the previous year’s overall scoring for NHSGGC.</p> <p>The Committee were assured by the plan.</p> <p><b><u>ASSURED</u></b></p>		
<b>86.</b>	<b>Risk Management</b>		
<b>a)</b>	<b>Corporate Risk Register</b>		
	<p>The Committee considered the paper ‘Corporate Risk Register’ [Paper No. 23/24] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Andrew Gibson highlighted that the ‘Succession Planning’ risk had been de-escalated, and the ‘Industrial action’ potential impact to service delivery risk score had decreased.</p> <p>The Committee were assured by the paper.</p> <p>Ms Wailes noted that this was Mr Gibson’s last meeting before he takes up his new role outwith NHSGGC. The Committee noted the positive impact that Mr Gibson had had on the Board’s Risk Management arrangement and noted their thanks to him.</p> <p><b><u>ASSURED</u></b></p>		

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<b>87.</b>	<b>Legal Update 2022/23 - Year End Report</b>		
	<p>The Committee considered the paper 'Legal Update 2022/23 - Year End Report' [Paper No. 23/25] presented by Dr Iain Paterson, Corporate Services Manager - Compliance.</p> <p>Dr Paterson reported on the 497 open and 90 settled claims by type, location and specialism.</p> <p>Dr Paterson assured the Committee that the Legal team continued to share case information with all services to enhance learning from the incidents that gave rise to the claims.</p> <p>In response to the request for assurance that the Clinical and Care Governance Committee were sighted on high value claims, Ms Vanhegan, Director of Corporate Services and Governance, advised that a quarterly report was provided to the Corporate Management Team and a pathway was in place for ensuring oversight.</p> <p>In response to the question on Health &amp; Safety claims, Dr Paterson advised that he was working closely with the Health &amp; Safety Manager to identify incident patterns and related training needs.</p> <p>The Committee were assured by the report.</p> <p><b><u>ASSURED</u></b></p>		
<b>88.</b>	<b>Whistleblowing Quarter 4 and Annual Report</b>		
	<p>The Committee considered the paper 'Whistleblowing Quarter 4 and Annual Report' [Paper No. 23/26] presented by Ms Elaine Vanhegan, Director of Corporate Services and Governance.</p> <p>Ms Vanhegan reported on the whistleblowing activity and assured members that investigations were managed in compliance with the Whistleblowing Policy and National Whistleblowing Standards.</p> <p>Members were informed that the Stage 1 performance targets against five working days had been met. Ms Vanhegan noted that Stage 2 investigations were complex and as a consequence, performance targets against 20 working days had not been met. She advised the Committee that it was important that these cases continued to be investigated thoroughly.</p> <p>Mr Vincent added that NHSGGC was performing well when benchmarked against the other NHS Boards.</p>		

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	<p>Ms Vanhegan noted the positive feedback received from the Speak Up! Campaign and noted it continued to be promoted via Core Brief.</p> <p>The Committee were assured by the report.</p> <p><b><u>ASSURED</u></b></p>		
<b>89.</b>	<b>Freedom of Information Annual Report 2022-23</b>		
	<p>The Committee considered the paper 'Freedom of Information Annual Report 2022-23' [Paper No. 23/27] presented by Dr Iain Paterson, Corporate Services Manager - Compliance.</p> <p>Dr Paterson reported that the number of responses issued had increased by 18% over the previous year which had impacted on performance against statutory timescales. A number of remedial actions had been put in place to recover performance to the levels recorded in 2021-22.</p> <p>Information was provided on the sources of requests and the popular topics for information requested.</p> <p>Dr Paterson advised that 2022-23 marked the 20-year anniversary of the FOI legislation and the Scottish Government and the Scottish Parliament had run consultations on the future of FOI legislation. Dr Paterson confirmed that NHSGGC had provided a response to both.</p> <p>In response to the question if there was a correlation on the FOI requests being received and the information being made readily available to the public, Ms Vanhegan advised that these matters were discussed with the Senior Management Teams on a regular basis.</p> <p>It was further noted by Ms Vanhegan that all other NHS Boards were experiencing an increase in FOI requests during 2022-23.</p> <p>The Committee were assured by the report.</p> <p><b><u>ASSURED</u></b></p>		
<b>90.</b>	<b>Information Governance Steering Group Minutes</b>		
	<p>The Committee considered the paper 'Information Governance Steering Group Minutes' [Paper No. 23/28] presented by Mr Colin Neil, Director of Finance.</p>		

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	<p>Mr Neil noted two sets of minutes for assurance; approved minute for the meeting held 22 February 2023 and the draft minute for the meeting on 17 May 2023.</p> <p>The Committee requested further information on the Board's Whatsapp Policy, along with other methods of communication.</p> <p>The Committee were assured by the minutes.</p> <p><b><u>ASSURED</u></b></p>		Ms Aird
<b>91.</b>	<b>Audit and Risk Committee Terms of Reference</b>		
	<p>The Committee considered the paper 'Audit and Risk Committee Terms of Reference' [Paper No. 23/29] presented by Ms Elaine Vanhegan, Director of Corporate Services and Governance.</p> <p>Ms Vanhegan noted only minor amendments to the revised Terms of Reference following a full review and approval by the Audit and Risk Committee and the NHS Board as part of the Governance Framework Review June 2022.</p> <p>The Committee approved the Terms of Reference.</p> <p><b><u>APPROVED</u></b></p>		
<b>92.</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>93.</b>	<b>Date and Time of Next Scheduled Meeting</b>		
	<p>The next meeting would be held on 20 June 2023, at 10.00am, via MS Teams.</p>		