

Orkney NHS Board

Minute of meeting of the **Audit and Risk Committee** of **Orkney NHS Board** held **virtually** via **Microsoft Teams** on **Tuesday 6 December 2022** at **11:30**

Present: Jason Taylor, Chair
Issy Grieve, Vice Chair
Steven Heddle, Non-Executive Board Member

In Attendance Mark Doyle, Director of Finance
Carrie Sommerville, Head of Finance
Keren Sommerville, Planning Performance and Risk Manager
Matthew Swann, Director, Azets
Rachel Ratter, Senior Corporate Services Officer (Committee Support)

A82	Apologies Apologies were noted from Michael Dickson and David Eardley
A83	Declaration of Interests Issy Grieve informed members that she was the Chair of the IJB.
A84	Minutes of previous meeting held on 6 September 2022 The minute of the Audit and Risk Committee meeting held on 6 September 2022 were approved as a true and accurate record of the meeting.
A85	Matters Arising No matters arising were raised.
A86	Action Log The Action Log was reviewed, noting that there were no outstanding actions (see Action Log for details).
	<u>External Audit</u>
A87	External Auditor – verbal update M Doyle informed members that he had been in contact with the new external auditors, KPMG and advised that a meeting had been arranged between Rashpal Khangura, senior in charge with Jason Taylor and Michael Dickson. Further discussions were planned around pre-planning, an agreed timeline for audit along with a template and submission deadlines. An invite for KPMG to attend the Audit and Risk Committee meetings would be issued in due course.
	<u>Internal Audit</u>

A88	<p>Internal Audit progress report – ARC2223-41</p> <p>M Swann presented the report which provided a summary of internal audit activity since the last meeting, confirming the reviews planned for the next quarter and identifying changes to the annual plan.</p> <p>Members were advised that the review of the IJB adjustment which had been added as a change to the previously agreed audit plan had been completed.</p> <p>Members were advised of the reports which would be presented at the March 2023 meeting of the Audit and Risk Committee.</p> <p>Decision / Conclusion</p> <p>The Audit and Risk Committee received the progress report and noted the information provided.</p>
	<p><u>Internal Audit Reports</u></p>
A89	<p>IJB Adjustment – ARC2223-42</p> <p>M Swann presented the report which reviewed the engagement and communication of additional costs incurred by the Integration Joint Board (IJB) relating to staff sickness following Covid.</p> <p>Members were advised that the most significant, notable issue creating the challenge of dealing with additional care staffing costs in 2021/22 appeared to be the timing of communication to NHS Orkney from health and social care partners.</p> <p>Members were advised that partners needed to work collaboratively and with timely communication to limit both the likelihood and impact of a similar issue emerging in the future. Whilst a number of potential improvements had been identified, they were only deliverable in partnership with health and social care partners. Members agreed to share the Audit report with the IJB and Board. The Audit & Risk Committee work plan has been updated to include follow up to this piece of work in 2023/24.</p> <p>M Swan advised further funding may have been available from Scottish Government if more time had been available for discussion and negotiation.</p> <p>There were two areas of improvement noted which were timely monitoring of costs of services commissioned by IJB in a holistic manner, considering the impact of known variables such as increased sickness levels to the extent they had impacted costs and a clear escalation process to ensure actual and potential increased costs were identified and shared with partners in a timely manner.</p> <p>Issy Grieve, Chair of IJB welcomed collaborative working with internal audit and expressed that the IJB Adjustment had been a positive piece of work and welcomed future joint internal audits and planning within the organisation.</p> <p>Decision / Conclusion</p>

	The Audit and Risk committee noted the IJB Adjustment report.
	<u>Internal and External Audit Recommendations</u>
A90	<p>Internal and External Audit recommendations – ARC2223-43</p> <p>Members were advised that three audit recommendations had been brought forward following the last report and had been actioned therefore approval had been sought for completion</p> <p>the Director of Finance expressed that this was an excellent good news story as action had been taken to finalise and seek closure.</p> <p>The Chair welcomed that the recommendations had been actioned and acknowledged the work put into this across the organisation.</p> <p>I Grieve sought assurance as to whether version control would be put in place where required regarding the Internal and External Communication 2020/21 report in which the Director of Finance confirmed that controls were being addressed.</p> <p>Members were advised that external audit recommendations were under review and an update would be provided at the next meeting a significant amount of work had already been complete around actions with deadlines of 31 December 2022.</p> <p>The Employee Director queried the external audit recommendation around Service Level Agreements (SLAs) and was assured that there was on-going work with clinician colleagues around the scope of requirements. NHS Orkney needed to ensure that SLAs were still fit for purpose and meeting requirements. A detailed review of services which NHS Orkney could provide locally rather than procure from NHS Grampian had been put on hold due to the absence of the Medical Director.</p> <p>Decision / Conclusion</p> <p>The Audit and Risk Committee approved the completion of recommendations as requested.</p>
	<u>Information Governance</u>
A91	<p>Information Governance Chairs report and approved minute – ARC2223-44</p> <p>The Director of Finance presented the Chairs report from the recent meetings of the Information Governance Committee, highlighting the below:</p> <ul style="list-style-type: none"> • Members had approved the establishment of a Local Covid-19 Inquiry Group and the Draft Terms of Reference. Members were informed not to destroy anything that might be required as evidence in the inquiry. • Mandatory training compliance uptake was at 87.3%, opportunities to move further forward had been hindered due to staff sickness levels.

	<ul style="list-style-type: none"> The findings of the Information Commissioners Office (ICO) visit showed that NHS Orkney received a high assurance rating and there was only limited scope for improvement in existing arrangements. No further legal action was required to reduce the risk of non-compliance with Data Protection Legislation. <p>The ICO Audit final report had been received and there were no changes between the draft and final version. The Chair welcomed the positive report including the achievements made and recognised.</p> <p>Members were advised that whilst there had not been a decline in data breaches, people were more educated as to how to report breaches and who to inform. In turn, an increase in reporting had showed greater awareness.</p> <p>Decision / Conclusion</p> <p>The Audit and Risk noted the update provided and took assurance from this and the approved minutes.</p>
	<u>Fraud</u>
A92	<p>Counter Fraud Services Quarterly report – ARC2223-45</p> <p>Members had received the Counter Fraud Services quarterly report up to 30 September 2022, dealing with areas of prevention, detection, and investigation of fraud.</p> <p>The report outlined the number of cases by Board; NHS Orkney had reported no cases in the period.</p> <p>Following the recent CFS Strategic Assessment of fraud in NHS Scotland the assessment has guided the CFS in development of a three-year counter fraud strategy which was to be launched in April 2023. The aim was to steer the boards services and counter fraud activities, based on a risk scoring process.</p> <p>Decision / Conclusion</p> <p>The Audit and Risk committee noted the quarterly report.</p>
	<u>Risk</u>
A93	<p>Risk and Assurance Report – ARC2223-46</p> <p>The Director of Finance presented the report which provided an overview and update on risk management across NHS Orkney. Members were advised that the report was also viewed by the Executive Management Team and Risk Management Forum to ensure managers were aware and reviews and updates had taken place.</p> <p>Decision / Conclusion</p> <p>The Audit and Risk noted the information provided, noting that there were no specific issues to bring to the Committee at this time.</p>

A94	Risks escalated from other Governance Committees No risks had been escalated
	<u>Governance</u>
A95	Audit and Risk Committee core documents – ARC2223-47 The Committee had received the report from the Corporate Services Manager advising that there were no amendments required to the Terms of Reference and only minor changes to the Business Cycle and Work Plan following discussion at the Committee Annual Development Session on the 11 October 2022. Decision / Conclusion The Audit and Risk Committee approved the amendments to the Business Cycle and work plan for 2023/24.
A96	Agree items to be brought to the attention of the Board or other Governance Committees <u>Board</u> <ul style="list-style-type: none"> • Integration Joint Board Internal Audit report • The positive report from the Information Commissioner's Office <u>IJB</u> <ul style="list-style-type: none"> • Integration Joint Board Internal Audit report
A97	Any Other Competent Business I Grieve informed members that the Scottish Government would visit Orkney in January 2023 to consider different isles models for the National Care Service She suggested that the committee highlight opportunities for internal audit to gain a better understanding around other joint internal audit to decrease the level of bureaucracy. The Chair assured members that the committee had considered widening out the internal audit scoping however the board were embarking on a project with the Royal College of Physicians Edinburgh which impacted on how NHS work and operate. Rather than redesign the internal audit system the committee agreed to write to other governance committees in respect of audit planning for an opportunity to feed into the audit planning process and assist shaping and scoping of the plan to enhance overall cross committee assurance.
A98	<u>Items for Information and Noting only</u>
A99	Audit Scotland Reports

	<ul style="list-style-type: none"> • Technical Bulletin 2022-3
A100	Counter Fraud Services (CFS) Reports <ul style="list-style-type: none"> • Intelligence alerts
A101	Reporting Timetable for 2022/23 and 2023/24 Members noted the schedule of meetings for 2022/23 and 2023/24.
A102	Record of Attendance The Committee noted the record of attendance.

Meeting closed at 12.48