

**NHS 24  
AUDIT AND RISK COMMITTEE**

**4 JUNE 2020  
FOR APPROVAL  
ITEM NO. 3.0**

**Approved Minutes of the Audit and Risk Committee Meeting held on  
Monday 17 February 2020 at 10am,  
Committee Room 1, Cardonald**

## **1. WELCOME AND APOLOGIES**

### **Committee Members**

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

### **In Attendance**

Dr Martin Cheyne	Board Chair
Ms Angiolina Foster	Chief Executive
Mr Nick Bennett	Scott-Moncrieff
Ms Steph Phillips	Director of Service Delivery
Mr David Miller	Director of Workforce
Mr Damien Snedden	Deputy Director of Finance
Mr Kevin McMahon	Head of Risk Management & Resilience
Mr John Boyd	Grant Thornton
Ms Paula Speirs	Associate Director Planning & Performance (Item 4.5)
Ms Yvonne Kerr	Executive Assistant (Minutes)
Mr Sanny Gibson	Head of Information Governance & Security (Item 7.5)

### **Apologies**

Dr Juliana Butler	Non-Executive Member
Ms Margo McGurk	Director of Finance & Performance
Dr Laura Ryan	Medical Director
Ms Ann-Marie Gallacher	Chief Information Officer
Ms Joanne Brown	Grant Thornton

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 6 November 2019 were approved as an accurate record of discussions

#### **4. INTERNAL AUDIT**

##### **4.1 Audit Plan Progress Report**

4.1.1 Mr Boyd presented the report to the Committee noting key highlights.

4.1.2 Mr Boyd advised overall the plan is making good progress with three reports complete this year, and others will be finalised in the coming weeks.

4.1.3 Mr Boyd noted the date for the next Committee in the summary is incorrect and reports would be presented to the June Committee. As this Committee will be for annual accounts, Mr Boyd suggested sending the reports out for information to all members ahead of the meeting. The Committee agreed this process.

**Action: Grant Thornton**

4.1.4 The Committee noted the report for assurance.

##### **4.2 Draft Audit Plan 2020/21**

4.2.1 Mr Boyd presented the plan to the Committee noting key highlights.

4.2.2 Mr Boyd advised this is year three of the three year Strategy Internal Audit Plan. The Committee were asked for comments on the proposed areas of review as the final report will come back to the Committee in June 2020. Mr Tait queried the term “patient waits” and suggested “patient journey” would be more accurate due to the new supervision model.

**Action: Grant Thornton**

4.2.3 The Committee discussed the draft plan and suggested some additional information and suggested clearer definitions to be added.

**Action: Grant Thornton**

4.2.4 Dr Cheyne advised the new Whistleblowing Non-Executive was appointed on 1 February 2020 and suggested holding the Whistleblowing review until the Non-Executive is fully in post.

4.2.5 The Committee noted the plan for assurance.

##### **4.3 Human Resources Report: Absence Management**

4.3.1 Mr Boyd presented the audit report to the Committee.

4.3.2 Mr Boyd advised this report focused on attendance management noting the overall conclusion provides reasonable assurance.

4.3.3 There was one high level recommendation detailed in section 3 which reflected the main finding to show different practices across the organisation. The Committee agreed the scope for this Committee should be focused on risk as other issues will be addressed at the Staff Governance Committee.

4.3.4 The Committee noted staff absence has been on the risk register for some time and active measures are taking place to address this although it is not anticipated that NHS 24 will meet the required reduction target of 0.5% by the end of the financial year.

4.3.5 Mr Miller advised training in staff management takes place with new staff, although has not yet happened with existing staff. Ms Phillips advised frontline Managers will be included in the next phase of the Shift Review which will help address the reporting process.

4.3.6 The Committee agreed the Internal Audit Absence Management report to be referred to the Staff Governance Committee so that they can consider the actions required as well as the views from this Committee which in summary are concerns with current process, the seriousness with which we view the inconsistency findings in the report and the necessity for a more comprehensive, detailed and timetabled action plan in order to reduce the risks in this area.

**Action: Ms Kerr**

4.3.7 In line with agreed policy on reports with high level findings, the report in full along with the views and recommended actions from this Committee should be provided to the full board for their information.

**Action: Ms Kerr**

4.3.8 The Committee noted the report for assurance.

#### **4.4 Financial Controls Report**

4.4.1 Mr Boyd presented the report to the Committee.

4.4.2 The Committee noted the position.

4.4.3 Mr Boyd confirmed this is an annual review and this year is focused on budget management and IFRS 16 to ensure readiness.

4.4.4 It was noted the report provides significant assurance overall with four low recommendations and one advisory point.

4.4.5 Mr Snedden agreed the content of the report and noted controls are in place, with some areas for improvement. Mr Snedden advised that the capacity within the team is stretched and having the audit helps to focus on areas for improvement. It was suggested there should be dedicated support for projects and this will be discussed further.

4.4.6 The Committee noted the report for assurance.

#### **4.5 Risk Maturity Assessment**

4.5.1 Mr Boyd presented the report to the Committee.

- 4.5.2 This audit will shape the Risk Management Strategy. Mr Boyd noted there has been testing of underlying controls to validate and provide recommendations with reference to good practice.
- 4.5.3 Mr McMahon explained the purpose of the Risk Management Framework. It was noted the decision was taken to postpone the Risk Management Strategy until this audit was complete as this would inform the strategy.
- 4.5.4 As there was not sufficient time to review the framework in detail it was agreed the Risk Management Strategy would be discussed at the June Committee.  
**Action: Ms Kerr**
- 4.5.5 The Committee acknowledged the good work and welcomed the honesty from assurance and opportunity for improvement. It was suggested this would for discussion at a future development session later in the year.  
**Action: Ms Kerr**

## **5. EXTERNAL AUDIT**

### **5.1 External Audit Plan**

- 5.1.1 Mr Bennett, on behalf of Scott-Moncrieff, presented the report to the Committee noting key highlights.
- 5.1.2 Mr Bennett noted the report is for 2019/20. It was advised NHS 24 were considered at the December meeting of Shared Intelligence for Health and Social Care. Ms Foster advised she had received a follow up letter with no issues of concern.
- 5.1.3 Mr Bennett highlighted the specific risk of the wider scope relating to sustainability as NHS 24 remains the only Board repaying brokerage. Dr Cheyne noted as there is a clear plan to repay the brokerage, would request a clearer statement with a high degree of confidence to be included within the report.  
**Action: Scott-Moncrieff**
- 5.1.4 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 Since the last meeting in November 2019, the overall risk profile has reduced slightly. It was noted there have been no very high risks since the last meeting. Three risks have reduced in scoring and they have been no risks scores increasing.
- 6.1.3 A new risk has been added since the last meeting, RPND/036952 which relates to financial forecasting. The Committee welcomed this new risk.

6.1.4 It was noted the Audit and Risk Committee is the secondary Committee responsible for risk RPND/025796. As this risk would impact on Service Delivery it was agreed with Clinical Governance Committee that they would now oversee this risk. The Risk Register to be updated to reflect the discussion.

**Action: Mr McMahon.**

6.1.5 Mr Tait asked for views from Planning and Performance Committee on risk RPND/035511. Mr McCormick confirmed this was discussed at the recent meeting and Planning and Performance Committee endorsed the Business Case for approval by the Board. Mr McMahon confirmed if the preferred option is approved, it will mitigate this risk.

6.1.6 The Committee noted the report for assurance.

## **6.2 Risk Management Framework**

6.2.1 This was discussed under agenda item 4.5.

## **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 Since the last meeting one new Waiver of Tender was awarded. The limit was reached on a UK framework and Boards were advised to continue with the contract and waiver where necessary for the remainder of the contract.

7.1.3 Mr Snedden advised the extension of the Vodafone 111 contract was necessary as there was only one bidder. The contract was signed to allow sufficient time to allow for further bids.

7.1.4 It was noted the Cycle2Work Scheme process will go live in a few weeks.

7.1.5 There was one offer of hospitality accepted connected with a sporting event. Although there are strict rules around sport hospitality, there is was an exceptional circumstance as it was directly related to our Breathing Space Service.

7.1.6 Mr Snedden noted one new legal claim since the last meeting and one has been settled.

7.1.7 The Committee noted the report for assurance.

### **7.2 IFRS 16**

7.2.1 Mr Snedden presented the report to the Committee.

7.2.2 IFRS 16 will be introduced next year in all Boards. Boards are asked at this stage to make preparations for this.

7.2.3 There are no major financial implications for NHS 24. In 2020/21 an adjustment will be made to increase the capital requirements of current operating leases that will transition as a result of IFRS 16 and there will be a corresponding reduction within the revenue expenditure for leases that under current rules are classified as operating leases.

7.2.4 Mr Tait confirmed the need to ensure a deep understanding of the guidelines and apply them correctly to avoid financial detriment. Mr Snedden confirmed there will be no financial impact for NHS 24 relating to IFRS 16 implementation.

7.2.5 The Committee noted the briefing for assurance.

### **7.3 Integrated Governance (Key Points Arising)**

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

Internal Audit Report for Absence Management to be discussed at the next Staff Governance Committee.

7.3.2 The Committee noted the update for assurance.

### **7.4 Audit and Risk Committee Work Plan**

7.4.1 The Committee approved the work plan for 2020/21 with the addition of the Risk Management Strategy to be included for the June Committee.

**Action: Ms Kerr**

### **7.5 Information Asset Owner Report**

7.5.1 Mr Gibson attended for this item and advised this relates to risk RPND/025797 which has been on the Risk Register for some time.

7.5.2 Mr Gibson noted it is likely new risks will be identified over time and raised for information governance, information security and records management which will relate to the responsibilities of the Information Asset Owners.

7.5.3 As we move to Office 365 and the need to archive material held on the drives Information Asset Owners need to review information already stored and file/delete appropriately according to the Retention of Records policy.

7.5.4 A license will be required for access to the new drives and information needs to be ready to be migrated. There are areas for improvement and the responsibility of that will lie with the Information Asset Owners.

7.5.6 The Committee noted the update for assurance.

## **8. TERMS OF REFERENCE**

### **8.1 Audit and Risk Committee Terms of Reference**

- 8.1.1 The Chair presented the Terms of Reference to the Committee.
- 8.1.2 After discussion the Committee agreed to amend paragraph 2.2.3 from:  
“The Chief Executive (the Accountable Officer), the Director of Finance & Performance (the Accounting Officer), the Medical Director / Director of Nursing and Care, the Internal Auditor and the External Auditor shall normally attend meetings”.

This will now read as “The Chief Executive (the Accountable Officer), the Director of Finance & Performance (the Accounting Officer), the Director of Service Delivery, other appropriate Directors according to the agenda when required, the Internal Auditor and the External Auditor shall normally attend meetings. This will also be amended within the Corporate Governance Framework.

**Action: Ms Kerr**

- 8.1.3 The changes to the Terms of Reference to be amended within the Corporate Governance Framework.
- Action: Ms Kerr**
- 8.1.4 After amendment the Committee approved the Terms of Reference.

## **9 MATTERS ARISING FROM PREVIOUS MEETINGS**

### **9.1 Action Log**

- 9.1.1 After discussion the Committee agreed actions 624, 625, 626, 627, 628, 631 and 632 recommended for closure can be removed for the action list.

The Committee agreed actions 499, 591, 592, 610 and 615, 629 and 630 should remain on action list with an update for the next meeting.

## **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 27 February 2020.

**Action: Ms Kerr**

## **11. ANY OTHER BUSINESS**

### **11.1 Quality and Appropriateness of Committee Papers.**

The Committee agreed the papers submitted for the meeting were of good quality.

**12.2 DATE & LOCATION OF NEXT MEETING**

The date of the next meeting of the Committee is Thursday 4 June 2020 at 10am, Committee Room, Cardonald.

**13. PRIVATE MEETING OF THE AUDIT AND RISK COMMITTEE**

13.1 A private meeting was held with Non Executives and Scott-Moncrieff.

13.2 A private meeting was held with Non Executives and the Chief Executive.

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