

**NHS Grampian (NHSG)  
 Minute of the Audit Committee Meeting  
 Tuesday 10<sup>th</sup> September 2019, 10.30-13.00  
 Conference Room, Summerfield House**

**Present**

Mr Sandy Riddell, Non-Executive Board Member, NHS Grampian (Chair)  
 Ms Rachael Little, Employee Director, NHS Grampian  
 Cllr Douglas Lumsden, Non-Executive Board Member, NHS Grampian  
 Mr John Tomlinson, Non-Executive Board Member, NHS Grampian

**In Attendance**

Mr George Bell, Manager, PricewaterhouseCoopers LLP (PwC)  
 Ms Lindsey Paterson, Partner, PricewaterhouseCoopers LLP (PwC)  
 Mr Paul Allen, Director eHealth and Facilities, NHS Grampian  
 Mr Jon Eilbeck, Head of Programmes and Development, NHS Grampian (Item 4.3)  
 Professor Nick Fluck, Medical Director, NHS Grampian (Item 4.2)  
 Dr Robert Hobkirk, Head of Sustainability, Compliance and Risk, NHS Grampian (Item 6.1)  
 Mr Garry Kidd, Assistant Director of Finance, NHS Grampian  
 Mr Alex Stephen, Chief Financial Officer, Aberdeen City HSCP  
 Ms Else Smaaskjaer, Minuting Secretary

<b>Item</b>	<b>Subject</b>	<b>Action</b>
<b>1</b>	<p><b>Welcome</b></p> <p>Mr Riddell welcomed everyone to the meeting.</p> <p><b>Apologies</b></p> <p>Professor Amanda Croft, Chief Executive, NHS Grampian                      Councillor Isobel Davidson, Non-Executive Board Member, NHS Grampian                      Mr Alan Gray, Director of Finance, NHS Grampian                      Professor Lynda Lynch, Chair, NHS Grampian                      Ms Anne MacDonald, Senior Audit Manager, Audit Scotland                      Ms Gillian Woolman, Assistant Director, Audit Scotland</p>	
<b>2</b>	<p><b>Minute of Meeting Held on 25<sup>th</sup> June 2019</b></p> <p>The minute was approved as an accurate record.</p>	

Item	Subject	Action
3	<p><b>Matters Arising</b></p> <p>3.1 <u>Action Log of 25<sup>th</sup> June 2019</u></p> <p>The Committee reviewed the action log from the previous meeting and noted that all items were included on the agenda or scheduled for a future meeting.</p> <p>Mr Kidd reported that there had been no response from the Scottish Government regarding the request for write off regarding locum doctor fraud. He will update the Committee when a response is received.</p> <p>3.2 <u>Any other matters arising not on the action log</u></p> <p>There were no other matters arising.</p>	
4	<p><b>Internal Audit</b></p> <p>4.1 <u>Progress Report and High Priority Recommendations</u></p> <p>Mr Bell presented the report which detailed progress against the internal audit programme and informed the Audit Committee that a workshop to discuss the results of the audit findings in relation to the Purchase to Pay and Warehousing and Distribution report had taken place on 4<sup>th</sup> September and a report will be finalised and presented to the Committee at its next meeting in December 2019. Mr Bell and Mr Kidd noted that the workshop had been useful in highlighting a number of issues and the discussion generated had been helpful in framing some useful suggestions and recommendations which will inform the development of more robust and consistent procedures for tracking goods across the Foresterhill site.</p> <p><u>Cyber Security of Medical Devices</u></p> <p>Ms Paterson reported that the review, requested by management, had examined the control and governance of medical devices in relation to cyber security and data privacy risks. The key controls intended to maintain the confidentiality, integrity and availability of medical devices and patient data were also tested. One medium risk recommendation and three high risk recommendations were identified. The medium risk recommendation related to improvements around access control and management procedures for medical devices to ensure user access aligns appropriately with job roles. The high risk recommendations related to the absence of a formalised cyber security management framework, the absence of a complete</p>	

Item	Subject	Action
	<p>and comprehensive medical device asset register and no agreed consistent processes for identifying risks and managing threats, vulnerabilities and security incidents. Ms Paterson informed members that in general IT in NHS Grampian is well managed and controlled which had helped in mitigating some of the risks identified. However, she advised that there is an increasing number of digital medical devices in use making it increasingly important to ensure that all the associated risks are effectively managed. Mr Riddell asked if there is confidence that the key actions agreed can be completed by the end of March 2020. Mr Allen responded that the tight timescale had been agreed to maintain focus on the action plan and resources would be identified to meet the challenge. Mr Kidd noted that some of the actions are focused on procedural arrangements and existing policies will be reviewed to ensure that medical devices are included. Councillor Lumsden asked who would take ownership of the actions and Mr Allen confirmed that responsibility would be shared, as appropriate, between Mr Scott Sim, General Manager for eHealth and Dr Stephen McCallum, Clinical Director Medical Physics.</p> <p>Ms Paterson informed the Committee that NHS Grampian are in a similar position to other Boards regarding Cyber Security. Mr Allen noted the challenges in effecting cultural change. Mr Kidd highlighted the positive initiatives which had been implemented including the introduction of the on-line learning package “Doing IT Securely” which is mandatory for all staff. He suggested that Cyber Security could form the focus of the Committee’s development session in March 2020. Members agreed that it would be helpful to contextualise the issues and Mrs Paterson agreed to work with Mr Allen to consider the format and content of the development session.</p> <p><b>The Committee noted the report and requested that Mr Allen attend the next meeting to provide and update on progress against the action plan.</b></p> <p><u>Terms of Reference</u></p> <p>Mr Bell updated the Committee on the preparation of terms of reference for a number of reviews due for completion by 3<sup>rd</sup> December.</p> <p><u>High Priority Recommendations</u></p> <p>Reported at items 4.2 and 4.3</p>	<p>PA</p>

Item	Subject	Action
	<p data-bbox="272 226 365 262">4.2</p> <p data-bbox="376 226 1156 262"><u>General Data Protection Regulations (GDPR) Progress</u></p> <p data-bbox="376 304 1351 661">Professor Fluck attended to present a report outlining progress against the recommendations agreed in the Internal Audit Review relating to GDPR Readiness. Councillor Lumsden noted that the original review had been reported in March 2018 and asked what the implications would be of not completing all of the agreed actions. Ms Paterson responded that it would be helpful to report progress in the Governance Statement from the Board at the end of the 2019/20 financial year. She highlighted the challenge of progressing GDPR from project status to embedding the principles in day to day practice across the organisation.</p> <p data-bbox="376 703 1351 1144">Professor Fluck agreed that progress had been protracted but informed the Committee that a Head of Information Governance, with significant experience in the public sector, had recently been appointed and will take forward the work already started. He noted that this will be a critical appointment in terms of providing the right level of seniority and leadership in achieving the cultural change required, the recognition of the need to take ownership of GDPR across the organisation and helping clinicians to understand the requirements of subject access requests. Ms Paterson advised it would be important to ensure the Head of Information Governance is not perceived by others as the sole responsible officer and that all managers recognise their individual responsibility for their own area.</p> <p data-bbox="376 1186 1351 1648">Professor Fluck outlined the steps taken to achieve progress on the agreed actions. An Information Asset Register (IAR) had been piloted in Workforce, Information Governance, Health Intelligence and eHealth. It is intended that when the pilot is complete a phased approach will be taken to roll this out across all corporate services. Phase 2 will include a roll-out across community hospitals, and acute clinical departments. In addition a formal structure of Information Asset Owners (IAO) and Information Asset Assistants (IAA) had been implemented to manage the organisations information assets. This will clarify who is responsible and accountable for what information is held, what is added and removed and who has access. Professor Fluck informed the Committee that workshops had been arranged to raise awareness amongst IAOs regarding their responsibilities.</p> <p data-bbox="376 1690 1351 1860">Councillor Lumsden asked if the target date of December 2019 was achievable and Professor Fluck noted that this will be discussed with the Head of Information Governance when they take up post and a full realistic plan will be prepared. Mr Kidd advised it would be necessary to maintain momentum and to ensure that high risk items are</p>	

Item	Subject	Action
	<p>prioritised. Ms Paterson agreed, noting that the plan should not be restricted to the priorities identified when the initial review was carried out but also include any additional priorities highlighted during the work undertaken to date.</p> <p><b>The Committee thanked Professor Fluck for the update and requested a further progress report at the next meeting of the Audit Committee in December.</b></p>	<p>NF</p>
<p>4.3</p>	<p><u>Electronic Patient Records (EPR) Governance Progress</u></p> <p>Mr Allen presented a report which detailed progress against the specific actions arising from the review of the controls regarding the programme and project management governance of the EPR Programme. Mr Eilbeck outlined some of the main issues and reported on the recommendations which had been completed and those still in progress. He acknowledged that some items were overdue but informed the Committee that the scope of some of the recommendations had been widened to ensure the development of a governance framework relating to project management that would be fit for purpose into the future.</p> <p>Mr Eilbeck reported that a Programme Board had been formalised which had adopted the principles of Prince2 project management and methodology. Workshops had taken place to address issues regarding incorporating eHealth into future projects. Mr Allen noted the challenges in changing perceptions that eHealth should lead on all projects and supporting managers to take responsibility within the agreed framework, incorporating a reporting structure up through the organisation.</p> <p>Mr Tomlinson asked for some background information regarding the review. Mr Kidd explained that it related to the strategic aspiration to move towards paperless patient records and when Internal Audit had looked more closely at its implementation within the Acute Sector Out-Patient Department some gaps in a formal project management process had been highlighted. Mr Riddell noted that the review had underlined some matters regarding project management but he was pleased to note the framework now established which strengthened the process and will be replicated for future projects.</p> <p><b>The Committee thanked Mr Allen and Mr Eilbeck for the progress report and requested an update for the next meeting of the Audit Committee in December, including details of any outstanding actions with timescales for completion.</b></p>	<p>PA/JE</p>

Item	Subject	Action
5	<b>Governance</b>	
5.1	<p data-bbox="370 300 987 336"><u>Blueprint for Good Governance Action Plan</u></p> <p data-bbox="370 373 1341 663">Mr Kidd presented the report providing an update on the implementation of actions identified by NHS Grampian Board when completing its self-assessment in March 2019, and later approved at the Board meeting on 4<sup>th</sup> April 2019. He reported that progress on each of the actions was on track and highlighted that a revised Assurance Framework will be updated and presented to the Performance Governance Committee in September and shared with members at the November Board Seminar.</p> <p data-bbox="370 701 1377 1066">Mr Kidd informed the Committee that the System Leadership Team are progressing the rollout of the PAIR process and Chairs of the PAIR sub-groups had formalised terms of reference and are assessing the risks relevant to their areas of responsibility. Mr Tomlinson asked if any of the PAIR sub-groups would report to the Audit Committee. Mr Kidd confirmed that matters from PAIR sub-groups would only be brought to the attention of the Audit Committee if weaknesses were highlighted which should be reported. Information regarding risks from each sub-group are reported to the Board Committee where the risk is assigned.</p> <p data-bbox="370 1104 867 1140"><b>The Committee noted the report.</b></p>	
5.2	<p data-bbox="370 1178 1166 1213"><u>Brexit – Progress Report from Short Life Working Group</u></p> <p data-bbox="370 1251 1354 1654">Mr Allen presented the report outlining the current position regarding preparedness for the withdrawal of the UK from the European Union. He reported that a sub-group comprising the Director of Pharmacy, Director of Estates and Facilities, Head of Procurement, Board Communication Lead, Head of Civil Contingencies and Operational Director of Workforce has been established and meet on a regular basis. The sub-group reviews key aspects relating to availability of essential supplies including medicines, contingency planning and any potential impact on members of the workforce. Mr Allen noted that at this stage no significant disruption is predicted but members agreed that this was in the context of an unpredictable landscape.</p> <p data-bbox="370 1692 1370 1873">Mr Riddell asked if there was a useful flow of information from Scottish Government groups such as the Scottish Resilience Partnership and Mr Allen confirmed there was a helpful two-way flow of information between NHS Grampian and other organisations. Ms Little also noted that a sub-group led by HR colleagues are actively engaged in</p>	

Item	Subject	Action
	<p>supporting and communicating with staff. Members of staff who need very specific information are signposted to relevant organisations who can provide support and advice. She also informed the Committee that steps had been taken to ensure a joint approach with Health and Social Care Partnerships.</p> <p><b>The Committee noted the report.</b></p>	
<b>6</b>	<b>Infrastructure Management</b>	
6.1	<p><u>Impact of Carbon Emissions Regulations and Sustainability</u></p> <p>Dr Robert Hobkirk attended to provide a presentation outlining how NHS Grampian is working towards responsible energy and environmental management and how it promoted sustainable practices throughout its premises. He explained that Scotland is the first country to set a net-zero emissions target date of 2045 and that as part of the public sector NHS Grampian must also aim for that target. Dr Hobkirk informed members that the National Sustainability Assessment Tool (NSAT) is aligned to the 17 elements of the UN Sustainable Development Goals and Health Boards in Scotland focus on 12 of those to assess progress in meeting interim targets prior to 2045.</p> <p>Mr Allen noted the substantial amount of work surrounding the sustainability agenda and informed the Committee that a group including clinicians and managers are promoting initiatives across the organisation and reviewing how to embed good practice into everyday behaviours. One option under consideration is nominating ‘sustainability champions’ in some departments and Dr Hobkirk agreed that changing behaviours is central to implementing a successful programme and meeting sustainability targets.</p> <p>With regard to EU-ETS site emissions, Dr Hobkirk informed members that NHS Grampian had not exceeded its annual allowance set for 2013-2018 and as a result had not incurred any additional costs. He also explained that 2019 is the final year of the Carbon Reduction Commitment (CRC) which will be consolidated into the remaining Climate Change Levy (CCL). The main site for energy usage is the Foresterhill Campus and the investment made in establishing a Combined Heat and Power system (CHP), which is exempt from CCL, had resulted in a significant financial benefit to the Board and energy savings.</p> <p>Dr Hobkirk reported that there are ongoing discussions regarding the Government’s Deposit Return Scheme (DRS) and how this can be</p>	

Item	Subject	Action
	<p>managed on hospital sites where there are specific issues relating to infection control. NHS Grampian is also reviewing Biodegradable Municipal Waste (BMW) and how to reduce reliance on items such as papers towels. Councillor Lumsden asked how the 16% reduction in General Waste had been achieved and Mr Allen outlined the amount of work which had been undertaken by staff to reduce the amount of clinical waste deposited in black waste bags. A campaign to encourage separation of waste had been very successful and behaviour change is now evidenced on sites across the organisation.</p> <p><b>The Committee thanked Dr Hobkirk for an informative presentation and requested a further update on progress at the September 2020 meeting.</b></p>	
<b>7</b>	<b>External Audit</b>	
7.1	<p><u>Audit Scotland National Studies</u></p> <p>Mr Kidd asked the Committee to note reports recently published on the Audit Scotland website. He reported that a process to ensure relevant and appropriate distribution had been agreed through the Chief Executive and Board Business Unit.</p> <p><b>The Committee noted the report.</b></p>	
<b>8</b>	<p><b>Single Tender Actions – Review of Recent Approvals</b></p> <p>Mr Kidd presented the paper detailing single tender actions authorised since the last meeting, together with a summary of the justification. Councillor Lumsden asked what financial threshold prompts the requirement to tender. Mr Kidd confirmed that this currently stands at £120K but that all single tender requests are checked and will only be approved if there is appropriate justification, such as no alternative supplier.</p> <p><b>The Committee noted the report.</b></p>	
<b>9</b>	<p><b>Counter Fraud Progress Report</b></p> <p>Mr Kidd presented the report noting progress on counter fraud matters within NHS Grampian. He reported that the work of the NHS Scotland Short Life Group developing recommendations relating to Register of Interests, Hospitality and Gifts had not met since January 2019. A proposed guidance document is being developed and will be circulated to members of the group and then distributed for wider consultation. In the meantime, NHS Grampian continues to operate within the local arrangements previously agreed by the</p>	



Item	Subject	Action
	<p>Committee and a standard form and guidance is available to staff on the Intranet.</p> <p>Mr Kidd also reported actions to raise fraud awareness across NHS Grampian including, sessions at Dr Gray’s Hospital by colleagues from Counter Fraud Services. The introduction of fraud awareness in the induction programme for junior doctors is being considered and, when there is some clarity regarding national guidance covering conflict of interest, tailored sessions will be available to staff.</p> <p><b>The Committee noted the report.</b></p>	
10	<p><b>AOCB</b></p> <p>None.</p>	
11	<p><b>Report to Grampian NHS Board</b></p> <p>It was agreed that the following will be reported to all Board members at the meeting in October.</p> <ul style="list-style-type: none"> <li>• GDPR;</li> <li>• Sustainability and Impact of Carbon Emission Regulations;</li> <li>and</li> <li>• Audit Committee Development Session – Cyber Security 17<sup>th</sup> March 2020.</li> </ul> <p><b>Mr Kidd to draft the report to the Board for Mr Riddell’s review.</b></p>	GK/SR
12	<p><b>Date of Next Meeting</b></p> <p>Tuesday 3<sup>rd</sup> December 2019            10.30 – 13.30            Conference Room, Summerfield House</p>	