

Orkney NHS Board

Minute of meeting of the **Audit and Risk Committee** of **Orkney NHS Board** held **virtually** via **Microsoft Teams** on **Wednesday, 20 May 2020** at **12:30**

Present: David Drever, Chair
Davie Campbell, Vice Chair
Fiona MacKellar, Employee Director (joining from 12:40)
Jason Taylor, Non-Executive Director

In Attendance: Mark Doyle, Interim Director of Finance
David Eardley, Chief Internal Auditor, Scott Moncrieff
Claire Gardiner, Senior Audit Manager
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

158 **Welcome**

The Chair welcomed all members of the Audit and Risk Committee to the meeting.

159 **Apologies**

Apologies were received from C Bichan and J Colquhoun.

160 **Declarations of Interest**

No interests were declared.

161 **Minutes of previous meeting held on 3 March 2020 and 5 May 2020**

The minute of the Audit and Risk Committee meeting held on Tuesday, 3 March 2020 and Tuesday, 5 May 2020 were received by the Committee and approved as a true and accurate record of the meeting, subject to the below amendments:

- 5 May 2020 minutes – D Drever should be recorded as 'Interim Chair' and J Taylor noted as 'in attendance' at the meeting as Board approval had not been confirmed for those appointments to office at the time of the meeting.

162 **Matters Arising**

There were no matters arising additional to the agenda.

163 **Action Log**

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

164 **External Audit**

G Woolman provided a verbal update to the Committee regarding external audit. Firstly, C Gardiner, was welcomed to the Committee as the new Senior Audit Manager for NHS Orkney. She would be supporting G Woolman in all aspects of external audit work relating to NHS Orkney, Orkney Island Council and Orkney Health and Care.

Secondly, there had been discussion at the previous meeting regarding the conclusion of audit work taking place in July, however, work had progressed faster than had been anticipated at the 5 May 2020 meeting and the original deadline of the 25 June 2020 Board meeting was once more looking achievable.

[F MacKellar joined the meeting at 12:40]

Internal Audit

165 **Internal Audit Progress Report**

D Eardley delivered the progress report on internal audit works, highlighting to members that there were five pieces of work to be concluded in order to allow the compilation of the audit opinion. Of these pieces of work, three internal audits would be presented at today's meeting. The penultimate report on Workforce Strategy had been issued, with management response anticipated by close of play today. The final report on Digital Strategy was expected during the first week of June and would be presented to the late June meeting of the Audit and Risk Committee.

The Interim Director of Finance reminded members that the sixth internal audit report for Post Implementation Review had been deferred into the 2020/21 schedule of work.

Decision / Conclusion

The Audit and Risk Committee were assured of the progress being made with internal audit and noted the hard work that was being undertaken by all to ensure all deadlines were met.

166 **Internal Audit Plan 2020/21**

The Interim Director of Finance advised members that this item would be considered once the internal audit work for 2019/20 had been concluded.

Internal Audit Reports

167 **Risk Management Internal Audit Report – ARC2021-04**

The Audit and Risk Committee received the internal audit report on NHS Orkney's Risk Management. D Eardley presented the findings to members, highlighting that the report was a positive one denoting that the risk strategy was fit for purpose, though there were some minor, low-end risks that could be amended to further strengthen controls.

NHS Orkney's Risk Management Forum had made a good start with regard to risk registers and clear assignment of ownership to those risks. One suggestion that

had come from the report was to standardise the format of risk register articulation to allow for consistency across the organisation.

M Swann also highlighted that the journey undertaken by the management team and Chief Quality Officer with regards to risk management, recording and appetite within the organisation was to be recognised and had been key to driving work forward.

Members of the Committee welcomed the positive report, noting that it provided a clear pathway and a range of opportunities for moving forward, specifically a standardised approach to the recording and updating of risks within DATIX.

Decision / Conclusion

The Audit and Risk Committee noted the Risk Management internal audit report and were sighted on recognised opportunities for further innovation and improvement.

168 Clinical Governance Internal Audit Report – ARC2021-05

The Audit and Risk Committee received the Clinical Governance internal audit report, presented by D Eardley.

Members noted that it was a balanced report which highlighted good practice and that the controls in place regarding the management of adverse events were working well.

There were areas for improvement relating to DATIX, training and some aspects of policy and procedure, however this did not nullify the fact that processes were generally fit for purpose.

Decision / Conclusion

The Audit and Risk Committee received the internal audit report for Clinical Governance and were sighted on areas requiring improvement.

169 Waiting Times Internal Audit Report – ARC2021-06

The Audit and Risk Committee received the internal audit report for Waiting Times, presented by M Swann.

The positive report noted that NHS Orkney has a generally sound system of controls to support effective monitoring and reporting of patient waiting times in the areas reviewed, with reasonable and proportionate steps being taken to ensure compliance with policies, procedures and practices. There was one area for improvement noted regarding the reporting into performance statistic. M Swann highlighted that with regard to that area for improvement, it was key to recognise that NHS Orkney were not misreporting to the organisations benefit and that resolving this minor issue would only improve NHS Orkney performance statistics.

Decision / Conclusion

The Audit and Risk Committee received the internal audit report for Waiting Times and were sighted on the one area for improvement.

Risks

170 Risks Escalated from Governance Committees

No risks had been escalated from other Governance Committees.

Governance

Governance Committee Annual Reports 2019/20

171 Finance and Performance Committee Annual Report 2019/20 – ARC2021-07

The Committee received the Finance and Performance Committee Annual Report for 2019/20.

Decision / Conclusion

The Audit and Risk Committee approved the Annual Report.

172 Staff Governance Committee Annual Report 2019/20 – ARC2021-08

The Committee received the Staff Governance Committee Annual Report for 2019/20.

Decision / Conclusion

The Audit and Risk Committee approved the Annual Report.

Governance Committee Workplans 2020/21

The Chair introduced the Governance Committee Workplans to members of the Committee, noting that following discussion with the Chair of the Board it was acknowledged that there would be a degree of reprioritising of the schedule of works for each of the Governance Committees throughout the year due to the situation presented by COVID-19. To accommodate this fluidity, the Audit and Risk Committee noted the provided workplans as outlines, with the proviso that they may be subject to change at each of the Governance Committees' discretion.

173 Finance and Performance Committee Workplan 2020/21 – ARC2021-09

The Committee received the Finance and Performance Committee Workplan for 2020/21.

Decision / Conclusion

The Audit and Risk Committee noted the Workplan.

174 Remuneration Committee Workplan 2020/21 – ARC2021-10

The Committee received the Remuneration Committee Workplan for 2020/21.

Decision / Conclusion

The Audit and Risk Committee noted the Workplan.

175 **Staff Governance Committee Workplan 2020/21 – ARC2021-11**

The Committee received the Staff Governance Committee Workplan for 2020/21.

Decision / Conclusion

The Audit and Risk Committee noted the Workplan.

Governance Committee Terms of Reference 2020/21

176 **Finance and Performance Committee Terms of Reference 2020/21 – ARC2021-12**

The Committee received the Finance and Performance Committee Terms of Reference for 2020/21.

Decision / Conclusion

The Audit and Risk Committee approved the Terms of Reference.

177 **Remuneration Committee Terms of Reference 2020/21 – ARC2021-13**

The Committee received the Remuneration Committee Terms of Reference for 2020/21.

Decision / Conclusion

The Audit and Risk Committee approved the Terms of Reference.

178 **Staff Governance Committee Terms of Reference 2020/21 – ARC2021-14**

The Committee received the Staff Governance Committee Terms of Reference for 2020/21.

Decision / Conclusion

The Audit and Risk Committee approved the Terms of Reference.

179 **Agreed items to be brought to the attention of Board or other Governance Committees**

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

180 **Any Other Competent Business**

No other competent business was raised.

Items for Information and Noting only

181 **Audit Scotland Reports**

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

- COVID-19 Impact on Public Audit briefing paper

182 **Schedule of Meetings 2020/21**

Members noted the schedule of meetings for 2020/21.

183 **Record of Attendance**

The Committee noted the record of attendance.

184 **Committee Evaluation**

Committee members agreed that the meeting had progressed well, that it was short and focused with good, in depth reports received. Needed answers to key questions were received to enable the planning for the way forward.

Members felt that three internal audits per agenda were an optimal amount, allowing for the correct level of discussion and deliberation.

Meeting closed at 13:23