NHS 24 **AUDIT AND RISK COMMITTEE**	**13 AUGUST 2020** **FOR APPROVAL** **ITEM NO. 3.0**

Approved Minutes of the Audit and Risk Committee Meeting held on Thursday 4 June 2020 at 10am, Committee Room 1, Cardonald

1. WELCOME AND APOLOGIES

Committee Members
Mr Albert Tait   Non-Executive Director (Chair)
Mr Martin Togneri   Non-Executive Director
Mr Mike McCormick   Non-Executive Director
Ms Liz Mallinson   Non-Executive Director

In Attendance
Dr Martin Cheyne   Board Chair
Ms Angiolina Foster   Chief Executive
Mr Nick Bennett   Scott-Moncrieff
Dr Laura Ryan   Medical Director
Ms Ann-Marie Gallacher   Chief Information Officer
Mr John Gebbie   Director of Finance
Mr Damien Snedden   Deputy Director of Finance
Mr Kevin McMahon   Head of Risk Management & Resilience
Ms Joanne Brown   Grant Thornton
Ms Paula Speirs   Associate Director Planning & Performance
Ms Yvonne Kerr   Executive Assistant (Minutes)
Ms Lynne Huckerby   Director of Service Development (Item 6.4)
Mr Mark Wilde   Redpoll Group Ltd (Item 6.4)
Ms Julie Clarke   Redpoll Group Ltd (Item 6.4)
Mr Kenny Woods   Staff Side Representative

Apologies
Ms Steph Phillips   Director of Service Delivery
Ms Dorothy Wright   Director of Workforce
Ms Maria Docherty   Director of Nursing & Care

Observer
Ms Anne Gibson   Non-Executive Director

Mr Tait welcomed members and attendees to the meeting and introductions took place around the table. Mr Tait welcomed Ms Mallinson to her first meeting and Ms Anne Gibson as an observer.

2. DECLARATION OF INTERESTS

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

3.   **MINUTES OF PREVIOUS MEETING**

3.1   The minutes of the meeting held on 17 February 2020 were approved as an accurate record of discussions.

4.   **INTERNAL AUDIT**

4.1   Estates Strategy

4.1.1   Ms Brown presented the report to the Committee noting key highlights.

4.1.2   Ms Brown provided a summary of the report noting only one low risk was identified however, noting this audit was prior to Covid 19 pandemic the subject matter of the audit may need to be revisited.

4.1.3   The Committee are content with the high level of assurance provided by Internal Audit.

4.1.4   The Committee noted the report for assurance.

4.2   Cyber Security Arrangements (Draft)

4.2.1   Ms Brown presented the report to the Committee noting key highlights.

4.2.2   Ms Brown advised the recommendations set out in the report have been agreed although the timeline will be realigned. Following the final management response the report will be circulated to Committee members and the final report will be presented at the next Committee to be held in August.

Action: Grant Thornton

4.2.3   Ms Brown noted alongside the Cyber Audit specific reports were presented to Mr Gibson to identify if any threats to NHS 24's cyber security network existed. Ms Gallacher confirmed the content of the report will not materially change and measures will be put in place to respond to the findings of the report.

4.2.4   Mr McCormick noted the Planning and Performance Committee request to look at this report in more details and should be presented to the next Committee along with the action plan in August. Mr McCormick noted assurance that current risks are being managed.

Action: Ms Gallacher

4.2.5   The Committee noted the plan for assurance.

4.3   Internal Audit Annual Report

4.3.1   Ms Brown presented the audit Annual Report to the Committee.

4.3.2 Ms Brown advised this report is currently draft and will be finalised once the Cyber Security audit is finalised. The report provides reasonable assurance (the second highest level of Internal Audit annual opinion) and is up to and including 31 March 2020.

4.3.3 One high risk of attendance absence was identified however, Grant Thornton are assured this is being addressed.

4.3.4 Mr Tait advised Internal Audit appointment concludes 31 March 2021. Mr Snedden confirmed this will be discussed with Greater Glasgow and Clyde to progress a possible joint procurement process.

4.3.5 The Committee noted the report for assurance.

4.4 Internal Audit Plan for 2020/21

4.4.1 Ms Brown presented the Audit Plan to the Committee.

4.4.2 Ms Brown noted a number of reviews were paused due to Covid 19 and more time is required to reflect, to ensure flexibility, and recognise that the organisation is still in a period of transition. The revised plan will be presented to the next Committee in August for approval.

Action: Grant Thornton

4.4.3 Early reviews identified for review in 2020/21 were Governance, Standing Financial Instructions and Scheme of Delegation and Financial Controls. In addition, a review of Covid-19 processes was proposed and agreed.

4.4.4 Ms Foster and the Committee are supportive of the areas for review and the need for assurance in the robustness of processes.

4.4.5 Mr Tait asked if there was a requirement to review the Respond, Recover and Renew work stream. Ms Foster confirmed it may be too early to offer enough content for the review at this time.

4.4.6 Ms Mallinson advised the Whistleblowing Standards are being produce and may be an area for the future, although it is not yet known when these will be finalised.

4.4.7 The Committee noted the report for assurance.

5. RISK MANAGEMENT

5.1 Corporate Risk Register

5.1.1 Mr McMahon presented the report to the Committee noting key highlights.

5.1.2 Mr Tait suggested that the Committee discuss all risks on the register to provide assurance to the Board at the next Board meeting due to the changes within the scores of each risk.

5.1.3 Mr McMahon confirmed the Risk Management Strategy was due to be presented at this meeting however, due to the demands of Covid 19 there has been little time to consult on the Risk Maturity report to inform the Strategy.

5.1.4 The Risk Management Framework has been presented to a previous Committee to provide assurance that processes are robust. It was noted the Strategic Risk Register was presented to a Board Workshop in January and in the current circumstances and major changes this will be presented to the next Committee in August.

Action: Mr McMahon

5.1.5 Committee members provided an update for each individual risk.

5.1.6 **RPND/036117**
Ms Gallacher advised the risk score has increased due to the age of the equipment and increased usage, with work underway to address the mitigation. The Executive Management Team (EMT) and the Board approved the option to switch to 100% capacity to the second data centre if required. Work is underway to address mitigation in the event of catastrophic failure from the second data centre.

Mr Tait confirmed this risk will be discussed in more detail at the Planning and Performance Committee. Ms Gallacher noted the risk is actively managed through the Connect Programme.

RPND/038246
Mr McMahon noted the December timescale for this risk will allow for a clearer understanding on how this risk is being managed as work is ongoing with the National Response to Recovery and Renew.

RPND/038259
Mr McCormick advised this was discussed at the Staff Governance Committee and it was suggested to separate the Covid 19 element of the risk as a standalone. Work is ongoing with the Director of Workforce to take this forward.

RPND/037063
Mr McMahon highlighted the sustainability of our response to maintain capacity and capability to meet demand is the challenge. Ms Ryan confirmed this is discussed daily at the Incident Management Team (IMT) meetings with updates provided to EMT and Respond, Recover and Renew work stream.

RPND/025796
Ms Gallacher noted the target date is driven by the delivery of Office 365 which will address and mitigate this risk. It was agreed the Internal Audit Cyber Security Report to be discussed in detail at the Planning and Performance Committee.

Action: Ms Gallacher

RPND/037935
There is a risk that NHS 24 do not take the steps required in the design and development of future services or improve current services. The Committee noted the completed and the good number of ongoing mitigations that were being progressd.

RPND/038267

Dr Ryan provided an update for capacity and capability for remote prescribing during the Covid 19 response. Work is underway to address this risk however there is a workaround in place at the moment. Mr Tait suggested the risk description should include reference to capacity. Dr Ryan will provide an update on this at the next meeting.

Action: Dr Ryan

RPND/038278

This risk was identified through the Strategic Delivery Group. There is a risk that the whole system capacity will not meet demand during the Covid 19 pandemic. This work is ongoing and noted the target date should be amended.

Action: Dr Ryan

RPND/038623

This risk has been discussed at the Clinical Governance Committee and the Board. It was noted target dates will be rolling as guidance continues to change.

RPND/038258

It was noted the risk score is likely to reduce by the target date of August.

RPND/038225

This risk was discussed at the Staff Governance Committee regarding the wellbeing of staff and support provided. The results of the staff survey are positive regarding staff feeling safe and working in a safe environment.

RPND/030229

The Shift Review is discussed regularly at the Staff Governance Committee although it was noted the target date may need to be revised.

Action: Ms Phillips

RPND/036144

Mr Tait suggested this risk is discussed in detail at the next Planning and Performance Committee.

Action: Ms Huckerby

RPND/036952

Mr Gebbie advised processes are in place regarding the Strategic Planning Resource Allocation (SPRA), however these meetings had been paused due to Covid-19. They shall recommence in the summer, to capture any slippage on plans, and be discussed at the weekly meetings with Directors. NHS 24 is awaiting confirmation that allocations anticipated in the AOP shall still be received.

RPND/035511

This risk will be discussed at Board meeting regarding NHS 24 Estates. The risk may require to be revised.

Action: Mr Gebbie

RPND/032338

It was noted this risk will be closed on Monday 8 June as changes with Greater Glasgow and Clyde process are introduced.

RPND/038269

It was noted the target date to be reviewed.

Action: Mr McMahon

The Committee noted the Risk Register for assurance.

5.2 Risk Appetite

5.2.1 Mr McMahon presented the report to the Committee.

5.2.2 Mr McMahon noted the Risk Appetite was presented at the Board Workshop in May, where it was agreed to separate Stakeholder Engagement and Reputation. This will be presented to the Board at a future date for approval.

Action: Mr McMahon

5.2.3 Mr Tait and Mr McCormick both suggested minor changes to report. These will be actioned prior to submission to the Board.

Action: Mr McMahon

5.2.4 Dr Cheyne noted although this is a long term statement it would be helpful to review this in depth in one year as reflection on Covid 19 response may change the risk appetite for NHS 24.

Action: Mr McMahon

5.2.5 The Committee noted the report for assurance.

5.3 Covid 19 Update

5.3.1 Mr Gebbie provided the update to the Committee.

5.3.2 Mr Gebbie highlighted the requirement for Internal Auditors to complete a review on Governance processes. Mr Gebbie noted NHS 24 are awaiting confirmation from Scottish Government for additional allocation to fund Covid-19 spend

5.3.3 The Committee noted the update for assurance.

6. CORPORATE GOVERNANCE

6.1 Annual Accounts Update

6.1.1 Mr Gebbie presented the report to the Committee.

6.1.2 Mr Gebbie advised the timetable for submission of Annual Accounts and Annual Report to Scottish Government has been revised and is now due in September. However, NHS 24 are working to a timetable of 31 August for submission. These will be submitted for approval at the Board on 27 August.

6.1.3 The External Audit will officially begin on 8 June. Mr Bennett noted a number of audits are ongoing and due to the revised timetable are taking longer than usual.

6.1.4 The Committee noted the update for assurance.

6.2 Corporate Governance Activity Report

6.2.1 Mr Snedden presented the report to the Committee noting key highlights

6.2.2 Since the last meeting nine new Waiver of Tenders were awarded. It was noted this was unusual however it was necessary as engagement with specific suppliers was required. There were also two new contracts awarded during this period.

Mr Togneri noted there were no costs associated with the NHS 24 Connect Programme Consultancy Service information contained within Appendix 1. Mr Snedden confirmed this value would be included.

Action: Mr Snedden

6.2.3 Mr Snedden informed the Committee of the change in procurement arrangements. NHS 24 will work collaboratively with Scottish Ambulance Service to deliver procurement services with effect from 1 June 2020.

6.2.4 It was confirmed NHS 24 have received money from Charities Together. We do not require to have charity status to receive a grant however, guidance from the Charity Fund highlights that the funds are ring-fenced. NHS 24 requested clarification in the respect of any specific spend on this income. It was confirmed there are no major restrictions of use providing it is focused on staff wellbeing. The charity provided examples of appropriate spend and has requested a quarterly report on the expenditure.

6.2.5 The Committee noted the report for assurance.

6.3 Corporate Governance Framework: Model Standing Orders

6.2.1 Ms Speirs presented the report to the Committee.

6.2.2 Ms Speirs noted the Model Standing Orders are now approved and all Boards are required to implement these. A comparison review will be undertaken and the new Model Standing Orders will be presented to the Board and the next Audit and Risk Committee for approval.

6.2.3 Ms Speirs advised there is some optional text that Boards can choose to implement if they wish. One of these referred to the consent agenda. This states items on the agenda for approval will not be discussed at the meeting. The Committee agreed more discussion was required to fully understand the requirements. Ms Speirs will prepare and circulate a briefing paper to the Board prior to discussion.

Action: Ms Speirs

6.2.4 Dr Cheyne confirmed this would be discussed in detail at a future Board Workshop.

6.2.5 The Committee noted the update for assurance.

6.4   Connect Programme Update

6.4.1   Mr Tait welcomed and introduced Mr Wilde and Ms Clark of Redpoll Group Ltd to the meeting.

6.4.2   Ms Huckerby noted in collaboration with Redpoll, a Leadership Group has now been established and the Technical Assurance Group has also been restarted. Governance for the Connect Programme will be aligned to the Change Portfolio Board and EMT.

Ms Huckerby asked Mr Wilde to provide the detail to the Committee.

6.4.3   Mr Wilde provided the Committee with a high level overview presentation of tasks completed to date in preparation of taking the approved Strategic Outline Business Case (SOBC) through to the Outline Business Case (OBC) for approval at the June Board. He highlighted collective decisions around leadership and strengthened governance;
- Milestones – key achievements to date based on the validation of options from the SOBC
- Series of Options Workshops held to review benefits and risks with shared outcomes
- Costs – including internal, Cap Gemini (contracted until 2025) and BT (break clause in contract in 2022)

6.4.4   Mr Wilde went on to stress the importance of strong stakeholder engagement with staff, highlighting success from tranche 2 of the Organisation Improvement Programme work undertaken in 2016-2017. He also confirmed that the workshops had good representation from across the organisation.

6.4.5   The Committee welcomed the presentation and progress to date, noting the compelling benefits and risk scorings.

The Committee also recognised the need to secure the funding of the business case.

6.4.6   Ms Gallacher presented the Heatmap to the Committee advising a more comprehensive review of the Heatmap is underway. This will allow additional elements to be introduced in phase 1 of the programme. Advance planning is underway in the event appropriate funding is not received. The Committee noted the update for assurance.

6.4.7   The Committee noted the update for assurance.

6.5   Integrated Governance (Key Points Arising)

6.5.1   Mr Tait confirmed the following will be referred to other Committees.

- Internal Audit Report for Cyber Security to be discussed at the next Planning and Performance Committee.
- Risks RPND/036117 and RPND/036114 to be discussed in detail at the next Planning and Performance Committee.
- Updated revised Internal Audit Plan to be discussed at the Integrated Governance Committee.

6.3.2   The Committee noted the update for assurance.

6.6   Audit and Risk Committee Work Plan

7.4.1   The Committee approved the work plan for 2020/21 noting that the Private meeting with Internal Audit would be included for the August Committee.

Action: Ms Kerr

7   MATTERS ARISING FROM PREVIOUS MEETINGS

7.1   Action Log

7.1.1   After discussion the Committee agreed actions 499,610, 630, 633, 634, 635, 636, 637, 641, 642, 643, 644 and 645 recommended for closure can be removed for the action list.

The Committee agreed actions 591, 592, 615, 629, 638, 639 and 640 should remain on action list with an update for the next meeting.

8.   AGREED COMMITTEE HIGHLIGHTS TO THE BOARD

8.1   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 18 June 2020.

Action: Ms Kerr

9.   ANY OTHER BUSINESS

9.1   There was no other business noted.

10.   DATE & LOCATION OF NEXT MEETING

The date of the next meeting of the Committee is Thursday 13 August 2020 at 10am, Committee Room, Cardonald.

11.   PRIVATE MEETING OF THE AUDIT AND RISK COMMITTEE

11.1   The private meeting scheduled with Internal Audit was postponed and will be rescheduled to the August meeting.