

## **Orkney NHS Board**

Minute of meeting of the **Audit and Risk Committee** of **Orkney NHS Board** held **virtually** via **Microsoft Teams** on **Tuesday 3 May 2022** at **11:30**

**Present:** Jason Taylor, Chair  
Issy Grieve, Vice Chair  
Martha Gill, Employee Director

**In Attendance:** Christina Bichan, Head of Assurance and Improvement  
Michael Dickson, Interim Chief Executive  
Mark Doyle, Director of Finance  
David Eardley, Chief Audit Executive, Azets  
Claire Gardiner, Senior Audit Manager, Audit Scotland  
Keren Sommerville, Head of Finance  
Matthew Swann, Associate Director, Azets  
Emma West, Corporate Services Manager

**A1 Apologies**

Apologies were noted from Ceri Dare.

**A2 Declaration of Interest – agenda items**

No interests were declared in general or in relation to agenda items..

**A3 Minutes of previous meeting held on 1 March 2022**

The minute of the Audit and Risk Committee meeting held on 1 March 2022 were approved as a true and accurate record of the meeting.

**A4 Matters Arising**

No matters arising were raised.

**A5 Action Log**

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

**External Audit**

No agenda items this meeting.

**Internal Audit**

**A6 Progress Report – ARC2223-01**

M Swann presented the report which provided a summary of Internal Audit activity since the last meeting. One substantive audit, around Waiting Times, remained incomplete for 2021/22, fieldwork had now been concluded and the report would be presented to the 31 May 2022 meeting of the Committee.

## **Decision / Conclusion**

The Audit and Risk Committee noted the progress report

A7

### **Draft Internal Audit Annual Report 2021/22 – ARC2223-02**

D Eardley presented the report advising that the final version would be subject to the completion of the Waiting Times audit and would be presented at the next meeting of the Committee, it was envisaged that there would be no substantive changes to the version presented.

The draft internal audit opinion was that NHS Orkney had a framework of governance, risk management and controls that provided reasonable assurance regarding the effective and efficient achievement of objectives, this was an unqualified and unmodified opinion.

## **Decision / Conclusion**

The Audit and Risk Committee noted the draft report and welcomed the final version to be presented at the meeting on the 31 May 2022.

A8

### **Draft Internal Audit Plan 2022/23 – ARC2223-03**

M Swann presented the report which was designed to provide NHS Orkney with assurances required to prepare an annual governance statement that complied with best practice.

The plan was based on the risk and audit needs as at April 2022 and would be developed by engaging with key members of the Executive Management team to focus on the main risks for the organisation. The plan covered a broad range of relevant areas and set out the audit days attributed to these. The plan included a degree of flexibility to allow a pragmatic approach, as required, throughout the year.

Members were advised that there were no Information Technology specific audits scheduled, although this would be an aspect of most, and this maybe something that the committee wished to consider going forward.

Members discussed the cyclical review nature of the audit planning and the frequency of areas covered. It was noted that audit days were scheduled dependent on relative judgement, importance and risk. It was stressed that workforce was a pertinent issue and should be considered and strengthened as an aspect of planned reviews where relevant.

The Director of Finance noted that service redesign and clinical governance had a high time commitment and that as the impacts from the clinical strategy would not be evident in year, consideration should be given to whether this was the right area for audit in 2022/23. There was also a need to consider statutory and mandatory staff training and the national workforce strategy and learning from the Health and Safety Executive visit.

## **Decision / Conclusion**

The Audit and Risk Committee reviewed and approved the plan, with a caveat that some areas of focus could be amended as discussed, within the finite resources available for this audit work.

A9

## **Waiting times - verbal**

It was noted that there were no substantial issues noted in the audit work carried out to date and findings were consistent with previous years. There were no areas of concern to escalate to the committee at this time, caveated with the need for full review through the quality assurance process before presentation to the Committee in final format.

## **Decision / Conclusion**

The Audit and Risk Committee noted the verbal update and welcomed the Waiting Times audit at the meeting on the 31 May 2022.

## **Internal and External Audit Recommendations**

A10

## **Internal and External Audit recommendations follow-up report – ARC2223-04**

Members were advised that 10 recommendations were brought forward following the last update, of these extensions were sought for 2 and approval to close 7 as complete. 1 recommendation remained in progress with an estimated completion date in September 2022.

## **Decision / Conclusion**

The Audit and Risk Committee noted the status and update of the actions and approved the amendments to timescales and closure of items.

## **Annual Governance Statement**

A11

## **Draft Directors' Subsidiary Statement on Governance – ARC2223-05**

The Director of Finance presented the report advising that the preparation of the subsidiary statement on governance was an important part of triangulating information available to the Chief Executive and supported compilation of the governance statement for inclusion in the annual accounts.

The statement would be signed by Lead Executives and Senior Managers as stated and would be presented as a final signed document to the 31 May 2022 meeting.

The Chair noted the significant emphasis on training requirements throughout the report and asked that this be considered as part of oversight of the audit plan for 2022/23.

### **Decision / Conclusion**

The Audit and Risk Committee noted the report and welcomed the final signed version at the 31 May 2022 meeting.

### **Information Governance**

#### **A12 Information Governance Committee Chair's Report and approved minutes – ARC2223-06**

The Director of Finance presented the Information Governance Committee Chair's Report and approved minutes, providing an overview of the business and assurance received at the recent Information Governance Committee meeting. The following was highlighted:

- The Information Governance Strategy had been considered and comments made would be considered as revisions before submission to the Executive Management Team and Audit and Risk Committee in due course.

I Grieve noted that the Chairs report and Annual Report from the Information Governance Committee gave excellent assurance around current Information Governance arrangements.

### **Decision / Conclusion**

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

#### **A13 Information Governance Committee Annual Report 2021/22 – ARC2223-07**

The Director of Finance presented the Information Governance Committee Annual Report for 2021/22 for assurance and awareness.

### **Decision / Conclusion**

The Audit and Risk Committee noted the Information Governance Committee Annual report for 2021/22 and the assurance this provided.

### **Annual Accounts**

#### **A14 Annual Accounts update – verbal**

The Director of Finance provided the Committee with a verbal update around the NHS Orkney Annual Accounts timeline and process for 2022.

Members were advised that the accounts were still subject to external review, the draft accounts showed the Board delivering against all three financial targets.

External audit had now commenced their review and would remain in regular contact whilst forming an opinion on the accounts.

### **Decision / Conclusion**

The Audit and Risk Committee noted the verbal update on the annual accounts process.

### **Fraud**

No agenda items this meeting

### **Risks**

A15

#### **Risk and Assurance Report – ARC2223-08**

The Head of Assurance and Improvement presented the report which provided an update on, and overview of, risk management across NHS Orkney.

A three tier risk management system had been developed which allowed for escalation and de-escalation of risk as appropriate, to take account of changes in the operating environment and organisational landscape with the Risk Management Forum playing an active role in the process.

It was reflected that the Risk Management forum did not formally report through the Audit and Risk Committee and there was an agreement that this should be built into reporting going forward.

### **Decision / Conclusion**

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

A16

#### **Risks Escalated from other Governance Committees**

There were no escalated items for discussion at this meeting.

### **Governance**

A17

#### **6 Monthly Litigation report – ARC2223-09**

Members had received the litigation report for information, noting that there were no current active claims or ongoing costs relating to NHS Orkney.

Since the last report in August 2021, Central Legal Office had represented NHS Orkney in one claim which was now closed.

### **Decision / Conclusion**

The Audit and Risk Committee noted the update on current litigation cases and financial information.

### **Governance Committee Annual Reports 2021/22**

The Corporate Services Manager advised that all Governance Committees of the Board provide an annual report around Committee outcomes, during the year, including any concerns, successes and areas for focus moving forward

These reports were submitted to the Audit and Risk Committee, ahead of the Board, to provide assurance that each Governance Committee has fulfilled its remit.

**A18      Audit and Risk Committee Annual Report 2021/22 – ARC2223- 10**

The Chair presented the Annual Report for review and approval.

**Decision / Conclusion**

The Audit and Risk Committee approved the Annual Report for 2021/22

**A19      Joint Clinical and Care Governance Committee Annual Report 2021/22 – ARC2223-11**

Members had received the Joint Clinical and Care Governance Committee Annual report for 2021/22 for information and assurance

**Decision / Conclusion**

The Audit and Risk Committee noted the annual report.

**A20      Finance and Performance Committee Annual Report 2021/22 – ARC2122-12**

Members had received the Finance and Performance Committee Annual report for 2021/22 for information and assurance

**Decision / Conclusion**

The Audit and Risk Committee noted the annual report.

**A21      Remuneration Committee Annual Report 2021/22 – ARC2122-13**

Members had received the Remuneration Committee Annual report for 2021/22 for information and assurance.

**Decision / Conclusion**

The Audit and Risk Committee noted the annual report.

**A22      Staff Governance Committee Annual Report 2021/22 – ARC2122-14**

Members had received the Staff Governance Committee Annual report for 2021/22 for information and assurance.

**Decision / Conclusion**

The Audit and Risk Committee noted the annual report.

A23

**Governance Committee Terms of Reference and Workplans 2022/23 – ARC2223-15**

The Corporate Services Manager advised that all Governance Committees of the Board review their Terms of Reference and Workplans annually to ensure that they are up to date, relevant and meeting current legislation. Individual Committee Development sessions were held in the last quarter of 2021 where documentation was reviewed, and agreement reached on any changes to the Terms of Reference and Workplans for 2022/23. These were provided to the committee to for assurance that remits were accurately reflected, prior to presentation to the Board for final approval as required in the Model Standing Orders.

- Joint Clinical and Care Governance Committee
- Finance and Performance Committee
- Remuneration Committee
- Staff Governance Committee

**Decision / Conclusion**

The Audit and Risk Committee noted the Governance Committee Terms of Reference and Workplans for 2022/23 and endorsed Board approval.

A24

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

The Committee agreed that the following item would be brought to the attention of the

Staff Governance Committee

- Members noted the significant emphasis on training requirements throughout the governance statement and other report and asked that this be considered as part of oversight of the audit plan for 2022/23 along with strengthening the elements around workforce in the planned audits.

Board

- The success in progressing audit recommendations during 2021/22 and the hard work by staff and teams to action these.

A25

**Any Other Competent Business**

No other competent business was noted.

**Items for Information and Noting only**

**Audit Scotland Reports**

A26

**Audit Scotland Technical Bulletin 2021/04**

Members noted the extract from the technical bulletin.

### **Counter Fraud Services Reports**

A27 The following reports were noted by the Committee:

- Rolling COVID-19 Intelligence Alert
- DL(2022)06 – Partnership agreement between NHSScotland Counter Fraud Services and NHS Boards
- Corporate Impersonation Fraud Update

A28 **Reporting Timetable for 2022/23**

Members noted the schedule of meetings for 2022/23.

A29 **Record of Attendance**

The Committee noted the record of attendance.

*Meeting closed at 12:35*