

NHS Greater Glasgow and Clyde

AR(M)19/02 Minutes: 12-24

**Minutes of the Audit and Risk Committee meeting  
held in JB Russell House  
on Tuesday, 12th March 2019**

**PRESENT**

Mr A Macleod (Chair)	Ms M Kerr
Dr D Lyons	Mr J Matthews

**IN ATTENDANCE**

Mr J Brown	Chairman (until minute 17)
Ms J Grant	Chief Executive
Mr M White	Director of Finance
Mr P Ramsay	Assistant Director of Finance
Ms E Vanhegan	Head of Board Administration and Corporate Governance
Mr M Gillman	Financial Governance Manager
Ms A Macpherson	Director of Human Resources and Organisational Development (until minute 16)
Mr D Dall	Head of People & Change (until minute 16)
Ms E Love	Chief Nurse for Professional Governance & Regulation (for minute 17)
Ms J Richardson	Head of Financial Governance (for minutes 20 & 21)
Mr J Cornett	Audit Scotland
Ms L Maconachie	Audit Scotland
Mr C Brown	Scott-Moncrieff
Ms E Young	Scott-Moncrieff

**Action by****12. Welcome and Apologies**

Mr Macleod welcomed Ms Margaret Kerr to her first meeting as a member of the Audit and Risk Committee.

Apologies for absence were intimated on behalf of Mr S Carr, Mr R Finnie, Ms J Forbes, Cllr J McColl and Ms A Monaghan.

**Noted****13. Declarations of Interest**

Ms Kerr informed the committee that included in the follow-up report from internal audit there were some items that she had been involved in the initial reporting of. Mr Macleod was comfortable that there was no conflict of interest in this area.

**14. Minutes**

The minutes of the meeting on 12 March 2018 (A (M) 19/01) were approved as a correct record of the meeting.

**Approved**

The note from the meeting of the Audit Committee Executive Group on 22 May 2019 and the minutes of the Risk Management Steering Group (RMSG) meeting on 21 May 2019 were noted. Mr White pointed out that there was an error in his title in the RMSG minutes.

Mr Macleod advised members that the Information Governance Steering Group (IGSG) would also now be accountable to the Audit and Risk Committee; accordingly the minutes of the IGSG meeting on 21 November 2018 were noted by members. It was agreed that the schedule for future IGSG meetings should tie in with the ARC timetable.

**Director of  
Finance**

**Noted**

**15. Matters Arising/Rolling Action List**

Mr Gillman updated the committee on the status of ongoing actions. He advised members that there were three matters on the schedule two of which were being covered at the meeting, including an update from the Director of HR&OD on work being done to implement actions arising from the audit reports on sickness absence and other leave.

**Noted**

**16. Sickness Absence and Special Leave**

Ms Macpherson presented a paper to provide members of the Audit and Risk Committee with an update on progress towards the completion of actions and improvements recommended by the Attendance Audit conducted by the Boards internal auditors, Scott Moncrieff. The Human Resources and Organisational Development function have utilised the audit feedback to improve existing governance and attendance processes and also to improve internal management process. The report provided an update on key actions and an assessment of progress.

Whilst the original audit report found evidence of strong policy controls, the report provided a series of improvement recommendations for the Human Resources and Organisational Development Directorate to implement on behalf of the wide management team. Ms MacPherson advised members that the update report provided a summary of the recommendations and an assessment of progress towards meeting these recommendations.

Ms MacPherson outlined the recommendations, focussing on:

- Improved utilisation of SSTS recoding of the reasons for absence by line managers and SSTS users and follow up of non reported reasons
- Providing the Staff Governance Committee with more frequent absence reports
- Working with line managers on managing staff absence and being

clear on roles and responsibilities

She advised that the Human Resources and Organisational Directorate have implemented each of these actions.

Mr Macleod thanked Ms MacPherson for her comprehensive update, and invited comments from members.

In response to question from Dr Lyons in relation to national guidelines which had yet to be issued, Ms MacPherson commented that NHSGGC were already sighted on several of the actions that would be in the national guidelines, and that we would check our policies and procedures when the final guidance was issued.

Dr Lyons suggested that the Staff Governance Committee should also be following up on this report and Ms MacPherson confirmed that the SGC was sighted on this matter.

Ms MacPherson continued to give the meeting an update on the work being done in relation to the recommendations contained in Scott-Moncrieff's report on special leave.

The key actions were:-

- Review Special Leave Policy suite and the available SSTS codes.
- Ensure a robust documentation process in place to record Special Leave
- Ongoing monitoring and review of Special Leave on a bi annual basis.

Ms MacPherson advised that a boardwide audit of a percentage of cases listed as "unknown" had been undertaken, along with a review of the formal request process to SSTS administrators regarding changes to coding classifications. Further work, as part of the FIP process would be done around the continuing use of special leave.

There followed some discussion on the use of special leave. Mr J Brown asked if we cost sickness absence; Ms MacPherson confirmed that we did, and that managers consider this locally. Mr White advised that the approximate cost of sickness absence was £80m per annum, and was a key area of focus in the ongoing cost containment process. Mr J Brown requested that Ms MacPherson produce a paper on sickness absence for the NHS Board.

Mr Macleod thanked Ms MacPherson for the update.

### **Noted**

## **17. Internal Audit Reports**

Mr C Brown updated members on the progress to date towards completing the planned audits for the year – nine reviews had been completed during the quarter and were being reported to this meeting; one review on patients' results, which was a consultancy rather than an audit review, was at the final stage for agreement. He also noted that planning for 2019-20 was at an advanced stage and the final plan would be presented at the meeting on 18

**Director of  
Human  
Resources  
and OD**

June, along with Scott-Moncrieff's annual report.

Mr C Brown then proceeded to give the meeting some detail around their findings in respect of the reviews completed during the quarter. He emphasised that the Committee should be reassured that there is a positive message from the audit work during the year, with only three audits where there was identified a need for substantial improvement.

**Hospital Standardised Mortality Ratios - *minor improvement required***

Mr C Brown reported that the production of information required to calculate Hospital Standardised Mortality Ratios (HSMR) is embedded within the health board's business as usual practices. However, further improvements could be made to provide greater assurance that HSMR has been calculated using high quality clinical information for all patient episodes.

**GDPR Compliance - *minor improvement required***

Scott-Moncrieff identified that NHS Greater Glasgow and Clyde has undertaken significant work to prepare for GDPR requirements. Management, supported by the Information Governance team, have provided training to Information Asset Owners and staff as well as establishing effective processes for dealing with Subject Access Requests. Governance arrangements are also in place through which GDPR progress is monitored. Their audit highlighted two main areas where improvement could be made to the control environment. They identified that the Board would benefit from formally transitioning the original GDPR Readiness Checklist into that has evolved into being an internal operational tasks document to track the progress of ongoing monitoring tasks. In addition, the Board should establish a framework through which monitoring of GDPR compliance can be achieved, particularly at Directorate level. This could include expansion of the role of the Information Champions to include GDPR compliance audits.

**Information Sharing - *minor improvement required***

Mr C Brown highlighted that recent work undertaken by NHSGGC in producing a detailed information asset register has provided the basis for determining where there is a need for new or updated information sharing agreements to be put in place. The Board would also benefit from the development and implementation of a risk-based process through which compliance with information sharing agreements, both internally and within partner bodies, is assessed.

**Waiting Times – *effective***

Mr C Brown confirmed that NHSGGC has robust processes in place to ensure that patient waiting lists are managed effectively and that progress towards achieving waiting times targets is monitored on a regular and ongoing basis. We have identified one low-risk improvement action which, once implemented will further strengthen NHSGGC's existing control framework in this area.

**Payroll - *substantial improvement required***

Mr C Brown reported that the review identified a number of weaknesses within NHS Greater Glasgow and Clyde's payroll procedures. These cover a number of different areas including the processing of amendments, staff bank payments, medical on-call supplements and Waiting List Initiative sessions. The capabilities of the new HR system, eESS, will help the Board address many of the recommendations raised in this report and should also

improve the efficiency of the payroll processes.

Mr White noted that the report told us what we expected, and that the errors highlighted have been corrected. Management is continuing efforts to reduce costs in this area. Mr Macleod noted that he was reassured that management actions had been undertaken.

**Capacity Planning** - *minor improvement required*

This report highlighted that NHSGGC has a strong focus on outpatient waiting lists and the associated capacity/demand factors. Waiting list targets remain challenging for NHSGGC to achieve and there has been work done on demand modelling to identify areas where changes could be made to improve performance. This work is also informed by the recent Scottish Government Waiting Times Improvement Plan. Scott-Moncrieff noted that the demand modelling work currently underway, and undertaken previously, is largely reactive in nature and not routinely embedded within resource planning and waiting times management. After completion of the Waiting Times Improvement Plan, they recommended that management need to consider what routine modelling work could be produced that takes into account the changing resource availability and the prevailing national planning framework. This can then tie in with the weekly and monthly monitor information and Sector delivery requirements/objectives to meet the TTG and OP targets over the next 20 months.

Mr C Brown noted that they had initially thought that the board was largely reactive in this area, but further discussions with management demonstrated that work done in conjunction with waiting times, gives assurance that robust processes are in place.

Ms Grant emphasised that waiting times have reduced, but it is not always easy to predict referrals. She also advised that a paper would be taken to the NHS Board in respect of our demand v capacity.

**Performance Reporting** - *substantial improvement required*

Ms Young continued to outline the performance report. The performance management arrangements in place within NHSGGC reflect good practice in many areas, however there was significant room for improvement in some respects. NHSGGC had an 'Interim Annual Plan' in place for 2018/19 that set out the health board's objectives for the year. This plan was put in place as an interim measure following the Scottish Government's suspension of the Annual Delivery Plan process and in recognition of the impact that Moving Forward Together will have in shaping the strategic agenda. The plan is supplemented by a performance management plan that contains supporting actions and targets for measuring delivery of those objectives. The objectives and targets identified provide adequate coverage over the main activities of the health board and comprise an appropriate mix of qualitative and quantitative indicators. This enabled NHSGGC to monitor their performance throughout the current year. Scott-Moncrieff, however, identified significant enhancements that can be made to the performance management process to improve how performance against objectives is measured and reported. They recommend that NHSGGC produce a comprehensive performance framework to ensure organisation-wide performance is robustly measured and reported on. This includes ensuring all targets are SMART and contain adequate detail around how they will be delivered. This framework should support the production of performance

reports that provide substantial assurance to the NHSGGC Board and minimise the current reporting duplication across the organisation.

Mr White advised members that, moving forward, the remit of the Finance and Planning Committee was being revised to include the role of monitoring performance, thus strengthening the oversight of performance.

**Nurse Rostering** - *minor improvement required*

Ms Young noted they were satisfied that nurse rostering policies, procedures and systems in place at NHS Greater Glasgow and Clyde are well designed to ensure effective utilisation of the nursing and midwifery workforce through efficient and safe rostering. They did, however, identify a number of issues relating to the implementation of and compliance with these controls that impact on their efficiency and effectiveness. Their recommendations will improve the overall effectiveness of nurse rostering and mitigate associated risks.

Mr Macleod invited Ms Love to comment; she noted that the FIP would be focussing on this area and that cost improvements are expected to be realised by the autumn. Ms Kerr enquired if there was an issue around the European Working Time Directives not being met, to which Ms Love replied that there had been no hard evidence to support not meeting the EWTD.

**Management Action Follow-up**

Ms Young highlighted that Scott-Moncrieff had reviewed all open internal audit recommendations and had liaised with NHSGGC staff to obtain an update as to the progress in implementing those actions. They had also followed up on recommendations made by the prior auditor. For recommendations graded priority 3 or above, they had requested evidence to validate completion of any actions marked for closure by management.

They confirmed that management had completed 23 actions this quarter (61%). Of the 15 open actions remaining, 6 of these (40%) were not yet due for completion as at the time of our validation work and the remainder were in progress. Ms Young noted that management has continued to make good progress in monitoring and implementing recommendations.

**Noted**

**18. Remit of Audit and Risk Committee**

Ms Vanhegan informed members that she was reviewing the terms of reference of all of the Board's governance committees.

Following the paper being issued, it was decided that further discussion was necessary around the areas of information governance, whistleblowing and the scheme of delegation.

Accordingly it was proposed to bring this back to the next meeting of the Committee on 18<sup>th</sup> June 2019.

**Noted**

**19. Losses and Compensations**

Mr White the bad debts in respect of which the Committee were requested to approve the write-off. Mr Macleod asked that consideration be given as to

**Head of  
Administrati  
on and  
Corporate  
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how claims against the board are reported.

Ms Vanhegan advised this was an area that was being looked at as part of the review of committees' terms of reference.

Ms Grant said that clinical claims are already reported to the Clinical and Care Governance Committee, and therefore it must be ensured that there is no duplication of reporting.

**Approved**

**20. Review of Financial Governance**

Ms Richardson presented the changes proposed to the Standing Financial Instructions. She highlighted that the changes for approval were relatively minor including changes to job titles, national guidance and current regulations. The main changes were in respect of:

- Budgetary control
- Procurement of Medicines
- Requirement for a Waiver to Tender
- Use of Central Legal Office
- Introduction of eESS/ePayslips

**Approved**

**21. Annual Fraud Report**

Ms Richardson took members through the key points in the Annual Fraud report, highlighting both NHSGGC's and the national counter fraud arrangements. She also summarised the numbers of cases from the Enquiries Register and the Fraud and Irregularity Register.

Ms Kerr made an observation about the high level of potential dental fraud; Ms Richardson answered that the extrapolation was a complicated statistical process, and undertook to enquire of CFS as to how the extrapolation was calculated.

Mr Macleod requested that this matter be brought back to the September meeting of the committee.

**Approved**

**22. Information Governance Annual Report**

Mr White advised members that the Audit and Risk Committee was now overseeing the Information Governance Steering Group; he then outlined the group's annual report.

Dr Lyons requested that in future a glossary of acronyms be included.

Mr Macleod enquired about the level of security training undertaken by staff; Mr White advised that the Information Governance Manager follows up where there are gaps in training identified.

Ms Kerr noted that this report was easy to read. She also noted that attendance at meetings did, however, appear to be patchy. Mr White said

**Head of  
Financial  
Governance**

**Director of  
Finance**

that there will be a review of membership of the IGSG over the next few months.

**Approved**

**23. Annual Whistleblowing Report 2018-19**

Mr Macleod advised members that this report had already been considered by the Staff Governance Committee, and that Ms Vanhegan would clarify the ongoing position in the Review of Corporate Governance.

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**Noted**

**24. Dates of Future Meetings**

The dates were noted for future meetings. Mr Macleod suggested that the meeting on 18<sup>th</sup> June begin with a private meeting between members and Scott-Moncrieff at 9:15am, with the formal agenda starting at 10:00am. The September meeting would like wise commence with a private session with Audit Scotland.

- Tuesday 18th June 2019, 9:15am
- Tuesday 10th September 2019, 9:30am
- Tuesday 10th December 2019, 9:30am

The meeting ended at 3:40pm