

<b>HIGHLAND NHS BOARD</b>	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 <a href="http://www.nhshighland.scot.nhs.uk">www.nhshighland.scot.nhs.uk</a>	 <b>NHS</b> Highland na Gàidhealtachd
<b>MINUTE of MEETING of the NHS Board Audit Committee</b> Microsoft Teams	<b>10 September 2024 9.00 am</b>	

**Present:** Gaener Rodger, NHS Board Non-Executive (Chair)  
 Susan Ringwood, NHS Non-Executive (Vice Chair)  
 Alexander Anderson, NHS Board Non-Executive  
 Emily Austin, Non-Executive  
 Garret Corner, NHS Non-Executive

**In Attendance:** Gareth Adkins, Director of People and Culture (item 2.1)  
 Louise Bussell, Nurse Director  
 Heledd Cooper, Director of Finance  
 Pam Cremin, Chief Officer, North Highland  
 Ruth Daly, Board Secretary  
 David Eardley, Azets, Internal Audit  
 Gillian Grant, Interim Head of Commissioning, ASWSCD (item 3)  
 Stephanie Hume, Azets, Internal Auditors  
 Kay Jenks, Audit Scotland, External Audit  
 Sarah MacAuley, Technical Accountant  
 David Park, Deputy Chief Executive  
 Liz Porter, Assistant Director Financial Services  
 Iain Ross, Head of eHealth (items 2.5 and 4)  
 Stephen Chase, Committee Administrator

### 1.1 WELCOME, APOLOGIES AND DECLARATION OF INTERESTS

Alasdair Christie. David Park attended in place of Fiona Davies, Kay Jenks attended in place of Claire Gardiner.

### 1.2 DECLARATION OF INTERESTS

There were none.

### 1.3 MINUTE AND ACTION PLAN OF MEETING HELD ON 28 JUNE 2024

The minute of the meeting held on 28 June 2024 was approved as an accurate record.

#### The Committee

- The minute of the meeting held on 28 June 2024 was approved as an accurate record.
- **Noted** the rolling actions and workplan.

### 1.4. MATTERS ARISING

There were no matters arising.

## INDIVIDUAL INTERNAL AUDIT REPORTS

### 2.1 Internal Audit Progress Report

S Hume spoke to the report and noted that since the last committee field work towards the Attendance Management audit and the Complaints Feedback process audit was complete, and the larger programme of work was on track to provide the Internal Audits opinion for 2 June 2025. The Devolved Procurement audit had been due to be presented at the September meeting but would now be presented at the December meeting having encountered a slight delay.

- Regarding the Children's Services audit, it was noted that there was some final work to be undertaken between NHS and Highland Council to agree the scope and that as long as there was agreement in place to start the audit at the end of September the audit could be expected to run to the approved timescales.
- The Chair noted that the December meeting would have a full agenda with four audits expected for review.
- The Director of Finance noted that conversations had been had regarding the audit of Children's Services between the Chief Executives of Highland Council and NHS to determine the scope of the audit which would have to be mindful of the proposed incoming National Care Service.

In discussion, confidence around having the three planned audits and the Devolved Procurement Process audit ready for the December meeting was confirmed, with fieldwork on track for completion or analysis and management responses in progress.

- The Director of People commented that his team had been working closely with Internal Auditors to ensure the Attendance Management audit would be complete in good time.
- It was noted that work was ongoing to address work to ensure that a framework for policies and procedures across the organisation was appropriately sited. The Director of Finance commented that each governance area was examining its own policies in order to help prioritisation of work to implement recommended policy and process changes.
- S Hume commented that work to align themes of financial and performance data was underway in order to better link activity arising from audits to specific costs to the organisation but this is dependent on data availability and alignment of information and the benefit it provides.

The Committee <b>noted</b> the report and the changes to the Internal Audit work plan.
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## 2.2 Patient Transport

D Eardley spoke to the report and noted that beyond the financial risks of this area of the service there were areas of reputational risk in terms of perceived unnecessary spend in the eye of the public. A recurring theme was highlighted, that Argyle and Bute's processes seemed to be more developed when compared to North Highland and there was some learning around good practice to be had here.

In discussion,

- It was noted that one of the actions had not been assigned management leads. It was noted that this was due to the need to meet the deadline for papers and that a lead was due to be identified following a conversation to be had between the Director of Finance and the Director of Acute Services. The named lead was shared at the meeting.
- It was noted that there was national work underway to address concerns around the increase in taxi expenditure across Scotland for renal patients.
- The Assistant Director Financial Services noted that the Head of Financial Services was progressing work to clarify use of Scottish Ambulance Services and the use of volunteers. The Director of Finance noted that the Short Life Working Group would pull together the information to identify and provide a recommendation which mode of transport was most appropriate for patients to be incorporated into future policy and procedures.
- The Chair noted the environmental implications and the importance of the use of Near Me and related resources by patients to reduce the need for patient travel.

- It was confirmed that the new Chief Officer for Argyll & Bute, Evan Beswick, would be the first port of call for discussions about current issues around patient transport for dialysis in the Oban area.

The Committee **noted** the report.

### 2.3 External Accommodation

D Eardley introduced the paper and noted a mixed picture from the audit outcomes, with reasonable assurance in some areas and other areas with opportunity for improvement. It was commented that there was effectively a dual system in place around bookings with one of the systems more proactive, better controlled and more compliant.

Areas of good practice were highlighted in the report such as confirming delegated levels of authority.

The Travel team were complimented for strengths in the area of external accommodation-related processes and having a good understanding of its role with the confidence to seek additional authorisations.

During discussion,

- The Director of Finance noted that the Travel team had now been moved within her responsibility within the Procurement and Transport team. It was felt that linking travel with procurements would make for a more comprehensive overview. Project management was in place and K Lohse had been identified as the lead for the actions.
- In terms of improvements to the booking process it was noted that there was professional and clinical judgement required of staff in terms of assessing availability and scheduling that fell outwith the limits of the audit. D Eardley commented that an inference could be made from a lot of the bookings being approved retrospectively that they were not necessarily a priority and it was suggested that an exploration of this might be taken forward with the management action work.
- The Director of Finance noted that the review of the booking process sat within the remit of the Travel workstream within the Value & Efficiency programme and would also take a proactive approach to block booking of accommodation to fit need and secure best value pricing.
- The Director of Finance noted that conversations were underway with Highland Council around accommodation and determining accommodation availability.

The Committee **noted** the report.

### 2.4 Property Transaction Monitoring

S Hume provided a brief verbal update and noted that it was a requirement for the Board to receive a Property Transaction Monitoring (PTM) audit every year with a focus on transactions in the previous financial year whether they be sale, purchase or lease of property. The audit was normally presented to the September meeting of the committee, however following discussions with management over the course of the year it was noted that there were no qualifying transactions that would result in a PTM audit for 2023/24.

The Committee **noted** the report.

### 2.5 Management Actions

The Chair noted in reference to the Excel spreadsheet that updated action dates were now included in the log of actions.

- S Hume agreed that an overview of any changes to the actions be incorporated into the report for ease of reading.

- The Director of Finance noted that she would review those management actions which were not progressing to plan, and noted the need for action owners to report on actions taken since the last update and for reasoning to be provided around revised dates for assurance.
- It was suggested that the spreadsheet make note of the number of changes to the target date of completion since an action was initially set.
- Updates were received on management actions and the committee accepted revised dates and rationale.

The Committee

- **noted** the updates, and
- **approved** revised dates.

### 3. ADULT SOCIAL CARE ADVANCE PAYMENTS SFIs

The Interim Head of Commissioning spoke to the report on behalf of the Director of Adult Social Care and clarified that it was not a revision of the SFIs as indicated in the agenda item heading but dealt with assurance concerning mitigation of risk to NHS around Advance Payments to third party providers within Adult Social Care. It was explained that the practice of Advance Payments predated the integration model and was seen to help small providers with sustainability issues.

The Director of Finance commented that the SFIs had previously been amended to fit with current practice which was in direct contradiction to the Scottish Public Finance Manual. The amendments are no longer included within the SFIs and the ASC team had been requested to set out the actions for assurance to the Board that the risk had been properly considered and mitigations were in place to limit risk.

The Committee

- **noted** the scale and status of advance payments to adult social care providers as outlined in the report,
- **noted** recently agreed changes to the SFIs,
- **noted** the mitigations in place around payments in advance, and
- **accepted** the minimum risk associated with the continuation of existing payments in advance, and
- **accepted** moderate assurance from the report.

### 4. INFORMATION ASSURANCE GROUP UPDATE

The Deputy Chief Executive introduced the item and noted the progress that the IAG had been making to address controls and information governance. It was noted that the meetings of the group were well attended by a broad group of clinical and non-clinical staff from across the organisation.

- The DCE drew the committee's attention to the table on p.6 of the report (p.67, combined papers) which showed the number of incidents reported to the ICO (Information Commissioner's Office). It was clarified for assurance that the indication that no action was taken referred to actions taken by the ICO against NHS, and did not account for actions to address the incident that had been taken or had been set in motion by the IAG.
- The IAG was looking to develop standard procedures to apply to the kinds of incidents noted in the report, to address areas of data protection controls beyond those of the immediate processes concerning the individuals involved in the incident .

During discussion,

- It was noted that NHS was achieving better results around data security and related areas than many comparable organisations. It was commented that the expectation for

the NIS audit due on 14 October was that progress would be achieved towards closing gaps to resolve the 84 unachieved and 59 partially achieved actions and that good progress rather than 100% compliance was the expectation of the auditors. Shortly after the meeting concluded it was confirmed that the NIS trajectory would look to move 25% of not achieved controls to partially achieved and 25% of existing partially achieved controls to achieved status.

- Freedom of Information (FOI) subject access requests were discussed, where the high number of requests was noted. It was confirmed that in cases where multiple requests were coming from the same individuals there were mitigating actions that could be taken (including taking advice from the ICO), but that the requests in themselves could not be challenged. The associated costs could be significant but there was a duty to fulfil this area of the service, and Scottish Government were currently exploring ways in which areas of patient self-service might help requests to reduce.
- In terms of addressing lessons learned from incidents, the main aim was to foster a culture of openness among staff where an error is acknowledged at the root level so that it can be more directly addressed through relevant training and communications.
- Training modules and their development was largely addressed at the national level for the purpose of consistency.

The Committee

- **noted** the report, and
- **accepted substantial assurance.**

## 5. COUNTER FRAUD

### 5.1 Couter Fraud Quarter One Update

The Technical Accountant, S MacAuley, introduced herself to committee and spoke to the quarterly report which highlighted:

- a National Fraud Initiative data upload exercise had been started, the results of which were provided to the National Fraud Initiative team. Information was compared to other boards which would identify any matches so that these can be checked further. The results would be available early next year.
- There were currently nine open cases, two had progressed to full investigations with one progressing to a part investigation.

S McAuley then gave a short presentation and outlined the 12 components of the Counter Fraud Standards adopted by NHS and much of the public sector, tackling fraud, bribery, and corruption. This was the second year that NHS Highland had completed the standard. The dashboard within the paper gave a comparison between the previous year and the current year and it was noted that learning and changes were being made continually within the process. Each board had an accountable individual, (usually the Director of Finance) whose role was to assure the board of the quality and effectiveness of the counter fraud work that had been undertaken and to ensure that fraud prevention awareness was promoted within the organisation, and that management controls were in place to prevent corruption, bribery, and fraud.

The Chair thanked S McAuley for her presentation noting that within the weekly Sway bulletin for staff there had been increased publicity for fraud prevention and information and was hopeful this would have a positive impact.

The Director of Finance highlighted the requirement for developing a fraud risk assessments of services supported by counter fraud services.

### 5.2 Counter Fraud Standards Submission

This was discussed as part of the above item and it was noted that the submission had been an improvement on the submission last year.

- **noted** the report, and
- **accepted** substantial assurance on the ongoing Counter Fraud activities undertaken across NHS Highland, and that NHS Highlands complied with the majority of the standards.

## 6. AUDIT SCOTLAND REPORTS

The Chair drew the committee's attention to the link for papers at the Audit Scotland website.

The Committee

- **noted** the update.

## 7. REVIEW OF COMMITTEE TERMS OF REFERENCE

The Board Secretary noted that the report was presented for the Committee to agree changes to rectify Committee Terms of Reference. The changes included a re-routing of the reporting line of the Resilience Committee from Audit Committee to the FRP Committee. The FRP's remit includes oversight of Business Continuity reporting and given that this is part of resilience work it was proposed that the FRP should oversee the Resilience Committee's workstreams instead of the Audit Committee and rectifies the Audit Committee remit to its essential components.

A typographical error in the Staff Governance Committee's Terms of Reference to reflect the correct name of the People and Culture Portfolio Board.

The Committee

- **noted** the report,
- **accepted** substantial assurance,
- **approved** proposed changes to Terms of Reference for Finance, Resources and Performance, Audit, and Staff Governance Committees; and
- **agreed** that the full suite of updated documents be recommended to the Board for agreement on 24 September 2024.

## 8. Any Other Competent Business

The Vice Chair made a note of formal thanks on behalf of the Committee to G Rodgers for her able and diligent chairing of the Audit Committee and her contribution to the wider work of the NHS Board and gave good wishes for future endeavours. You've been very diligent.

The Chair thanked those present for their support in Chairing the committee and noted that she would step down from the Board at the end of September. It was noted that S Ringwood would chair the Committee from the December meeting and that Heledd Cooper would assume the role of interim Fraud Champion.

## 9. DATE OF NEXT MEETING

The next meeting will be on **Tuesday 10 September 2024** at **9.00 am** on a virtual basis.

The meeting closed at **11.02 am**.