

A (M) 09/05
Minutes: 52 – 63

NHS GREATER GLASGOW AND CLYDE

**Minutes of a Meeting of the
Audit Committee
held in Meeting Room B,
Dalian House, 350 St Vincent Street, Glasgow,
on Monday, 9 November 2009 at 9.30 a.m.**

PRESENT

Mrs E Smith (Chair)
Mr P Hamilton
Cllr J Handibode
Mr I Lee
Mr D Sime

IN ATTENDANCE

Mr D Griffin	Director of Finance
Mr J Hamilton	Head of Board Administration
Mr A Lindsay	Financial Governance and Audit Manager
Mr R Copland	Director of Health Information and Technology (Minute 56)
Dr K McKean	Head of Pharmacy and Prescribing Support Unit (Minute 57)
Mr D McConnell	Audit Scotland
Mr J Rundell	Audit Scotland
Mr G O'Neill	Audit Scotland
Mr M Rautenbach	Audit Scotland
Mr A Gray	PricewaterhouseCoopers
Mr M White	PricewaterhouseCoopers

ACTION BY

52 APOLOGIES

Apologies were intimated on behalf of Mr P Daniels OBE and Mrs J Murray.

In order to facilitate the attendance of the Head of Pharmacy and Prescribing Support Unit, it was agreed that Item 6 on the Agenda. Internal Audit Report: Review of Medicines Planning Process should be considered after Item 7 – Health Information and Technology: Audit Reports.

53 MINUTES

On the motion of Mr Lee, seconded by Mr Sime, the Minutes of the meeting on 23 June 2009 [A (M) 09/04] were approved as a correct record and signed by the Convener.

54 INTERNAL AUDIT PROGRESS REPORT

A report of PricewaterhouseCoopers (Audit Paper No 09/28) was presented asking Members to note progress against the Internal Audit Annual Plan for 2009/10.

Mr Gray (PricewaterhouseCoopers) explained that the Internal Auditors had met with the recently appointed Chief Operating Officer of the Acute Services Division and as a result, the Internal Audit Annual Plan was being revised to reflect some changes of emphasis requested by the Chief Operating Officer. In addition, the internal auditors would also present progress reports to meetings of the Strategic Management Group of the Acute Services Division.

Mr Gray reported that the internal auditors had also attended a meeting of the Shadow Joint Partnership Board and as a result, had finalised the programme of audit reviews within Community Health and Care Partnerships. Replying to questions from Mr Hamilton and Mr Lee, Mr Gray confirmed that the planned audit of care governance would focus on all Community Health and Care Partnerships and Mr White (PricewaterhouseCoopers) explained that the joint working arrangements previously agreed with the internal auditors of Glasgow City Council would continue subject to some minor amendments.

Mr Gray described the work carried out as part of the internal auditors' programme and project assurance roles in the following four areas.

1. Clinical Governance including support in respect of the peer review by Quality Improvement Scotland: in this regard, the Head of Board Administration confirmed that the NHS Board expected to receive the draft report following the review later in November 2009;
2. Programme and Project Management in respect of the purchase and provision of a new national Patient Management System;
3. Human Resources Information and Record Retention: Mr White explained how technical support for the project would now be provided in-house by the Directorate of Health Information and Technology; in response to a question from Mrs Smith, Mr White commented that there was confidence that the Directorate had the capacity to deliver the required level of support to the project;
4. eExpenses: Mr White reported that progress was good and following a question by Mr Lee, the Director of Finance explained the background to the differing policies on reimbursement of staff expenses.

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Mr White then summarised the main points to emerge from the review of the Datix web based system for recording incidents involving patients and staff. Focussing on the three areas of falls, violence and aggression and medicine safety, the review considered

- The flow of information through the Datix system to the final users of the information;
- The processes in place to ensure the information generated produced future benefit for the organisation;
- The processes to ensure dissemination of information and to ensure that lessons are learned.

Mr White reported that the Datix system had improved the reporting of incidents and supported the development of trend analysis. There was also evidence that the information produced by Datix had helped to drive improvements and changes in clinical practice. Mr White noted there were areas for improvement including training and staff awareness and reported that management had agreed an action plan to address these areas. In reply to a question from Mr Sime, Mr White explained how the Clinical Governance and Health and Safety governance processes had joint responsibility for dealing with clinical incidents. The Director of Finance explained the role of the Risk Management Steering Group in ensuring that this joint approach remained integrated and effective. The internal audit report on the Datix System would be considered by the Risk Management Steering Group at its next meeting. Mr Hamilton and Mr Sime commented on the various arrangements within Community Health and Care Partnerships for managing risk and the Director of Finance explained that the internal audit programme included a review of the process for managing joint risks to ensure that these were reflected in the risk registers of the NHS Board and its local authority partners.

Director of Finance

Mr White continued by reporting on the outcome of the review of public communication. This review had concentrated on the February/March edition of Health News which had focussed on the issue of Inequalities. Several areas of good practice had been identified including:-

- Early engagement with the Glasgow Centre for Population Health;
- The introduction of Job Access with Speech (JAWS) technology for visually impaired users;
- The inclusion of a comprehensive recommended reading section;
- The preparation and issue of education packs in response to requests for additional information.

Some areas for improvement had also been noted including the setting of formal objectives and following a question from Mr Hamilton, Mr White gave examples of how this could be achieved. Mr Gray noted that while there had been a high level of user involvement and feedback, a similar future publication would offer opportunities for community engagement for example, via schools and youth groups.

Mr White then reported on the findings of an audit review of the lessons learned from the roll-out of medical equipment to the recently opened Victoria and Stobhill Ambulatory Care Hospitals. These

ACTION BY

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lessons would be important in the context of the construction of the new South Glasgow Hospital Campus. Mr White commented on the success of the project in meeting the opening date targets and highlighted areas of good practice. In particular, mention was made of the effectiveness of stakeholder involvement, the establishment of an Equipment Procurement Group and the careful planning of the procurement process. Areas where there were opportunities to improve included engagement with lead clinicians on the room specification process and the planning of the decommissioning of larger pieces of equipment, particularly, radiology equipment. Mr Gray commented on the scale of the project and the fact that two sites were involved. The Director of Finance noted that the report was generally positive but that there were lessons to be learned particularly in respect of radiology equipment.

Mr Gray reported on progress of the work being undertaken jointly with NHS Lanarkshire in respect of Information Governance. Phase 1 of the work had been commenced and there was positive engagement from both NHS Boards. NHS Greater Glasgow and Clyde had made available a manager to support the internal audit review. Mr Gray added that the review would be informed by the results of a similar exercise carried out in a local authority. It was anticipated that the work would be completed by December 2009 and the results would be reported separately to NHS Greater Glasgow and Clyde and NHS Lanarkshire.

**Pricewaterhouse
Coopers**

NOTED

55 **PROPERTY TRANSACTIONS MONITORING**

A report of PricewaterhouseCoopers (Audit Paper No 09/29) was presented asking Members to approve for submission to the Scottish Government Health Directorates the report by the internal auditors on property transactions concluded in the year ended 31 March 2009. Mr White (PricewaterhouseCoopers) reported that seven transactions had been concluded during the year ended 31 March 2009, five acquisitions and two disposals. All transactions had been classed as category "A" as defined in the NHS Scotland Property Transactions Handbook i.e. "the transactions appear to have been properly conducted". Mr White noted that due to the length of time taken to conclude some of the transactions there had been difficulty in locating some items of documentation but sufficient compensatory information was available to allow the internal auditors to reach their conclusion. In response to a question from Mr Lee, Mr White undertook to provide details of the values of each transaction for 2008/09 and to include this information in future reports.

**Pricewaterhouse
Coopers**

DECIDED:

That the report on property transactions concluded in the year ended 31 March 2009 be approved for submission to the Scottish Government Health Directorates.

**Financial Governance
and Audit Manager**

56 HEALTH INFORMATION AND TECHNOLOGY: AUDIT REPORTS

A report of Audit Scotland (Audit Paper No 09/31) was presented asking Members to note the findings of the following audit reports:-

- Data Handling
- ICT Status/Follow up Report
- Best Value – Use of Resources – Information Management.

Mr O'Neill (Audit Scotland) summarised the main points from each of the three reports including the following matters.

Data Handling

This was a dynamic subject and the Audit Scotland review would complement the work being carried out by internal audit in respect of information governance. The Audit Scotland review focussed on three key governance themes: - information awareness, security leadership and operational discipline. The key findings included:-

- The need to raise staff awareness via training and the range of Information Governance policies being developed by the NHS Board;
- The need to define data held, its location and its method of control.

An action plan had been agreed with the Director of Health Information and Technology to address the matters raised in the report.

ICT Status/Follow Up Report

This review had followed up on the findings from four previous reports

1. Computer Services Review (issued July 2008)

Mr O'Neill noted that risks identified in this report had been or were being addressed and he commented on the significant improvements made in developing the organisational-wide arrangements in terms of organisational structure, policies and procedures.

2. Review of Portal Development Project (issued August 2008)

Mr O'Neill reported that good progress had been made although management had decided not to implement the scanning solution in the meantime. The lessons learned from this project would be helpful in the context of the New South-side Hospital development project.

3. Review of Key ICT Installations/Applications (issued August 2008)

Mr O'Neill intimated that progress in addressing the risks identified had been steady and work was still very much in progress. In particular, actions were being taken to ensure data availability and security including investigation of a

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software solution to eliminate the need to export data from the Emergency Department Information System (EDIS).

4. Review of PACS Application/Installation

Mr O'Neill reported that controls had been strengthened relating to user access management and ongoing system administration and progress had been made in designing capacity management processes and arrangements for data back-up. Mr O'Neill commented on the importance of NHS Greater Glasgow and Clyde's role in terms of the national PACS project.

In response to a question from Cllr Handibode, Mr O'Neill commented on the risks to data security when services were outsourced. Mr Routenbach (Audit Scotland) noted the importance to an organisation of knowing what data it held and how that data was managed and controlled.

The Director of Health Information and Technology (HIT) then described the progress the NHS Board had made in addressing the matters raised in the Audit Scotland Reports. Information Governance was a recurring theme in the actions which the NHS Board had progressed in respect of the three audit reports, with the following matters in particular being drawn to Members' attention.

95% of the Information Governance policies had now been rewritten and cascaded to staff. The process of cascading effectively was important to ensure staff were aware of their responsibilities in respect of Information Governance. Work was on going in respect of raising staff awareness of their responsibilities in respect of information governance.

The Director of HIT referred to a recent incident at an acute hospital where the media had filmed closed boxes containing patients' files in a corridor outside an office. The Chief Executive had personally led the investigation into that incident. The Director of HIT, then referred to a further incident which had been reported to the Information Commissioner relating to the loss of a laptop computer from another hospital. In response to this incident, significant resources were allocated to the task of encrypting all laptop computers together with the issue of instructions to staff regarding the storage of sensitive information on laptops and other portable storage media. Because of the speed and wide range of the NHS Board's response to this incident, the Information Commissioner did not feel it necessary to issue the sanction which might normally be expected in such circumstances.

Further work was being carried out in respect of encryption of memory sticks and the policy on e-mail.

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Other risks had been identified for example, the use of information in the context of clinical training. The Director of HIT reported that he had met with representatives of the University of Glasgow to establish the robustness of the University's Information Governance regime. Procedures will require to be changed to ensure that data is only released to the University on receipt of assurance that the data will be controlled and safeguarded.

The NHS Board had signed an Information Sharing Protocol with its local authority partners. This Protocol had been shared with the UK Information Commissioner who had commented favourably.

The Director of HIT then referred to the work on Information Governance currently being undertaken by PricewaterhouseCoopers on behalf of the NHS Board and NHS Lanarkshire. The emphasis of this work was on the cultural aspects of Information Governance.

In respect of the respective merits of paper and electronic records, the Director of HIT described how electronic records could be audited to establish who had accessed them whereas no such definitive check could be made for paper records. Reference was made to a breach of security in another NHS Board which was identified through audit.

The Medical Director had chaired a sub group to determine role based access to data. While no system could be guaranteed to be perfect, the audit and reporting process in place gave assurance that data was being held securely. Human Resources policies were being developed to address inappropriate access to data. Where data was accessed inappropriately but accidentally, the issue would be addressed via staff training. There would however be zero tolerance of deliberate inappropriate access.

The Director of HIT described progress of the Portal Development Project and the opening of the new Ambulatory Care Hospitals. As reported by Audit Scotland, the scanning solution had not been implemented and a paper based system had been put in place meantime. The Director of HIT described the risks and challenges this presented as services were provided from additional sites. The benefits of electronic data capture and data dictation were summarised. The Director of HIT explained the back –up and restore processes developed for EDIS and how a fail-over test had identified issues which were now being addressed.

With regard to Best Value, the Director of HIT described how the Audit Scotland report highlighted areas of best practice. He focussed on the cost of capturing and storing data for example patient tracking, waiting lists and pharmacy. He noted that there were a number of different systems in use within the Acute Services Division. He then reported progress on the project to procure a new Patient Management System and indicated that a formal report would be submitted to the NHS Board at its December 2009 meeting. The project team had engaged with internal audit to identify risks and ensure that these were addressed in the contractual arrangements.

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The Director of HIT advised Members that it was planned to introduce a single pharmacy system across NHS Greater Glasgow and Clyde. The Director of HIT explained the timescale for delivering savings and the ability to deliver better information, for example, Partnerships would have more access to Acute data. The Patient Management System would help in delivering a greater level of information.

The Convener commented that assurance could be taken from the work of both Audit Scotland and PricewaterhouseCoopers and thanked the Director of HIT for his comprehensive progress report.

NOTED

57 **INTERNAL AUDIT REPORT: REVIEW OF MEDICINES PLANNING PROCESS**

A report of PricewaterhouseCoopers (Audit Paper No 09/30) was presented asking Members to note the internal auditor's report on their review of the Medicines Planning Process. Mr White (PricewaterhouseCoopers) commented on the importance of the Medicines Planning Process in managing the NHS Board's expenditure.

The Head of Pharmacy and Prescribing Support Unit (PPSU) then described to Members the key elements of the Medicines Planning Process including the following matters.

1. The NHS Board's total medicines budget for 2009/10 exceeded £300m, with spend in the Acute Division alone greater than £90m. Cost pressures resulted from expensive new technologies, an ageing population and the increasing burden of chronic disease.
2. A single integrated approach to planning had been adopted with strong links between pharmacy planning, clinicians, finance managers and Directorate and Community Health (and Care) Partnerships management. This allowed clinical intelligence to be matched to financial expertise and this approach enabled the planning process to consider new medicines, pressures on existing medicines and cost efficiencies.
3. With regard to new medicines, the Scottish Medicines Consortium (SMC) provided a "forward look" which gave information on anticipated new medicines ahead of licensing. Once licensed, new medicines were subject to SMC assessment and approval by the Area Drugs and Therapeutics Committee. Thereafter the Prescribing Management Group (PMG) considered the resource implications of new medicines.

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4. In respect of existing medicines, there were a number of elements to the planning process including
 - analysis of data to identify trends;
 - the setting of annual GP indicators to ensure there was focus on cost effective prescribing;
 - specific initiatives such as "Don't Waste Medicines".

The Head of PPSU then described the annual planning cycle which ran from October to the end of March and the subsequent monitoring and reporting of performance against the plan during the following year.

Members attention was then drawn to the areas of good practice identified in the internal audit report which included the following:-

- The role of the PMG in terms of strategy and monitoring;
- The in-house data base which allowed monitoring of how medicines were used;
- The allocation of a dedicated resource to the medicines planning process.

The Head of PPSU concluded by summarising the areas for development which had been identified in the internal audit report and described the action being taken to address these including the following:-

- The development of a new risk register and a more specific definition of risk;
- The on-going development of electronic prescribing;
- The integration of databases;
- Longer term horizon scanning.

In response to questions from Mr Lee and Mr Hamilton, the Head of PPSU explained the interaction with General Medical Practitioners and the monitoring and support given to Practices.

The Convener thanked the Head of PPSU for her presentation.

NOTED

58 **AUDIT SCOTLAND: REPORT ON THE 2008/09 AUDIT**

A report of Audit Scotland (Audit Paper No 09/32) was presented asking Members to note the key points from the audit of the 2008/09 Annual Accounts. Mr McConnell (Audit Scotland) explained that in addition to being issued to the NHS Board, the report was also issued to the Auditor General and would inform his Annual Report on the NHS in Scotland. The report would become a public document as it would appear on the Audit Scotland website.

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Mr McConnell summarised the main points in the report under each of the five main themes.

Financial Statements – the Audit Opinion was unqualified.

Financial Position and Use of Resources – the NHS Board faced challenges in achieving savings in the face of increasing cost pressures including pay modernisation and drug costs.

Governance and Accountability – the report commented positively on the control environment.

Performance – the NHS Board was on course to meet its Health Improvement, Efficiency, Access and Treatment (HEAT) targets.

Looking Forward – significant challenges existed in respect of a number of matters including declining funding uplifts, service redesign and achieving best value.

Mr McConnell concluded by drawing Members' attention to the action plan within the report which had been agreed with Management.

NOTED

59 **AUDIT SCOTLAND: PROGRESS REPORT**

A report of Audit Scotland (Audit Paper No 09/33) was presented asking Members to note the progress made in respect of the various workstreams undertaken as part of the audit of the NHS Board's accounts. Mr Rundell (Audit Scotland) summarised the main issues under each of the workstreams with emphasis on the following matters.

Audit plans were well advanced and the Audit Scotland Priorities and Risks Framework document would be issued shortly.

With regard to governance, Audit Scotland were currently reviewing the adequacy of the internal audit function and had held discussions with the internal auditors to ensure there was no duplication of effort.

The NHS Board had provided Audit Scotland with a good package in respect of the shadow accounts prepared under International Financial Reporting Standards (IFRS). Mr Rundell noted that matters previously raised in respect of the IFRS accounts had been taken forward by management.

Plans for the audit of the 2009/10 accounts were advanced. It was intended that the audit would commence on 10 May 2010 with a view to issuing the audit opinion on 22 June 2010. Work was to be undertaken in advance to allow this challenging timetable to be met.

In reply to a question from Mr Lee regarding equal pay claims, Mr McConnell described a meeting on this subject involving the Scottish Government, Audit Scotland and the Central Legal Office. As yet, there was no change in the position. Mr Sime commented that the

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Equalities Committee of the Scottish Parliament had recently expressed interest in this subject.

NOTED

60 AUDIT SCOTLAND: BEST VALUE – USE OF RESOURCES – EFFICIENCY

A report of Audit Scotland (Audit Paper No 09/34) was presented asking Members to note the main findings from a review of the NHS Board's arrangements and procedures to secure efficiency. Mr Rundell (Audit Scotland) described how the approach to the review had been based on the use of "toolkits" designed specifically for this purpose. A number of areas of good practice had been identified including

- the identification of organisation-wide projects to achieve efficiencies;
- financial planning and the development of savings plans were aligned with service delivery;
- there was a bi-annual system of organisational performance reviews.

Mr Rundell drew Members attention to the diagram on page 4 of the report which summarised the conclusions of the review; three main areas had been reviewed and the NHS Board had been assessed as having better practices in one and advanced practices in the remaining two. Two specific points had been identified as having scope for further development and management were considering these. The Director of Finance described how in future, more initiatives would be undertaken on an organisation-wide basis with nominated Heads of Service heading up these projects.

NOTED

61 FRAUD REPORT: OCTOBER 2009

A report of the Financial Governance and Audit Manager (Audit Paper No 09/35) was presented asking Members to note a summary of the NHS Board's counter fraud arrangements and ongoing investigations into suspected fraud. The Financial Governance and Audit Manager explained that NHS Boards were being encouraged, via the Counter Fraud Champions Network, to have fraud as a standing item Audit Committee agenda. Within the current report, developments at national and local level were described including developments to the Payment Verification process in respect of Family Health Services and workshops on covert surveillance for staff within NHS Greater Glasgow and Clyde. In response to questions from Mr Sime and Mr Lee, the Financial Governance and Audit Manager undertook to ensure future reports reflected the level of fraud in the context of the size of the organisation and compared current levels and trends of fraud with previous periods.

**Financial Governance
& Audit Manager**

NOTED

ACTION BY

62 AUDIT SUPPORT GROUPS

**62 (a) AUDIT SUPPORT GROUP – CORPORATE AND PARTNERSHIPS:
MINUTES OF MEETING ON 7 OCTOBER 2009 [ASG CP (M) 09/04]**

NOTED

**62 (b) AUDIT SUPPORT GROUP – ACUTE:
MINUTES OF MEETING ON 30 SEPTEMBER [ASG A (M) 09/03]**

NOTED

**63 DRAFT PROGRAMME OF MEETINGS FOR 2010/DATE OF NEXT
MEETING**

The draft programme of meetings for 2010 was approved with the exception of the meeting scheduled for 26 October 2010. The Financial Governance and Audit Manager undertook to canvas a revised date for this meeting.

**Financial Governance
and Audit Manager**

The next meeting was re-scheduled for Thursday, 4 February 2010 at 9.30 a.m.

The meeting ended at 12.15 p.m.