

<b>NHS 24 BOARD</b>	<b>27 AUGUST 2020 ITEM NO 6.2.1 FOR APPROVAL</b>
<b>AUDIT AND RISK COMMITTEE ANNUAL REPORT TO THE BOARD – 2019/20</b>	
<b>Executive Sponsor:</b>	Chair, NHS 24 Audit and Risk Committee
<b>Lead Officer/Author:</b>	Deputy Director of Finance
<b>Action Required</b>	The Annual Report to the Board is presented to the Board for approval.
<b>Key Points for this Committee to consider</b>	<p>This report sets out the activities of the Audit and Risk Committee during 2019/20 and details how it has fulfilled its Governance remit.</p> <p>The Committee is asked to support that the report accurately summaries the focus of the Committee during the previous financial year.</p>
<b>Governance process</b>	This report was presented to the Audit and Risk Committee on 13 Augustfirst. If supported by the Committee, it will be submitted to the Board for formal approval.
<b>Strategic alignment and link to overarching NHS Scotland priorities and strategies</b>	This paper provides a summary of the focus of the Audit and Risk Committee to provide assurance that there is effective Governance around NHS 24 contribution to the Health and Social Care Delivery Plan.
<b>Key Risks</b>	Reviewing risk is one of the main functions of the Committee, however there are no key risks directly associated with this particular paper.
<b>Financial Implications</b>	There are no direct financial implications associated with this report.
<b>Equality and Diversity</b>	There are no direct equality and diversity (E&D) implications associated with this report.

## 1. RECOMMENDATION

- 1.1 The Annual Report to the Board 2019/20 is presented to the Board for approval.

## 2. INTRODUCTION

- 2.1 This report sets out the main activities of the Audit and Risk Committee and describes how the committee has fulfilled its governance remit during 2019/20.

### 3. REMIT

- 3.1 The Audit and Risk Committee is a statutory committee of the Board. Its role is to provide assurance that appropriate governance structures are in place in relation to systems of internal control and risk management. The committee does this by critically reviewing governance and assurance processes on which the Board places reliance. The Board will look to the committee to provide assurance on the internal control framework and the public disclosure statements that flow from the assurance process.

### 4. MEMBERSHIP / ATTENDANCE

- 4.1 The members and attendees of the committee are listed below:

#### Members

Mr Albert Tait	Committee Chair
Dr Julianna Butler	Non-Executive Member
Mr Mike McCormick	Non-Executive Member
Mr Martin Togneri	Non Executive Member

#### Attendees

Ms Angiolina Foster	Chief Executive
Mrs Margo McGurk	Director of Finance & Performance
Mr David Miller	Director of Workforce
Mr Damien Snedden	Deputy Director of Finance
Ms Stephanie Phillips	Director of Operations
Mr Kenny Woods	Partnership Forum Nominated Staff Representative
Ms Esther Robertson	Board Chair
Dr Anna Lamont	Associate Medical Director
Mr Sanny Gibson	Head of Information Governance & Security
Mr Kevin McMahan	Head of Risk Management & Resilience
Ms Paula Speirs	Associate Director Planning & Performance
Mr Alasdair Quinney	Associate Director of Operations
Ms Linda Robertson	Risk & Resilience Manager
Ms Nicola Dawson	Head of Integrated Service Delivery
Mr John Martin	Deputy Director of ICT
Mr Mark Kelly	Associate Director of Nursing & Care
Ms Lynne Huckerby	Director of Service Development
Ms Madeline Smith	Interim Chair of NHS 24
Ms Yvonne Kerr	Executive Assistant
Dr Martin Cheyne	Board Chair
Mr Alasdair Quinney	Associate Director of Operations

Members	Audit and Risk Committee			
	30 May 2019	8 August 2019	6 November 2019	17 February 2020
<b>Albert Tait (C)</b>	Yes	Yes	Yes	Yes
<b>Martin Togneri</b>	Yes	Yes	Yes	Yes
<b>Jay Butler</b>	Yes	Yes	No	No
<b>Mike McCormick</b>	Yes	Yes	Yes	Yes

In addition, Internal and External Audit attend each meeting.

## **5. MEETINGS**

5.1 The committee met on four occasions during the year between 1 April 2019 and 31 March 2020. The dates were:

- 30 May 2019
- 08 August 2019
- 06 November 2019
- 17 February 2020

## **6. COMMITTEE ACTIVITIES**

6.1 The agreed focus of the committee for 2019/20 was to:

- 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

6.2 In carrying out its duties, key committee activities during 2019/20 were:

- a review of committee effectiveness;
- detailed scrutiny and review of the 2019/20 Internal Audit Plan;
- detailed scrutiny and review of the 2019/20 External Audit Plan;
- detailed scrutiny of the NHS 24 Statutory Accounts for 2018/19 which concluded with a formal recommendation being made by the committee to the Board to approve the financial statements;
- consideration of the revised Corporate Governance Framework;
- Consideration of National Boards Collaborative on Model Standing Orders
- the Committee considered risks pertinent to audit and risk matters on a quarterly basis and was assured that risks are actively managed by the organisation;
- updated the Audit & Risk Committee Terms of Reference;
- provided scrutiny on NHS 24 Brexit Preparations;
- reviewed NHS 24 Strategic Risk Management & Risk Appetite
- reviewed Payroll and Finance System National Service Audit Reports
- reviewed Information Governance & Security Annual Report and
- provided scrutiny, focussing on risk profile, of the proposed technology refresh programme

### **Internal Audit Activity 2019/20**

6.3 Grant Thornton completed their first full financial year as the NHS 24 internal auditors after being appointed in July 2018. The contract concludes in July 2021 but has an option to extend for a further year.

6.4 The internal audit workplan for 2019/20 reported to the Committee the following reviews:

- Workforce Attendance Management (reasonable assurance);
- Cyber Security (reasonable assurance);
- Financial Reporting (significant assurance)
- Estates Strategy (significant assurance);
- Risk Maturity Assessment (significant assurance)

Covid-19 impacted at the tail end of 2019/20 and resulted in a re-prioritisation of the internal audit programme. The following will commence in 2020/21.

- Governance during Covid-19
- Financial controls – approval of covid-19 spend

- 6.5 Based on the work undertaken for the year ended 31 March 2020, Grant Thornton can provide reasonable assurance on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

### **External Audit Activity**

- 6.6 Scott-Moncrieff completed the fourth year of its five year term as External Auditor. The contract runs to 2020/21.
- 6.7 In relation to the annual accounts for the year ended 31 March 2020, Scott-Moncrieff will report, within their independent auditor's report, an unqualified opinion on the financial statements, an unqualified opinion on regularity and an unqualified opinion on other prescribed matters.

### **Board Papers**

- 6.8 Formal Minutes of each Meeting were taken and once approved were placed on the next available Board Agenda. In addition, any significant matters arising from discussions at meetings were highlighted verbally to the Board by the Committee Chair at the next available Board Meeting.
- 6.9 At the committee meeting in May 2019, the previous annual report from the Audit and Risk Committee was approved for submission to the Board.

## **7. RISK MANAGEMENT**

- 7.1 The Audit and Risk Committee was updated on the developments to risk management arrangements in NHS 24.
- 7.2 The Audit and Risk Committee reviewed the corporate risk register at each meeting. The Committee also conducted a thorough review of the strategic risk register and risk management framework.
- 7.3 The risk maturity assessment by Internal Audit was also considered at the February 2020 meeting and it was agreed more time was required to discuss any changes required to the risk management strategy at the June 2020 meeting.

## **8. TECHNOLOGY & ESTATES**

- 8.1 The Audit & Risk Committee provided scrutiny, focussing on risk, on the two major Business Cases produced in 2019/20.
- 8.2 The Audit and Risk Committee reviewed the technology risk heatmap and subsequent papers and business case relating to the technology refresh programme known as Connect.
- 8.3 Assessing the level of risk was integral given the importance and age of some of the IT infrastructure. The Committee provided scrutiny that other Committees and the Board could take assurance from.
- 8.4 The Estates Business Case proposed solutions resulting from the need to vacate the Golden Jubilee National Hospital site. With this impacting over 450 staff and the necessity to have continuity of service provision the progress of the Business Case was reviewed regularly by the Committee

## **9. EXTERNAL GUIDANCE, STANDARDS AND LEGISLATION**

- 9.1 During the year the Audit and Risk Committee received regular reports from the Director of Finance & Performance on technical matters, external standards and legislation as they applied to NHS 24.
- 9.2 The Corporate Governance Framework was updated and approved by the Committee including incorporating recommendations for the blueprint for Good Governance

## **10. COMMITTEE REVIEW**

- 10.1 The Committee Terms of Reference was updated and approved at the February 2020 meeting. The changes were incorporated into the Corporate Governance Framework.

## **11. CONCLUSION**

- 11.1 During 2019/20 the Audit & Risk Committee continued to develop the contribution it makes to reviewing and reporting on the effectiveness of the corporate governance framework arrangements operating across NHS 24 and will seek to maintain that progress in 2020/21.
- 11.2 The committee recognised the progress made in embedding improvements to risk management and organisational planning.
- 11.3 The Audit and Risk Committee concludes that it has fulfilled its remit and can provide reasonable assurance that there are adequate internal control arrangements in place to assure the Board of the effectiveness of the corporate governance framework arrangements across the organisation.

**Mr Albert Tait**  
**Chair**  
**NHS 24 Audit and Risk Committee**