

**NHS 24
AUDIT AND RISK COMMITTEE**

**1 DECEMBER 2022
ITEM NO. 3
APPROVED**

**Approved Minutes of the Audit and Risk Committee Meeting held on
Thursday 11 August 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
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 Steph Phillips	Director of Transformation, Strategy, Planning & Performance
Ms Rachel King	Grant Thornton
Ms Sue Brook	Grant Thornton
Mr Raphael Atoyebi	Grant Thornton
Dr Laura Ryan	Medical Director
Mr Damien Snedden	Deputy Director of Finance
Mr Kevin McMahan	Head of Risk Management & Resilience
Ms Yvonne Kerr	Executive Assistant (Minutes)
Ms Geraldine Mathew	Board Secretary
Mr Sanny Gibson	Head of Information Governance & Security
Mr Andrew Moore	Associate Director of Nursing & Care

Apologies

Mr David Howe	Non-Executive Director
Ms Ann-Marie Gallacher	Chief Information Officer
Mr Graham Revie	Staff Side Representative
Mr Peter Clark	Grant Thornton

Ms Gillie welcomed members and attendees noting apologies as detailed above.

2. DECLARATION OF INTERESTS

2.1 There were no declarations of interest noted.

3. MINUTES OF PREVIOUS MEETING

3.1 The Committee agreed all changes to reports suggested by the Committee will be noted in the minutes going forward. It was agreed the summary sheet of changes for the Annual Accounts will be uploaded to Admincontrol for transparency.

Action: Mr Gebbie

3.2 The minutes of the meeting held on 7 June 2022 were approved as an accurate record of discussions.

4. INTERNAL AUDIT

4.1 2022/23 Audit Plan Progress Update

4.1.1 Ms King presented the Progress Update on the 2022/23 Audit Plan to the Committee.

4.1.2 Scoping is underway for Financial Controls, IT Recovery and Resilience including Cyber Security Arrangements and Leadership, Culture and Management Decision Making. It was noted fieldwork is currently underway for Mandatory and Statutory Training. It is anticipated these audits will be concluded and presented to the next meeting. The Urgent Care Audit from last year's plan will be finalised over the next few weeks.

4.1.3 The Committee requested the scope of the IT Recovery and Resilience including Security internal audit be reviewed to take account of the planned external audits of Information Governance as part of national programmes of work to avoid duplication. It was agreed this would be discussed with the Chief Information Officer.

Action: Mr. Gibson

4.1.4 The Committee noted the update for assurance.

4.2 Internal Audit Report Updates

4.2.1 Property Transactions Monitoring

4.2.2 Mr Atoyebi presented the Audit to the Committee noting key highlights.

4.2.3 Mr Atoyebi confirmed that the audit considered whether NHS 24 has complied with the relevant provisions set out within the NHS Scotland Property Transactions Handbook. This audit covers the property transactions which have taken place during the 2021/22 financial year.

4.2.4 The transactions from 2021/22 have been given an "A" rating following the review, this is the highest level of assurance that can be given for this type of report. There were no recommendations for this report. The Committee expressed their thanks to all those involved.

4.2.5 The Committee noted the report for assurance.

4.3 Internal Tracker of Recommendations Process

4.3.1 Mr Snedden presented the report to the Committee.

- 4.3.2 The Audit and Risk Committee are asked to note and take assurance from the new process introduced to track outstanding recommendations from audits with a view to complete in a timely manner. This has been endorsed by the Executive Management Team (EMT). Recommendations are followed up on a monthly basis with risk owners to provide assurance progress is being made.
- 4.3.3 There are currently 32 open actions.
- 4.3.4 The Committee confirmed they are content this process is now in place.
- 4.3.5 The Committee noted the report for assurance.

5. **RISK**

5.1 **Corporate Risk Register**

- 5.1.1 Mr McMahon presented the Risk Register to the Committee.
- 5.1.2 Mr McMahon noted the Risk Register has been reviewed at various meetings in the last few weeks.
- 5.1.3 At the last Committee meeting there were 48 corporate risks. Since then, the overall risk profile has reduced slightly, mainly due to progress in relation to the mitigation of several key ICT risks. 6 risks have been closed, 5 risks have reduced, 5 have increased and 2 new risks have been identified. Mr Gebbie updated the Committee on the recent steps taken to mitigate the 5 increased risks.
- 5.1.4 A short discussion took place that highlighted the current risk profile and cumulative risk within NHS 24. Mr McMahon highlighted the Board receive assurance on the risk profile from a range of sources with the risk profile centered on technology, staffing and financial risks. The Committee agreed a more detailed discussion on concurrent and cumulative risk would be helpful. It was suggested this could take the form of a deep dive for the Committee. This will be discussed out with the meeting to agree how to take this forward.

Action: Ms Gillie/Mr Gebbie

It was agreed to consider the risk profile and management of cumulative risk with EMT.

Action Mr Miller

- 5.1.5 Mr McMahon outlined the closed risks relating to technology, estates, and workforce issues. He clarified the risks we tolerate and those we close as an organisation and the rigor over the process. The closure of risks is discussed via Clinical Risk Group, Operational Risk Management Group, EMT Risk Group, National Clinical Governance Group providing multiple layers for discussion and challenge.
- 5.1.6 The Committee noted the Risk Register for assurance.

5.2 **Strategic Risk Register**

- 5.2.1 Mr McMahon presented the Risk Register to the Committee.

5.2.1 Mr McMahon confirmed this is presented twice per year. There are no significant changes over the last 6 months. The Committee were asked to note that risk management will be a key element of the strategic planning process for determining the future strategic direction for NHS 24. There are number of strategic areas of focus ongoing at present through the Strategic Intent, Workforce Strategy, Annual Delivery Plan, and the Connect Programme. The current Strategic Risk Register is monitored by the EMT Risks and Opportunities group.

5.2.2 It was agreed that longer term financial plan will be included in the Strategic Risk Register due to the financial challenges/uncertainties NHS Scotland is facing and now that NHS organisations are moving to longer term planning.

Action: Mr Gebbie

5.2.3 The Committee noted the report for assurance

5.3 Risk Appetite Statement

5.3.1 Mr McMahon presented the report to the Committee.

5.3.2 The EMT Risks and Opportunities Group discussed the NHS 24 Risk Appetite. The discussion took into consideration the development of the Annual Delivery Plan, the Strategic Intent work, Workforce Strategy, and our financial position. The Board previously agreed an increase in business financial risk appetite to medium within robust controls and assurance. The Director of Finance has since worked with Scottish Government to increase the financial resilience of NHS 24 through increasing the level of recurring funding. It was felt that the statement, which is unchanged from the previous statement, continues to accurately reflect our current position. The risk profile may need further review in the coming months as strategic planning and the workforce strategy develop. An update will be provided to the Committee as required.

5.3.3 Engagement with staff on the awareness of the Risk Appetite was discussed. It was noted this is utilised for decision making, although needed further work to raise staff awareness. This will be taken forward.

Action: Mr McMahon/Dr Ryan

5.3.4 The Committee approved the Risk Appetite Statement, which will be considered by the Board.

5.4 Risk Management Strategy

5.4.1 Mr McMahon presented the report to the Committee.

5.4.2 The Committee is asked to review and approve the Risk Management Strategy. The Risk Maturity Plan aims to deliver the Risk Management Strategy and further embedding of the Risk Management Framework. These documents been developed with the support of the Operational Risk Management Group and the EMT Risk and Opportunities Group.

5.4.3 The response to the pandemic challenged the implementation of the strategy with limited development opportunities available out with prioritised services. However,

the pandemic demonstrated that risk management is embedded, and is evidence that NHS 24 managed a number of concurrent risks during a very challenging time.

- 5.4.4 The Committee discussed the content of the document and suggested that the Introduction and Strategic Driver section be updated to link with other key risk management documents and the Statements of Intent. A number of typing errors were also identified.

Action; Mr McMahon

- 5.4.5 Taking account of the areas to be revisited and the need for a full proofread the Committee approved the Risk Management Strategy for consideration by the Board

5.5 Risk Management Framework

- 5.5.1 Mr McMahon presented the Framework to the Committee.

- 5.5.2 The Framework was submitted for approval however the Committee agreed this would be reviewed for assurance.

- 5.5.3 The Framework has been reviewed with support from Operational Risk Management Group and the EMT Risk and Opportunities Group. The framework represents the process of how risks are managed. A recent Internal Audit highlighted minor amendments to process. The implementation and improvements required to support the process are reflected in the Risk Maturity Action Plan. The Committee were assured by the content of the document but proposed a proofread and consideration of areas of overlap with other key risk management documents.

- 5.5.4 The Committee noted the framework for assurance.

5.6 Risk Management Self-Assessment & Action Plan

- 5.6.1 Mr McMahon presented the report to the Committee.

- 5.6.2 The maturity action plan is based on a maturity assessment undertaken by the NHS 24 Internal Auditors. The assessment highlighted NHS 24 were a risk mature organisation. The action plan aims to further embed risk management throughout the organisation that will take NHS 24 to an improved level of risk management maturity. The action plan outlines actions that are within the individual elements of the maturity assessment.

- 5.6.3 The Committee were content with the progress made and noted for assurance.

The Committee noted some formatting that is required within the risk papers prior to being submitted to the Board.

Action: Mr McMahon

6. CORPORATE GOVERNANCE

6.1 Covid Public Inquiry Process

- 6.1.1 Dr Ryan presented the report to the Committee.

- 6.1.2 The Committee were asked to note and take assurance on the NHS 24 process to date to support the organisational response provided to the Covid -19 public inquiry.
- 6.1.3 The NHS 24 Board Medical Director is leading this work. A Short Life Working Group with the relevant expertise and experience has been established to provide coordination for any requests for information from the National Inquiry Team. It was noted the national inquiry is divided into 12 modules although not all will be relevant to NHS 24. Once the national report is published it was agreed learning points for NHS 24 will be reviewed. Any specific learning will be reported through Clinical Governance Committee at the appropriate time as the lead Committee.
- 6.1.4 The Committee are content with the process established within NHS24 and noted the report for assurance.

6.2 Annual Delivery Plan: Process & Risks

- 6.2.1 Ms Phillips presented the report to the Committee.
- 6.2.2 Ms Phillips advised that National Boards had received confirmation that there is no requirement to submit an Annual Delivery Plan for 2022/23 however a high-level summary of strategic priorities for the remainder of the year was requested.
- 6.2.3 NHS 24 has progressed detailed planning work across the organisation that sets out the corporate priorities. A commission is anticipated to develop NHS 24's medium-term plan in the autumn and the work to date will inform that; this will also include alignment with the 3-year workforce and finance plans submitted at the end of July. The medium-term plan will go to the Board for approval when finalised.
- 6.2.4 The approach offers NHS 24 greater opportunity to reflect the refresh of our corporate strategy recognising this has sought to align with the NHS Scotland care and wellbeing programmes.
- 6.2.5 The priorities have been set based on assumed funding which is not yet confirmed. In the event less funding is received performance will be adjusted.
- 6.2.6 The Committee noted the report for assurance.

6.3 3 Year Financial Plan

- 6.3.1 Mr Gebbie presented the report to the Committee.
- 6.3.2 A draft 3-year plan has been submitted to SGHSCD using national uplift and spend inflationary assumptions.
- 6.3.3 The plan forecasts we will breakeven this financial year, dependent on anticipated allocations being received and Agenda for Change funded in full once negotiations are concluded. Recurring savings for 2022/3 have been identified fully. In future years based on the current plan NHS 24 will move into a recurring deficit as a result of uplift assumptions being less than increased expenditure assumptions and if RPI continues at current rates. This will result in additional savings being required to stand still with little in the way of future investment opportunities being available.

Funding for new or increased service provision is likely to be limited due to financial pressures at health portfolio level. Savings are not yet identified in years 2 and 3 of the plan and are based on historical levels of achievement. Non-Recurring budget has been included for Connect in future years but may be a challenge to fund this and breakeven. This would be a significant risk if technology investment was to be curtailed as that is a potential area of future savings for this organisation.

6.3.4 The Committee noted the report for assurance.

6.4 Financial Assurance Summary Report

6.4.1 Mr Gebbie presented the report to the Committee.

6.4.2 Mr Gebbie noted that the 2022/23 Finance Plan is currently a work in progress until the national pay award negotiations are concluded. There have been some risks highlighted that could impact on the finance plan during the year. It was confirmed mitigations are in place in order to combat these risks.

6.4.3 The Committee noted the report for assurance.

6.5 Corporate Governance Activity Report

6.5.1 Mr Snedden presented the report to the Committee.

6.5.2 It was noted since the last Audit Committee there has been 2 new waivers of tenders awarded. These were highlighted in the February paper to the Committee as part of a forward look in terms of likely future waivers. One new contract was awarded and there were no Service Level Agreements processed since the last meeting. There have been two offers of gifts and hospitality recorded since the last meeting. Of note were the small gifts received by the Dundee site from local businesses. Dundee managers have been made aware of the Code of Conduct.

6.5.3 The National Fraud Initiative 2022/23 information was expected, however has not yet been received.

6.5.4 The Committee noted the report for assurance.

6.6 Procurement Strategy

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

6.6.2 It is a legal requirement for Scottish public sector bodies to publish a Procurement Strategy and review it annually. This updates the strategy to cover the period 2022 to 2024. NHS 24 procurement leadership and provision is provided via an SLA with Scottish Ambulance Service (SAS) Procurement Team, having moved from Golden Jubilee in June 2020.

6.6.3 Ms Gillie referred to section 6 "Finance and Performance" within the strategy and confirmed this should read Planning and Performance. This will be amended before submission to the Board.

Action: Mr Snedden

6.6.4 The Committee noted the report for assurance.

6.7 Information Governance and Security Report

6.7.1 Mr Gibson presented the report to the Committee.

6.7.2 The paper provides an overview of the key areas of activity for Q1 2022/23 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 Establishment of National Records of Scotland (NRS) as the official archivist for NHS 24, Submission of the Progress Update Report to NRS against the Records Management Plan and the positive trend in the completion of the mandatory Information Governance and Information Security training.

6.7.3 Mandatory training across the organisation has been a focus for all Directorates. To ensure compliance to the relevant Data Protection and Information Security legislation then all staff must complete the mandatory Data Protection and Information Security eLearning training at least once every two years. Since the report was written there has been some improvement on completion. There is a target of 95% compliance and work is ongoing with directorates to achieve this.

6.7.4 It was noted there has been a decrease in Freedom of Information Requests (FOI) since the last meeting. It was confirmed this is across the sector. Ms Dwarshuis requested information on the three most popular reasons for an FOI. Mr Gibson agreed to source this information and respond virtually.

Action: Mr Gibson

6.7.5 The Committee noted the report for assurance.

6.8 Information Commissioners Office Audit Update

6.8.1 Mr Gibson presented the report to the Committee noting key highlights.

6.8.2 Mr Gibson confirmed NHS 24 as a National Health Board will be subject to a data protection audit by the regulator, Information Commissioners Office (ICO). We have been advised the audit is planned for January 2023 however a request for this to be moved into February has been made. The focus of the audit has been set out in a term of reference which includes Data Protection Impact Assessments (DPIA) and mandatory training levels for data protection. Internal planning for the audit is underway to ensure compliance.

6.8.3 The Committee noted the update for assurance.

6.9 Network and Information Systems Regulations (NIS-R) Update: KPIs

6.9.1 Mr Gibson presented the report to the Committee.

6.9.2 Mr Gibson informed the Committee on the timetable for the updated Cyber Resilience Framework publication, the new Key Performance Indicators (KPIs) attainment date and the Information Governance and Security internal objective to meet the KPIs.

6.9.3 Mr Gibson confirmed that from the 2023 audit cycle onwards the NHSS ISPF: 2018 would be replaced by the Scottish Government Cyber Resilience Framework (CRF) which includes KPIs. As the CRF applies to all public bodies in Scotland, it would be adopted as the framework to which NIS-R compliance audits are conducted. This has

the benefit of a uniform set of criteria for cyber security across all public bodies, and for health it will have the added benefit of better enabling the integration of health and care between the NHS and Local Authorities in a manner consistent with the Digital Health and Care Strategy. It is expected that the overall compliance should be 60% by December 2023 although NHS 24 has set an internal date of March 2023.

6.9.4 The Committee noted the report for assurance.

6.10 Whistleblowing Standards Update

6.10.1 Mr Moore attended for this agenda item and presented the report to the Committee.

6.10.2 Mr Moore confirmed that NHS 24 continues to be committed to dealing responsibly, openly, and professionally with any genuine concern about wrongdoing, malpractice, or safety within the workplace. A Whistleblowing Short Life Working Group (SLWG) has been established, with terms of reference agreed. The SLWG is in the process of updating the organisational whistleblowing policy. There has been some slippage in timescales due to the period of time the organisation was in incident management mode. The revised timescale is the end of August 2022. There have been zero whistleblowing concerns raised during 2021-22 and the first quarter of 2022-23.

6.10.3 The Committee noted the update for assurance.

6.11 Committee Terms of Reference

6.11.1 Ms Mathew presented the Terms of Reference to the Committee.

6.11.2 Ms Mathew highlighted the proposed changes within the paper for approval by the Committee. In addition to the proposed changes, it was further suggested to remove “ The Audit and Risk Committee will monitor the effectiveness of the Board’s arrangements for whistleblowing”. The activity report for Whistleblowing is presented to the Clinical Governance Committee and this should be added to their Terms of Reference. The Chair of Clinical Governance was in attendance and reported that he would propose an appropriate change in that committee's terms of reference to reflect the transfer of responsibility to its next meeting.

Action: Ms Mathew

6.11.3 Ms Gillie asked for clarity on the suggestion of a Vice Chair for the Committee. It was agreed it would be good practice to appoint one. The Committee agreed with this approach. Ms Gillie will contact members of the Committee following the meeting.

Action: Ms Gillie

6.11.4 Subject to amendments detailed being made the Committee approved the Terms of Reference.

7. AUDIT SCOTLAND REPORTS

7.1 Scotland’s Financial Response to Covid-19

7.1.1 Mr Snedden presented the report to the Committee.

7.1.2 As part of NHS 24's strategic planning cycle, the organisation actively takes part in consultations, scans national policy frameworks and reviews lessons learned and national reports, to continue to build organisational insight and intelligence. The report focuses on the financial response to the pandemic, including how funding decisions were made and the effectiveness of governance and evaluations into the impact made by those funding decisions. Many of the key themes reflect the practical realities faced at the time of releasing such significant additional funding and coordinating at pace. NHS 24 has already addressed the findings that are relevant, including the need to include the medium to longer term financial impact of the pandemic in our plans.

7.1.3 It was suggested that there may be learning for NHS 24 from its response to the pandemic, Mr Miller confirmed all Boards have been asked to confirm how this has been embedded into winter planning. It was agreed a short report will be available for the next meeting.

Action: Mr Snedden

7.1.4 The Committee noted the report for assurance.

7.2 Audit Scotland Annual Report 21/22

7.2.1 Ms Mathew presented the report to the Committee.

7.2.2 It was noted that at the start of the COVID-19 pandemic, Audit Scotland initially paused its performance audit programme to avoid putting pressure on public bodies that were focused on tackling the impacts of COVID-19. Audit Scotland used that time to reframe the performance audit programme, and to understand the emerging impacts of COVID-19, what new work was required and how existing planned work would need to be refreshed. In 2021/22, Audit Scotland delivered on its refreshed programme, which has implemented a more flexible approach to consider public bodies capacity and enable the organisation to react to fast changing circumstances.

7.2.3 The Committee noted the report for assurance.

8 AUDIT AND RISK COMMITTEE WORKPLAN

8.1 The plan is to be updated to reflect the change in the terms of reference linked to Whistleblowing.

Action: Ms Kerr

Further discussion is required on the Procurement Strategy and if this is required for Audit and Risk Committee. Following discussion, the Deep Dive on Concurrent and Cumulative Risk will be added with a date to be confirmed.

Action: Ms Mathew/Mr Gebbie

8.2 Subject to amendments the Committee noted and approved the work plan for 2022/23.

9. COMMITTEE EFFECTIVENESS

9.1 Annual Committee Effectiveness Review: Action Plan

9.1.1 Ms Mathew presented the Review to the Committee.

9.1.2 The Audit and Risk Committee Review of Effectiveness was undertaken in July 2022. It was noted the summary responses from the review were positive. The Committee were content with the results noting the same key themes were highlighted in previous year's review and are in the process of being addressed via the current action plan. The action plan will be updated reflecting this year's results and will be presented at the next meeting.

9.1.3 The Committee noted the update for assurance.

10 MATTERS ARISING FROM PREVIOUS MEETINGS

10.1 Review of Action Log

10.1.1 Following discussion the Committee agreed all actions recommended for closure can be removed from the action list apart from action 755 this has yet to be completed and will be updated for the next meeting.

11 INTEGRATED GOVERNANCE: KEY POINTS ARISING

11.1 The Committee is assured that where relevant key points discussed at this meeting have been referred to other Committees.

12. AGREED COMMITTEE HIGHLIGHTS TO THE BOARD

12.1 The Committee highlights will be produced after the meeting and sent to the Chair for approval prior to the Board Meeting due to be held on 18 August 2022.

Action: Ms Kerr

13. ANY OTHER BUSINESS

13.1 Annual Accounts Process

13.1.1 Ms Gille asked for clarification on the annual accounts process for next year following discussions at the June meeting. Mr Gebbie confirmed a meeting arranged for December 2022 to begin planning. It was confirmed that responsibility for the Annual Report will now be Communications Directorate with the Annual Accounts remaining with the Finance Directorate.

13.1.2 The review of papers from Audit and Risk Committee to the Board for the Annual Accounts will be reviewed to avoid duplication. A short paper will be produced for the next meeting.

Action: Ms Mathew/Mr Gebbie

14. DATE & LOCATION OF NEXT MEETING

The date of the next meeting of the Committee is Thursday 1 December 2022 at 10am, Boardroom, Lumina Building.

15. PRIVATE MEETING OF THE AUDIT AND RISK COMMITTEE

15.1 A private meeting with the Director of Finance was held with members of the Committee following the meeting.