

NHS Greater Glasgow and Clyde	Paper No. 21/57
Meeting:	NHSGGC Board
Meeting Date:	21 September 2021
Title:	Governance Statement 2020/21
Sponsoring Director/Manager	Ms Margaret Kerr, Chair of the Audit and Risk Committee
Report Author:	Ms Lesley Aird, Assistant Director of Finance – Financial Services, Capital & Payroll

1. Purpose

To present the Audit and Risk Committee's Statement of Assurance and seek approval of the attached Governance Statement.

2. Executive Summary

As Accountable Officers, Chief Executives of NHS Boards have responsibility for maintaining a sound system of internal control within their organisations. Chief Executives of NHS Bodies, as Accountable Officers, are required to sign the Governance Statement as part of the annual accounts. The statement describes the effectiveness of the organisation's governance processes and system of internal control; it is not restricted to internal financial controls and considers all aspects of the organisation's system of internal control and corporate governance, clinical governance, staff governance and risk management. If any significant aspect of governance or internal control is found to be unsatisfactory, this should be disclosed in the Governance Statement.

Guidance issued by the Scottish Government states that NHS Boards are responsible for reviewing the effectiveness of internal controls having regard to the assurances obtained from the Audit Committee and any other standing committee which covers internal control e.g. risk management and clinical governance committees. The remit of the NHS Greater Glasgow and Clyde Audit and Risk Committee incorporates this responsibility; it states that: "The Audit and Risk Committee will provide the NHS Board and the Accountable Officer with an annual report on the NHS Board's system of internal control timed to support finalisation of the Statement of Accounts and the Governance Statement. This report will include a summary of the Committee's

conclusions from the work it has carried out during the year.” This is attached as Appendix 1.

The format of the Governance Statement and its contents are specified in guidance issued by the Scottish Government. The statement for 2020-21 has been prepared in accordance with this guidance. The statement is attached as Appendix 2.

Key Issues to be considered

At its meeting on 14 September 2021, the Audit and Risk Committee reviewed the system of internal control and based on this review, approved the following documents, with a recommendation that the Chief Executive should sign the Governance Statement:

- The Statement of Assurance from the Audit and Risk Committee to the NHS Board on the system of internal control within NHS Greater Glasgow and Clyde (attached as Appendix 1);
- NHS Greater Glasgow and Clyde Governance Statement (this forms part of the Annual Report and Accounts – NHS Board Paper 20/45 - but for ease of reference, a copy is also attached here at Appendix 2).

3. Recommendations

The NHS Board is asked to:

1. Consider and note the attached Statement of Assurance by the Audit Committee; and
2. Approve the attached Governance Statement (which is part of the Annual Report and Accounts 2020-21) for signature by the Chief Executive.

4. Response Required

This paper is presented for approval.

5. Impact Assessment

The impact of this paper on NHSGGC’s corporate aims, approach to equality and diversity and environmental impact are assessed as follows:

- | | |
|------------------------|-----------------------|
| • Better Health | <u>Neutral</u> impact |
| • Better Care | <u>Neutral</u> impact |
| • Better Value | <u>Neutral</u> impact |
| • Better Workplace | <u>Neutral</u> impact |
| • Equality & Diversity | <u>Neutral</u> impact |
| • Environment | <u>Neutral</u> impact |

6. Engagement & Communications

The issues addressed in this paper were subject to the following engagement and communications activity: N/A

7. Governance Route

This paper has been previously considered by the following groups as part of its development:

Audit and Risk Committee 14 September 2021.

8. Date Prepared & Issued

Reported written: September 2021
Report issued: 17 September 2021

Statement of Assurance by the Audit and Risk Committee in respect of the system of internal control within NHS Greater Glasgow and Clyde for 2020-21

As Accountable Officer, the Chief Executive is required to sign a Governance Statement as part of the annual accounts. The Governance Statement is required to describe the effectiveness of the system of internal control and to declare any significant aspects where this system is unsatisfactory.

In accordance with its remit and the Scottish Government Audit and Risk Committee Handbook, the Audit and Risk Committee reviews all audit reports on systems of internal control within NHS Greater Glasgow and Clyde. The result of this review is reported in this Statement of Assurance to the NHS Board and is intended to inform the Governance Statement.

The Audit and Risk Committee's review of the system of internal control in place during 2020-21 was informed by a number of sources of assurance including the following:

All matters considered by the Audit and Risk Committee;

- Review of the NHS Board's internal control arrangements against the extant guidance from the Scottish Government Health Directorates;
- Statements of assurance by executive directors;
- Reports issued by the internal auditors, including the annual statement of their independent opinion on the adequacy and effectiveness of the system of internal control;
- Reports issued by Audit Scotland arising from the audit of the annual accounts and the programme of performance audits;
- Statement of Accounts;
- Third party assurances in respect of key services provided by National Services Scotland and NHS Ayrshire and Arran;
- Annual Fraud Report 2020-21;
- Report on Losses and Compensations 2020-21.

Conclusion

The Internal Auditor's Annual Report for 2020-21 gives the opinion that:

In our opinion NHSGGC has a framework of governance and internal control that provides reasonable assurance regarding the effective and efficient achievement of objectives, except in relation to:

- *Risk Management; and*
- *Records Management.*

During 2020/21, management commenced work on a revised Risk Management Strategy and Policy, refresh of the Corporate Risk Register, and redefining of the Board's risk appetite. However, implementation of these revised risk management arrangements has been delayed by the Covid-19 pandemic, and a change in key personnel in the post of Chief Risk Officer.

As such, our audit of Risk Management highlighted a number of areas for improvement to support effective management of risks at both strategic and operational levels, with three amber rated (high risk) actions arising. Work in these areas remains ongoing at the time of writing as part of the wider work in developing the Board Assurance Framework, and we will continue to monitor progress during 2021/22.

Similarly, our audit of Records Management highlighted two amber rated (high risk) recommendations for improvement relating to review of Information Asset Registers and processes for destruction of corporate records.

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Management have committed to implementing the necessary improvement actions in the above areas, with progress reported to each meeting of the Audit and Risk Committee. Our most recent follow-up review for Q4 2020/21 confirmed that management continue to make good progress in implementing the actions in line with agreed timescales. We will continue to monitor this position on a quarterly basis during 2021/22.

We were able to provide substantial assurances in the remaining ten audit areas covered during 2020/21, all of which were assessed as either “effective” or with only “minor improvement required”. We did not identify any grade 4 (very high risk) actions.

The Audit and Risk Committee considers that these matters should be disclosed in the Chief Executive’s Governance Statement. On the basis of our review, it is the opinion of the Audit and Risk Committee that, overall, there was a satisfactory system of internal control in place within NHS Greater Glasgow and Clyde throughout 2020-21.

The Audit and Risk Committee recommends, therefore, that subject to the inclusion of the above matters, the NHS Board should approve the Governance Statement and that the Governance Statement should be signed by the Chief Executive as Accountable Officer.

Margaret Kerr
Chair, Audit and Risk Committee
14 September 2021

NHS Greater Glasgow and Clyde

Annual Report and Consolidated Accounts for the Year Ended 31 March 2021

Governance Statement

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with the organisation's policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. Also I am responsible for safeguarding the public funds and assets assigned to NHSGGC. I have been supported in my role as Accountable Officer throughout the year by a multi-disciplinary management team, focused on ensuring the delivery of strategic objectives in a prudent, economical, efficient and effective manner.

Purpose of Internal Control

The system of internal control is based on an on-going process designed to identify, prioritise and manage the principal risks facing the organisation. The system aims to evaluate the nature and extent of risks, and manage risks efficiently, effectively and economically.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's aims and objectives. As such, it can only provide reasonable and not absolute assurance.

The process within the organisation accords with guidance from Scottish Ministers in the Scottish Public Finance Manual (SPFM) and supplementary NHS guidance, and has been in place for the financial year and up to the date of approval of the annual report and accounts.

The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy, and promotes good practice and high standards of propriety.

NHS Endowments

In accordance with IFRS 10 – Consolidated Financial Statements, the Financial Statements consolidate the NHSGGC Endowment Fund. This statement includes any relevant disclosure in respect of these Endowment Accounts.

IJB Accounts

In accordance with IFRS 11 – Joint Arrangements, the Financial Statements consolidate the IJB Accounts of Glasgow City, Inverclyde, Renfrewshire, East Dunbartonshire, East Renfrewshire and West Dunbartonshire. This statement includes any relevant disclosure in respect of these IJB Accounts.

Self-Assessment of Performance

At the Annual Review held on 7th December 2020, the Board assessed its own performance in the presentation of an overview of performance during 2019-20 and our initial response to the pandemic from February / March 2020. During that year NHSGGC had made significant progress against 10 of the 14 priority activity milestones outlined in the Plan alongside successfully implementing many major service changes and redesigns whilst at the same time maintain our focus on the safety of our patients and staff.

A significant number of Remobilisation Plan 2 milestones have been achieved in key service priority areas. Progress against key milestones includes:

- The Tier 2 Contact tracing service going live in May 2020 with the capacity to provide a seven day service with around 100 people every day. The service operated with a very high demand with peak numbers of 23,000 people with a positive test being carried out in a single week, generating 8,000 contacts to be followed up;
- The Influenza Vaccination programme started at the beginning of October 2020 with the intention of reaching an estimated 500,000 people across NHSGGC, an increase of over 200,000 people due to the extension of eligibility and expectation of higher levels of uptake. To support the programme we rapidly established over 30 Community Vaccination Centres to compensate for a restricted capacity in General Practice. This involved developments of additional vaccine cold storage capacity at the Louisa Jordan Hospital, establishment of a central booking function dealing with around 100,000 appointments per month and sourcing qualified staff to deliver vaccinations.
- Providing a range of support mechanisms to support the 196 care homes during the peak of the pandemic including deploying staff, psychological support, etc.
- Remobilising planned care whilst at the same time ensuring we maintained red Covid-19 pathways to respond to fluctuating levels of cases, and support staff who were shielding and deployed to support the Covid-19 response. New infection control and social distancing guidance (including patients testing) pushed the need for new models of care and ways of working.
- Our mental health services continued to operate throughout the pandemic, ensuring continuous access to emergency and urgent care services. This was made possible by the adaptability and flexibility of staff and the adoption of a range of new ways of working including the wide scale roll out of IT and telephone consultation. Face to face emergency and inpatient care continued to be supported by new ways of working practices, use of appropriate PPE and the adaption of patient pathways.
- Two Mental Health Assessment Units were quickly established to divert patients away from hospital Emergency Departments and continue to operate to Standard Operating Procedures in order to reduce footfall through EDs, support Police Scotland and the Scottish Ambulance Service and responding better to patient's needs.
- The Covid-19 Community Assessment Centre (CAC) Pathway was developed as part of our response to the pandemic where a 'red' community pathway was established for symptomatic patients. This enabled patients who were potentially Covid-19 positive to be cohorted away from General practice and hospital E.Ds. The pathway was integrated into the planned care model for GP Out Of Hours, and CACs became operational on 23rd March 2020 and continue to operate. At the peak week of the pandemic, 766 patients attended the CACs. Our staff, including Health Visitors, Physiotherapists, Student Nurses and Health Care Support Workers,

were fundamental in the functioning of CACs with many stepping out of their normal roles to provide support.

Governance Framework

Under the terms of the Scottish Health Plan, the Board is a board of governance. Its purpose is to ensure the efficient, effective and accountable governance of the local NHS system and to provide strategic leadership and direction for the system as a whole, focusing on agreed outcomes.

Board members are appointed by Scottish Ministers and are selected on the basis of their stakeholder position or the particular expertise which enables them to contribute to the decision making process at a strategic level. At 31 March 2021 the Board comprised the Chair, twenty-six Non-Executive and five Executive Board members; of the Non-Executive members, six are Council Members nominated by their respective councils.

The Board and its Standing Committees have clearly defined and documented roles and responsibilities, and the purpose of each committee is set out below. The Non-Executive members of the Standing Committees have the opportunity to scrutinise and challenge the Board's executive management.

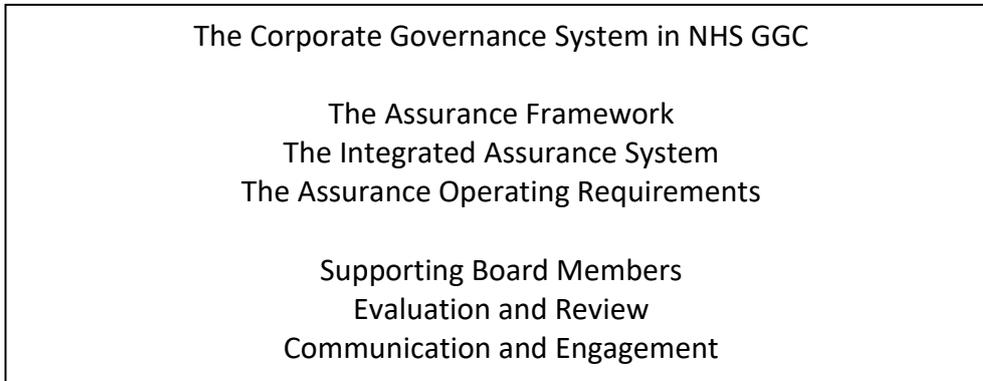
The Board has an integrated approach to governance across clinical areas, performance management, staff, and involving and engaging people in its services and developments. These are defined through the standing committees outlined below. These committees are charged with assessing performance of the Board and regularly receive relevant performance data for each of their respective areas. The Board itself receives at each meeting an Integrated Performance Report, which outlines performance over a period of time, with relevant actions to improve where relevant – presented by the responsible Director.

Active governance is a key element of the implementation arrangements for the NHS Scotland Blueprint for Good Governance ('the Blueprint') issued under DL (2019) 02 on 1 February 2019.

To adopt and embed an active approach to governance and deliver good governance, NHSGGC is developing a corporate governance system that applies the active governance approach to the implementation of the NHS Scotland Blueprint for Good Governance. This requires having a cohesive corporate governance system that is specifically designed to facilitate an active approach to corporate governance at Board level. The chart below, describes the approach.

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The actions to develop the corporate governance system form the basis of the NHS GGC Active Governance Programme April 2021 – March 2022. The implementation phases match the Board meetings from April 2021 and March 2022. Key headings are noted below:



During the Covid-19 Pandemic the routine governance requirements required review in March 2020. The Audit and Risk Committee met on 17th March 2020 and considered the challenge posed by Covid-19 and the potential impact on the Board's governance processes. The Audit and Risk Committee identified three particular risks:

1. There is a risk that the current governance arrangements are too inflexible and compartmentalised to give the Board the necessary assurance and oversight of the organisation's response to the escalating Coronavirus pandemic across Greater Glasgow & Clyde.
2. There is a risk that the governance arrangements put unnecessary demands on the Chief Executive, the Senior Leadership Team and Executive Team, and the Board Administration Team at a time when these resources are required elsewhere to manage the public health emergency.
3. There is a risk to the health and wellbeing of the people involved in the governance process if the Board continues mainly to rely on face-to-face meetings to conduct its business.

The Board Chairman wrote to all Board members on 19 March 2020, identifying five options to deal with the identified risks, proposing a solution and nominating a fall-back option. Over the period 19 to 23 March 2020 Board members provided feedback on the Chairman's proposed actions, and through discussion a sixth option was identified and refined. This option proposed the convening of a single 'Interim Board' committee of the Board to carry out all functions on behalf of the Board during the public health emergency; the suspension of the main Board and all other committees; and the review of this arrangement at the time of the scheduled meeting of the main Board on 30 June 2020. This option was approved unanimously by the Board. A note of this virtual meeting of the Board was circulated to Board members. Internal and External Audit both reviewed the approach. The approach to Board governance within NHS GGC was advised to the Scottish Government.

The first meeting of the Interim Board took place on 8 April 2020. The Interim Board comprised eight non-executive members (including Chair and Vice Chair of the Board, chairs of governance committees, representation of stakeholder members and two executive members. Meetings of the Interim Board were convened in accordance with Standing Orders, albeit meetings took place

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by MS Teams, with papers being published in line with publishing of Board papers, and notes of the proceedings of the meeting being issued shortly after the meeting and made publically available, with a formal minute of the meeting being issued thereafter and presented for confirmation at the next meeting of the Interim Board. The Interim Board met on six occasions 8 April, 21 April, 5 May, 19 May, 2 June, and 16 June. The membership was Prof John Brown (Chair), Mr Allan MacLeod, Mrs Susan Brimelow, Mr John Matthews, Mrs Dorothy McErlean, Mrs Audrey Thomson, Mr Ross Finnie (ceased membership June 2020), Cllr Jim Clocherty, Prof Linda de Caestecker, Mrs Jane Grant.

A full meeting of the NHS Greater Glasgow and Clyde Board meeting took place on the 30 June 2020. At this meeting the functioning of the Interim Board was reviewed and the reinstatement of routine governance arrangements were agreed in view of the improving picture in respect of the Covid-19 pandemic. Core priorities were agreed to ensure focus and minimise impact on the Executive team with a 'governance light' approach.

From the 30 June 2020 the full Board continued to meet as per schedule. However in light of the 2nd wave of the Covid-19 pandemic, whilst the Board continued to meet from December to March 2021, the Standing Committees were suspended during this time. This approach was approved by the Board at a special meeting on 19 January 2021. During the year from 1 April 2020 to 31 March 2021, the full Board met on five occasions 30 June, 25 August, 27 October, 22 December 2020 and 23 February 2021 with two additional Special Board meetings held on 29 September 2020 and 19 January 2021.

There was a robust governance process established to manage the emergency response to Covid-19 with a Strategic Executive Group (SEG) chaired by the Chief Executive which met daily or three times a week depending on the stage of the pandemic. The SEG was supported by a number of operational tactical groups to manage the pandemic across the whole system.

The Board undertakes, on an annual basis, a review of corporate governance arrangements to ensure that they are fit for purpose.

The Board has the following standing committees to support it, and which are directly accountable to it:

- Acute Services Committee (ASC);
- Area Clinical Forum;
- Audit and Risk Committee (ARC);
- Clinical and Care Governance Committee;
- Endowments Management Committee (a committee of the Endowment Trustees);
- Finance, Planning and Performance Committee (FPPC);
- Pharmacy Practices Committee;
- Public Health Committee; and
- Staff Governance Committee (SGC) (including Remuneration Sub-committee).

Acute Services Committee

The scope of the ASC comprises the functions of scrutiny, governance and strategic direction for Acute Services, covering the functions below:

- The quality function of services delivered to patients;

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- Effective patient safety and governance systems;
- Delivery of Corporate Objectives, including those set out in the Annual Operational Plan;
- Financial Planning and Management (in conjunction with the Finance, Planning and Performance Committee);
- Staff and patient focused public involvement; and
- Ensuring that learning from performance issues drives improvement.

The areas of clinical governance, patient safety, quality and finance have been integrated in reporting terms and there is a focus on organisational change and capability for improvement.

The ASC had three meetings during the year 2020-21.

In addition to the members of the Committee, meetings were attended by other Board members, Directors, Chief Officers and senior managers.

Area Clinical Forum

The role of the Area Clinical Forum is to represent the multi-professional view of the advisory structures for medical, dental, nursing and midwifery, pharmaceutical, optometric, professionals allied to medicine, healthcare scientists, psychology and community health partnerships to NHSGGC ensuring the involvement of all the professions across the local NHS system in the decision-making process.

NHSGGC has six fully functioning statutory Professional Advisory Committees. The statutorily established Professional Advisory Committees (some of which have sub-committee structures) are:

- Area Medical Committee;
- Area Nursing and Midwifery Committee;
- Area Dental Committee;
- Area Pharmaceutical Committee;
- Area Allied Health Professions and Healthcare Scientists Committee; and
- Area Optometric Committee.

Membership of the Area Clinical Forum comprises the Chair and Vice-Chair of each Professional Advisory Committee, along with the Chair and Vice-Chair of the Area Psychology Committee. The Forum had eight scheduled meetings during 2020-21, and was chaired by Ms A Thompson.

Audit and Risk Committee

The purpose of the ARC is to assist the Board and the Accountable Officer in delivering their responsibilities for the conduct of business, including the stewardship of funds under their control. In particular, the Committee seeks to provide assurance to the Board and the Accountable Officer that appropriate systems of internal control and risk management had been in place throughout the year.

The ARC met on four occasions during 2020-21.

Clinical and Care Governance Committee

Non-executive oversight of clinical governance arrangements across NHSGGC is provided by the Clinical Care and Governance Committee. Its functions are to:

- ensure clinical care and services provided by NHSGGC, including those provided in partnership with other organisations, are of an appropriate quality;
- ensure the clinical and care governance arrangements are effective, including interactions with other organisational arrangements, in improving and monitoring the quality of clinical care;
- provide assurance to the Board that NHSGGC is meeting its statutory and mandatory obligations relating the NHS Duty of Quality; and
- provide advice and assurance to the Board that clinical service proposals are consistent with the continued provision of safe and effective care.

The Committee met three times during 2020-21 with one rescheduled meeting.

Endowments Management Committee

Responsibility for the Board's Endowment Funds lies with the Trustees, who are all members of the Board. The Trustees have delegated to the Endowments Management Committee roles of disbursing funds, reviewing proposals, making recommendations to the Trustees with respect to policies on expenditure and donations, investment strategy and any other matters that may assist the Trustees in discharging their duties.

The committee receives regular reports from the investment managers, and reviews the performance of the portfolio against relevant benchmarks and investment objectives. It also reviews reports on fund income and expenditure and the list of all the funds under stewardship. The Endowment Funds Accounts are audited by BDO.

Specific focus was given throughout the year on the allocation of NHS Charities monies in respect of Covid.

The Committee met four times during the year 2020-21.

Finance, Planning and Performance Committee

The remit of the FPPC is to oversee the financial and planning strategies of the Board, oversee performance of Board functions, oversee the Board's Property and Asset Management and Strategic Capital Projects and provide a forum for discussion of common issues arising from the six Integrated Joint Boards.

The remit of the FPPC comprises the following core elements:

- Finance and Planning;
- Performance;
- Property and Asset Management; and
- Strategic/Capital Projects.

The Committee considers the Board's Strategic and Integrated Business Planning activities, ensuring that strategic planning objectives are aligned with the Board's overall objectives, strategic vision and direction. It also ensures that the Property & Asset Management Strategy is

aligned with the Clinical Strategy, and is supported by affordable and deliverable business cases and reviews overall development of major schemes including capital investment business cases.

The Committee further receives performance monitoring information related to all functions within the Health Board system. The Committee met five times during 2020-21.

Pharmacy Practices Committee

The role of the Committee is to carry out the functions of NHSGGC in terms of the National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009 (as amended), i.e. to prepare “the pharmaceutical list” – the list of those eligible to provide pharmaceutical services within the Board area.

The Committee is also empowered by NHSGGC, to exercise other functions as delegated to it under the National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009 (as amended) to the extent that those functions are not delegated to an officer of the Board under the Scheme of Delegation.

The Committee did not have any official meetings during 2020-21, these were recommenced virtually in April 2021.

Public Health Committee

The remit of the Public Health Committee is to promote public health, oversee population health activities and to develop a long term vision and strategy for public health.

The Committee had two scheduled meetings during 2020-21.

Staff Governance Committee

The purpose of the SGC is to provide assurance to the Board that NHSGGC meets its obligations in relation to staff governance under the National Health Service Reform (Scotland) Act 2004 and the Staff Governance Standard. The SGC is a Committee of the Board. In particular, the Committee will seek to ensure that staff governance mechanisms are in place that take responsibility for performance against the Staff Governance Standard and are accountable for progress towards achievement of the Standard. During 2020-21 the SGC had two scheduled meetings during the year.

The Remuneration Committee is a sub-committee of the SGC and its main role is to ensure the application and implementation of fair and equitable systems for pay and for performance management on behalf of the Board as determined by Scottish Ministers and the Scottish Government Health and Social Care Directorate (SGHSCD).

Whilst pay arrangements for NHS staff are determined under national arrangements, the pay arrangements for the Board’s senior managers whose posts are part of the Executive and Senior Management Cohorts, are subject to SGHSCD guidance. The Remuneration Committee met twice during the year, and, in accordance with SGHSCD guidance, it determined and reviewed the pay arrangements for the Board’s senior managers whose posts are part of the Executive and Senior Management Cohorts, and ensured that a fair, equitable and effective system of performance management for these groups was in operation.

Information Governance

Good progress continues to be made to ensure compliance with the General Data Protection Regulation (GDPR), the Data Protection Act 2018 and the Public Records (Scotland) Act 2011. This included a review of the Board's Information Asset Register to identify where patient data was accessed or held out with the UK to ensure there was no risk when the UK left the EEU.

The Information Governance (IG) Steering Group continue to meet regularly to monitor IG compliance by reviewing regular reports on data breaches, security compliance, data protection and records management training and subject access requests. The Group also reviews all Information Governance and IT Security policies. The IG Steering Group reports into the Corporate Management Team.

The Board received over 10,000 requests for personal data and responded to 99.9% of these requests within the required timeframe.

The IG team continues to provide the necessary support and training to ensure staff are aware of their obligations to protect patient and staff data by continued participation in training programmes, including training to GP practice staff.

A number of communications have been issued to staff to ensure continued awareness and compliance and to remind staff of the availability of support through training and guidance materials located on Staff Net.

With the continued investment by nation states in cyber-attack tools cyber threats remain high. Adoption of the controls identified in the Information Security Policy Framework, which support the Network Information System (NIS) Regulations and the measures identified in the Public Sector Action Plan help reduce impact. The first NIS audit has taken place with findings under discussion with the Competent Authority. The Scottish Government, through the Cyber Resilience Unit, issued fourteen Cyber Response Early Warning (CREW) notices which were risk assessed and actioned.

Other Governance Arrangements

The conduct and proceedings of the Board are set out in its Standing Orders; the document specifies the matters which are solely reserved for the Board to determine, the matters which are delegated under the Scheme of Delegation, and the matters which are remitted to a Standing Committee of the Board.

The Standing Orders also include the Code of Conduct that Board members must comply with and, along with the Standing Financial Instructions, these documents are the focus of the Board's Annual Review of Governance Arrangements. The annual review also covers the remits of the Board's Standing Committees.

In addition to the Code of Conduct for Members the Board has in place a Code of Conduct for Staff. This includes reference to the disclosure internally or externally by staff who have concerns about patient safety, malpractice, misconduct, wrongdoing or serious risk. There is also in place a well-established complaints system, whereby members of the public can make a formal complaint to the Board regarding care or treatment provided by or through the NHS, or how services in their

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local area are organised if this has affected care or treatment; information on our complaints procedures is available on the NHSGGC website.

All of the Board's Executive Directors undertake a review of their development needs as part of the annual performance management and development process. A leadership development framework is in place to offer a range of development activities to meet needs identified, with additional support from the Human Resources department when required. Access to external and national programmes in line with their development plans and career objectives is also available. The Chief Executive is accountable to the Board through the Chair of the Board.

Non-Executive Directors have a supported orientation and induction to the organisation with the establishment of a 'buddy' system for newly appointed members. Opportunities for development also exist, at a national level, for some specific Non-Executive roles such as Chairman and Area Clinical Forum Chairs.

Internal policies are created in line with the Board's Policy Development Framework, which ensures that there is a consistent and clear approach to policy development, consultation, approval, dissemination/communication, access to documents and review, and that NHSGGC complies with relevant legislation, governance, audit and controls assurance requirements. All policies, strategies or procedures are reviewed every three years as a minimum, or sooner if there is a specific legislative or service requirement or change in guidance, law or practice.

NHSGGC had a Whistleblowing Policy in place in 2020-21, and on 1 April 2021, this was superseded by national Whistleblowing Standards, which all Health Boards in Scotland must abide by. The Standards were published by the Scottish Public Services Ombudsman, who now has a dual role, and is also now the Independent National Whistleblowing Officer. As well as handling a case load of whistleblowing concerns in 2020-21 as per the previous policy, the Board also spent time preparing for the implementation of the Standards.

The Standards aim to bring consistency across NHS Scotland in how whistleblowing concerns are handled, in terms of accessibility, impartiality and fairness. Both with the previous policy, and with the new Standards, NHSGGC has always aimed to look into any concerns brought forward through the process in a thorough and empathetic way. The Standards have given NHSGGC an opportunity to focus and make improvements to our whistleblowing arrangements, strengthening the support offered to all those involved with cases, and tightening our reporting processes.

During 2020-21, a review was undertaken of whistleblowing cases handled in NHSGGC over a three year period. The findings of the review augment the work undertaken to prepare for the new standards, and the recommendations are currently being implemented, to further ensure a high quality Whistleblowing function.

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the effectiveness of the system of internal control. My review is informed by:

- the Executive Directors and managers within the organisation who have responsibility for developing, implementing and maintaining internal controls across their areas;
- the work of the internal auditors, who submit regular reports to the organisation's ARC. Reports include the auditors' independent and objective opinion on the adequacy and

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effectiveness of the organisation's systems of internal control together with recommendations for improvement; and

- statements made by the external auditors in their management letters and other reports.

The following processes have been applied in maintaining and reviewing the effectiveness of the system of internal control:

- The Board, along with its Standing Committees meeting frequency is as described above. Whilst arrangements were altered during the year in light of Covid, the fundamental role continued to consider plans and strategic direction, to allocate resources, to review the management of performance and to receive minutes and reports from its Standing Committees.
- Within the Acute Division, the Chief Operating Officer chairs monthly meetings of the Strategic Management Group (SMG).
- The Chief Executive chairs a monthly meeting of the Corporate Management Team attended by the HSCP Chief Officers, Chief Operating Officer and other Directors comprising Finance, Medical, Nursing, Public Health, Human Resources, eHealth, Facilities and Estates, and Communications, as well as the Employee Director. The focus of the group includes:
 - development of proposals for the Board on financial and capital allocations and the AOP;
 - approval of system-wide policy;
 - ensuring that the Clinical Strategy/Transformational Plan reflects the population needs;
 - monitoring variations in performance against local and national targets/guarantees;
 - oversight of Board-wide functions including Civil Contingencies, e-Health, Facilities accommodation and property; and
 - Board-wide service planning and approval of material investments and disinvestment propositions and review of the Risk Register.

In addition the Board Corporate Directors meet weekly in an informal setting. This is also chaired by the Chief Executive and is attended by the Chief Operating Officer (Acute Services) and the Corporate Directors. These groups have continued to meet throughout the year in addition to the specific Covid-19 response fora described.

- The ARC provides assurance that an appropriate system of internal control is in place. The Committee met, as detailed above, throughout the year, reviewing the system of internal control.
- The Internal Auditors delivered their service based on an approved risk-based audit plan which is compliant with Public Sector Internal Audit Standards.
- The External Auditors also considered the adequacy of the processes put in place by the Chief Executive as Accountable Officer.
- Work has continued during the year to achieve the revised targets set out in the Remobilisation Plan. Reporting mechanisms have been further developed to ensure a culture of continuous improvement continues to be promoted.
- Staff objectives and development plans include where appropriate maintenance and review of internal controls.
- An on-line performance appraisal system is in place for senior staff with personal objectives and development plans designed to support the Board in the attainment of corporate objectives. The performance of other staff is assessed under the Knowledge and Skills Framework.
- An on-line Register of Staff Interests system is maintained. It ensures effective management control of the information held on the staff register of interests and identifies potential conflicts of interest.

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- In accordance with the principles of best value, the Board aims to foster a culture of continuous improvement. The Board's processes focus strongly on best value and is committed to ensuring that resources are used efficiently, effectively and economically, taking into consideration equal opportunities and sustainable development requirements.

Covid-19 – Financial Support Measures paid to FHS Contractors

As part of a package of financial support for business in Scotland, announced by Scottish Government during Covid-19 pandemic, specific guidance was issued for NHS Primary Care contractors within Medical, Pharmacy, Dental and Optometry. Aligned to this financial support measures were implemented to maintain the Primary Care infrastructure and ensure contractor workforce were protected during pandemic.

Amounts paid to Primary Care contractors, as part of financial support package, included sums to assist with costs relating to adaption of premises, PPE supplies, increased activity and the reimbursement of costs relating to locum cover for Covid-19 sickness or Covid-19 isolation procedures.

For payments to contractors which were based on 'item of service' fee based income which decreased due to the pandemic, revised payment calculations were based on prior year, or most relevant period, activity instead of 2020-21 actual activity. Additional payments to contractors for Enhanced Services were also guaranteed at prior year payment levels even though some activity decreased due to the pandemic.

During the course of 2020-21, and as pandemic restrictions have lifted, items of service fee based claims have increased and the value of monthly financial support payments has decreased as contractors gradually resume post pandemic working procedures.

All additional payments to FHS contractors have been supported by Scottish Government funding.

All payments to Primary Care contractors, were processed via National Services Scotland (Practitioners Services Division) to ensure accuracy and consistency across all Health Boards.

Risk Assessment

NHSGGC has made significant efforts to enhance risk management arrangements during 2020-21. The Risk Management Policy and Guidance document and overarching Risk Management Strategy were updated and a detailed review of the Corporate Risk Register was initiated to ensure extant risks remain relevant in the current environment. Additional actions are planned for 2021-22 to address some recent audit recommendations and enhance risk management controls further. The Risk Management Strategy describes how NHSGGC aims to provide high quality and safe services to the public it serves, in an environment which is safe for the staff it employs or contracts with, to provide services.

In fulfilling this aim, NHSGGC has established a robust framework for the management of risk. The framework is proactive in identifying and understanding risk and will build upon existing good practice. As a Board we continue to strive to make Risk Management integral to strategic and service planning, decision making, performance reporting and health care service delivery. The strategy is based on the belief that Risk Management is:

- a key activity to ensure the health and well-being of patients, visitors and staff;

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- an inclusive and integral part of our health care services and set against guiding risk management principles;
- implemented with good practice acknowledged and built upon; and
- a major corporate responsibility requiring strong leadership commitment and regular review.

We believe that the provision of high standards of health, safety and welfare within a risk management framework is fundamental to the provision of high standards of health care. The following principles underpin our approach to risk management in NHSGGC:

- A consistent and standard approach to risk management;
- Integral to strategic and service planning and informs performance review;
- Involvement of clinicians and key stakeholders to support effective prioritisation and to inform decision-making;
- Comprehensive and systematically integrated into all processes;
- Responsibility for management, escalation, monitoring and communication of key risks is clearly defined;
- Risk is managed at the operational level closest to the risk supported by clear escalation processes;
- All types of risks are considered including NHSGGC's strategic risks; and
- Provides assurance that effective systems are in place to manage risks.

All of the key areas within the organisation maintain a risk register; the high level risks that the Board needs to ensure are being managed are then consolidated into the Corporate Risk Register (CRR). The Corporate Risk Register summarises the main risks identified within each of the organisational areas, and the processes by which these risks are being managed, and is presented to the ARC for approval on a six-monthly basis. In 2020-21 due to the suspension of the standing committees due to Covid-19 and latterly planned changes in the CRR it was only presented once to the ARC in September 2020.

During the year, the CRR was updated to include a range of risks and controls in relation to the Independent External Review of the QEUH and the Public Inquiry. In addition, a Covid-19 specific Risk Register was drafted and reviewed regularly by the Covid-19 Senior Executive Team and the Covid-19 specific Board meeting. The Covid-19 Risk Register has now been merged into the Corporate Risk Register.

Other developments included the recruitment of a dedicated Chief Risk Officer for the Board with the primary objective of overseeing the whole Risk Management process and making improvements where necessary. The post was filled on an interim basis in the year, recruitment for the permanent post will commence in 2021-22.

There is a strong application of risk management practices across the Board, particularly in clinical services. The Board is constantly reviewing risk management processes, under the guidance of the Risk Management Steering Group (RMSG). During the year, the RMSG has:

- Commissioned work by Internal Audit to further update the structure and content of the CRR in line with best practice;
- Updated the Risk Management Policy and Guidance note for managers;
- Updated the Risk Strategy;
- Directed work to review and update older records on the electronic risk register module; and

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- Ensured it has an active role in ensuring a coherent and high quality description of risks and the associated controls.

The following are the highest risk rated areas (as recorded in the CRR) that the Board faces:

- Failure to implement the recommendations published in respect of the QEUH and RHC; The External Review, The Oversight Board Report/AARG, The Case Note Review Report, impacting on patient care, staff resilience, the reputation of the Board and public confidence in services provided.
- Delays in discharging patients from acute settings resulting in bed pressures, inappropriate patient placement, delays in Emergency Departments, delays in admissions, cancellations of planned admissions and acute hospital overcrowding.
- Failure to comply with recognised policies and procedures in relation to infection control.
- Financial challenges around delivery of the Financial Plan due to funding uplifts being significantly lower than additional cost pressures.
- Failure to deliver NHSGGC scheduled care and unscheduled care Waiting Time targets and Treatment Time Guarantees to agreed standards, thereby impacting on patient experience and outcomes.

High rated risks in 2020-21 which were successfully mitigated in year:

- There was an initial risk around Covid-19 vaccine targets not being met and roll outs potentially being delayed for priority groups. The vaccine roll out to priority groups was very successful and targets were met in the year.
- Initial risk that Test and Protect might not operate at the anticipated level in terms of staffing, overall resources or successful contacts made.
- There was a significant financial challenge earlier in the year, accentuated by Covid-19 spend. Scottish Government confirmed they would provide full Covid-19 funding and the final outturn was a small surplus.
- Increased risks to the BAME community posed by Covid-19 was managed through additional risk assessments for higher risk staff.
- There was a risk that NHSGGC would not be in full operational readiness to fulfil the 10 duties of the Health and Care Staffing (Scotland) Act 2019. Robust governance processes effectively mitigated this risk.
- Failure to ensure a whole system health and social care response to Covid-19 resulting in an insufficient nursing workforce to ensure required safe service delivery within community environments. Effective governance arrangements and partnership working in year ensured the ongoing, safe delivery of services within the community throughout the pandemic.

Management has implemented a range of control measures to mitigate the effects of each of these risks, and are also working on additional actions which will strengthen controls and further reduce the consequences.

In respect of clinical governance and risk management arrangements we continue to have:

- Clearly embedded risk management structures throughout the organisation;
- A strong commitment to clinical effectiveness and quality improvement across the organisation;
- A sound cycle of annual clinical governance reporting arrangements for operational entities with devolved responsibilities; and

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- A robust performance management framework that provides the context to support statistics with a high level of qualitative information.

Health and Safety

The health, safety and wellbeing of our staff remains a high priority.

The Board has renewed the Staff Health Strategy which will be in place until 2023. Key strategies for this are supporting our staff with mental health issues, emphasising the importance of a positive health and safety culture and supporting our staff who have long term health conditions and were shielding due the pandemic. We recognise the impact of the pandemic on our staff and we have introduced a range of programmes to support our staff including a mental health assessment and treatment plan, a peer support programme and an assessment and treatment programme for staff with Long-Covid.

NHS GGC recognises that the development of an effective safety culture is a vital element in the achievement of high standards of safety, alongside an effective safety management system and organisational structure and this is described within the Workforce Strategy objective; to: develop and embed professional health and safety culture by December 2023. As such, and through the Boards Health and Safety Forum a forward looking strategy has been developed with the aim of evolving a positive and sustainable safety culture to improve personal ownership and reduce incidents.

We continue to work with the HSE on areas of interest and successfully closed two improvement notices on 31 December 2020, which related to staff training. The Board had contested a third improvement notice which related to ventilation, and this continues to progress through a legal process. A further area of focus has been ligature risk, with an investigation currently on-going. Measures have been taken by the Board in regards to ligature risk, including strengthened governance routes for risk assessment and mitigation.

We have supported staff through the Covid-19 pandemic and we have been very proactive in issuing appropriate levels of PPE and introducing Social Distancing measures and communications.

We are actively supporting the health and wellbeing of our staff in the recovery phase of the pandemic by planning and implementing changes to offer increased protection to our staff and comply with Scottish Government guidance.

Integration

The Board has worked in partnership with the six councils, and has agreed principles for financial management including budget management, virement and terms of reference for IJB Audit Committees. Governance arrangements, which include internal audit, give assurance to the Board that each IJB is performing in line with its strategic plan.

Developments

The organisation continues its commitment to a process of ongoing development and improvement, developing systems in response to any relevant reviews and developments in best practice. In particular, in the period covering the year to 31 March 2021 and up to the signing of the accounts, the organisation has continued to monitor, review and enhance its governance arrangements to support the organisational structure.

Annual Service Reports

Annual Service Audit Reports are designed to provide assurance around the internal controls frameworks operated on behalf of NHS Scotland by NHS National Services Scotland (NSS). These services are Practitioner and Counter Fraud Services (PCFS) for payment of family health services practitioners, Atos and NSS Digital and Security to support national IT services, and NHS Ayrshire and Arran for National Single Instance ledger services.

The NSS Service Audit for 2020-21 - Payments to Primary Care Contractors was qualified for the second year in a row. Actions have been taken by NSS to address this and a report detailing the issue and actions taken went to the NHSGGC Audit & Risk Committee. Additional independent reviews commissioned by NSS indicate that the risk of material mis-statement in these financial statements is low.

Significant Issues

The Board's internal auditors completed 12 audit reviews during the year. There were no grade 4 recommendations raised (very high risk exposure) and no control objectives assessed as "Critical" where there was a fundamental absence or failure of key controls. Overall their reports can be summarised as follows:

- **Red rated – nil:** controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met;
- **Amber rated – five:** numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met;
- **Yellow rated – twenty six:** a few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives should be met;
- **Green rated – four** controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

It is the opinion of the Chief Internal Auditor that the two reports rated as amber should be reported in this Governance Statement; these reports are:

- **Risk Management**

Audit conclusion - The auditors identified a number of recommendations which would support a consistent and integrated approach to risk management across the organisation.

Management response - We agreed proposed improvement actions to better enable NHSGGC to enhance existing risk management arrangements.

- **Records Management**

Audit conclusion – The auditors noted that appropriate policies and procedures were in place and that staff receive regular training on their duties. However, they also found that the control framework around the management of corporate records was inadequate.

Management response – The recommendations were agreed and timescales for implementation are being monitored.

Disclosures

With the exception of the matters noted above, no other significant control weaknesses or issues have arisen during the year, and no significant failures have arisen in the expected standards for good governance, risk management and control. Therefore, I have no other disclosures to report.

Key actions planned relating to governance for 2021/22

- Continuation of the Active Governance Programme work which commenced in 2020/21, including the development of an Assurance Framework and Information Assurance System to ensure Board members have clarity on the Board's strategic aims, objectives, performance and outcomes.
- The Remobilisation plan will be updated to RMP4 to reflect the current position and key strategic actions for the Board in terms of the pandemic.
- Ongoing governance arrangements will remain in place around the QEUH, public enquiry, legal case etc. but will be regularly reviewed and amended if required as each area develops and evolves.
- The Board's Risk Management Strategy will be updated and finalised to ensure that it continues to meet the needs of the Health Board, as part of this the Board will agree a Risk Appetite Statement.
- Ongoing rollout of the Investors in People (IIP) Framework and standards across NHSGGC.