

ARC(M)18/05
Minutes: 49 - 67

NHS GREATER GLASGOW AND CLYDE

**Minutes of a Meeting of the
Audit and Risk Committee meeting held in JB Russell House
On Tuesday, 11 December 2018**

PRESENT

Mr A MacLeod (in the Chair)

Mr R Finnie
Dr D Lyons
Ms A Monaghan

Mr S Carr
Ms J Forbes
Mr J Matthews

IN ATTENDANCE

Ms J Grant	Chief Executive
Mr J Brown	Chairman
Mr M White	Director of Finance
Ms E Vanhegan	Head of Board Administration & Corporate Governance
Mr C Brown	Scott-Moncrieff
Mr J Hobson	Assistant Director of Finance
Mr W Edwards	Director of eHealth
Ms I Brown	Information Governance Manager
Dr L de Caestecker	Director of Public Health
Mrs A MacPherson	Director of Human Resources & Organisational Development
Ms L Maconachie	Audit Scotland
Ms K White	Audit Scotland
Ms C MacIver	Secretariat

ACTION BY

49. Welcome and Apologies

Apologies for absence were intimated on behalf of Cllr J McColl.

Mr MacLeod noted there were 2 Mr Browns in attendance and it would be useful to clarify by using initials in minutes.

NOTED

50. Declarations of Interest

There were no declarations of interest made.

NOTED

51. Minutes of previous meeting held on 11th September 2018

The minutes of the meeting on the 11th September 2018 (A(M) 18/04) were approved as a correct record of the meeting subject to the following amendments:-

Minute 38:- Mr Macleod corrected to “had been involved in an appeal panel not a disciplinary panel”.

APPROVED

52. Minutes of sub-group meetings

The minutes of the Audit Committee Executive Group meeting of 28th November and the Risk Management Steering Group of 27th November were considered by members. Members were content to note these.

NOTED

53. Matters arising from Minutes/Rolling Action List

- Update on Business Continuity Planning – on agenda.
- Outstanding actions regarding Cowlairs Decontamination Unit to be discussed with the new Director of Facilities and Estates – Mr Macleod advised that Mr Steele had initiated a comprehensive Estates Review since coming into post and that an update would be brought to the March meeting. Mrs Grant advised that an update on the Cowlairs Decontamination Unit would be presented to the Board Meeting in December and a report presented to the Acute Services Committee in January 2019. Mr Finnie sought assurance on the status of the Corporate Risk Register with regards to Cowlairs. Mrs Grant responded highlighting that there were three aspects which included the Property Asset Management Strategy (PAMs), the Cowlairs Investigation and the links to Business Continuity Planning. In respect of the Risk Register, it would have been hard to predict the incident at Cowlairs Decontamination Unit and to have specified this on the Corporate Risk Register. It was requested that Mr Steele bring back outstanding points from the Internal Audit to the next meeting on 12th March 2019.

**Director of
Estates and
Facilities**

NOTED

54. Internal Audit – Progress Report

Mr C Brown, Scott-Moncrieff, presented the Internal Audit Progress Report, the purpose of which was to inform members of the audit work during the quarter, along with further scheduled work.

Mr C Brown highlighted that there were no grade 4 recommendations with the overall plan slightly ahead of schedule and on track for delivery for the year.

Mr C Brown advised that Scott-Moncrieff had attended a meeting of the Chief Internal Auditors of the Integration Joint Boards (IJB) to discuss current year audit plans and information sharing arrangements. Mr Finnie inquired about

the discussions with the HSCP auditors, and specifically, if there was any unnecessary duplication, as many of the areas e.g. Payroll, absence etc. sit with the respective partners i.e. Health & Council. Mr C Brown responded by saying no duplication had been found but that he would continue to meet with the HSCP auditors on a periodic basis to prevent duplication moving forward.

Mr C Brown highlighted the positive Digital Strategy report which members welcomed. It was noted that there had been significant stakeholder engagement, particularly clinicians, focussed on service redesign and not just on IT capability. Mr Carr sought clarity on the position regarding the financial strategy to support the Digital Strategy. Mr Edwards advised that he found the audit valuable and indicated that work was underway to develop a financial plan for the strategy.

NOTED

55. Internal Audit – Sickness Absence

Mr C Brown referred to the Sickness Absence report which as included in the agenda separately, to provide members with the opportunity to review the report in greater detail. Mr C Brown noted thanks to Ms A MacPherson, Director of Human Resources & Organisational Development, and her team for their assistance with the audit.

Mr C Brown informed members that the Scottish Government previously set a national target to achieve a sickness absence rate of 4% or less. In 2017/18 the NHSGGC rate was 5.51%; higher than the national average and an increase on the 2016/2017 rate.

Mr C Brown explained that line managers have access to a range of guidance, templates and absence data to assist them to manage individual absences and address underlying causes affecting their teams. However, it was identified through sample testing, that managers and supervisors were not consistently using the information and adhering to documented processes to manage absences at both individual and team levels to allow escalation and remedial action. It was also identified that appropriate checks were not being undertaken to ensure that absences were managed in line with process and that initiatives to improve attendance were not always implemented in full.

Mr C Brown advised that actions had been identified relating to improving compliance with procedures, enhanced reporting and improving the quality of data on sickness absence that would help the Board to improve performance.

Mrs MacPherson advised that a full action plan would be produced with long term sickness as a main area of focus. She assured members work was ongoing with colleagues to improve sickness absence. Mrs MacPherson reviewed some aspects of the report and indicated, for example, the difficulty in “prohibiting” the use of the category “other”. She explained that this was a recognised code in SSTS designed to respect confidentiality.

There was lengthy discussion with Committee members highlighting their concerns. In discussion, the question was posed if work was underway to look at the correlation between high absence, low iMatter uptake, and low action planning. Mrs MacPherson assured Committee members this was something

that was being reviewed.

Mrs MacPherson noted that the HR system, eESS, was now in place and would facilitate more robust recording. The focus through the FIP process had also been helpful in terms of highlighting the financial impact of absence.

In summary, and acknowledging Committee concerns, it was accepted that the sickness absence management process was appropriate, based on national guidance, however the key issue was ensuring appropriate application. The Committee Chair asked Mrs MacPherson to take on board the comments of the Committee and provide an update in 6 months and, in the meantime, to refer the report to the Staff Governance to consider more detailed aspects of the report.

**Director of HR
and OD**

NOTED

56. Information Governance Update – GDPR report

Mr Edwards, Director of eHealth, presented a six month update following implementation of the General Data Protection Regulations (GDPR) on 25th May 2018. He described the process to prepare for implementation and provided assurance that both he and Mr White, as the Senior Information Risk Owner (SIRO), had ensured compliance with GDPR.

He went on to note that there has been a 25% increase in Subject Access Requests but the Board were still delivering to timescales. Progress with the Information Asset Register was now established with a framework created for each Director being the Asset Owner for their area of responsibility. As of the 4th December 2018, Mr Edwards highlighted that assets continue to be added and removed illustrating a dynamic process.

Members were content to note progress on GDPR compliance and actions agreed by the Information Commissioners Officer (ICO) and NHS short life working group.

NOTED

57. Information Governance Update – Phishing Report

Mr Edwards, Director of eHealth, presented the Phishing Report. He explained that phishing is a form of fraud in which an attacker masquerades as a reputable entity or person and tries to trick someone to respond to a link or attachment most frequently delivered via email but could also be via SMS text or social media.

Mr Edwards described a proactive approach to seeking assurance with regards to phishing, put in place by the Information Governance Steering Group, which is chaired by the SIRO. All staff are at risk of a phishing attack and need to be cyber aware. A false phishing email was sent to key people to test their reactions. The response was positive but did identify the need for training of at risk staff groups e.g. finance, procurement, and that appropriate training was currently being delivered.

The Committee thanked Mr Edwards for his update and welcomed the

proactive approach.

NOTED

58. Follow-up of Internal Audit Actions

Mr White, Director of Finance, presented the paper on follow up of Internal Audit Actions which gave details of progress made since the last meeting of the Audit and Risk Committee.

Mr White highlighted progress made on actions from 2016/17 audit work, reported at the last meeting. The 2 actions outstanding at the last meeting remain ongoing, and would be addressed by the Director of Estates and Facilities.

Members were content to note the progress towards completing recommended actions arising from internal audit reports.

NOTED

59. Update of Business Continuity Planning

Dr L de Caestecker, Director of Public Health, presented the paper Business Continuity Planning which provided an update on progress.

Dr de Caseteacker advised that all directorates and departments have Business Continuity Plans in place which would be reviewed as part of the Resilience Group activities. Work was ongoing to promote these and make sure plans were current and fit for purpose. It was noted that recent disruptive events had highlighted and emphasised the need for plans to consider all aspects of potential failure and impacts on service delivery. A key issue is the need to identify and understand the interdependencies between plans.

Dr de Caseteacker went on to advise that a BCP workshop would take place in early 2019 for management and leads, to identify and learn lessons from live events and exercises to inform all BCPs. A quality assurance process would be implemented by Public Health in conjunction with Business Continuity leads for each Directorate and Partnership. The BCP Exercise Programme would be finalised by the end of January and reported to the Board's Resilience Group.

Members noted the progress made with business continuity planning.

NOTED

60. Audit Scotland – Annual Audit Plan

Ms L Maconachie, Audit Scotland, presented the Annual Audit Plan which contained an overview of the planned scope and timing of audit work. The plan identified the audit work to be undertaken to provide an opinion on the financial statements and related matters and meet the wider scope requirements of public sector audit, i.e. contributes to conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

Based on discussions with staff, attendance at committee meetings and a review of supporting information, Audit Scotland identified the main risk areas for NHSGGC in the plan. These key audit risks were categorised into financial statements issues and risks and wider dimension issues and risks.

Members noted that the plan largely followed that of previous years. It was also noted that the audit fee for the year had yet to be confirmed.

NOTED

61. Audit Scotland – NHS in Scotland 2018

Ms K White, Audit Scotland, presented Audit Scotland's National Report – NHS in Scotland 2018, published in October 2018. The report highlighted that immediate action was needed to shift the NHS towards long term fundamental change.

Ms White described the status of the Report, referencing also the Section 23 audits, namely, Workforce, CAMHS and Integration.

There was lengthy discussion on the value of the Report considering such issues as comparators e.g. the size of NHSGGC to other Boards, the challenge to achieve financial sustainability and the balance between recurring and non-recurring savings, and what defines the pace of change.

Members were content to note the report and thanked Ms K White.

NOTED

62. Corporate Risk Register

Mr White presented the Corporate Risk Register for consideration, approval and amendments if required.

Members noted concern regarding the vacant Chief Operating Officer post and whether this should be noted on the Corporate Risk Register. Mr White reassured members that Mr J Best was undertaking the role on an interim basis. The post had been advertised and would be appointed to as soon as possible. Mrs Grant would provide an update to members at the next Board Meeting in December.

Members also sought clarification on the process, whereby risks were identified for inclusion on the CRR. Mr White agreed to provide details of the process, which would be issued to the standing committees for their information.

Following discussion, members agreed to approve the Corporate Risk Register, distribution as appropriate.

**Director of
Finance**

APPROVED

63. Endowment Funds – Letter from OSCR

Members noted the contents of the letter from the Office of the Scottish Charity

Regulator (OSCR) which informed members of the outcome of work carried out by OSCR to review the governance of the NHSGGC Endowment Funds. Committee members were pleased to note a positive report.

Members were content to note the report.

NOTED

64. Fraud Report

Mr White presented the Fraud Report which asked members to note the Board's current fraud cases and other fraud related matters. The Committee noted that as at 31st October 2018, there were 8 open fraud cases. It was also noted that 27 matters had been referred to the Fraud Liaison Officer in the period 1st August 2018 to 31st October 2018.

Members were content to note the contents of the Fraud Report.

65. Date of future meetings

Members noted the dates of 2019 meetings.

- Tuesday 12th March 2019 at 9:30am
- Tuesday 4th June 2019 at 1:00pm
- Tuesday 18th June 2019 at 9:30am
- Tuesday 10th September 2019 at 9:30am
- Tuesday 10th December 2019 at 9:30am

66. Date and time of next meeting

Tuesday 12th March 2019 @ 9.30 am

The meeting ended at 12.45