

NHS Ayrshire & Arran

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| Meeting: | Ayrshire and Arran NHS Board |
| Meeting date: | Monday 2 June 2025 |
| Title: | Audit & Risk Committee Annual Report 2024-25 |
| Responsible Director: | Derek Lindsay, Director of Finance |
| Report Author: | Jean Ford, Chair of Audit & Risk Committee |

1. Purpose

This is presented to the Committee for:

- Awareness

This paper relates to:

- Government policy/directive

This aligns to the following NHS Scotland quality ambition:

- Safe, effective and person centred

2. Report summary

2.1 Situation

As part of the Board's annual assurance process, the Audit & Risk Committee provides an annual report which gives assurance that the Committee has discharged its Remit and Duties as defined in the Terms of Reference (TOR).

The Audit & Risk Committee report for 2024/25 is presented to Board Members to report on progress and provide assurance that the Committee has delivered its remit.

2.2 Background

Each NHS Board Governance Committee is required to provide an annual report to Committee and the Board to provide assurance that the Committee has discharged its role as set out in the agreed Terms of Reference.

The Governance Committee annual reports are part of the overall assurance mechanism for the NHS Board to provide assurance in support of the Board's annual governance statement that the committees have fulfilled their remit.

2.3 Assessment

To evidence discharge of remit, the Audit and Risk Committee annual report details the membership of the Committee and provides information on its activities in the past year. In addition a self-assessment checklist (Appendix 1) is completed together with The Assurance Mapping Template (Appendix 2) and the Reporting to the NHS Board template (Appendix 3).

The Committee completed the annual review of its Terms of Reference on 23 January 2025 with wording updated per Scottish Government Audit and Assurance Handbook and to strengthen committee duties. The ToR were approved by the NHS Board on 31 March 2025.

The Committee acted within its defined authority during the year.

Key Messages from 2024/25:

- The annual accounts for 2023-24 received a clean audit report and were approved at the June 2024 Board meeting which also received the external auditor's annual report to those charged with governance. Recommendations included from External Audit are being progressed to further enhance our control environment.
- The Internal Auditor confirmed in their annual report in May 2024, that partial assurance with some improvement required could be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control for 2023/24.
- The 2024/25 Internal Audit Plan and addressing of outstanding and new recommendations from audits has progressed well. Regrettably two audits covering CRES (Cash Releasing Efficiency Savings) and GP Sustainability Payments processes were rated as Red highlighting significant issues which required immediate attention. Whilst the issues were mainly already recognised by Board with work underway to address, the audit recommendations provided further assistance and focus continues to address matters as soon as possible with plans being closely monitored. Progress to date on these actions has been positive.
- In light of the aforementioned audit findings there is a likelihood that the annual Internal Audit opinion will be less favourable when presented in June for 2024/25.
- The Board worked well with the national Counter Fraud Service and has not experienced any significant fraud events during the last year.
- The Audit and Risk Committee reviewed all strategic risks on a quarterly basis and has been working to further refine reporting in this area. There is clear evidence of focussed risk management via RARSAG, CMT and Governance Committees.

2.3.1 Quality/patient care

Internal audit reports on GP Sustainability Payments and Waiting List Management were considered during the year.

2.3.2 Workforce

The June 2024 meeting received an audit report on Staff Rostering.

2.3.3 Financial

The statutory annual accounts and external audit report on these were considered and recommendations are being progressed. An internal audit report was carried out on CRES in November 2024 with an update on progress being reported at the January 2025 committee.

2.3.4 Risk assessment/management

The full Strategic Risk Register was received at various meetings throughout the year and work is ongoing to refine reporting. An audit was also conducted on the risk management processes.

2.3.5 Equality and diversity, including health inequalities

An impact assessment has not been completed because it is not relevant for an annual report.

2.3.6 Other impacts

- Best value
 - Governance and accountability

2.3.7 Communication, involvement, engagement and consultation

The Audit & Risk Committee has carried out its duties to involve and engage external stakeholders where appropriate:

- Internal Auditor attends all meetings of the Audit & Risk Committee
- External Auditor attends all meetings of the Audit & Risk Committee
- Head of Counter Fraud services attends the Committee annually
- Chief Internal Auditors of the three IJBs receive all committee papers and attend the committee annually
- Members of the Board's management team attend the Committee to inform aspects of the Committee's business as appropriate.

2.3.8 Route to the meeting

The Annual Report was approved by Audit and Risk Committee at meeting of 15 May 2025.

2.4 Recommendation

For awareness. Board Members are asked to receive the report and note the progress of the Audit and Risk Committee in 2024-25.

3. List of appendices (where required)

The following appendices are included with this report:

- Appendix 1, Audit & Risk Committee Annual Report and Self-assessment Checklist 2024-25
- Appendix 2, Assurance Mapping Template
- Appendix 3, Reporting to NHSAA Board Template



NHS Ayrshire & Arran

Annual Report of Audit and Risk Committee 2024-25

1. Summary

- 1.1 This Annual Report together with the Committee Self-assessment Checklist, Assurance Mapping and Reporting to NHS Board Templates provides information on the activities of the Audit and Risk Committee (ARC), the membership and attendance and gives assurance that the Committee has discharged its remit and duties as defined in the Terms of Reference (TOR).
- 1.2 In line with the Board's Code of Corporate Governance, the functions and main topics covered by the Audit and Risk Committee during the year are as follows:
- Responsibility for overall audit arrangements- Internal & External
 - Recommending approval to the Board of all audit plans
 - Keeping under review the role, function and performance of the Board's Internal Audit service
 - Keeping under review the Board's External Audit arrangements
 - Overseeing the Board's Internal Control Systems including Counter Fraud measures
 - Gaining assurance that all strategic risks and change in strategic risks is being appropriately responded to by management.

1.3 Key Messages

- The annual accounts for 2023-24 received a clean audit report and were approved at the June 2024 Board meeting which also received the external auditor's annual report to those charged with governance. Recommendations included from External Audit are being progressed to further enhance our control environment.
- The Internal Auditor confirmed in their annual report in May 2024, that partial assurance with some improvement required could be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control for 2023/24.
- The 2024/25 Internal Audit Plan and addressing of outstanding and new recommendations from audits has progressed well. Regrettably two audits covering CRES (Cash Releasing Efficiency Savings) and GP Sustainability Payments processes were rated as Red highlighting significant issues which required immediate attention. Whilst the issues were mainly already

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recognised by Board with work underway to address, the audit recommendations provided further assistance and focus continues to address matters as soon as possible with plans being closely monitored. Progress to date on these actions has been positive.

- In light of the aforementioned audit findings there is a likelihood that the annual Internal Audit opinion will be less favourable when presented in June for 2024/25.
- The Board worked well with the national Counter Fraud Service and has not experienced any significant fraud events during the last year
- The Audit and Risk Committee reviewed all strategic risks on a quarterly basis and has been working to further refine reporting in this area. There is clear evidence of focussed risk management via RARSAG, CMT and Governance Committees.

2. Remit, Duties & Authority

- 2.1 The Committee reviewed its Terms of Reference on 23 January 2025 for onward submission to Board for approval on 31 March 2025.

- 2.2 The Committee remit is defined in the TOR as *“To support the Accountable Officer and Board by reviewing the comprehensiveness and reliability of assurance on governance, risk management, control environment and the integrity of financial statements and annual report”*.

- 2.3 Duties and evidence of reporting and information used to discharge this remit and onward reporting to NHS Board are contained in Appendices 2 and 3 with the Committee having acted within its defined authority during the year.

3. Membership

- 3.1 Members of the Audit and Risk Committee during 2024-25 were:-

- Mrs Jean Ford – Non-Executive Director (Chair)
- Dr Sukhomoy Das – Non-Executive Director (Vice Chair)
- Councillor Marie Burns – Non-Executive Director
- Mr Marc Mazzucco – Non-Executive Director
- Mr Neil McAleese – Non-Executive Director
- Ms Joyce White – Non-Executive Director

Ex Officio members

- Mrs Lesley Bowie, Board Chair
- Ms Claire Burden, Chief Executive
- Mr Derek Lindsay, Director of Finance
- Dr Crawford McGuffie, Executive Medical Director
- Ms Jennifer Wilson, Executive Director of Nursing
- Ms Roisin Kavanagh, Executive Director of Pharmacy

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4. Meetings

- 4.1 The Committee met on six occasions between 1 April 2024 and 31 March 2025. Most meetings took place virtually via Microsoft Teams. One meeting within the year had an option for face to face attendance.
- 4.2 The NHS Board has previously agreed that attendance at Committee meetings should be recorded in the relevant Annual Report. The attendance record of each member is shown below (x indicates attended).

| | 16 May | 20 June | 27 Sept | 18 Nov | 23 Jan | 20 Mar |
|---------------|--------|---------|---------|--------|--------|--------|
| Jean Ford | X | X | X | X | X | - |
| Marie Burns | X | X | X | X | X | X |
| Sukhomoy Das | X | X | X | X | X | X |
| Marc Mazzucco | X | X | X | X | - | X |
| Neil McAleese | - | X | X | X | X | X |
| Joyce White | X | X | X | X | X | - |

5. Committee Activities

As evidenced in Appendix 2 – Assurance Mapping, Committee activity and assurance is delivered through receipt of completed Audit Reports and other regular updates which are submitted throughout the year. These enable ongoing review of the internal control system with actions put in place where improvement is necessary.

Some additional points of note:-

- ARC Members meet with Internal and External Auditors prior to each meeting without management present.
- Following presentation to the Committee, Internal Audit Reports are submitted to the appropriate Governance Committee for further consideration of impact on control/risk system and follow through of actions to completion. Outstanding actions passed their due date are also considered regularly by Corporate Management Team.
- An increased focus was applied to addressing historic internal audit recommendations with involvement from the Chief Executive Office, Azets and responsible Governance Committees. This has led to a reduction in the number of overdue actions with outstanding actions now relating to audits completed from year 2023/24 onwards and a much better success rate in completion of actions by due dates.
- The Annual Internal Audit Plan has detailed input from Corporate Management Team and Integrated Governance Committee prior to finalising and presenting to ARC for recommendation to Board.

- Throughout the year, NHS Ayrshire and Arran's internal audit plans and reports were shared with the Chief Internal Auditors for the Integration Joint Boards. The audit plans and governance reports for all three Integration Joint Boards were presented to the November 2024 meeting by their respective chief internal auditors.
- Risks are reported and monitored throughout the year and consideration is given to how the information/ updates received at each meeting impacts on risk profile with changes made as appropriate. Work has been ongoing to refine information in risk reports and increase focus on control effectiveness and improvement actions including some Internal Audit recommendations have been implemented during 2024/25.

Enhancements to reporting have been made on an ongoing basis throughout the year e.g. internal audit action information, counter fraud report content, risk reports

6. Priorities for 2025/26

- 6.1 We will continue to ensure that all External and Internal Audit recommendations/actions are addressed by management to ensure a robust control environment, particularly those arising from the aforementioned red audits.
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- 6.2 We will continue to closely monitor strategic risks and the control environment to ensure that this accurately reflects the environment we are working in e.g. progress to financial sustainability, digital environment, staff matters, climate emergency and sustainability agenda.
financial

7. Chair's Comments

- 7.1 The Audit and Risk Committee continues to develop in the contribution that the Committee makes in ensuring the continued provision and improvement in Internal Control arrangements within the Board and, in accordance with its Terms of Reference, will seek to maintain that progress.
- 7.2 The detail in this report coupled with the evidence detailed in Appendices 2 & 3, demonstrates that, whilst some gaps have been highlighted in the control framework during the year, the Audit and Risk Committee discharged it's remit effectively taking action as appropriate to escalate and monitor matters of concern. Our role is well complemented by the dedication of the Executive to ensure effective processes and controls are in place to keep our patients, staff and the organisation safe in what is and will remain for some time a very challenging environment.

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- 7.3 The work of the Committee is made easier as a result of the collaborative and cooperative approach of all those who provide input in many different ways, visible and invisible and my thanks go to all involved for their efforts during another very challenging year.

Jean Ford
Chair – Audit and Risk Committee
15 May 2025

Approved by Audit and Risk Committee
15 May 2025

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Audit Committee: Self-assessment
checklist
2023/24



| Role and remit | Yes/No / NA | Comments/Action |
|--|-------------|---|
| Does the committee have written terms of reference? | Yes | |
| Do the terms of reference cover the core functions as identified in the <i>SG Audit and Assurance Committee Handbook</i> ? | Yes | |
| Are the terms of reference approved by the Audit and Assurance Committee and reviewed periodically? | Yes | Annual review and approved by Board. |
| Has the committee been provided with sufficient membership, authority and resources to perform its role effectively and independently? | Yes | |
| Does the body's governance statement mention the committee's establishment and its broad purpose? | Yes | |
| Does the committee periodically assess its own effectiveness? | Yes | Annual review and approval of self-assessment checklist. |
| Membership, induction and training | | |
| Has the membership of the committee been formally agreed by the management board and or Accountable Officer and a quorum set? | Yes | |
| Are members appointed for a fixed term? | Yes | |
| Does at least one of the committee members have a financial background? | Yes | |
| Are all members, including the Chair, independent of the Executive function? | Yes | |
| Are new committee members provided with an appropriate induction? | Yes | |
| Has each member formally declared his or her business interests? | Yes | |
| Are members sufficiently independent of the other key committees of the Board? | Yes | Non-Executives will be on various committees of the Board, but remain |

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| | | independent as they have no executive responsibilities. |
| Has the committee considered the arrangements for assessing the attendance and performance of each member? | Yes | Attendance of each member is shown in annual audit report. Performance is be assessed by Chair of Board. |
| Meetings | | |
| Does the committee meet regularly, at least four times a year? | Yes | |
| Do the terms of reference set out the frequency and broad timing of meetings? | Yes | |
| Does the committee calendar meet the body's business and governance needs, as well as the requirements of the financial reporting calendar? | Yes | Calendar is arranged in consultation with the Head of Corporate Governance taking into account all Board Governance Committees and the timetable for the risk management process. |
| Are members attending meetings on a regular basis and if not, is appropriate action taken? | Yes | Attendance is recorded in the Annual report to the Board. Performance of Non-Executives is appraised annually by the Board Chair. |
| Does the Accountable Officer attend all meetings and, if not, is he/she provided with a record of discussions? | Yes | |
| Does the committee have the benefit of attendance of appropriate officials at its meetings, including representatives from internal audit, external audit and finance? | Yes | Internal Audit are in attendance at all meetings. External audit and other 'appropriate officials' attend when required. |
| Internal control | | |
| Does the committee consider the findings of annual reviews by internal audit and others, on the effectiveness of the arrangements for risk management, control and governance? | Yes | Risk is part of the internal audit programme each year. The Governance statement supported by Director assurance letters outline the risk management system. |
| Does the committee consider the findings of reviews on the effectiveness of the system of internal control? | Yes | Internal and external audit reports refer to internal controls. |
| Does the committee have responsibility for review of the draft governance statement and does it consider it separately from the accounts? | Yes | Paper to June Audit Committee with draft Governance Statement and letter from each Director to Accountable Officer. |
| Does the committee consider how accurate and meaningful the governance statement is? | Yes | As above. |

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| Does the committee satisfy itself that the arrangements for risk management, control and governance have operated effectively throughout the reporting period? | Yes | As above. |
| Has the committee considered how it should coordinate with other committees that may have responsibility for risk management and corporate governance? | Yes | Each governance committee reviews the risks it owns and considers internal audit reports in their area. |
| Has the committee satisfied itself that the body has adopted appropriate arrangements to counter and deal with fraud? | Yes | Counter fraud update paper received at most meetings. November meeting had presentation from Counter Fraud Services. |
| Has the committee been made aware of the role of risk management in the preparation of the internal audit plan? | Yes | Areas for review are linked to Board's risk register. |
| Does the committee's terms of reference include oversight of the risk management process? | Yes | |
| Does the committee consider assurances provided by senior staff? | Yes | Letters of assurance from the Director for each Directorate are provided as part of the Governance Statement on an annual basis. |
| Does the committee receive and consider stewardship reports from senior staff in key business areas such as Finance, HR and ICT? | Yes | As above. |
| Financial reporting and regulatory matters | | |
| Is the committee's role in the consideration of the annual accounts clearly defined? | Yes | |
| Does the committee consider, as appropriate: | | |
| • the suitability of accounting policies and treatments | Yes | |
| • major judgements made | Yes | |
| • large write-offs | Yes | |
| • changes in accounting treatment | Yes | |
| • the reasonableness of accounting estimates | Yes | |
| • the narrative aspects of reporting? | Yes | |
| Is a committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed | Yes | Annually at the June meeting. |

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| adjustments to the accounts and other issues arising from the audit? | | |
| Does the committee review management's letter of representation? | Yes | Annually at the June meeting. |
| Does the committee gain an understanding of management's procedures for preparing the body's annual accounts? | Yes | NHS Scotland 2023-24 end-year process letter to Directors of Finance provided to Audit & Risk Committee. |
| Does the committee have a mechanism to keep it aware of topical legal and regulatory issues? | Yes | Audit Scotland updates. |
| Internal audit | | |
| Does the Head of Internal Audit attend meetings of the committee? | Yes | |
| Does the committee consider, annually and in detail, the internal audit plan including consideration of whether the scope of internal audit work addresses the body's significant risks? | Yes | Audit Committee held a workshop with internal auditors to discuss in detail prior to formal Audit & Risk Committee meeting. |
| Does internal audit have a direct reporting line, if required, to the committee? | Yes | Chief Internal Auditor meets with the Audit Committee before each meeting, without the presence of management. |
| As well as an annual report from the Head of Internal Audit, does the committee receive progress reports from internal audit? | Yes | Each meeting. |
| Are outputs from follow-up audits by internal audit monitored by the committee and does the committee consider the adequacy of implementation of recommendations? | Yes | Follow-up reports by internal auditors are received by the Audit Committee at every meeting. A list of overdue actions is presented to the Corporate Management Team on a quarterly basis. |
| If considered necessary, is the committee chair able to hold private discussions with the Head of Internal Audit? | Yes | A pre-meeting between Committee members and Auditors takes place prior to each Committee meeting. |
| Is there appropriate co-operation between the internal and external auditors? | Yes | |
| Does the committee review the adequacy of internal audit staffing and other resources? | Yes | Re-tender internal audit contract every four years. Resource allocation in line with plan is picked up on an ongoing basis |
| Are internal audit performance measures monitored by the committee? | Yes | Included as part of reporting |

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| Has the committee considered the information it wishes to receive from internal audit? | Yes | |
| Has the committee considered formal terms of reference defining internal audit's objectives, responsibilities, authority and reporting lines? | Yes | Internal Audit Charter received by Committee on an annual basis. |
| External audit | | |
| Does the external audit representative attend meetings of the committee? | Yes | |
| Do the external auditors present and discuss their audit plans and strategy with the committee (recognising the statutory duties of external audit)? | Yes | Report to March Audit Committee |
| Does the committee chair hold periodic private discussions with the external auditor? | Yes | Before each Audit Committee meeting. |
| Does the committee review the external auditor's annual report to those charged with governance? | Yes | At June meeting. |
| Does the committee ensure that officials are monitoring action taken to implement external audit recommendations? | Yes | Followed up each year by external audit and half yearly update from DoF to ARC |
| Are reports on the work of external audit presented to the Audit and Assurance Committee? | Yes | Report to those charged with Governance received each June. |
| Does the committee assess the performance of external audit? | Yes | |
| Does the committee consider the external audit fee? | Yes | Within the external audit contract. |
| Administration | | |
| Does the committee have a designated secretariat? | Yes | |
| Are agenda papers circulated in advance of meetings to allow adequate preparation by committee members and attendees? | Yes | At least a week before the meeting. |
| Do reports to the committee communicate relevant information at the right frequency, time, and in a format that is effective. | Yes | Ongoing continuous improvement takes place as necessary. Committee members openly challenge as necessary. |
| Does the committee issue guidelines and/or a pro forma concerning the format and content of the papers to be presented? | Yes | Internal and external audit reports do not require front cover. Other papers in Board Committee format. |
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| Are minutes prepared and circulated promptly to the appropriate people, including all members of the Board? | Yes | Key issues reported to Board following committee, prior to approved minutes going to Board. |
| Is a report on matters arising presented or does the Chair raise them at the committee's next meeting? | Yes | A formal 'matters arising' report is received at each meeting. |
| Do action points indicate who is to perform what and by when? | Yes | As above |
| Does the committee provide an effective annual report on its own activities? | Yes | Annual report considered by Committee and presented to Board as part of the annual assurance process. |
| Overall | | |
| Does the committee effectively contribute to the overall control environment of the organisation? | Yes | |
| Are there any areas where the committee could improve upon its current level of effectiveness? | Yes | Always looking to improve. Consideration of procurement assurance a recent example |
| Does the committee seek feedback on its performance from the Board and Accountable Officer? | Yes | |

Assurance Mapping (Review of papers submitted against the Audit and Risk Committee Remit 2024-25)

Appendix 2

Remit: To provide assurance to NHS Board on corporate governance and financial probity.

| Duties as noted in Terms of Reference | 16 May 2024 | 20 June 2024 | 27 Sept 2024 | 18 November 2024 | 23 January 2025 | 20 March 2025 |
|---|---|---|---|--|--|---|
| | Committee will review the overall Internal Control arrangements of the Board and make recommendations to the Board regarding signing of the Governance Statement, having received assurance from the Healthcare Governance, Staff Governance, Information Governance and other relevant Committees. Specifically it will: | | | | | |
| Receive a regular review of the operational effectiveness of the internal audit function. | Internal Audit Plan progress report | Internal Audit Plan progress report | Internal Audit Plan Progress Report | Internal Audit Plan Progress Report | Internal Audit Plan Progress Report | Internal Audit Plan 2025/26 |
| Monitor the internal and external audit programme, receiving reports, overseeing and reviewing action taken by the Chief Executive on audit recommendations and reporting to the Board. | Internal Audit Report – Performance Monitoring Internal Audit Report - AHPs | Internal Audit Advisory Report – Digital Strategy Internal audit Report – Staff Rostering Internal Audit Annual Report and Opinion 2023-24 ISO 580 Audit Completion Letter | Internal Audit Actions Follow Up Report Internal Audit Report – Property Transaction Monitoring Internal Audit Report – Risk Management | Internal Audit Actions Follow Up Report Internal Audit Report – Waiting List Management Internal Audit Report – Environmental Sustainability Internal Audit Report – CRES External Audit Action Plan | Draft Internal Audit Plan 2025/26 Best Value Position Paper | Internal Audit Plan progress report Internal Audit Report – Business Continuity Planning Internal Audit Report – GP Sustainability Payments Internal Audit Actions Follow Up Report External Audit Plan 2024-25 |
| Receive reports from the Chief Executive and/or Executive Director of Finance in relation to formal audit reports and proactive as well as reactive counter fraud work. | Counter Fraud Update Report | | Presentation & Annual Report from Head of Counter Fraud Services, NSS Counter Fraud Update Report | Counter Fraud Update Report | Counter Fraud Update Report | Counter Fraud Update Report Counter Fraud Standards Self-Assessment |

Assurance Mapping (Review of papers submitted against the Audit and Risk Committee Remit 2024-25)

Appendix 2

Remit: To provide assurance to NHS Board on corporate governance and financial probity.

| Duties as noted in Terms of Reference | 16 May 2024 | 20 June 2024 | 27 Sept 2024 | 18 November 2024 | 23 January 2025 | 20 March 2025 |
|--|--|---|--|--|--|---------------|
| Receive regular external audit reports, in particular any annual report or management letters relating to certification of the Board's statutory annual accounts. | National Finance System Assurance Report Audit Scotland Technical Bulletin Patient Exemption Checking 2023/24 | National IT Services Audit Report NSS Practitioner Services External Auditor Letter of Representation External Auditor Annual Report | Blueprint for Good Governance Improvement Plan Code of Corporate Governance | Integration Joint Boards: Internal Audit Reports and Plans | Best Value Position Paper Audit Scotland Report – Drugs and Alcohol Audit Scotland Report – NHS in Scotland 2024 | |
| Hold meetings with the external and internal auditors, if necessary, to discuss their annual report, the scope of their audit examination and any matters which the External Auditor wishes to discuss, without Executive Board Directors present. | <p>Chief Executive & DoF meet with internal auditors on a regular basis and ARC committee members hold a pre-meet with auditors before each committee meeting.</p> <p>External audit have interim visits (February/March) and year-end audit (May and June) which culminates in a clearance meeting. Annual Audit reports and audited accounts go to the Audit and Risk Committee and the Board.</p> | | | | | |
| Receive assurance from other governance committees on actions by management to remedy weaknesses or other criticisms of the Board's systems made by the internal or external Audit. | | Governance Statement From Chief Executive and Supporting Letters from Executive | | | Internal Audit Update – Risk Management Internal Audit Update – CRES | |

Assurance Mapping (Review of papers submitted against the Audit and Risk Committee Remit 2024-25)

Appendix 2

Remit: To provide assurance to NHS Board on corporate governance and financial probity.

| Duties as noted in Terms of Reference | 16 May 2024 | 20 June 2024 | 27 Sept 2024 | 18 November 2024 | 23 January 2025 | 20 March 2025 |
|---|---|---|-----------------------------------|--|--|---|
| Review risk management arrangements, receive corporate risks related to the Audit & Risk Committee at least twice a year and receive the Risk Management Annual Report. | | Strategic Risk Register | | Strategic Risk Register Risk Appetite Statement | | Strategic Risk Register Risk Management Strategy |
| Oversee the financial reporting process to ensure balance, transparency and integrity of published financial information. | Tender Waivers & Exception Report | Statutory Annual Accounts for approval to submit to Board ARC Statement of significant issues Annual audit assurance statement to Board Payment Verification Annual report Endowment Assurance Report | Tender Waivers & Exception Report | Tender Waivers & Exception Report | Tender Waivers & Exception Report Payment Verification Update | Tender Waivers & Exception Report |
| Receive annual reports and quarterly updates from the sub-committees established by the NHS Audit and Risk Committee in order to provide assurance and accountability. | No Sub Committees were established by ARC during year | | | | | |

Assurance Mapping (Review of papers submitted against the Audit and Risk Committee Remit 2024-25

Remit: To provide assurance to NHS Board on corporate governance and financial probity.

| Duties as noted in Terms of Reference | 16 May 2024 | 20 June 2024 | 27 Sept 2024 | 18 November 2024 | 23 January 2025 | 20 March 2025 |
|--|-------------------|--------------|--------------|------------------|----------------------|---------------|
| Review any proposed changes to the Standing Orders, Scheme of Delegation and Standing Financial Instructions | ARC Annual Report | | | | Annual review of TOR | |

Audit and Risk Committee Reporting to NHS A&A Board 2024-25

Appendix 3

| Reporting Duties | 16 May 2024 | 20 June 2024 | 27 September 2024 | 18 November 2024 | 23 January 2025 | 20 March 2025 |
|--|---|--|---|--|--|---|
| Reporting action to the NHSAA Board | <ul style="list-style-type: none"> Internal Audit Plan 2023-24 and progress against this. Internal Audit Reports – Performance Monitoring, Performance Monitoring IJBs and Financial Management. National Finance Systems Assurance Report for 2023/24 – ISAE3402. | <ul style="list-style-type: none"> Internal Audit Plan 2023-24 and progress against this. Internal Audit Advisory Reports – Digital Strategy and Staff Rostering. IT and Practitioner Services Audits. Governance statement and supporting letters. Annual accounts for 2023/24. Annual Audit Report for 2023/24. Annual audit assurance statement. | <ul style="list-style-type: none"> Update from the Head of Counter Fraud Services. Progress update on Blueprint for Good Governance Improvement Plan. Internal Audit Progress, Follow Up report and completed audits into Property Transaction Monitoring and Risk Management. | <ul style="list-style-type: none"> Internal Audit Report – CRES, Waiting List Management and Environmental Sustainability. Internal Audit Progress and Follow-up Reports. Internal Audit Plan first draft 2025-26. External Audit Progress. Internal audit reports for 2023/24 and plans for 2024/25 presented by Chief Auditors from each IJB. Tender Waivers Strategic Risk Register. | <ul style="list-style-type: none"> Audit Scotland Presentations Internal Audit Progress Report and updates on Risk Management and CRES. Best Value. Draft ToR for ARC. Counter Fraud. | <ul style="list-style-type: none"> External Audit Plan 2024/25. Final draft Internal Audit Plan 2025/26. Internal Audit Plan 2024/25, follow up report and Progress Report. Completed audit into Business Continuity and GP Enhanced Sustainability. National Fraud Standards Self-Assessment. |
| Confirmation these were brought to the NHSAA Board | Y | Y | Y | Y | Y | Y |