

NHS GREATER GLASGOW AND CLYDE

**Minutes of the Meeting of the
Audit and Risk Committee
held in the Boardroom, JB Russell House
on Tuesday, 10 September 2019**

PRESENT

Mr. A MacLeod (in the Chair)

Mr. S Carr	Ms. A M Monaghan
Ms. J Forbes (from minute 41)	Ms. M Kerr
Dr. D Lyons	

IN ATTENDANCE

Prof. J Brown	..	Chairman (from minute 42)
Ms. J Grant	..	Chief Executive
Mr. M White	..	Director of Finance
Mr. W Edwards	..	Director of eHealth
Ms. E Vanhegan	..	Head of Corporate Governance and Administration
Mr. C Brown	..	Scott-Moncrieff
Mr. P Kelly	..	Scott-Moncrieff
Mr. C Morrison	..	Head of eHealth Operations
Ms. L Yule	..	Audit Scotland
Ms. L McConachie	..	Audit Scotland
Mr. J Hobson	..	Assistant Director of Finance
Ms. J Richardson	..	Head of Financial Governance
Mrs. L Bulloch	..	Secretariat (Minutes)

		ACTION BY
38.	WELCOME AND APOLOGIES	
	Apologies for absence were intimated on behalf of Mr. Ross Finnie, Mr. John Matthews and Councillor Jonathan McColl.	
	NOTED	
39.	DECLARATIONS OF INTEREST	
	Mr. Macleod invited members to declare interest in any of the agenda items being discussed.	
	Ms. Kerr wished to declare an interest in relation to Agenda Item 42 due to previous involvement with the Internal Audit. The Committee were content to note this.	

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	<u>NOTED</u>	
40.	MINUTES OF THE MEETING HELD ON 18 JUNE 2019	
	<p>The Committee considered the minute of the meeting held on Tuesday 18 June 2019 [Paper No A (M)19/03] and were content to approve this as an accurate record, subject to the following amendments:-</p> <p>Page 1 - Ms. Kerr had been noted twice as being present at the meeting.</p> <p>Page 6 – Minute 33 – Audit Scotland Reports – should read Mr. Cornett instead of Mr. Corbett.</p> <p><u>APPROVED</u></p>	
a)	ROLLING ACTION LIST	
	<p>Mr. Macleod noted closure on rolling action numbers 3, 5, 7. The other actions on the list remain ongoing.</p> <p><u>APPROVED</u></p>	
41.	MINUTES OF THE MEETINGS	
	AUDIT AND RISK EXECUTIVE COMMITTEE HELD ON 28 AUGUST 2019	
	<p>The Committee were content to note the minute of the meeting held on 28 August 2019 as an accurate record.</p>	
	RISK MANAGEMENT STEERING GROUP HELD ON 27 AUGUST 2019	
	<p>The Committee were content to note the minutes of the meeting held on 27 August 2019 and highlighted the following amendments:</p> <p>Minute 07 – Risk Management Moving Forward – should read the Audit and Risk Committee would now be supported by the Board Secretariat.</p> <p>Mr. Macleod noted that one of the Actions was missing from the Action list. Minute 04 – Corporate Risk Register – “immediate” to be removed from the Corporate Risk Register.</p> <p>Committee members also highlighted that some of the commentary/minute was incomplete. Mr White undertook to review the</p>	

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	minute and make the necessary adjustments before presenting to the next Risk Management Steering Group.	
	INFORMATION GOVERNANCE STEERING GROUP – 21 AUGUST 2019	
	<p>Mr. Macleod advised members that the Information Governance Steering Group was now formally accountable to the Audit and Risk Committee. Mr. White, Chair of the Group, noted that minutes had been submitted previously to the Audit and Risk Committee. The Annual Report, and any relevant policies and procedures would be considered by the Steering Group and presented to the Committee for approval.</p> <p>The Committee were content to note the confirmation of the accountability of the Information Governance Steering Group, to the Committee and that it would receive relevant documents in future.</p> <p><u>AGREED</u></p>	
42.	INTERNAL AUDIT	
	The Committee considered the paper “Internal Audit Papers” [Paper No 6] presented by Mr. C Brown, Partner from Scott Moncrieff and were asked to note the following papers from the Board’s Internal Auditors.	
	Progress Report to September 2019	
	<p>Mr. C Brown provided an update on 3 reports that had been completed since the previous Audit and Risk Committee held on 18 June 2019. Mr. C Brown explained the 2019/20 Audit Plan progress from Appendix 1 in the report and noted that the Health & Safety (H&S) Audit had been deferred until June 2020. Mr. C Brown referred to Appendix 2 and highlighted that 4 property transactions had been completed and categorised. Mr. C Brown informed members that no issues had been highlighted and the transactions had been undertaken in line with proper process.</p> <p>There were questions raised by the Committee in relation to the (H&S) Audit Plan scheduled for June 2020. Members queried the scope and the proposal to defer the H&S Review from September 2019 until June 2020.</p> <p>Discussion took place regarding the number of review, internal and external, currently being undertaken; the possible overlap with the proposed Health and Safety Review; and the impact on staff availability. Mrs Grant explained that deferring the Health and Safety Review to June 2020 would deliver more benefit to the Board and staff. The Committee acknowledged the rationale to defer this review to June 2020 and agreed to endorse the amendment to the Internal Audit Plan</p>	

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	<p>2019/20.</p> <p>AGREED</p>	
	<p>Internal Audit Follow Up Report – Quarter 1</p>	
	<p>Mr. C Brown provided an update from the Internal Audit Follow Up Report. Mr. C Brown reported that 14 actions had been closed and 30 actions added in this quarter with a full summary provided within the report.</p> <p>Mr C Brown stated that while the number of actions passed their due date was 10 out of 45, management was making good progress in closing these outstanding actions. The Committee noted that a progress update on two outstanding actions had not been provided by management and requested that this be provided for the next Management Follow-Up Report. Mr White indicated that the actions relating to repairs and maintenance had been overtaken by the review undertaken by the Director of Estates but this would be clarified. The other action would be pursued with the relevant management team.</p> <p>The Committee were encouraged to see the progress of Internal Audit Management Actions and were content to note that good progress continued to be made.</p> <p>NOTED</p>	
	<p>I.T. Security Report – July 2019</p>	
	<p>Mr P Kelly provided an overview of the findings from the IT Security Report highlighting that the Board’s procedures in a number of areas reflected good practice:-</p> <ul style="list-style-type: none"> • The Board’s investment in Cisco Advanced Malware Protection had identified a number of threats and vulnerabilities that have been addressed adding to the already existing multi-layer IT security controls that protect the network from external threats. • The delivery of phishing exercises to staff targeting specific directorates and followed up with relevant training. <p>The report identified a number of improvements relating to the design of controls and the operation of current controls, e.g.</p> <ul style="list-style-type: none"> • The process for deactivating leavers on the network was not effective although it was noted that a 60 day inactivity default deactivation policy was in place. • The process for privileged and generic accounts had not been reviewed since May 2016. • A number of endpoint devices and servers were running 	

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	<p>unsupported versions of Windows XP and Windows server 2003.</p> <p>In response to questions from the Committee Members in relation to the process in place to deactivate IT accounts of staff who have left the Organisation, Mr. Edwards advised that a 3 line process was in place. This included notification from line management, notification from Payroll and a 60 day inactivity deactivation mechanism.</p> <p>He noted that the 60 day inactivity timescale had been a recommendation of a previous audit. He clarified that the procedures also apply to 3rd party employees leaving the Organisation.</p> <p>The Committee also raised concerns regarding the timescales of the process and any risk of exposing the Network to vulnerabilities.</p> <p>Mrs. Grant assured the Committee that there had been a significant investment in the new HR system, Electronic Employee Support System (eESS) and agreed to discuss with Mr Edwards refined procedures and capabilities within the eESS system to address this.</p> <p>The Committee acknowledged the actions taken and were content to note the report and recommendations from the Management Action Plan.</p> <p><u>NOTED</u></p>	<p>Ms. Grant Mr. Edwards</p>
<p>43.</p>	<p>IT CYBER SECURITY</p>	
	<p>Mr. Edwards provided a presentation regarding IT Cyber Security. Mr. Edwards gave an overview of the Policy Framework and approach to IT security and Cyber Security. The Framework included information on legislation and events, the Public Sector Action Plan (PSAP), NHSGG&C 10 steps to the Network Information System (NIS) with regulations and a workplan, Education and Cyber Awareness, and areas of focus with hardware refresh plan. Mr. Edwards reported that there was planned investment to upgrade to Windows 10 by January 2021 across NHSGG&C.</p> <p>The Committee was assured by Mr. Edwards' presentation that there was high awareness of issues which identified vulnerability and that the team were proactively managing cyber risks and general staff awareness of their respective roles</p> <p>Mr. Macleod thanked Mr. Edwards for the presentation and invited comments and questions from Members.</p> <p>Prof. J Brown commended Mr. Edwards and staff for the volume and high standard of work involved within IT Cyber Security. In response to questions from Members in relation to compliance with Cyber Security</p>	

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	<p>mandatory training, Mr. Edwards assured the Committee that compliance data was available from the organisation’s mandatory training dashboard which is discussed regularly at the CMT. Line Managers continue to target staff individually to ensure compliance with the mandatory training module. Mr. Edwards was pleased to note improvements made in Acute Sectors following the reinforcement of the compliance message.</p> <p>To questions raised by the Committee in respect of the Cisco suite resource and USB use within the Board, Mr. Morrison confirmed that there was enhanced intelligence from Cisco externally with internal support from the eHealth Operational Team. There were 75 members of staff involved with the deployment and management of the Cisco tool. He assured members that USB flash drives were encrypted and used in accordance with current IT Security policies.</p> <p>The Committee were assured that there was very impressive progress and vigilance from Mr. Edwards and the eHealth Team in relation to IT cyber security issues. The Chair thanked Mr. Edwards for his presentation on behalf of the Committee.</p> <p><u>NOTED</u></p>	
<p>44.</p>	<p>FRAUD REPORT</p>	
	<p>The Committee considered the paper “The Fraud Report” [Paper No 8] presented by Ms Janet Richardson, Fraud Liaison Officer. The paper asked the Committee to note the Board’s current fraud cases and other fraud related issues. The key issues to be considered were the level and nature of fraud which occurred during the period April to July 2019, that indicated the arrangements and measures in place to prevent and counter fraud were appropriate and do not indicate any significant weakness in the overall system of internal control within the Organisation.</p> <p>Ms. Richardson provided an overview from the paper provided and explained that there had been 29 enquiries during the period compared to 47 in 2018, although figures have fluctuated over 2019. Ms. Richardson directed attention to Paragraph 3 from the National Fraud Initiative and noted that, to date, there were 4 potential instances of staff working whilst on sick leave. Ms. Richardson noted that cases were being investigated by local management in conjunction with the Fraud Liaison Officer.</p> <p>Ms. Richardson provided an overview of Appendix 1 from the paper and advised that 1 case had closed due to lack of evidence and 2 new Family Health Services (FHS) Contractor cases had been added.</p> <p>It was noted that the report recommended the recovery of overpayment</p>	

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	<p>in respect of case 194. The Committee sought clarification that this had been completed.</p> <p>In relation to questions raised by members in respect of a relatively small number of cases and any trends from data, Ms. Richardson advised that many of the cases were similar to previous cases; however there was an ongoing increase in FHS fraud cases. Ms. Richardson reported that in terms of enquiries, there were small numbers of staff working whilst on sick leave that have small monetary value, however the Board will seek to recoup any money lost.</p> <p><u>Patient Exemption Claims Extrapolation Calculation 2019</u></p> <p>The Committee discussed the Patient Exemption Claims Extrapolation Calculation paper and noted from data that the estimated losses attributed to patient exemption fraud reported from 2018 were 20%. The Committee acknowledged that the figures may be much lower as clarity was required. The Committee acknowledged the paper was helpful to understand and note this as an area of particular focus.</p> <p>In summary, the Committee were content to note the Fraud report and the action undertaken to prevent, detect and investigate fraud in NHS GG&C.</p> <p><u>NOTED</u></p>	
<p>45.</p>	<p>CNORIS – Quarter 4 Report</p>	
	<p>The Committee considered the National Services Scotland CNORIS Quarterly Report [Paper No 8] presented by Mr. James Hobson, Assistant Director of Finance. The paper provided an update on the CNORIS reimbursement payments made during quarter 4 of the financial year 2018/19, as well as types of claims and analysis by the NHS Board.</p> <p>Mr. Hobson provided an overview of the indemnity membership scheme and explained CNORIS is an insurance pool run by NHS National Services Scotland (NSS) on a non-profit making basis funded by contributions from Boards. Mr. Hobson reported that all claims were paid centrally from NSS and membership of the scheme had been extended to include Health and Social Care Partnerships (HSCP). Mr. Hobson explained that NHS GG&C has a recurring budget of £14m and that the forecast of £44.8m for 2019/20 across Scotland would be cost neutral to the Board. Mr. Hobson highlighted 3 particular ongoing areas of potential future claims in respect of Mesh Implants, Historical Child Abuse Inquiry Scotland and UK Contaminated Blood Inquiry.</p> <p>Mr. Hobson provided a breakdown in trends from the charts and graphs listed from the paper with NHS GG&C benchmarked average cost of</p>	

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	<p>£2.68m per 100,000 population which is similar to other large Health Boards.</p> <p>In relation to questions raised from members of the Committee, Ms. Vanhegan advised that work was ongoing to enhance monitoring and reporting of clinical claims. Ms Vanhegan clarified that other Board Committees received relevant reports which provided assurance on the work undertaken to mitigate claims risk. Members were re-assured regarding the role of the other Committees in this regard.</p> <p><u>NOTED</u></p>	
46.	CLOSING REMARKS AND KEY MESSAGES TO THE BOARD	
	<p>Mr. Macleod concluded the formal business of the meeting and summarised the key themes to be reported to the Board from the Audit and Risk Committee.</p> <ul style="list-style-type: none"> • The Internal Audit Plan was progressing well • The IT Security Review had highlighted the need to improve the operation of the controls in regard to access to the various IT systems in use. • The presentation by Mr Edwards and Mr Morrison on IT Cyber Security and the steps being taken to mitigate external threats gave the Committee considerable reassurance that this matter continued to receive high priority in terms of resources deployed/investment/staff awareness training. • There was no emerging concerns arising in relation to the CNORIS quarter 4 report and the Committee were assured by internal controls in place to minimise risk. <p>Mr. Macleod was content to close the Audit and Risk Committee Meeting and provide assurances to the Board.</p> <p><u>NOTED</u></p>	
47.	DATE AND TIME OF NEXT MEETING	
	Tuesday 10 December 2019, at 9.30am, in the Board Room, JB Russell	