

**NHS 24  
AUDIT AND RISK COMMITTEE**

**19 NOVEMBER 2020  
APPROVED  
ITEM NO. 3.0**

**Approved Minutes of the Audit and Risk Committee Meeting held on  
Thursday 13 August 2020 at 10am,  
Committee Room 1, Cardonald**

## **1. WELCOME AND APOLOGIES**

### **Committee Members**

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

### **In Attendance**

Dr Martin Cheyne	Board Chair
Ms Angiolina Foster	Chief Executive
Ms Steph Phillips	Director of Service Delivery
Mr Nick Bennett	Scott-Moncrieff (Teams)
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 (Teams)
Ms Paula Speirs	Associate Director Planning & Performance
Ms Yvonne Kerr	Executive Assistant (Minutes)
Ms Lynne Huckerby	Director of Service Development
Ms Julie Clarke	Redpoll Group Ltd (Item 12.6) (Teams)
Mr Kenny Woods	Staff Side Representative (Teams)
Mr Mark Kelly	Deputy Director of Nursing & Care (Teams)
Ms Holly Maciver	Scott-Moncrieff (Teams)
Mr Sanny Gibson	Head of Information Governance & Security (Item 10.1)

### **Apologies**

Ms Dorothy Wright	Director of Workforce
Ms Maria Docherty	Director of Nursing & Care

### **Observer**

Ms Anne Gibson	Non-Executive Director
Mr Neil Logan	Head of Financial Planning

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

## **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 4 June 2020 were approved as an accurate record of discussions.

## **4. EXTERNAL AUDIT**

### **4.1 External Audit Annual Report 2019/20**

- 4.1.1 Mr Bennett presented the External Audit Annual report 2019/20 to the Committee noting key highlights.
- 4.1.2 Mr Bennett advised after Board approval, the report will then be published on the Audit Scotland website.
- 4.1.3 Mr Bennett confirmed the audit was an independent process and that objectivity had not been compromised in any way. Mr Bennett confirmed the intention to issue an unqualified opinion on the annual report and annual accounts for 2019/20. Mr Bennett confirmed all key financial targets for 2019/20 have been met. Mr Bennett thanked the Finance Directorate for their support in preparation of the audit in these challenging circumstances noting timescales were met ahead of the submission deadline of 30 September 2020 to Scottish Government (SG).
- 4.1.4 Mr Tait indicated and the Committee agreed this was a very good report and thanked the Executive Management Team (EMT) and the wider support teams for all their efforts and hard work over the past year. The Chief Executive and Committee Chair reiterated their thanks and achievement of timescales. The Chief Executive also expressed thanks to Scott-Moncrieff for their significant contribution to the organisations journey.
- 4.1.5 The Committee suggested some minor amendments which were noted directly by Scott-Moncrieff and will be updated for the Board Meeting on 27 August 2020.  
**Action: Scott-Moncrieff**
- 4.1.6 The Committee noted the report for assurance.

## **5 INTERNAL AUDIT**

### **5.1 Internal Audit Annual Report 2019/20**

- 5.1.1 Ms Brown presented the report to the Committee noting key highlights.
- 5.1.2 Ms Brown advised the Internal Audit Annual Report 2019/20 was presented to the Committee in draft in June 2020 while awaiting the management response on the

Cyber Security Report. Those comments have now been received and they do not alter the positive opinion in the annual Internal Audit report previously presented.

5.1.3 The Committee noted the report for assurance.

## **5.2 Internal Audit Plan 2020/21**

5.2.1 Ms Brown presented the Audit Plan to the Committee.

5.2.2 Ms Brown noted the focus for 2020/21 is based on Covid Response and Governance. There is some synergy between these reports so they may be completed as one review. Discussions are ongoing between Grant Thornton and Executive Management Team (EMT) to finalise the plan. The final plan will be presented to the Committee at the November meeting. The Chair suggested as scopes are completed the draft reviews to be sent to Committee members prior to the next meeting.

**Action: Grant Thornton**

5.2.3 The Committee noted the report for assurance.

## **5.3 Cyber Security Report and Management Response**

5.3.1 Ms Brown presented the Audit to the Committee noting key highlights.

5.3.2 The final version includes management response and timelines for implementation. Ms Gallacher confirmed this will be discussed in detail at the Planning and Performance Committee to be held on 20<sup>th</sup> August. Ms Gallacher confirmed some actions are already complete.

5.3.3 The Committee noted the report for assurance.

## **6. ANNUAL GOVERNANCE COMMITTEE REPORTS**

### **6.1 Audit and Risk Annual Report 2019/20**

6.1.1 Mr Tait presented the Annual Report to the Committee and opened discussion to the Committee.

6.1.2 Dr Cheyne advised there had been a previous request from SG to include Non-Executive attendance at Committees and Board meetings to be included in the report. Ms Speirs confirmed this and noted attendance to be added and included in all Committee annual reports.

**Action: Ms Kerr**

6.1.3 The Committee noted the report for approval.

### **6.2 Planning and Performance Annual Report 2019/20**

6.2.1 Mr McCormick presented the Annual Report to the Committee and opened discussion to the Committee.

6.2.2 Mr McCormick suggested the inclusion of narrative to the report if Committees held in the previous year were quorate.

**Action: Ms Speirs**

6.2.3 It was noted the Annual Report has not yet been approved by the Planning and Performance Committee due to timings.

6.2.4 The Committee noted the report for assurance.

### **6.3 Clinical Governance Annual Report 2019/20**

6.3.1 The Committee noted the report for assurance.

### **6.4 Staff Governance Annual Report 2019/20**

6.4.1 The Committee noted some additional information to be included within the report. This will be communicated to the Director of Workforce.

**Action: Ms Kerr**

6.4.2 The Committee noted the report for assurance.

## **7. NATIONAL SERVICE AUDIT REPORTS**

### **7.1 Finance System Annual Report 2019/20**

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

7.1.2 Mr Snedden confirmed NHS Ayrshire and Arran hold the contract for this report. Mr Snedden highlighted two exceptions noted from the control processes in place although he confirmed there were no systemic or practice failures.

7.1.3 Assurance is provided throughout the year through meetings. The Committee requested if a more formal level of assurance can be provided by NHS Greater Glasgow & Clyde.

**Action: Mr Snedden**

7.1.4 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.

7.1.5 The Committee noted the report for assurance.

## **8. GOVERNANCE STATEMENTS**

### **8.1 Assurance from Chief Executive**

8.1.1 Ms Foster presented the report to the Committee.

8.1.2 Ms Foster advised this statement is part of the annual accounts and complies with all statutory requirements.

8.1.3 Ms Foster highlighted the levels of activity for 2019/20 and the broader organisational improvement activity.

Ms Foster highlighted the range of sources used to provide assurance as Accountable Officer:

- Engagement with EMT throughout the year with formal reports and minutes.
- Liaising with Internal Audit noting work completed, work to be completed and evidence of good practice.
- Support from all Committees.
- Formal statements of assurance from directorates.

8.1.3 Ms Foster also highlighted on governance in NHS 24 throughout the pandemic, also noting the formal appointment of a Whistleblowing Champion Non-Executive Director.

8.1.4 The Committee noted some minor amendments and will be reviewed prior to the presentation to the Board in August.

**Action: Ms Foster/Mr Gebbie**

8.1.5 The Committee noted the report for assurance.

## **8.2 Executive Directors Annual Certificates of Assurance**

8.2.1 Ms Foster presented the Certificates of Assurance to the Committee.

8.2.2 Mr Tait queried if the certificates were derived from a standard template as there are variations in length and content. The Committee were advised they are based on standard item requirements issued by SG.

8.2.3 Some minor suggestions for narrative to be include on the reports will be considered prior to the Board meeting in August.

**Action: EMT**

8.2.4 The Committee noted the certificates for assurance.

## **9. STATUTORY ANNUAL ACCOUNTS**

### **9.1 Draft Annual Accounts 2019/20**

9.1.1 Mr Tait proposed a page turn of the Annual Performance Report and the Accountability Report.

9.1.2 It was agreed that the Overview should include the 4 key themes of the organisation and that some minor changes should be made.

9.1.3 Mr Tait invited Mr Gebbie to provide an overview of the Annual Accounts to the Committee.

9.1.2 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.

9.1.3 The submission date for the annual accounts was extended due to Covid and is due to SGHSCD by 30 September. NHS 24 aim to submit their accounts by 31 August.

9.1.4 It was noted that there were changes to the requirements this year as a result of Covid-19:

- A summary Performance Report can be included instead of the usual detailed analysis – NHS chose to provide a full report.
- IFRS 16 leases – has been deferred nationally until 2021 with suggested wording from SGHSCD provided and used in the report.
- SFR30 inter Board balances – the level of tolerance was raised from £100,000 to £500,000 but had no impact on NHS 24.

9.1.5 Mr Gebbie reflected on the key risks that could have impacted on NHS 24's ability to produce the annual accounts to the agreed timetable this year. There had been a change in senior personnel since the previous year's accounts at Director and Deputy level and the impact of Covid-19 had created a new set of challenges in communicating internally and with our external audit team.

9.1.6 Mr Gebbie expressed his gratitude to the External Audit team and his finance team in helping make this year's process as seamless as possible.

9.1.7 Mr Gebbie undertook a page turn of the annual accounts highlighting the key variances from 2018/19 to 2019/20 figures:

- Staff costs had risen due to the change in pension rates from 14.9% to 20.9%; a change in scale points within the Agenda for Change pay scales; and growth in staffing requirements as a result of developments and latterly Covid-19.
- NHS 24's liabilities had increased in the year as a result of Covid-19 year end accruals and an increase in the cash balance at year end to enable payments during Covid-19.

9.1.8 Mr Gebbie concluded by thanking his predecessor, Mrs Margo McGurk, for her contribution during 2019/20 which was the accounting period of the accounts.

## **9.2 National Audit Office: Guide for ARC on Financial Reporting and Management during COVID 19**

9.2.1 Mr Gebbie presented the report to the Committee noting key highlights.

9.2.2 Mr Gebbie noted the guidance received from the Auditor General has been reviewed and evaluated by Finance Directorate for any impact it may have on NHS 24.

9.2.3 Mr Gebbie advised confirmation of funding for COVID-19 from SG has not yet been received however, the Committee are assured that there is a strong audit trail on expenditure should this information be required.

9.2.4 The Committee noted the report for assurance.

## **10 ANNUAL REPORTS**

### **10.1 Information Governance and Security Annual Report**

- 10.1.1 Mr Gibson presented the report to the Committee noting key highlights.
- 10.1.2 The report states there were fewer Data Subject Access Requests than in 2019 and there is no evidence that any are related to Covid. It was also noted there were fewer Freedom of Information (FOI) requests than last year.
- 10.1.3 Mr Gibson reported two late responses for FOI's, these have been noted and have been reviewed and ongoing are aiming for a target of zero.
- 10.1.4 The pilot for the introduction of the Web Filter was successful and will be tested as much as possible before implementation.
- 10.1.5 Network and Information Systems came into effect with GDPR. Elements of the NHS Scotland Security Policy Framework and the National Cyber Security Centre 10 Steps were used by Internal Audit as the scope for the Cyber Security Review.
- 10.1.6 Training was successfully delivered on an External Audit in Records Management Practitioner Course was organized which was set up to allow other NHS Boards to attend. The first half has been delivered and the second half has been paused due to Covid.
- 10.1.7 The Committee noted the report for assurance.

## **10.2 Procurement Annual Report**

- 10.2.1 Mr Snedden presented the report to the Committee noting key highlights.
- 10.2.2 This report is submitted annually to SGHSCD to advise on regulated procurement. Due to the size of NHS 24 there are only three however we do have joint procurement with other Boards.
- 10.2.3 Mr Snedden noted the procurement process has now been transferred from Golden Jubilee National Hospital (GJNH) to the Scottish Ambulance Service (SAS) for 2020/21.
- 10.2.4 The Committee noted minor amendments to the report prior to submission to the Board.
- 10.2.5 The Committee noted the report for assurance.

## **11. RISK MANAGEMENT**

### **11.1 Corporate Risk Register**

- 11.1.1 Dr Ryan presented the Risk Register to the Committee noting key highlights.
- 11.1.2 Dr Ryan noted the updates required to the Risk Register due to development of services within NHS 24. A fuller discussion will take place at the next meeting.

- 11.1.3 Mr McMahon advised the Risk process has been maintained throughout Covid-19 and risks have been reviewed through the relevant governance structures.
- 11.1.4 Due to the increase in scores for ICT risks, these will be discussed in detail at the Planning and Performance Committee on 20 August. Committee members provided an update for each individual risk.
- 11.1.5 Mr McCormick asked for further clarity on the ICT Risks. Ms Gallacher advised the challenges are the timelines for components and along with time constraints is challenging. Further elements have been identified to be included in the mitigation and agreed that further scrutiny was required. It was suggested this item be included within a future Board Workshop.
- 11.1.6 Mr McMahon noted a new risk regarding the financial impact of Covid-19 spend. It was noted this does not currently meet the criteria of a score of 10 and above, however visibility at this time is crucial.
- 11.1.7 The Committee noted the register for assurance.

## **11.2 Strategic Risk Register**

- 11.2.1 Mr McMahon presented the report to the Committee.
- 11.2.2 There was some discussion about the Strategic Risk Register and the Committee agreed this should be presented to a future Board Development session for further discussion.
- 11.2.3 The Committee noted the report for assurance.

## **11.3 Risk Management Annual Report 2019/20**

- 11.3.1 Mr McMahon presented the Annual Report to the Committee.
- 11.3.2 The Committee noted the report for assurance.

## **11.4 Risk Management Strategy**

- 11.4.1 Mr McMahon presented the Strategy to the Committee.
- 11.4.2 Mr McMahon advised the Strategy was informed by the recent Maturity Assessment by Internal Audit which has embedded processes for good practice.
- 11.4.3 The Committee noted the Strategy for assurance.

## **12. CORPORATE GOVERNANCE**

### **12.1 Annual Report to SGH&SCD: Reporting Significant Issues**



12.1.1 Mr Snedden presented the report to the Committee.

12.1.2 Mr Snedden noted the report will be presented to the Board on 27 August.

12.1.3 The Committee noted the reported for approval.

## **12.2 Corporate Governance Activity Report July 2020**

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

12.2.2 Since the last meeting six new Waiver of Tenders were awarded. Mr Togneri asked for clarity on Waiver No. 3 relating to the refurbishment of proposed NHS 24 site and the reason for recommendation to the preferred supplier noted in the report. Mr Snedden advised the company had previously completed work at Norseman House during Covid-19 and NHS 24 were content with the service. It was also noted the costs associated with this waiver are in line with market rates. However Mr Snedden agreed to check out any possibility of inappropriate linkages between the parties in the procurement.

**Action: Mr Snedden**

12.2.3 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.

12.2.4 The Committee noted the report for assurance.

## **12.3 EU Exit Preparedness (v)**

12.3.1 Mr McMahon provided a verbal update to the Committee.

12.3.2 Mr McMahon advised Boards must be prepared for a no deal scenario. A revised set of reasonable worst case scenario planning assumptions are expected to be issued by UK Government in the coming weeks. Scottish Government will then review this document for Scottish specific considerations. It is then expected these will be issued to Boards to provide a readiness assessment. Previous planning has indicated that this risk is low to NHS 24 in the short term, and we will engage with the Scottish Government preparedness assessment to determine the risk post COVID-19.

12.3.3 The Committee noted the update for assurance.

## **12.4 CIPFA Governance Review Report: Action Plan**

12.4.1 Ms Speirs presented the report to the Committee noting Key Highlights.

12.4.2 Ms Speirs advised this review dates back to November 2017 prior to the Blueprint for Good Governance. Ms Speirs requested approval from the Committee to incorporate this into the overarching plan for Blueprint for Good Governance.

12.4.3 Ms Speirs noted several actions are now complete and some are continuing to progress.

12.4.4. Mr Tait asked for an update on Stakeholder Engagement. Ms Speirs noted there has been much progress and agreed to share a briefing with the Committee on this subject specifically.

**Action: Ms Speirs**

12.4.5 Some minor amendments were suggested by the Committee and these will be incorporated.

**Action: Ms Speirs**

12.4.6 The Committee agreed to review the action plan in line with the Blueprint for Good Governance.

12.4.7 The Committee noted the report for assurance.

## **12.5 External Technology Lessons Learned (v)**

12.5.1 Ms Foster provided a verbal update to the Committee.

12.5.2 Ms Foster explained the circumstances of the lessons learned report that was expected from an external researcher. Advice has been sought from Central Legal Office (CLO) to advise contact to be made through CLO requesting the completed report and in the event this is not possible the return of NHS 24 data.

12.5.3 The Committee noted the update for assurance.

## **12.6 Connect Programme Update**

12.6.1 Ms Huckerby presented the update to the Board and invited Ms Clark to provide the details.

12.6.2 Ms Clark noted full update is on track to be presented to the Board on 27 August. This will be discussed in detail at the EMT and Planning and Performance Committee prior to the Board.

12.6.3 Ms Clark advised changes in the landscape for NHS 24 have prompted a re-evaluation of the current proposed programme.

12.6.4 The Committee noted the update for assurance.

## **12.7 Corporate Governance Steering Group (v)**

12.7.1 Ms Speirs advised the Committee of the ongoing governance changes which need to happen at pace.

12.7.2 The Committee agreed Ms Speirs would provide a briefing to the Board and scheduled for the session in September.

**Action: Ms Speirs**

# **13 WORKPLAN**

## **13.1 Audit & Risk Committee Workplan**

The Committee approved the work plan for 2020/21 noting that the External Audit Plan will now be scheduled for the November Committee.

**Action: Ms Kerr**

## **14 MATTERS ARISING FROM PREVIOUS MEETINGS**

### **14.1 ACTION LOG**

14.1.1 After discussion the Committee agreed actions 638, 639, 640, 646, 647, 648, 649, 650, 651, 652, 653, 654, 656, 657, 658, 659, 660, 661, 662 and 663 recommended for closure can be removed for the action list.

The Committee agreed actions 591, 592, 615, 629, and 655 should remain on action list with an update for the next meeting.

## **15 INTEGRATED GOVERNANCE (KEY POINTS ARISING)**

15.1 There were no items referred to other Committees with the exception of those already noted.

## **16 AGREED COMMITTEE HIGHLIGHTS TO THE BOARD**

16.1 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 27 August 2020.

**Action: Ms Kerr**

## **17. ANY OTHER BUSINESS**

17.1 There was no other business noted.

## **18. DATE & LOCATION OF NEXT MEETING**

The date of the next meeting of the Committee is Thursday 19 November 2020 at 10am, Teams/Committee Room, Cardonald.

## **19. PRIVATE MEETING OF THE AUDIT AND RISK COMMITTEE**

19.1 A private meeting was held with Internal Audit and Non- Executive members of the Committee.