

NHS 24 BOARD  
AUDIT AND RISK COMMITTEE

NHS 24 BOARD  
19 AUGUST 2021  
BD (2021 22) 019  
FOR ASSURANCE

Approved Minutes of the Audit and Risk Committee Meeting held on  
Tuesday 3 June 2021 at 10am,  
Microsoft Teams

## 1. WELCOME AND APOLOGIES

### Committee Members

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

### In Attendance

Dr Martin Cheyne	Board Chair
Mr Jim Miller	Chief Executive
Ms Ann-Marie Gallacher	Chief Information Officer
Mr John Gebbie	Director of Finance
Ms Steph Phillips	Director of Service Delivery
Mr Nick Bennett	Azets
Ms Joanne Brown	Grant Thornton
Dr Laura Ryan	Medical Director
Mr Damien Snedden	Deputy Director of Finance
Mr Kevin McMahon	Head of Risk Management & Resilience
Ms Paula Speirs	Director of Strategy, Planning & Performance
Ms Yvonne Kerr	Executive Assistant (Minutes)
Ms Maria Docherty	Director of Nursing & Care
Ms Linda Davidson	Interim Director of Workforce
Mr Graham Revie	Staff Side Representative
Mr Neil Logan	Head of Financial Planning & Reporting

### Apologies

Ms Liz Mallinson	Non-Executive Director
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Mr Tait welcomed members and attendees as well as Neil Logan, Head of Financial Planning to the meeting. Mr Tait also congratulated Ms Speirs on her appointment of Director of Strategy, Planning & Performance.

## 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 16 February 2021 were approved as an accurate record of discussions.

### **4. EXTERNAL AUDIT**

#### **4.1 External Audit Annual Report 2020/21**

- 4.1.1 Mr Bennett presented the External Audit Annual Report 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 2020/21. NHS 24 met its key financial targets in year delivering an underspend against its revenue resource limit and a breakeven position against its capital resource limit. Mr Bennett thanked the Finance Directorate for their support in preparation of the audit in these challenging circumstances.
- 4.1.4 Following a page turn review and discussion of the report, a few amendments were suggested by the Committee and accepted by Mr Bennett. Executive Directors to provide suggested narrative to Mr Bennett. These changes will be made before the report is presented to the Board on 17 June 2021.

**Action: Exec Leads/Mr Bennett**

- 4.1.5 Mr Bennett confirmed that he has now completed the maximum period of 10 years as the lead partner in overseeing the NHS 24 External Audit. This means a different partner will be taking on the overview role for the 2021/22 final accounts, which is the final year of this external audit appointment. Mr Bennett's attendance at the ARC in August will therefore be his last meeting with the Committee. On behalf of the Committee, the Chair thanked Mr Bennett for performing the overview role so well. He also thanked him for his professional approach to all of our business related exchanges over the years while still engaging in a friendly and respectful manner.
- 4.1.6 The Committee noted the External Audit Annual Report for assurance and (subject to changes to be made) recommended approval of the report to the Board

### **5 INTERNAL AUDIT**

#### **5.1 Internal Audit Annual Report 2020/21**

- 5.1.1 Ms Brown presented the Internal Audit Annual Report to the Committee noting key highlights.

5.1.2 Ms Brown confirmed that the overall opinion for the 2020/21 financial year is based on the scope of reviews undertaken and the sample tests completed during the period. Reasonable assurance (the second highest level of assurance) can be given on the overall adequacy and effectiveness of the organisations framework of governance, risk management and control.

5.1.3 The Committee were content with the report and thanked Ms Brown. They also agreed the report should be shared with the Executive Management Team.

**Action: Ms Kerr**

5.1.4 The Committee noted the report for assurance.

## **5.2 Internal Audit Plan 2021/22**

5.2.1 Ms Brown presented the Update on the Audit Plan to the Committee.

5.2.2 Ms Brown confirmed the plan has been produced to align with areas of risk following discussions with the Executive Management Team. The areas for audit planned for 21/22 are: Property Transaction Monitoring, Staff Rostering, Financial Controls, Risk Management, Recruitment, IT Contract Management, Urgent Care, Staff Wellbeing and Leadership. It may be necessary to revisit the timing or content of the audit plan throughout the year based on any future effects of COVID-19.

5.2.3 Mr Gebbie confirmed the Digital Review has now been rescheduled to 2022/23 and has been replaced this year with Staff Wellbeing and Staff Rostering.

5.2.4 Ms Phillips referred to the audit on Staff Rostering noting that Phase 2 of the Shift Review has not yet began. This was scheduled for Quarter 1 on 21/22 and it was agreed further discussion is required to identify a more suitable date.

**Action: Ms Phillips/Ms Brown**

5.2.5 Mr Miller confirmed conversations at the recent Board Chief Executives meeting about cyber attacks and if this was aligned with the Internal Audit Plan. Mr Tait confirmed there is some spare capacity in 21/22 where this could be accommodated.

5.2.6 The Committee noted the report for assurance.

## **5.3 Mental Health Audit**

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

5.3.2 Ms Brown advised reasonable assurance. The review of the controls in place which govern the delivery and monitor the outcomes of the mental health services and financial cost to NHS 24, concluded that the arrangements are appropriate for the circumstances and have enabled management to monitor the performance and capacity of the service, as well as identify future resource and funding requirements.

5.3.3 Mr Tait noted that there were no management comments within the report. Ms Brown advised as there were no recommendations within the report these were not required. It was agreed for completeness, this would be included going forward to confirm that management accept the report.

**Action: Ms Brown**

5.3.4 It was also agreed a follow up to the report to advise of any current issues that remain will be produced and shared with the Committee.

**Action: Ms Phillips**

5.3.5 Mr Tait advised with agreement from Mr McCormick, that the report should be shared with the Planning and Performance Committee for shared knowledge.

**Action: Ms Kerr**

5.3.6 The Committee noted the report for assurance.

## **5.4 COVID-19 IT Procurement**

5.4.1 Ms Brown presented the Audit Report to the Committee noting key highlights.

5.4.2 Ms Brown confirmed that the overall objective of this audit was to examine the process followed in the procurement of laptops and mobile phones required to enable remote working during 2020. Relevant controls in the process were assessed in respect of their design and operation.

5.4.3 The report has been rated as Partial assurance with improvements required as it contains two medium and two low rated recommendations.

5.4.4 Mr Gebbie confirmed the audit was requested after Counter Fraud Services had raised IT fraud as a potential risk to organisations during Covid-19 and this audit was arranged to provide assurance that processes were robust.

5.4.5 Mr Tait advised with agreement from Mr McCormick that the report should be shared with the Planning and Performance Committee for shared knowledge.

5.4.6 The Committee noted the report for assurance.

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

### **6.1 Audit and Risk Annual Report 2020/21**

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

6.1.2 Future priorities to be included within the report before submission to the Board

**Action: Mr Snedden**

6.1.3 The Committee approved the annual report.

### **6.2 Planning and Performance Annual Report 2020/21**

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

6.2.2 Future priorities to be included within the report before submission to the Board.

**Action: Ms Speirs**

6.2.3 The Committee noted the report for assurance.

### **6.3 Clinical Governance Annual Report 2020/21**

6.3.1 Ms Docherty presented the Annual Report to the Committee and opened discussion to the Committee.

6.3.2 The Committee noted the report for assurance.

### **6.4 Staff Governance Annual Report 2020/21**

6.4.1 Ms Davidson presented the Annual Report to the Committee and opened discussion to the Committee.

6.4.2 Mr Togneri suggested that Remuneration Committee should be a standalone section.

**Action: Ms Davidson**

6.4.3 The Committee noted the report for assurance.

### **6.5 Integrated Governance Committee Annual Report 2020/21**

6.5.1 The Chair presented the Annual Report to the Committee and opened up for discussion.

6.5.2 Future priorities to be included within the report before submission to the Board

**Action: Ms Speirs**

6.5.3 The Committee noted the report for assurance.

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

### **7.1 Finance System Annual Report 2020/21**

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

7.1.2 Mr Snedden confirmed NHS Ayrshire & Arran provide third party assurance to Boards for the services they provide. The most appropriate way of providing these assurances is through the appointment of service auditors to undertake third party service audit reviews and report on the findings.

7.1.3 There is no external audit of the payroll service but NHS 24 meet regularly with GG&C through Customer Care meetings and NHS 24 internal auditors conducted a review of payroll services provided by GG&C in 2018. These meetings and periodic audits allow any issues or concerns to be monitored, explored and resolved.

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 the Chief Executive**

- 8.1.1 Mr Miller presented the report to the Committee.
- 8.1.2 Mr Miller advised this statement is part of the annual accounts and complies with all statutory requirements.
- 8.1.3 Mr Miller referenced the External Audit, Internal Audit and significant inputs from Executive Directors in what has been a challenging year, providing assurance of robust governance processes currently in place.
- 8.1.4 The Committee noted some minor adjustments and will be reviewed prior to presentation to the Board in June.

**Action: Mr Gebbie**

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

- 8.2.1 Mr Miller presented the Certificates of Assurance to the Committee.
- 8.2.2 Mr Revie asked that the Committee also recognise the additional and significant work which has been completed on the restructure of the ICT Directorate and also the significant work and effort on Attendance Management and Recruitment processes within the Workforce Directorate.
- 8.2.3 The Committee recognised the additional work and noted the certificates for assurance.

## **9. STATUTORY ACCOUNTS**

### **9.1 Draft Annual Accounts 2020/21**

- 9.1.1 Mr Tait proposed a page turn of the Annual Performance Report and the Accountability Report.
- 9.1.2 Mr Tait invited Mr Gebbie to provide an overview of the Annual Accounts to the Committee.
- 9.1.3 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.
- 9.1.4 The submission date for the annual accounts was extended nationally due to Covid and is due to SGHSCD by 30 September, however NHS 24 decided to submit the accounts to the normal timetable.
- 9.1.5 Mr Gebbie referred to the Payment Policy noting the average figure for payment is 35 days. This was a deterioration on the previous year but there has been some improvement recently and NHS 24 will strive to improve further. Currently 37% of invoices are paid within 10 days and 71.2% within 30 days. The figures relate only

to non-NHS suppliers. Performance was hindered in the first half of 2020/21 due to COVID-19 resulting in staff not being in the office as frequently which has had a detrimental impact on invoices being received, signed off and paid.

9.1.6 Mr McCormick referred to the performance table on page 10 in the performance affected by call volumes section making reference to staff absence as a contributor to this.

9.1.7 NHS 24 completed and submitted the 2020/21 National Sustainability Audit Tool assessment return in March 2021. Following self-assessment, NHS 24 currently remain within the Bronze category, which is in line with other National Boards. This will feed into the Estates Programme Board going forward and will be included within the Estates report that is presented to the Planning and Performance Committee.

**Action: Mr Gebbie**

9.1.8 Mr Tait queried the salary budgets within the Annual Accounts. Mr Gebbie noted that expenditure grew by 29%. Broken down this related to staff cost 21%, WTE 16% and increased due to the 20/21 pay award/Redesign Urgent Care/Mental Health Hub, 21/22 pay award backdated to December, incremental spine points, £500 bonus payment and annual leave carried from 2019/20 paid in lieu of time off.

9.1.9 Non pay includes the Connect programme which increased by 63% as some spend was accelerated for phase 1 prior to year end. Property costs increased due to Lightyear and Lumina.

9.1.10 Mr Tait suggested a cover paper to support this information be presented to the Board in June with the Annual Accounts.

**Action: Mr Gebbie**

9.1.11 The Committee approved the Annual Accounts to be presented to the Board with amendments noted above.

## **10. ANNUAL REPORTS**

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

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

10.1.2 The paper provides an overview of the key areas of activity for 2020/21 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;

- Significant increases in both Data Subject Access and Freedom of Information Requests.
- Significant improvements in the Anti-Virus process have been made throughout this year.

The automatic archival to the National Records of Scotland of NHS 24 web sites.

10.1.3 Throughout the period of this report there were 18 Incidents investigated by the Team. Of the 18 incidents there were 2 reportable Data Protection, 2 Reportable NIS-R and 2 reportable Police Scotland incidents. All the DP and NIS-R reportable

incidents were considered by the appropriate regulator and, based on the action taken by NHS 24, the regulator determined that there was no further action on these incidents.

10.1.4 Mr Tait confirmed previous agreement that Planning and Performance Committee would be the lead Committee to oversee this report. A deep dive on the training element will be scheduled for a future Planning and Performance Committee.

**Action: Ms Kerr**

10.1.5 Minor suggested amendments were offered by the Committee. The report will be updated before presentation to the Board on 17 June.

**Action: Ms Gallacher**

## **10.2 Procurement Annual Report 2020/21**

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. It was confirmed this report does not include waivers/contracts.

10.2.3 The Procurement Strategy was last presented to the August 2020 Committee and will be presented on 5 August 2021.

10.2.4 Suggested rewording to report was accepted by the Committee and will be revised for submission to the Board on 17 June 2021.

**Action: Mr Snedden**

10.2.5 The Board noted the report for assurance.

## **11. RISK**

### **11.1 Corporate Risk Management Update**

11.1.1 Mr McMahon presented the Risk Register to the Committee.

11.1.2 Mr McMahon noted the Risk Register has been reviewed a number of times in the last few weeks. This was on the agenda for the Board Workshop on 20 May 2021 and also the Integrated Governance Committee held on 25 May 2021.

11.1.3 Previous feedback has been noted and the register will be amended for the August Committee with the Risk Maturity embedded.

11.1.4 The Committee noted the Risk Register for assurance.

### **11.2 Risk Management Annual Report 2020/21**

11.2.1 Mr McMahon presented the Annual Report to the Committee.

11.2.2 The Committee noted the Risk Register has been discussed in detail at the recent Board Workshop and the Integrated Governance Committee in May.



11.2.3 The Committee noted the Risk Register 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 17 June 2021.

12.1.3 Mr Tait confirmed changes to the Governance Statement noted in agenda item 8.1 will be incorporated into this letter prior to submission for the Board.

**Action: Ms Snedden**

12.1.4 The Committee noted the reported for approval.

### **12.2 Corporate Governance Activity Report**

12.2.1 Mr Snedden presented the report to the Committee.

12.2.2 It was noted since the last Audit Committee there have been three new waiver of tenders awarded. One new contract was awarded and there were no Service Level Agreements processed since the last meeting. There have been three offers of gifts recorded since the last meeting.

12.2.3 It was noted that section 5 within the report was included for information, however the Committee agreed this should be an agenda item for the meeting going forward.

**Action: Ms Kerr**

12.2.4 The Committee noted the report for assurance.

### **12.3 Terms of Reference**

12.3.1 Mr Tait presented the revised Terms of Reference to the Committee.

12.3.2 It was confirmed changes to the Terms of Reference are as follows: Change Director of Finance and Performance to Director of Finance throughout.

12.3.3 The Committee discussed and agreed the following changes:

- Paragraph 2.2.3. Director of Service Delivery to be removed and the Executive Director for Risk and Resilience and Senior Information Risk Owner (SIRO) to be added as regular attendees.
- Paragraph 3.1.1: to be reworded to “Meetings will normally be held four times each financial year, at a place and time as determined by the Committee and to coincide with key events during the year, e.g. Annual Accounts production”.
- Paragraph 3.1.4: The Committee agreed that private meetings with the Committee and Chief Executive/Director of Finance/Internal Auditors/External Auditors shall remain private.

**Action: Ms Kerr**

12.3.4 Ms Speirs confirmed National Work is ongoing a Once for Scotland approach for Committee Terms of Reference. These will be model documents to support the Blueprint for Good Governance.

12.3.5 The Committee approved the Terms of Reference with changes noted.

**13. AUDIT AND RISK COMMITTEE WORKPLAN**

The Committee approved the work plan for 2021/22 noting items deferred from this meeting be scheduled within the workplan.

**14. MATTERS ARISING FROM PREVIOUS MEETINGS**

**14.1 Review of Action Log**

14.1.1 After discussion the Committee agreed actions 591, 655, 668, 672, 681, 682, 683, 684 and 685 recommended for closure can be removed from the action list.

The Committee agreed action 679 can remain open until the Active Governance session has been scheduled.

**15. INTEGRATED GOVERNANCE: KEY POINTS ARISING**

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

**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 17 June 2021.

**Action: Ms Kerr**

**17. ANY OTHER BUSINESS**

17.1 Mr Gebbie updated the Committee on the NSS Report for IT/Payroll which was received outwith the publication of the Committee papers. An unqualified opinion was recorded, however an emphasis of matter was included. It was confirmed this should be included within the Governance Report for the Board. The report will be circulated to Committee members and added to the next meeting for further discussion.

**Action: Mr Gebbie**

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

The date of the next meeting of the Committee is Thursday 5 August 2021 at 10am, Teams/Committee Room, Cardonald.

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

13.1 A private meeting with the Chief Executive was held with members of the Committee following the meeting.



<p><b>NHS 24 BOARD</b></p> <p style="text-align: right;"><b>19 AUGUST 2021</b> <b>BD (2021 22) 019</b> <b>FOR ASSURANCE</b></p> <p style="text-align: center;"><b>KEY POINTS OF THE AUDIT &amp; RISK COMMITTEE HELD</b> <b>ON 5 AUGUST 2021</b></p>	
<b>Executive Sponsor</b>	Mr Albert Tait
<b>Lead Officer/Author</b>	Executive Assistant
<b>Action Required</b>	The Board is asked to note the key points for assurance from the Audit and Risk Committee meeting held on 5 August 2021.

**1. Purpose of the report**

This report provides the NHS 24 Board with an update on key issues arising from the Audit and Risk Committee meeting held on 5 August 2021.

**2. Recommendation**

The NHS 24 Board is asked to **receive** and **note** the key points outlined.

**2.1 Internal Audit**

The Committee noted that 2020/21 Audit Plan will be reviewed and revised to reflect the best timing for the Risk Management Audit and the inclusion of the Cyber Security audit work.

The Committee discussed the proposal for a further one year extension to the Grant Thornton Contract which they are agreeable to extend.

NHS Greater Glasgow & Clyde, NHS Ayrshire & Arran and Golden Jubilee National Hospital also currently feature within this joint procurement agreement which is due to expire on 11 May 2022. NHS GG&C have decided to extend. NHS Greater Glasgow and Clyde will take forward the commercial negotiations.

The Committee recommend that the Board approve the Grant Thornton Contract extension.

**2.2 Risk Management**

**2.2.1 Risk Management Maturity Assessment and Action Plan**

The Committee noted that the Risk Management Maturity Assessment was last presented to the Committee in February 2020. That assessment determined NHS 24 was a risk managed organisation, with opportunity to further embed risk management throughout the organisation and ensure consistency of approach that will take NHS 24 to an improved level of risk management maturity. Following discussion and review of the action plan the committee acknowledged the significant focus which has already been placed on developing the risk management arrangements and welcomed the detail and clarity in the action plan to further develop and approve the risk management arrangements throughout the whole organisation.

### **2.2.2 Corporate Risk Register**

The Committee noted the significant work carried out since the last meeting of the Committee (3 June 2021). All directorates have undertaken an in-depth review of risks within their remit to ensure current risks reflected the embedding of the response to COVID-19 into ongoing business processes and the ongoing challenges to NHS 24's delivery of its Remobilisation Plan.

The Committee thanked the team for their efforts.

### **2.2.3 Strategic Risk Register**

The Board contributed to the strategic risk register at the Board development session held in May 2021. The Committee noted the discussions at the Board where it was agreed to merge risks relating workforce and delivering at pace to meet stakeholder expectations. The EMT Risk and Opportunities Group review and refine the risk register and develop any new/proposed strategic risks and present the outputs of that review to the Audit and Risk Committee in August 2021. This will continue to be developed in order to align with the developing strategy refresh and Remobilisation plan v 4.

The Committee noted for assurance and endorse for onward approval by the Board.

### **2.2.4 Risk Appetite**

In 2020 the NHS 24 Board agreed an increase in business financial risk appetite to medium within robust controls and assurance. Over this period the Director of Finance has worked with Scottish Government to increase the financial resilience of NHS 24 through recurring funding.

### **2.3 Financial Assurance Summary**

The Committee noted the update and were assured that funding for Mental Health had been confirmed and was discussed at a recent Sponsor meeting, the minutes from which are not yet available. Email communication was shared with the Committee members following the meeting and are content that funding has been confirmed.

### **2.4 111 Telephony Contract**

The Committee considered and recommend that the waiver that will be presented to the Board is approved to enable NHS 24 to continue with the current telephony contract for the 111 service until the new contract starts in April 2022.

This is an extension of the current 111 contract with Vodafone. The extension has already been agreed between the supplier and NHS England. This covers the period between August 2021 and March 2022 to ensure continuity of service until the start of the new contract. The Committee recommend approval by the Board.

**2.5 Terms of Reference**

The Board are asked to note the Terms of Reference now include the recommendation for approval by the Board of the Annual Report and Accounts. There will be a fuller review later in the year.

**2.6 Annual Committee Effectiveness Review**

A revised self-evaluation questionnaire has been developed and further to some minor additions was approved by the Committee. This updated set of questions reflects national practice across the sector.

The self-evaluation questionnaire will be available online shortly and the results will be discussed at the next meeting in November.

While the Board Effectiveness Review may well be postponed until later in the year it was confirmed that the Committee should continue with their process.