

## **Minutes of NHS Ayrshire and Arran Audit & Risk Committee Meeting**

**held on Thursday 24 January at 09:30 hours via Microsoft Teams**

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

**In attendance** Claire Burden, Chief Executive  
Lesley Bowie, Board Chair  
Derek Lindsay, Director of Finance  
Fiona McGinnis, Assistant Director of Finance (Governance and Shared Services)  
Elizabeth Young, Internal Auditor, Azets  
David Jamieson, External Auditor, Audit Scotland

Shirley Taylor (Minutes)

### **1. Apologies and declarations of interest**

#### 1.1 Apologies

The Chair welcomed everyone to the meeting, apologies were received from Fiona Mitchell-Knight and Rachael Weir.

#### 1.2 Declarations of interests

None noted.

### **2. Minutes of the meeting on 16 November 2023**

The minute was declared as an accurate record of the meeting.  
The chair advised that the Mental Health session with the board took place, it was found to be very useful with various follow ups in place as a result.

### **3. Matters Arising**

#### 3.1 Action Log

The committee reviewed the action log with changes noted to action 4.4 from 16/11/2023 which is in progress and action 5.4 part 1 from 16/11/2023 which is now complete.

The chair provided an updated in relation to action 6.2 (10/5/2023) with regard to the risk management strategy and improvements. The revised process is in place but full implementation will not be evident until around June 2024. The action log will be amended to reflect this.

ACTION – Shirley Taylor

Discussions are still ongoing with regard to action 4.2 from 21/6/2023. A revised completion date will be set as June 2024.

ACTION – Shirley Taylor

Members discussed the recent Infection Prevention and Control internal audit which took place. Some implementation dates for the management actions were amended following the final report being issued. It was agreed the updated report would be shared with the committee.

ACTION – Shirley Taylor

#### 3.1.1 Payment verification

The Director of Finance updated on action 11 from 16/11/2023, advising that the backlog has now been addressed. The delay had been due to a change in the national pricing system run by NSS. Discussion took place on the implications of the delay and it was confirmed that estimates were made throughout this time which were in line with the actual charges.

#### 3.2 Committee Work plan 2023-24

The committee received the workplan with changes noted in red for ease of reference.

### 4. Internal Audit

#### 4.1 Internal Audit Progress Report

The Internal Auditor shared the internal audit progress report confirming the current status of the audit plan. It was noted that two reports due to come to the January committee have been slightly delayed however it is anticipated these will be reported at the March committee. Fieldwork for Capital Procurement has substantially progressed and a draft report has been issued. The Internal Auditor confirmed that all final reports and the audit opinion is on track to be delivered at the committee meeting in May 2024.

A committee member expressed concerns regarding the priority being given by management to sign off of internal audits due to the delay in some audits being completed.

Work is ongoing internally to ensure that reports and actions are being progressed timeously. An offer of support has also been made to sponsors from

the Internal Auditor if required. No actions update was scheduled for this meeting and the Chair asked if the Auditor had any sense of whether there was any progress and it was confirmed that this appeared to be the case.

**Outcome:** *The Committee received the progress report*

#### 4.2 Draft Internal Audit Plan 2024-25

The Internal Auditor presented the draft Internal Audit Plan for 2024-25 for initial review and comment by Committee. Following this the plan will be presented to the Corporate Management Team followed by the Integrated Governance Committee and then return to Audit and Risk Committee for final approval to submit to the Board.

It was noted that the plan is year two of the three year plan with a focus on the need for overarching review in all aspects of the Boards operations.

Discussion took place with the following to be taken forward for consideration as the plan progresses through the various stages:-

- A potential future area to be explored in terms of audit for the coming year is the review of active governance in line with the recent publication of the Blueprint for Good Governance.
- Rather than an audit of GP enhanced services, a review of sustainability payments may be more worthwhile. This is payments made to some GP practices who are in remote locations or are single handed practices. It has been suggested that as there is adequate control over enhanced services, sustainability payments will be considered instead.
- Should an audit of agency usage be considered due to the work that has been undertaken in this area. A committee member felt it may be helpful to instead look at recruitment and retention which will have an overall impact on agency use. It was agreed that the Corporate Management Team should have an input into whether recruitment and retention or agency usage would be of most value for a future audit.
- Will the proposed audit on financial management and reporting and focus on financial management and auditors confirmed that budgeting and forecasting will be considered however this will not be over a long term period such as 3-5 years. CRES will also be considered as to how this fits into financial planning. It was agreed that longer term financial planning should be highlighted to the Corporate Management Team as an area of interest. The Director of Finance advised that a financial audit is undertaken on a yearly basis with the focus of this year's audit being on financial management and reporting. After discussion it was agreed that the scope of the audit would be shared with members for review and comment.
- It was suggested that a wider audit on serious adverse events to take into account the process and timescales could be useful.

ACTION – Shirley Taylor

During discussions, the topic of the delayed discharges audit report which has been presented at a previous Audit and Risk Committee and is now the

responsibility of the Performance Governance Committee to oversee actions was raised with a query around a dispute with South Ayrshire IJB., The Chief Executive confirmed that a briefing would be provided to Board members in relation to this.

ACTION – Claire Burden

**Outcome:** *The committee received the draft plan and suggestions were made for consideration by Internal Audit/CMT*

## 5. Fraud

### 5.1 Counter Fraud Update Report

The Assistant Director of Finance presented the routine counter fraud update report and drew members' attention to appendix one which details the referrals made to Counter Fraud Services since the last meeting and appendix two which details the current ongoing cases.

Following the last committee a meeting took place with Counter Fraud Service colleagues to discuss the simplification of the process. Counter Fraud Services will consider how information can be extracted from portal in a more useable format for Boards.

The main actions for this year are around awareness raising of fraud and ensuring staff are aware of the central email address for Fraud Liaison. During Fraud Awareness Week the Fraud Liaison Officer held stalls on each of the main sites to engage with staff and raise awareness. This was highlighted as an area of good practice by Counter Fraud Services.

**Outcome:** *The committee received the counter fraud update*

### 5.2 Counter Fraud Standards Pamphlet

The Assistant Director of Finance presented the Counter Fraud Standards Pamphlet and explained that following the discussion at the last committee meeting around the counter fraud standards and expectations, it was felt that was a helpful document to share as it provides a clear summary of each of the standards.

**Outcome:** *The committee received the Counter Fraud Services Pamphlet*

### 5.3 Counter Fraud Services Strategy

The Assistant Director of Finance shared the Counter Fraud Services Strategy which is a collaborative strategy across all Boards and uses data analytical techniques to identify fraud against four strategic pillars. The Committee were content to adopt the strategy.

**Outcome:** *The committee received the Counter Fraud Services Strategy*

### 5.4 National Fraud Initiative Self-Assessment

The Assistant Director of Finance presented the National Fraud Initiative Self-Assessment checklist and explained that this checklist looks at areas of good

practice. It was noted that overall NHS Ayrshire and Arran has good compliance with proportionate activity taking place, however a few actions can be implemented to improve compliance. It was also highlighted that some areas of the checklist are not applicable to NHS services. The checklist will be completed and submitted on a two yearly basis and the committee approved the content of the return.

**Outcome:** *The committee approved the National Fraud Initiative Self-Assessment*

## **6. Tender Waivers and Procurement**

### **6.1 Tender/Quick Quote Waiver Approval**

The Assistant Director of Finance shared the routine report highlighting tender waivers which have been approved since the last committee. It was reported that there have been a few high value tender waivers approved such as the breastfeeding network which is a continuation of a previous tender waiver. The department are currently in the process of agreeing funding with the Crosshouse Children's Charity and once agreed a tender will be completed. A tender waiver was also submitted for the review of the fire alarm and intruder system. This has been generated as it is a sole supplier.

Discussion took place on the value of the report and what could be added to enhance what is being reported or indeed allow a more strategic view to be taken. It was agreed that a discussion would take place between Chair and Director/ Assistant Director of Finance to take this forward and provide an update to a future Committee.

ACTION – Fiona McGinnis / Jean Ford

**Outcome:** *The committee received the report and suggestions were made.*

## **7. Any other competent business**

### **7.1 Draft Workplan 2024-25**

The committee considered the workplan and agreed that extra wording is required against some items to ensure that members are aware of what the item represents. The committee were comfortable with the workplan pending the wording changes.

ACTION – Jean Ford

**Outcome:** *The committee agreed the draft workplan for 2024-25*

### **7.2 ARC Terms of Reference**

The committee received the draft Terms of Reference and some wording changes were discussed. In particular this around the remit of the group at section 2.1. Section 3.8 was also discussed with regard to the risk management arrangements, the risk report is received at almost every meeting and the Terms of Reference should reflect this.

Expansion of section 3.9 is required to include external audit.

It was agreed that tracked changes would be made and sent to the committee for approval, once agreed by members these will be submitted to the Board for final approval.

ACTION – Jean Ford

**Outcome:** *The committee suggested updates to the Terms of Reference*

**7.3 Annual Accounts Audit Process**

The Chair provided members with timescales for the annual accounts audit process.

The governance statement and annual report narrative will be shared with members at the committee meeting on 16 May 2024 to allow more time for discussion and amendments. Draft accounts will be submitted to Audit Scotland on 07 May 2024 with the clearance meeting scheduled for 12 June 2024. A response to the actions is required by 14 June 2024 with the draft accounts being presented to the committee on 20 June 2024. These will then go to the NHS Board for final approval on 27 June 2024.

**Outcome:** *The committee noted the timescales in relation to annual accounts*

**8. Key issues to report to the NHS Board**

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

- Draft Internal Audit Plan
- Terms of Reference Review
- National Fraud Initiative Self-Assessment
- Internal Audit Progress report

**9. Risk issues to report to the Risk and Resilience Scrutiny and Assurance Group**

None noted at present.

**10. Date of next meeting**

Wednesday 20<sup>th</sup> March 2024 at 9.30am via Microsoft Teams

Approved by Chair of the Committee:

..... Date: .....