

NHS Greater Glasgow and Clyde

**Minutes of a Meeting of the Audit Committee
held in the Meeting Room,
Administration Building, Gartnavel Royal Hospital, Glasgow G12 0XH
on Wednesday, 19 June 2013 at 9:00am**

PRESENT

Mr K Winter (Chair)
Mr P Daniels OBE
Mr R Finnie
Dr M Kapasi MBE
Mr I Lee
Dr R Reid

IN ATTENDANCE

Mr P James	Director of Finance
Mr M Gillman	Financial Governance Manager
Mr P Ramsay	Head of Financial Services
Mr M Sheils	Deputy Head of Financial Services
Ms G Woolman	Audit Scotland
Ms H Russell	Audit Scotland
Mr A Brown	Audit Scotland
Mr M White	PwC

Action by

39. Apologies

Apologies were intimated on behalf of Cllr M Rooney and Mr D Sime.

Mr Winter thanked members for accommodating the change of date and venue which was required due to the Director of Finance's attendance at the Scottish Parliament Health and Sport Committee.

40. Declarations of Interest

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

41. Minutes

The Director of Finance informed members that in relation to the internal audit report on Risk Management Arrangements, PwC had confirmed that they did not consider that this required to be noted in the Governance Statement. Ms Woolman noted that she found that helpful, and agreed that there was no need for that to be in the Governance Statement.

The minutes of the meeting on 4 June 2013 (A (M) 13/03) were approved as a correct record and signed by the Chairman.

42. Matters Arising

The Financial Governance Manager drew members' attention to the matters arising from the minutes that related to the annual accounts process, and advised that a schedule of changes was included in the following agenda item. He confirmed that changes to the Directors' Report discussed at the previous meeting had been made and that signed assurance statements had been received from the required committees.

Noted

43. Draft Directors' Report and Annual Accounts 2012/13

The Director of Finance presented a paper asking Members to consider the draft Statement of Accounts in respect of NHS Greater Glasgow and Clyde for the year ended 31 March 2013.

The Director of Finance confirmed that the Board had achieved its three financial targets: the Revenue Resource Limit, the Capital Resource Limit and the Cash Requirement. He also described for members the material changes that had been made in the Directors' Report subsequent to the previous meeting.

There followed some discussion on the revised format of the HEAT target report and it was agreed that some further minor changes be made.

The Director of Finance outlined the key aspects of the financial section of accounts for members; he answered members' questions on a number of areas, in particular, core and non-core expenditure, impairment, capital commitments and equal pay claims.

Mr Finnie pointed out that with regard to the paragraph on "disclosure of information to auditors", there should be specific mention that "each" member gives undertakings referred to; it was agreed that this should be changed in the final accounts.

Decided

Subject to changes agreed,

**Director of
Finance**

1. that the Statement of Accounts be adopted by the NHS Board;
2. that the Chief Executive sign the Directors' Report and Remuneration Report;
3. that the Chairman and Director of Finance sign the Statement of Health Board Members' Responsibilities in respect of the Accounts;
4. that the Chief Executive sign the Governance Statement;
5. that the Chief Executive and Director of Finance sign the Balance Sheet;
6. that the Statement of Accounts be submitted to the Scottish Government Health Directorates.

44. Audit Scotland: Report to those charged with governance on the 2012/13 audit

Ms Woolman presented the Audit Scotland report highlighting for members matters arising from the audit of the Statement of Accounts 2012/13.

Ms Woolman described for members the significant matters arising in her report; she advised that Audit Scotland's work had identified no material weaknesses in the Board's accounting and internal control systems, and that an unqualified audit opinion would be issued (subject to a final review).

Ms Woolman also highlighted that they identified an over accrual of expenditure which was as yet unspent and uncommitted, and that while management considered this not to be material, Audit Scotland had included this as an unadjusted error in this report.

The Director of Finance noted that the funding received was in respect of money for cancer services and a decision had been taken to retain the funds for expenditure during 2013/14.

Members discussed the points raised in the report. In relation to impairments, there was discussion about the process for moving out of the old sites following completion of the South Glasgow Hospital,

Mr Lee enquired about the increase in accruals in respect of maternity pay; Ms Woolman informed members that there had been clarification of guidance to national terms and conditions that entitled employees to pay/time in lieu in respect of public holidays not taken whilst they were on maternity leave.

Dr Kapasi enquired about the financial stability of the Board, and the Director of Finance reassured members that robust financial plans, including savings plans, were in place.

Ms Woolman outlined the letter of representation that the Chief Executive would be signing along with the annual accounts.

Mr Winter thanked Ms Woolman and the Audit Scotland team for their work throughout the year.

Decided

That the Chief Executive be authorised to sign the Letter of Representation.

45. Date of Next Meeting

Members agreed that an interim, single agenda item meeting should be held to receive Audit Scotland's Annual report should be held on Tuesday, 6 August 2013, following that morning's Board Seminar.

The next scheduled meeting will be on Tuesday, 8 October 2013 at 9:30am, in the Boardroom, J B Russell House.

The meeting concluded at 11:10am.

Signed

K Winter, Chair

6 August 2013

Not yet approved as a true record of the meeting

A (M) 13/05 Minutes: 46 - 50

NHS Greater Glasgow and Clyde

**Minutes of a Meeting of the Audit Committee
held in the Board Room,
JB Russell House, Gartnavel Royal Hospital, Glasgow G12 0XH
on Tuesday, 6 August 2013 at 1:00pm**

PRESENT

Mr K Winter (Chair)
Mr R Finnie
Mr I Lee
Dr R Reid
Cllr M Rooney

IN ATTENDANCE

Mr P James	Director of Finance
Mr J Hamilton	Head of Board Administration
Mr M Gillman	Financial Governance Manager
Ms G Woolman	Audit Scotland
Ms H Russell	Audit Scotland

Action by

46. Apologies

Apologies were intimated on behalf of Mr P Daniels OBE, Dr M Kapasi MBE and Mr D Sime.

Mr Winter advised that the reason for this meeting was to consider Audit Scotland's annual report on the 2012/13 audit prior to its presentation to the NHS Board.

47. Declarations of Interest

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

Action by

Not yet approved as a true record of the meeting

48. Minutes

Subject to the following amendments proposed by Ms Woolman in minute 44 – “over accrual of funding” to be changed to “over accrual of expenditure” and “change to national terms” to be changed to “clarification of guidance on national terms” - the minutes of the meeting on 19 June 2013 (A (M) 13/04) were approved as a correct record and signed by the Chairman.

49. Audit Scotland: Annual report on the 2012/13 audit

Prior to Ms Woolman making her presentation to the Committee, members discussed and agreed the process to take forward the report to the NHS Board. It was agreed that the covering paper would highlight that the report had been scrutinised by the Audit Committee.

Ms Woolman advised members that the report was a summary of Audit Scotland’s findings arising from the 2012/13 audit of NHSGGC. The report set out the scope, nature and extent of the audit, and summarised the auditor’s opinions and conclusions and any significant issues arising. The report was divided into sections which reflected the public sector audit model.

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

Financial statements

Ms Woolman confirmed that Audit Scotland had given an unqualified opinion on the Board’s 2012/13 financial statements. She noted that the main points contained in this section had been previously reported to the Audit Committee on 19 June 2013.

Financial position

Ms Woolman noted that the Board had met its financial targets during the year and that this had included achievement of its savings target. She also noted that, going forward, the Board would continue to require to make savings to achieve a break even position.

Governance and accountability

Ms Woolman advised members that Audit Scotland had concluded that the Board’s governance structures are broadly satisfactory and operated effectively throughout the year. She also outlined Audit Scotland’s findings with regard to patient safety and clinical governance, partnership working, internal control and prevention and detection of fraud. In looking forward Ms Woolman highlighted staff changes, with a number of senior officers leaving the Board during 2013/14, and also the Board’s position in respect of the Public Bodies (Joint Working) (Scotland) Bill and boundary changes.

Action by

Not yet approved as a true record of the meeting

Best value, use of resources and performance

Under this section, Ms Woolman took members through the findings and comments on areas including the best value toolkit on equalities and progress on the Equality Act 2010, service redesign, asset management, performance management, people management and the management of waiting times.

Ms Woolman then directed members to appendix B of the report which highlighted the key issues identified by Audit Scotland. She advised members that management had considered these issues and have agreed actions to address them.

Following questions from members and discussions on a number of areas including the consolidation of endowment fund accounts, workforce planning, equal pay claims and the action plan, Mr Winter thanked Ms Woolman for her report.

Decided

1. That Audit Scotland's report be noted.
2. That the Director of Finance prepare a covering paper and submit it and the report to the NHS Board for information.

**Director of
Finance**

50. Date of Next Meeting

The next scheduled meeting will be on Tuesday, 8 October 2013 at 9:30am, in the Boardroom, J B Russell House.

The meeting concluded at 2:05pm.