

## **Orkney NHS Board**

Minute of meeting of the **Audit and Risk Committee** of **Orkney NHS Board** held **virtually** via **Video Conference Weblink** on **Tuesday, 5 May 2020** at **11:30**

**Present:** David Drever, Chair  
Davie Campbell, Vice Chair  
Fiona MacKellar, Employee Director  
James Stockan, Non-Executive Director  
Jason Taylor, Non-Executive Director

**In Attendance:** Christina Bichan, Chief Quality Officer  
Julie Colquhoun, Head of Corporate Services  
Mark Doyle, Interim Director of Finance  
David Eardley, Chief Internal Auditor, Scott Moncrieff  
Gerry O'Brien, Chief Executive  
Keren Somerville, Head of Finance  
Iain Stewart, Chief Executive Designate  
Matthew Swann, Internal Auditor, Scott Moncrieff  
Gillian Woolman, Audit Director, Audit Scotland  
Gemma Pendlebury, Committee Support

### **62 Welcome**

The Chair welcomed all members of the Audit and Risk Committee to the meeting and made them aware that J Taylor, Non-Executive Director, would be joining the group subject to Board approval.

### **63 Apologies**

No apologies were received for the meeting.

### **64 Declarations of Interest**

No interests were declared.

### **65 Minutes of previous meeting held on 3 March 2020**

The minute of the Audit and Risk Committee meeting held on Tuesday, 3 March 2020 would be received at the following meeting.

Members of the Committee were happy to approve this.

### **66 Matters Arising**

There were no matters arising additional to the agenda.

### **67 Action Log**

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

## **External Audit**

- 68 While there were no formal agenda items regarding External Audit, G Woolman update that Audit Scotland had released a publication that morning regarding COVID-19 and the impact on public audit. She advised that the content of that publication would supersede the information in the attached technical bulletin.

## **Internal Audit**

### **69 Internal Audit Progress Report**

D Eardley, Audit Director (Scott Moncrieff) updated members that work had been progressing well with internal audit prior to the COVID-19 pandemic and that the 2019/20 Annual Report scope would be impacted due to this. Reassurance was given that Scott Moncrieff were still on track to give an opinion, albeit with slightly different agreed and formally signed off audit reports. There were six outstanding internal audit reports and it was crucial that more of these were completed before a meaningful annual assurance statement could be produced. Any reports unable to be completed would be rolled forwards into the scope for 2020/21 and efforts had been made to ensure that key colleagues were sighted on the impact of this.

The Committee did acknowledge that the key members of staff required for the six outstanding audit reports were very actively involved in ongoing work around COVID-19 and as such agreed that completion of four of those internal audit reports was an appropriate goal.

### **Decision / Conclusion**

The Audit and Risk Committee acknowledged a delay to the internal audit process for 2019/20 due to the COVID-19 pandemic, however they were assured that progress could be made on four of the remaining six internal audit reports and that an internal audit opinion could realistically be offered.

### **70 Internal Audit Plan 2020/21**

The Interim Director of Finance made Committee members aware that there was a plan in place for 2020/21, however it required further discussion and it was felt more appropriate to focus on completion of the outstanding 2019/20 internal audit reports and annual accounts process before would commenced on the 2020/21 plan.

### **Decision / Conclusion**

The Audit and Risk Committee acknowledged and agreed that it was an appropriate way forward to revisit the internal audit plan for 2020/21 once work had been completed on outstanding internal audit reports and annual accounts process for 2019/20.

## **Internal Audit Reports**

### **71 Outstanding Internal Audit Reports**

M Swann, Audit Senior Manager (Scott Moncrieff) further updated the Committee on the outstanding internal audit reports which had partially been discussed in the previous sections. The outstanding reports were:

- Risk Management
- Clinical Governance
- Waiting Times
- Workforce Strategy
- Digital Strategy
- Post Implementation Review

As had been discussed and agreed, four of the reports would be concluded in time to give a meaningful opinion for the 2019/20 audit year.

*Post meeting note: The Risk Management, Clinical Governance and Waiting Times reports would be presented at the additional meeting on Wednesday, 20 May 2020.*

Further discussion took place regarding the final two reports; Digital Strategy and Post Implementation Review. Members agreed that the Post Implementation Review should be transferred to the 2020/21 internal audit plan where it was felt that the report would sit much more cohesively.

There had been a great deal of work already undertaken in relation to the Digital Strategy, which had been paused in light of key members of that team being heavily involved with COVID-19. The Head of Corporate Services was keen to progress this report once the team had reached a stage when they could consider working on 'business as usual' projects.

### **Decision / Conclusion**

The Audit and Risk Committee noted the wider context in relation to the delayed internal audit reports and were aware of continuing demands on key colleagues due to COVID-19. Members were encouraged to hear that progress was being made despite pressures.

## **72 Internal and External Audit recommendations**

There were no further internal and external audit recommendations to be discussed at this meeting.

### **Information Governance**

## **73 Information Governance**

The Committee received assurance that Information Governance had been continuing as normal, with some projects (such as implementation of Office365 and Microsoft Teams) being completed ahead of schedule to assist with the COVID-19 pandemic. The Head of Corporate Services reported that work was being done to revitalize the Information Governance Group, gaining ownership of information governance within the organisation and ensuring that governance was a key function. The Terms of Reference would be provided for approval at a future Audit and Risk Committee meeting.

She also advised that Orkney Island Council would be withdrawing their Information Governance Officer support very shortly, with no budget to seek an NHS Orkney replacement. As yet there was no clear notion of how much risk this would pose and members were reassured that Data Protection Officer support would continue as normal.

Work in connection with records management at Selbro had progressed extremely well, with only a few outstanding matters left to follow up. Both A McOmish and the Estates Team been instrumental in the reorganisation, arranging the facility in a much more structured way, as well as having cleared outstanding dental records which had been stored in King Street.

The Committee also received an update in connection with an outstanding action from the Information Commissioners Office regarding the reconstruction of mental health records. Good progress had been made prior to COVID-19, with a huge amount of work and time being investigating whether patients were still current and whether they were still residents on Orkney. The Head of Corporate Services advised that she was planning to contact the Information Commissioners Office to request an amendment to their initial action to instead order the reconstruction of those mental health records which are requested.

The Employee Director requested that clinical teams be included communication to the Information Commissioners Office regarding the reconstruction of mental health records to ensure that any reconstruction work going ahead would not negatively impact their practice.

### **Decision / Conclusion**

The Committee noted the Information Governance Committee report, were made aware of issues surround the withdrawal of Information Governance Officer support and were assured of progress with records management and Selbro. They also supported the decision to contact the ICO to request an amendment to their action for the reconstruction of mental health records.

### **Annual Accounts**

#### **74 Annual Accounts Timetable**

The Committee was notified that the timetable for the production and approval of the annual accounts had been impacted upon by COVID-19, as a result of this the Scottish Government had granted an extension to the timeline of 30 September 2020. Members were reassured that NHS Orkney would not require that length of time to complete the annual accounts and that currently there was an expected completion date of July 2020. Members thanked the Interim Director of Finance and his Finance Team for all of their hard work, speed and effort to maintain existing deadlines and for the good lines of communication with external auditors.

### **Decision / Conclusion**

The Committee received the update regarding the annual accounts timeline and the impact of COVID-19 on that. They were reassured that NHS Orkney would not require the full extension of time, but would reach completion by the end of July 2020.

### **Fraud**

#### **75 Fraud update**

Members were informed by the Interim Director of Finance that no frauds had been reported by Counter Fraud Services at the time of this meeting.

## **Risks**

### **76 Risk and Assurance**

This item had been covered in the action log.

Additionally, members felt it appropriate and important that the corporate and strategic risk registers be considered by the Committee. Members were also keen to utilise the good risk practice and management being followed during the COVID-19 pandemic to inform decision making once a state of 'business as usual' was returned to.

#### **Decision / Conclusion**

The Committee noted the verbal update and took assurance on the refreshed procedures.

### **77 Risks Escalated from Governance Committees**

No risks had been escalated from other Governance Committees.

## **Governance**

### **78 Terms of Reference**

The Committee received the updated Audit and Risk Committee Terms of Reference for approval.

#### **Decision / Conclusion**

The Terms of Reference were approved.

### **79 Programme of Business/Work plan**

The Committee received the updated Audit and Risk Committee Programme of Business / Workplan for approval.

The Chief Executive drew attention to the fact that some dates noted within the workplan were subject to fluidity due to the COVID-19 pandemic.

#### **Decision / Conclusion**

The Committee approved the workplan with the knowledge that some dates may differ due to COVID-19.

### **80 Committee Risks, Controls and Assurance Framework**

The Committee received the updated Audit and Risk Committee Risks, Controls and Assurance Framework for approval.

#### **Decision / Conclusion**

The Committee approved the framework.

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

There were no items to be escalated to the Board or other Governance Committees.

82 **Any Other Competent Business**

No other competent business was raised.

**Items for Information and Noting only**

83 **Counter Fraud Services**

There were no fraud alerts to be reported.

84 **Audit Scotland Reports**

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

- Technical Bulletin 2020/01

*Post meeting note: As mentioned by G Woolman, this technical bulletin had been superseded by the Audit Scotland COVID-19 brief released on 5 May 2020. It was agreed that the bulletin would be included on the next agenda as an item for information and noting.*

85 **Schedule of Meetings 2020/21**

Members noted the schedule of meetings for 2020/21.

Discussion took place regarding the requirement for an additional meeting of the Audit and Risk Committee and the consensus was that this should take place toward the end of May 2020.

*Post meeting note: The additional meeting of the Audit and Risk Committee was scheduled for Wednesday, 20 May 2020.*

86 **Record of Attendance**

The Committee noted the record of attendance.

87 **Committee Evaluation**

Committee members agreed that the meeting had progressed well, receiving needed answers to key questions to plan and proceed with the way forward.

Additionally, the Chair noted that despite it being the first entirely virtual meeting of the Audit and Risk Committee, attendees had spoken crisply and clearly and systems had worked well for external participants. He commented that it was valuable to know that the Committee could have contact so immediately and easily obtained.

*Meeting closed at 12:57*