

NHS GREATER GLASGOW AND CLYDE

**Minutes of the Meeting of the
Audit and Risk Committee
held on Tuesday, 4 June at 10am
via Microsoft Teams**

PRESENT

Ms Michelle Wailes (in the Chair)

Ms Margaret Kerr (Vice Chair)	Mr John Matthews
Mr Charles Vincent	Mr Ian Ritchie

IN ATTENDANCE

Ms Denise Brown	Director of Digital Services
Ms Kim Donald	Corporate Services Manager (Governance)/NHSGGC Board Secretary
Mr William Edwards	Chief Operating Officer (for item 10d)
Ms Jane Grant	Chief Executive
Ms Katrina Heenan	Chief Risk Officer
Mr Paul Kelly	Head of Cyber Services, Azets
Mr Colin Neil	Director of Finance
Mr Janet Richardson	Fraud Liaison Officer (for item 7)
Mr Michael Sheils	Head of Financial Services
Mr Scott Wilson	Senior Business and Delivery Manager
Ms Elaine Vanhegan	Director of Corporate Services and Governance
Ms Rachael Weir	Internal Auditor, Azets
Ms Rachel Wynne	External Auditor, Ernst and Young
Ms Elizabeth Young	Internal Auditor, Azets
Mr John Thomson	Assistant Director of Finance
Dr Lesley Thomson KC	NHSGGC Chair
Mr Colin McKay	Deputy Medical Director (for item 10d)

			ACTION BY
01.	Welcome and Apologies		
	The Chair welcomed those present.		
	Apologies were noted on behalf of Mr Alan Cowan, Ms Rona Sweeney, Ms Jacque Forbes and Dr Jennifer Armstrong.		
	NOTED		

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			ACTION BY
02.	Declaration(s) of Interest(s)		
	The Chair invited members to declare any interests in any of the matters being discussed. There were no declarations of interest.		
	<u>NOTED</u>		
03.	Minutes of Previous Meeting		
	The Committee considered the minute of the Audit and Risk Committee meeting held on 12 March 2024 [Paper No. ARC(M)24/03] and were content to approve the minute as a complete and accurate record pending the following minor amendments:		
	<ul style="list-style-type: none"> - Update job title for Rob Jones from Ernst and Young. - Item 90 – Committee Annual Cycle of Business 2024/2025 – wording of second paragraph to be amended to: The Chair of the Committee requested that the Internal Audit and Draft Governance Statement to be brought forward to the 4th June 2024. 		Secretariat
	<u>APPROVED</u>		
04.	Matters Arising		
	a) Rolling Action List		
	The Committee considered the Rolling Action List [Paper No. 24/13] and were content to accept the recommendation that 7 items were closed and 1 item would remain ongoing.		
	There were no other matters arising noted.		
	<u>APPROVED</u>		
05.	Information Governance		
	a) Information Governance Steering Group Update		
	The Committee considered the paper ‘Information Governance Steering Group Update’ [Paper No. 24/14] presented by Mr Colin Neil, Director of Finance.		
	Mr Neil reported that the Committee continued to receive robust standard monitoring reports. He noted that policies continued to		

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	<p>be updated regularly, with minor amendments made to two Information Security Policies at the last meeting.</p> <p>Mr Neil highlighted that the Steering Group discussed the withdrawal of WhatsApp from use within NHSGGC and would be published in the Core Brief for colleague awareness.</p> <p>The Committee discussed the recent communication from the Information Commissioner highlighting concern around data breaches; Mr Neil provided assurance that NHSGGC remained at the upper end of compliance.</p> <p>The Committee were assured by the report provided.</p> <p><u>NOTED</u></p>	
b)	NHS Dumfries and Galloway Cyber Incident	
	<p>The Committee considered the paper 'D&G Cyber Incident [Paper No. 24/15] presented by Ms Denise Brown, Director of Digital Services.</p> <p>Ms Brown provided an update on the recent Cyber Attack incident that occurred in NHS Dumfries & Galloway and provided an update on the NHSGGC position and actions taken to ensure the risks related to the incident were mitigated. Ms Brown highlighted that there was an ongoing criminal investigation in relation to the attack, meaning the ability to provide detail was limited. NHSGGC continued to attend twice weekly meetings with Health Boards across Scotland which provided an opportunity to share lessons learned with other Boards.</p> <p>The Committee noted that the stolen data included data managed by National Records of Scotland (NRS), who share systems with NHS Dumfries & Galloway. NHSGGC had worked with NRS to agree a process to manage and support patients affected which had been completed. The Committee were advised that NHS Education for Scotland (NES) had provided a directive piece of work, therefore, no further action was required by the Committee. The Committee received assurance that the 2024/25 Cyber Plan had been refocussed to account of the repercussions across the system and that NHSGGC controls were robust.</p> <p>The Corporate Risk Register had been updated to take account of the NHS Dumfries & Galloway Cyber incident and would continue to be revised as appropriate.</p> <p>The committee acknowledged that the NIS Audits would be presented to the Committee per the reporting cycle.</p>	

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	<p>With regards to the reason behind the attack and whether it was as a result of human error, the Committee noted that the exact nature of the attack was not yet known. The Committee received assurance that NHSGGC had undertaken extensive due diligence and there would be ongoing communication through Core Briefs highlighting the importance of strong password security and not sharing any information.</p> <p>The Committee sought assurance regarding integrated systems and noted that NHSGGC had controls and enhanced security in place, for example Multi Factor Authentication (MFA) for Microsoft365.</p> <p>The Committee were assured by the report.</p> <p><u>ASSURED</u></p>		
06.	NHSGGC Annual Accounts		
a)	Draft Governance Statement including Committee Annual Reports		
	<p>The Committee considered the paper 'Draft Governance Statement including Committee Annual Reports' [Paper No. 24/16] presented by Mr Colin Neil, Director of Finance and Mr John Thomson, Assistant Finance Director.</p> <p>Mr Thomson presented the draft governance statement noting that two items of assurance remained outstanding.</p> <p>While the service audit reports were qualified opinions and would be recorded in the governance statement they would not impact the opinion on the GGC accounts.</p> <p>Mr Thomson noted that the 23/24 audit of delayed discharges remained outstanding and so the Internal Audit Annual opinion was not yet available. However, it was noted that the report would be brought to committee on the 18th June and current indications were that the annual opinion would be one of positive assurance.</p> <p>The Committee were content to approve the paper.</p> <p><u>APPROVED</u></p>		
b)	Losses and Compensation Payments		
	<p>The Committee considered the paper 'Losses and Compensation Payments' [Paper No. 24/17] presented by Mr Colin Neil, Director of Finance and Mr John Thomson, Assistant Director of Finance.</p>		

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	<p>The report detailed the losses, compensations and special payments incurred by the Board during 2023-24, as included on the Board's SFR 18.</p> <p>Mr Thomson provided an update on the main elements including losses related to Compensation Payments made under legal obligation. These were subject to the appropriate deductible (excess), from the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). Mr Thomson highlighted that the total in relation to payroll fraud had been revised due to information received, and now totalled £90,675 and claims abandoned totalled £1,578,826.</p> <p>In response to a question regarding whether the level of fraud remained static or fluctuated, the Committee noted that levels were on par with previous years. The Committee received assurance that the process for detection within the Board was robust.</p> <p>The Committee were content to approve the paper.</p> <p><u>APPROVED</u></p>		
<p>07.</p>	<p>Annual Fraud Report and Counter Fraud Services Update</p>		
	<p>The Committee considered the paper 'Annual Fraud Report and Counter Fraud Services Update' [Paper 24/18] presented by Mr Colin Neil, Director of Finance and Ms Janet Richardson, Fraud Liaison Officer.</p> <p>The Annual Fraud Report for 2023/24 described the arrangements in place within NHS Greater Glasgow and Clyde (NHSGGC) in the period 1 April 2023 to 31 March 2024 to prevent, detect and investigate fraud.</p> <p>Ms Richardson reported that Counter Fraud Services (CFS) had established a new national Counter Fraud Strategy which had 12 components. Ms Richardson reported that NHSGGC were compliant with 10 components of the NHS Scotland Counter Fraud Standard and partially compliant with the remaining 2 components. The Committee noted that compliance had increased compared to last year. Ms Richardson reported that work was ongoing with CFS to develop an Action Plan.</p> <p>Ms Richardson reported that the level of referrals were at a similar level as last year and themes remained consistent, however, there had been an increase in the referrals relating to staff fraud. Ms Richardson highlighted that the financial losses had increased this</p>		

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	<p>year. This was due to the theft of specialist endoscopes from the Queen Elizabeth University Hospital. The Committee noted that this was currently subject to a joint investigation by CFS and Police Scotland.</p> <p>In response to a question regarding the level of theft and fraud reported, the Committee were assured that NHSGGC had robust processes in place to capture data and investigate, where required.</p> <p>The Committee were assured by the report provided.</p> <p><u>ASSURED</u></p>	
08.	External Audit Update	
	<p>Ms Rachel Wynne, External Auditor, Ernst and Young, provided an update on the External Audit. Ms Wynne reported the Remuneration and Staff report was outstanding due to waiting on information from the Scottish Public Pensions Agency (SPPA). The Committee received assurance that the appropriate steps had been taken and the Scottish Government were aware of the delay. Ms Wynne reported that the audit of the Endowment Fund by BDO was not yet complete but was expected within the required timeframes.</p> <p>The Committee were content to note the update provided.</p> <p><u>NOTED</u></p>	
09.	External Audit Action Tracker	
	<p>The Committee considered the paper 'External Audit Action Tracker [Paper No. 24/19] presented by Mr Colin Neil, Director of Finance.</p> <p>The paper provided an update on progress to date in delivering the 16 audit recommendations made by Ernst Young as part of the 2022-23 Annual Accounts audit.</p> <p>The Committee received assurance that work was taking place to progress the actions which included inventory, stock takes and implementing additional controls. The Committee noted that discussions were ongoing in relation to the valuation of the West Glasgow Ambulatory Care Hospital site.</p> <p>The Committee were content to note the paper.</p> <p><u>NOTED</u></p>	

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10.	Internal Audit Reports		
a)	Progress Report		
	<p>The Committee considered the paper ‘Progress Report’ [Paper No. 24/20] presented by Ms Elizabeth Young, Internal Auditor, Azets.</p> <p>The paper provided the Committee with a summary of internal audit activity, confirmed the reviews planned for the coming quarter and identified changes to the annual plan.</p> <p>Ms Young reported that, following feedback at the last meeting, Azets had undertaken a 2024/25 audit of Hospital Discharges in tandem with the Discharge Planning audit. This would maximise the value of looking in-depth at aspects of discharge management and minimise the burden on staff. The Committee noted the challenges in relation to timing, however, were keen for the reports to be submitted at the next meeting.</p> <p>The Committee were content to note the report.</p> <p><u>NOTED</u></p>		Mr Thomson
b)	Performance Monitoring		
	<p>The Committee considered the paper ‘Performance Monitoring’ [Paper No. 24/20] presented by Ms Elizabeth Young, Internal Auditor, Azets.</p> <p>Ms Young reported that the Performance Monitoring report was aligned with the objectives and formed a solid foundation for reporting. There were no substantial issues, with 1 minor recommendation made. The Committee noted that overall this was a positive outcome.</p> <p>The Committee were content to note the report.</p> <p><u>NOTED</u></p>		
c)	Financial Management and Reporting		
	<p>The Committee considered the paper ‘Financial Management and Reporting’ [Paper No. 24/20] presented by Ms Elizabeth Young, Internal Auditor, Azets.</p>		

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	<p>Ms Young reported that processes were well designed, robust and were embedded across the organisation. The Committee noted that 1 minor recommendation was made.</p> <p>In response to a question regarding plans to keep momentum and focus <i>on the sustainability and value work</i></p> <p><i>The Committee discussed the challenges in relation to procurement and noted that the spending controls had been implemented has resulted in less being spent in this area.</i></p> <p>The Committee noted that it was incumbent on everyone to <i>maintain the positive communications around the benefits of financial savings and efficiencies in ensuring the sustainability of services</i></p> <p>The Committee recognised the current financial climate and patient safety remained at the forefront.</p> <p>The Committee were content to note the report.</p> <p><u>NOTED</u></p>	
d)	Waiting List Management	
	<p>The Committee considered the paper ‘Waiting List Management’ [Paper No. 24/20] presented by Ms Elizabeth Young, Internal Auditor, Azets.</p> <p>The report recognised the challenges in achieving the 31-day and 62-day targets due to a backlog of patients following the Covid-19 pandemic and the significant influx of new referrals on a weekly basis. Ms Young reported that, considering the challenges, the report was positive with no major weaknesses identified.</p> <p>Ms Young noted delays in patients being added to the system both in relation to referrals from the National Screening Service and A&E referrals.</p> <p>Ms Young noted that no action had been raised in the report due to the external nature of the National Screening Service but after further discussion on clinical pathway deep dives that had been carried out it was agreed that focus would remain on this area.</p> <p>The Committee noted that clinical pathway deep dives had been carried out and work remained ongoing, therefore improvements would be seen in the future.</p> <p>The Committee were content to note the report.</p> <p><u>NOTED</u></p>	

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e)	Digital Health and Care Strategy	
	<p>The Committee considered the paper ‘Digital Health and Care Strategy’ [Paper No. 24/20] presented by Mr Paul Kelly, Head of Cyber Services, Azets.</p> <p>Mr Kelly reported that there had been effective processes in place within the Board to develop and implement the Digital Strategy. He reported that strong internal and external stakeholder engagement was evident. There was clear alignment with Local and National Strategies and to the Annual Delivery Plan.</p> <p>Mr Kelly noted that there was robust governance with regards to the delivery of the Digital Strategy through the eHealth Programme Board and eHealth Strategy Board. He highlighted that there were no significant weaknesses identified. He noted that 1 minor advisory point was made in relation to setting out a financial plan to deliver the remaining term of the digital strategy.</p> <p>Mr Kelly commended the work that had been carried out and noted that the NHSGGC Digital Strategy was exemplary.</p> <p>The Committee were content to note the report.</p> <p><u>NOTED</u></p>	
f)	Follow Up – Q1 2024/25	
	<p>The Committee considered the paper ‘Follow-up – Q1 2024/25’ [Paper No. 24/20] presented by Ms Rachael Weir, Internal Auditor, Azets.</p> <p>Ms Weir reported that there were 25 actions, with 9 completed and 1 action was closed pending evidence. A further 11 actions were not yet due as at the timing of validation, and the remaining 4 actions were assessed as partially complete based on updates provided by management.</p> <p>The Committee received assurance that none of the overdue actions were high-risk.</p> <p>The Committee noted the positive outcome and extended thanks to everyone that had been involved.</p> <p>The Committee were content to note the report.</p> <p><u>NOTED</u></p>	

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11.	Corporate Risk Register		
	<p>The Committee considered the paper ‘Corporate Risk Register’ [Paper No. 24/21] presented by Ms Katrina Heenan, Chief Risk Officer.</p> <p>Ms Heenan presented the risk register which reflected the period January to March 2024. Ms Heenan noted 2 changes to the risks, with 20 risks being recorded overall.</p> <p>Ms Heenan reported the Financial Sustainability - Revenue Risk Score had increased from 20 to 25 and the risk score for Capital Funding – Sustainability had increased from 16 to 20. Ms Heenan noted that the Risk Score increases had been discussed and approved by the Corporate Management Team and the Financial Planning and Performance Committee.</p> <p>The Committee received assurance that the Risk in relation to cyber incidents was regularly reviewed.</p> <p>The Committee noted that a new corporate risk would be added in relation to the Public Inquiry. This would be submitted to the next meeting.</p> <p>The Committee were assured by the report.</p> <p><u>ASSURED</u></p>		
12.	Committee Annual Report		
	<p>The Committee considered the paper ‘Committee Annual Report’ [Paper No. 24/22] presented by Ms Elaine Vanhegan, Director of Corporate Services and Governance.</p> <p>The report submitted summarised the activity of the Committee during 2023/24. Ms Vanhegan informed the Committee that the report would form part of the Governance Framework which would be submitted to the Board in June.</p> <p>The Committee were content to approve the report pending minor amendments.</p> <p><u>APPROVED</u></p>		
13.	Committee Terms of Reference		
	<p>The Committee considered the paper ‘Committee Terms of Reference’ [Paper No. 24/23] presented by Ms Elaine Vanhegan, Director of Corporate Services and Governance.</p>		

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	<p>As part of the annual review process, the Committee were asked to consider and approve its Terms of Reference to ensure the remit of the Committee remained fit for purpose.</p> <p>Ms Vanhegan highlighted the following amendments that had been made in relation to section 4, Remit:</p> <ul style="list-style-type: none"> • 10. Oversight of claims against the Board, including <i>Public Inquiries, Fatal Accident Inquiries and any police investigations.</i> • 12. <i>Oversight of Civil Contingencies, including eHealth and Cyber Security, with the Committee receiving reports and updates on Business Continuity arrangements.</i> <p>The Committee were content to approve the paper.</p> <p><u>APPROVED</u></p>		
14.	Closing Remarks and Key Messages for the Board		
	<p>The Chair thanked those present for attending the meeting and for the interesting discussion.</p> <p><u>NOTED</u></p>		
15.	Date and Time of Next Scheduled Meeting		
	<p>The next meeting would be held on Tuesday 18 June 2024 at 9.30 am via MS Teams.</p>		