

**NHS 24
AUDIT AND RISK COMMITTEE**

**6 NOVEMBER 2019
APPROVED
ITEM NO. 3.0**

**Draft Minutes of the Audit and Risk Committee Meeting held on
Thursday 8 August 2019 at 10am,
Committee Room 1, Cardonald**

The Committee is asked to approve the Minutes of the Audit and Risk Committee held on 8 August 2019 as an accurate record of discussions.

1. WELCOME AND APOLOGIES

Committee Members

Mr Albert Tait	Non-Executive Member (Chair)
Mr Martin Togneri	Non-Executive Member
Dr Juliana Butler	Non-Executive Member
Mr Mike McCormick	Non-Executive Member

In Attendance

Ms Angiolina Foster	Chief Executive
Ms Esther Robertson	Chair of NHS 24
Ms Margo McGurk	Director of Finance & Performance
Ms Steph Phillips	Director of Service Delivery
Ms Lynne Huckerby	Director of Service Development
Mr Damien Snedden	Deputy Director of Finance
Mr Kevin McMahon	Head of Risk Management & Resilience
Ms Joanne Brown	Grant Thornton
Ms Yvonne Kerr	Executive Assistant (Minutes)
Mr Sanny Gibson	Head of Information Governance & Security
Mr John Martin	Deputy Director of ICT
Mr Mark Kelly	Associate Director of Nursing & Care
Mr Kenny Woods	Staffside Representative

Apologies

Dr Laura Ryan	Medical Director
Ms Ann-Marie Gallacher	Chief Information Officer
Mr David Miller	Director of Workforce
Mr Eddie Docherty	Director of Nursing & Care

Mr Tait welcomed members and attendees to the meeting and introductions took place around the table.

Mr Tait reminded the Committee of the agreed key focus areas for this year:

- Continue to provide assurance on the effectiveness of internal controls.
- Review and development of the Strategic Risk Register and review of the Corporate Risk Register and their effectiveness.

- Review of the effectiveness of financial controls and stakeholder engagement and review of internal reports provided by the internal auditor.

2. DECLARATION OF INTERESTS

- 2.1 Mr Togneri's standing declaration as a Non-Executive Board member at the Scottish Ambulance Service (SAS) was noted.

3. MINUTES OF PREVIOUS MEETING

- 3.1 The minutes of the meeting held on 30 May 2019 were approved as an accurate record of discussions.

4. BUSINESS CASE UPDATE

4.1 Technology Refresh Update

Mr Tait advised the key focus for this Committee should be the assessment of the risk profile for each option. It was noted further discussion on the technical, contractual and commercial aspects of the options will be a matter for the Planning and Performance Committee.

Mr Tait also advised that it is difficult to carry out that assessment of risk when the options have not been fully articulated and where the contractual and commercial positions associated with each one are still being worked through. He confirmed however that the Committee would begin their assessment today by considering the information available for discussion.

- 4.1.1 Ms Speirs presented the update to the Committee and provided a short presentation.

- 4.1.2 Ms Speirs confirmed the focus of this update is on the risks associated with the Technology Refresh options and provided background information for the Committee.

NHS 24 is required to have a technology plan in place for both the infrastructure and the applications we use. The direct contract with BT included a contractual commitment to agree a plan by 31 March 2019. Ms Speirs advised a *provision* of up to £6.7m is included with the BT contract.

The direct contract with BT was approved by the Board in September/October 2018. Ms McGurk reminded the Committee that at the time of contract signing the biggest residual risk on the separation of the contracts was the technology refresh.

- 4.1.3 Ms Speirs referred the Committee to a Heatmap recently prepared by Ms Gallagher which suggests a decline in our technology capability and resilience over the next 12 – 18 months. Mr Tait commented that this level of risk should have been identified at an earlier stage.

- 4.1.4 Ms Speirs advised work is continuing on developing the options currently available with ongoing discussions with BT and Capgemini and other suppliers. There is frequent engagement with the external advisors although they have requested more time to assess and establish the technical, commercial and contractual aspects for assurance. The extra time has been agreed. It was agreed the input from the external advisors is invaluable and the Committee would like to express their thanks.

The contractual deadline for agreeing the technology refresh plan has been extended a number of times and until recently was 31 August 2019. As the options remain in a state of development and also given extra time is required by the external advisors a further extension has been agreed for mid October 2019. This will now be discussed at the Board in October 2019.

- 4.1.5 There is one risk escalated to the Strategic Risk Register and three risks on the Corporate Risk Register in relation to this issue.

The risk in relation to the delay in agreeing and commencing the Technology Refresh plan has resulted in an increased risk of unsupported hardware and software. Mr Gibson advised the longer it takes to reach an agreement the risk will increase. However, the extension agreed is crucial to ensure all options have been explored fully to reach an agreement that represents best value for NHS 24.

There is a risk we will not be compliant with NIS Regulations and other Scottish Government Guidelines. NIS has now classed NHS 24 as an essential service therefore compliance is compulsory and the proposed plans may require final approval by the regulators.

Mr Tait advised it would be useful as a Committee to have a standalone Committee meeting prior to the next Board Meeting to focus specifically on Tech Refresh. It was also suggested this could be discussed further at the Board Development session to be held in September.

Action: Ms McGurk

- 4.1.6 Ms Speirs outlined the options currently being explored with suggestion that a further option may be available, one which involves extending the current systems through agreeing extensions to various support contracts over the short to medium term which also gives more time to consider the potential to re-architect or replace aspects or all of the current SAP solution and the potential more substantive move to Cloud.

- 4.1.7 Mr Tait thanked the Committee for a robust discussion and confirmed this will be discussed in more detail at the Planning and Performance Committee to be held on 15 August 2019.

- 4.1.8 The Committee noted the report for assurance.

5. INTERNAL AUDIT

5.1 Progress Report

- 5.1.1 Ms Brown, on behalf of Grant Thornton, presented the progress report to the Committee.
- 5.1.2 Ms Brown advised the plan is on track with no issues identified. The Risk Management report is not due until March 2020 although these timings can be revised if required. Mr McMahon advised the Maturity Assessment on risk management will provide the Committee with a formal position on where we are now and the areas we wish to further develop and improve. It was agreed this will work be brought forward and work will begin in September/October 2019.
- 5.1.3 There is no agreed terms of reference or scope for the Stakeholder Engagement review. Ms Huckerby confirmed she is the lead for this and will arrange to take this forward with Grant Thornton.
- Action: Ms Huckerby**
- 5.1.4 Ms Phillips advised Patient Waiting Times review has been rescheduled to February 2020 to allow implementation of the shift review.
- 5.1.5 The Committee noted the report for assurance.

5.2 Service Redesign (Phase 2)

- 5.2.1 Ms Brown presented the report to the Committee.
- 5.2.2 Ms Brown advised this is a positive report with significance assurance and with only minor recommendations.
- 5.2.3 Mr Tait queried the Implementation date of January 2020 for the action relating to the Benefits realisation from the Shift Review. Ms Phillips explained the date has been rescheduled to post October to allow for quantifiable measures to be identified after the implementation of the Shift Review.
- 5.2.4 It was advised the planned performance in-year against the service access target has been agreed with Scottish Government as part of the Annual Operating Plan and will be achievable once proposed staffing levels are in place.
- 5.2.5 The Committee noted the report for assurance.

6. RISK MANAGEMENT

6.1 Corporate Risk Register

- 6.1.1 Mr McMahon presented the report to the Committee noting key highlights.

- 6.1.2 Mr McMahon reported the overall risk profile has increased since the last meeting.

Three new risks have been added to the register, four risks have increased, one risk has been removed, one risk has been closed and one risk has been removed from the Corporate Register to the Strategic Register.

- 6.1.3 Risk RPND/025466 was discussed and Ms Huckerby confirmed the Stakeholder Engagement Framework and Toolkit were approved at the June Board Meeting. It is recognised there is a significant challenge with strategic and tactical engagement at local level and developing the strategy and specific activities around that. A target date of March 2020 has been agreed for this work. An update to be provided at next meeting.

Action: Ms Huckerby

Ms Foster clarified to the Committee that the impact score for this risk has increased and not the likelihood score.

Ms Huckerby confirmed Head of Stakeholder Engagement has been in post since October 2018.

- 6.1.4 Mr McMahon reported risk RPND/025796 was correct at time of issue however the likelihood should now reduce as the work associated with mitigation should now be complete. This will be reflected in the next report.

- 6.1.5 Risk RPND/035511: A formal termination letter from Golden Jubilee was received on 31 July 2019 giving one year's notice to vacate the premises by 31 July 2020.

Ms McGurk commented the letter suggests there could be scope for a short extension to the termination date if required and discussions are underway to in relation to this.

Mr Snedden advised work is ongoing with the business case and a property search is underway.

Ms McGurk agreed to include any future capital investment proposals in relation to released properties where that information is known as suggested by Mr Togneri. Ms McGurk replied the notice to quit was unexpected in terms of timescale and confirmed upgrade plans were put on hold. Mr Togneri commented if agreed upgrade work had gone ahead before receiving the letter there could have been possible reputational damage for NHS 24. Ms McGurk agreed to consider this point however advised that all investment proposals are continuously assessed and that the upgrade work originally planned for the Clyde Contact Centre had already been significantly scaled back prior to the notice of termination.

Action: Ms McGurk

- 6.1.6 The Committee noted the report for assurance.

6.2 Strategic Risk Register

- 6.2.1 Mr McMahon presented the report to the Committee noting key highlights.

- 6.2.2 Mr McMahon advised the Technology Refresh risk has been escalated to the Strategic Risk Register.

Mr McMahon confirmed the risk register will run in alignment with the SPRA Process.

Ms Phillips advised the risk relating to the Shift Review is reflecting the strategic level elements.

Mr Tait commented it was a helpful report and the Committee were content with explanations given in the report.

- 6.2.3 The Committee noted the report for assurance.

6.3 Risk Management Strategy

- 6.3.1 Ms Speirs provided a verbal update on the report.

- 6.3.2 The Risk Management Strategy is currently due for review and will be presented at the next meeting. The Maturity assessment may inform some of the Strategy although, it is noted timings may be affected to keep in line with the NHS 24 Strategy Refresh process.

- 6.3.3 The Committee noted the report for assurance.

7. CORPORATE GOVERNANCE

7.1 Corporate Governance Activity Report August 2019

- 7.1.1 Mr Snedden presented the report to the Committee noting key highlights.

- 7.1.2 Mr Snedden advised the GJNH Head of Procurement has now moved to another post with SAS and while the short term work will be supported we are currently considering this position in relation to the medium and short term support currently provided through GJNH. This will include an assessment of the National Collaborative Programme Board in this area.

- 7.1.3 Mr Snedden highlighted confirmation received from Central Legal Office that one legal claim has been settled and will be completed this week.

Mr Tait queried if all claims are due to be paid in this financial year. Mr Snedden confirmed this and advised it will not have an impact on the revenue position as a balance sheet provision exists through the CNORIS scheme to fund them.

- 7.1.4 Mr Tait queried transactions relating to the Breathing Space fund, specifically in relation to training costs. Ms Foster advised that this was not funded for core training and the description needed to be amended accordingly.

Action: Mr Snedden

7.1.5 The committee noted the report for assurance.

7.2 Corporate Governance Framework

7.2.1 Mr Snedden presented the report to the Committee.

7.2.2 The Committee are content to note the report for assurance.

7.3 EU Exit Preparedness

7.3.1. Mr McMahon presented the report to the Committee.

7.3.2 Mr McMahon advised that nationally work is increasing on this issue with a meeting arranged for next week. NHS 24 are one of the many stakeholders involved. It has not been formally confirmed or agreed however, NHS 24 is working on the assumption that we are likely to be asked to stand up a public facing information helpline as part of the preparations.

7.3.3 The Committee noted the report for assurance.

7.4 2018/19 Annual Review Preparations

7.4.1 Ms Speirs presented the report to the Committee.

7.4.2 Ms Speirs advised guidance has not yet been received from Scottish Government however it has been confirmed that the 2018/19 review will not be a ministerial review.

7.4.3 It would be helpful if the documents referred to in 6.1 of the report relating to lessons learned are distributed to Non-Exec Directors.

Action: Ms Speirs

7.4.4 It was agreed the following would be included within the report:
Clinical Governance Committee to be included at 2.1 of the report.
Development of Strategic Risk Register and SPRA to be included at 8.1 of the report.

Action: Ms Speirs

7.4.5 The Committee noted the report.

7.5 Assurance Map

7.5.1 Ms Speirs presented the Assurance Map to the Committee.

7.5.2 Following discussion the Committee is content this will be incorporated into the planning cycle and will not come back to the Committee as a standalone paper.

7.5.3 The Committee are assured essential information is still being captured.

7.6 Annual Committee Effectiveness Review

7.6.1 Mr Tait presented the review agenda item to the Committee.

7.6.2 The Committee agreed to discuss this in detail and undertake the review at the next meeting in November. It was agreed that no external facilitation is required.

7.6.3 It was agreed that the effectiveness review completed in December 2018 should be distributed to the Committee and members should bring to the next meeting their drafts of potential responses for this latest review.

Action Ms Kerr

7.7 Audit and Risk Committee Workplan

7.7.1 The Corporate Governance Framework and Annual Committee Effectiveness Review will be presented at the November meeting and the workplan to be updated to reflect these changes.

Action: Ms Glancy

7.8 SPRA Bi Monthly Draft Proposal

7.8.1 Ms Speirs presented the proposal to the Committee.

7.8.2 Ms Speirs advised the process incorporates the EMT objectives which align to the Annual Operating Plan. The 6 monthly review will begin September/October 2019 which be reported to the Board.

7.8.3 The Committee are interested in the performance of the Bi-Monthly review process with EMT and would like more information for the next meeting.

Action: Ms Speirs

7.8.4 The Committee noted the proposal for assurance.

8. MATTERS ARISING FROM PREVIOUS MEETINGS

8.1 Action Log

8.1.1 After discussion the Committee agreed actions 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 608, 609, 611 and 612 recommended for closure can be removed for the action list.

The Committee agreed actions 499, 588, 591, 592, 607 and 610 should remain on action list with an update for the next meeting.

9. AGREED COMMITTEE HIGHLIGHTS TO THE BOARD

- 9.1** The Committee highlights to the Board report will be produced after the meeting and sent to the Chair for approval prior to the Board Meeting due to be held on 26 August 2019.

Action: Ms Kerr

It was suggested and agreed by the Committee that any issues arising that may involve other Committees should be highlighted to the Integrated Governance Group.

10. ANY OTHER BUSINESS

10.1 Date & Location of Next Meeting

- 10.1.1 The date of the next meeting of the Committee is Monday 22 November 2019 at 10am, Committee Room, Cardonald.

11. PRIVATE MEETING OF THE AUDIT COMMITTEE

- 11.1** Following the meeting the Non-Executive Directors held a private meeting with the Internal Auditors