

## **Minutes of NHS Ayrshire and Arran Audit & Risk Committee Meeting**

held on Friday 27<sup>th</sup> September at 2.30pm hours via Microsoft Teams

- Present**
- Jean Ford, Non-Executive Board Member (Chair)
  - Marie Burns, Non-Executive Board Member
  - Sukhomoy Das, Non-Executive Board Member
  - Marc Mazzucco, Non-Executive Board Member
  - Joyce White, Non-Executive Board Member
  - Neil McAleese, Non-Executive Board Member
- In attendance**
- Claire Burden, Chief Executive
  - Derek Lindsay, Director of Finance
  - Fiona McGinnis, Assistant Director of Finance (Governance and Shared Services)
  - Gordon Young, Head of Counter Fraud Services (Item 1 – Item 4.1)
  - Shona McCulloch, Head of Corporate Governance (Item 4.1 – item 5.2)
  - Judith Aspinwall, Financial Controller and Fraud Liaison Officer
  - Elizabeth Young, Internal Auditor, Azets
  - Fiona Mitchell-Knight, External Auditor, Audit Scotland
  - Jack Kerr, External Auditor, Audit Scotland
  - Geraldine Joyce, Director of Clinical Care Governance (Item 5.2 – Item 6.3)
- Shirley Taylor (Minutes)

### **1. Apologies and declarations of interest**

#### **1.1 Apologies**

The Chair welcomed everyone to the meeting, apologies were received from Rachael Weir.

#### **1.2 Declarations of interests**

None noted.

### **2. Minutes of the meeting on 20 June 2024**

The minutes were declared as an accurate record of the meeting.

### **3. Matters Arising**

#### **3.1 Action Log**

Of the 12 actions on the log there are currently four outstanding, one of which is not yet due.

10/5/2023 Item 6.2 - It was agreed that the risk reporting action would be reassessed following receipt of the Internal Audit of Risk Management as there may be some overlap with the actions contained in this..

16/11/2023 Items 4.1 – 4.3 - The IJB reporting template will be shared at the next meeting along with the IJB reports

20/3/2024 Item 6.4 - The Counter Fraud action plan has been completed and submitted, a summary of this is included with the counter fraud update report and the completed report will be shared for information at the next meeting.

With regard to Item 6.1 from 24/1/12024 which is marked as complete, the Chair provided a verbal update to advise whilst progress had been made further refinement of information was needed before presentation to Committee and therefore the report had been removed from this agenda. Action point will be re=opened and a revised report will be submitted to November Committee

Clarity was sought as to outcome of action 4.3 from 20/6/2024 regarding the timescales for completion of actions from the staff rostering audit. It was confirmed that these had been extended in line with Committee suggestions.

#### **3.2 Committee Work plan 2024-25**

The committee workplan was shared for information with changes highlighted in red.

### **4. Counter Fraud**

#### **4.1 The Head of Counter Fraud Services, NSS attended the committee to present the Counter Fraud Annual Report for 2023-24.**

The Cabinet Office fraud data from 2022 showed that the public sector is losing between £33b and £59b per year due to fraud. This does not account for losses attributed to Covid. A new commissioner is being appointed to consider this separately.

The Government issued the Counter Fraud Standard which is a self-assessment tool with 12 components to measure against to ensure the practices in place in each board are effective. This has been undertaken for the past two years and there has been a slight development on the processes with most being partially met. It was noted that the local self-assessment for NHS AA was perhaps a bit harsh as there are good processes in place within Ayrshire and Arran to manage fraud. The Counter Fraud Strategy was launched for NHS Scotland in November 2023. The key thing to highlight from this is the four strategic pillars: understand, prevent, respond and assure. There is a good process in place to show that all components within the standards are being achieved.

It was highlighted that fraud is the most reported crime however it is still under-reported and if fraud is found it means there is the right culture within the organisation to report it. Currently sickness absence is the highest reported fraud with two referrals being received per day. It was noted there is a Once for Scotland Policy to deal with this especially in terms of secondary employment. Fraud and Corruption are ever changing and the most cost effective way to deal with fraud is prevention.

Discussion took place on new and emerging threats with artificial intelligence giving cause for concern. There has also been more timesheet and expenses fraud reported. 17<sup>th</sup> – 23<sup>rd</sup> November is International Fraud Awareness week where stalls will be on site to publicise the work of CFS across the Board.

Discussion took place on whether instances of fraud are reported via the whistleblowing policy. It was confirmed that most instances would be received via Crimestoppers however if an instance was reported via whistleblowing this would be directed to the Fraud Liaison Officer.

Discussion took place in relation to training and some context was requested on what the figures mean, it was agreed that although general fraud awareness Learnpro training is not yet mandatory for all staff this would be beneficial.

**Outcome:** *The Committee received the presentation*

#### 4.2 Counter Fraud Liaison Report

The Fraud Liaison officer presented the routine update on the Counter Fraud Activities. The assessment against the counter fraud standard has been completed with the statement included in the appendices.

The Annual Fraud Prevention week was highlighted and work is ongoing to ensure that communications are tailored to the board standard format. There will be a video message within the eNews and lunchtime stalls at hospital to help raise awareness.

It was noted that a CFS engagement event took place earlier in the month with 80 delegates in attendance. This was an in depth sessions which highlighted general trends. The trends identified within local cases are generally around medication and staff working elsewhere.

With regard to appendix 3 – self-assessment statement, further discussions will take place between the Counter Fraud Officer and Chair of ARC/Counter Fraud Champion to determine a level of detail for reporting to next ARC in terms of evidencing compliance against each standard and the action required to enhance.

ACTION – Jean Ford / Judith Aspinwall

**Outcome:** *The committee received the report*

## 5. Governance and Risk

- 5.1 **Blueprint for Good Governance Improvement Plan**  
The Head of Corporate Governance provided a progress update on the improvement actions identified at the board development session and approved at the board at the end of March.

Work is ongoing to determine the best way to reflect and assess progress. It was agreed that a short survey may be beneficial in Q1/2 2025 as most actions will have progressed/embedded by then. . A process map or similar covering the operational and financial planning processes etc. will also be considered. A further update will be provided in March 2025.

ACTION – Shirley Taylor

**Outcome:** *The committee received the improvement plan*

- 5.2 **Code of Corporate Governance**  
The Head of Corporate Governance presented the outcome from the annual review of the Code of Corporate Governance. In preparation of this a group of experts were gathered to consider the document. Changes were made, mainly within the assessment section and within the scheme of delegation. Changes have been noted in red due to the number and a draft shared with members for agreement.

There are not many changes to the body of the document. As well as the scheme of delegation there has been an update to the SFIs in terms of procurement. It was noted that this is a work in progress and work will continue on a yearly basis to ensure it can be aligned to the SFIs and committees. The draft was agreed and recommended for submission to the NHS Board.

**Outcome:** *The committee recommended the Code of Corporate Governance for submission to the NHS Board*

## 6. **Internal Audit**

- 6.1 **Internal Audit Progress Update Report**  
The Internal Auditor shared the internal audit update report and advised that the plan is on track for the year and reports are well progressed for the next meeting with drafts issued for two of the three reports due.

**Outcome:** *The committee received the update*

- 6.2 **Internal Audit Actions Follow Up Report**  
The Internal Auditor shared the follow up report and advised a lot of actions have been added since the last meeting. There has been good progress achieved on closing actions down.

Discussion took place in terms of the aged actions, it was agreed that further discussions will take place with action owners and the internal auditors to establish if actions are still relevant given the time which has passed since they were raised.

It was noted that some actions remain outstanding awaiting systems updates or Scottish Government timescales over which there is minimal control.

Discussion took place on the Cyber Security Advisory actions. It was noted that work is taking place to implement the actions advised however these have not yet been completed. In light of this being an advisory audit, members agreed that the actions should be removed from ARC responsibility and be followed through to conclusion by the Strategic Digital Delivery Group (SDDG).

ACTION – Jean Ford / Elizabeth Young / Shirley Taylor

**Outcome:** *The committee received the report*

### 6.3 Internal Audit Report – Risk Management

The Internal Auditor presented the Internal Audit report on the risk management process which has a rating of Minor Improvement required (Yellow). This audit considered the overarching framework and processes, consistency of application and governance. Overall this was a positive audit which showed a well-designed and effective framework. Four low risk recommendation were received along with an advisory one.

The low rated risks were around training, ensuring training needs are clarified and people receive training when required. The consistency of documentation was highlighted to ensure the correct interpretation of documentation, updates and understanding of requirements. Another recommendation was around the target risk and ensuring this term is clarified, added to the guidance and is understandable to all. The last recommendation was for the risk management strategy to be updated to ensure that staff are aware of how frequently risks are reviewed and the escalation process in place for these.

The advisory point was in relation to the inherent risk score and whether this should be added for completeness however this is not essential.

The Director of Clinical Care Governance advised the guidance and strategy will receive an interim review in response to the audit findings as this is not fully due for review until 2026. A series of workshops will be rolled out over the next year in order to help colleagues to understand the requirement in relation to risk. This will be carried out instead of a Learnpro module. Discussion took place on the completion dates within the audit report and it was agreed that the dates for actions 2.1, 3.1, 3.2 and 4.1 will all be 31/3/2025 and action 1.1 will be 31/12/2025 as the training won't commence until the strategy is updated. Members also agreed that an update on progress should be provided at the January meeting.

ACTION – Shirley Taylor

**Outcome:** *The committee received the report*

### 6.4 Internal Audit Report – Property Transaction Monitoring

The Internal Auditor presented the Property Transaction Monitoring Internal Audit which is a requirement of the NHS Scotland Property Transaction handbook. The audit is rated effective (green). It was found that all four transactions met the requirements of the handbook. One transaction received a minor recommendation with regard to the Chief Executive sign off however this has not affected the compliance with the handbook overall. Following the meeting the report will be submitted to Scottish Government.

**Outcome:** *The committee approved the report for submission to Scottish Government*

## **7. Tender Waivers & Procurement**

### **7.1 Tender Waiver Update (Verbal)**

The Chair updated the committee that a meeting had taken place with the Assistant Director of Finance to look at the spreadsheets in more detail. Work took place to split the register into sole suppliers and continuing waivers however some additional work is required to include summary/trend information. It is anticipated this work will be completed for the November meeting.

**Outcome:** *The committee received the update*

## **8. Any other competent business**

Nothing discussed.

## **9. Key issues to report to the NHS Board**

The following items were agreed to be reported to the Board:

- CFS update internal and annual one.
- Blueprint for Good Governance
- Code of Corporate Governance
- Internal audit reports

## **10. Risk issues to report to the Risk and Resilience Scrutiny and Assurance Group**

None noted at present.

## **11. For Information**

The following items were shared for members information:

- Technical Bulletin 24/2
- Counter Fraud Services End of Year Flash Report 2023-24
- Counter Fraud Services Quarter 1 Report 2024-25

## **12. Date of next meeting**

Monday 18<sup>th</sup> November 2024 at 9.30am via Microsoft Teams

Approved by Chair of the Committee:

..... Date: .....