

A (M) 14/01 Minutes: 1 - 19

# NHS Greater Glasgow and Clyde

**Minutes of a Meeting of the Audit Committee  
held in Meeting Room B,  
JB Russell House, Gartnavel Royal Hospital, Glasgow G12 0XH  
on Wednesday, 5 March 2014 at 9:30am**

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## **PRESENT**

Mr K Winter (Chair)  
Mr R Finnie  
Dr M Kapasi MBE  
Dr R Reid (until minute 14)  
Mr D Sime

## **IN ATTENDANCE**

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|----------------------|---|
| Mr R Calderwood      | Chief Executive (until minute 13)                                   |
| Dr J Armstrong       | Medical Director (until minute 6)                                   |
| Ms R Crocket MBE     | Director of Nursing (for minute 9)                                  |
| Mr M Gillman         | Financial Governance Manager  |
| Mr J Hamilton        | Head of Board Administration  |
| Ms A Harkness        | Director of Emergency Care and Medical Services<br>(until minute 5) |
| Mr P James           | Director of Finance   |
| Ms J Richardson      | Financial Governance Manager (for minute 14)                        |
| Professor C Williams | Consultant Microbiologist (until minute 6)                          |
| Mr R Wright          | Director of HI&T (for minute 10)                                    |
| Ms H Russell         | Audit Scotland  |
| Mr G O'Neill         | Audit Scotland (until minute 10)                                    |
| Mr M Rautenbach      | Audit Scotland (until minute 10)                                    |
| Ms G Woolman         | Audit Scotland  |
| Ms F Gray            | PwC   |
| Mr M White           | PwC   |
| Mr K Wilson          | PwC   |

## **Action by**

### **1. Apologies**

Apologies for absence were received from Mr P Daniels OBE, Mr I Lee and Cllr M Rooney.

**2. Declarations of Interest**

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

**3. Minutes**

The minutes of the meeting on 8 October 2013 (A (M) 13/06) were approved as a correct record and signed by the Chairman.

**4. Rolling Action List**

Mr Gillman referred to the Rolling Action List, and outlined for the Committee the position on each item.

**Noted**

**5. Internal Audit Report – Patient Management Process: Glasgow Royal Infirmary and Victoria Infirmary Emergency Departments**

Ms Gray outlined the background to this review and the two medium risk findings which had been identified. The first finding was that there is a misalignment between the Trakcare patient management system and the patient management process in place, resulting in an increased risk that the expected efficiencies and benefits associated with the implementation of Trakcare will not be realised.

Ms Harkness confirmed that Management would review the current processes in place and identify where changes should be made to remediate issues. In addition, discussions would be opened with IT to determine where amendments to system functionality could be made to address these issues.

The second finding was that There is a separate ward for treatment of GP referral patients within the Glasgow Royal Infirmary. On the implementation of Trakcare, the ward was assigned an in-patient module, which contains no emergency assessment functionality. As a result of the emergency module of Trakcare being unavailable to the GP referral department staff.

Ms Harkness confirmed that discussions had been held regarding this finding and an upgrade of Trakcare has now corrected this issue.

Mr Winter thanked Ms Harkness for her attendance at the meeting .

**Noted**

**Director of  
Emergency Care  
and Medical  
Services  
March 2014**

Action by

**6. Internal Audit Report – CVC and PVC Auditing and Reporting**

Ms Gray advised members that this review had been classified with a high risk rating, with two high, two medium and two low risk findings.

The first high risk finding was that there was not yet an approved policy on the insertion and maintenance of PVCs and CVCs. It was recognised that Practice Development had created a policy entitled ‘Administration of parenteral medication’, which includes policy on IV medicines, this policy was in draft and has not yet been approved and issued to clinical staff. In addition, the policy did not include the Board’s position on current areas of uncertainty. For example, where a patient’s cannula strip is found to be undated is it appropriate for the date and time to be estimated and, if so, what date and time should be assumed as the time of insertion?

Professor Williams outlined the work that was ongoing to develop and finalise the policy. The policy would include a list of “must dos” and would be supported by Standard Operating Procedures.

**Medical Director  
March 2014**

Mr Sime suggested it would be useful for the policies to be confirmed at the next meeting.

**Medical Director  
June 2014**

Mr Wilson advised that PwC intended to review the restructuring of infection control arrangements across the organisation and would finalise their report by the end of May, and in advance of the Vale of Leven Inquiry Report. Mr Finnie stated that he thought that there was merit in carrying out this work before Lord MacLean’s report is published.

Mr Calderwood supported this review, but considered that it should look more widely than the Vale, i.e. to look at the infection control arrangements put in place following the 2008 restructuring. He also requested that the Terms of Reference of the review should be agreed by CMT.

**Director of  
Finance  
April 2014**

Ms Gray continued to describe the second high risk finding: that CVC care plans (maintenance charts) not implemented outwith Intensive Care Units (ICUs) and that where there is no standardised care plan aligned to the care bundle in place, this could result in inconsistent care procedures. In addition, incomplete information may be captured, leading to non-compliance.

Professor Williams confirmed that a CVC care plan aligned to the CVC care bundle and policy would be designed and implemented across all wards to ensure there is a consistent approach to CVC procedures. This would address the whole process for starting a care plan as soon as a patient arrives on a ward and that there would be a single point of responsibility.

**Infection Control  
Manager  
March 2014**

In respect of the two medium findings, these were, firstly, that there was a lack of PVC and CVC process ownership, increasing the risk of inconsistencies between policy, training, care bundles, care plans, monitoring and reporting and, secondly, that there were inconsistencies in auditing and monitoring procedures which could be the cause of inconsistent results that have been noted in the reporting of performance in this area.

**Infection Control  
Manager  
April 2014**

Ms Gray reported that management have agreed that a designated PVC and CVC lead would be established to ensure that the actions in the report are implemented and that consistency is achieved and maintained across all processes relating to PVCs and CVCs. In addition, the current toolkits used by the Infection Control Audit Group and the SPSP would be reviewed and, where appropriate, updated. Professor Williams advised that the practice of self audit would also be continued, with results being compared to SPSP self audits.

Mr Winter thanked Dr Armstrong and Professor Williams for their contribution.

**Noted**

**7. Internal Audit: Progress Report**

Mr Wilson and Mr White outlined PwC's Internal Audit Activity report covering the period to February 2014, which summarised the findings and recommendations of assignments completed during the period and also the changes in the proposed work from the original plan. Mr Winter emphasised the need requirement for the Audit Committee to approve any major changes to the plan.

Mr White highlighted for members the findings (both medium risk) from the Ordering and Receipting of Goods Delivered at Desk review, firstly, that there was no segregation of duties for at desk orders under £1,000, and, secondly that goods are receipted in PECOS without verification. Mr White advised that management would scrutinise reports for unusual ordering patterns, and also that a new approach was proposed for PECOS which would be implemented following software testing.

**Purchasing  
Manager  
April 2014**

Ms Gray gave the meeting a brief overview of the internal audit review of GP Access to Diagnostics which resulted in a low risk rating.

**Noted**

**8. Audit Scotland Reports**

**External Audit Progress Report**

Ms Woolman referred members to Audit Scotland's Progress report covering the work carried out in the period to February 2014 as part of the 2013/14 Audit Plan, and highlighted the key points in respect of their work. She highlighted the key risks that they perceived to be facing the NHS Board in 2013/14 :-

- the requirement to have endowment fund figures available for inclusion in the financial statements
- the achievement of the projected year end surplus of approximately £8m

- prior year end expenditure accruals for which no goods or service had been received
- the risk that the board does not achieve its HEAT targets during 2013/14

Ms Woolman then described the range of outputs Audit Scotland would deliver based on review of those risks, and advised that the fee would be £578,000.

Mr Finnie raised a query regarding the consolidation of the endowment fund figures, particularly that he found it difficult to agree with the notion that the NHS Board has control over endowment funds, as they should not be a substitute for core NHS activity. Ms Woolman replied by noting that the policy had been decided by the Scottish Government Technical Accounting Group. Nevertheless, Mr Finnie pointed out that an obligation of Endowment Fund Trustees is to ensure that no funds have been placed at the disposal of the NHS Board, and that this is at odds with control implied by consolidation.

There followed continued discussion on this matter; Mr James considered that that any move towards non-consolidation of endowments would need to be discussed with the SGHSCD Director of Finance, as well as getting the formal view of Audit Scotland. Ms Woolman considered that, given the materiality of NHSGGC endowment funds, it would be likely that non-consolidation would lead to a qualification in the accounts. The discussion ended with Mr Calderwood expressing his view that non-compliance with SG policy should not be considered. Mr Sime endorsed this view, and also stated that such a major decision to depart from SG policy would have to be taken by the full NHS Board.

**Director of  
Finance  
June 2104**

Ms Woolman also updated the meeting on performance audit, the National Fraud Initiative and national studies, including Reshaping care for older people and Management of patients on NHS waiting lists: update.

### **Noted**

#### **9. Progress on Actions Arising from Child Protection – Significant Case Reviews**

Ms R Crocket presented a paper to the Committee detailing the actions being taken in response to the internal audit report on Child Protection – Significant Case Reviews. She noted that the purpose of the Action Plan was to provide the Audit Committee with the assurance that the recommendations from the Internal Audit Report into the review of action planning and lessons learned from Significant Case Reviews has been completed. Ms Crocket talked through the update and answered members' questions.

Dr Kapasi considered that it was important to improve the interaction between health visitors and GPs. Ms Crocket stated, however, that sharing of information across all agencies was very important, and that NHSGGC had been improving in this respect.

Ms Crocket concluded by informing members that the Child Protection Forum will be monitoring the completion of all actions.

Mr Winter thanked Ms Crocket for her update.

**Noted**

**10. Audit Scotland – User Identity and Access Management**

Mr O'Neill highlighted the key points from the Audit Scotland review of User Identity and Access Management. The conclusion was that the variety of policies and procedures that the board has in place to manage users' identities and access to systems provides a degree of control. However, the resulting UIAM and user provisioning process was protracted, disparate and reactive. Audit Scotland were particularly concerned to note that generic user identities exist on the clinical applications reviewed. In addition, the risk noted by the Information Commissioner in December 2011 regarding user identities that are active when members of staff have left the organisation or are away for extended periods of time, remains.

Mr Wright advised members that he considered that this was a helpful report, and that he had embraced the recommendations in drawing up the action plans. He addressed some specific issues raised in the report, namely the process to identify unused user identities - the 13 month protocol allows for employees on extended leave to retain their user ids - and the issue of A&E clinicians not logging off – generic user accounts were needed in certain areas such as busy A&E departments. These areas would be monitored.

Mr Wright noted that he would bring an update on progress to a future meeting of the Audit Committee.

**Director of HI&T**

Mr Winter stated that he appreciated that the large number of NHSGGC employees made this a very complex area, and thanked Mr Wright for his contribution.

**Noted**

**11. Audit Scotland –Review of Internal Audit**

Ms Woolman advised members that they had completed their assessment of the internal audit function provided by PwC. This included a review of the range and quality of PwC's work. Audit Scotland concluded that the internal audit service operates in accordance with Public Sector Internal Audit Standards and has appropriate documentation standards and reporting procedures in place.

For their financial statements audit responsibilities Audit Scotland plans to place formal reliance on aspects of internal audit's work in a number of areas.

**Noted**

**12. National Audit Scotland Report Responses**

The Financial Governance Manager presented a paper which showed the key recommendations, and NHSGGC's responses thereto, contained in the following national reports published by Audit Scotland:

- NHS financial performance 2012/13
- Management of patients on NHS waiting lists

He advised that in respect of financial performance, NHSGGC are shown in the full report as having met all its savings targets during the year, and that for waiting times The report indicates that NHSGGC met two out of the three waiting time targets and was within 1% of the third (no outpatient will wait more than 12 weeks for their first appointment).

**Noted**

**13. Audit Committee support arrangements**

Mr James presented a paper in response to a previous request from the Audit Committee to review the Audit Committee's support arrangements. Mr James advised that the recommendation was for the formation of the Audit Committee Executive Group (ACEG), and he outlined the rationale behind this; that the Audit Committee could derive assurance on high and medium risk reports by the responsible officer attending the Audit Committee, and for PwC to give the Committee the assurance for low risk reports.

Mr Finnie noted that he welcomed the recommendations of the paper and the proposed engagement of executives/senior managers in the preparation process.

Mr Wilson reported that PwC had been involved in the discussions leading up to this recommendation, and also welcomed the change, although he did think timing may be a challenge for PwC if they have to amend a report between the ACEG meeting and the Audit Committee meeting. Mr White agreed that there was an onus on PwC to alert officers that they may need to attend the Audit Committee.

Ms Woolman also advised that Audit Scotland welcomed the proposals.

Action by

**Decided**

1. that the recommendation for the formation of the new Audit Committee Executive Group be approved, and
2. that the revised remit of the Audit Committee be included in the Annual Review of Corporate Governance.

**Head of Board  
Administration**

**14. Revised Standing Financial Instructions and Scheme of Delegation**

Mr James summarised for members the key changes proposed to the Standing Financial Instructions and the Scheme of Delegation. In particular, he covered Capital Expenditure and Property, Contingencies and Approval of Business Cases.

In response to a question from Mr Finnie as to whether Q&P was the most appropriate forum to approve capital expenditure, Mr Hamilton confirmed that the remit of Q&P does include the approval of capital.

There was also some discussion around limits for capital expenditure approval. The Committee considered that the approval limit for the Capital Planning Group was too high. It was agreed that the limit be reduced from £5m to £1.5m, with approval required Q&P for anything greater than £1.5m. It was also agreed that all property transactions greater than £1.5m should be approved by Q&P.

**Financial  
Governance  
Manager**

Mr Finnie also asked that it was ensured that the SFI on endowment funds was consistent with the Endowments Charter and Operating Instructions.

**Financial  
Governance  
Manager**

Subject to the changes, Mr James advised that the SFIs and Scheme of Delegation would be taken to the NHS Board meeting in April for approval.

**Decided**

to endorse the revised SFIs and Scheme of Delegation for approval by the NHS Board

**15. Annual Review of Corporate Governance**

Mr Hamilton described the process for the Annual Review of Corporate Governance.

There was a discussion on the paper, and it was agreed that there would be a change on page 6 of Appendix 1 - Standing Orders for the Proceedings and Business of NHS Greater Glasgow And Clyde; at the end of paragraph 3, where it states that "The Head of Board Administration will write to Members every six months to request them to formally review their declaration.", it was agreed to replace "six months" with "annually".

**Head of Board  
Administration**

**Decided**

to endorse the Annual Review of Corporate Governance for approval by the NHS Board

**16. Fraud Report**

The Financial Governance and Audit Manager highlighted for members the report summarising progress in the on-going investigations of fraud as at February 2014. Four new cases of suspected fraud had been added to the fraud register during the period and six cases closed. There were currently sixteen open cases at the end of February 2014. The detail behind these cases was shown in Appendix 1 – List of Ongoing Fraud Cases.

Mr Gillman also highlighted for members the other key points from the report, including progress on the National Fraud Initiative.

**Noted**

**17. Counter Fraud Checklist**

Mr Gillman presented NHSGGC's updated Counter Fraud Checklist as part of the national Strategy to Combat Financial Crime in NHS Scotland. As part of this, NHS Boards are now required to submit annually a checklist covering their counter fraud strategy and arrangements.

Confirmation had been received from the internal auditors that they considered that NHSGGC's response to the Counter Fraud Checklist was consistent with their understanding of the Board, its policies and procedures.

Mr Gillman confirmed that checklist would now be forwarded to NHS Counter Fraud Services.

**Noted**

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

The following minutes were presented to members:

Acute Audit Support Group – 29 January 2014

Corporate and Partnerships Audit Support Group – 5 February 2014

**Noted**

**19. Date of next meeting**

- Tuesday, 3 Jun 2014 at 1:00pm - following Board Seminar

The meeting concluded at 12:40pm.