

# *Not yet approved as a true record of the meeting*

A (M) 15/04 Minutes: 45 – 55

## 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, 22 September 2015 at 9:30am

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### PRESENT

Mr R Finnie (Chair)  
Mr I Lee

### IN ATTENDANCE

Mr M White	Director of Finance
Mr G Archibald	Chief Officer, Acute Services (until minute 48)
Mr P Ramsay	Assistant Director of Finance
Mr M Gillman	Financial Governance Manager
Mr J Hamilton	Head of Board Administration
Mr A Brown	Audit Scotland
Mr M Rautenbach	Audit Scotland
Ms J Bell	PwC
Ms M Kerr	PwC
Mr K Wilson	Pwc

### Action by

#### 45. Welcome and apologies

Apologies were intimated on behalf of Cllr M Cunning, Cllr M O'Donnell, Dr R Reid, Cllr M Rooney and Mr D Sime.

As a consequence of the above members not being present, the meeting was therefore inquorate. The members present made the decision to proceed with the meeting and refer any decisions that require to be taken to the next Audit Committee.

#### 46. Declarations of Interest

There were no declarations of interest intimated.

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Action by

## **47. Minutes**

The minutes of the meeting on 16 June 2015 (A(M)15/03) were considered to be a correct record of the meeting; approval for the minutes would be sought at the next meeting.

Mr Finnie commented positively on the revised format of the Audit Committee Executive Group Minutes.

**Financial  
Governance  
Manager**

## **48. Accident and Emergency**

Mr Archibald updated the meeting as to how NHSGGC was responding to the recommendations contained in the Audit Scotland national report "Accident and Emergency performance update".

He recognised that this was a very important area and welcomed the report. He highlighted that A&E within NHSGGC was an area of increasing demand, correlated with social deprivation and easy access, resulting in a challenge to meet waiting time targets.

Mr Archibald advised that NHSGGC was running at 90% - 95% bed occupancy, and therefore was at risk from surges in demand.

Mr Lee enquired about how the acute sector was dealing with "queuing theory". Mr Archibald advised that they were looking at how other organisations, eg Tesco, used this theory, and that they were analysing data to enable NHSGGC to be more proactive.

Mr Finnie thanked Mr Archibald for his interesting presentation.

### **Noted**

## **49. Internal Audit**

Mr Wilson outlined the activity report which summarised progress in the period to September 2015 against the internal audit plan. He highlighted the reports that were being presented to this meeting. He also noted that whilst work had been completed on the Business Continuity Management review, they would present the report at the December meeting to allow the Chief Executive to attend and comment on the report.

Mr Wilson continued by advising of proposed amendments to the audit plan. It was proposed to split the Corporate Governance review into two separate reviews: the Clinical Governance follow up was originally planned to be undertaken as part of the overall Corporate Governance review, but at the suggestion of the Medical Director, the Clinical Governance aspect of this will be undertaken as a separate review to facilitate greater ownership of the findings.

The current plan also included a review of the bed management. Following discussion with Mr White and Mr Archibald, the focus of this review was now planned to follow on from the restructuring of acute services and consider how beds are being managed. Further discussion with management will establish where best the focus can add value.

The reports presented and discussed at this meeting were :

- Significant Capital Projects – Post Project Evaluation – medium risk
- Management of Cash within canteen facilities at Stobhill – low risk
- Property Transaction Monitoring – low risk

With regards to the Significant Capital Projects review, PwC concluded that there was a lack of defined governance, process and allocated resource for the completion of post-project evaluations. Their findings identified two medium risk findings and two low risk, resulting in the review being rated overall as medium risk.

Mr Lee noted his disappointment with this outcome, and Mr Finnie stated that he considered the processes that should be in place to allow lessons to be learned from projects are important processes. Mr White advised that action is being taken by facilities to address PwC's recommendations.

### **Noted**

#### **50. Audit Scotland**

Mr Rautenbach took members through the Audit Scotland ICT follow-up report, highlighting significant sections.

He outlined that, as part of their 2014/15 audit, Audit Scotland had followed up on the three information and communication technology (ICT) reports:

- User Identity and Access Management (UIAM)
- ICT Change Management process
- Data Quality Review of Scottish Care Information (SCI) Store

Mr Rautenbach advised that the report concluded that management has taken action to address all the risks identified in our data quality review of SCI-Store reported. However, there were a number of actions agreed to in the UIAM and ICT change management reviews that remained outstanding despite their agreed dates for implementation having passed. Audit Scotland did, however, acknowledge the impact of the opening of the new Queen Elizabeth University Hospital on the HI&T resources. Management has agreed revised target dates to implement the outstanding actions and Audit Scotland will monitor progress as part of their 2015/16 audit work.

Mr Lee commended Audit Scotland for producing a clear and understandable report.

**Noted**

**51. Whistleblowing Monitoring Report**

Mr Hamilton presented the monitoring report on the handling of whistleblowing cases. He reminded members that the Audit Committee is responsible for monitoring the handling of such cases.

Mr Hamilton highlighted key developments during the year, including the introduction of "Whistleblowing Champions" in all NHS Boards, and the NHS Scotland confidential alert line.

Mr Finnie thanked Mr Hamilton for a helpful report, but did query why the policy contained names of officers rather than their positions; he considered that positions would be better as changes to the policy would not be necessary each time there was a change of postholder.

**Head of Board  
Administration**

**Noted**

**52. Risk Management Project**

Mr White presented a paper to update members on the progress of the project, highlighting the Risk Management Steering Group had been reinstated and had:

- agreed membership and Terms of Reference for the RMSG;
- reviewed the Risk Management Strategy;
- reviewed the Risk Register Policy and Procedures; and
- reviewed the Corporate and Directorate Risk Registers.

He also summarised key tasks would be undertaken over the following quarter:

- redrafting and approving the Risk Register Policy and Procedures; and
- consulting and updating the Corporate and Directorate Risk Registers.

Mr Finnie noted that he was pleased that progress was being made, as he had concerns over the disbandment of the RMSG.

In respect of reports which are presented to the Acute Services Committee, Mr Lee requested that, wherever appropriate, report preparers refer to risk in the report or in the summary.

**Head of Board  
Administration**

**Noted**

**53. Internal Audit External Quality Assessment**

There was a discussion around who the board should engage to carry out this work. Mr Lee considered that this should be carried out by a third party, eg the Chartered Institute of Internal Auditors (CIIA) or another professional firm.

Mr Finnie was of the view that this was an opportunity for NHSGGC to ask if we are making the best use of internal audit. He favoured using the CIIA rather than a competitor of PwC.

It was agreed that the concurrence of other members would be sought for the use of the CIIA.

**Noted**

**54. Fraud Report**

Mr Gillman highlighted for members the report summarising progress in the on-going investigations of fraud as at September 2015. Five new cases of suspected fraud had been added to the fraud register during the period and five cases closed. There were currently eighteen open cases. The detail behind these cases was shown in Appendix 1 – List of Ongoing Fraud Cases.

Mr Gillman also advised that the latest CFS quarterly report was available for members to review within the supplementary pack of papers. An extract from the CFS Annual Report was presented, and the full report was also in the supplementary pack.

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**

**55. Date of Next Meeting**

The next meeting will be held on Monday 7<sup>th</sup> December at 9:30am.

The meeting concluded at 11:50am.

## 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 Monday, 7 December 2015 at 9:30am

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### PRESENT

Mr R Finnie (Chair)  
Mr S Carr  
Mr I Lee  
Mr A Macleod  
Cllr M O'Donnell  
Dr R Reid  
Mr D Sime

### IN ATTENDANCE

Mr R Calderwood	Chief Executive
Mr M White	Director of Finance
Mr P Ramsay	Assistant Director of Finance, Financial Services (until minute 61)
Mr M Gillman	Financial Governance Manager
Mr D Loudon	Director of Facilities & Capital Planning (until minute 59)
Mr G Beattie	Head of Procurement (until minute 59)
Ms J Erdman	Head of Inequalities (until minute 59)
Ms G Woolman	Audit Scotland
Ms H Russell	Audit Scotland
Ms M Kerr	PwC
Mr K Wilson	PwC

**Action by**

#### 56. Welcome and apologies

Mr Finnie welcomed Mr Carr and Mr Macleod to their first Audit Committee meeting.

#### 57. Declarations of Interest

There were no declarations of interest intimated.

**Action by**

## ***Not yet approved as a true record of the meeting***

### **58. Minutes**

The previous meeting of the Audit Committee held on 22 September 2015 was inquorate. The members present made the decision to proceed with the meeting and refer any decisions that require to be taken to the next Audit Committee. The minutes of the meeting on 16 June 2015 (A(M)15/03) were consequently held over for approval. Subject to the correction of a typographical error at minute 41, the minutes were approved as a correct record of the meeting.

**Financial  
Governance  
Manager**

The minutes of the meeting on 22 September 2015 (A(M)15/04), referred to above, were confirmed as a correct record of the meeting.

With regard to the action note from the Audit Committee Executive Group, Mr Finnie outlined the process for new members of the Audit Committee. Mr Macleod requested clarification around the appointment of a new cashier, and Mr Ramsay confirmed that this post would oversee all Board cash and patients' private funds.

Mr Finnie requested that, in future, the action note from the Audit Committee Executive Group was presented as a separate agenda item.

**Financial  
Governance  
Manager**

### **59. Serious Organised Crime Strategy**

Mr Loudon outlined the paper presented to the meeting which described the processes NHSGGC has in place that support the Scottish Government's strategy to reduce the harm caused by serious organised crime (SOC).

Mr Beattie and Ms Erdman described the "key enablers" of protection which public bodies can implement – staff, organisational governance and health services – and detailed the areas where NHSGGC has implemented processes to reduce the threat of SOC to the organisation.

Mr Beattie summarised the range of initiatives the Board has which covers the key elements of the governments Serious and Organised Crime strategy.

The eHealth information technology systems are continually assessed and updated to protect from ongoing risks of cyber attacks. There are clear process and systems to vet staff prior to and during employment. There are standard processes mitigating the risk of SOC organisations gaining contracts for supply of goods, services and medicines including waste recycling services. Licensing powers are used to prevent SOC infiltration into community pharmacy. There is a clear route for information sharing with Police Scotland and other agencies via NHSS Counter Fraud Services and there are well publicised and available protocols on fraud prevent and whistle blowing for staff including mandatory training. Additionally NHSGGC participates in a wide range of initiatives under its health improvement remit to detect and deter vulnerable persons, young adults and children from being exploited, radicalised or harmed by SOC activities.

Mr Finnie thanked Mr Loudon, Mr Beattie and Ms Erdman for their helpful paper, and invited questions/comments from members.

Mr Sime said that he would be interested to know what data we have on people trafficking – Ms Erdman undertook to find out.

**Head of  
Inequalities  
Action by**

## ***Not yet approved as a true record of the meeting***

Mr Lee noted that he considered that the paper was excellent, and asked whether the procurement protocols were EU compliant, and what the status was with regards to the Board's taxi contract. Mr Beattie responded that the processes in place are EU compliant and that the Board will be retendering for a taxi service in the near future. He advised that there would be liaison with Police Scotland during this process. Mr Loudon did, however, advise that the current contract might be extended.

Ms Woolman noted that Audit Scotland welcomed this paper, and that they would be reviewing some of the areas covered in the paper.

### **Noted**

#### **60. Matters arising and rolling action list**

**Internal Audit External Quality Assessments** - At the last meeting it was suggested that the Chartered Institute of Internal Auditors be approached with a view to carrying out the external review of our internal audit service.

### **Decided**

that the Director of Finance should take this matter forward.

**Director of  
Finance**

**Risk Management** – Mr Gillman updated members on the progress in respect of this audit report; three of the agreed actions had been completed and one remained in progress. This would be covered in more detail later in the meeting (minute 64).

### **Noted**

#### **Business Continuity Management**

Mr White presented a paper to update members on the progress made towards addressing the audit findings contained in PwC's audit report. He advised that significant progress had been made, with Business Continuity Plans (BCPs) now completed for Public Health, HI&T, Pharmacy, Diagnostics and Facilities; remaining departments were on track for completion by the end of March 2016. A central database of BCPs has also been established, along with a record of all training and exercises carried out.

Mr Lee enquired whether there were plans in place in case of a major fire, for example at the Queen Elizabeth University Hospital or Glasgow Royal Infirmary.

Mr Calderwood responded that, while there was no plan for a complete loss of a site, there was a series of processes that would be triggered for the loss of particular areas within a site. There are plans for complete loss of laundry or decontamination facilities.

Mr Wilson said the update was helpful, and that PwC would follow up on the actions before preparing their annual report.

### **Noted**

**Action by**

# ***Not yet approved as a true record of the meeting***

## **61. Internal Audit – progress report**

Mr Wilson outlined the activity report which summarised progress in the period to November 2015 against the internal audit plan.

Ms Kerr reported that the following four reviews that had been completed during the period:

- **Workforce Planning – low risk**
- **Procurement – low risk**

Mr Finnie requested that report titles give more detail of what the report is about.

- **Patients' Private Property and Funds – medium risk**

The overall objective of this review was to evaluate the design and control operation of the key controls in place to ensure proper management of patients' private property. Three medium risks were highlighted by PwC:-

1. no individual or group of individuals have responsibility and ownership for ensuring that patient funds are managed in line with standard operating procedures cash offices and on wards.

2. the process for the cash offices being notified of discharged patients is not a formal process and PwC identified instances where staff were not notified of patients who had been discharged resulting in their property remaining the responsibility of the Health Board. PwC identified eight instances where patients had been discharged to a care home and the patient's funds still remained with the cash offices, these eight instances totalled in excess of £40,000 of patient funds.

3. PwC tested a sample of five wards at Glasgow Royal Infirmary and noted that the safes on each ward used to store patient funds and property were in areas of the ward that were readily accessible to the public. They were all small, lightweight portable cash boxes and could easily be removed from the wards. Furthermore, one of the safes at the cash office at the Vale of Leven was faulty and kept unlocked for a period of time to allow access.

Mr Finnie expressed his view that the report made uncomfortable reading, and asked Mr Ramsay about the lack of control and why the new cashier being appointed was part of the Facilities Directorate rather than Finance.

Mr Ramsay replied that whilst there was no consistency across sites, there were controls in place, and those would be strengthened with the Head Cashier in place.

He clarified the role of the Head Cashier and advised that Facilities had staff on each site, whereas Finance was centralised. He also advised that a new centralised system, supplied by Trojan Software, will be implemented.

**Action by**

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In response to a question from Dr Reid as to how funds ended up in hospitals, Mr Ramsay explained that it was mainly in respect on Adults With Incapacity.

Mr Macleod asked about the timescale for the appointment and who would set the cash control policies. Mr White responded that the appointment was imminent and that Finance would be setting policy and procedures for the cash function.

- **Central Decontamination Unit – medium risk**

PwC visited Queen Elizabeth University Hospital and Glasgow Royal Infirmary to give them an understanding of the tracking and handling processes in place both at the Central decontamination Unit and a sample of acute sites for medical equipment. They also considered the physical security of medical equipment within stores and during transit.

Their review highlighted four medium risk findings:

1. Inspection of a list of tracking systems in use confirmed that NHSGGC use three different medical equipment stock tracking systems. The three systems do not interface, with each system having a unique set of barcodes, meaning that medical equipment trays are not universally tagged or readable across NHSGGC, thus impacting on each decontamination facility's ability to process medical equipment trays from any NHSGGC location.

2. There is no complete stock listing or register of medical equipment available. In addition, there is no whole system Stock Count for medical equipment undertaken on an annual basis by Theatres and CDU or a Standard Operating Procedure existing for Stock Counts. This increases the risk that NHSGGC may not have complete understanding of the wastage and disposal levels of medical equipment as well as the risk that misappropriated medical equipment is never fully quantified or known.

3. Opportunities for improvements to physical security arrangements both at CDU and theatre store locations were identified from walkthrough inspections of facilities. These focus on physical and restricted access such as swipe card access doors and mechanical lock code changes.

4. The Board's efforts to develop a national shared services agenda for decontamination are in the early stages. In addition, the two policy documents inspected (Business Continuity Plan and Responsibility and Authority Procedure) had not been reviewed in the past 12 months.

There followed a discussion around this report. In response to a question from Mr Finnie as to how far down the road the Board is towards implementing a single system, Mr Calderwood responded that replacement of legacy systems was an area that was being investigated. Mr Carr asked what were the risks highlighted; Ms Kerr replied that the main risk was the misappropriation of equipment.

**Action by**

## ***Not yet approved as a true record of the meeting***

Mr Macleod considered that it was an issue that if we don't know what stock we have, then we don't know if we have a major problem. Mr Calderwood commented, however, that high value specialised items do have serial numbers.

### **Noted**

## **62. Audit Scotland**

### **Progress report**

Ms Woolman referred members to Audit Scotland's Progress report covering the work carried out in the period to December 2015 as part of their 2015/16 Audit Plan. She highlighted the some key areas of the work they would be carrying out in respect of their review of internal audit, testing of key financial controls and the computer services review. Ms Woolman also highlighted Audit Scotland's work covering performance audit, including national studies, the National Fraud Initiative and also work carried out looking at issues and questions raised relating to the Lennoxton Initiative (which was the subject of a separate paper).

Mr Finnie referred to a paragraph under performance audit which recommended that "the Scottish Government and health boards should.....ensure better longer-term financial planning which extends beyond the three or five year period currently used by boards"; he pointed out that it is difficult to apportion joint responsibility to the Board when it is the Scottish Government which decides how planning is carried out.

### **Issues relating to the Lennoxton Initiative (LI)**

Ms Woolman gave members an overview of the report. Audit Scotland received correspondence from a number of individuals about LI, a community regeneration company and registered charity. The LI was supported by East Dunbartonshire Council, NHSGGC and Scottish Enterprise Dunbartonshire. The issues raised in the correspondence focus on the relationship between LI and Celtic plc.

Audit Scotland concluded that there was no evidence of fraud or corruption. However, they found that poor management practice on the part of the LI and the relevant public bodies involved allowed accusations to be made and valid questions to be asked.

### **Noted**

## **63. Audit Scotland – NHS in Scotland 2015**

Ms Woolman summarised the report, which delivered the message that as pressures continue to rise, fundamental changes and new ways of delivering healthcare are required now to ensure the NHS is able to continue providing high-quality services in the future.

In NHS in Scotland 2015, Audit Scotland reported on the annual performance of the NHS and its future plans. It says that tightening budgets, rising costs, higher demand for services, demanding targets and standards, and increasing staff vacancies are placing significant pressure on the service.

### **Action by**

The report states that as pressures continue, the NHS will not be able to provide

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services in the way it currently does and that it needs to increase the pace of change if it is to achieve its longer-term ambitions. The report highlights that recruiting and retaining permanent staff is a significant problem for boards, leading to more being spent on temporary staff. It stresses the importance of the Scottish Government and health boards working closely together to help alleviate these pressures and also increase the pace of change necessary to meet its longer-term ambitions.

### **Noted**

#### **64. Risk Management**

Mr White updated members on the progress that had been made towards implementing agreed actions arising from the internal audit review of risk management. He drew members' attention to the documents presented –

- revised Risk Management Steering Group Terms of Reference
- draft Risk Management Strategy
- draft Risk register Policy and Procedures
- updated Corporate Risk Register (CRR)

Mr Finnie welcomed the comprehensive report and invited comments from members. Mr Lee noted that there was no mention on the CRR of a cyber attack against the Board. Mr Gillman undertook to follow this up with the Director of Health Information and Technology.

There was also discussion around whether the CRR was presented to the NHS Board, and it was agreed that this would be desirable.

**Financial  
Governance  
Manager**

Members **Noted** the Corporate Risk Register, and

**Decided** that the revised Risk Management Steering Group Terms of Reference, the draft Risk Management Strategy and the draft Risk register Policy and Procedures be approved.

#### **65. Fraud Report**

Mr Gillman highlighted for members the report summarising progress in the on-going investigations of fraud as at November 2015. One new case of suspected fraud had been added to the fraud register during the period and two cases closed. There were seventeen open cases of suspected fraud at the end of November 2015. The detail behind these cases was shown in Appendix 1 – List of Ongoing Fraud Cases.

Mr Gillman advised members that the National Fraud Initiative was underway, and that a summary of data matches was attached at Appendix 2.

He reported that while no frauds had been identified, two errors (relating to an expired visa and a duplicate payment) had been identified.

**Action by**

Finally, he advised members that the CFS quarterly report to September 2015 was

## ***Not yet approved as a true record of the meeting***

available for members to review within the supplementary pack of papers.

Mr Macleod asked whether there was any data on trends within fraud. Mr Gillman undertook to see if something could be included in future reports.

**Financial  
Governance  
Manager**

In response to a question from Dr Reid on the debt due from Welsh Health Authorities, Mr White replied that the Board was now recovering some of that money.

### **Noted**

#### **66. Date of Next Meeting**

The next meeting will be held on Tuesday 8<sup>th</sup> March at 9:30am.

The meeting concluded at 12:05pm.