



Minutes of NHS Ayrshire and Arran Audit & Risk Committee Meeting

held on Thursday 16 November at 09:30 hours via Microsoft Teams

Present Jean Ford, Non-Executive Board Member (Chair)
Marie Burns, Non-Executive Board Member
Marc Mazzucco, Non-Executive Board Member
Neil McAleese, Non-Executive Board Member

In attendance Claire Burden, Chief Executive
Lesley Bowie, Board Chair
Derek Lindsay, Director of Finance
Fiona McGinnis, Assistant Director of Finance (Governance and Shared Services)
Rachael Weir, Internal Auditor, Azets
Laura Miller, Chief Internal Auditor, North Ayrshire IJB
Paul Davies, Audit Manager, East Ayrshire IJB
Cecelia McGhee, Chief Internal Auditor, South Ayrshire IJB
Lisa Davidson, Assistant Director of Public Health

Shirley Taylor (Minutes)

1. Apologies and declarations of interest

1.1 Apologies

The Chair welcomed everyone to the meeting, apologies have been received from Sukhomoy Das, Fiona Mitchell-Knight, David Jamieson, Jack Kerr, Joyce White and Elizabeth Young.

1.2 Declarations of interests

None noted.

2. Minutes of the meeting on 17 September 2023

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

It was highlighted that following the Adult Mental Health Review by Audit Scotland (Item 8.1) a session has been arranged by Caroline Cameron with the Board to

allow the Integration Joint Board as Lead Partner to provide a full update on activity in this area.

It was noted re Item 10 that the key items from the meeting in September 2023 were not submitted to the Board due to the tight timeframe between meetings therefore the full minute would be presented to 4 December Board meeting.

3. Matters Arising

3.1 Action Log

There are 2 outstanding actions, 1 relating to risk register improvements which will remain on the action log for a period as it will take time for specific updates to flow through. The second action will be followed up and an update will be provided to the committee at the next meeting.

ACTION – Jean Ford

3.2 Committee Work plan 2023-24

The committee received the new format of the workplan. It was highlighted that the internal audit plan requires to be added and discussion took place around when this should be presented to the committee. Agreement was reached that a draft would be presented at the meeting in January 2024. Thereafter it should be submitted to the Integrated Governance Committee and Corporate Management Team before the final plan is brought back to the committee in March 2024. This will be reflected in the workplan.

ACTION – Shirley Taylor

4. Governance and Risk

4.1 – Integration Joint Board Internal Audit Report and Plan North, East and South 4.3 Ayrshire

The Chief Internal Auditor for each IJB was in attendance to present the Internal Audit report for 2022/23 and audit plans for 2023/24. These were shared with the committee for assurance and information. It was concluded that reasonable assurance could be placed on the control environment of the IJBs based on the work carried out through the year. The audit plans for 2023-24, which were approved in June, were noted and it was highlighted that due to the recent work undertaken in relation to delayed discharges the focus of the Azets review in 2023/24 would instead be Performance Management.

A committee member felt it would be helpful for all reports in future to note audits undertaken in previous years in line with one of the papers to ensure all areas are being covered. It was agreed a brief cover paper would be drafted for future meetings to allow this to be reported.

Outcome: *The Committee received the audit report and plans.*

4.4 Strategic Risk Register

The Director of Finance advised that a comprehensive review of the Strategic Risk Register took place at the Risk and Resilience Scrutiny and Assurance Group (RARSAG) in June and seven risks were changed from strategic to operational. This was updated within the last cycle of reports and relevant risks have been reported to each of the governance committees in order to monitor progress against actions. RARSAG and the Healthcare Governance Committee have approved termination of a risk concerning the provision of additional input and professional nursing advice to care homes during the covid pandemic.

Discussion took place regarding why certain risks have same current and target score which suggests that despite completely actions there will be no impact on risk mitigation. Whilst this appears strange it may be that the particular risk cannot be mitigated beyond a certain level e.g. cyber. It was noted that a request has been made by the Chair to have a standing appendix within the report which provides the risk matrix for ease of reference and this should assist in improving understanding of scoring being applied. There was also a request for the Lead Directors statement to be expanded to include mitigating actions and work is ongoing to address this.

The committee noted that there are still discrepancies between content in the full templates (presented to previous meeting) and summary template (presented at this meeting) and this needs addressed. It was also felt that reports should be consistent when being presented to the committee and agreement is needed as to whether this will be the full summary or a revised version. This has also been raised at various other committees for feedback.

ACTION – Claire Burden

Outcome: *The committee received the report.*

5. Internal Audit

5.1 Internal Audit Progress Update – Vaccination Programme

The Assistant Director of Public Health was in attendance to provide an update on the Internal Audit review into the Vaccination programme which was originally reported to the committee in May 2023 and detailed two medium and one low rated actions. A detailed update on progress was provided confirming that all actions were now closed. Any further follow up activity will be reported via Healthcare Governance Committee.

Outcome: *The committee received the update.*

5.2 Internal Audit Progress Update

The Internal Auditor presented the report highlighting that the Infection prevention and Control Audit has been completed and being presented as Item 5.4 today. Fieldwork has commenced for the Capital Procurement and Staff Rostering audits and another four audits are currently at the planning stage. It is anticipated that the Internal Auditor will be on track for the annual audit report to be delivered at the May 2024 meeting.

Outcome: *The committee received the update and approval given.*

5.3 Internal Audit Follow Up Report

The Internal Auditor advised that a total of 51 audit actions were followed up with 13 being subsequently closed. 15 of the remaining agreed actions were not yet due for implementation, 14 are partially complete and 9 are currently incomplete. The Auditor felt reasonable progress had been made in the completion of actions with some further updates having been received after the paper being produced.

General concern was expressed over the incomplete and partially complete actions whilst recognising the system pressures. A committee member felt it would be helpful for updates to include commentary to advise why timescales have slipped. The Chief Executive acknowledged that the position was unsatisfactory and assured the Committee that she was taking action to address this. Discussion will take place directly with action owners to ensure completion of overdue actions and increase ongoing focus on action completion. Internal Audit offered to attend a Corporate Management Team (CMT) meeting if this would help to gain momentum. Quarterly reports are also taken to CMT to advise Directors of the overdue actions.

ACTION – Claire Burden

Outcome: *The committee received the follow up report.*

5.4 Internal Audit Report – Infection Prevention and Control

The Internal Auditor presented the recent audit on Infection Prevention and Control. A number of improvement points have been identified from the audit and thanks were given to the team who were very open to the challenges and were very receptive to improvements being made. The Auditor found the team had good practices in place with clear policies and procedures as well as roles and responsibilities and an annual programme will be put in place to identify areas of improvement.

The committee examined the various actions in relation to the audit and it was felt that the short timescales provided may ambitious and potentially lead to more overdue actions. It was agreed that this would be fed back to the lead Director to consider revising the timeframes for completion of the actions.

ACTION – Derek Lindsay

It was noted that no report is fully finalised until it has been scrutinised and agreed by Audit and Risk Committee members. Once the timescales have been looked at by the Nurse Director the report will be sent on to the Healthcare Governance Committee to monitor progress.

ACTION – Shirley Taylor

Outcome: *The committee received the internal audit report which will be forwarded to the Healthcare Governance Committee for monitoring of actions.*

6. Fraud

6.1 Counter Fraud Update report

The Assistant Director of Finance presented the routine report which updates on counter fraud activity which has taken place since the previous meeting. Two cases have been reported to Counter Fraud Services in the period however both have been closed. Attention was drawn to Appendix 2 of the report which provides detail of open cases.

The committee were advised of the NHS Fraud Awareness week which was taking place from 13-17 November. The Fraud Liaison Officer would be on site at Ayr, Crosshouse and Ayrshire Central Hospital to raise awareness of the work of the Counter Fraud Service and to encourage staff to complete the TURAS module. Notification of these events will be released via Daily Digest and eNews.

The quarterly report from Counter Fraud Services, in its new format, was also shared with the committee for information.

Outcome: *The committee received the report.*

6.2 Fraud Standard: Self-Assessment and Action Plan

The Assistant Director of Finance shared the Fraud Standard: Self-Assessment and Action Plan. The self-assessment details progress made against the 12 counter fraud standards. Currently one is fully completed, 10 are partially complete and one is incomplete. The document provides the level of detail and evidence which is required against each standard. Following the papers being circulated an easy to read summary page of progress made was provided to committee members. It was noted that progress made by NHS Ayrshire and Arran is in line with that of other boards and work on this will be on an ongoing basis.

A committee member felt it may be helpful for all partially met standards to be broken down to show improvements made.

From the detail provided within each Board's self-assessment, Counter Fraud Services develop an action plan detailing how actions will be achieved. A generic action plan was developed with some actions being the responsibility of Counter Fraud Services. Progress against the actions will be completed via an online portal. Discussion took place with regard to how the action plan aligns with our

requirement to meet the standards. It was agreed a mapping exercise would be completed and further discussion would take place following this. It was also agreed that a progress update would be reported to the committee on a twice yearly basis.

ACTION – Fiona McGinnis

Outcome: *The committee received the self-assessment template and action plan.*

6.3 National Fraud Initiative

The Assistant Director of Finance shared the national Fraud Initiative Report for 2022/23 and advised that the audit is conducted on a bi-annual basis across the full UK public sector and is led by the Cabinet Office.

Payroll and Creditor data for Health Boards is submitted then matched with other sources to identify potential areas of fraud. This is an in-depth process which is detailed by level of risk. Consideration has been given to all high and medium risks and no concerns have been highlighted for NHS Ayrshire and Arran.

The Assistant Director of Finance met with the lead for the National Fraud Initiative in Audit Scotland and no concerns were highlighted. A self-assessment checklist requires to be completed and a meeting has been set up to work through the governance and approach to this. It was noted that the template is not tailored to NHS bodies and as such some questions do not apply. It was agreed that the self-assessment checklist would be completed for consideration at the next meeting.

ACTION – Fiona McGinnis

Outcome: *The committee received the report.*

7. Tender Waivers & Procurement

7.1 Tender Waivers/Tender Exception Report

The Assistant Director of Finance provided the routine update report highlighting waivers approved by herself and the Director of Finance since the previous meeting. One waiver in particular was highlighted for BDO in relation to the external audit action identifying a gap in the assurance for the platform on which the National Finance System operates. The waiver was complete to allow our current provider's work to be extended and ensure compliance with the Audit Scotland requirement for next year.

Outcome: *The committee received the report.*

8. Any other competent business

8.1 Dates for 2024/25

The dates circulated for 2024/25 were agreed by the committee.
Chair's post meeting note: due to a diary clash the September and November 2024 dates will be rescheduled

Outcome: *The committee agreed the proposed dates.*

8.2 Action Plan with annual audit report

The Director of Finance provided a mid-year progress report on the Annual audit action plan at the request of the committee. It was noted that the deadline for some of the actions is 31 March 2024.

The Director of Finance advised that good progress is being made against most of the actions. Attention was drawn to the Climate Change action for which the deadline has slipped. No date has been received for the Annual Delivery Plan as yet however a draft has been submitted to the Corporate Management Team for consideration.

Audit Scotland will seek evidence on each of these actions and their progress when the year-end audit is being completed.

Outcome: *The committee received the action plan.*

9. Key issues to report to the NHS Board

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

- Infection Prevention and Control Internal Audit Report
- IJB Audit Reports and Plans
- Counter Fraud Updates
- Strategic Risk Register

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

None noted at present.

12. For Information

Two reports were circulated to members for information purposes only.

With regard to the Patient Exemption report it was highlighted that the Audit and Risk Committee receive a report in June each year however the current report has been circulated to detail changes to the methodology for payment due to new regulations brought in by Dental Service. On 1st November 2023 they introduced a high trust low beaurocracy model and although some regulations have changed this will still be reported as normal in June. No concerns have been highlighted in relation to this at this stage.

The Director of Finance flagged concerns in relation to payments to pharmacists. There has been a significant delay due to the introduction of a new national

system. This has affected the processing of payments to pharmacists and the provision of costs associated with prescriptions. NSS have deployed additional staff to catch up with the backlog and it is hoped that they will resume the normal two months in arrears by December 2023.

A paper has been prepared to detail this which will be brought back to the January committee for further detail and information.

ACTION - Derek Lindsay

13. Date of next meeting

Wednesday 24th January 2024 at 9.30am via Microsoft Teams

Approved by Chair of the Committee:

..... Date: