

ARC (M) 22/01
Minutes: 01 - 15

NHS GREATER GLASGOW AND CLYDE

**Minutes of the Meeting of the
Audit and Risk Committee
held via Microsoft Teams
on Tuesday 7 June 2022**

PRESENT

Ms. M Kerr (in the Chair)

Ms F McEwan	Mr. C Vincent
Ms. K Miles	Ms. M Wailes

IN ATTENDANCE

Ms L Aird	..	Assistant Director of Finance, Financial Services, Capital & Payroll
Ms D Brown	..	Interim Director of eHealth
Prof. J Brown CBE	..	NHSGGC Board Chair
Mr W Edwards	..	Chief Operating Officer
Mr A Gibson	..	Chief Risk Officer
Mrs J Grant	..	Chief Executive
Ms L Maconachie	..	Audit Scotland
Mr I Paterson	..	Corporate Services Manager
Ms E Vanhegan	..	Director of Corporate Services and Governance
Ms R Weir	..	Azets
Ms E Young	..	Azets
Ms K Donald	..	Corporate Services Manager (Minutes)

		ACTION BY
01.	WELCOME AND APOLOGIES	
	<p>The Chair welcomed those present, and apologies were noted from Mr John Cornett and Ms Jackie Forbes.</p> <p>The Chair noted that, in line with the Annual Cycle of Business, the non-executive Committee members present had met with the internal auditors in private prior to the start of the meeting.</p> <p>NOTED</p>	
02.	MINUTE OF PREVIOUS MEETING HELD 15 MARCH 2022	
	<p>The Committee considered the minute of the previous meeting held Tuesday 15 March 2022 [Paper No. ARC(M)22/01] and were content to accept the minute as a complete and accurate record.</p> <p>APPROVED</p>	

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03.	MATTERS ARISING		
a)	ROLLING ACTION LIST		
	The Committee considered the Rolling Action List [Paper No. 22/10] and were content to accept that the actions were closed.		
	<u>APPROVED</u>		

04.	MINUTES OF SUBCOMMITTEES		
	DRAFT MINUTE OF INFORMATION GOVERNANCE STEERING GROUP MEETING OF 18 MAY 2022		
	The Committee considered the draft minute of the Information Governance Steering Group meeting of 18 May 2022 [Paper No. IGSG(M)22/02]. Ms Denise Brown, Interim Director of eHealth, highlighted the Information Governance work-plan, and that training would be undertaken every 2 years to comply with recommendations. Ms Jane Grant confirmed that the role of SIRO would be within the new Director of Finance remit.		
	The Committee were content to note this.		
	<u>NOTED</u>		
05.	FRAUD REPORTS		
	The Committee considered the paper 'Annual Fraud Report 2021/2022' [Paper No. 22/11] presented by Ms Lesley Aird, Assistant Director of Finance. The paper explained the Partnership Agreement between NHSGGC and Counter Fraud Services (CFS) and the arrangements in place to prevent, detect and investigate fraud in NHSGGC.		
	Ms Aird highlighted that fraud allegations had increased since last year with 92 being received within the reporting period, noting that numbers remained lower than pre-pandemic. Within the 92 allegations, 48 were against staff members for issues such as inappropriate use of sick leave, contracted hours issues and theft of personal protective equipment (PPE). As of the end of March 2022 there were 11 ongoing allegations being investigated, 8 from previous years and 3 new cases in 2021-22.		
	Ms Aird explained that the National Fraud initiative data matching exercise which was released in Spring 2021 provided assurance around the effectiveness of the Board's fraud and error controls around Accounts Payable and Payroll.		
	Mr Charles Vincent thanked Ms Aird for incorporating Whistleblowing into the report, however, asked that in future reports it be noted for accuracy within the source of referral table percentages that a number of the sources of referral		

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	could have initiated via whistleblowing. Ms Aird will update the future report with this action. NOTED	Ms Aird
06.	LOSSES AND COMPENSATION 2021-2022	
	The Committee considered the paper ‘Losses and Compensation 2021-2022’ [Paper No. 22/12] presented by Ms Lesley Aird, Assistant Director of Finance. This report detailed the losses, compensations and special payments incurred by the Board during 2021-22. Ms Aird highlighted that 97.3% of the losses in the year related to Compensation Payments which are handled by the Central Legal Office and are recoverable, subject to the appropriate deductible (excess), from the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The Committee were content to note the update. NOTED	
07.	EXTERNAL AUDIT UPDATE	
	Ms Liz Maconachie, Audit Scotland, provided a verbal update on the status of the External Audit. Ms Maconachie confirmed that the audit is on track for the accounts to be brought to the ARC scheduled for 21 June 2022. The audit clearance meeting is scheduled for the week following 7 June 2022. The Committee were content to note the update and will await Audit Scotland report at the next ARC meeting. NOTED	Audit Scotland
08.	ENDOWMENTS EXTERNAL AUDIT PLAN 2021-2022	
	The Committee considered the paper ‘Endowments External Audit Plan 2021-2022’ [Paper No. 22/13] presented by Ms Lesley Aird, Assistant Director of Finance. This report detailed the BDO Audit Plan for the 2021-22 external audit of the Endowment’s annual accounts. The agreed audit fee for the 2021-22 audit is £19,200 Ms Aird noted that the audit is underway and on schedule to report to ARC and the Board in line with the main Board accounts timeline. Ms Michelle Wailes queried whether BDO would be present at 21 st June 2022 meeting to explain their position. Ms Aird confirmed that they will be in attendance. The Committee were content to note the update. NOTED	
09.	INTERNAL AUDIT PAPERS	

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a)	Internal Audit Progress Report	
	<p>The Committee considered the paper 'Internal Audit Progress Report' [Paper No. 22/14] presented by Ms Elizabeth Young, Azets. This report detailed the summary of internal audit activity since the Committee's last meeting.</p> <p>Ms Young confirmed completion of the 2021/22 audit plan and expressed her gratitude to the Chief Executive and Senior Management Team (SMT) for accommodating the remainder of audits during challenging circumstances.</p> <p>Ms Young noted the improvements in the year around Risk Management arrangements and the appointment of the new Chief Risk Officer.</p> <p>Ms Young highlighted that there are clear examples of good practice, particularly surrounding bed management in what continues to be a challenging environment. Ms Young also noted that the bed management review made a number of recommendations around updating processes and systems which would allow for greater streamlining and consistency across different directorates.</p> <p>In response to a query from Ms Wailes regarding the nurse bank, Ms Young noted that the service may wish to carry out further investigation work following the completion of agreed actions, however, all findings would be captured within the 'action tracker' and included in future follow up reports.</p> <p>The Committee were content to note the update.</p> <p><u>NOTED</u></p>	
b)	Internal Audit Report - Delayed Discharges	
	<p>Ms Rachel Weir, Azets, noted that this and the Time of Day Discharges report had been ranked as amber because these were key areas of interest, and challenge, for the Board. However, the nature of the findings in each report do not indicate overall control weakness and this has been reflected in the annual report.</p> <p>Ms Weir then presented the Delayed Discharges report, noting a number of areas of good practice and current actions being taken evidenced alignment to the Scottish Government 'daily dynamic discharge' approach.</p> <p>Ms Weir noted that the report contained 3 recommendations relating to the patient discharge processes and the completion of check lists. Ms Weir highlighted that Glasgow City IJB were also in the process of finalising an internal audit on Delayed Discharges. The Committee were keen to be sighted on the audit when this becomes available. Ms Grant will seek a copy of the final report when it becomes available.</p> <p>Mr Edwards noted that timely discharge of patients is linked to the dynamic discharge plan and that the audit recommendations are helpful to re-focus attention on discharge planning.</p> <p>Ms Wailes noted that the recommendations did not consider 'why' certain actions were not being undertaken, e.g. are staff too busy to complete the checklist. Ms Wailes noted work being undertaken to streamline the process,</p>	

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	<p>including the proposed future initiatives to look at making the discharge checklists electronic. Ms Grant highlighted that whilst the audit was helpful in directing immediate action, the recommendations themselves would not solve such a complex problem. Mrs Grant highlighted the importance of working alongside Glasgow City and the other IJBs in relation to Delayed Discharges.</p> <p>The Committee were content to note the update.</p> <p><u>NOTED</u></p>	
c)	Internal Audit Report - Time of Day Discharge	
	<p>Ms Weir presented the Time of Day Discharges report, noting that the audit data was comparable with pre-pandemic discharge times.</p> <p>Ms Weir highlighted that across the audit sample ‘real time’ discharges processes were inconsistent, and noted that this likely skews discharge data to be less favourable for the Board. She noted that some discharges were updated on the system within 1 hour of discharge, whereas others could be 6-8 hours, and up to 24 hours, after discharge. Ms Weir also highlighted the differences across services regarding the use of Discharge Lounges and how this is recorded; some patients were discharged when they left the ward, others when they left the hospital.</p> <p>Mr Edwards agreed that there were differences across sites and noted that the information within the audit would be useful to reiterate expectations around discharge processes. Mr Edwards highlighted that the new Unscheduled Care Programme Manager was due to take up post on 20 June 2022 and this would help to take forward the recommendations within the audit.</p> <p>The report was noted but it was again acknowledged that the recommendations from this and the Delayed Discharges report, while helpful, would not make a significant difference in overall performance levels as it was clear from the report that these issues were not the substantive cause of discharge delays from an end to end perspective.</p> <p>The Committee were content to note the update.</p> <p><u>NOTED</u></p>	
d)	Internal Audit Annual Report 2021/22	
	<p>Ms Young highlighted that the report outcome was positive and there was significant improvement from the 2020/2021 report, despite the challenging circumstances. Ms Young also noted that due to the work in year on addressing management actions NHSGGC was in a more favourable position in relation to the annual audit opinion than many other Health Boards. Ms Young commended and extended her gratitude to the Chief Executive and Management teams for their efforts over the year to ensure the audit plan was delivered in full and improve the overall control environment around key issues such as risk management.</p> <p>Ms Young assured the Committee that there is clear evidence of good governance and leadership as evidenced by the progress over the year on</p>	

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	<p>delivering management actions, promptly and often in advance of agreed timelines.</p> <p>Ms Kerr and the rest of the committee commended the management team for a very positive annual report.</p> <p>The Committee were content to note the annual report.</p> <p><u>NOTED</u></p>		
e)	Internal Audit Annual Plan 2022/23		
	<p>Ms Young explained that the Internal Audit Plan had been updated to reflect the feedback from the March Committee on the ‘read across’ of risks and actions.</p> <p>Ms Aird and Ms Vanhegan confirmed that the plan would be sent to FP&P for noting and assurance.</p> <p>Ms Wailes queried the timing of the audits which would fall over the winter period. Ms Grant confirmed that the audits planned for that time would predominately fall to other staff rather than front line areas. Ms Grant commended Ms Aird on her actions which have supported the completion of management actions within stipulated timeframes.</p> <p>The Committee were happy to approve the plan and confirmed this would be shared for noting with each of the standing committees.</p> <p><u>APPROVED</u></p>		
f)	Management Action Follow Up Q1 2022/2023		
	<p>Ms Young noted that there were 5 recommendations and that the Board were continuing to make good progress with outstanding actions.</p>		
g)	IJB Strategic Planning and Performance Reporting		
	<p>Ms Young explained that this report had been commissioned by the FP&P Committee and therefore had already been presented and noted there. The report was being presented to this Committee for completeness.</p> <p><u>NOTED</u></p>		
10.	NIS AUDIT REPORT AND ACTION PLAN		
	<p>The Committee considered the paper ‘Network & Information Systems (NIS) 2021 Audit Review and Action Plan’ [Paper No. 22/15] presented by Ms D Brown, Interim Director of eHealth. This purpose of the report was to provide the Committee an update on the NHSGGC Network & Information Systems</p>		

(NIS) 2021 Audit Review and Action Plan. Ms Brown also provided the Committee with a presentation on the update of this work.

Ms Brown explained that the NIS regulations were adopted to law in May 2018 and were reviewed in 2020 alongside the GDPR process. The Health sector has been identified as an Operator of Essential Services, meaning there are stricter requirements. The purpose of the regulations is to manage security risks, protect against cyber-attacks and minimise impact of security incidents. The regulations are subject to 3 year audit cycles to assess progress on audit recommendations and review of submitted evidence. Ms Brown noted that the next audit review is scheduled for 23 August 2022. Ms Brown highlighted that the 2021 Final NIS Review Report reflects positively on the progress NHSGGC has made with regards to the regulations being implemented consistently.

The report summary included:

- The overall audit review score was 75% which demonstrates considerable progress from the previous 64% score in 2020.
- The Board's risk exposure was reduced by 9% to a very low 3%.
- Controls completed have risen to 65% compared with 55% in the initial 2020 audit.

Ms Brown noted that the Board's overall compliance remains yellow, however, this is a good foundation to build upon moving forward.

Ms Brown also highlighted areas of good practice within the report which included:

- Leadership and collaborative working with other Health Boards.
- Dedicated time from Clinical leads has enabled clinical analysis in any post-incident reviews and collaboration for clinical systems development.
- Board commended for staff training initiatives for cyber security areas.
- The Cloud System Security Policy submitted was described as comprehensive, detailed and an exemplary document to the extent that it may be of interest to other Health Boards.

Ms Kerr queried whether these audit reports should be reported through ARC or another governance group. Ms Brown confirmed that a review has been undertaken to discuss 'lessons learned' from the previous audit cycles and as a result of this the Scottish Government will likely develop KPIs for Boards to comply with following the audit. Ms Brown explained that these will be picked up via the Information Governance Steering Group and the minutes of this meeting are shared with ARC for assurance.

The Committee were content to note the update.

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11.	RISK MANAGEMENT	
	<p>The Committee considered the paper ‘Corporate Risk Register’ [Paper No. 22/16] presented by Ms Lesley Aird, Assistant Director of Finance. This purpose of the report was to provide the Committee an update on the current Corporate Risk Register (CRR) and plans to review the NHS Greater Glasgow and Clyde Risk Appetite Statement.</p> <p>Ms Aird highlighted that there has been significant progress supported by the appointment of the Chief Risk Officer, Mr Andrew Gibson, taking up post earlier this year. Ms Aird noted that there has been a full review of the Risk Register since the last ARC meeting held on 15 March 2022 and that the current corporate risk register has also been to CMT for review.</p> <p>Ms Aird brought the Committee’s attention to the key messages within the report around and changes since the last report.</p> <p>Ms Aird noted the need to commence work on reviewing and updating the Board’s Risk Appetite Statement and the proposed timetable for this piece of work. Ms Kerr, Ms Wailes and Ms Miles volunteered to be members of a working group to support this process.</p> <p>The Committee were content to note the update and will await the outcome of the Risk Appetite Statement review in due course.</p> <p><u>NOTED</u></p>	
12.	LEGAL UPDATE	
	<p>The Committee considered the paper ‘Legal Update’ [Paper No. 22/17] presented by Dr I Paterson, Corporate Services Manager – Compliance. The purpose of the report was to provide the Committee with oversight of legal claims, liability and settlement status as per the requirements of the Board’s Scheme of Delegation.</p> <p>Dr Paterson explained that at year end there were 450 open claims with a combined estimated value of £280 million. However, only 14 of these claims accounted for over 80 percent of that value. These were high value claims raised against the Board as a result of adverse events in childbirth. Just over 100 claims were settled in the last financial year with a combined award figure of just over £27 million. One childbirth-related claim accounted for over half of this figure. This £16 million settlement, paid out just before the year end, was unusual in that the Board usually agrees a lump sum and a payment plan over the life-course of the child.</p> <p>Dr Paterson also explained that all settled cases had been negotiated out of court in line with the Board’s aim to reduce further financial and reputational risk, as well as eliminate the need for both staff and pursuers to go through the stress and trauma of a court process. Ms Vanhegan assured Committee that there was a robust decision making process in place regarding legal claims and this includes input and support from senior clinicians and Corporate Directors.</p>	

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	<p>Ms Wailes noted the number of claims weighted against adverse childhood incidents and queried if the findings were followed through for learning purposes. Ms Vanhegan explained that a number of the legal claims were long standing, sometimes over many years in these cases, and that services would have implemented improvement actions from clinical reviews. Ms Vanhegan assured the Committee that the Clinical and Care Governance Committee would maintain oversight of practice issues.</p> <p><u>NOTED</u></p>	
13.	WHISTLEBLOWING UPDATE	
	<p>The Committee considered the paper 'Whistleblowing Report – Q4' [Paper No. 22/18] presented by Ms K Donald, Corporate Services Manager - Governance. The purpose of the report was to provide the Committee an update on the Q4 Whistleblowing performance.</p> <p>Ms Donald explained that performance had dipped within the quarter; however, 100% of Stage 1s were responded to within 10 working days which is in line with the Standards. Ms Donald also noted that a larger proportion of cases were resolved via Stage 1 of the process. She highlighted that of the 3 Stage 2s there were 2 complex cases, one of which was subject to external review.</p> <p>Mr Vincent confirmed that he had been advised on the cases and was satisfied that the breach in targets were justified on both accounts. The Committee were assured by this.</p> <p><u>NOTED</u></p>	
14.	TERMS OF REFERENCE	
	<p>The Committee considered the paper 'Terms of Reference' [Paper No. 22/19] presented by Ms E Vanhegan, Director of Corporate Services and Governance. The purpose of the report was to seek Committee approval of the paper.</p> <p>Ms Vanhegan explained that the Terms of Reference had been returned to the Committee for approval to allow it to be included within the Governance Framework which is scheduled to be issued at the June Board.</p> <p>The Committee were content to approve the Terms of Reference, but asked that Ms Vanhegan clarify wording of 'employment litigation' with Mrs A MacPherson, Director of HR and Organisational Development. When clarified, the paper is approved for inclusion in the June Board Meeting.</p> <p><u>APPROVED</u></p>	Ms Vanhegan
15.	CLOSING REMARKS AND KEY MESSAGES FOR THE BOARD	
	<p>Ms Kerr formally expressed her thanks to colleagues for the positive position across both risk and audit outcomes.</p>	
16.	Date and Time of Next Scheduled Meeting	

	Tuesday 21 June 2022, 9.30am, Microsoft Teams		
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