

NHS 24

**Minutes of the Meeting of the
NHS 24 Audit and Risk Committee
held on Thursday 8 June 2023 at 10am
Lumina Boardroom**

PRESENT

Ms Carol Gillie (Chair)

Committee Member Names	Committee Member Names
Mr Martin Togneri	Ms Marieke Dwarshuis
Mr David Howe	

IN ATTENDANCE

Name	..	Job Title
Dr Martin Cheyne	..	Board Chair
Mr Jim Miller	..	Chief Executive
Mr John Gebbie	..	Director of Finance
Ms Ann-Marie Gallacher	..	Chief Information Officer
Ms Steph Phillips	..	Director of Transformation, Strategy, Planning & Performance
Mr Damien Snedden	..	Deputy Director of Finance
Mr Kevin McMahon	..	Head of Risk & Resilience
Ms Joanne Brown		Grant Thornton
Ms Rachel Weir		Azets
Mr Pat Kenny		Deloitte
Ms Kirsty Hair		Deloitte
Ms Mary-Jane Mitchell		Staff Side Representative
Ms Geraldine Mathew		Board Secretary
Mr Neil Logan		Head of Financial Planning & Reporting
Ms Yvonne Kerr		Executive Assistant (Minutes)
Ms Julianne O'Dea		Corporate Accountant
Ms Suzy Aspley		Chief Communications Officer (Item 10.1)

		ACTION BY
1.	WELCOME, APOLOGIES AND INTRODUCTIONS	
	Ms Gillie welcomed members and attendees specifically, Ms Weir from Azets as newly appointed Internal Auditors and Mr Kenny and Ms Hair from Deloitte as newly appointed External Auditors. Ms Gillie thanked Ms Brown and the team at Grant Thornton for their contributions over the years	
	Apologies were intimated on behalf of Mr Mike McCormick, Mr David Eardley, Mr Gregory Odour and Ms Karlyn Watt.	

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		ACTION BY
2.	DECLARATIONS OF INTEREST	
	The Chair invited members to declare any interests in any of the items being discussed. There were no declarations made.	
3.	MINUTES OF PREVIOUS MEETING OF 10 FEBRUARY 2023	
	The Committee considered the minute of the previous meeting held on 10 February 2023 and were content to approve this as a complete and accurate record. The Committee approved the minutes.	
4.	MATTERS ARISING	
4.1	Review of Action Log	
	After discussion the Committee agreed all actions recommended for closure can be removed from the action log, with exception of action 811 which requires further discussions.	
5.	EXTERNAL AUDIT	
5.1	External Audit Annual Report 2022/23	
	Mr Kenny presented the External Audit Annual Report to the Committee noting key highlights. Mr Kenny advised this was the first year of a five-year appointment for Deloitte and noted the positive engagement from NHS 24. Mr Kenny confirmed the intention to issue an unmodified opinion on the Annual Report and Annual Accounts for 2022/23. The Committee asked for assurance on the meaning of “unmodified”. Mr Kenny confirmed this is the language used by Deloitte and is the same as previously used “unqualified” by the outgoing auditors. It was also noted that although significant work has been completed there are still some outstanding matters that are currently being addressed. Following discussions, amendments will be incorporated before presentation to Board on 22 June. With the amendments highlighted; the Committee noted the report for assurance.	Mr Kenny, Deloitte
6.	INTERNAL AUDIT	
6.1	Internal Audit Report Updates	
	Leadership and Culture	
	Ms Brown presented the Leadership and Culture Audit to the Committee noting key highlights. Ms Brown confirmed that the audit considered the design and operation of controls in place at NHS 24 in relation to Leadership and Culture. A number of operational issues linked to the report were highlighted and Mr Miller suggested that these issues should be discussed in more detail out with this meeting. It was agreed	Mr Miller

		ACTION BY
	<p>feedback would be provided at the next Committee meeting if required.</p> <p>The report has been rated as Reasonable Assurance with some improvements required as it contains one medium, three low rated recommendations and one advisory.</p> <p>The Committee noted the report for assurance.</p>	
	Health and Safety Risk Assessments	
	<p>Ms Brown presented the Health and Safety Risk Assessments Audit to the Committee noting key highlights.</p> <p>Ms Brown confirmed the audit was to evaluate adequacy of internal controls in place around Health and Safety Risk Assessments.</p> <p>The report has been rated as Reasonable Assurance with some improvement required as it contains one medium and two low rated findings.</p> <p>The Committee noted the report for assurance.</p>	
6.2	Internal Audit Annual Report 2022/23	
	<p>Ms Brown presented the Internal Audit Annual Report to the Committee noting key highlights.</p> <p>Ms Brown confirmed that the overall opinion for the 2022/23 financial year is based on the scope of reviews undertaken and the sample tests completed during the period. Reasonable Assurance with some improvement required was given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.</p> <p>The Committee noted the report for assurance.</p>	
6.3	Internal Audit Follow Up Report	
	<p>Ms Weir presented the Audit Report to the Committee noting key highlights.</p> <p>Ms Weir advised there are still 10 actions currently open. It was noted seven actions are not yet due at the time of the report and three actions have been assessed as partially complete. Work is ongoing to progress these actions and further updates will be provided at the next meeting.</p> <p>The Committee noted the report for assurance.</p>	
6.4	Internal Audit Plan 2023/24	
	<p>Ms Weir presented the plan to the Committee.</p> <p>It was noted the Internal Audit Plan 2023/24 was approved virtually by Committee Members on 26 April 2023 as was out with the meeting cycle. The plan is presented today for homologation.</p>	

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	<p>It was noted an external review of Governance in line with the national document the Blueprint for Good Governance will be carried out although there are no dates for this at the moment.</p> <p>The Committee approved the plan for 2023/24.</p>	
6.5	Internal Audit Progress Report 2023/24	
	<p>Ms Weir presented the report to the Committee.</p> <p>The Committee noted the Capability and Capacity Audit due to start now, has been delayed for a few months as only a partial audit could be completed at this time.</p> <p>The Committee noted the report for assurance.</p>	
07.	ANNUAL GOVERNANCE COMMITTEE REPORTS	
7.1	Audit and Risk Annual Report 2022/23	
	<p>Ms Gillie presented the Annual Report to the Committee and opened discussion.</p> <p>Ms Gillie noted an amendment to the report to include more detail on the outcome of discussions and this will be updated before being presented to the Board. The Audit and Risk Committee was updated on the developments to risk management arrangements in NHS 24 through regular reporting on the risk management maturity plan. This included a revised risk management framework, risk appetite and risk management strategy. The risk management annual report outlines the achievements and progress throughout the year.</p> <p>Subject to a minor amendment the Committee approved the annual report.</p>	Mr Snedden
7.2	Planning and Performance Annual Report 2022/23	
	<p>Ms Phillips presented the Annual Report to the Committee and opened discussion to the Committee.</p> <p>It was noted there were a few changes after papers were published around the highlights for 2022/23. A revised version has been sent virtually to members of the Committee for approval.</p> <p>Subject to minor changes the Committee noted the report for assurance.</p>	
7.3	Clinical Governance Annual Report 2022/23	
	<p>Mr Togneri presented the Annual Report to the Committee and opened discussion to the Committee.</p> <p>It was requested that all Committee Annual Reports are standardised for next year. The Committee were content and noted the report for assurance.</p>	Ms Mathew

		ACTION BY
7.4	Staff Governance Annual Report 2022/23	
	<p>Ms Gillie presented the Annual Report to the Committee and opened discussion to the Committee.</p> <p>The Committee were content and noted the report for assurance.</p>	
7.5	Integrated Governance Committee Annual Report 2022/23	
	<p>The Board Chair presented the Annual Report to the Committee and opened for discussion.</p> <p>The Committee were content and noted the report for assurance.</p>	
08.	NATIONAL AUDIT SERVICE REPORTS	
8.1	NSI Finance System Annual Report 2022/23	
	<p>Mr Snedden presented the report to the Committee noting key highlights.</p> <p>Mr Snedden confirmed NHS Ayrshire & Arran provide third party assurance to Boards for the services they provide. The most appropriate way of providing these assurances is through the appointment of service auditors to undertake third party service audit reviews and report on the findings.</p> <p>It was also noted that there is no separate external audit of the payroll service but NHS 24 meet regularly with GG&C through Customer Care meetings to allow any issues or concerns to be monitored, explored, and resolved. The Committee asked if there was any further assurance that can be provided. It was agreed that further consideration to this would take place.</p> <p>An unqualified opinion has been provided, with no critical or significant risk findings on the NSI services provided by NHS Ayrshire & Arran on behalf of NHS 24 and other Boards. It was noted there is a process in place with NHS Ayrshire & Arran who provide statistics on their performance against agreed target levels on a quarterly basis to all Boards including NHS 24.</p> <p>The Committee noted the report for assurance.</p>	Mr Snedden
9	GOVERNANCE STATEMENTS	
9.1	Assurance from the Chief Executive	
	<p>Mr Miller presented the report to the Committee.</p> <p>Mr Miller advised this statement is part of the annual accounts and complies with all statutory requirements. A detailed discussion of the content was picked up as part of item 10 on the agenda.</p> <p>Mr Miller referenced the External Audit, Internal Audit, and significant inputs from Executive Directors in what has been a challenging year, providing assurance of robust governance processes currently in place.</p> <p>The Committee noted the report for assurance.</p>	

		ACTION BY
9.2	Executive Directors Annual Certificates of Assurance	
	<p>Mr Miller presented the Certificates of Assurance to the Committee.</p> <p>Following discussion, the Committee requested the removal of “If no further issues are described, I am content that the principles of Best Value are being delivered within my area of responsibility” if appropriate. It was noted the Certificate of Assurance is a standard template although would endeavour to find out if this was possible.</p> <p>The Committee noted the certificates for assurance.</p>	Mr Gebbie
10	STATUTORY ACCOUNTS	
10.1	Draft Statutory Annual Report and Annual Accounts 2022/23	
	<p>Ms Gillie proposed section by section review of the Annual Performance Report and the Accountability Report. As the report had been sighted early by the Committee with a chance to make comments and a detailed session on the Annual Accounts had taken place with all Board members at the end of May this was not required.</p> <p>Mr Gebbie advised the Annual Accounts is a statutory obligation for all NHS Boards showing stewardship of resources received and the financial performance in the use of those resources.</p> <p>Mr Gebbie expressed his thanks to Mr Logan, Mr Snedden and Ms O’Dea who was leading on the Annual Accounts. He also thanked Ms Aspley and the wider Communications Team leading the Performance Report. Mrs Gillie echoed this and thanked Mr Gebbie for leading the production of the accounts.</p> <p>Some changes were still to be incorporated before presentation to the Board. The final version will be circulated to Committee members prior to the Board meeting. It was agreed a summary report would be prepared to highlight changes made since the Committee prior to the Board meeting.</p> <p>Subject to the final changes the Committee approved the Annual Accounts to be presented to the Board with amendments completed.</p>	Mr Gebbie
11	ANNUAL REPORTS	
11.1	Information Governance and Security Annual Report 2022/23	
	<p>Ms Gallacher presented the report to the Committee noting key highlights.</p> <p>The paper provides an overview of the key areas of activity for 2022/23 for the Information Governance and Security team in ensuring compliance with all legislative requirements. Included in the report are a number of key points including;</p> <ul style="list-style-type: none"> • The improvement in the cyber exposure score following completion of the Connect Programme and the associated Early Life Support Period. • The volume of Data Subject Access requests remains high. 	

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	<ul style="list-style-type: none"> The positive trend throughout the year in the completion of the Information Governance and Information Security training, which is a statutory requirement, with both modules exceeding 90% compliance. The set-up of completion of the process to have National Records of Scotland confirmed as the official Archivist for NHS 24. <p>An amendment to section 8: Records Management will be updated to pick up a grammatical error.</p> <p>The Committee noted the report for assurance.</p>	Ms Gallacher
11.2	Procurement Annual Report 2022/23	
	<p>Mr Snedden presented the report to the Committee noting key highlights.</p> <p>This report is submitted annually to SGHSCD to advise on regulated procurement and the report is for the financial year 2022/23. In addition to providing details of previous regulated procurements, there is a requirement to provide information on any future requirements within the next 24 months. Whilst the report reflected on current requirements these may change over this period dependent on funding and service requirements.</p> <p>An updated Procurement Strategy was last presented to the August 2022 Planning and Performance Committee for formal approval prior to publication. The revised Procurement Strategy is currently in draft format with the intention of presenting this to the August 2023 Planning and Performance Committee. It was noted it would be useful to identify from the contractors listed what the community benefits are.</p> <p>The Board noted the report for assurance.</p>	
12	RISK	
12.1	Corporate Risk Management Update	
	<p>Mr McMahon presented the Risk Register to the Committee.</p> <p>Mr McMahon noted the Risk Register has been reviewed several times in the last few months. The Committee noted the targets date on the register for 2025/26. It was noted risks are aligned to duration of the Workforce Strategy. Appropriate milestones will be included for the management of risks towards their target dates.</p> <p>The Committee noted the Risk Register for assurance.</p>	Mr McMahon
12.2	Risk Management Annual Report 2022/23	
	<p>Mr McMahon presented the Annual Report to the Committee and opened discussion to the Committee.</p> <p>The Committee noted the report for assurance</p>	

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13	CORPORATE GOVERNANCE	
13.1	Corporate Governance Activity Report	
	<p>Mr Snedden presented the report to the Committee.</p> <p>It was noted since the last Audit Committee there have been five new waivers of tenders awarded. It was advised four of the waivers were extended and relate to existing systems with minimal risk to allow time for procurement. Fifteen new contracts were awarded and there were no Service Level Agreements processed since the last meeting. There have been three offers of gifts and hospitality recorded since the last meeting.</p> <p>The National Fraud Initiative opened in February 2023 and to date NHS 24 have completed 56% of matches.</p> <p>Ms Gillie noted the quarterly Counter Fraud Services Report was available on Admincontrol.</p> <p>The Committee noted the report for assurance.</p>	
13.2	Counter Fraud Standards	
	<p>Mr Snedden presented the report to the Committee noting key highlights.</p> <p>The Committee were asked to note the progress to date in respect of the 12 Nationally agreed Functional Standards. The NHS in Scotland is working to have these standards in place in the next 2 - 3 years. In relation to the 12 standards, NHS 24 have completed four, with eight partially complete. It was agreed a progress report on the 12 standards will be presented at the February 2024 meeting.</p> <p>The Committee noted the report for assurance.</p>	
13.3	Audit Scotland: NHS in Scotland 2022	
	<p>Mr Snedden presented the report to the Committee noting key highlights.</p> <p>The Committee were asked to note the key messages and recommendations contained within Audit Scotland's report entitled NHS in Scotland 2022 and take assurance from the work in NHS 24 to manage this. Mr Snedden confirmed NHS 24 has reviewed Audit Scotland's report on NHS in Scotland 2022, which highlights issues facing the sector. It provides insight where Scottish Government/NHS Boards should focus on to transform health and social care services to improve effectiveness and address the growing cost of the NHS and its recovery from COVID-19.</p> <p>The Committee noted the report for assurance.</p>	
13.4	Audit Scotland: Scotland's Financial Response to Covid-19 – Spending Summary	
	<p>Mr Snedden presented the report to the Committee noting key highlights.</p>	

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	<p>The Committee were asked to note the key messages contained within Audit Scotland's report and take assurance that there are no major findings that would require new actions or risks to be considered.</p> <p>The Committee noted the report for assurance.</p>	
13.5	Financial Assurance Summary Report	
	<p>Mr Gebbie presented the report to the Committee noting key highlights.</p> <p>Mr Gebbie noted that the 2023/24 Finance Plan is on track in terms of meeting our financial obligations in year and mitigations are in place to combat any risks. Final allocation letters are not expected until July. To mitigate the risk of this it was noted NHS 24 provided assumptions of funding to Scottish Government.</p> <p>The Committee noted the report for assurance.</p>	Mr Gebbie
13.6	NIS-R Framework	
	<p>Ms Gallacher presented the update to the Committee noting key points.</p> <p>The Committee was asked to consider the importance of the support of EMT, Committees of the Board and the Boards support as this is vital. The control framework implementation reduces the cyber risk to NHS 24 and is an organisational requirement. NHS 24 have improved compliance, and this was achieved through completion of Connect Phase 1a and b. The audit is still ongoing, and an update report will be presented to the August meeting. It was confirmed it is unknown at this time if there will be any financial implications on the outcome of the audit and some investment may be required. Mr Gebbie confirmed any investment requirements would be prioritised against the SPRA funding within the finance plan. should it be required.</p> <p>The Committee noted the update and approved.</p>	Ms Gallacher
13.7	Information Commissioners Office Audit Report	
	<p>Ms Gallacher presented the report to the Committee noting key highlights.</p> <p>Ms Gallacher confirmed NHS 24 as a National Health Board was subject to a data protection audit by the regulator, Information Commissioners Office (ICO). This was carried out Quarter 4 2023 with the final report received April 2023.</p> <p>The ICO Audit outcome is "a high level of assurance that processes and procedures are in place and are delivering data protection compliance." Recommendations for further improvement (1 medium and 5 low) are in progress, themes are: strengthening under-pinning supply chain management; data protection across all channels of engagement; privacy by design.</p> <p>The Committee noted the report for assurance.</p>	

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		ACTION BY
14.	WORKPLAN	
14.1	Audit and Risk Committee Workplan	
	The Committee agreed Counter Fraud Services will be presented again at the February 2024 meeting. Subject to this amendment the Committee approved the Workplan for 2023/24.	Ms Kerr
15.	COMMITTEE EFFECTIVENESS	
15.1	Annual Committee Effectiveness Review: Proposal and Timescale	
	<p>Ms Mathew presented the report to the Committee following an internal audit of governance in January 2023.</p> <p>Following the findings from the internal audit on Governance in NHS 24, actions and timescales were agreed to improve the evaluation for all Committees. The review will take place in July 2023 with results to the August meeting and action plan to the November meeting. It was noted a new tool in being piloted nationally now and will be rolled out to all NHS Boards in due course. As guidelines are unclear the Committee agreed it prudent to progress with this in the meantime.</p> <p>The Committee approved the proposal and timescale.</p>	
16.	INTEGRATED GOVERNANCE: KEY POINTS ARISING	
	The Committee is assured that key points discussed at this meeting are referred and will be discussed at other Committees.	
17.	AGREED COMMITTEE HIGHLIGHTS TO THE BOARD	
	The Committee highlights will be produced after the meeting and sent to the Chair for approval prior to the Board Meeting due to be held on 22 June 2023.	
18.	ANY OTHER BUSINESS	
18.1	Future Meeting Arrangements	
	Ms Gillie provided an update to the short survey shared with Committee members on the way forward for meetings. Committee member's preference would be to continue with two meetings face to face and two meetings on teams for the moment. This will be discussed at the Integrated Governance Committee to have consistency across all Committees.	
18.2	Audit Committee Chairs Network Update	
	<p>Ms Gillie attended the Audit Committee Chairs Network meeting on 25 April 2023. Ms Gillie provided an update on the following topics:</p> <ul style="list-style-type: none"> Environmental Sustainability in the Scottish Public Sector – Slides are available to be shared with members on request. 	

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		ACTION BY
	<ul style="list-style-type: none"> Public Sector Reform – No slides available. Internal Audit Assurance and Reporting – Slides are available to be shared with members on request. 	
19.	DATE OF NEXT SCHEDULED MEETING	
	The date of the next meeting of the Committee is Thursday 17 August 2023 at 10am, Microsoft Teams.	
20.	PRIVATE MEETING OF THE AUDIT AND RISK COMMITTEE	
	A private meeting with the Chief Executive was held with members of the Committee following the meeting.	
	The meeting concluded at 12.10pm	