

NHS Greater Glasgow and Clyde

A (M) 18/04 Minutes: 38-48

**Minutes of the Audit and Risk Committee meeting
held in JB Russell House
on Tuesday, 11th September 2018**

PRESENT

	Mr A Macleod (in the Chair)	
Ms J Forbes		Dr D Lyons
Cllr J McColl		Ms A Monaghan
Mr S Carr		Mr R Finnie

IN ATTENDANCE

Ms J Grant	Chief Executive
Mr M White	Director of Finance
Ms E Vanhegan	Head of Board Administration and Corporate Governance
Mr M Gillman	Financial Governance Manager
Mr C Brown	Scott-Moncrieff
Ms L Yuill	Audit Scotland

Action by

37. Welcome and Apologies

Apologies for absence were intimated on behalf of Mr J Matthews.

Mr Macleod welcomed members to the meeting, and informed them that Ms Forbes had replaced Mr Finnie as vice-chair of the committee; Mr Finnie remains a member of the committee.

Noted

38. Declarations of Interest

Mr Macleod and Cllr McColl advised that they had been involved on a disciplinary panel in respect of one of the fraud cases referred to within the Fraud Report.

Noted

39. Minutes of previous meeting

The minutes of the meeting on 19 June 2018 (A(M) 18/03) were approved as a correct record of the meeting.

Approved

40. Minutes sub-group meetings

The minutes of the meetings of the Audit Committee Executive Group on 29 August 2018

and the Risk Management Steering Group on 28 August 2018 were noted by members.

Noted

41. Rolling Action List

Mr Gillman updated the committee on the status of ongoing actions on the rolling actions list. He reported that three of the four actions were closed, with an action ongoing for the Director of Public Health to present an update on business continuity planning to the December meeting of the committee. An update from the Director of eHealth regarding the segregation of duties between the Data Protection Officer and the Information Governance Manager roles was noted.

**Director of
Public Health**

Noted

42. Audit Actions

Mr Gillman advised members that two actions outstanding at the last meeting, relating to the Backlog and Operational Maintenance report remain ongoing. Mr White clarified that there were, in fact, a number of measures in place to manage the risks identified, and would discuss the outstanding actions with the new Director of Facilities and Estates to bring them to a conclusion.

**Director of
Facilities and
Estates**

In respect of the audit actions where the target date has been reached since last meeting six actions had become due for completion - all six have been cleared.

The details of the actions that have been carried out in respect of each recommendation have been advised by the responsible manager; these have still to be evidenced to, and verified by Scott-Moncrieff.

Scott-Moncrieff

Noted

43. Internal Audit – strategic plan 2018/19 – 2020/21

Mr Macleod highlighted that discussions on the Audit Plan had taken place at previous meetings of the committee and that Scott-Moncrieff had also made a presentation at the Board Seminar.

Mr Brown advised members that the plan had now been discussed with the whole of the executive management team, and highlighted some minor changes that had been made to the plan previously seen by the committee. He also advised that as a result of the changes the subsequent two years were showing an overallocation of audit days, and that this would be addressed as we move forward into 2019/20.

Members discussed the plans, and Mr Carr enquired as to how many days had been delivered so far. Mr Brown responded by reassuring members that the plan would be delivered during the second half of the year. There was also some discussion around the objectives of the “IJB financial information and reporting” audit area; Mr Brown described his thinking was around how budget variances in IJBs affect the NHS Board and vice-versa. Ms Grant commented that the NHS Board needed to know what our risks are, and that there was ongoing discussion with Chief Officers about the emerging challenges for IJBs and the NHS Board. Mr Finnie underlined the fact that it is important to understand the framework of relationships between IJBs and the NHS Board.

Mr Macleod asked Mr Brown if Scott-Moncrieff had discussed the plan with Audit Scotland. Mr Brown answered that there hadn't been any detailed discussions between Scott-Moncrieff and Audit Scotland, but they were aware of the plan, and they would liaise further when Audit Scotland were preparing their plans.

Scott-Moncrieff

Mr Macleod also asked that the plan should be shared with HSCP internal auditors, and Mr

Brown undertook to check that there were no reasons not providing the plan to IJBs. Mr Brown suggested that he build something in to the Internal Audit Charter to cover engagement with IJBs.

Scott-Moncrieff

Decided that

the Internal Audit Plan for 2018-19 was approved

44. Internal Audit – progress report/Property Transaction Monitoring report

Mr Brown presented Scott-Moncrieff's first progress report, the purpose of which was to inform members of audit work carried out during the quarter. He noted that the Property Transaction Monitoring (PTM) report had been completed during the quarter, and that two reviews – Sickness Absence and eHealth/Digital Strategy – were currently in progress.

With regard to the PTM report, Mr Brown confirmed that, in general, NHSGGC met the requirements of the NHS Scotland Property Transactions Handbook when processing property transactions in 2017/18. The board has developed clear procedures to process transactions and these were generally followed at an operational level. He noted that they had raised two minor recommendations in relation to obtaining independent valuations and approval procedures. Scott-Moncrieff graded all seven transactions as 'A', indicating that they appear to have been properly conducted.

Mr Gillman advised that the PTM report required to be submitted by NHSGGC to the Scottish Government.

**Financial
Governance
Manager**

Noted

45. Internal Audit – changes to Audit and Assurance Committee Handbook

Mr Brown advised members that the last Audit Committee Handbook had been issued in 2008, and that the revised Audit and Assurance Committee Handbook included a number of amendments and additions that affect various aspects of governance and audit committee responsibilities. He outlined the key changes.

Mr Finnie noted that the new handbook places greater obligations on members, and it was important for members to be given assistance in understanding the document. Mr White said that he would take this matter forward with input from Ms Vanhegan and Mr Brown.

**Director of
Finance**

Mr Macleod also noted that the Chair of the NHSGGC Board was reviewing the overall governance context of NHS Scotland Boards.

Noted

46. Board's actions on Brexit

Ms Vanhegan advised members that a Brexit Readiness Steering Group had been set up in order to address the issues that might trigger risks to the organisation. The group is chaired by Ms Vanhegan and includes representation from workforce (including staff side), procurement, pharmacy, resilience, finance and corporate inequalities.

Ms Vanhegan then gave a presentation in which she highlighted the following key areas where risks might arise:

- workforce
- procurement/supply chain
- nuclear medicine

- pharmacy supply chain
- research
- cross-border co-operation
- regulation of medicines

The committee was told that NHSGGC, along with all other health boards, would be submitting an “operational readiness checklist” to the Scottish Government.

There followed a discussion amongst members on this matter, and Ms Grant also noted that discussions were ongoing at chief executive level, and that they were intending to share the work to mitigate the risks.

Noted

47. Fraud Report

Mr Gillman highlighted for members the report summarising progress in the on-going investigations of fraud as at August 2018. A summary of the live cases in the Fraud Register was provided to allow the committee to monitor levels of reported fraud and action taken.

There were currently ten open cases on the Fraud Register, and one case had been closed during the period – this concerned an allegation that an unqualified nurse has falsified fit notes; the nurse was dismissed, and, following a guilty plea at trial, was fined £100, with a £1,400 compensation order.

He also outlined the current positions in relation to fraud awareness and training throughout NHSGGC, the National Fraud Initiative exercise - the exercise provided assurance that there are no material weaknesses in the areas covered, and the work of NHS Counter Fraud Services.

Noted

48. Dates of Future Meetings

The date of the next meeting was noted as:

- Tuesday 11th December 2018, 9:30am

The meeting ended at 11:00am