

A (M) 13/06 Minutes: 51 - 65

# 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, 8 October 2013 at 9:30am**

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## **PRESENT**

Mr K Winter (Chair)  
Mr P Daniels OBE (until Item 8)  
Mr R Finnie  
Dr M Kapasi MBE  
Mr I Lee  
Dr R Reid  
Cllr M Rooney  
Mr D Sime

## **IN ATTENDANCE**

Mr R Calderwood	Chief Executive
Mr P James	Director of Finance
Mr J Hamilton	Head of Board Administration
Mr M Gillman	Financial Governance Manager
Ms M Ryan	Lead Clinician Prescribing Services (until Item 6)
Ms H Russell	Audit Scotland
Mr G Seenan	Audit Scotland
Ms F Gray	PwC
Mr M White	PwC
Mr K Wilson	PwC

**Action by**

### **51. Apologies**

There were no apologies for the meeting.

### **52. Declarations of Interest**

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

**53. Minutes**

The minutes of the meeting on 6 August 2013 (A (M) 13/05) were approved as a correct record and signed by the Chairman.

**54. Audit Committee Papers**

Mr Winter advised members that, in an attempt to reduce the paperwork for consideration at Audit Committee meetings, internal audit reports would be available for members in an annexe to the main papers, and as such would not be part of the agenda for the meeting.

**55. Rolling Action List**

The Financial Governance Manager updated members as to progress of items on the rolling action list.

Mr Lee expressed his concern that the actions around improving the effectiveness of the SPIG were not yet complete. Agreed that the Director of Finance would progress matters in this regard.

**Director of  
Finance**

In relation to Civil Contingencies Planning, Cllr Rooney commented on the need for the Board to have well structured business continuity plans, and referred more specifically to the Commonwealth Games. The Chief Executive replied that he had chaired many meetings in this regard and was concerned that Commonwealth Games organisers hadn't yet responded to answer all the Board's questions regarding the extra risks to be faced by NHSGGC.

**56. Response to Prescribing in General Practice National Report**

Ms Ryan highlighted the key points contained in the update paper from Prescribing Support Services in response to Audit Scotland's report on prescribing. She advised members that the report was positive in respect of NHSGGC and that a number of initiatives are in place and others to be fully implemented in 2013/14 which seek to fulfil the recommendations outlined in the report.

Ms Ryan, and also the Director of Finance, answered questions from Dr Kapasi and Mr Finnie regarding polypharmacy reviews and the financial risks surrounding pharmacy budgets. Ms Ryan concluded by stating that, whilst NHSGGC does prescribe a high volume of drugs, the Board is efficient and cost effective in its prescribing processes.

**Noted**

**57. Response to Cardiology National Report**

The Financial Governance Manager advised that the Director of Emergency Care and Medical Services was not able to attend the meeting but had submitted a paper, which had been co-ordinated through the Heart MCN, in response to Audit Scotland's national report. The self assessment checklist provided showed that NHSGGC has the majority of the recommendations in place and working well.

They followed some discussion on this paper, and members considered that the response was satisfactory and that further attendance by the Director of Emergency Care and Medical Services was not required.

**Noted**

**58. Audit Scotland Reports**

**External Audit Progress Report**

Ms Russell referred members to Audit Scotland's Progress report covering the work carried out in the period to September 2013 as part of the 2012/13 Audit Plan, and highlighted the key points in respect of their work. She also updated Members the Best Value Toolkit, performance audit, the National Fraud Initiative and national studies, including Managing early departures from the Scottish public sector.

**ICT Change Management**

Mr Seenan summarised the report on ICT for members, pointing out that the review identified a number of good practices, including the application of industry best practice to local processes in the use of a formal structure and defined path for ICT changes. They did, however, identify areas where both policies and procedures could be improved and refined. In response to a question from Mr Lee about the recent system and network problems experienced across NHSGGC, Mr Seenan advised that this issue would be explored separately. The Chief Executive advised that he expected the Scottish Government to request a full review if the problem.

Mr Finnie enquired about duplication of effort when the ICT report (and also the Best Value Toolkit) had already been considered by the Audit Support Groups. The Director of Finance responded by advising a paper was presented on the agenda focussing on the role of the support groups.

Cllr Rooney referred to the report on managing early departures, and there followed some discussion. Mr Sime noted that the Board did not have a scheme for early departures, but members of staff were able to enter into individual compromise agreements.

**Action by**

In response to a question from Mr Finnie about why the Best Value Toolkit made no reference to value for money, the Director of Finance replied that, in his view, it was really referring to “Best Practice”. Mr Lee enquired if the report might be renamed to reflect this.

**Audit Scotland**

**Noted**

#### **59. Internal Audit: Progress Report**

Mr White outlined PwC’s Internal Audit Activity report covering the period to September 2013, which summarised the findings and recommendations of assignments completed during the period.

He informed members that the following five reports had been completed

- Child Protection – high risk
- Cash Management – medium risk
- Property Transaction Monitoring – low risk
- Trakcare Post Implementation – low risk
- Labs Post Implementation – low risk

Ms Gray then took members through the findings of the Child Protection and Cash Management reviews.

The Director of Finance advised that the Director of Nursing had not been able to attend the meeting to answer questions; Mr Winter expressed his view that it was very important that officials attend where there are high risk findings to be discussed. Mr Lee noted that the Child Protection report was helpful and the management actions agreed suggested that it appeared to be a relatively easy fix. Confirmation of the actions undertaken would be presented at the next meeting.

**Director of Nursing**

Regarding Cash Management – Mr Lee expressed concern that only five of the prior year’s findings had been remediated. The Director of Finance advised that he would follow this matter up with the Head of Financial Services and the Acting Director of Facilities. Mr Winter suggested that the remaining findings, particularly regarding site visits should again be an easy fix.

**Director of Finance**

The Committee also noted some minor changes to the Audit Plan, with the Mid-Staffs report being deferred until the new year. Mr Winter reminded the Director of Finance a revised plan would need to be brought back to the Committee for approval.

Mr Finnie noted that he thought that the summarised report from PwC was very helpful.

**Action by**

Mr White continued to update members on progress on the Board's risk management arrangements. He highlighted that a potential risk such as the catastrophic IT incident might not be picked up under the current arrangements, and this demonstrated the need to adapt the current methodology. Revised arrangements would be reported at the next meeting.

**Noted**

**60. Property Transactions Monitoring Report**

Mr White confirmed that, as noted above, this review was categorised as low risk, and that the report was suitable for submission to SGHSCD.

**Decided**

That the report be submitted to SGHSCD.

**Financial  
Governance  
Manager**

**61. Role of Audit Support Groups**

There was a lengthy debate amongst members on how to avoid duplication of effort and what the role of the support groups should be. The debate also included the matter of official attending meetings, and the Chief Executive stated that it was unacceptable that no officials were in attendance, particularly where there were high risk findings identified.

**Decided**

that the Director of Finance should report back to the Committee in February setting out a way in which to give greater assurance that all responsibilities are discharged.

**Director of  
Finance**

**62. Audit Committee Self Assessment**

Members debated the draft checklist and agreed to make some additions and changes. The final version would be circulated to members.

**Noted**

**Financial  
Governance  
Manager**

**63. Fraud Report**

The Financial Governance and Audit Manager highlighted for members the report summarising progress in the on-going investigations of fraud as at September 2013. Five new cases of suspected fraud were added to the fraud register during the period and three cases closed. There were 18 open cases at 30 September 2013.

He advised members on the revised payment verification protocols, CFS matters and the National Fraud Initiative.

The Strategy to Combat Financial Crime in NHS Scotland was also presented to members setting out actions being taken by NHSGGC's to meet the new requirements.

**Noted**

**64. Audit Support Groups - Minutes of Meeting**

The following minutes were presented to members:

Acute Audit Support Group – 23 September 2013

Corporate and Partnerships Audit Support Group – 20 September 2013

**Noted**

**65. Date of Future Meetings**

The timetable of future meetings was agreed as

- Tuesday, 25 Feb 2014
- Tuesday, 3 Jun 2014 - following Board Seminar
- Tuesday, 17 Jun 2014 - single item agenda - approval of Annual Accounts
- Tuesday, 12 Aug 2014 – normal business meeting, including Audit Scotland's Final Report
- Tuesday, 25 Nov 2014

The meeting concluded at 12:20pm.