

A (M) 14/05 Minutes: 59 – 69

NHS Greater Glasgow and Clyde

**Minutes of a Meeting of the Audit Committee
held in the Board Room,
JB Russell House, Gartnavel Royal Hospital
on Tuesday, 25 November 2014 at 9:30am**

PRESENT

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

IN ATTENDANCE

Mr J Hobson	Interim Director of Finance
Mr J Hamilton	Head of Board Administration
Mr M Gillman	Financial Governance Manager
Ms H Russell	Audit Scotland
Mr G O'Neill	Audit Scotland (until minute 63)
Ms J Downie	PwC
Ms F Gray	PwC
Mr M White	PwC
Mr K Wilson	PwC
Mr G Robertson	Public Affairs Manger (until minute 63)

Action by

59. Apologies

Apologies were intimated on behalf of Mr P Daniels OBE, Dr R Reid and Cllr M Rooney

60. Declarations of Interest

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

61. Minutes

The minutes of the meeting on 12 August 2014 (A(M)14/04) were approved as a correct record of the meeting.

62. Matters Arising and Rolling Action Lists

Mr Gillman updated the Committee on the position of items on the rolling action list.

In particular, he highlighted the Business Continuity Management report; the agreed target implementation date for the completion of the management actions was 1 April 2013. That date slipped, and with the changeover in the post of Head of Civil Contingencies Planning, the Audit Committee accepted a revised target date of 31 October 2014. Whilst it was acknowledged that some work has been carried out to partially implement the recommendations, the revised target for full completion still has not been achieved. The Head of Civil Contingencies Planning now anticipates completion by March 2015 - 2 year after the originally agreed date.

Mr Hobson advised members that he had escalated this matter to the Director of Public Health, who has agreed to ensure that the actions will be completed in time for the next Audit Committee meeting in February. She also confirmed she would attend to reassure members.

**Head of Civil
Contingencies
Planning/ Director
of Public Health**

Mr Lee requested it be noted that the Audit Committee feels strongly about the delays, and fully expected this to be completed by February.

Mr Gillman drew members' attention to the second part of the rolling action list – the table summarising audit findings. The Committee expressed its satisfaction that management actions were being confirmed as being complete.

Noted

63. Audit Scotland

Ms Russell gave an overview of the Audit Scotland progress report, which included a final summary of the 2013/14 audit work, the planning work for the 2014/15 audit, performance audit and the 2014/15 National Fraud Initiative. In relation to the 2014/15 planning, Mr Finnie commented on the terminology used in the paper around the identification of risks and requested that Mr Hobson ensures that the Board's role in identifying risks is recognised. Ms Russell replied that there was no intention, on Audit Scotland's part, to infer that the Board does not identify risk. Mr Hobson advised that he had met with Ms Woolman and had a positive discussion about the planning process and the Audit Scotland final report.

**Interim Director of
Finance/ Audit
Scotland**

Mr O'Neill continued, and addressed the two ICT reports presented – the NHSGCC Website Review and the report on business continuity arrangements.

Website Review – Mr O'Neill explained that whilst they had identified areas of good practice, there were areas identified where improvements could be made to the website and related processes. The overall conclusion was that the NHSGCC website could benefit from some re-design in order to increase its value to the user. It was highlighted that, compared with other Scottish NHS Board websites, the NHSGCC website is not particularly user-friendly, makes limited use of electronic forms, and contains a lot of information which may be

difficult for the user to locate.

Mr Robertson advised that issues have been recognised by management and that a new system is being installed and should be up and running in early 2015.

There followed some discussion around the points raised in the report including the use of social media and the review of out of date information.

Mr Lee stated that he considered that the report was helpful.

Business Continuity Management – Mr O'Neill summarised the Audit Scotland review which highlighted that, whilst some business continuity plans have been developed and management has given some thought and consideration to business continuity, NHSGGC has yet to implement its 2012 business continuity management strategy by developing integrated and coherent business continuity processes. They noted an inconsistency in locally developed formal business continuity plans and there is a lack of staff training and awareness regarding business continuity plans.

Mr O'Neill advised that the review had focussed on the business continuity arrangements for a range of finance functions and considered how the lessons learned from the IT outage in October 2013 have been integrated into the board's overall business continuity plans.

Mr Sime, however, commented that he thought the clinical systems which had also been affected were crucial to the Board, and that he would have liked to have seen more focus on clinical systems. Mr Lee and Mr Finnie echoed that view, and the point was made regarding the importance of robust business continuity arrangements being in place when the South Glasgow University Hospital opens. Mr Finnie also expressed surprise that the report did not contain any reference to the risk of such an outage happening again, especially as Microsoft had been unable to pinpoint the cause of the problem.

Noted

64. Internal Audit Reports

Mr Wilson gave an overview of the summary of the internal activity to November; in particular, he advised members that PwC had encountered significant delays in respect of their Significant Capital Project Post Project Evaluation (PPE) review. Fieldwork was originally scheduled to commence in July 2014, but at management's request, this was postponed to August. He advised that during fieldwork management did not allocate time to meet with PwC or provide the documentation required to allow PwC to perform the review. It was agreed with management that further fieldwork would take place in September to enable the work to be performed and reported at this meeting of the Audit Committee. Management, however, had still not provided key pieces of documentation for the review.

Not yet approved as a true record of the meeting

Action by

Mr Hobson informed members that he had escalated this matter to the Director of Facilities and Capital Planning – Designate (DFCP), and had told him that this matter had now gone far beyond being acceptable. Mr Winter noted that he had also had a conversation with the DFCP, and expressed his dissatisfaction with the delays. Mr Lee considered that if there were any further delays, then the matter should be referred to the Chief Executive.

Interim Director of Finance

Mr Wilson concluded by advising members that all the reviews during the period were rated as low risk. He then passed on to Ms Gray to outline the findings of those reviews finalised since the last meeting:

- **Infection Prevention and Control Service** - Ms Gray noted that objective of this review was to consider NHS GGC's current IPC activities against NHS Scotland's actions plans on infection prevention and control arrangements for Health Boards across Scotland. She outlined the findings from the review, highlighting that it was rated as Low Risk, with two low risk findings.
- **Central Venous Catheter (CVC) and Peripheral Venous Catheter (PVC Auditing and Reporting – Follow-up** - This area was followed up, as the original report had been rated as high risk. Ms Gray noted that one low risk remained only partially completed – whilst training has been developed and is in the process of being delivered to staff across the Board, the training does not include guidance on the completion of a care plan. The training has been delivered by IPC staff in the short term and there is no plan in place for the training to become a part of induction and ongoing training for staff.
- **IT Project Governance** – the objective of this review was to evaluate the design and control operation of the key controls supporting IT Project Governance, with specific evaluation of the Electronic Patient Records Project; Ms Gray advised that this was a low risk report.

Mr White then proceeded to give details of the other two pieces of work completed during the period:

- **Property Transaction Monitoring** – Mr White outlined the report for members; the objective of the review was to ensure that property transactions undertaken NHS GGC during the year to March 2014 complied with the required disclosure and classification requirements, as contained in the NHS Property Transactions Handbook.

Their review identified no findings to report. All transactions were graded 'A' indicating that they appear to have been properly conducted.

Mr Gillman advised that the report had been submitted, as required, to Edinburgh.

Not yet approved as a true record of the meeting

Action by

- **Follow-up of Management Actions** – Mr White referred members to the table which correlated to the table presented earlier by Mr Gillman. Mr White informed members that the action referring to the review of reconciliations and receipts at Yorkhill had been completed subsequent to the paper being issued.

Noted

65. Whistleblowing

Mr Hamilton presented the first monitoring report on the handling of Whistleblowing cases. He explained that the Audit Committee was tasked as part of its revised remit last year to take over the monitoring of the handling of such cases.

After some discussion, the Audit Committee noted that it was content with the format of the report and how the information was presented. At the suggestion of Mr Sime, it was agreed, that a copy should be sent to NHS Board Members and to the Area Partnership Forum for information.

**Head of Board
Administration**

Noted

66. Bad Debts Write-off

Mr Hobson explained that Audit Committee approval was needed before seeking permission from SGHSCD to write off bad debts. He outlined that these related to monies due from Welsh health authorities and from overseas patients who could not be traced. He also gave the reasons for officers being unable to recover the debts, and advised that the Board had been asked by Edinburgh not to go down the route of seeking payment via litigation.

After some discussion, the Committee decided it was not of a mind to approve the write-off of the Welsh debt, and asked that all available avenues should be pursued to achieve the settlement of these debts.

Decided to approve write off of the overseas debt only and request SG to advise on possibility of further action being taken in respect of the Welsh debt.

**Interim Director of
Finance**

67. Fraud Report

Mr Gillman highlighted for members the report summarising progress in the on-going investigations of fraud as at October 2014. Three new cases of suspected fraud had been added to the fraud register during the period and three cases closed. There were currently ten open cases at October 2014. The detail behind these cases was shown in Appendix 1 – List of Ongoing Fraud Cases.

Mr Gillman also advised that the CFS quarterly report to June 2014 was available for members to review within the supplementary pack of papers.

Not yet approved as a true record of the meeting

Action by

Finally, he outlined for members the Counter Fraud Checklist which had been completed by the Fraud Liaison Officer and would be submitted to CFS.

Noted

68. Audit Committee Executive Group

The minutes of the meeting held on 28 October 2014 were presented.

Mr Lee enquired of Mr Hobson what his thoughts were on the operation of this group. Mr Hobson responded in the positive – he considered that the meeting gave operational directors greater visibility of audit reports and enabled action to be taken where necessary to ensure that management are responding to audit reports. Mr Wilson agreed that the meeting serves a useful purpose.

In response to a suggestion from Mr Hamilton, members agreed that it might be more useful to present these minutes at the beginning of the agenda.

**Financial
Governance
Manager**

Noted

69. Date of Next Meeting

Following discussion regarding the date of the next meeting, which is currently scheduled for Tuesday, 24th February 2015, it was highlighted that this date did not suit all members of the Committee.

It was agreed that a diary check would be carried out to ascertain if it's possible to rearrange to a more suitable alternative date.

**Financial
Governance
Manager**

The meeting concluded at 11:25am.