

A (M) 11/05  
Minutes: 53 – 67

NHS GREATER GLASGOW AND CLYDE

**Minutes of a Meeting of the  
Audit Committee  
held in the Boardroom,  
J B Russell House, Gartnavel Royal Hospital,  
on Tuesday, 25 October 2011 at 9.30 a.m.**

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**PRESENT**

Mr K Winter (Chair)  
Mr P Daniels OBE  
Cllr J Handibode  
Dr M Kapasi MBE  
Dr R Reid

**IN ATTENDANCE**

Mr P James	Director of Finance
Mr J C Hamilton	Head of Board Administration
Mr A Lindsay	Financial Governance and Audit Manager
Mr J Best	Director of Regional Services (Minute 56)
Mr A Mcintyre	Director of Facilities (Minute 57 to 58)
Ms M Stewart	Interim Director of HIT (Minute 58)
Mr C Revie	PricewaterhouseCoopers
Mr M White	PricewaterhouseCoopers
Ms N Green	PricewaterhouseCoopers
Mr D McConnell	Audit Scotland
Mr J Rundell	Audit Scotland
Mr G O'Neill	Audit Scotland
Ms H Russell	Audit Scotland

**ACTION BY**

**53 APOLOGIES**

Apologies were intimated on behalf of Mr I Lee, Mrs J Murray and Mr D Sime.

**54 MINUTES**

On the motion of Dr Kapasi, seconded by Dr Reid, the Minutes of the meeting on 21 June 2011 [A (M) 11/05] were approved as a correct record and signed by the Chairman.

**55 MATTERS ARISING FROM THE MINUTES**

In reply to a question by the Chairman in respect of Minute 49, the Financial Governance and Audit Manager confirmed that all actions in respect of the Annual Accounts had been completed.

**56 PATIENT MANAGEMENT SYSTEM**

A report of the PricewaterhouseCoopers (Audit Paper No 11/26) was presented containing an extract from the Internal Audit Activity Report to the Audit Committee meeting on 29 March 2011 (Minute 19 refers). This extract was in respect of the on-going project assurance and challenge role undertaken by PricewaterhouseCoopers in respect of the replacement of the Patient Management System (PMS) and summarised the status of the project and made some recommendations in respect of the project governance framework.

The Director of Regional Services described the background to the project. NHS Greater Glasgow and Clyde led a consortium of five NHS Boards to procure a Patient Management System (PMS) and after approval of the business case in December 2009, negotiations had begun with the preferred supplier. PMS was an integrated computer system which would replace a number of existing systems including legacy systems from former NHS Trusts and NHS Argyll and Clyde, Accident and Emergency Systems, electronic requesting systems and HISS systems at Yorkhill and the Southern General Hospital.

A roll-out programme had been agreed with the contractor and Inverclyde Royal Hospital was the first site to go live within NHS Greater Glasgow and Clyde in September 2011. The introduction of PMS at Inverclyde Royal Hospital covered accident and emergency, wards, clinical departments, clinical administration and clinical processes. The system allowed real time recording of the movement of patients, the management of waiting lists and booking and the tracking of patient files. The use of electronic discharge letters and electronic requests for imagery from radiography and cardiology were being piloted in two areas within the hospital and if successful, would be rolled out to the rest of the hospital.

Discussions were on-going with the contractor over the next stage of the roll out programme. It was planned to implement PMS at the Royal Alexandra Hospital and the Vale of Leven Hospital. This would involve training a significantly larger number of staff than had been the case at Inverclyde Royal Hospital and the challenge inherent in this was recognized. The lessons learned from the implementation of PMS at Inverclyde Royal Hospital would be applied to the next stage of the project including early engagement with clinical staff and medical secretaries, more flexibility around the provision of training and the use of Inverclyde staff to inform the process. A decision had still to be made whether to proceed to implement PMS at the Royal Alexandra and Vale of Leven Hospitals prior to Christmas 2011 or post Christmas. The need to avoid further disruption when hospitals were facing the challenges caused by winter pressures would be key to this decision.

In terms of the overall programme, it was planned that implementation of PMS within NHS Greater Glasgow and Clyde would be complete by

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(Cont'd.)

ACTION BY

the third quarter of 2012 but the possibility of slippage could mean that implementation would be achieved in the fourth quarter of 2012.

Benefits of the project included patient safety, faster access to information and links to the Clinical Portal and the electronic patient record. It was noted that the Renal Service was now paperless.

In response to questions from Dr Kapasi and Dr Reid, the Director of Regional Services confirmed the following:-

- With regard to discharge letters, the ultimate aim was to send letters electronically to GPs and a pilot was underway with one general practice.
- Electronic prescribing was not yet planned; difficulties had been encountered within another NHS Board and it was planned to await the outcome of the roll out of this function in other NHS Boards before considering it in NHS Greater Glasgow and Clyde.

The Director of Finance commented on the need for the Audit Committee to have assurance that action had been taken to address the matters raised by the internal auditors in their progress report to the Committee in March 2011. Mr White (PricewaterhouseCoopers) confirmed that both the matters raised had been addressed. Attendance at meetings of the Working Groups had been addressed immediately and with regard to the other main finding, the programme of staff training had been amended to reflect the lessons learned from implementation of PMS at other Health Boards. Mr Revie (PricewaterhouseCoopers) added that the internal auditors would carry out a follow up review of this and would report to a subsequent meeting of the Audit Committee. Mr White explained that this follow up review would consider the implementation of PMS at Inverclyde Royal Hospital and how the lessons learned from this and from other NHS Boards were being applied.

**Pricewaterhouse  
Coopers**

In reply to a question from Mr Winter, the Director of Regional Services confirmed that the project was on budget. Mr Sime welcomed the presentation by the Director of Regional Services and sought assurance that the Financial Governance and Audit Manager would ensure that all such future presentation would address the matters raised in the relevant internal audit report. The Chairman thanked the Director of Regional Services for his contribution to the meeting.

**Financial Governance  
& Audit Manager**

NOTED

57

## **TRANSPORT FLEET MANAGEMENT**

A report of PricewaterhouseCoopers (Audit Paper no 11/27) was presented consisting of an extract from the Internal Audit Activity Report the Audit Committee on 21 October 2010 (Minute 45 refers) summarising the findings from the internal audit review of transport fleet management.

The Director of Facilities set out the position in respect of the three main findings from the internal audit review.

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(Cont'd)

ACTION BYManagement of the Fleet

Corporate control of the transport fleet was exercised via a General Manager who reported directly to the Director of Facilities. This was allied to management on a geographical basis to allow the service to be responsive to local needs. Key performance indicators (KPIs) for the entire fleet were collated via the west transport hub. Performance was also linked to Health Facilities Scotland who were developing a national set of KPIs including transport.

Computerised Management System

The IT system previously intended for implementation to assist with management of the fleet was no longer available as the software company had ceased trading. Discussions were on-going with Renfrewshire Council regarding the Council's IT system for managing its transport fleet and the potential for that system to meet the NHS Board's requirements for fleet management.

Transport Strategy

The Property Asset Management Strategy included transport. Current strategy was service focussed, for example, undertaking delivery of linen at night to maximise the use of the fleet. Other key aspects of the transport strategy were:-

- the recently introduced catering strategy for which a hub and spoke solution had been devised;
- the work on-going to develop transport links to support the new laboratory service and in particular the new central laboratory in the new South Glasgow Hospitals;
- the scheduled completion of the New South Glasgow Hospitals with work underway to forecast the impact of this on the distribution of the fleet and the balance of purchased and leased vehicles.

The Director of Facilities summarised the position by noting that there was understanding of how the fleet was managed but there appeared limited scope to move further towards a centralised management structure. The key element was to ensure that standard operating practices were in place throughout the organisation. Mr Revie (PricewaterhouseCoopers) commented that the fleet was locally managed but to a common system.

The Director of Finance advised that it was important that future updates to the Audit Committee focused on the recommendations from the relevant internal audit reports. In a case such as this, where a recommendation to centralise a process had been re-visited, it was important that the Audit Committee adopt a process to determine if the management response was appropriate. Mr White (PricewaterhouseCoopers) confirmed that the management response would be followed up as part of the normal audit follow up process.

**Financial Governance  
& Audit Manager**

**Pricewaterhouse  
Coopers**

57 (Cont'd)

ACTION BY

Dr Kapasi, Dr Reid and Mr Sime commented on the importance of the delivery of specimens to the laboratories securely and timeously. The Director of Facilities confirmed that emphasis was being placed on the reliability of delivery of specimens to the laboratories and described the arrangements being developed to track specimens. The arrangements for the delivery of specimens related to all laboratory sites and not only to the Southern General Hospital.

NOTED

58 **INTERNAL AUDIT ACTIVITY REPORT OCTOBER 2011**

A report of PricewaterhouseCoopers (Audit Paper No 11/28) was presented asking Members to note the Internal Audit Activity Report for the period to October 2011 showing progress against the internal audit annual plan and describing the key matters from the audit reviews completed since the last meeting of the Audit Committee. Mr Revie (Pricewaterhouse Coopers) summarized the overall position in terms of progress. Five reports had been finalised and a further fourteen audits were underway. All fieldwork would be completed and all reports issued by 31 March 2012.

Mr Revie drew Members' attention to the following proposed changes to the internal audit annual plan which had been requested by management:-

- The scope of work on the systems of key financial controls to be extended to include staff expenses, cash and bank and endowment funds.
- A review to be carried out on the Homecare Pharmacy System.
- The time originally allocated to an audit of beds management to be allocated to a review of waiting times data.

Mr Review explained that, if approved, these changes would be accommodated without any increase in the number of days in the internal audit annual plan. Members agreed that, on this basis, the proposed changes to the internal audit annual plan be approved.

**Pricewaterhouse  
Coopers**

Mr White (PricewaterhouseCoopers) commented on the audit review of property transactions monitoring noting that it was the subject of a separate paper on the agenda (Audit Paper No 11/29).

Mr White summarise the main findings from a review of the governance arrangements in respect of the Aroma Cafes in operation at various locations throughout NHS Greater Glasgow and Clyde.

The Director of Facilities described how the Aroma Cafes formed part of an active strategy to improve the financial performance of the catering function and explained the Aroma brand name was owned by Health Facilities Scotland forming part of a national initiative across NHS Scotland. NHS Greater Glasgow and Clyde had acted as a pilot and the Director of Facilities described the governance arrangements at both national and local level.

58 (Cont'd)

ACTION BY

Members discussed the level and nature of competition for the Aroma Cafes and other hospital catering facilities both within hospital premises and in the adjoining neighbourhoods. Levels of usage by staff and patients were discussed in the context of the merits of cross-subsidisation and the need to break even or achieve profitability. With regard to financial performance of catering, it was agreed that Members be issued with the relevant Scottish Government Health Directorate circular.

**Financial Governance  
& Audit Manager**

Mr White outlined the findings from the internal audit review of Decontamination Services. A national framework, the "Glennie Framework," reviewed the configuration and provision of sterile services across NHS Scotland and defined detailed technical requirements for decontamination services. To achieve compliance with the "Glennie Framework," the NHS Board had moved to delivery of sterile services through a Central Decontamination Unit (CDU) which delivered sterile theatre trays and supplementary items to hospital within NHS Greater Glasgow and Clyde. The internal audit review considered the design and operating effectiveness of the governance arrangements and operating controls for the decontamination process within NHS Greater Glasgow and Clyde. While noting areas of good practice, the internal audit review highlighted areas for improvement in respect of business continuity arrangements, the operation of user groups and the reporting of key performance indicators to the Infection Control Group.

The Director of Facilities described the action already taken to address the matters in respect of the user groups and to ensure key performance indicators were reported to the Infection Control Group.

With regard to the matter of business continuity, the Director of Facilities explained that as none of the previous decontamination units were compliant with the standards of the "Glennie Framework" and were not capable of being made compliant, the NHS Board had decided to establish the CDU which was the largest of its kind in Europe. This presented a challenge in terms of business continuity, particularly in the absence of a national strategy, and the Director of Facilities described the arrangements for business continuity, involving other NHS Boards and a former unit located within NHS Greater Glasgow and Clyde. The Director of Facilities explained that he was a member of a working group considering a national structure for decontamination services with a timetable for reporting by the end of the 2011/12 financial year.

Members commented on the importance of effective business continuity arrangements given the importance of the role of CDU to the successful functioning of Board and sought further assurance on these arrangements. The Director of Facilities undertook to report further detail of the business continuity arrangements to the next meeting of the Audit Committee.

**Director of Facilities**

The Chairman thanked the Director of Facilities for his contributions to the meeting.

Ms Green (PricewaterhouseCoopers) summarised the key matters arising from the internal audit review – Patient Experience: Delivering Measurable Outcomes. Ms Green explained that the Scottish Inpatient

58 (Cont'd)

ACTION BY

Experience Survey 2010 was carried out as part of Scotland's Patient Experience Programme, Better Together. Almost 19,000 patients had been issued with a survey and 9,000 (47%) had responded. The purpose of the internal audit review was to consider the effectiveness of the NHS Board's response to the survey results and to support management in developing measurable patient centred outcome objectives. Ms Green described how NHS Greater Glasgow and Clyde had scored broadly in line with the national average for positive comments on each of six key areas. Management had focused attention on those areas where the Board had not achieved a positive score of 80% or more and an action plan had been developed for the Acute Services Division supported by a series of directorate specific plans. The internal audit review had suggested some possible opportunities for enhancing processes to achieve greater consistency around Clinical Quality Indicators, in particular in respect of food, fluid and nutrition. An action plan had been agreed with management to consider these matters. In reply to a question from Dr Kapasi, Ms Green explained the methodology used in conducting the survey and how this related to those patients who did not respond.

Mr White provided a summary of the results of a review of New South Glasgow Hospital Project. This review formed part of an on-going programme of work in respect of the Project and followed on from a review of programme governance and accountability carried out in 2010/11. The current review had noted a number of areas of good practice including the setting of clear project objectives within the Full Business Case (FBC), the clear definition of roles and responsibilities of key parties and consultations with stakeholders, with key interdependencies being included in the FBC. In addition, the review noted no findings in respect of the project management methodology, project financial management and project risk management.

NOTED**59 INTERNAL AUDIT REPORT: PROPERTY TRANSACTIONS MONITORING 2010/11**

A report of PricewaterhouseCoopers (Audit Paper No. 11/29) was presented asking Members to approve for submission to the Scottish Government Health Directorates, a report on the property transactions concluded in the year to 31 March 2011.

Mr White (PricewaterhouseCoopers) summarised the internal auditors' responsibilities in respect of the requirements of the NHS Scotland Property Transactions Handbook (the Handbook). Under the Handbook, the internal auditors were required to monitor property transactions and report the results to the Audit Committee and if satisfied, the Audit Committee would submit the report to the Scottish Government Health Directorates. The internal auditors had reviewed all nine property transactions concluded in 2010/11 and using the categories prescribed in the Handbook, had concluded that all the transactions appeared to have been properly conducted. In response to questions from Mr Winter, Mr White confirmed that the transaction in respect of the Western Infirmary had been properly conducted and described the background to the purchase of land from Renfrewshire

59 (Cont'd)

ACTION BY

Council.

DECIDED:

That the report by the internal auditors on Property Transactions Monitoring 2010/11 be approved for submission to the Scottish Government Health Directorates.

**Financial Governance  
& Audit Manager**

60 **AUDIT SCOTLAND: REPORT ON THE 2010/11 AUDIT**

A report of Audit Scotland (Audit Paper No 11/30) was presented asking Members to note the main matters to arise from the audit of the annual accounts for 2010/11. Mr McConnell (Audit Scotland) described how the report drew together the key findings from the various streams of work carried out as part of the annual accounts audit and would in due course be published on the Audit Scotland website. The report was positive and Mr McConnell drew Members' attention to the unqualified audit opinion, the fact that Board achieved its financial targets, the arrangements for financial planning and the governance arrangements. Key matters addressed during the year included service redesign, workforce planning and developments in respect of Community Health (and Care) Partnerships.

Mr Sime, Councillor Handibode and Mr Daniels commented favourably on the report and the Chairman proposed that the report be circulated to all Board Members.

**Financial Governance  
& Audit Manager**

NOTED

61 **AUDIT SCOTLAND: PROGRESS REPORT OCTOBER 2011**

A report of Audit Scotland (Audit Paper No 11/31) was presented asking Members to note progress made in the period to October 2011. Mr Rundell (Audit Scotland) explained that the report summarised the main points of note from the audit work completed in 2010/11. Members' attention was drawn to Appendix 1 of the report which showed the detailed outturn against the 2010/11 audit plan. Mr Rundell highlighted the following matters:-

- The governance work completed in respect of ICT programme management;
- The successful completion of the annual audit in the face of a demanding timetable assisted by the level of co-operation provided by the Board's finance staff;
- The completion of local performance studies including information management, improving public sector purchasing and the use of management consultants.

Mr Rundell concluded by summarizing the national studies carried out by Audit Scotland.

NOTED

62 **AUDIT SCOTLAND: ICT – PROGRAMME MANAGEMENT**

A report of Audit Scotland (Audit Paper No 11/32) was presented asking Members to note the findings from a review of ICT Programme Management.



62 (Cont'd)

ACTION BY

Mr O'Neill (Audit Scotland) outlined the approach adopted for this review. Two projects had been selected – the Chemotherapy Electronic Prescribing and Administration System (CEPAS) and the Strathclyde Renal Patient Record System (SERPR). The review of both projects had identified areas of good practice for example, in respect of project management and the development of business cases. Areas had been identified where further work was still required in terms of benefits realisation and post implementation review.

The Interim Director of Health Information and Technology (HIT) expressed her appreciation of the audit report. These projects were the first of their type to be undertaken and it was important to ensure that lessons learned were applied in future. A detailed action plan had been agreed and was incorporated into the report. The Interim Director of HIT explained how both projects related to the e-Health Strategy.

NOTED

63 **AUDIT SCOTLAND: BEST VALUE – INFORMATION MANAGEMENT – FOLLOW UP REVIEW**

A report of Audit Scotland (Audit Paper No 11/33) was presented asking Members to note the results of a follow up review of Best Value – Information Management. Mr Rundell (Audit Scotland) explained the approach taken to the review involving completion of a self-assessment checklist by management which was then subject to evaluation by Audit Scotland. The results were positive. The Board had maintained its assessment as having “better practices” across four of the key areas and had improved its assessment from “basic practice” to “better practice” in respect of the fifth key area. Mr O'Neill commented on the progress made to date noting the challenge presented by the dynamic nature of information governance.

NOTED

64 **AUDIT SCOTLAND: IMPROVING PUBLIC SECTOR PURCHASING – FOLOW UP REVIEW**

A report of Audit Scotland (Audit Paper No 11/34) was presented asking Members to note the findings from a follow up review of the national report “Improving Public Sector Purchasing.” Mr Rundell (Audit Scotland) explained that some evidence for had been taken from the Procurement Capability Assessment (PCA) carried out independently by National Services Scotland. The PCA rose from 78% (superior) in 2009 to 85% (superior) in 2010. Mr Rundell referred to a number of areas of good practice including the use of the outcomes from the PCA to focus improvement strategies to achieve continuous development noting that there was potential to develop further some purchasing processes. In overall terms, performance was in line with best practice and NHS Greater Glasgow and Clyde Procurement Department was rated as one of the top performers in NHS Scotland. Replying to a question from Mr Daniels, Mr Rundell undertook to provide a copy of the checklist used by Audit Scotland to assist their assessment of the Board's performance.

**Audit Scotland**

NOTED

**65 AUDIT SCOTLAND: USE OF CONSULTANTS**

A report of Audit Scotland (Audit Paper No 11/35) was presented asking Members to note the results of a review of the use of management consultants. Mr Rundell (Audit Scotland) referred to a national report by Audit Scotland on "Central Government's Use of Consultancy Services" and explained that the follow up review of this audit was extended to include other large public sector bodies including NHS Greater Glasgow and Clyde. The review had found that good practice was followed at project level and noted that there were opportunities to develop processes at a corporate level in respect of the capture of information on the use of management consultants. An action plan had been agreed in respect of the matters raised in the report and this was being taken forward by the Procurement Steering Group.

The Chairman noted that this was the final meeting attended by Mr McConnell and Mr Rundell before the change of audit teams and on behalf of the Audit Committee, thanked them both for their contribution and support over the past five years

NOTED

**66 FRAUD REPORT OCTOBER 2011**

A report of the Financial Governance and Audit Manager (Audit Paper No 11/36) was presented asking Members to note on-going developments in the Board's counter fraud arrangements and progress of current investigations of fraud. In reply to a question from Mr Daniels, the Financial Governance and Audit Manager undertook to provide details of specific frauds.

**Financial Governance  
& Audit Manager**

NOTED

**67 DATE OF NEXT MEETING**

The next meeting was scheduled for Tuesday, 10 January 2012 at 9.30 a.m.

The meeting ended at 12..30 p.m.