

<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>MINUTE of MEETING of the NHS Board Audit Committee</b> Microsoft Teams	<b>5 December 2023 9.00 am</b>

**Present:** Gaener Rodger, NHSH Board Non-Executive (Chair)  
 Susan Ringwood, NHSH Non-Executive (Vice Chair)  
 Alexander Anderson, NHSH Board Non-Executive (until 10am)  
 Alasdair Christie, NHSH Board Non-Executive  
 Garret Corner, NHSH Non-Executive

**In Attendance:** Gareth Adkins, Director of People and Culture  
 Tim Allison, Director of Public Health  
 Kate Cochrane, Head of Resilience  
 Heledd Cooper, Director of Finance  
 Lorraine Cowie, Head of Strategy & Transformation  
 Charlotte Craig, Business Development Manager, Argyll & Bute IJB  
 Ruth Daly, Board Secretary  
 Pam Dudek, Chief Executive  
 David Eardley, Azets, Internal Audit  
 Stephanie Hume, Azets, Internal Auditors  
 Kaye Jenks, Audit Scotland, External Audit  
 Sarah Macauley, Technical Accountant  
 Jill Mitchell, Deputy Chief Officer  
 David Park, Deputy Chief Executive  
 Kate Patience Quaite, Deputy Nurse Director  
 Boyd Peters, Medical Director  
 Liz Porter, Assistant Director Financial Services  
 Katherine Sutton, Director of Acute Services  
 Alan Wilson, Director of Estates  
 Stephen Chase, Committee Administrator

## 1.1 WELCOME, APOLOGIES AND DECLARATION OF INTERESTS

Apologies were received from Stuart Sands.

## 1.2 DECLARATION OF INTERESTS

No declarations were made.

### 1.3 MINUTE AND ACTION PLAN OF MEETING HELD ON 5 SEPTEMBER 2023

#### The Committee

- **APPROVED** the minute of the meeting held on 5 September 2023 as an accurate record.
- **NOTED** The Workplan, and that the Rolling Actions would be considered at the next meeting.

### 1.4. MATTERS ARISING

There were no matters arising.

## INDIVIDUAL INTERNAL AUDIT REPORTS

### 2.1 Internal Audit Progress Report

D Eardley introduced the progress report and noted that the review of Supplementary Staffing had been deferred and that there had not been quite enough time to replace the item with the Patient Property and Funds audit. This latter report would come to the March committee.

- The audit of Data Management was underway and on schedule for the March committee.
- The Primary Care Services audit had been delayed to give more consideration of the scope of the audit and this had since been agreed and work had commenced with the aim of reporting to the March committee.
- It had been decided that the proposed audit of Childrens Services would be replaced as it had been felt the scope was not focussed enough. Discussion was underway with partners in the Highland Council to clarify the scope of the new audit which would focus on duties held under the Public Bodies Act for Children and Adult Social Care.

In discussion, the Chief Executive noted the need for clarity around governance of the audit of Childrens Services/Integration. The Chair suggested that the audit might clarify the integration process. Concern had been expressed by the Head of Adult Social Care around the governance of returning out of area patients. It was noted that audit report was likely to come to the May committee.

- D Eardley invited the committee to consider areas for internal audit for 2024/25. Suggestions from the members included, NTC performance, Core IT (cyber security), Procurement outwith standard procurement pathways, Estates, and Safeguarding/Freedom of Information.
- The Director of Finance noted that she would consider the procurement suggestion.
- It was suggested that an audit of the NTC would require a specific scope and that the FRP Committee might be a suitable group to consider this. The issue of how much control of NTC performance was held at Board level as opposed to its national responsibilities was raised. It was noted that a post-project evaluation of the NTC should come before areas for audit are decided.
- It was suggested that Estates could recommend areas for an audit of their remit.
- The Deputy Chief Executive noted that there had been national technical audit work carried out on cyber security and that this was due to report in December with feedback. An update would be brought to the March committee.
- The Chair suggested that further discussion be had of audit areas after the February development session which would consider the committee self-evaluation.

#### The Committee

- **noted** the report and the changes to the Internal Audit work plan.

- The Committee **agreed** to defer the Supplementary Staffing audit and replace it with the Patient Property and Funds audit on the workplan.
- The Committee **agreed** to defer the Childrens Services/Integration audit until it had been resoped and brought back to the Committee for approval.
- The Deputy Chief Executive **agreed** to bring an update on the feedback from the national audit of cybersecurity to the March meeting.

## 2.2 Strategic and Financial Planning Audit

D Eardley spoke to the report which noted that NHS Highland had a documented Annual Delivery Plan (ADP) in place, supported by a clearly defined process for providing regular updates. There had been considerable progress with the ADP in terms of each service understanding their element of ADP, including setting and refining actions to meet requirements. The Internal Auditors identified a small number of improvements, including (i) further embedding of relevant staff in the development process, (ii) more utilisation of finance expertise in the development process, and (iii) improvement opportunities in relation to certain areas of governance, particularly focussed on CAMHS.

In discussion, concern was expressed about CAMHs capacity. The Head of Acute Services noted general concerns around capacity across the services and that plans to address and mitigate issues would in and of themselves create some concern among staff but that it was a matter of engaging with staff to manage progress towards actions to address capacity.

The Committee

- **noted** the report.

## 3. Management Follow-Up Report on Outstanding Audit Actions

The Director of Finance noted the new process for tracking actions in collaboration with Internal Audit. S Hume noted the positive picture and that the reporting clearly outlined grade 3 and 4 risks for management to consider.

The Chair asked if there were any historical actions to be closed off. S Hume agreed to investigate this and report back but noted that it was unlikely that there were any historical outstanding items.

In discussion, it was suggested that a baseline for completion dates should be shown in the reporting against which any revised dates could be measured.

The Committee

- **noted** the report.

## 4. Resilience Group Update

The Head of Resilience introduced the paper which had be circulated to the Committee. The report provided an update on the NHS Highland response to the 2019 Business Continuity Audit and the six recommendations that had been made. It noted that whilst a risk-based testing programme was not yet in place, the Committee could gain assurance that continuity planning activities had continued across the Board with plans and impact assessments in use to respond to the incidents noted since the last continuity update (April 2023). In order to support services to plan for known periods of disruption, Service Impact Assessments (Audit

Committee Report April 2023) continued to be used and feedback from services and eHealth about their value remained positive.

In discussion, it was suggested that the Decision Log Template shown in the appendix could include room to account for a 'hot debrief' and a full debrief to achieve a fuller sense of the decision making process.

The Committee

- **noted** the report and
- accepted **moderate** assurance noting the actions intended to raise the assurance level.

## 5. Argyll and Bute IJB Audit & Risk Committee Update

The Business Manager for Argyll and Bute IJB introduced the report which had been circulated to the committee. The report noted that the Audit & Risk Committee continued to meet as planned to review the business of the Integrations Joint Board. The NHS Audit Committee was asked to note the update to support continuity and communication between both committees.

The Audit and Risk Committee met in September and a Special Audit Committee in November with the specific purpose of approving the annual accounts. In September the Committee gave consideration to a report which provided an update on the work carried out by Argyll and Bute Council's Internal Audit Team on audits which were of operational relevance to the Committee. The report also provided an update on the actions from audit reports already presented to the Committee which were still open as at 30 June 2023. Consideration was also given to a report which presented the findings of the Internal Audit report on Risk Management. Consideration was given to a report which presented the findings of the Internal Audit report on Financial Management. The Audit and Risk Committee reviewed and endorsed the Internal Audit report on Financial Management Arrangements. Congratulated the Head of Finance and Transformation and his team on their work in reaching a substantial level of assurance in the Internal Audit report of the Financial Management Arrangements. The Committee gave consideration to a report which outlined the options for securing an internal audit service from 1 April 2024 and recommended an extension of the existing arrangement for a further three years. The report also provided information on the costs, level of audit resource available and provided assurance on the value for money aspect of the proposal. This was referred to IJB with recommendation for final decision. The Head of Finance and Transformation noted Audit Scotland publications by way of horizon scanning this included a financial analysis of Integration Joint Boards. The Special Audit Committee was content to recommend approval of the Audited Accounts to the IJB.

The Committee

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

## 6. External Audit Update

K Jenks gave apologies on behalf of Audit Scotland that the External Audit Plan was not yet available, however the process had started and the plan would be presented to the March meeting.

The Director of Finance commented that she had met with External Audit colleagues and had received assurances that she would receive a copy of the plan in January. The Head of Strategy and Transformation and the Assistant Director Financial Services were meeting to ensure that the performance report would be ready on time. The risk of delays around potential Scottish Government changes to templates was noted.

The Committee

- **noted** the update and that the External Audit Plan would be presented to the March meeting of the committee.

## 6. Category 3 Overseas

The Assistant Director Financial Services commented that the report was for noting and that the update should have gone to the July meeting. The debt had been written off by Scottish Government it having been determined that there was no longer any likelihood of recovering the outstanding debt.

The Committee

- **noted** the report.

## 6. Counter Fraud

The Technical Accountant introduced the Standards Statement for 2022/23 and noted which of the 12 components had been met in full or in part.

An Action Tracker and Fraud Standard Statement would be provided for the committee for future iterations.

The Chair noted that the committee development session scheduled for 6 February 2024 would include an update from Counter Fraud Services, and that NHS had been doing well in comparison with other health boards to achieve the standards.

The Chair also recommended that a date be arranged to consider the 2023/24 standards.

The Committee

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

## 6. Risk Management Update

The Medical Director provided a slide show presentation that noted progress since the Board had met to consider its risk appetite. He noted that the Risk Management Steering Group had been undergoing a re-evaluation of its role and purpose, and that the next steps were to achieve better alignment of level 1 and 2 risks with the Board Strategy and Together We Care to tie in with service delivery. It was commented that a business intelligence dashboard was due to go live in 2024.

The Chair noted that the next full report on risk was due to come to the May meeting of the committee and that reporting on this issue should be twice a year.

The Committee

- **noted** the report, and
- **agreed** that Risk Management reporting come to the Committee on a twice a year basis.

## 6. Summary of Payments

The Assistant Director Financial Services noted that the paper summarised changes by Scottish Government to the protocols for payment verification with the main areas of change

including revisions to risk assessment determining priority work in Dental, Medical and Pharmacy, and the inclusion of Optometry Enhanced Services for Community Glaucoma Services.

The Committee

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

## 7. Audit Scotland Reports

### 7.2 Audit Scotland Reports

The Chair had indicated links to reports of interest to the Committee in the agenda.

- The Scottish Government's workforce challenges

<https://www.audit-scotland.gov.uk/publications/the-scottish-governments-workforce-challenges>

- Approaches to achieving net zero across the UK

<https://www.audit-scotland.gov.uk/publications/approaches-to-achieving-net-zero-across-the-uk>

- Adult mental health

<https://www.audit-scotland.gov.uk/publications/adult-mental-health>

- Fraud and irregularity Annual report 2022/23

<https://www.audit-scotland.gov.uk/publications/fraud-and-irregularity-annual-report-202223>

The Committee

- **noted** the information.

## 8. Code of Corporate Governance

The Board Secretary spoke to the report which asked the Committee to approve revised sections of the Board's Code of Corporate Governance for onward submission to NHS Highland Board in 2024. The report had been prepared by the Board Secretary, with input from Finance colleagues, to take account of developments and changes that were required to be reflected in the Code. The report noted changes to the Terms of Reference for the governance committees and the Fraud Action Plan barring the Terms of Reference for the Highland Health and Social Care Committee which would be reported to the next meeting of the Audit Committee.

The Deputy Chief Executive noted an amendment to the Terms of Reference for the FRP Committee, item 6.5 which should read "The Committee will receive *reports...*" and not "minutes" (p.178 of the combined papers). The Board Secretary noted the correction.

The Committee

- **noted** the changes to committee Terms of Reference and the Fraud Policy Action Plan, and
- Accepted substantial assurance from the report.

## 9. Blueprint

The Board Secretary noted that the report provided an update on the delivery of actions contained in the Board's agreed Blueprint for Good Governance Improvement Plan 2023 that were of relevance to the Audit Committee. The Board had agreed its Blueprint Improvement Plan on 25 July 2023 with the intention that Governance Committees oversee progress and delivery of the elements relating to their areas of responsibility. The Board's Blueprint for Good Governance Improvement Plan contains 17 specific actions in total of which four commitments relate directly to the remit of the Audit Committee.

- It was noted that the Self-assessment process for the Audit Committee would take place via an online survey from the Monday following the meeting and remain open for the next fortnight. The Committee agreed to discuss the outcome of the survey at its development session on **6 February 2024**.
- It was agreed to extend the survey invite to regular attendees of the Committee in addition to the core membership.

The Committee

- **noted** the report and
- accepted **moderate** assurance.

## 9. Any Other Competent Business

The Chair drew the Committee's attention to the agreed dates for meetings in 2024 and that a development session would be held on **6 February 2024** via Teams.

## 10. DATE OF NEXT MEETING

The next meeting will be on **Tuesday 12 March 2024** at **9.00 am** on a virtual basis.

The meeting closed at **10.44 am**.