



Minutes of NHS Ayrshire and Arran Audit & Risk Committee Meeting

held on Wednesday 27 September 2023 at 09:30 hours via Microsoft Teams

Present Jean Ford, Non-Executive Board Member (Chair)
Marie Burns, Non-Executive Board Member
Sukhomoy Das, Non-Executive Board Member
Marc Mazzucco, Non-Executive Board Member
Joyce White, Non-Executive Board Member
Neil McAleese, Non-Executive Board Member

In attendance Claire Burden, Chief Executive
Derek Lindsay, Director of Finance
Fiona McGinnis, Assistant Director of Finance (Governance and Shared Services)
Judith Aspinwall, Financial Controller and Fraud Liaison Officer (FLO)
Gordon Young, Head of Counter Fraud Services, NSS
Rachael Weir, Internal Auditor, Azets
Jack Kerr, External Auditor, Audit Scotland
Ann Hamilton, Financial Services Manager and deputy FLO
Helen Shaw, Senior Management Accountant and deputy FLO
Eva Thomas-Tudo, Audit Scotland
Claire Tennyson, Audit Scotland

Shirley Taylor (Minutes)

1. Apologies and declarations of interest

1.1 Apologies

The Chair welcomed everyone to the meeting, apologies have been received from Elizabeth Young.

1.2 Declarations of interests

None noted.

2. Minutes of the meeting on 21 June 2023

The minutes were declared as an accurate record of the meeting.

3. Matters Arising

3.1 Action Log

Six of eight outstanding actions were completed with no further queries noted.

3.2 Committee Work plan 2023-24

The committee received the amended work plan with changes detailed in red for ease of reference. It was agreed that an update on external audit actions would be brought to a future meeting and should be added to the workplan.

ACTION: Shirley Taylor

4. Counter Fraud

4.1 Presentation from Head of Counter Fraud Services (NSS) and Annual Report

The Head of Counter Fraud Services (NSS) was in attendance to provide the annual presentation to the committee and update on planned work over the next two years.

The Counter Fraud Standards have now been launched for which NHS Ayrshire and Arran were a pilot board. A self-assessment framework requires to be completed as part of this to ensure that robust processes are in place to tackle fraud. There are 12 components to the standards and a Counter Fraud Standard Statement will be completed. If any components are partially or not met then Counter Fraud Services will work with that Board to ensure progress towards all components being fully met as soon as feasible.

Discussion took place on the five principle reasons for fraud and it was highlighted that working for another employer while on sickness absence is the most common fraud referral received by the Counter Fraud Service. Prevention is thought to be the most effective way of managing this type of fraud and an annual delivery plan will be developed by Scottish Government and NHS Boards to combat this. The new strategy is currently with the Scottish Government for approval and it is hoped it will be finalised in the coming weeks. It was agreed that the strategy would be cascaded to the committee upon receipt.

Action: Judith Aspinwall

There are also various risks with regard to home and hybrid working such as timesheet/overtime fraud. Discussion took place by members on the robustness of our own systems, it was identified that systems are in place to ensure that staff members cannot work in another board area when on sick leave from their own employment however this only extends to NHS Boards and not private agencies.

It was agreed that there requires to be a balance of trust and barriers should not be created with staff to avoid fraud however it is each Boards responsibility to ensure this risk is managed effectively.

Outcome: *The Committee received the presentation and thanked the Head of Counter Fraud Services for attending.*

4.2 Counter Fraud Liaison Report

The Assistant Director of Finance presented the routine Counter Fraud Liaison report and advised that the Counter Fraud Standards Self-Assessment Fraud Statement has now been submitted. The team were thanked for their assistance with this.

Work is ongoing on the National Fraud Initiative which will be reported to the committee at the next meeting.

ACTION: Fiona McGinnis

The committee were advised of International Fraud Awareness Week which will take place week commencing 12 November 2023. Notification of this for all staff will be contained in the daily digest and discussion is taking place regarding the placement of stalls at various locations to raise awareness.

Members' attention was drawn to the appendix containing a list of new and ongoing cases. All cases are in progress and being taken forward.

It was agreed that the action plan would be shared with the committee at the next meeting and progress updates against the standard would be shared throughout the year for assurance.

ACTION: Fiona McGinnis

Outcome: *The committee received the report.*

5. Governance and Risk

5.1 Strategic Risk Register

The Director of Finance presented the full Strategic Risk Register to the committee and advised that each Governance committee receives their own version of the report containing the risks for which they are responsible. It was clarified that the role of the Audit and Risk Committee is to monitor the system for managing risks to ensure this it is operating effectively.

A review took place by the Risk and Resilience Scrutiny and Assurance Group on 21 July 2023 which resulted in eight risks being moved from strategic to operational, with these risks now being managed through their own Directorate moving forward.

The committee discussed the new risks which have been added in relation to non-framework nursing agency use and Electromedical equipment (EME). The latter was discussed at a recent Performance Governance Committee where it was reported that the risk has emerged due to lack of capital monies available and prioritisation of most capital money on digital infrastructure. A programme of EME replacement takes place each year costing several million however due to digital being the priority for capital funding this year, there is only £750k available for EME. This has been supplemented by the Scottish Government which will help to mitigate the risk somewhat.

The Chief Executive confirmed that those risks moved from strategic to operational have not been downgraded and is more of a change in the ownership of the risk to ensure they are being actively managed. All risks are held by the Board regardless of being strategic or operational.

A committee member highlighted that a risk related to adverse publicity should be changed to strategic as the Board has overall responsibility for this. It was agreed this would be given further consideration.

ACTION: Claire Burden

More detail is required to better demonstrate how actions will lead to a reduction on the risk rating and to ensure risk descriptions clearly describe the risk in a succinct manner. Lead Directors assurance statements require to give a fuller picture on the control environment and actions being taken to enhance mitigation. It was agreed this would be fed back to risk owners.

ACTION: Claire Burden

Outcome: *The committee received the strategic risk register.*

6. Internal Audit

6.1 Internal Audit Progress Update

The Internal Auditor presented the Internal Audit Progress update report which summarises the overall progress made against the delivery of the audit plan.

Since the last meeting in June 2023, two audits have been completed on Property Transaction Monitoring and Waiting List Management. A draft report has also been issued following the audit of Infection Prevention and Control. Two further audits are planned for mid-October and are currently with management to agree the scope.

Assurance was given to the committee that the progress made to date is in line with the annual audit plan.

It was noted that one change has been proposed to the plan with regard to the subject matter for the IJB days being Delayed Discharges. Due to this having just taken place it was agreed by the committee that this would be replaced by Performance Monitoring within IJBs.

Some suggestions were made regarding the formatting of the report which was agreed by the Internal Auditor.

Outcome: *The committee received the progress update and gave approval for the proposed changes to the audit plan.*

6.2 Internal Audit Follow Up Report

The Internal Auditor presented the Internal Audit Follow Up report to the committee. The auditor gave thanks to the committee for the recent CMT session which took place after the last meeting which was very helpful.

A total of 62 actions were noted as open within the report with around half of these actions not yet due for implementation. Work has taken place with Corporate Management Team to close off some of the 'aged' action which has helped to reduce the number of overdue actions from 25 to 16. The committee received assurance that good progress had been made. It was noted that revised due dates have been provided for all live audits where required.

A question was raised with regard to the Organisational Culture audit and whether the deadline for the actions will be met due to the timescales of return of the iMatters actions plans. It was confirmed that good progress has been made in relation to the production of the improvement plans following the iMatters surveys, the majority of plans have been returned and the team will be asked to reflect this on the action plan updates to Azets which will allow the committee to see what progress has been made on the Internal Audit Progress Report.

ACTION: Claire Burden

Processes have been put in place for regular updates to be requested on the progress of audits along with a regular slot for discussion on the Corporate Management Team agenda.

A committee member raised a query in relation to the management of actions once the improvement has been put in place and the action is closed. It was responded that it is the responsibility of the manager to ensure that once processes are put into place as recommended by the audit they are continued thereafter.

Outcome: *The committee received the follow up report.*

- 6.3 Internal Audit Report – Property Transaction Monitoring
The committee received the Property Transaction Monitoring Internal Audit report. As this was the first report received from Azets, feedback was welcomed from committee members on the content and structure.

It was confirmed this is a statutory audit which requires to be carried out annually. Eight property transactions were concluded within the year, all of which were in line with the requirement. Three minor improvement actions were found related to the process. These have since all been completed.

Outcome: *The committee received the internal audit report.*

- 6.4 Internal Audit Report – Waiting List Management
The Internal Auditor presented the report on Waiting List Management and explained that the context of the audit was the performance against the national waiting times targets which is challenging across the whole NHS.

Although a number of areas were found to be below target, the underpinning controls for managing the process were found to be robust, with good practices in place and ongoing efforts being made to validate waiting lists and ensure that only those patients still requiring to be seen are on the waiting list. Work is also ongoing to formalise procedures.

Discussion took place on the improvement points contained within the report. With regard to action 2.1, booking patients in turn, it was confirmed there can be some anomalies to the process that allow patients to jump the list. This can be to ensure capacity is filled or due to a cancellation however the rationale is not always clear. A management action has been put in place to develop a mechanism to ensure patients are booked in turn and report this to the Acute Services Waiting Times Group. Training will also take place for medical secretaries.

A question was raised by a committee member in relation to the impact of patients being treated via the emergency route and whether this would skew the data. It was confirmed no instances of this were identified within the sample however the query will be raised with the management team.

Action: Derek Lindsay

Outcome: *The committee received the internal audit report which will be forwarded to the Performance Governance Committee for monitoring of actions.*

7. Tender Waivers & Procurement

7.1 Tender Waivers/Tender Exception Report

The Assistant Director of Finance presented the routine report identifying waivers granted within the previous period. All waivers have been reviewed and the committee were advised that these are often due to the standardisation of national practices across Scotland.

Outcome: *The committee received the report.*

8. Audit Scotland Reports

8.1 Adult Mental Health

Two representatives from Audit Scotland attended the committee to provide some background to members on the Adult Mental Health Report recently published by Audit Scotland. The report was as a result of a performance audit looking at how effectively Adult Mental Health Services were being delivered across Scotland.

As part of the audit, focus groups were carried out to look at outlining some of the support available across Scotland, and the availability and awareness of this support. It was found that the structure is very complex with multiple organisations involved resulting in difficulties sharing information across partners and in developing person centred services. GP referrals can often be slow and sometimes don't meet the threshold for specialist services. It was reported that the Scottish Government have committed to ensuring every GP Practice has a

dedicated Mental health and Wellbeing service in place by 2026. People also need to be given the choice on how they would like to access services whether this be face to face, online or hybrid.

Progress made in addressing mental health inequalities has been found to be slow. Progress against the 18 week referral to treatment waiting time has improved however it was found that most Boards were still below standard. This does not measure the quality of services or whether outcomes are being improved for those accessing the services. Inconsistent data has also been submitted across the board in relation to psychological therapies.

Spending across Adult Mental Health has increased since 2017/18 within the NHS. Local councils are also recording spend against this. Limited and poor quality data has made it very difficult to track spending. It was noted that the Scottish Government Mental Health Directorate budget has also increased significantly.

In relation to the workforce it was found that there are a number of key roles which are under pressure due to high turnover of staff and vacancy rates, with Mental Health Nursing staff vacancies almost doubling since 2017. Some new and innovative roles have been developed across Adult Mental health however there is not enough data available to report on the impact of these.

Scottish Government commitments to Mental Health were not found to be on track. A strategy document related to this is expected in the Autumn however it has been requested that this is transparent with regard to the financial impact and will highlight the importance of good quality data. The recommendations of the report will be considered on 28 September 2023 at the Public Audit Committee where the report will be discussed in more detail, evidence given and questions will be taken.

It was felt that there was a great deal noted within the report that was already taking place across NHS Ayrshire and Arran and the IJBs. Recognition should be given to the fact that waiting times is only a partial measure of performance and quality based measures should also be identified.

The committee thanked the Audit Scotland representative for their attendance and for providing the update on the report which was found to be very useful.

Outcome: *The committee received the report.*

9. Any other competent business

Nothing discussed.

10. Key issues to report to the NHS Board

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

- Counter fraud presentation and progress against standard
- Risk register

- Internal audit progress update and reports.

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

None noted at present.

12. For Information

The revised payment verification protocol and the Risk and Resilience Scrutiny and Assurance Group Terms of Reference was shared with members for information purposes.

In terms of the Payment Verification protocol, the Director of Finance advised that there will be no implications and a report will be presented to the Committee in May or June 2024 to highlight the work carried out throughout the year.

13. Date of next meeting

Thursday 16th November 2023 at 9.30am via Microsoft Teams

Approved by Chair of the Committee:

..... Date: