NOT PROTECTIVELY MARKED

PUBLIC BOARD MEETING	**31 July 2024** **Item 16**

THIS PAPER IS FOR NOTING

AUDIT AND RISK COMMITTEE MINUTES OF 22 APRIL 2024 AND REPORT OF MEETING HELD ON 13 JUNE 2024

Lead Director Author	Carol Sinclair, Chair of Audit and Risk Committee Julie Kerr, Governance Co-ordinator
Action required	The Board is asked to note the minutes and report.
Key points	In compliance with the Service's Standing Orders, the approved Committee minutes are submitted to the Board for information and consideration of any recommendations that have been made by the Committee. The minutes of the Audit and Risk Committee held on 22 April 2024 were approved by the Committee on 13 June 2024. An update of the meeting held on 13 June 2024 is also attached for the Boards information.
Timing	Minutes are presented following approval by the Committee. The Board will receive also received a written update of the most recent Committee meeting.
Corporate Risk Identification	Risk 4636 – Health and Wellbeing of Staff Affected Risk 4638 – Hospital Handover Delays Risk 5602 – Service's defence against a Cyber Attack Risk 5603 – Maintaining required Service Levels
Link to Corporate Ambitions	The Audit and Risk Committee has responsibility on behalf of the Board to ensure that the appropriate work is undertaken to assess clinical governance within the Service and provide assurance to the Board that the governance arrangements are safe, effective and person centred.
Link to NHS Scotland's Quality Ambitions	This paper is aligned to and supports all three of NHS Scotland's quality ambitions to enable our workforce to provide safe, effective and person centred care

Benefits to Patients	The Staff Governance Committee has responsibility, on behalf of the Board, to ensure that the NHS Staff Governance Standards are implemented in the Service and that an effective structure is in place to support and monitor implementation within the Service, including health, safety & wellbeing, as well as remuneration. Effective staff governance assists in creating a workplace where staff feel valued, and are appropriately located, skilled and developed to deliver safe, effective, patient centred and quality care.
Climate Change Impact Identification	This paper has identified no impacts on climate change.
Equality and Diversity	Workforce equality monitoring information, equality outcomes and associated reports, are monitored through the Staff Governance Committee. Equality impact assessments are carried out for individual workstreams, including policy development and review. Relevant equality impact information is reported to the Staff Governance Committee.

MINUTES OF AUDIT AND RISK COMMITTEE MEETING
10:00 AM ON MONDAY 22 APRIL 2024
VIRTUAL, MICROSOFT TEAMS

Present: Carol Sinclair, Non-Executive Director (Chair)
Stuart Currie, Non-Executive Director
Mike McCormick, Non-Executive Director
Irene Oldfather, Non-Executive Director
Madeline Smith, Non-Executive Director

In Attendance: Katy Barclay, Head of Business Intelligence
Paul Bassett, Chief Operating Officer
Karen Brogan, Associate Director of Strategy, Planning and Programmes
Julie Carter, Director of Finance, Logistics and Strategy
Michael Dickson, Chief Executive
Gary Devlin, Azets – External Auditors
Julie Kerr, Secretariat – Minutes
James Lucas, KPMG – Internal Auditors
Stephen Massetti, Director of National Operations
Maria McFeat, Deputy Director of Finance
Gordon Richardson, Head of Finance
Sarah Stevenson, Risk Manager
Freya Gillies, Corporate Governance Assistant (Observer)
Lesley Kay, Corporate Governance Assistant (Observer)

Apologies: Melanie Barnes, Assistant Director of Finance
Tom Steele, Board Chair
Syed Shah, KPMG – Internal Auditors

ITEM 1   WELCOME AND APOLOGIES

Carol Sinclair welcomed everyone to the meeting and apologies for absence were noted as above.

ITEM 2   DECLARATIONS OF INTEREST

Standing declarations of interest were noted:

- Madeline Smith in her position as Non-Executive Director, Digital Health and Care Innovation Centre and Board Member with Scottish Fire & Rescue Service

- Irene Oldfather in her position of Director, Scotland Health and Social Care Alliance and Vice Chair of Domestic Advisory Group (DAG) on the Trade and Cooperation Agreement (TCA) with the European Union.
- Carol Sinclair in her position as Trustee of Scotland's Charity Air Ambulance and Strategic Data Adviser, Digital Health and Care, Scottish Government
- Paul Bassett in his position as Trustee, Scotland's Charity Air Ambulance.
- Stuart Currie - Board Member of State Hospital Board and Vice Chair of the Independent Review of Inspection, Scrutiny and Regulation of Social Care in Scotland by the Scottish Government.
- Mike McCormick, member of an advisory Group on ESN which is a neutral group and a former Board member of NHS 24.

Committee noted that Stephen Massetti has stood down as Chair of HRFCA Highland Gold Network, but will still represent the Service on this Network.

No new declarations of interest were noted.

ITEM 3   MINUTES OF PREVIOUS MEETING

The minutes of 18 January 2024 were reviewed for accuracy and Julie Carter asked for an amendment on Page 5, 2nd paragraph which should read 'accidents are definitely increasing' and the word 'reduction' should be removed. Subject to this change the minutes were agreed as a true and accurate reflection of the meeting and were subsequently approved by Committee.

Action/s: 1.   Secretariat to amend page 5, 2nd paragraph to read 'accidents are definitely increasing' and remove the word 'reduction'.

ITEM 4   MATTERS ARISING

Committee noted the following items as completed and approved their removal from the Audit Committee Matters Arising paper.

2023-10-08 (1), (2), (3)	Information Governance Quarterly Report
2024/01/05.1 (1), & (2)	Risk Management Quarterly Update and Corporate Risk Register
2024/01/07.3	Health & Wellbeing Strategy Internal Audit Report
2024/01/11 (1) & (2)	Information Governance Quarterly Report
2024/01/15	Committee Workplan 2023/24
2024/01/16.1	Cyber Resilience and NIS Audit Action Plan Update

Following updates from Action Owners it was agreed that the following Actions could also be closed:

2024/01/07.1 (b)	Information Governance Internal Audit Report James Lucas has confirmed via email that Paul Bassett's role as SIRO in addition to his role as COO and Deputy Chief Executive is now included in the Information Governance Internal Audit Report.
2024/01/07.3	Internal Audit Progress Report

ITEM 5   RISK MANAGEMENT

Item 5.1-5.3 Quarterly Update and Corporate Risk Register

Sarah Stevenson presented the Committee with the quarterly Risk Update and Corporate Risk Register. The Corporate Risk Register presented to Committee was approved by the SAS Board at its meeting at the end of March 2024 and any amendments following PPSG on 16th April 2024 will be reported verbally to Committee. Audit and Risk Committee were asked to:

- Discuss and note the update provided.
- Note the Corporate Risk Register was presented to PPSG last week with no further updates required.
- Note the Corporate Risk Register and the reduced risk level for Risk ID 5519 Statutory and Mandatory Training from very high to high and note the increased tolerance of the Finance Risk given the current Health and Social Care system pressures.
- Note the attached PPSG paper which shows the review of the Service Risk Registers highlighted in section 4.8.
- Note the work ongoing with the NHS Registers across NHS Scotland and the key national risks from CONTEST. It is anticipated that a paper will be presented to the May Board in terms of comparing our Corporate Risks and Risk Appetite across NHS Scotland.
- Note the positive reduction in Rest Break events being reported through Datix.
- Note the reduction in Equipment Clinical related events relating to Corpuls issues in terms of the sats probes.
- Note a new Risk Management system has been purchased with a year to implement and Datix is on track to finish at the end of March 2025. Work is currently ongoing to secure PMO support to implement a new Risk Management System called In Phase Solutions.

Carol Sinclair thanked Sarah for the overview and asked for further assurance that we continue to support risk owners to undertake timely review of our very high and high risks. Good work has already been undertaken on the very high, but high risks still indicate that 23 out of 134 risks have not been reviewed within the defined timescales and given the importance to this Committee and the Board timely information is required for those risks. Julie Carter agreed that all efforts will be maintained and intensified to reduce the number of high risks. In terms of the SAER Actions, Carol welcomed the data contained within the report, but asked whether seeing the end to end timeline associated with all 143 open actions and how some are taking potentially a very long time to progress and others are moving through the process more swiftly. Sarah advised that the Clinical Team have set up a new Clinical Risk and Patient Safety Group and all SAER actions will be presented through this group for scrutiny. It was agreed that Sarah would pull an update from this Group and include it in the Audit and Risk Committee paper to evidence the work ongoing in this area and show how actions are being monitored and implemented.

Irene Oldfather echoed the points made by Carol Sinclair above and also welcomed the improvement in the Rest Breaks, but noted when examining the data in detail there appeared to be a majority of staff not receiving a break within the West Region and on further analysis, there are stations receiving no break at all and whilst acknowledging the progress, it is also important to note that there are stations receiving no break at all. Irene also noted the total value of outstanding high claims is £674,000 and stressed the importance of monitoring this.

Madeline Smith thanked Sarah for the overview and noted the progress and in depth detail contained within the report. In relation to Risk 4638 (Hospital Turnaround Times) and in particular the requirement of other NHS Boards to implement the principles for safe transfer to hospital, ensuring timeous handover of Ambulance Patients, and given that this is an external risk relative to other Health Boards, Madeline asked that the narrative in the mitigations could be strengthened around this.

Action/s: *2.   Risk Manager to strengthen the narrative in relation to Risk 4638 (Hospital Turnaround) given that this is an external risk relative to other Health Boards, particularly the requirement of other NHS Boards to implement the principles of safe transfer to hospital and ensuring timeous handover of Ambulance Patients.*

Committee discussed Risk 5603 (Business Continuity) and it was agreed that additional narrative would be included in relation to the KPIs. Risk KPIs will also be included in future reports and any specific areas of concern will be highlighted in the report going forward.

Action/s: *3.   Risk Manager to add additional narrative to the KPIs in relation to Risk 5603 (Business Continuity). Risk KPIs will also be included in future reports and any specific areas of concern will be highlighted in the report going forward.*

Committee also discussed Risk 5653 (Organisational Culture) and Committee didn't receive sufficient evidence to support the reduced score for this risk, therefore it was agreed that this risk would be moved back to high.

Action/s: *4.   Risk Manager to move Risk ID 5653 (Organisational Culture) back to a risk rating of 'High'.*

Committee discussed and noted the Risk Management overview and approved the quarterly update.

ITEM 6   BEST VALUE PROGRAMME

Karen Brogan provided Committee with a comprehensive update on the Best Value Programme which included updates on:

- High Priority Efficiency Schemes aimed at reducing the £12m forecast Financial Deficit as part of the back to balance plan
- Best Value Programme Plans and progress against these
- Local Best Value Schemes identified and progress against these
- Actual Savings achieved year to date against target, noting that this is to end February 2024 as the year end position to end March 2024 is, in line with year-end timetable, still being completed.

The Committee were also asked to note:

- The measurement framework and supporting reports highlighting progress around process and outcome measures. An extract from the recently developed abstraction report is also included.
- Progress of the new weekly finance meeting with the Executive Team to support and enable development of the savings plan for 24/25.
- Progress against the 24/25 efficiency target.

Karen highlighted that it is fully anticipated that the Service will realise the £12 million savings for this year. The main focus over the last few months has been to get the Service into a much stronger position for financial year 2024/25 and weekly finance meetings with the Executive Team have been running since February to support and enable development of the foundations to support delivery of savings for the year ahead. To date £9.1 million of this year's savings have already been identified, with some work still to be undertaken to identify the remainder. A session also took place last week to detail how we will measure success for each workstream which will provide a foothold to report on where we are with each of the saving schemes from May 2024.

Michael Dickson joined the meeting.

Carol thanked Karen for the overview and stressed the importance of taking the learning from this year into next year in terms of the scale of the challenges whilst noting the requirement to embed a culture of commitment to ensure the Service is as efficient and effective as possible.

In relation to overtime, Madeline Smith noted that it was good to see this reducing, albeit not by as large a margin as would have been expected and asked if this was due to system pressures. Madeline also asked for clarity in relation to medical equipment and asked if this was attributed to volume of equipment or cost increases. Karen advised that whilst it is extremely positive to see a reduction in overtime and abstraction rates, abstraction rates continue to run higher than budgeted levels and remains the number one primary driver for overtime being used to cover shifts and this will be a key focus for 24/25. Karen assured Committee that there are a number of actions to take forward to further improve controls and reduce overspend relating to overtime and this has been a key discussion at weekly Executive Team meetings. Julie Carter advised Committee that a new value based medicine and equipment group has now been established to critically review price and volume increases. A savings target has been set against this group and the detail of the workplan is due to be presented to the next Best Value Steering Group.

A healthy discussion ensued in relation to aspects of the Best Value Programme and how crucial this is to the Service which encompassed ongoing work in relation to Innovation, Climate Change, Overtime, Hospital Turnaround Times and ways to spend money better going forward.

Committee noted progress and took assurance from the discussion and feedback provided by members. Committee noted the Measurement Framework and ongoing work around governance reporting and escalation.

ITEM 7   AUDIT AND RISK COMMITTEE WORKPLAN

Item 7.1   Review of Standing Orders

Julie Carter presented the Standing Orders and Committee were asked to review these and recommend to the Board for approval at is meeting in June 2024. Julie advised that in line with the Service's Board Standing Orders (paragraph 1.4) the Board annually reviews its Standing Orders to coincide with the preparation of the governance statement that forms part of the Annual Report. Julie highlighted that the Standing Orders approved by the Board in June 2023, have been reviewed and no changes are recommended.

Committee noted and approved the review of the Standing Orders presented.

7.2   Board Members Declarations of Interest and Gifts and Hospitality Register

Julie Carter presented the annual review of Board Declaration of Interests and Gifts and Hospitality Register and Committee were asked to review and note:-

- Board members' declaration of interests held as at 31 March 2024.
- Board member registered gifts or hospitality declarations between 1 April 2023 and 31 March 2024.

In compliance with the Board's standing orders and members' Code of Conduct, Board members are required to ensure that their interests are registered when appointed and reviewed regularly and at least once a year their personal circumstances and also ensure any changes are reported within one month. The Declaration of Interests Register is made publicly available on the Service's website or by request to the Board Secretary.

Audit and Risk Committee noted and approved the Declarations of Interest and Gifts and Hospitality Register presented.

ITEM 8   AUDIT AND RISK COMMITTEE

Item 8.1 & 8.2   Review of Terms of Reference and Annual Report

Julie Carter presented the Reviewed Terms of Reference and Draft Annual Report and Committee members were asked to:-

- Review the Committee's Terms of Reference as part of the annual governance cycle noting that amendments are highlighted in track changes.
- Agree the minor revisions to the current Audit and Risk Committee Terms of Reference.
- Approve the Committee's Annual Report for submission to the Board as part of the annual governance and assurance cycle.

Audit and Risk Committee reviewed, noted and approved the Terms of Reference and Annual Report presented.

Item 8.3   Audit and Risk Committee Self-Assessment

Carol Sinclair advised Committee that a collated version of the Audit and Risk Committee Self-Assessment will be presented to the June Committee.

ITEM 9   INTERNAL AUDIT

Item 9.1   Internal Audit Reports

(a)   Health & Wellbeing Strategy

James Lucas introduced the updated report which summarised findings in relation to the planned internal audit in relation to the Health & Wellbeing Strategy. The audit focussed on how effectively the strategy has been implemented and in representing this report the Overall assessment has now been reviewed and is **'Significant assurance with minor improvement opportunities'**, which is in line with management's expectations. Two of the risk ratings have been downgraded from the original report and the narrative in Section 2.1 has changed slightly, but the risk profile hasn't changed. Three medium and 4 low risk findings were raised in total for which appropriate corrective actions have been agreed with the relevant management.

Committee noted, welcomed and approved the Health & Wellbeing Strategy Audit report presented.

(b)   Smart Devices Project (Lessons Learned)

James Lucas introduced the report which summarised findings in relation to the planned internal audit in relation to the Smart Devices Project Lessons Learned. The audit focused on four specific areas i.e. the handover to senior operational ownership and communication with staff following the smart devices rollout; measurement of benefits; and an analysis of the lessons learned. The smart devices project was an example of a digital change project that was required at pace and the Service deployed new smart devices to approximately 3500 staff. Two areas were identified for improvement, the first relating to the absence of effective monitoring and tracking mechanisms for the benefits outlined in the business case and secondly there is an absence of an operational governance group post implementation to monitor ongoing device usage since rollout of the devices in December 2022. Two moderate risk findings were raised in total and in summary overall assessment is **'Significant assurance with minor improvement opportunities'**, which is in line with management's expectations.

Carol thanked James for the report and noted that this Project was implemented at pace. Madeline Smith reflected that both this report and the Health & Wellbeing report highlight our lack of processes for measuring the impacts and benefits and asked for assurance that we are undertaking this sufficiently and rigorously for everything we do around change and innovation. Julie highlighted that lessons learned and benefits realisation will be progressed through the Digital, Data, Innovation & Research Portfolio Board.

Mike McCormick highlighted the lack of statistical significance evidenced and asked whether we feel the surveys are representative and what level of usage is being made of these devices by the wider community. Mike also asked who owns this report now and where will this be presented in terms of Committee oversight. Julie Carter advised that this work will be progressed through the Digital, Data, Innovation & Research Portfolio Board and will link into the Operational Management Group (OMG). Julie further advised that this work was rolled out as a COVID change, with monies received from Scottish Government and within the next 12-24 months these devices will need to be renewed, therefore the lessons learned from this audit are important to see how we take this forward. Whilst rolling out these smart devices, O365 has been implemented and we can now look at how the phones and apps can be utilised going forward.

Committee noted, welcomed and approved the Audit Report presented.

Item 9.2 Internal Audit Progress Report

James Lucas presented the Internal Audit Progress Report which provides Committee with an update on the Internal Audit Plan 2023-24 and summarised the key points in the period since the last report. James highlighted that the 23/24 plan has been completed within the financial year and the Annual Internal Audit Report and opinion will be reported at the June Audit and Risk Committee meeting. Two of six internal audits from the 2024-25 plan are currently in planning stage and the final audit report will be presented at the October Audit and Risk Committee meeting.

The management Action Tracker indicates a total of 47 actions, with 16 actions implemented and closed in the period. There are 31 open actions, 17 of which are not yet due. Ten are of medium priority and 7 low priority. A meeting is arranged with Katy Barclay this afternoon to go through 5 of these Actions.

Carol thanked James for the summary of the position and Committee noted the Internal Audit Progress Report.

Item 9.3 Final Draft Internal Audit Plan 2024/25

James Lucas introduced a final draft of the Internal Audit Plan which provided Committee with an overview of work planned for 2024-25. Key areas which will form the basis of the Plan have been agreed in partnership with the Chair, Chief Executive, Chair of Audit and Risk Committee and Executive Team members. The proposed schedule for delivering the Internal Audit Plan 2024-25 was also set out and has been aligned with the planned dates of the Audit and Risk Committee to ensure a smooth and balanced cycle of reporting throughout the year. Appended to the Final Draft Internal Audit Plan 2024/25 is the Internal Audit Charter also presented to Committee for approval.

Committee noted, welcomed and approved the final Draft Internal Audit Plan 2024/25 and the Internal Audit Charter.

ITEM 10 AUDIT SCOTLAND REPORT

Julie Carter presented the Audit Scotland Report and Committee were asked to note the key messages and recommendations for the Service from the Audit Scotland NHS in Scotland 2023 overview report. Julie highlighted that the annual report produced by Audit Scotland on the NHS in 2023 identified a number of key messages and recommendations for Scottish Government and NHS Boards. The paper also provides an update on the Service response to the 2022 report recommendations.

A healthy discussion ensued and Committee were happy to note the key messages and recommendations and noted that further discussions will take place at the April Board Development Session which will also include representation from Audit Scotland.

ITEM 11   EXTERNAL AUDIT

Item 11.1   Interim Audit Progress Report 2023/24

Gary Devlin, Azets presented Committee with an Interim Audit Progress report for 2023/24 and Audit and Risk Committee were asked to note the Report. The paper provides Committee with a report on progress made to date with the external audit and whether this is on track and highlights any emerging issues or findings which may impact the final accounts audit. Two minor housekeeping issues were identified namely, authorisation of credit notes and improving timelines of journal authorisation. Weekly catch-up meetings will be set up beginning in April with management to enable discussions regarding any outstanding information or arising challenges or concerns.

Carol thanked Gary for the overview and noted the accessibility of the reports provided which are very clear, articulate and easy to engage with.

Audit & Risk Committee noted the Interim Audit Progress Report presented.

ITEM 12   ACCOUNTING ESTIMATES

Gordon Richardson presented an update on Accounting Estimates work and Committee were asked to note the rationale and methodology of the material accounting estimates to be reflected with the annual accounts.

Our annual accounts include values of assets or liabilities that are impacted by judgements or estimates and relevant disclosures must be included where these may be considered to have a significant risk of resulting in a material adjustment within the next financial year. The higher value amounts that will be considered for disclosure include :-

- Clinical and Medical Negligence Provision
- Pension Liabilities Provisions
- Land and Buildings Valuations
- Accrual for Untaken Annual Leave

Gordon highlighted that there is no change from prior years with regards the methodology of calculation for these amounts. The annual leave data recorded in GRS will be the basis of our accrual and the data for 2023-24 is showing a reduction in hours. The team are currently working through figures from GRS and will have this to feed into the month 12 financial submission to Scottish Government.

Carol thanked Gordon for the overview and Committee noted the rationale and methodology of the material accounting estimates to be reflected with the annual accounts.

ITEM 13   ENDOWMENT ACCOUNTS PROPOSAL

Julie Carter presented Committee with a paper which outlined Endowment Accounts Consolidation Proposal and Audit & Risk Committee were asked to consider the options available with regard arrangements for the Endowment Fund Accounts and approve the preferred option, noting however both options are feasible.

A tender exercise for new auditors of the SAS Endowment Fund was unsuccessful and as solutions to this were being considered this raised the issue that the Service has an option not to consolidate the endowment accounts due to materiality. The external auditor has confirmed the value of the endowment accounts is considered immaterial. This has also been confirmed by Scottish Government. The 2 options considered in the paper are feasible with option 2 being proposed.

This recommended option being:-

- Unaudited Endowment Fund accounts consolidated into the SAS accounts signed in June 2024.
- An audit of the 23/24 Endowment Fund accounts undertaken after June by the existing endowment auditors.
- SAS will retender the endowments accounts audit for 24/25 noting that the timeframe for this would be post June and very likely to receive more bids.

Julie highlighted that the Manual confirms an audit of the endowments accounts is however required, in line with OSCR requirements this audit needs to be completed by December following the year end. Azets, our external auditor has confirmed that the Manual does allow the Service the option not to consolidate endowment funds as they are not material. Colleagues at Scottish Government Finance have also confirmed this is an option available to SAS. In relation to current practice across Scotland today, NHS Western Isles did not consolidate their accounts and NHS Shetland consolidated with unaudited accounts and then undertook an audit after year-end.

Committee considered the options available and after discussion approved the preferred option (Option 2) as detailed above subject to discussion on continuous learning and benefits realisation.

ITEM 14   INFORMATION GOVERNANCE QUARTERLY REPORT

Katy Barclay provided a quarterly update on Information Governance, which outlined progress against audit recommendations, breaches of the Data Protection Act and progress towards the implementation of the actions from the Records Management Plan which Committee were asked to note. Katy highlighted that Actions which have come from the Information Commissioners Audit are now being progressed and in respect of Action 11 the update should read that the revised template will be presented to Information Governance Group in May 2024 and not March 2024 as annotated in the paper. Percentage progress completion has also been added to the update for each of the actions. In terms of risks, Katy reported that these are reviewed on a quarterly basis and 1 high risk remains. Work is ongoing to reduce this risk which includes completion of the ICO Actions and the Information Asset Register, however it remains high at the moment. Work continues with the Information Asset Champions to detail the information, where it is held and the risks associated with this, with the risks reviewed in line with our Risk Policy.

In relation to Information Security Incidents, Katy reported 2 moderate, 8 minor and 8 negligible since the last report Committee. A number have also been reported which when assessed are not deemed personal data breaches. One major breach is included within the paper which was reported to the Information Commissioner's Office (ICO) who acknowledged the breach and decided not to take direct action, however a number of recommendations were made which are highlighted in the paper. The Service will follow up on this breach with a review which is scheduled to take place in late April 2024 and make internal recommendations. The

recommendations from the ICO and any other identified recommendations will be reported through the Information Governance Group along with progress made against these. On a final note, Katy informed Committee that the Level 2 Notice of Intervention levied against the Service from the ICO in relation to our performance against Freedom of Information requests has now been lifted with formal notification received by the Chief Executive in this regard, with the ICO praising the organisation for their continued focus in achieving and exceeding expectations in this area now.

Carol Sinclair thanked Katy for the overview and paper presented and noted in terms of milestones 3 and 4, these are not yet due for completion, but the report looks to be saying that they will complete in June 2024 and December 2024 respectively and Carol asked if this could be reviewed and presented differently as it implies that these have been completed early which isn't the case.

Carol thanked Katy for the overview and Committee noted the update presented and welcomed the lifting of the ICO intervention in relation to performance against Freedom of Information Requests.

ITEM 15   FRAUD QUARTERLY REPORT

In the absence of Mel Barnes, Julie Carter presented the quarterly fraud update and Committee were asked to note the content of the report which highlighted:

- No new allegations since the last Audit & Risk Committee
- Case C/20/0383. The initial trial date of 5th March 2024 was deferred and rearranged for the 6th May 2024. Witness Citations have been received by a number of Service staff and the Procurator Fiscal and CFS will provide any appropriate support to those individuals.
- Progress is being made on the actions from the CFS Investigation Report.
- Initial discussions have taken place with CFS to engage them to carry out a fraud risk assessment of the GRS Timecard module which is being implemented across the Service. Initial scoping discussions are taking place.

Carol thanked Julie for the overview and Committee noted the content of the report presented.

ITEM 16   COMMITTEE WORKPLAN 2024/25

Committee reviewed and noted the workplan for 2024/25 which is presented to each meeting for information.

Committee approved the Workplan presented.

ITEM 17   RESTRICTED - RESILIENCE

Item 17.1   Restricted – Cyber Resilience and NIS Audit Action Plan Update

Invoking Standing Order 5.22 resolution to take item in private.

Item 17.2   Restricted - Resilience Committee Update

Invoking Standing Order 5.22 resolution to take item in private.

ITEM 18   ANY OTHER BUSINESS

No items of other business were raised.

Carol Sinclair closed the meeting and thanked everyone for their attendance and the robust discussions during the meeting.

Date of next meeting – Thursday 13th June 2024 at 10:30 am.

Board Update – Audit Committee 13 June 2024

Audit Chair's Public Board Briefing

The Audit Committee met on Thursday 13 June 2024 and discussed the following:

- **4** items were closed from the **action tracker**.

- **Risk Management**
  - The Service's Risk Manager presented the quarterly update.
  - Members noted the included PPSG paper which outlined the review of the Service Risk Registers.
  - Members noted that the Corporate Risk Register was presented to the recent PPSG meeting with no changes.
  - Committee discussed Risks 4638 (Hospital Turnaround) and Risk 4636 (Health & Wellbeing) and agreed that the effectiveness of actions relating to these risks should be strengthened and a meeting will take place with the Risk Manager, Director of Finance and Chief Operating Officer to discuss the main areas of concern and risks updated accordingly.
  - Committee welcomed and noted the comparison and review of risk registers across Health Boards and the National Risk Register.
  - Committee discussed, noted and approved the Risk Management Annual Report presented.

- **Governance Committee Annual Reports and Terms of Reference**
  Committee reviewed and noted the Annual Reports and Terms of Reference for Staff Governance and Clinical Governance Committees which were recommended for presentation to the Board for approval.

- **Audit and Risk Committee Self-Assessment Checklist**
  Committee approved the Audit and Risk Committee Self-Assessment Checklist and noted the Improvement Action therein.

- **Self-Assessments – Clinical Governance and Staff Governance Committees**
  Committee noted and took assurance from the Self-Assessment checklists presented for Clinical Governance and Staff Governance Committees and recommended these for approval to the Board.

- **Draft Annual Report and Accounts 2023/24**
  Committee discussed and noted the Draft Annual Report and Accounts 2023/24 prior to presentation to the June Board meeting.

- **Internal Audit Annual Report**
  Committee received an update on the Internal Audit Annual Report with the Head of Internal Audit opinion 'Significant assurance with minor improvement opportunities.' Committee discussed, welcomed and approved the Internal Audit Annual Report presented.

- **Internal Audit Progress Report**
  Committee received an update on the progress of the 2023/24 Internal Audit Plan which summarised the key points in this reporting period. Members noted that the 2024/25 Plan is now underway with 4 Audits currently in progress in agreement with management. Members discussed and noted the Internal Audit Progress Report presented.

- **External Audit Annual Report**
  Members were presented with the External Audit Annual Report which provided Committee with a report on key audit findings, outstanding matters, audit adjustments and accounting systems and internal controls. Committee noted that the Service has appropriate administrative processes in place to prepare the annual accounts and the supporting working papers. Committee welcomed and noted the External Audit Report.

- **Draft Letter of Representation**

  Committee noted the Draft Letter of Representation presented by External Audit.

- **Third Party Audits 2023/24**
  Committee noted the updated Service Audits for year 2023-24 in relation to Payroll Services and Financial Ledger Services which provided assurance to Committee that these are being effectively governed.

- **Information Governance Quarterly Report**
  Members noted that the actions from the Information Commissioners Office Audit were being progressed. Members also noted updates in relation to the Information Asset Register and Freedom of Information Requests which formed part of this report.

- **Information Governance Annual Statement of Assurance**
  Committee noted and welcomed the level of detail in the Information Governance Annual Statement of Assurance 2023/24.

- Members noted regular updates as below:
  - **Fraud Report**
  - **Best Value Programme**
  - **Committee Workplan 2024/25**