

NHS Ayrshire & Arran



Meeting:	Ayrshire and Arran NHS Board
Meeting date:	Monday 30 June 2025
Title:	Audit and Risk Committee meetings on 19 & 24 June 2025 Chair's report to NHS Board
Responsible Director:	Derek Lindsay – Director of Finance
Report Author:	Jean Ford, Non-Executive Director/Committee Chair

1. Purpose

This is presented to the Board for: Discussion.

This paper relates to: Local policy to ensure good governance practice in reporting from board committees

This aligns to the NHS Scotland quality ambitions of Safe, Effective and Person Centred. Good governance practice supports the effective delivery of services across the organisation.

2. Report summary

2.1 Situation

This report provides information to Board Members on key items discussed within the Governance Committee's remit, in order to provide assurance to the Board that those matters have been identified and are being addressed, where required.

2.2 Background

The Board Model Standing Orders advises that Board meeting papers will include the minutes of committee meetings which the relevant committee has approved. To ensure that there is no delay in reporting from committees this paper provides a timely update on key items from committees.

2.3 Assessment

Key items agreed by Committee are noted below.

- Service Audit reports were received for National IT services and NSS Practitioner and Counter Fraud services. A few exceptions have been identified with management responses included which provide assurance on way forward to address these. The reports have been shared with Audit Scotland for their consideration and there are not deemed to be any major impacts for NHS AA.

- The committee considered the Strategic Risk Register and in particular two new risks which have been proposed for addition to the register. It was agreed that more work is required to fully understand and document the rationale for escalation and whether they are indeed separate new risks or could be reflected within existing strategic risks.
- The final Internal Audit Report from the 2024/25 plan was received covering Patient Flow with a rating of Substantial Improvement Required (Amber). The recommendations will support management in implementing the Unscheduled Care Recovery Plan and help to ensure that it delivers its intended consequences and include the need to streamline the scale and quantum of planned improvement activities such that there is a clear and consistent understanding of priority actions amongst all grades of staff. Whilst the actions are fully accepted by management, detailed responses have not yet been fully developed due to short timelines involved between completion of audit report and Committee/year end requirements. Responses should be available by early July and the final report will then be submitted by correspondence to ARC members for review and confirmation that they provide assurance on way forward. Thereafter the report will be forwarded to the relevant Governance Committee for monitoring of actions.
- The Internal Audit Annual Report and Opinion for 2024/25 was received and gave assurance that NHS Ayrshire & Arran has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives, except in relation to aspects of financial sustainability and the management of GP sustainability payments. This was in line with expectations and reflects the severity of issues raised in the CRES and GP Sustainability Audits completed during the year.
- The Chief Executive presented the governance statement and supporting letters to provide assurance on the control environment and systems of internal control.
- The committee received the annual report and accounts for 2024/25 and approved their submission to the Board.
- The 2024/25 Annual Audit Report was received and discussed. An unmodified audit opinion applies in respect of the accounts. Whilst recognising the work achieved to date to improve the Board's position issues remain extant around the financial sustainability of the Board and the need for more robust plans to demonstrate path to sustainability.
- The Audit and Risk Committee approved submission of the annual audit assurance statement to the NHS Board highlighting an adequate system of internal control.

2.4 Recommendation

The Board is asked to be aware of and discuss the key items highlighted and receive assurance that issues are being addressed, where required.