

AUDIT COMMITTEE: 9 MAY 2006

A (M) 06/03
Minutes: 19 – 26

NHS GREATER GLASGOW

**Minutes of a Meeting of the
Audit Committee
held in Board Room 1,
Dalian House, 350 St Vincent Street, Glasgow,
on Tuesday, 9 May 2006 at 9.30 a.m.**

PRESENT

Mrs E Smith (Chair)
Cllr R Duncan
Mr P Hamilton
Mrs A Stewart MBE

IN ATTENDANCE

Mr D Griffin	Director of Finance
Mr J C Hamilton	Head of Board Administration
Mr J M Hamilton	Assistant Director of Finance
Mr A Lindsay	Head of Control & Support Systems
Mr C D Revie	PricewaterhouseCoopers
Ms S Caldwell	PricewaterhouseCoopers
Mr C Gibson	Deloitte
Ms M Coupar	Deloitte

ACTION BY

19 APOLOGIES

Apologies were intimated on behalf of Dr R Groden, Cllr J Handibode, Mrs S Kuenssberg CBE, Mr A O Robertson OBE and Mr. D Sime.

20 MINUTES

On the motion of Mrs Smith, seconded by Mr P Hamilton, the Minutes of the meeting on 14 March 2006 [A (M) 06/02] were noted as a correct record and signed by the Convener.

21 MATTERS ARISING FROM THE MINUTES

In respect of Minute 14, the Director of Finance explained that the report by PricewaterhouseCoopers on their Review of Bed Modelling had been commissioned outwith the audit portfolio of work and would more appropriately be dealt with by the Performance Review Group. The report on bed modelling would therefore be presented to a future meeting of the Performance Review Group.

**Pricewaterhouse
Coopers/Director
of Corporate
Planning & policy**

22 ORDER OF BUSINESS

Following a question by Mrs Stewart, it was agreed that the Agenda items should be received in the following order

Internal Audit Progress Report (Audit Paper No 06/09)

External Audit Current Status (Audit paper No 06/10)

Audit Support Group Minutes

- Corporate and Partnerships [ASG CP (M) 06/03]
- Acute [ASG A (M) 06/03]

23 INTERNAL AUDIT PROGRESS REPORT

A report of Deloitte (Audit Paper No 06/09) was presented asking Members to note the progress in the period to May 2006 in respect of the internal audit programmes for NHS Greater Glasgow. Mr Gibson (Deloitte) summarised the key issues that emerged from the six audit reports issued since the last meeting.

1. Outpatient Clinics

Following a similar exercise in the previous year, internal audit had reviewed the operation and management of a selection of outpatient clinics from a "patient experience" perspective. There was evidence of improvement since the previous review and there were no significant recommendations to be made. Mr P Hamilton, referring to the 30% DNAs at Glasgow Royal Infirmary out patients' clinics, asked if any further investigation was planned as this concerning level had also been raised at the Involving People Committee. Mr Gibson replied that no further action by internal audit was envisaged at this stage.

2. Agenda for Change

The project continued to be well managed and controlled although challenges remained in respect of forecasting the volume of work outstanding particularly in respect of completion of job descriptions. In response to a question from Mrs Stewart, the Director of Finance explained that the accrual figure quoted by the internal auditors was subject to review by external audit as part of the audit of the annual accounts.

3. Budgetary Control and Management

On the whole, sound financial and management accounting reporting arrangements were maintained at Divisional during the transition to Operational Financial Services and single system working. Some recommendations had been made regarding the consistency of the reporting arrangements and the need for harmonisation. Management was already focussed on these issues which would continue to be progressed.

4. Absence Management

The review of absence management found a variety of practices and approaches across NHS Greater Glasgow and Mr Gibson

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noted that this was not surprising given the coming together of the various Divisions under single system working. Mr Gibson explained that the Director of Human Resources had agreed to progress the recommendations contained in the audit report through the Absence Working Group. It was agreed that the Director of Human Resources should be invited to attend the meeting of the Audit Committee on 20 June 2006 and present a progress report. In response to a question from Mrs Stewart, the Director of Finance explained that those working in CHCPs would be subject to the human resources policies and disciplinary processes of their employing organisation, either local authority or NHS Board.

**Financial
Governance &
Audit Manager**

5. Primary Care Site Controls

Controls over cash and stock had been reviewed across the Primary Care site network. No fundamental or critical control issues had been identified although some recommendations had been made in respect of the frequency of the banking of cash and the documents to support petty cash transactions.

6. PAS Data Migration Project

The audit review of the Project had highlighted no fundamental issues. It was noted that while support from the software provider had been effective during the project, there was no formal service level agreement in place. It was agreed that this issue should be addressed and progress reported to the next meeting of the Audit Committee.

**Financial
Governance &
Audit Manager**

Mr Gibson concluded his summary by explaining that a number of assignments were in the process of being concluded but none of these had identified any "Priority 1" issues.

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24 EXTERNAL AUDIT CURRENT STATUS

A report of PricewaterhouseCoopers (Audit Paper No 06/10) was presented asking Members to note the overall reporting status. Mr Revie (PricewaterhouseCoopers) drew Members' attention to the diagram on page 4 of the report which set out the planned audit visits and other audit works, the agreed outputs and the status of these outputs. Mr Revie highlighted the key elements of progress of the 2005/2006 audit including the following matters.

Internal Controls Report

Detailed reports would be presented to the next meetings of the Audit Support Groups and a summary to the meeting of the Audit Committee on 20 June 2006.

**Pricewaterhouse
Coopers**

Efficient Government Return

Mr Revie reported on the Efficient Government Diagnostic tool which Audit Scotland required all auditors to complete in respect of key issues including asset management, managing absence, procurement,

ACTION BY

shared support services and streamlining bureaucracy. Mr Revie

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noted that the NHS Board had systems in place to monitor, measure and report efficiency savings as part of the overall financial saving and monitoring structure.

Priorities and Risks Framework

Mr Revie reminded Members that the Priorities and Risks Framework Report had originally been presented to the Audit Committee on 13 June 2005 summarising the key risks and business challenges faced by the NHS Board. Regular progress reports had been provided since then and a further updated review was carried out in April 2006. Mr Revie summarised the results of this updated review including the following matters.

1. Staff Governance

A report was presented to the Staff Governance Committee on 6 March 2006 detailing progress against the Staff Governance Action Plan agreed in May 2005. For 2006/2007, the Action Plan will include the whole of NHS Greater Glasgow and Clyde.

2. Clinical Governance

The newly formed Clinical Governance Committee and the Clinical Governance Implementation Group had commenced meetings. Further discussion would be required to clarify linkage between the Clinical Governance Committee and the Audit Committee. In response to a question from the Convener, the Director of Finance confirmed that the Clinical Governance Committee would provide a statement of assurance to inform the Audit Committee's annual review of the NHS Board's system of internal control.

**Chairman, Clinical
Governance
Committee**

3. Governance in CHCPs and CHPs

Each CHCP and CHP now had its own Director and management team appointed. Work was on-going to establish governance arrangements. These arrangements would be reviewed by internal audit during 2006/2007.

4. Risk Management

The Risk Management Strategy was redrafted to reflect the expanded NHS Greater Glasgow and Clyde. The main outstanding item of note continued to be the need to update and refresh the corporate risk register. The Convener reminded Members that there was a commitment on the part of the Chair of the Risk Management Committee to report further to the Audit Committee on progress of risk management.

Medical Director

5. Service Sustainability

Mr Revie summarised progress in respect of the new Stobhill and Victoria Hospitals and described the Key Stage 4 Review which was now required by the Scottish Executive Health Department.

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6. NHS Argyll and Clyde

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Mr Revie summarised the key issues surrounding the integration of NHS Argyll and Clyde including the financial position, human resource issues and the establishment of CHPs. The Head of Board Administration reported that a Transition Group consisting of senior officers had been established to progress and oversee issues relating to the integration process. The Director of Finance added that a financial sub group was being established to support the Transition Group.

7. Benefits Realisation

NHS Greater Glasgow had taken steps to comply with the requirements of HDL (2005) 28 – Delivering the Benefits of Pay Modernisation in NHS Scotland including the development of the Pay Modernisation Delivery Plan. Mr Revie noted that some difficulty had been experienced in obtaining data for the Plan and work was continuing to develop the automatic capture of the required data.

8. HR Policies Harmonisation

All human resources policies were to be reviewed to ensure compliance with the minimum requirements of PIN guidelines and policies focussing initially on management of employee concerns, management of employee conduct, supporting the work/life balance and attendance management.

9. Performance Management (Local Delivery Plan)

The Local Delivery Plan was presented to the NHS Board in April 2006 and work is on going to agree a performance management framework for each of the operating divisions that will incorporate HEAT targets and local targets aligned with corporate priorities.

10. Performance Management (Waiting Times)

The NHS Board had achieved the 26 week waiting time target by December 2005 with one exception and that patient was seen on 10 January 2006.

NOTED

25 AUDIT SUPPORT GROUPS

25(a) CORPORATE AND PARTNERSHIPS: MINUTES OF MEETING ON 19 APRIL 2006

In respect of Minute 19, the Director of Finance reported that on consideration by the report by PricewaterhouseCoopers, the Head of the Mental Health Partnership had agreed to take responsibility for overseeing the implementation of the Adults with Incapacity (Scotland) Act 2000. The supporting arrangements were to be formalised.

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**Financial
Governance &
Audit Manager**

ACTION BY

25(b) ACUTE: MINUTES OF MEETING ON 21 APRIL 2006

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26 DATE OF NEXT MEETINGS

The next meetings be scheduled for Tuesday, 20 June 2006 at 9.30 a.m. and Tuesday, 27 June 2006 at 9.30 a.m.

The meeting ended at 11.00 a.m.