

**NHS 24
AUDIT AND RISK COMMITTEE**

**07 JUNE 2022
APPROVED
ITEM NO. 3.0**

**Approved Minutes of the Audit and Risk Committee Meeting held on
Thursday 10 February 2022 at 10am,
Microsoft Teams**

1. WELCOME AND APOLOGIES

Committee Members

Ms Carol Gillie	Non-Executive Director (Chair)
Mr Martin Togneri	Non-Executive Director
Mr Mike McCormick	Non-Executive Director
Mr David Howe	Non-Executive Director
Ms Marieke Dwarshuis	Non-Executive Director

In Attendance

Dr Martin Cheyne	Board Chair
Mr Jim Miller	Chief Executive
Mr John Gebbie	Director of Finance
Ms Ann-Marie Gallacher	Chief Information Officer
Dr Laura Ryan	Medical Director
Mr Damien Snedden	Deputy Director of Finance
Mr Kevin McMahon	Head of Risk Management & Resilience
Ms Yvonne Kerr	Executive Assistant (Minutes)
Mr Graham Revie	Staff Side Representative
Mr Jamie Fraser	Grant Thornton
Mr Peter Clark	Grant Thornton
Mr David Eardley	Azets

Apologies

Ms Maria Docherty	Director of Nursing & Care
Ms Joanne Brown	Grant Thornton

Ms Gillie welcomed members and attendees to the meeting. Ms Gillie, on behalf of the Committee welcomed and introduced Mr Clark from Grant Thornton who will replace Ms Brown as Internal Auditor for NHS 24. The Committee also welcomed Mr Eardley from Azets who will replace Mr Bennett as External Auditor. All members attended on Microsoft Teams.

Ms Gillie on behalf of the Committee expressed thanks to Ms Brown of Grant Thornton and Mr Bennett of Azets for their valuable contributions to the Committee and wished them both well for the future.

2. DECLARATION OF INTERESTS

- 2.1 Mr Togneri confirmed he is no longer a Non-Executive Director with Scottish Ambulance Service therefore this will now be removed as a standing declaration. There were no declarations of interests noted.

3. MINUTES OF PREVIOUS MEETING

- 3.1 The Committee approved the minutes of 1 November 2021 as an accurate record of discussions.

4 INTERNAL AUDIT

4.1 Progress Update Internal Audit Plan 2021/22

- 4.1.1 Mr Clark presented the Update on the Audit Plan to the Committee.

- 4.1.2 Mr Clark confirmed there are currently five audits underway. Three are at the scoping stage and two are at fieldwork stage. Mr Clark provided an update on the Service Performance Review and advised findings had been shared with the Director of Finance and Director of Service Delivery. Mr Togneri asked if the Committee would see the audit. Mr Clark confirmed this was not an audit, it was a review built on observations. The Chief Executive confirmed as this was a review, discussions would sit with the Planning and Performance Committee however, he was content for the report to be shared with this Committee for transparency.

Action: Ms Kerr

- 4.1.3 It was agreed that any future reviews would be presented to the Committee for information and Grant Thornton will facilitate this.

- 4.1.4 Ms Dwarshuis asked on the progress of the Risk Management Audit. Mr Fraser confirmed this has now began and forms an overview of risk management arrangements and reporting in response to COVID. Mr Revie confirmed Staff Side Representatives are willing to participate in any audits where appropriate.

- 4.1.5 Mr Togneri asked for clarification on the compliance KPI which has not yet been met. Mr Clark confirmed this has not affected the quality of the audits and provided assurance this would be met in the next audit year.

- 4.1.6 During discussions with management it was agreed to postpone the intended Leadership Audit until 2022/23. This is to allow changes to be implemented and embedded. In place of this audit, management proposed an audit on Attendance Management. Work is in progress to develop the scope for this audit. Ms Gillie queried who has the responsibility to agree changes to the audit plan. The Committee agreed this would be clarified for the next meeting.

Action: Mr Gebbie

- 4.1.7 Since the November Audit and Risk Committee, one audit has been completed and presented at this meeting. Scoping is currently underway for Urgent Care, Staff Rostering and Attendance Management. Fieldwork is underway for Risk

Management and Financial Controls: Fraud Arrangements which should be available for the next meeting in June.

4.1.8 The Committee noted the report for assurance.

4.2 Internal Audit Report Updates: ICT Contract Management

4.2.1 Mr Fraser presented the Audit to the Committee.

4.2.2 The focus of the audit was to undertake an end to end review in the design and operation of ICT Contract Management. This report has been rated as “reasonable assurance with some improvement required” with four low recommendations.

4.2.3 Mr Snedden advised work is currently underway to improve the processes of Contract Management with the recent recruitment of a Contracts Manager. It was agreed that the more detailed information on specific examples highlighted in the audit would be shared virtually with Committee members.

Action: Mr Snedden

4.2.4 Mr Togneri suggested that the lead time to go out to tender be amended to six months instead of three to avoid the need for waivers of tender. Mr Snedden confirmed new contracts will now include review dates similar to a break clause contained within a lease. This is part of the improvement to processes work currently being undertaken.

4.2.5 The Committee noted the report for assurance.

4.3 Draft Internal Audit Plan 2022/23

4.3.1 Mr Clark presented the Draft Audit Plan to the Committee noting key highlights.

4.3.2 Mr Clark presented the longlist for consideration by the Committee. Ms Gillie highlighted that the Independent Review of Governance as per the Blueprint was not apparent within the plan. Mr Clark confirmed this was within the proposed Governance Audit but would ensure that was made clearer in the plan.

4.3.3 Following discussion, Mr Fraser confirmed the Capability and Capacity Audit would be a rolling audit and would run over a few years identifying different service areas/departments separately for audit. This first year will focus on non frontline. It was agreed the final plan for 2022/23 will be submitted for the June Committee.

Action: Grant Thornton

4.3.4 The Committee noted the plan or assurance subject to minor amendments.

5 EXTERNAL AUDIT

5.1 External Audit Plan 2021/22

5.1.1 Mr Eardley presented the report to the Committee.

- 5.1.2 Mr Eardley advised discussion has taken place with Management to ensure timescales are met for the June Audit Committee. Mr Gebbie confirmed timings are challenging however, as the June Committee has been pushed back slightly it is anticipated the timelines will be achievable but will mean only three days for any proposed Committee adjustments prior to Board submission.
- 5.1.3 Over the last two years the timetable for submission of the Annual Accounts to Scottish Government has been extended due to COVID, though NHS 24 did not take advantage of that last year. NHS 24 are working to the June deadline which is in line with the pre-Covid timescales.
- 5.1.4 The Committee noted the audit plan for assurance.

6. RISK MANAGEMENT

6.1 Corporate Risk Register

- 6.1.1 Mr McMahon presented the Risk Register to the Committee noting key highlights.
- 6.1.2 Since the last meeting of the Committee (1 November 2021), all Directorates have undertaken an in-depth review of risks within their remit to ensure current risks reflect the embedding of the response to COVID-19 and the delivery of the Remobilisation Plan into ongoing business processes.
- 6.1.3 Since previously reported, key changes are as follows:
- The overall risk profile for NHS 24 has reduced,
 - 2 new risks have been identified.
 - 1 risk has increased to above 10 and now presented.
 - 2 risks have been closed.
 - 7 risks have reduced in score.
- 6.1.4 It was noted all risks are being closely monitored by risk owners due to the uncertainty of planning assumptions at present.
- 6.1.5 The Committee noted the register for assurance.

6.2 Strategic Risk Register

- 6.2.1 Mr McMahon presented the Risk Register to the Committee noting key highlights.
- 6.2.2 The Committee noted that risk management will be a key element of the strategic planning process including determining the potential opportunities for NHS 24. The current strategic risk register is monitored by the EMT Risks and Opportunities Group. Due to the priorities from the pandemic and remobilisation plan the focus has been on the short to medium term.
- 6.2.3 The current strategic risk profile considers some of the key pillars of the strategy regarding leadership and values, workforce, delivery at pace and scale, stakeholder expectations and technology.
- 6.2.4 The Committee noted the Strategic Risk Register for assurance.

6.3 Risk Management Maturity Self-Assessment and Action Plan

- 6.3.1 Mr McMahon presented the paper to the Committee noting key highlights.
- 6.3.2 A Risk Management Maturity assessment was undertaken by Internal Audit and reported to the Audit and Risk Committee in February 2020. Through self-assessment NHS 24 was deemed to be at 'risk managed' level with a recognition of the risk management approach to planning and operational management.
- 6.3.3 A Risk Management Strategy was presented and approved by the Audit and Risk Committee in August 2020.
- 6.3.4 The Action Plan is presented as an overview of key areas of activity with dates and milestones yet to be determined due to the level of uncertainty regarding system pressures and team capacity.
- 6.3.5 Mr McMahon confirmed with the Committee, this would be a regular agenda item going forward.

Action: Mr McMahon

Ms Dhwarsuis requested it would be helpful to have narrative to reflect what changes have been made and also highlighting the most impactful activities.

Action: Mr McMahon

- 6.3.6 As part of the wider discussion on corporate and strategic risks Dr Ryan highlighted the issue of risks falling below a score of 10 (below the level of the corporate risk register), the role of the primary and secondary committee in relation to risk and a number of other minor queries which had been raised. Dr Ryan confirmed these would be discussed at the Risks & Opportunities Group and will be included in the forthcoming Risk Management training for members.

Action: Mr McMahon

- 6.3.7 The Committee noted the Action Plan for assurance.

7. CORPORATE GOVERNANCE

7.1 Corporate Governance Activity Report

- 7.1.1 Mr Snedden presented the report to the Committee, noting key highlights.
- 7.1.2 It was noted since the last Audit Committee there has been one new waiver of tender awarded. Three new contracts were awarded and there were no Service Level Agreements processed since the last meeting.
- 7.1.3 To ensure visibility for the Committee, Mr Snedden noted an SBAR included in Appendix 3 of the report which highlights 3 contracts that may require waivers. This was part of a forward look of contracts up for renewal in the coming six months. Mr Togneri and the Committee noted concerns on the significant number of waivers of tenders presented for approval to recent Committees. Mr Snedden confirmed there is currently a review of contract processes underway to prevent this in the future and ensure contracts are reviewed in time for renewal. A software solution is being considered to support this process. . It was noted that waivers were sometimes

unavoidable (linked to recent estates projects) or were used to avoid potential poor decisions, such as providing time to review a national alternative system. Ms Gillie asked that it was noted in the minute the discontent of some members of the committee with the continuing use of waivers and the need for action if the current level of waivers continued.

- 7.1.4 Since the last meeting eight Counter Fraud Intelligence Alerts had been received and shared with the relevant departments.
- 7.1.5 The Counter Fraud Services Annual Review meeting was delivered online to NHS 24 attendees on 24 January 2022. This was delivered by the Head of Counter Fraud Services. This focused mainly on the 12 Functional Fraud Standards however, other topics included the work of CFS in countering fraud throughout the previous year. A new Fraud eLearning module entitled "Counter Fraud Services" has been released and can be accessed via the Turas portal.
- 7.1.6 Counter Fraud Services will engage with all NHS Boards this year with a view to creating an awareness of/adherence to the key elements of the 12 Functional Fraud Standards.
- 7.1.7 In relation to the National Fraud Initiative in Scotland 2020/21, NHS 24 have now completed 99% to date, a rise from the previous meeting of 96%. No Fraud has been identified since the last meeting.
- 7.1.8 Mr Snedden confirmed the 2020/21 NHS 24 Accounts have now been laid before parliament and are available on the NHS 24 website.
- 7.1.9 The Committee noted the report for assurance.

7.2 Financial Assurance Summary Report

- 7.2.1 Mr Gebbie presented the Financial Assurance Summary Report to the Committee noting the paper provides an update to Committee members on the latest position in regard to financial risks.
- 7.2.2 Mr Gebbie is forecasting a breakeven position this year. Most of the anticipated allocations have now been received and are now in a negative position due to the agreement to passback slippage on ringfenced Redesign of Urgent Care and Mental Health allocations. Savings have been achieved in-year however there is a £0.5m recurring gap which is offset by pausing SPRA developments.
- 7.2.3 Mr Gebbie confirmed that plans are in place to ensure NHS 24 meets its financial obligations in year and that the financial planning process is underway for 2022/23.
- 7.2.4 Mr Gebbie noted that our planning assumptions are in sync with Scottish Government colleagues, regular dialogue was ongoing and the risk of allocations not being received is negligible.
- 7.2.5 The Committee noted the report for assurance.

7.3 Assurance Framework: Active Governance

- 7.3.1 Mr Gebbie presented the Framework to the Committee.
- 7.3.2 The Committee noted the update on the approach being taken to implement Active Governance in NHS 24.
- 7.3.3 The proposal sets out an approach for further improving assurance and seeks agreement for an NHS 24 Board Assurance Framework. The NHS Scotland Blueprint for Good Governance advises that “corporate governance involves setting strategic aims; holding the executive to account for the delivery of those aims; determining the level of risk the Board is willing to accept; influencing the organisation’s culture; and reporting to stakeholders on their stewardship.” The draft framework was discussed at the recent Integrated Governance Committee on 30 November 2021 and will be presented for discussion and approval by the full NHS 24 Board.
- 7.3.4 The Committee noted the report for assurance.

7.4 Corporate Governance Framework

- 7.4.1 Mr Gebbie presented a paper on the proposed way forward. .
- 7.4.2 It was noted that the Corporate Governance Framework should be reviewed and updated as necessary and at least every 2-3 years. The last Framework was approved by Board in December 2019.
- 7.4.3 A partial update was shared at the November 2021 Committee meeting with the intention that the full update would come to this meeting prior to being submitted to Board.
- 7.4.4 In discussion with the Board Chair and Committee Chair it has been agreed that it is sensible for the framework update to be paused for the following reasons:
- the Blueprint for Good Governance update is still awaited nationally and the framework should be tied in with that.
 - current vacancies in the Governance post and the lead Director role is creating a pressure.
- 7.4.5 The proposed timetable is to bring the framework to November 2022 Committee, and December 2022 Board thereafter. This will allow time for the new Board Secretary to review, on appointment, and to include any Blueprint updates.
- 7.4.6 It was noted that the Director of Strategy, Planning and Performance confirmed at the November 2021 Committee meeting that the review to date highlighted no material changes to the substance or structure of the document.
- 7.4.7 It is recommended that a note is put in the Governance Statement within the Annual Report highlighting that the Corporate Governance Framework is under review with December 2019 version currently in place. The Committee were in agreement with this recommendation.
- Action: Mr Gebbie**
- 7.4.8 The Committee noted the update for assurance and agreed the next Framework update should be presented to the November meeting.

7.5 Procurement Review

7.5.1 Mr Snedden presented the review to the Committee.

7.5.2 Mr Snedden noted that NHS 24 procurement leadership is provided via a Service Level Agreement (SLA) with Scottish Ambulance Service (SAS) Procurement Team. Mr Snedden also highlighted the progress in respect of the collaborative procurement work carried out by SAS/NHS 24 with a view to the development and promotion of good procurement practices within NHS 24.

7.5.3 The Committee noted the update for assurance.

7.6 Review of Governance: NHS Endowment Funds

7.6.1 Mr Gebbie presented the paper to the Committee noting key highlights.

7.6.2 It was noted the national independent review was established to consider and provide recommendations on changes that could be enacted to strengthen governance arrangements for NHS Endowment Funds. There are currently sixteen NHS linked charities in Scotland and all are registered with Office of Scottish Charity Regulator (OSCR).

7.6.3 It was confirmed NHS 24 have two endowment funds totaling £16k, both of which are administered via the National Waiting Times Centre (NWTC) Board Endowment Fund. NHS 24 will work with NWTC to ensure that all recommendations from the national review are implemented with full knowledge that the level of funds involved is not significant. Two signatures, by Director of Finance and Deputy Director of Finance, are required for approval of spending of the funds.

7.6.4 The Committee noted the paper for assurance.

7.7 Information Governance and Security Report

7.7.1 Ms Gallacher presented the report to the Committee noting key highlights.

7.7.2 The paper provides an overview of the key areas of activity for Q3 2021/22 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:

- Deputy Head of Information Governance & Security and Deputy DPO has been appointed.
- One reportable incident under the NIS Regulations 2018.
- Foundation Freedom of Information eLearning package has now been released for NHS 24 staff.

7.7.3 Ms Gallacher confirmed three policies and one process updates have now been approved and have been implemented.

7.7.4 Since the last meeting there has been one reportable incident which was reported to the ICO.

7.7.5 Mandatory training for staff was discussed and confirmed the comparisons within this report referred to Information Governance and Security only. Ms Gallacher confirmed some staff groups will affect the risk profile more than others depending on the role. It was agreed that the next report will provide more detailed information on this.

Action: Ms Gallacher

7.7.6 It was noted mandatory training compliance for all eLearning is discussed at the Staff Governance Committee

7.7.7 The Committee noted the report for assurance.

Information Governance & Security: NIS-R Report

7.7.8 Ms Gallacher presented the report to the Committee noting key highlights.

7.7.9 The Committee asked for more information on NIS reporting and how and what NHS 24 are measured against. It highlighted an improving performance. The framework used in the last few years is changing from August and it was agreed further information will be presented to the next committee in June on the measurement changes.

Action: Ms Gallacher

7.7.10 The Committee noted the report for assurance.

7.8 Terms of Reference 2022/23 (v)

7.8.1 Mr Gebbie provided a verbal update on the Terms of Reference for the Committee.

7.8.2 Mr Gebbie advised the Committee that no material changes were proposed to the existing Terms of Reference (ToR) for the Audit and Risk Committee since they were approved at the 19th August 2021 Board meeting.

7.8.3 In line with NHS 24's established Standing Orders and overarching Corporate Governance Framework, it is normal practice for all standing committees of the Board to undertake a review of their ToR on an annual basis. As we await further information on the revised Blueprint for Good Governance to be circulated to NHS Boards, it is proposed that the ToRs approved at 19th August 2021 Board meeting continue.

7.8.4 It is proposed that the ToR are reviewed again at the August 2022 committee

7.8.5 The Committee noted the update for assurance and approved the recommended dates.

7.9 Integrated Governance Key points

7.9.1 The Committee is assured that key points discussed at this meeting are already being discussed at other Committees.

7.10 Audit and Risk Committee Workplan

7.10.1 It was noted that some Committee dates had been changed and subject to minor amendments the Committee approved the work plan for 2022/23

Action: Ms Kerr

8. COMMITTEE EFFECTIVENESS

8.1 Annual Committee Effectiveness Review: Action Plan

8.1.1 Mr Gebbie presented the action plan to the Committee.

8.1.2 A self-evaluation questionnaire was completed by Committee members as at 31 July 2021 to review the Committee's performance and effectiveness and to identify any further action required.

8.1.3 After discussion and in response to a question on the first action plan point, it was clarified that stakeholder engagement referred to was about ensuring the correct people from across the organisation were involved in Committee discussions. It was also agreed the timescale for action 5 would be amended. Based on the discussion the plan is to be updated and progressed

Action: Mr Gebbie

8.1.4 The Committee noted the action plan for assurance subject to minor amendments.

9. MATTERS ARISING FROM PREVIOUS MEETINGS

9.1 Review of Action Log

9.1.1 After discussion the Committee agreed that all actions recommended for closure can be removed from the action list.

10 AGREED COMMITTEE HIGHLIGHTS TO THE BOARD

10.1 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 24 February 2022.

Action: Ms Kerr

11. ANY OTHER BUSINESS

11.1 Audit Committee National Network (v)

11.1.1 Ms Gillie advised her participation in the Cross Public Sector National Audit Committee Chairs Network and confirmed updates will be provided to the Committee as appropriate.

12. DATE & LOCATION OF NEXT MEETING

The date of the next meeting of the Committee is Tuesday 7 June 2022 at 10am, Microsoft Teams

13. PRIVATE MEETING OF THE AUDIT AND RISK COMMITTEE

13.1 A private meeting with the External Auditor was held with members of the Committee following the meeting.