

Orkney NHS Board

Minute of meeting of the hybrid **Audit and Risk Committee** of **Orkney NHS Board** held on **Thursday 22 June 2023 at 09:30**

Present: Jason Taylor, Chair
Issy Grieve, Vice Chair
Rona Gold, Non-Executive Board Member

In Attendance Mark Doyle, Director of Finance
David Eardley, Chief Audit Executive, Azets
Rashpal Khangura, Director, KPMG
Matthew Moore, Senior Manager, KPMG
Rachel Ratter, Senior Corporate Services Officer (Committee Support)
Laura Skaife-Knight, Chief Executive
Carrie Somerville, Planning, Performance and Risk Manager
Keren Somerville, Head of Finance

A64 Apologies

Apologies were noted from R McLaughlin.

A65 Declaration of Interests

No declarations of interests were raised.

A66 Minutes of previous meeting held on 30 May 2023

The minute of the Audit and Risk Committee meeting held on 30 May 2023 were accepted as an accurate record of the meeting.

Page 6 – The Chair confirmed that the Committee would receive the Counter Fraud Standard updates on a quarterly basis.

A67 Matters Arising

There were no matters arising.

A68 Action Log

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

A69 Service Audit Assurance Reports

The Service Audit Assurance reports were deferred and would be included in the suite of Annual Accounts papers to be taken later in the month.

Annual Accounts

Not for publication until laid before Parliament

A70 Draft Representation Letter – ARC2324-33

The Draft Representation letter had been deferred and would be included in the suite of Annual Accounts papers to be taken later in the month.

A71 NHS Orkney Annual Accounts for year ended 31 March 2023 – ARC2324-34

The Annual Accounts were deferred due to the non-receipt of the ISA 260 Audit Report. A meeting would convene later in the month following receipt of the information from External Audit.

A72 2022/23 Annual Audit Report from External Auditor – ARC2324-35

The 2022/23 Annual Audit report had been deferred due to the non-receipt of the ISA 260 Audit Report from the external auditors.

Due to the uncertainty of guaranteed receipt of the ISA 260 by Monday 26 June 2023, the Committee made a collective decision to contact the Scottish Government to request an extension beyond the due to date of 30 June 2023.

The Director of Finance assured members that discussions had been held with the Scottish Government who were aware of the issues with timescales and the situation was not unique to NHS Orkney. Whilst NHS Orkney provided External Audit with the required information in line with timescales, there had been a delay in the appointment process and as it was the first year of appointment, external audit had been faced with additional work.

R Khangura advised members that whilst audit had not progressed to the position they had anticipated, questions were still being raised to NHS Orkney and although no fundamental issues were identified, there had been some unexpected audit evidence and balances had to be tested effectively.

Internal Audit

A73 Draft Internal Audit Plan for 2023/24 – ARC2324-36

D Eardley 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 June 2023 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 thanked Azets for the audit plan however raised concern that there had been no suggestion of joint internal audit planning with Orkney Islands Council, nor had it been clear which areas featured audit suggestions from other Governance Committees as previously discussed.

The Chief Executive agreed that further work was required in the above areas and highlighted that from the 1 July 2023, audit would feature monthly at Senior Leadership Team meeting agenda.

Members discussed and agreed that the 4 areas of priority were:

- Financial Sustainability Office
- Clinical Governance – Complaints

- Business Continuity Planning
- Cyber Security

The Chair suggested that consultant job planning may be a disproportionate use of audit time as the information would be reflected through the Staff Governance workforce report and highlighted that Board administration practises would be included in the current Royal College of Physicians Edinburgh project, therefore could be deferred to a later date. The Medical Director emphasised that consultant job planning was a small group with significant impact to the sustainable medical model and requested that it remained as part of the audit plan. The Chair asked for clarity regarding the request received from the Staff Governance Committee around compliance with the Working Times Regulations with regards to overtime and bank/agency staff.

D Eardley agreed to address the concerns and suggestions raised and would include further information in relation to cross-committee planning to be more transparent. The plan would be updated and circulated to the Committee offline.

Decision / Conclusion

The Audit and Risk Committee reviewed the plan and were not prepared to approve and requested a revised version.

A74 Risks escalated from other Governance Committees

No risks had been escalated.

A75 Agree items to be brought to the attention of the Board or other Governance Committees

No items were raised.

A76 Any Other Competent Business

No other competent business was raised.

Items for Information and Noting only

A77 Reporting Timetable for 2023/24

Members noted the schedule of meetings for 2023/24

A78 Record of Attendance

The Committee noted the record of attendance.