



Minutes of NHS Ayrshire and Arran Audit Committee Meeting held on Wednesday 13 May 2020 at 14:00 hours

This meeting took place via Microsoft Teams

Present	Michael Breen	(Chair), Non-Executive Board Member
	Sukhomoy Das	Non-Executive Board Member
	Jean Ford	Non-Executive Board Member
	Bob Martin	Non-Executive Board Member
Ex Officio	John Burns	Chief Executive
	Lesley Bowie	Chair
	Derek Lindsay	Director of Finance
	Bob Brown,	Assistant Director of Finance (Governance and Shared Services)
	Frances Forsyth	Committee Secretary (Minutes)

1. Apologies

Lisa Tennant; Douglas Reid
Joanne Brown, Internal Auditor; Karlyn Watt, External Auditor

2. Conduct of business

The Chair noted that due to the COVID-19 pandemic, most of the normal business of this meeting had been deferred to the meeting due to take place on 12 June, this included approval of the minute from the meeting which took place on 18 March. It was agreed that the draft minute of the meeting on 18 March would be circulated to Committee members and that approval and submission to the Board would await confirmation of the Board schedule from the Chair.

The Chair explained that the requirement for this meeting was the consideration and approval of the audit review of the National Finance System which had to be circulated to all other Scottish Board Audit Committees for assurance..

3. **National Finance System Assurance report – ISAE3402**

The Assistant Director of Finance explained that the National Finance System was hosted by NHS Ayrshire & Arran on behalf of all other Scottish Health Boards. There was a requirement for this report to be circulated to all Boards to be used as part of their annual assurance process.

Committee members' attention was drawn to the audit opinion provided within the report, this being that controls within the system were appropriate and were operating effectively.

During the review the auditor had noted two exceptions in the operation of controls. The Assistant Director of Finance explained that the BOXi system was the means of providing customised reports from the general ledger. Each Board was responsible for setting up its own access hierarchy, the two exceptions noted related to oversights in relation to authorisation within the hierarchies.

Referring to section 3 of the report, one of the Committee members suggested that the presentation of the criteria used in making the assessment of the suitability and effectiveness of controls could be more clearly stated. The Assistant Director of Finance agreed to review this.

Action: Bob Brown

Outcome: The report was approved for circulation to all Scottish Boards subject to discussion with the auditor about a possible change to the presentation of information in section 3.

4. **Annual report for the Audit Committee**

The Chair explained that the report contained details of the work carried out by the Committee during the year in order to provide assurance to the Board that it had carried out its remit.

One of the Committee members suggested that specific reference should be made to the challenge and scrutiny of management follow-up of audit recommendations which had been carried out by the Committee during the year. The Chair agreed that particular progress had been made during the year in monitoring the completion of audit recommendations and would add reference to this in his concluding comment.

Action: Michael Breen

The Chair referred to the Terms of Reference for the Committee which had been reviewed and revised on two occasions during the year. It was noted that the Board would be asked to approve the revisions.

Outcome: Committee members gave their agreement for the Chair to sign the annual report for the Audit Committee, subject to inclusion of a reference to its work in scrutinising the completion of audit recommendations. The report would then be submitted to the Board with a request that the amended Terms of Reference be approved.

5. Date of next meeting

The next meeting will take place on Friday 12 June at 10:00am.

The Chair noted that the meeting on 12 June may have a heavy agenda as it will include approval of the annual accounts for submission to the Board. The Chair and Director of Finance would review the agenda before deciding whether it would be appropriate to hold the meeting in two sessions.

Action: Michael Breen/Derek Lindsay

Approved by Chair of the Committee:



Date: 12 June 2020