

Orkney NHS Board

Minute of meeting of the **Audit and Risk Committee** of **Orkney NHS Board** held **virtually** via **Microsoft Teams** on **Tuesday, 7 September 2021** at **11:30**

Present: David Drever, Chair
Jason Taylor, Vice Chair
Issy Grieve, Non-Executive Board Member
Fiona MacKellar, Employee Director

In Attendance: Christina Bichan, Head of Assurance and Transformation
Mark Doyle, Director of Finance
Claire Gardiner, Senior Audit Manager, Audit Scotland
Gemma Pendlebury, Committee Support
Matthew Swann, Internal Audit associate Director, Azets
Emma West, Corporate Services Manager

A84 **Welcome**

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

A85 **Apologies**

Apologies were received from M Dickson, D McArthur, K Somerville, Dr L Wilson, and G Woolman.

A86 **Declarations of Interest**

No interests were declared.

A87 **Minutes of previous meeting held on 1 July 2021**

The minute of the Audit and Risk Committee meeting held on 1 July 2021 were received by the Committee and approved as a true and accurate record of the meeting.

A88 **Matters Arising**

There were no matters arising additional to the agenda.

A89 **Action Log**

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

Governance

A90 **Code of Corporate Governance – ARC2122-44**

The Corporate Services Manager attended the meeting in order to present the changes to the NHS Orkney Code of Corporate Governance for 2021/22. She

thanked members for taking this item first and proceeded to detail the changes which had been made to the document for 2021/22:

- Amendments to the Governance Committee Terms of Reference following individual review;
- Updates to the Standing Financial Instructions to reflect the latest working practices;
- Changes in wording to closer reflect the statements in the Model Standing Orders contained within DL(2019)24, as adopted by the Board;
- Minor changes to job titled, email addresses, and links to reflect current arrangements.

The Director of Finance gave thanks for the updated document and queried the method used to track the receipt, reading, and compliance with the Code. The Corporate Services Manager explained that an email was circulated to all members of staff on the Scheme of Delegation with the Code as a controlled document, requested by return an email confirmation that the member of staff had received and read the Code, which would then be held on record. There was further discussion around the possibility of a more efficient way of working to gain assurance that all staff adhered to the Code, as well as looking at different ways to make the document more accessible for all members of staff.

F MacKellar noted that the Code was a complex document which some staff found difficult to digest. She welcomed the inclusion of the Area Partnership Forum for discussions regarding wider engagement and making the document meaningful for staff for future iterations of the Code.

Decision / Conclusion

Subject to some minor amendments, the members of the Audit and Risk Committee approved the Code of Corporate Governance with a recommendation of Board approval.

External Audit

There were no items for discussion at this meeting.

Internal Audit

A91 Internal Audit Progress Report – ARC2122-45

M Swann, Associate Audit Director, Azets, presented the Internal audit Progress Report for members of the Committee, highlighting that work had started (or was due to commence) on the internal audit reports which were due for tabling at the December Audit and Risk Committee meeting. He had no further items or issues to bring to the attention of members.

The Director of Finance noted that due to the Coronavirus pandemic, there had been a backlog on approvals for internal audit reports, however progress had been made in order to reduce the backlog and return to a more even schedule for the reporting of internal audits. M Swann shared his agreement of that summation.

I Grieve queried whether the current internal audit process was as expected and in line to meet with agreed deadlines and M Swann noted that there would potentially be some fluctuation due to intervening circumstances (such as staff leave, service pressures, etc.) however he confirmed there were currently no issues with the timing of the reports.

Decision / Conclusion

The Audit and Risk Committee noted the update.

Internal and External Audit Recommendations

A92 Internal and External Audit Recommendations Follow-up Report – ARC2122-46

The Director of Finance delivered the update report on internal and external audit recommendations, thanking the Head of Finance and the Finance Team for their considerable amount of effort to effect change and progress with actions. The Committee was asked to note the updated status of the following action:

- Twenty-four audit recommendations were brought forward following the update provided in June 2021 (items 152, 162, 165-168, 194-196, 198-199, 201, 204-209, 212, 214, 219, 225, 226 and 231);
- Four of these items were recommended for completion (162, 196, 205 and 219);
- Twenty items remained in progress, of those, extensions were requested to the completion dates of fifteen items (165, 166, 167, 168, 194, 195, 198, 199, 201, 204, 207, 208, 209, 212, 214);
- No new recommendations have been added since the last update.

J Taylor voice his appreciation for the depth of information contained within the report and appendices. He continued to raise a query regarding whether the Audit and Risk Committee should be actively seeking further evidence that an action has been embedded into the relevant department or service area before said action is closed. The Director of Finance countered that providing assurance is given that plans, procedures, and/or mitigations are to be put in place, there would be no reason to keep said action open. There took place a further robust discussion regarding whether the effectiveness of plans and mitigations needed to be evidenced prior to an action being closed, but members reached a consensus that the intention to effect the required change was sufficient assurance.

Decision / Conclusion

The Audit and Risk Committee approved the extensions, progress, and closing of audit recommendations and took assurance on progress being made.

Information Governance

A93 Information Governance Action Plan Progress Report – ARC2122-47

The Director of Finance delivered the Information Governance Action Plan Progress report to members, highlighting the actions that had taken place since the previous update:

- Information Governance Policy and Information Request Policy ad been approved by the Finance and Performance Committee at their July meeting;
- Mandatory training requirements had been reviewed and training had been completed by the Senior Management and Executive Management teams as well as members of the Information Governance Committee;
- Online mandatory training for all staff had been implemented;
- The key appointments of a Data Protection Officer and Deputy Data Protection Officer had been made, with start dates to be agreed.

The Chair of the Committee recognised the progress which had been made since the initiation of the information governance action plan workstream and welcomed the update on that progress.

Decision / Conclusion

The Audit and Risk Committee noted the update and took assurance on the progress made.

A94 Information Governance Group Chair's – ARC2122-48

The Director of Finance presented the Information Governance Committee's Chair's Report for members of the Committee, providing an overview of the business and assurance received at recent Information Governance Committee meetings.

Decision / Conclusion

The Audit and Risk Committee noted the report and approved minutes.

A95 Information Governance 6-Month Assurance Update – ARC2122-49

The Director of Finance took the opportunity to thank C Bichan, and the Quality Improvement Team, for the completion of actions in relation to the Information Governance 6-monthly Assurance update.

The aim of the report was to provide an insight into the work being undertaken to ensure NHS Orkney has robust information governance arrangements in place, clearly underpinned by good governance and clearly defined systems and processes. He further highlighted that significant work had taken place over the previous six months to take forward, develop and build on NHS Orkney's internal processes of control.

Decision / Conclusion

The Audit and Risk Committee noted the progress made and gave thanks to C Bichan and the Quality Improvement Team.

Fraud

A96 Counter Fraud Services Quarterly Report – ARC2122-50

The Director of Finance Presented the quarterly report from Counter Fraud Services, highlighting that while the report was for noting, members could take assurance that NHS Orkney had no cases of fraud as detailed on page 53 of the pdf.

Decision / Conclusion

The Audit and Risk Committee noted the report.

Risk**A97 Risk and Assurance Report – ARC2122-51**

The Head of Transformation and Improvement provided members with an update in progress to implementing a refreshed approach to risk management within NHS Orkney. She highlighted:

- Engagement in assessing, reviewing, and updating risks is ongoing with the Clinical Governance and Risk Facilitator working closely with Risk Handlers;
- The Corporate Risk Register has been approved by the Board;
- Monthly reporting of all Tier 1 and 2 risks to EMT has been in place since July;
- There had been a reduction in active reported risks from 50 at the last update, to 27 currently;
- 1 new Corporate Risk had been identified since the last update;

Decision / Conclusion

The Audit and Risk Committee noted the update and took assurance on progress being made.

A98 Risks Escalated from other Governance Committees

There were no items for discussion at this meeting.

Governance**A99 6-Month Litigation Report – ARC2122-53**

The Director of Finance presented the 6-monthly litigation report for members of the Committee, highlighting that there was one current litigation case which was being overseen and managed by the Central Legal Office (CLO) on behalf of NHS Orkney. He further noted that there had been little progress made since the previous update and there were no other known outstanding claims.

Decision / Conclusion

The Audit and Risk Committee noted the report.

A100 Review of Compliance with Property Transaction Monitoring – ARC2122-54

The Director of Finance presented the Property Transaction Monitoring report for members of the Committee, noting that the report was self-explanatory. NHS bodies were required to conduct property transactions in line with guidance in the NHS Scotland Property Transactions Handbook, maintained by the Scottish Government. An internal audit review of property transactions is to be carried out and the results reported to the Scottish Government on an annual basis.

Decision / Conclusion

The Audit and Risk Committee noted the update that the internal audit on property transactions had taken place and been reported to the Scottish Government for 2020/21.

A101 Agree items to be brought to attention of Board or other Governance Committees

- Internal and External Audit Recommendations
- Code of Corporate Governance

Items for Information and Noting only

Audit Scotland Reports

A102 Technical Bulletin 2021-2

Members noted the extract from the technical bulletin.

A103 Counter Fraud Services – COVID-19 Rolling Alert

A104 Schedule of Meetings 2021/22

Members noted the schedule of meetings for 2021/22.

A105 Record of Attendance

The Committee noted the record of attendance.

A106 Committee Evaluation

Members of the Committee noted the meeting had been well chaired and that there was a proportionate number of papers tabled, allowing for efficient and meaningful discussion to take place.

Meeting closed at 12:27pm