

## **Orkney NHS Board**

Minute of meeting of the **Audit Committee of Orkney NHS Board** held in the **Saltire Room, Balfour Hospital, Kirkwall** on **Tuesday 3 December 2019** at **11:30 am**

**Present:** Meghan McEwen, Chair  
Issy Grieve, Non Executive Director  
Fiona MacKellar, Employee Director  
James Stockan, Non Executive Director

**In Attendance:** Julie Colquhoun, Head of Corporate Services  
Mark Doyle, Interim Director of Finance  
Emma West, Corporate Services Manager (minute taker)  
Paul Kelly, Scott Moncrieff  
Gerry O'Brien, Chief Executive  
David Eardley, Chief Internal Auditor, Scott Moncrieff  
Gillian Woolman, Audit Director, Audit Scotland  
Louise Wilson, Director of Public Health

### **583 Apologies**

Apologies had been received from C Bichan.

### **584 Declarations of Interest**

No interests were declared.

### **585 Minutes of previous meeting held on 3 September 2019**

The minute of the Audit Committee meeting held on 3 September 2019 was accepted as an accurate record of the meeting and was approved.

### **586 Matters Arising**

#### 411 - Reconstruction of records

Members were advised that staff had been assigned to this work to ensure there was the capacity to support, good progress was being made.

#### 412 - Occupational Health Records

NHS Grampian had advised that as long as the Service Level Agreement was in place these records fell under their jurisdiction but there was currently no capacity to address this.

#### 412 - Record Management Champions

Work had begun between the Information Governance Officer and Corporate Records Manager to raise awareness around Information Governance and Records Management with an ultimate goal of identifying a records management champion for each service area.

## 587 **Action Log**

The Action Log was reviewed and corrective action agreed on outstanding issues (see Action Log for details).

### **External Audit**

## 588 **External Audit Plan 2019/20 – AC1920-43**

G Woolman, Audit Director, Audit Scotland presented the External Audit Plan for 2019/20

She advised members that Patricia Fraser had moved portfolio to work with NHS Fife, continuity would be provided to NHS Orkney through herself and Colin Morrison, with a new manager assigned to NHS Orkney by March 2020.

The Annual Audit Plan for 2019/20 noted the significant audit risks, sources of assurance and planned audit work. One risk highlighted was the Senior Finance Capacity as interim arrangements for the Director of Finance were on a part time temporary basis and although an appointment had been made to the Head of Finance position the successful applicant was not yet in post.

*J Stockan joined the meeting*

Financial sustainability had been highlighted as a risk, as the Health Board was required to achieve efficiency savings of 1.3% of baseline Revenue Resource Limit (RRL) in 2019/20, increasing in subsequent years.

Workforce Management was noted as a risk due to NHS Orkney continuing to face several workforce challenges. Currently around 20% of the workforce were aged 55 or over and eligible for retirement. There also remained significant uncertainty about the detailed implications of EU withdrawal for which the most significant concern for NHS Orkney was in relation to workforce. However, no detailed assessment had been carried out.

The plan detailed the reporting arrangements noting that draft management reports would be issued to the relevant officers to confirm factual accuracy.

The proposed audit fee for the 2019/20 audit of NHS Orkney was still to be confirmed but no large increases were anticipated.

The report noted the Audit Scope and timings Scope, including an agreed timetable for the annual accounts. It was noted that reliance was also placed on the work of internal audit.

The Chair questioned whether there was any vulnerability around meeting the timetable due to capacity within the Finance Department. The Interim Director of Finance advised that the agreed timetable was deliverable and there would be a test run in early 2020 to ensure reconciliation. Plans were in place to ensure delivery of the accounts to the Audit Committee and Board for sign off.

### **Decision / Conclusion**

The Audit Committee approved the draft annual audit plan.

### **Internal Audit**

#### **589 Internal Audit Progress Report – AC1920-31**

D Eardley, Scott Moncrieff presented the report which advised of progress against the 2019/20 Internal Audit Plan. Members were advised that the key message was that work remain on track with a commitment to deliver the plan in full, on budget and within the timeframe.

There had been some amendments to timescales as reflected in the previous minute with reports on the Digital Strategy and Financial Controls Self Assessment to be presented at the March meeting.

Progress against Key Performance Indicators was all green which was very positive and management were thanked for their help in achieving these deadlines.

J Stockan questioned whether all the allocated days had been assigned and was advised that all planned days were included in the report.

The Chief Executive acknowledged that the timescales for reporting needed to be considered further for future years to ensure a more balanced spread of workload. It was agreed that it would be taken into account for future years.

The Chief Executive noted that the owner of D2 should be the Head of Corporate Services rather than the Interim Director of Finance.

### **Decision / Conclusion**

The Audit Committee noted the Internal Audit progress report and accepted the amendments to the timetable as agreed at the September meeting.

### **Internal Audit Reports**

#### **590 Information Governance – AC1920-45**

P Kelly, Scott Moncrieff presented the report advising that the review sought to consider the adequacy of Information Governance arrangements within the Board including the adequacy of policies, procedures and governance framework which ensured that the Board complied with relevant regulatory and legal requirements. The reviews control assessment included 3 amber grades and one yellow, identifying 6 improvement actions.

The review had identified some areas of good practice specifically that the Board had created an Information Governance Strategy and Policy which set out the Boards strategic vision, but it had been acknowledged that there were issue around implementation of the strategy.

The audit work had identified several areas for improvement, including the need to develop an action plan to implement the Information Governance Strategy

and complete a gap analysis to address the outstanding actions from the Records Management Plan. Work was also necessary to ensure that Information Asset Registers were complete and addressed the record keeping requirements of the General Data protection Regulations (GDPR)

It was noted that the Board did not currently have assurance that all instances of information sharing had been identified and formal sharing arrangements were in place.

There were also several issues identified in relation to training requirements.

The Head of Corporate Services advised that since taking over responsibility for this area she had requested that a gap analysis was completed and that this had raised the same issues as the Audit, there was a need to fully understand the work required with the limited resources available.

The Chair questioned whether the timescales for the agreed actions were achievable and was advised that work had already progressed in some areas and the Corporate Records Manager and Information Governance Officer were comfortable with the timescales.

The Employee Director questioned whether staff that required higher level training had been identified and made aware of this need, it was noted that this hadn't taken place with an emphasis being placed on all staff having the mandatory training and knowledge.

The Director of Public Health raised the recent letters making the Board joint data controllers with General Practices and how this affected data held in GP practices and Primary Care. P Kelly noted that this would increase the risk to the Board as it was a joint responsibility with the Board needing to ensure that a framework was in place for compliance, an acknowledgement that this affected risk scoring and consideration around how this could be mitigated.

The Chief Executive noted the recommendation around information sharing agreements questioning the amount and level of these the Board should hold. P Kelly advised that there was a need to establish what data was being shared and ensure that agreements were in place to cover this.

### **Decision / Conclusion**

The Audit Committee noted the report and the recommendations made which would be monitored through the Committee going forward.

The Audit would also be presented to the Information Governance Group to ensure progress of actions.

## **591 Internal and External Audit Recommendations follow up report– AC1920-46**

The Interim Director of Finance presented the report on internal and external audit recommendations. He advised that there were four recommendations currently on the report, of these one was open, one not yet due and two complete.

E Graham, Resilience Officer joined the meeting advising that Business Impact Assessments and plans had not been fully completed for all areas following migration to new build. A record of the status of all plans was kept and there had been a significant amount of positive movement.

Working was being carried out with the IT Manager around service recovery plans and applications to ensure that these were up to data and correctly prioritised.

Members were advised that the deadline for action 159, around assessing the payroll service, had been extended to 31 December 2019 to review the work and ensure it was fit for purpose and offered best value.

The timescale for item 163, around testing Business Continuity Plans had been revised to February 2020.

The Chief Executive advised that there would be discussions held at the December In Committee meeting of the Board, to move forward item 152 around Strategic Direction and this would also be influenced by the implementation of the Clinical Strategy that was currently being drafted.

### **Decision / Conclusion**

The Committee noted the report and agreed the amended timescales.

### **Information Governance**

#### **592 Information Governance Chair's report and minutes of meeting held on 1 August 2019**

The Head of Corporate Services presented the chairs report advising that the Group had discussed key items relating to:

#### **Reconstruction of destroyed Community Mental Health records**

Members were advised that work had started in October to review the 232 records, 72 records were now reconstructed including information from GP referrals and copy letters. Clarification was being sought on the merit of including GP records as it had been found that these were often a duplication of what is already in the records from elsewhere. Access to information held with the PARIS system would also be considered, with an acknowledgement of the limited staff time and capacity to complete this.

The Employee Director queried the 12 records showing that there was nothing for reconstruction. The Director of Public Health advised that GPs were the holder of all records for an individual as they were the prime healthcare provider.

#### **Safe Information Handling eLearning Compliance Report**

Members were advised that a total of 644 staff were recorded as having a

current valid completion, this equated to 76% of the current substantive workforce.

#### Legal and Regulatory Compliance

The Group had received a number of reports in relation to legal and regulatory compliance, including the North Cancer Alliance Memorandum of Understanding, a report on circulars received, a data sharing agreement around workforce information, information on Data Protection Officer advice to GPs and the outcomes of a gap analysis which had shown the need for a data Protection Notice for staff.

Members had also received the Caldicott Guardian and Freedom of Information Annual reports.

The Chair requested that future reports showed information on progress and exception reporting to provide greater assurance around monitoring, it was suggested that a more in depth report twice yearly could fulfil this function.

The Chief Executive noted the need to increase enthusiasm for this group to help maintain focus.

#### **Decision / Conclusion**

The Committee noted report and the additional twice yearly reporting on progress.

#### **593 Update on Selbro Records Store and Action Plan – AC1920-48**

The Head of Corporate Services presented the report noting the current status of the Selbro Records Store and the recommendations required to move towards compliance with the Records Management policy. Members were advised that there was limited staff capacity to work on this.

The Chair noted that a risk based approach should be taken acknowledging capacity. Assurance was provided that no additional information was being sent to the store and that it was safely secured.

The Director of Public Health suggested that taking the boxes to the specific departments to review the contents may help staff and departments with limited capacity to address this issue.

#### **Decision / Conclusion**

The Committee noted the report.

#### **Fraud**

#### **594 Counter Fraud Services (CFS) Annual Conference**

The Chair gave a verbal update on her recent attendance at the Counter Fraud Services Annual Conference highlighting that the focus had been on people and

systems including vulnerabilities.

Discussions had been held around money being lost through staff time, sickness absence and bullying and harassment behaviours as well as fraud and the presentation around this had been informative. It had also been noted that physical changes of premises, leadership and the constant need for transformation were all factors in staff losing faith with an organisation.

The Employee Director agreed that there was a need for a supportive staff structure and ensuring that this was implemented.

### **Decision / Conclusion**

The Committee noted the update provided and welcomed the sharing of the presentation once available.

## **595 NHS in Scotland 2019 - AC1920-49**

The Interim Director of Finance presented the report which discussed the key themes raised, recommendations and the actions taken from the Audit Scotland report. Each of the key messages were detailed in the paper and recommendations from these and action taken by NHS Orkney detailed and discussed

The report also included as supplementary guidance the checklist for non Executive Directors which would be of benefit for the whole Board to complete to allow any gaps in knowledge and assurance to be ascertained and addressed.

I Grieve noted that it was often difficult to plan work as there could be additional requests from the Scottish Government at short notice, the Interim Director of Finance acknowledged this but added that these were often funded.

G Woolman welcomed this being brought to the Committee in a timely fashion and the inclusion of the NHS Orkney local responses. She highlighted the comparative data around recurring and non recurring savings and also noted improvements.

The Employee noted the need for care to be taken to ensure that data collected was reflective of practice. She raised concerns that the workforce plan for the Integration Joint Board had been under completion for over 18 months, with trade union involvement still awaited.

The Head of Corporate Services advised that she had met with the Chief Officer and colleagues from Orkney island Council reinforcing the need for partnership input and this would be addressed through a workshop in the first instance to focus and drive the plan. The Chief Executive noted that the Integration Joint Board were not an employing organisation.

### **Decision / Conclusion**

The Committee noted the key themes within the document and recommended completion of the Audit Scotland Non Executives Checklist to the Board.

## **Risks**

### **596 Risk and Assurance – AC1920-50**

The Committee had received the report to seek assurance around the implementation of the new process.

#### **Decision / Conclusion**

The Committee noted the report.

### **597 Risks Escalated from Governance Committees**

No risks had been escalated from the governance committees.

## **Governance**

### **598 Agree items to be brought to attention of Board or other Governance Committees**

#### **Board**

- Non Executives checklist would be forwarded to the Board with a recommendation that this was completed.

### **599 Any Other Competent Business**

No other competent business was raised.

## **Items for Information and Noting only**

### **600 Counter Fraud Services**

The following CFS report had been provided for information and noting:

- Intelligence Alerts.

### **601 Audit Scotland Reports**

The following Audit Scotland report had been provided for information and noting:

- Technical Bulletin 2019/03

### **602 Schedule of Meetings 2019/20 and 2020/21**

Members noted the schedule of meetings for 2019/20 and 2020/21

### **603 Record of Attendance**

Members noted the record of attendance.



604 **Committee Evaluation**

Members noted that the meeting had been positive.