

Minutes of NHS Ayrshire and Arran Audit & Risk Committee Meeting

held on Monday 27 June at 10:00 hours via Microsoft Teams

Present Bob Martin, Non-Executive Board Member (Chair)
Sukhomoy Das, Non-Executive Board Member
Jean Ford, Non-Executive Board Member
Marc Mazzucco, Non-Executive Board Member

In attendance Judith Aspinwall, Fraud Liaison Officer
Bob Brown, Assistant Director of Finance (Governance and Shared Services)
Claire Burden, Chief Executive
Derek Lindsay, Director of Finance
Fiona McGinnis, Finance Business Partner
Karlyn Watt, Deloitte

Shirley Taylor (Minutes)

1. Apologies and declarations of interest

1.1 Apologies

Apologies were received from Michael Breen and Lesley Bowie.

1.2 Declarations of interests

There were none.

2. Service Audit Reports

Outcome: *The committee received the report.*

2.2 NSS Practitioner Services

As per the item above an unqualified report which was noted the case last year.

Outcome: *The committee received the report.*

3. Payment Verification Annual Report

The local annual report was provided to the committee to give assurance of the arrangements in place in relation to payment verification of independent contractors providing family health services.

In normal circumstances quarterly meetings would take place with colleagues from NSS which have not been held due to Covid however these will be recommenced shortly. In terms of moving forward a Customer Relations Manager has been appointed to support the process.

The committee received assurance that robust arrangements were in place for managing practitioner services within Ayrshire and Arran.

Outcome: *The committee received the report.*

4. Governance Statement and Supporting Letters

Governance statements and supporting letters were provided to the committee with assurance that the control environment and systems of internal control were considered adequate in respect of the financial year 2021/22. The Governance Statement will form part of the annual accounts being submitted to the Board.

After discussion it was agreed that due to the partial assurance received as part of the Internal Audit opinion, the governance statement would be amended to reflect this. The committee also felt it should be acknowledged within the governance statement that steps will be taken to increase the assurance level for the coming year.

Action: Claire Burden / Derek Lindsay

Outcome: *The Committee received assurance on the adequacy of the control environment with minor amendments being made to the governance statement.*

5. Statutory Annual Accounts

5.1 Annual Accounts for NHS Ayrshire and Arran – 2021/22 (Draft)

The annual accounts were presented to the committee for discussion. The Board achieved all financial targets in 2021/22, with a £510k surplus and without receiving brokerage from the Scottish Government.

The accounts have been scrutinised by Deloitte and a clean audit opinion was issued. The team were thanked for all of their hard work in achieving this position.

Outcome: *The committee approved the accounts for submission to the Board.*

6. External Audit

6.1 Letter of Representation

The letter of representation was presented to the committee by the external auditor. There were no special terms for highlighting within the year and the letter was approved for formal signature along with the accounts.

Outcome: *The letter of representation was approved for signature.*

6.2 Annual Report

The report was presented to the committee and the review has concluded that an unmodified audit opinion is proposed on the board accounts and governance statement in line with recommended practice.

Overall assurance has been given to the committee in terms of the accounts. It was agreed this was a good report and thanks were provided to all for their input. Acknowledgement was given to further work required before presentation to the board.

A question was raised in relation to the consolidation of the IJB accounts and how the timeframe has not been met over the past few years. It was noted this was due to the IJB's own timeframes for completion being later than when the Board is required to give their auditor draft accounts.

The auditor was thanked for all of their work over the past six years.

Outcome: *The committee approved the report for submission to the Board.*

7. Assurance

7.1 Statement of significant issues and draft response on behalf of NHS Ayrshire and Arran's Audit and Risk Committee

The Assistant Director of Finance explained that the Audit Committee of the Scottish Government required a letter detailing any significant problems which the Board considered to have wider implications.

The Director of Finance was not aware of anything which required to be reported and had drafted a response on behalf of NHS Ayrshire and Arran's Audit and Risk Committee stating this for return to the Scottish Government.

Action: Bob Martin

Outcome: *The Chair agreed to sign the letter on behalf of the Audit and Committee in which it was stated that they were not aware of any significant issues of fraud which had arisen during 2021/22.*

7.2 Annual audit assurance statement to the Ayrshire and Arran Board

The Director of Finance explained that the committee were required to provide an assurance statement to the Board in respect of audit work conducted, reviewing

internal controls in place throughout the financial year. This will allow approval of the Annual Accounts by the Board.

Outcome: *The committee approved submission of the statement to the Board with the changes noted above.*

8. Any other competent business

The chair advised that this would be the Assistant Director of Finance's last audit committee meeting due to impending retirement. Thanks was given for the support provided over the years along with best wishes from the committee for a long and happy retirement.

9. Key issues to report to the NHS Board

The following items were agreed to be reported to the Board:

- Service Audits
- Payment Verification
- Governance Statement
- Annual Accounts
- Assurance Statements

10. Risk issues to report to the Risk and Resilience Scrutiny and Assurance Group

None noted.

11. Date of next meeting

Wednesday 23rd November 2022 at 9.30am via Microsoft Teams

Approved by Chair of the Committee:

..... Date: