

NHS 24

**Minutes of the Meeting of the
NHS 24 Audit and Risk Committee
held on Thursday 17 August 2023 at 10am
Microsoft Teams**

PRESENT

Ms Carol Gillie (Chair)

Committee Member Names	Committee Member Names
Mr Martin Togneri	Mr Mike McCormick
Mr David Howe	

IN ATTENDANCE

Name	..	Job Title
Dr Martin Cheyne	..	Board Chair
Mr Jim Miller	..	Chief Executive
Mr John Gebbie	..	Director of Finance
Ms Ann-Marie Gallacher	..	Chief Information Officer
Ms Steph Phillips	..	Director of Transformation, Strategy, Planning & Performance
Mr Damien Snedden	..	Deputy Director of Finance
Mr Kevin McMahan	..	Head of Risk & Resilience
Mr David Eardley		Azets
Ms Mary-Jane Mitchell		Staff Side Representative
Ms Geraldine Mathew		Board Secretary
Ms Yvonne Kerr		Executive Assistant (Minutes)

		ACTION BY
1.	WELCOME, APOLOGIES AND INTRODUCTIONS	
	Ms Gillie welcomed members and attendees to the meeting. Apologies were intimated on behalf of Ms Marieke Dwarshuis. Apologies were also noted from Rachael Weir from Azets, and Mr Pat Kenny and Ms Kirsty Hair from Deloitte.	
2.	DECLARATIONS OF INTEREST	
	The Chair invited members to declare any interests in any of the items being discussed. There were no declarations made.	

		ACTION BY
3.	MINUTES OF PREVIOUS MEETING OF 8 JUNE 2023	
	<p>The Committee considered the minute of the previous meeting held on 8 June 2023 and offered the following changes:</p> <p>The following to be included within the minute:</p> <ul style="list-style-type: none"> • The Committee asked for assurance on the meaning of “unmodified”. Mr Kenny confirmed this is the language used by Deloitte and is the same as the previously used “unqualified” by the outgoing auditors. • The removal of duplicate wording in Item 6.1: The Committee noted the report for assurance. <p>After amendments, the Committee were content to approve this as a complete and accurate record.</p> <p>The Committee approved the minutes.</p>	Ms Kerr
4.	MATTERS ARISING	
4.1	Review of Action Log	
	After discussion the Committee agreed all actions recommended for closure can be removed from the action log.	
5.	INTERNAL AUDIT	
5.1	Internal Audit Plan Progress Report	
	<p>Mr Eardley presented the report to the Committee.</p> <p>Mr Eardley noted the Capability and Capacity Audit that was due to be presented to this meeting has been delayed and will now be presented in February 2024. Noting there were no audits for the Committee to review today, it was confirmed that fieldwork had commenced on the Core Financial Systems audit, and this will be presented at the next Committee. It was also noted that scope has been agreed for Primary Care Pathways and Resilience, for presentation at the next Committee, and Capability and Capacity Audit and Clinical Workforce Staffing Levels audits for presentation at February Committee.</p> <p>Mr Eardley provided a summary on the approach to scoring for the audits to the Committee as this differs slightly from scoring and reporting from previous Auditors</p> <p>The Committee noted the report for assurance.</p>	
5.2	Internal Audit Follow Up Report	
	<p>Mr Eardley presented the Follow Up Report to the Committee noting key highlights.</p> <p>Mr Eardley advised the good progress made this quarter in implementing audit recommendations. Of 17 actions followed up, 9 are assessed as complete, 4 are not</p>	

		ACTION BY
	<p>yet due against timescales. The remaining 4 actions are assessed as partially complete and revised dates have been agreed. It was noted that none of the overdue actions are high risk. It was advised that training for the action relating to the Financial Reporting Arrangement will be completed over the next few weeks as dates are now in the diary.</p> <p>Following discussion, the Committee agreed to review the wording on the Redesign Urgent Care outstanding action to clarify what is required from NHS 24 and where responsibility belongs to other stakeholders.</p> <p>Mr Eardley thanked management at NHS 24 for the positive engagement to date.</p> <p>The Committee noted the report for assurance.</p>	<p>Mr Gebbie/Mr Snedden/ Mr Eardley</p>
5.3	GGC Payroll Update	
	<p>Mr Snedden presented the report to the Committee noting key highlights.</p> <p>There had been a previous request from the NHS 24 Audit and Risk Committee for Audit information to be shared, so assurance could be taken, in relation to NHS GG&C payroll services.</p> <p>NHS GG&C host payroll services for a number of Boards including NHS 24. This adheres to an agreed approach to explore shared services and reduce risk and cost across the sector. It was noted there is no separate audit of the payroll service aimed at users, however NHS 24 meet regularly with GG&C through Customer Care meetings. These meetings allow any issues or concerns to be explored and resolved, including anything raised in GG&C audits of the payroll service. The 2022/23 payroll audit report for GG&C, as presented by Mr Snedden, provides an added level of assurance that the payroll function is accurate and has necessary controls in place. It was noted the audit provided to GG&C noted no critical or significant findings.</p> <p>For the local payroll services provided by NHS 24, Mr Snedden advised an audit in this area is being considered for future years.</p> <p>The Committee were content with the update and noted for assurance.</p>	
6.	RISK MANAGEMENT	
6.1	Corporate Risk Management Update	
	<p>Mr McMahon presented the Risk Register to the Committee.</p> <p>Mr McMahon noted the Risk Register has gone through a significant review in the past few months. The appropriate Committees prior to Audit and Risk Committee have discussed all risks. The Committee noted the target dates on the register for 2025/26 and appropriate milestones had been included within risks that are aligned to duration of the Workforce Strategy.</p> <p>It was noted work is ongoing between Risk and ICT teams to develop a Cyber Security Risk Register which will be monitored via the Planning and Performance Committee.</p>	

		ACTION BY
	<p>The Risk relating to the Dundee site planning application was discussed and Mr Snedden outlined the current mitigation strategy.</p> <p>It was highlighted that some presentational changes were being considered for the Risk Register to make it more user friendly. It was agreed this would be discussed out with the meeting and an update will be available for the November 2023 meeting.</p> <p>The Committee noted the Risk Register for assurance.</p>	<p>Mr Gebbie/ Mr McMahon/ Mr Togneri/ Mr McCormick</p>
6.2	Strategic Risk Register	
	<p>Mr. McMahon presented the Risk Register to the Committee, previously presented to the June Board with the NHS 24 Strategy for approval.</p> <p>The Risk Register is subject to regular oversight review by the EMT Risk and Opportunities Group. Strategic risk will also be managed within the new governance structures, currently being implemented, to deliver the strategic ambitions of NHS 24. The strategic risk profile has remained consistent since reported to the Board in June 2023.</p> <p>The strategic financial risk level has remained static due to financial uncertainty and pressures that will be outlined in later agenda items.</p> <p>The Committee noted the Risk Register for assurance.</p>	
6.3	Risk Appetite Statement	
	<p>Mr McMahon presented the report to the Committee.</p> <p>The organisation's Risk Appetite statement has been regularly reviewed by the organisation in recent years due to the pressures of COVID, and the development of a new NHS 24 Strategy.</p> <p>The Audit and Risk Committee discussed the statement and while they agreed that the statement accurately reflected our current position and risk profile, there was a suggestion to some rewording,</p> <p>Specifically, the areas below: The opening paragraph could be simplified regarding negative impact or detriment.</p> <p>The section below was requested to be reworded: <i>NHS 24 is a digital organisation in the health and care environment; and will proactively respond to changes and opportunities arising from the alignment of NHS 24 to national strategic priorities. Therefore, NHS 24 will accept a higher level of risk in this area in pursuit of these opportunities.</i></p> <p>Mr Howe explained that while the statement refers to digital which requires a level of agility and ability to take considered risk to meet its ambitions, it should encompass the wider strategy approach. Mr Howe also reflected that as a Board we need to consider how risk appetite plays into its decision making. He requested Mr McMahon consider if there is a mechanism or process to support this. Mr McMahon agreed to reflect on the Board Governance process for risk appetite and provide feedback to the Committee.</p>	<p>Mr McMahon</p> <p>Mr McMahon /Ms Mathew</p>

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	<p>The Committee noted that there are some amendments required prior to the Board presentation in August 2023.</p> <p>The Committee noted the report for assurance.</p>	Mr McMahon
6.4	Risk Management Strategy	
	<p>Mr McMahon presented the Strategy to the Committee.</p> <p>It was noted that the Risk Management Strategy has been reviewed and updated to align to the NHS 24 Strategy, Medium Term Plan, and Annual Delivery Plan. Mr McMahon advised that the strategy reflects the focus of NHS 24 going forward and how risk management can support our development. It also acknowledges the benefits that clear planning and governance has to the maturity of risk management processes.</p> <p>Some minor changes were offered by the Committee before publication and submission to the Board. It was also suggested that the first objective be reviewed to determine if this is in correct context.</p> <p>The Committee noted the Strategy for assurance and endorsed for onward approval by the Board.</p>	Mr McMahon
6.5	Risk Management Framework	
	<p>Mr McMahon presented the Framework to the Committee.</p> <p>It was noted that the Framework represents the process of how risks are managed in NHS 24. Although reviewed and updated on an annual basis the Framework is a live document and processes and procedures will be updated as governance structures and environmental changes impact. This will include areas for development, such as programme management and cyber risk management.</p> <p>The Committee agreed risk is everybody's responsibility and asked what is done to raise awareness on risk within the organisation. Mr McMahon agreed that although all staff complete training in risk it is within his teams' objectives to communicate the risks to a wider audience within the organisation on an ongoing basis. Consideration will be given to what further can be done to raise risk awareness in the organisation.</p> <p>The Committee noted the report for assurance.</p>	Mr McMahon
6.6	Risk Maturity Action Plan	
	<p>Mr McMahon presented the plan to the Committee.</p> <p>The Committee are asked to endorse the presented maturity plan and support the approach to continually enhance the current risk management arrangements within NHS 24. It was noted that further updates will be provided as part of the risk management updates to the Committee.</p> <p>The Committee noted the plan for assurance.</p>	

		ACTION BY
07.	CORPORATE GOVERNANCE	
7.1	Corporate Governance Activity Report	
	<p>Mr Snedden presented the report to the Committee.</p> <p>Mr Snedden advised the report will now move to quarterly reporting by month, rather than by Committee dates, there may be some overlap in information contained within this report. It was noted since the last Audit Committee there has been one new waiver of tender awarded. Ten new contracts were awarded and there was one Service Level Agreement processed since the last meeting. There has been one offer of gifts and hospitality recorded since the last meeting. The National Fraud Initiative opened in February 2023 and to date NHS 24 have completed 73% of matches to date.</p> <p>The Committee welcomed the additional information on legal claims, however, asked if the layout of information can be reviewed to incorporate the new table provided into the existing one.</p> <p>The Committee asked for further information on cost of Story UK. The Committee also asked for clarification on the reasons for staff redundancy payments. Mr Snedden agreed to confirm and send information to the Committee following the meeting.</p> <p>The Committee noted the report for assurance.</p>	<p>Mr Snedden</p> <p>Mr Snedden</p>
7.2	Financial Assurance Summary Report	
	<p>Mr Gebbie presented the report to the Committee noting key highlights.</p> <p>Mr Gebbie noted that the 2023/24 Finance Plan is on track in terms of meeting our financial obligations in year and mitigations are in place to combat any risks. However, inflation remains stubbornly high which could impact on the managed service contracts. Every 1% above planning assumptions equates to a £70k added pressure which will require additional savings to offset.</p> <p>Discussion took place in regard to the financial challenges facing NHS Scotland and the implications of this on NHS 24. Cost/funding reductions for NHS 24 of £1m to £2m have been requested and discussed with Sponsor Team and Director General. A paper is going to Board Reserved on the proposed change to the current finance plan.</p> <p>The Committee noted the report for assurance.</p>	
7.3	Information Governance and Security Report Q1	
	<p>Ms Gallacher presented the report to the Committee noting key highlights.</p> <p>For the purpose of this Committee the focus is on NIS-R and also Risk Management. In addition to existing risk registers Ms Gallacher noted the addition of a Cyber Security Risk Register. Risks on the register will be cross-referenced to a maintained list of identified threats. An initial selection of Key Risk Indicators (KRI)</p>	

		ACTION BY
	<p>will be proposed as forward-looking indicators, which can be used in conjunction with other risk documents to determine information an cyber exposure level.</p> <p>The Committee noted the report for assurance.</p>	
7.4	NIS-R Framework Update	
	<p>Ms Gallacher presented the update to the Committee noting key points.</p> <p>The Committee was asked to consider the importance of the support of EMT, Committees and Board as this is vital. The control framework implementation reduces the cyber risk to NHS 24 and is an organisational requirement. NHS 24 have improved compliance, and this was achieved through completion of the Connect Programme. It was noted that the submission for the national audit, which is currently underway, was completed on time, with 100% of controls evidenced. Interim feedback received indicates NHS 24 made a strong presentation of evidence. It was noted that the full report is due week beginning 11 September.</p> <p>It was noted NHS 24 were the first Board to provide evidence on the new framework and are now assisting other Boards. An additional workstream will be added to the existing programme of work to maintain the action plan. Ms Gallacher confirmed this is reviewed with Mr Howe in advance of Committees. The resulting action plan will be presented to the Planning and Performance Committee for assurance.</p> <p>The Committee noted the update for assurance.</p>	
08.	AUDIT SCOTLAND REPORTS	
8.1	Fraud and Irregularity Annual Report 2022/23	
	<p>Mr Snedden presented the report to the Committee noting key highlights.</p> <p>This Audit Scotland report shares information where control weaknesses have contributed to fraud and irregularity and aims to help prevent similar situations happening in other bodies by sharing the details and highlighting weaknesses in internal controls. This report encourages public bodies to consider the cases included in the report and reflect whether the same control weaknesses exist in their own systems. Public bodies are also encouraged to regularly review their counter-fraud arrangements to ensure they remain effective against both existing and newly emerging types of fraud and irregularity.</p> <p>It was noted that External auditors identified 12 cases of fraud and irregularity totalling over £139,000 in audited bodies during 2022/23 (seven cases totalling £401,500 were identified in 2021/22). However, auditors have concluded that public bodies have effective systems, procedures, and controls in place to help prevent and detect the majority of fraud and irregularity.</p> <p>The Committee noted the report for assurance.</p>	
8.2	Public Audit in Scotland: Vision and Mission	
	<p>Mr Snedden presented the report to the Committee noting key highlights.</p>	

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	<p>Mr Snedden noted that the Auditor General for Scotland and the Accounts Commission for Scotland are responsible for securing the independent audit of the accounts and performance of public sector bodies in Scotland.</p> <p>The shared vision, mission and outcomes are informed by the Auditor General’s priorities and the Accounts Commission’s strategy. The vision is for public money to be well spent to meet the needs of Scotland’s people. The mission is to provide clear, independent, and objective assurance on how effectively public money is being managed and spent.</p> <p>For the outcomes, by 2028 they want to achieve measurable change in the following areas:</p> <ul style="list-style-type: none"> • Public services in Scotland work better together to target resources more effectively. • Financial planning and management are more effective across Scotland’s public services. • Public bodies deliver clearer and more transparent reporting. • Their recommendations have a positive impact for people in Scotland. <p>The Committee noted the report for assurance.</p>	
8.3	Audit Scotland Annual Report 2022/23	
	<p>Mr Snedden presented the report to the Committee noting key highlights.</p> <p>Mr Snedden advised that the Audit Scotland Annual Report 2022/23 notes that over the past year, they have continued to deliver financial audits for all public accounts across Scotland in challenging circumstances. Progress is being made in returning the timeliness of financial audit to pre-pandemic timescales but there is more work to do.</p> <p>In 2022/23, Audit Scotland delivered a total of 224 audits under the Code of Audit Practice updated guidance and deadlines. Audit Scotland also concluded the appointment of annual audits for the next five years securing mixed market audit appointment approach for the next round.</p> <p>In the face of the pressures on Scotland’s public services, there have been three consistent themes over the past year: sustainability, reform, and transparency.</p> <p>Mr Snedden noted according to the report that over the past year, audit work has confirmed that Scotland’s public services cannot continue in their current form if they are to meet the rising demands from inequalities, demographic change, and economic pressures. While the questions about the sustainability of key services are not new, they are now urgent as Scotland strives to recover from the pandemic and cope with new and existing stresses.</p> <p>The Committee noted the report for assurance.</p>	
9	WORKPLAN	
9.1	Audit and Risk Committee Workplan	
	The Committee discussed and approved the Workplan for 2023/24.	

		ACTION BY
10	COMMITTEE EFFECTIVENESS	
10.1	Annual Committee Effectiveness Review: Results	
	<p>Ms Mathew presented the Effectiveness Review Results to the Committee.</p> <p>Ms Mathews noted that most responses to the statements made within the questionnaire were positive, with 109 Strongly Agree, 62 Agree, and 3 Slightly Agree. There were no responses received in the Disagree or Strongly Disagree categories, with 1 Slightly Disagree responses related to the themes below:</p> <p>Appropriate training/briefings in relation to areas applicable to the Committee’s area of business.</p> <p>This theme was also noted in the July 2022 survey, therefore further consideration will be given to additional actions to address this area of concern. The Action Plan will be presented to the next Committee for consideration. The question relating to external stakeholders attending Audit Committee was discussed. It was agreed that Ms Mathew would add this to the action plan and discuss with counterparts at other Boards to get consensus on what other Boards are doing. It was also proposed that consideration should be given in the action plan on how the Committee maximises its relationship with Internal and External Audit.</p> <p>The Committee noted the review for assurance.</p>	Ms Mathew
11	INTEGRATED GOVERNANCE: KEY POINTS ARISING	
11.1	The Committee is assured that key points discussed at this meeting are referred and will be discussed at 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 31 August 2023.	
13	ANY OTHER BUSINESS	
13.1	Future Meeting Arrangements	
	Ms Gillie provided an update on the outcome of the discussion on future meeting arrangements that took place at the Integrated Governance Committee in June. It was noted that Audit and Risk Committee would continue to hold two meetings in person and two on teams for the remainder of 23/24.	
13.2	NXD Forum Azets	
	Mr Eardley advised the Committee of the up coming NXD Forum which will be held on Thursday 7 September 2023. The invitation will be shared with NHS 24, and all are very welcome to attend.	

		ACTION BY
13.3	Mike McCormick	
	Ms Gillie noted this will be the last meeting for Mr McCormick as he completes his second term as a Non-Executive Director. The Committee expressed their sincere thanks and best wishes to Mr McCormick noting his amazing contribution over many years.	
14.	DATE OF NEXT SCHEDULED MEETING	
14.1	The date of the next meeting of the Committee is Thursday 30 November 2023 at 10am, Boardroom, Lumina.	
	PRIVATE MEETING OF THE AUDIT AND RISK COMMITTEE	
15.	A private meeting with the Internal Auditors was held with members of the Committee following the meeting.	
	The meeting concluded at 11.55am	