48. **Apologies**

Apologies were intimated on behalf of Mr I Lee.

49. **Declarations of interest**

There were no declarations of interest raised in relation to any of the agenda items to be discussed.
50. **Minutes**

Subject to amending the end of minute 43 on page 3, from.....

"Mr Lee also stated that he considered the requirement for the prior year adjustments to be shown as being incorrect, but that he would be content for Mr Sheils and Ms Woolman to agree on suitable wording for the notes."

to read........

"Mr Lee also stated that he considered that there was no requirement for the prior year adjustments disclosure note, as no consolidated statements had been reported in the past and therefore there was no adjustment to previously reported numbers. However, he said that would be content for Mr Sheils and Ms Woolman to agree on suitable wording for the notes."

the minutes of the meeting on 17 June 2014 (A (M) 14/03) were approved as a correct record of the meeting.

51. **Matters Arising and Rolling Action Lists**

Mr Gillman updated the Committee the position on each item on the rolling action list. There were discussions on two items in particular, the Register of Interests and Hub Finance; Mr Hamilton outlined the background to the implementation of the Register of Interests, and confirmed that the requirement to register would apply to all staff; and, in response to a question from Mr Finnie, Mr Hobson advised that the processes for monitoring capital expenditure were being looked at and he would report back to the Committee.

**Noted**

52. **Response to Audit Scotland National Report - Health inequalities in Scotland**

The Board’s Corporate Inequalities Manager, Ms Erdman delivered a presentation to the Committee giving members an update on the actions being taken by NHSGGC in response to the recommendations contained in the Health Inequalities Scotland Impact Report. She advised members that responsibility for this area lay jointly with the Director of Public Health and the Director of Corporate Planning and Policy.

Ms Erdman outlined the strategic activity which the Board was taking in support of local community health partnerships, primary care and hospital services to tackle the gap in health outcomes for people who experience poverty or prejudice and discrimination due to their protected characteristic.

Ms Erdman answered some questions from members, and Ms Woolman welcomed the clear report.

Mr Winter thanked Ms Erdman for her contribution to the meeting.

**Noted**
53. **Audit Scotland: Annual report on the 2013/14 Audit**

Ms Woolman presented the Audit Scotland report, which she advised was broadly positive in nature, that summarised Audit Scotland's findings arising from the 2013/14 audit of NHSGGC. The report set out the scope, nature and extent of the audit, and summarised the auditor's opinions and conclusions and any significant issues arising. The report was divided into sections which reflected the public sector audit model.

- the financial statements
- the Board’s financial position
- governance and accountability
- best value, use of resources and performance.

**Financial statements**

Ms Woolman confirmed that Audit Scotland had given an unqualified opinion on the Board’s 2013/14 financial statements. She noted that the main points contained in this section had been previously reported to the Audit Committee on 17 June 2014.

**Financial position**

Ms Woolman highlighted that

- all 2013/14 financial targets had been met
- a surplus of £10.2m was achieved
- recurring savings of £59.9m were achieved
- financial management remains strong

**Governance and accountability**

Ms Woolman advised members that Audit Scotland had concluded that the Board had sound governance arrangements in place and that there was an effective internal audit function and sound anti-fraud arrangements.

**Best value, use of resources and performance**

NHSGGC is committed to best value and has arrangements in place to help ensure continuous improvement, and has a well developed framework in place for monitoring and reporting performance.

Mr Finnie commented on the report and considered that there could be an inference drawn that the matters highlighted in appendix III, that Board management were only made aware of risks because Audit Scotland had discovered them. Ms Woolman responded that that wasn’t the intention, and wasn’t sure that such inference was shared. She would, however, take Mr Finnie’s comments on board for future reports.

There followed questions from members and discussions on a number of areas in the report, including the £10m surplus, the Vale of Leven inquiry and backlog maintenance.
Mr Hobson confirmed that, from a management perspective, the report was factually accurate and that he considered it to be a reasonably positive report.

Mr Winter thanked Ms Woolman for her report.

**Decided**

1. That Audit Scotland’s report be noted; and

2. that the Interim Director of Finance prepare a covering paper and submit it and the report to the NHS Board for information.

**Interim Director of Finance**

54. **Response to Audit Scotland National Report - Reshaping Care for Older People**

The Director, South Sector, Glasgow City CHP, Mr Walker delivered a presentation to the Committee summarising the current position and ongoing work, in response to the Audit Scotland report Reshaping Care for Older People.

He highlighted that the Scottish Government had launched Reshaping Care for Older People in 2010, as a response to meeting the needs of the projected significant growth in the older population, and that to support implementation of the policy the Scottish Government introduced the Change Fund in 2011. Mr Walker advised members that for NHSGGC that this amounted to £16m annually for the Board area, representing about 1.5% of the total health and care spend on older people.

Mr Finnie welcomed the report and asked how the services are delivered, to which Mr Walker responded that the £16m was spent on health, social work, housing and the third sector. In response to a question from Dr Reid on how outcomes are measured, Mr Walker advised that the quality of community data did not allow for proper assessment from data. In conclusion, Mr Walker informed members that the Change Fund was scheduled to be discontinued in March 2015, although similar funding would be made available via the new Integration Fund which would be wider than just Older People’s services.

Mr Winter thanked Mr Walker for attending the meeting.

**Noted**

55. **Internal Audit Reports**

Mr Wilson gave an overview of the summary of the internal activity to July; the work completed included two reviews from 2013/4 – CH(C)P Sickness Absence and Transition to the New SGH. His report also detailed the status on the overall programme of work in relation to the 2014/15 internal audit plan.
• **Commonwealth Games preparations** - Ms Gray outlined the findings from the review, highlighting that it was rated as Low Risk, with two low risk findings – a risk register was not maintained and meetings were not minuted. Ms Gray considered that in addition to the games themselves, the review highlighted issues that should be taken forward on an ongoing basis. Mr Finnie asked whether risk registers were being used widely throughout the organisation as a tool for planning and reporting. Mr Hobson replied that, in his experience, most areas were using risk registers in that way, and that had improved over the last three or four years.

• **CH(C)P Sickness Absence** - This has been rated as a medium risk, with actions both for the HR Department and for CHC(P)s. PwC’s review identified that there has been increased management focus in this area over the 12 months preceding the review, and senior staff responsible for monitoring of sickness absence were ‘bought in’ to the issue, the need for action and clearly understood the policy and procedural requirements. However, they have raised certain recommendations where further improvement could be made in the design or operation of key controls. In particular, they noted that in order to make a real improvement in reported absences there requires to be a shift in attitudes across NHSGGC from managing absence to promoting attendance. Whilst this appears a subtle shift, there are a number of actions which can be taken to change attitudes and focus amongst management and staff to promote a positive change in this area.

Mr Sime pointed out that in relation to the engagement between managers and Occupational Health and in particular where long term absences and early exit strategies were concerned, it was an area that required to be handled with an element of sensitivity. Mr Wilson agreed that that should be the case and any follow up work would reflect this.

**Transition to New SGH** – Ms Davidson advised that this was a low risk report. PwC’s discussions with management and testing of controls indicated that there is a well-established governance framework in place for the transition project. They also noted there were strong reporting lines in place to facilitate communication between relevant parties, resulting in any issues being escalated in a timely manner, thereby maximising transparency and the increasing the chances of timely resolution.

**Noted**
56. **Fraud Report**

Mr Gillman highlighted for members the report summarising progress in the ongoing investigations of fraud as at July 2014. Two new cases of suspected fraud had been added to the fraud register during the period and five cases closed. There were currently ten open cases at 10 July 2014. The detail behind these cases was shown in Appendix 1 – List of Ongoing Fraud Cases.

Mr Gillman also advised that the CFS quarterly report to June 2014 was available for members to review within the supplementary pack of papers.

Finally, he outlined for members the revised Family Health Service Payment Verification Protocol.

**Noted**

57. **Audit Committee Executive Group**

The minutes of the meeting held on 16 July 2014 were presented.

**Noted**

58. **Date of Next Meeting**

The next meeting will be on Tuesday, 25 November 2014 at 9:30am, in the Boardroom, J B Russell House.

The meeting concluded at 11:55am.