

NHS Greater Glasgow and Clyde

**Minutes of a Meeting of the Audit Committee
held in the Boardroom, J B Russell House, Gartnavel Royal Hospital, Glasgow G12 0XH
on Tuesday, 26 March 2013 at 9:30am**

PRESENT

Mr K Winter (Chair)
Mr P Daniels OBE (until item 18)
Mr R Finnie
Dr M Kapasi MBE
Mr I Lee
Dr R Reid
Cllr M Rooney (until item 19)
Mr D Sime

IN ATTENDANCE

Mr G Archibald	Director of Emergency Care & Medical Services (until item 16)
Mr A Brown	Audit Scotland
Mr J Crombie	Director of Surgery & Anaesthetics (until item 16)
Ms N Gibbs	PwC
Mr M Gillman	Financial Governance and Audit Manager
Mrs J Grant	Chief Operating Officer, Acute Services Division (until item 16)
Mr J Hamilton	Head of Board Administration
Mr P James	Director of Finance
Ms J Matthew	Audit Scotland - Performance Audit Group (until item 16)
Ms T Meldrum	Audit Scotland - Performance Audit Group (until item 16)
Mr C Revie	PwC
Ms G Woolman	Audit Scotland
Mr G Young	NHS Counter Fraud Services (for item 17 only)

11. Welcome and apologies

Mr Winter welcomed Ms Matthew and Ms Meldrum of Audit Scotland's Performance Audit Group to the meeting.

There were no apologies.

12. Declarations of Interest

No declarations of interest were raised in relation to any of the agenda items to be discussed.

13. Minutes

A(M) 13/01

Members agreed that, as suggested by Ms Woolman, the following addition to the fourth paragraph of Minute 4 of the minutes of the meeting held on 22 January 2013 should be made - "Ms Woolman assured members that, as in previous years, the report on the financial statements to 'those charged with governance' will come to members of the Audit Committee at the June meeting." Subject to that amendment, the minutes were approved as a correct record, and signed by the Chairman.

**Financial
Governance and
Audit Manager**

14. Matters Arising & Rolling Action List

Paper 13/07

The Financial Governance Manager drew members' attention to the rolling action list. He highlighted the current position in respect of the outstanding matters.

The Financial Governance and Audit Manager reported that the award of the new agency locum contract (being handled by NHS National Services) had been delayed, and that the Director of HR would provide an update for members when the process was concluded.

Director of HR

With regard to the agreement between the Director of Finance and Audit Scotland as to the timing of the Annual Audit Report, Mr Finnie asked the Director of Finance for his reasons for agreeing to the report being submitted in August. The Director of Finance explained that the report is essentially two documents – firstly, the ISA260 report, in which auditors report certain matters arising from the audit of the financial statements to those charged with governance, and, secondly, the Annual Report the purpose of which is to summarise the auditor's opinions and conclusions (including those raised in the ISA 260 report) and any other significant issues that may have arisen during the course of the year on which Audit Scotland make recommendations for improvements. The Director of Finance noted that management actions arising from the report can't be agreed before 30th June.

Mr Lee noted that whilst he didn't accept that management actions can't be agreed by 30th June, he did, however, accept that the two reports were different. He suggested that, for clarity, the ISA260 report might be reproduced as an appendix to their Annual Report, and dated showing stating that ISA260 report had already been discussed and noted by the Audit Committee.

Ms Woolman noted Mr Lee's suggestion and said she would try to accommodate it.

Audit Scotland

Noted

15. Waiting Times Review**Paper 13/08**

Ms Matthew and Ms Meldrum gave a presentation highlighting the key messages and recommendations arising from Audit Scotland's review of NHS waiting lists. One of the key points they had highlighted in the report was that they had been unable to extract data from NHSGGC's electronic waiting list system.

Ms Grant commented that it was recognised that the system in place at that time of the audit was an old system, not originally designed to enable data extraction, and was being replaced by Trakcare. She advised that management were consulting with Internal Audit during the implementation of the new system to ensure the correct internal controls are built into the processes. In reply to a question from Mr Finnie regarding the level of information that should be provided to non-executive Board Members, Ms Grant noted that the appropriate level of reporting to Board Members was being investigated. She also re-iterated that neither PwC nor Audit Scotland had uncovered any evidence of manipulation of data, and there was nothing that was not being reported to the NHS Board.

Mr Lee noted that he was reassured by the report and agreed that non-executives should not be required to police the system, but should rely on management for that function. There was further discussion amongst members about the level of scrutiny by non-execs; members agreed that the systems should have strong internal controls backed up by reviews by Internal and External Audit to allow a scrutiny role for non-execs.

Mr Revie updated members on the work being done to allow the Chair of the Audit Committee to sign the letter to the Scottish Government to give assurance that the recommendations contained in the Internal Audit report were being actioned. He highlighted that as the new Trakcare system was in the process of being implemented, not all actions would be able to be completed by 31 March, but the reasons would be mentioned in the letter.

PwC**Noted****16. Update on Decontamination**

Mr Winter commented on the recent press reports regarding the work of the decontamination unit and noted that this area had been covered by a recent Internal Audit. Mr Revie advised that their review had looked at general governance rather than the technical aspects of the service. PwC's report had commented that governance was generally good but had raised issues around continuity planning and that some user groups were not well attended.

Ms Grant noted that management were working on developing contingency plans, were also currently reviewing KPI's and were working with surgeons to look at processes, including issues around different types of trays, transport issues, and variations between all 118 theatres in the organisation.

Mr Winter thanked Ms Matthew, Ms Meldrum, the Chief Operating Officer, Acute Services Division, the Director of Surgery & Anaesthetics and the Director of Emergency Care & Medical Services for their attendance and contributions

Noted

17. Presentation by NHS Counter Fraud Services Paper 13/09

Mr Young, the Acting Director of CFS, gave a presentation to the Committee describing the role of CFS, the types of frauds that are prevalent in the NHS and how CFS and NHS Boards work together to minimise the risk of losses to the Health Service.

Following the presentation, Mr Young invited questions and comments from members of the Audit Committee.

Mr Lee pointed out that the Procurator Fiscal often decides not to prosecute where a fraud has been carried out, and asked if it is possible to encourage more prosecutions. Mr Young shared the frustration in this regard, but said that the Fiscal Service was “creaking at the seams under pressure”. Mr Young did highlight that a Procurator Fiscal does sit on the CFS Steering Group, but that each Fiscal was independent.

In response to a question from Dr Kapasi concerning health tourism and how patients can register with a GP without the proper documentation, Mr Young said that CFS liaised on a regular basis with GP practice staff and were working with the UK Border Agency to develop a check matrix.

Cllr Rooney enquired about the Memorandum of Understanding (MOU) with other partners, and also what the cost was of health tourism. Mr Young responded that the MOU was primarily about information sharing with other agencies such as the police; with regard to the cost of health tourism, Mr Young said that it was not possible to quantify the losses incurred by the NHS.

In response to a question from Mr Daniels about the effectiveness of NHSGGC’s fraud arrangements, Mr Young responded that NHSGGC was one of the top NHS Boards in terms of its fraud arrangements, and that CFS had a very good relationship with NHSGGC’s Fraud Liaison Officer.

Mr Winter thanked Mr Young for his informative presentation.

18. Audit Scotland Reports Paper 13/10

External Audit Progress Report

Ms Woolman referred members to Audit Scotland’s Progress report covering the work carried out in the period to March 2013 as part of the 2012/13 Audit Plan, and highlighted the key points in respect of their work in the following areas:- governance, best value and financial statements. She also updated Members on performance audit, Community Planning Partnerships, the National Fraud Initiative and national studies.

Members briefly discussed the Prescribing in General Practice national study; Dr Kapasi asked about windfall savings arising from drugs coming off patent, and the Director of Finance confirmed that NHS Boards have been allowed to retain the savings.

Noted

19. Internal Audit: Progress Report

Paper 13/11

Mr Revie outlined PwC's Internal Audit Activity report covering the period to March 2013, which summarised the findings and recommendations of assignments completed during the period. The report also included reference to the 2013/14 Internal Audit Plan, and the process for its finalisation and approval.

He informed members that three reports had been completed, four assignments were at draft report stage and a further five assignments were work in progress. Mr Revie highlighted that the impact of the work that PwC had been required to carry out in respect of waiting times had the effect of pushing back some other planned reports.

In reference to changes to the current year's plan, Mr Winter asked if the Audit Committee should have been sighted on such changes. The Director of Finance confirmed that in future, all major changes to the plan would be remitted to the Audit Committee. Mr Lee endorsed this view, and on the suggestion of Dr Reid, it was agreed that the Chair of the Audit Committee should have delegated authority to agree changes as proposed by the Director of Finance. Any such changes should then be ratified by the Audit Committee.

**Director of
Finance**

Ms Gibbs then described the key points arising from those assignments which had been completed in the period:

Payroll

Ms Gibbs highlighted that whilst there was a positive trend identified when compared to the previous year's review, there were, however, still a number of exceptions identified where forms were not correctly authorised. Management actions had been agreed to reinforce correct procedures amongst both payroll and operational staff. Mr Lee queried whether this was being given adequate priority within payroll, and the Director of Finance confirmed that the issue was being revisited by the Head of Financial Services to ensure compliance with procedures.

**Head of Financial
Services**

Energy Management

This review assessed the operation of the Sustainability Planning and Implementation Group (SPIG), and three medium risk findings were reported. Ms Gibbs reported that these findings had been discussed with management and actions to implement the recommendations had been agreed.

Action by

Mr Finnie expressed his disappointment that, based on the findings of the review, SPIG did not appear to be working effectively. He was also surprised that the post of Sustainability Officer was no longer required, as he considered this to be an important post. These concerns were shared by the Audit Committee as a whole. It was agreed that the Director of Finance should remit this matter to CMT for further action.

Director of Finance

Follow-up

Ms Gibbs advised that this review covered medium and high risk recommendations contained in 2011/12 reports and was to provide the Audit Committee with evidence that those recommendations had been implemented. The review had indicated that of those 13 recommendations which had been due to be implemented, 9 had been fully implemented, 3 partially implemented and 1 had not been implemented. The recommendation not yet implemented was from the Patient Focussed Booking review, and was on hold pending the roll-out of Trakcare. Further work was being carried out by NHSGGC and the Trakcare supplier to enable the recommendations to be actioned.

Noted

20. Audit Committee Remit

Paper 13/12

The Financial Governance Manager highlighted for members the minor changes to the previous version of the remit.

Mr Finnie requested that the remits of the Audit Support Groups be endorsed by the Audit Committee.

The Head of Board Administration pointed out that within the remit there was reference to “the Convener of the Audit Committee (or appointed Deputy)”, and that the Committee did not have a Deputy Convener/Chair. He advised that the Chair of the Audit Committee was able to appoint a Deputy. Mr Winter asked if any member was willing to act as Deputy, and Dr Kapasi volunteered and was appointed as Deputy.

Financial Governance Manager

Approved

21. Annual Review of Corporate Governance

Paper 13/13

The Head of Board Administration presented the Annual Review of Corporate Governance documentation for the Audit Committee’s consideration. He invited members to pass on any comments on specific details to him outwith the meeting so that issues of principle could be fully considered at the meeting.

DECIDED

That the Annual Review of Corporate Governance documentation be endorsed for consideration and approval by the NHS Board at its April 2013 meeting.

Head of Board Administration

Action by

22. Fraud Policy

Paper 13/14

The Financial Governance and Audit Manager advised members that this updated policy would be presented to the NHS Board as part of the previous item. Mr Sime stated that in the first instance that the policy should also be considered by the Area Partnership Forum.

**Head of Board
Administration**

Noted

23. Fraud Report

Paper 13/15

The Financial Governance and Audit Manager summarised progress in the ongoing investigations of fraud, and noted that there had been two new cases of suspected fraud arising since the last report, and that two cases had been closed during the same period.

The Director of Finance updated members on one of the new cases which related to allegations surrounding payments received by a former consultant member of staff.

Noted

24. Audit Support Groups - Minutes of Meeting

Paper 13/16

The following minutes were presented to the members:

Acute Audit Support Group meeting – 20 February 2013

Ms Woolman suggested that the remits of the Audit Support Groups capture operational staff inputs to audit reports.

**Financial
Governance
Manager**

Noted

25. Date of Next Meeting

The next meeting was scheduled for Tuesday, 4th June 2013 at 1:00pm (following the Board Seminar), in the Boardroom, J B Russell House.

The meeting concluded at 1:00pm.

Signed: K Winter

Chair

4 June 2013

NHS Greater Glasgow and Clyde

Minutes of a Meeting of the Audit Committee
held in the Boardroom, J B Russell House, Gartnavel Royal Hospital, Glasgow G12 0XH
on Tuesday, 4 June 2013 at 1pm

PRESENT

Mr K Winter (Chair)
Mr R Finnie
Mr I Lee
Cllr M Rooney
Mr D Sime

IN ATTENDANCE

Mrs N Gibbs	PwC
Mr M Gillman	Financial Governance and Audit Manager
Mr J Hamilton	Head of Board Administration
Mr P James	Director of Finance (until item 33)
Mr P Ramsay	Head of Financial Services
Mr C Revie	PwC
Mrs H Russell	Audit Scotland
Mr M White	PwC
Ms G Woolman	Audit Scotland

Action by

26. Welcome and apologies

Apologies were noted from Mr P Daniels OBE, Dr M Kapasi MBE and Dr R Reid.

Mr Winter informed members that the order in which the agenda items would be taken had been amended. The private meetings with each set of auditors would be moved to the end of the meeting.

27. Declarations of Interest

No declarations of interest were raised in relation to any of the agenda items to be discussed.

28. Minutes

A(M) 13/02

Prior to the minutes being approved, Mr Finnie and Mr Lee expressed their view that not issuing such a large volume of papers until the Friday before the meeting was not acceptable. Mr Winter agreed that this was an issue. The Director of Finance suggested that some papers could be shortened and at least be preceded by executive summaries.

It was agreed by all members that in future available papers would be issued to members timeously, and that any papers which were delayed would be issued as soon as possible thereafter. Mr Winter emphasised the importance of those providing papers ensuring that no papers are delayed.

In respect of the minutes of the meeting of 26th March 2013, Mr Lee suggested an amendment regarding the ISA260; the following wording was proposed “the ISA260 should be reproduced in the Annual report and dated as having been presented to the Audit Committee” Subject to that amendment, the minutes were approved.

**Financial
Governance and
Audit Manager**

29. Matters Arising & Rolling Action List

Papers 13/17 & 13/18

The Financial Governance Manager drew members’ attention to the rolling action list. He highlighted the current position in respect of outstanding matters.

New Locum Services

The Financial Governance and Audit Manager reported that the award of the new agency locum framework contract process (being handled by NHS National Services) had now been concluded, and a report was attached for members from the Head of Medical Staffing. In response to a question from Mr Lee asking if the Board’s current major supplier of medical locums was one of the suppliers included on the framework, the Head of Financial Services confirmed that the major supplier (Medacs) had been included on the framework. Mr Winter requested assurance that the implication which he took from the paper that greater reliance could be placed on the medical bank was not the case.

Mr Finnie asked about how doctors were included on a locum list and how they can be excluded from the list. The Director of Finance suggested that this was a matter which the Medical Director would be best place to answer.

Director of HR

Medical Director

Noted

30. Year end draft Directors’ report and Accounts

Papers 13/19 & 13/20

Draft Directors’ Report and draft financial statements

The Director of Finance presented a report asking Members to note the draft Directors’ Report (including the Statements of Responsibility and Governance Statement) and the draft financial statements. The Director of Finance explained that these papers were in draft form and final versions would be presented to the

Action by

Audit Committee for approval at the meeting on 18 June 2013, following any changes required as a result of the audit. The purpose of this paper was to allow members to familiarise themselves with the format and content of the accounts and associated reports to facilitate the approval process at that next meeting. He suggested that if any members had any questions regarding any figures in the financial statements that they should contact the Head of Financial Services.

**Audit Committee
Members**

The Director of Finance highlighted a number of areas including the HEAT target section; he informed members that there had been a revised schedule produced, and tabled it, although it was still subject to approval by the Board Chair and Chief Executive. Members agreed that the revised version was a better presentation of this important information. The Director of Finance also advised members that the Remuneration Report that the order that directors are shown may need to be reconsidered, and that Note 2 would include a note to explain the calculation of the staff numbers.

**Head of Financial
Services**

In response to a question from Mr Lee regarding the increase in compensation payments, the Head of Financial Services confirmed that the payments shown in note 7 were offset by recoveries, which are shown in note 8.

Mr Finnie asked whether the heading "Acute Services Review" was the best title for the section describing the new South Glasgow Hospitals development. The Financial Governance Manager confirmed that he would review this in the final version of the report. He also undertook to highlight for members any significant changes between the draft Directors' Report and Governance Statement and the final audited version.

**Financial
Governance
Manager**

Mr Lee referred to a comment in the Governance Statement regarding whistleblowing, and enquired if this was indeed what was included in the Code of Conduct. The Head of Board Administration and Financial Governance Manager confirmed this would be checked.

**Head of Board
Administration**

Noted

31. Review of the system of internal control 2012/13

Paper 13/30

The Financial Governance and Audit Manager presented a paper asking the Committee to approve the report on the Review of the System of Internal Control, approve the Statement of Assurance by the Audit Committee to the NHS Board, approve the Governance Statement for submission to the NHS Board with a recommendation that the Chief Executive sign the Governance Statement and approve the letter from the Chair of the Audit Committee to the Health, Wellbeing and Cities Strategy Audit Risk Committee.

The Financial Governance and Audit Manager referred to the Governance Statement which had been outlined by the Director of Finance within the

previous agenda item. The purpose of the statement was to describe the effectiveness of the NHS Board's system of internal control and guidance issued by the Scottish Government stated that NHS Boards were responsible for reviewing the effectiveness of internal control having regard to assurances obtained from the Audit Committee and any other standing committee which covers internal control.

The appendices to the paper contained a review of the NHS Board's system of internal control based upon a number of sources of evidence. This included assurances from each of the committees with responsibility for governance, the work of internal and external audit and review of the NHS Board's governance arrangements and for the first time Directors across the organisation gave assurances regarding their area of control.

This review indicated a draft conclusion that the Board's system of internal control was satisfactory with no significant weakness requiring disclosure in the Governance Statement. Based on this draft conclusion, a draft Statement of Assurance from the Audit Committee to the NHS Board was included as an appendix to the report along with the draft letter to the Health, Wellbeing and Cities Strategy Audit Risk Committee.

Following discussion around the assurance statements, members agreed that in future years these statements should be clearly marked as draft prior to being signed and that all signed assurance statements should be presented at the next Audit Committee meeting on 18 June.

Decided that :

subject to all assurance statements being signed

- the report on the Review of the System of Internal Control be approved;
- the Statement of Assurance by the Audit Committee be approved for submission to the NHS Board on 25 June 2013;
- the Governance Statement be approved for submission to the NHS Board on 25 June 2013, with a recommendation that the Chief Executive signs the Governance Statement;
- the letter to the Health and Wellbeing Audit Risk Committee be approved.

**Financial
Governance
Manager**

32. Internal Audit Activity

Papers 13/21 – 13/24

Report on Internal Audit Activity to May 2013

Ms Gibbs presented PwC's Internal Audit Activity report to May 2013, and highlighted that four 2012/13 reports remained incomplete but should be completed by the end of June. She reported that all field work was complete.

Two assignments had been deferred into 2013/14: work on 'Compliance with Clinical Standards' was deferred to take account of the work planned on the results of the Francis Enquiry. This had been requested by the Medical and Nursing Directors. Also, following discussions with the Acute Division Chief Operating Officer it was proposed to carry forward the time allocated to the Acute Services Review to allow a fuller post implementation review of the transfer of Laboratory Services to the New Southern General Hospital.

In relation to the proposed work on the Board's responses to the Francis Enquiry, Mr Finnie enquired about how PwC's work would be focussed. Ms Gibbs responded by confirming that whilst the work has been planned, the detailed scope of the review was still to be carried out; this would take place subsequent to the internal report being prepared. Mr Finnie then enquired about the route that these reports would take. The Head of Board Administration stated that the Board's report would go to Q&P, and following their work, PwC's report would go to the Audit Committee.

Ms Gibbs updated the Audit Committee on PwC's ongoing work in support of the actions arising from the reviews of waiting times. It was also proposed that there would be a follow-up of the waiting times reviews during 2013/14 and this had been included in the Audit Plan to be approved later on the agenda.

Ms Gibbs continued by giving a brief overview of the audits completed in the period.

Risk Management - Partnership Arrangements

This report followed work carried out in Inverclyde CHCP, Glasgow city CHP and West Dunbartonshire CHCP. It was highlighted that Risk Management developments were currently fast moving and that an organisation's risk management needed to evolve to reflect this. Their assessment of the risk management arrangements at NHSGGC compared the current practices within the sampled CH(C)Ps and highlighted certain areas where controls were not operating effectively. Cllr Rooney stated, however, that he did not agree with the findings, as believed that Risk was considered at each West Dunbartonshire CHCP Committee meeting.

Mr Winter considered that this was a poor reflection on risk management within CH(C)Ps and that there should be an immediate date for implementation of agreed actions. Mr Winter asked the Director of Finance if he was happy giving assurance on risk management to the Audit Committee. The Director of Finance responded that he still believed that the process at corporate level was strong but agreed we did need to improve at local level.

**Director of
Finance**

Ms Woolman advised that she would take on board this report along with the views of members when arriving at her opinion on the content of the Governance Statement.

Audit Scotland

TrakCare – Impact on Services within the Emergency Department at RAH

Ms Gibbs explained that this review was a post implementation review of TrakCare at the RAH Emergency Department. RAH was one of the early sites for the implementation of the Trakcare system, which would be rolled out across all NHSGGC Acute sites by the end of June 2013. No significant issues had been identified but the implementation had encountered some cultural resistance with some non-standard working practices being highlighted. Three medium risk recommendations had been made and Management had provided a satisfactory response and was taking action to address the issues.

Mr Winter expressed concerns over the implementation of TrakCare, and that some 12 months after implementation, officers are only now proposing feedback sessions and workshops. Mr White noted that whilst the process hadn't been perfect, he did think it was improving.

Members debated whether the responsible officer should be the Director of regional Services or the Director of HIT. It was agreed that it should be as in the report, the Director of Regional Services, as he was leading the project, and that he should attend the October meeting of the Audit Committee.

Mr Revie suggested that for all high risk audit reports the responsible officer should attend the meeting at which the report is considered. Mr Winter endorsed this suggestion.

**Financial
Governance
Manager**

**Financial
Governance
Manager**

Internal Audit Annual Report 2012/13

Mr White presented the Annual Internal Audit Report for 2012/13. He explained that the Head of Internal Audit was required to provide a written report to the Accountable Officer to inform the NHS Board's Governance Statement. The internal audit work carried out during the year was based on the internal audit annual plan for the year which had been approved by the Audit Committee.

Mr White drew members' attention to the Head of Internal Audit Opinion which stated that "Using the terminology set out in the Department of Health guidance to Heads of Internal Audit (which is built into NHS Internal Audit Standards as adopted by the Scottish Government) this opinion would equate to "Significant Assurance"."

Internal Audit Charter 2013/14

Mr Revie explained that this document sets out the respective expectations and responsibilities of PwC and NHSGGC at each stage of the internal audit process. The paper included a number of performance indicators covering the audit process. Mr Winter noted that there was no mention of Audit Support Groups in the process described. Mr White agreed to amend accordingly.

PwC

Final Draft Internal Audit Plan 2013/14

Mr White took members through the thorough process that had been adopted in the preparation of the Draft Internal Audit Plan. Mr Winter pointed out that the introduction stated that he had met with, and discussed the plan with, PwC, whereas this had not taken place.

PwC

There followed some discussions around the plan including why not all areas with a rating of 4 were in the plan, given that all areas with a rating of 4 or above should be reviewed every year. Also Mr Winter queried the calculation of day rates which appeared inconsistent. Mr Revie confirmed that some rates required to be corrected. Mr Winter concluded the discussion, stating he was content with the plan.

PwC

Members decided that

The Draft Final Internal Audit Plan be approved and

Noted the

- Internal Audit Progress report
- the Annual Audit Report and
- The Internal Audit Charter

33. Audit Scotland Reports

Papers 13/25 and 13/26

External Audit Progress Report

Ms Woolman referred members to Audit Scotland's report in which progress in respect of the various streams of work carried out as part of the audit of the Board's annual accounts for 2012/13 was reported. She highlighted the main thrust of their work was, at present, in respect of the financial statements, and noted that they had been provided with working papers on schedule. Ms Woolman confirmed the other areas that Audit Scotland was progressing included best value, impact reports, national reports and monitoring the National Fraud Initiative. In respect of the national reports, the Financial Governance Manager confirmed that the two reports in respect of which feedback was awaited, would be presented to the Audit Committee in October.

Review of Internal Controls

Ms Woolman presented Audit Scotland's report detailing Audit Scotland's assessment of the systems of internal control put in place by management.

Ms Woolman advised members that Audit Scotland were able to conclude, that based on their review and testing of selected financial systems, NHSGGC has adequate systems of internal control, and that this assessment could be used to inform the Chief Executive's review of the Board's system of internal control. Ms Woolman also acknowledged the assistance received from Board officers during their audit.

Noted

34. Draft Corporate Risk Register

Paper 13/27

The Financial Governance Manager presented a paper asking Members to consider and approve the updated Corporate Risk Register (CRR) for 2013. He outlined the process that had been followed to prepare the updated CRR, and highlighted the additions to and deletions from the previous version of the CRR, and that CMT had endorsed the CRR.

There followed discussion around some matters that were not specifically referred to in the CRR including inequalities, commissioning of the New South Glasgow Hospitals and the preparations for the Commonwealth Games; members agreed that these should be borne in mind for future years.

**Financial
Governance
Manager**

Decided that the Corporate Risk Register for 2013 be approved

35. Annual Fraud Report

Paper 13/28

The Financial Governance and Audit Manager presented the Annual Fraud Report 2012/13 asking members' approval. The report detailed the NHS Board's counter fraud arrangements and also the nature and level of fraud within NHS Greater Glasgow and Clyde.

He also summarised the position in respect of the National Fraud Initiative along with Counter Fraud Services' quarterly report..

In terms of the nature and level of fraud, details were given of the new cases of fraud which were discovered in 2012/13. The level of fraud in an organisation of the size of NHS Greater Glasgow and Clyde did not suggest that there were deficiencies in the counter fraud arrangements or significant weaknesses in the overall system of control.

Decided that the Annual Fraud Report 2012/13 be approved

36. Losses and compensations 2012/13

Paper 13/29

The Financial Governance Manager presented a report for members to note the details of losses incurred and compensation payments made during 2012/13. The Financial Governance Manager advised members that the Remit of Audit Committee required consideration of the losses and compensation payments in accordance with the Scottish Government Audit Committee Handbook. He noted that the largest payments were in respect of compensation payments which were recoverable from the Clinical Negligence and Other Risk Indemnity Scheme.

Noted

37. Minutes of Audit Support Groups

Paper 13/31

The following minutes were presented to the members:

Acute Audit Support Group meeting – 8 May 2013

Corporate & Partnerships Audit Support Group – 22 May 2013

Mr Finnie asked that the remits of the Audit Support Groups be considered by the Audit Committee, and the Head of Board Administration confirmed that was planned for the October meeting of the Audit Committee.

**Director of
Finance**

Mr Lee suggested that the Assurance Statement be amended to show that the Audit Committee was “assisted by” the Audit Support Groups instead of that the work was “relied” on.

**Financial
Governance
Manager**

Noted

38. Date of next meeting

Subsequent to the meeting the date of the next meeting was changed from Tuesday 18th June to **Wednesday 19th June at 9:00am**

The meeting concluded at 3:45pm and was followed by members’ private sessions with PwC and Audit Scotland respectively.

K Winter

Chair

19 June 2013