



NOT PROTECTIVELY MARKED

PUBLIC BOARD MEETING

29 May 2024

Item 18

THIS PAPER IS FOR NOTING

**AUDIT AND RISK COMMITTEE MINUTES OF 18 JANUARY 2024 AND
REPORT OF MEETING HELD ON 22 APRIL 2024**

Lead Director Author	Carol Sinclair, Chair of Audit and Risk Committee Pippa Hamilton, Acting Board Secretary
Action required	The Board is asked to note the minutes and report.
Key points	<p>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.</p> <p>The minutes of the Audit and Risk Committee held on 18 January 2024 were approved by the Committee on 22 April 2024. An update of the meeting held on 22 April 2024 is also attached for the Boards information.</p>
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
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 THURSDAY 18 JANUARY 2024
VIRTUAL, MICROSOFT TEAMS**

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

In Attendance: Katy Barclay, Head of Business Intelligence
Melanie Barnes, Assistant Director of Finance
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
Robert Kay, Head of ICT Infrastructure & Security *(for item 16.1 only)*
Avril Keen, Director of Workforce *(for Item 07.1c only)*
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
Syed Shah, KPMG – Internal Auditors
Tom Steele, Board Chair
Sarah Stevenson, Risk Manager

Apologies: Stuart Currie, Non-Executive Director
Pippa Hamilton, Committee Secretariat
Irene Oldfather, Non-Executive Director

ITEM 1 WELCOME AND APOLOGIES

Carol Sinclair welcomed everyone to the meeting and in particular extended a warm welcome to Mike McCormick, new Non-Executive Director joining his first Audit and Risk Committee meeting today. Apologies 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.

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- 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.
- Stephen Massetti – Chair of HRFCA Highland Gold Network

New declarations of interest were noted:

- Madeline Smith has stepped down from her role with Glasgow School of Art and has been appointed Board Member with Scottish Fire & Rescue Service.
- Mike McCormick is a member of an advisory Group on ESN which is a neutral group and is also a former Board member of NHS 24.

ITEM 3 MINUTES OF PREVIOUS MEETING

The minutes of 12 October 2023 were reviewed for accuracy and agreed as a true and accurate reflection of the meeting and were subsequently approved by Committee.

ITEM 4 MATTERS ARISING

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

2023-10-03	Minutes of Previous Meeting
2023-10-05.1 & 05.2	Risk Management
2023/10/09.1	Fraud Quarterly Report

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

2023/10/13.2	Resilience Committee Update
2023/10/05.3	Deep Dive Approach to Corporate Risks

Following an update from Katy Barclay the Actions below will remain open and will be reported on in the Information Governance Quarterly Report presented to the April Audit & Risk Committee meeting.

2023-10-08 (1), (2), (3)	Information Governance Quarterly Report
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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 November 2023 and further reviewed by PPSG in December 2023 and on 16th January 2024. Audit and Risk Committee were asked to:

- Discuss and note the update provided.
- Note the Corporate Risk Register with changes since last Committee highlighted in red for ease.
- Note the attached PPSG paper which shows the review of the Service Risk Registers and the recommendation which was accepted for the new risk on cab based terminals to the Health and Safety Risk Register.

Sarah also highlighted that following feedback from the last Audit and Risk Committee a score is now included against each action within the Corporate Risk Register showing how effective the actions are in mitigating the risks. Following the launch of the initial capability around CBRN the risk level of Corporate Risk 4635 has also been reduced. Sarah advised that interconnected risks have also been reviewed following the Scottish Budget.

Whilst Committee welcomed the use of the confidence score which provides a further layer and level of assurance, Carol highlighted that having observed PPSG this week it was apparent that there were a number of risks which were not reviewed within the defined timescales and asked if they would be reviewed at PPSG or Executive Team. Julie explained that review of the risks is undertaken at PPSG and it may be helpful if Sarah could flag where things require to be more fast tracked and include this within the Risk updates presented to PPSG which would add value. Sarah explained that high and very high risks are currently presented to PPSG every 6 months, but agreed that it would be beneficial to provide updates on these risks on a monthly basis through the PPSG report to provide assurance and sharpen focus.

Madeline Smith thanked Sarah for the update and provided some reflections on the control risk rating and noted that the paper highlights that this relates to whether the controls and actions are operating effectively and efficiently. Referring in particular to Risk 4638 (Hospital Turnaround) Madeline advised that this is 5 which equates to very effective at reducing the risk, however we are not reducing the risk, but we are not seeing the shift and part of this is because it is not within our control and is the responsibility of other parties. Madeline highlighted that this does however flag up whether there is something else which we could do to ensure that partners engage sufficiently to ensure that we do get movement. Committee agreed that the operational definition and narrative should be strengthened in relation to this risk. A lengthy discussion ensued and Julie highlighted that she has looked at this with a view to a future action which would therefore impact on future internal controls once implemented. Tom Steele endorsed comments made and Committee noted that the Control risk rating piece of work is a further enhancement of the whole system and adds to the effectiveness of the controls.

Tom highlighted that Non Executives have been encouraged to join PPSG meetings as observers and noted that Carol and Mike McCormick joined the meeting earlier this week. Tom will extend an open invitation to Non Executives at the Board meeting at the end of this month. Carol agreed that it would be helpful to get an overview as to when Non Executives plan to attend the meetings to ensure that attendance is spread over the meetings.

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Carol Sinclair thanked Sarah for the overview and Committee noted the Corporate Risk Register with changes since last Committee and the PPSG paper which shows the review of the Service Risk Registers.

Action/s: 1. ***Sarah Stevenson to include updates on the high and very high risks on a monthly basis through the PPSG report.***

Action/s: 2. ***Sarah Stevenson to strengthen the operational definition and narrative in relation to Risk 4638 Hospital Turnaround Times.***

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.
- Enhanced governance and reporting arrangements and the escalation actions that are in place with delivery and Executive Leads to understand delivery barriers and support resolution as quickly as possible.
- The additional focus that is being taken forward to review high priority overspend areas to determine further opportunities improve controls and reduce overspend. In particular, this paper includes an update on the deep dive into overtime drivers and associated recommendations that were agreed at PPSG in December 2023. Actions on the next steps will be presented at future Audit and Risk Committee meetings and this is a key focus of the 24/25 financial plan.

The Committee were also asked to note:

- The measurement framework and ongoing reports that have been developed to track progress around process and outcome measures.
- Ongoing Governance, Reporting and escalation arrangements.
- The specific piece of work on the Deep Dive into overtime drivers.

Madeline Smith noted that it was good to see progress in relation to the overtime work and asked if there was any insight as to how this progressed over the winter peak period given that figures were up to the end of November. In terms of accident reduction avoidance, Madeline highlighted that this figure is higher than last year and asked if the proportional increase was larger or smaller which will help to provide an understanding of how much bigger this was. In terms of local plans, Madeline asked if there are ways locally if good ideas are raised that these are rolled out nationally. A discussion ensued in relation to overtime and Michael highlighted that an element of this is outwith our control given staff overruns in relation to delayed handovers at hospital and whilst work is ongoing across targeted sites, sometimes this extends significantly. Julie Carter assured Committee that overtime is reducing and the forecast has now been revised as a result of this. Karen Brogan also provided assurance to Mike McCormick that although there is local variation in terms of overtime, a deeper dive is required and work continues through Best Value and PPSG to scrutinise the data.

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Although no overall percentage is available, Julie advised that accident reduction is definitely increasing. In comparison to last year the Service are incurring more costs for accidents which is correlated to bad weather and also accidents which are happening with the same vehicles or locations. Julie assured Committee that a Vehicle Accident Reduction Group is in place and robust data is now available from the Insurance company which is being shared and will be the key focus of the Group.

In terms of sharing local ideas, Julie highlighted that Regional Directors share their plans at the Best Value Steering Group which is the forum to share best practice. There is also a standing item on the Best Value Group to share the Financial Improvement Group newsletter and this is talked through in detail and information is also shared in relation to any national meetings which senior finance team members have attended.

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 INTERNAL AUDIT

Item 7.1 Internal Audit Reports

(a) Flow Navigation

James Lucas introduced the report which summarised findings in relation to the planned internal audit in relation to Flow Navigation. The audit focussed on the governance arrangements in place using a sample of three territorial Health Boards, namely Tayside, Lanarkshire and Grampian. Overall assessment is **‘Significant assurance with minor improvement opportunities’**, which is in line with management’s expectations. Two medium and two low risk findings were raised in total and management actions have been agreed. James highlighted that there are currently no nationally agreed performance metrics for the FNCs which makes providing a baseline for improvement more difficult. A DPIA is ongoing to assess and mitigate the risk of sharing information and management will consider the need for a DPIA which extends across all health board FNCs which will identify required data processing and the controls associated with this.

Carol thanked James for the overview and Committee welcomed the findings of the audit. A lengthy discussion ensued in relation to the metrics and the need for these to be reported at a national level whilst recognising that each of the FNCs are built in a unique way to reflect collaboration from each Board which means the metrics to support are varied in nature. A measurement framework is under development by the Clinical Transformation Team with plans to include data relating to the volume of calls ‘managed on-scene’ without the need for ED attendance, including FNCs, Community Pathways, Staff and Patient Experience and Linked Outcome Data.

The focus of the conversation then turned to Data Protection Impact Assessment and Katy Barclay confirmed that there is an interoperable agreement in place which extends across all Health Boards in Scotland. When a new process or way of sharing personal data comes into effect, we must consider the data flows and any associated risks. This work is in progress and will be finalised in the coming months.

Committee noted, welcomed and approved the Audit Report presented.

(b) Information Governance

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James Lucas introduced the report which summarised findings in relation to the planned internal audit in relation to Information Governance. The Service had a Data Protection Audit conducted by the Information Commissioners Office (ICO) in June 2023. The audit raised 13 priority recommendations graded either high, medium or low to help improve compliance with UK Data Protection Regulations. This follow-up internal audit assessed nine high and medium rated recommendations across the ‘Governance and Accountability and Data Sharing’ area. Overall assessment is ‘**Significant Assurance with Minor Improvement Opportunities**’, which is in line with management’s expectations. Four medium and two low risk findings were raised in total and in summary, the Service has made progress against the ICO Audit recommendations, although the recommendations proposed in the internal audit report will further enable the Service to address the outstanding actions providing assurance to Committee that progress is being made.

For completeness, Carol asked James to add into the acknowledgements section on Page 3 of the report that Paul Bassett holds the role of SIRO. Madeline Smith commented that this has been a useful audit and it is good to now see the status of the actions which are in place. Madeline asked if the Service will be re-audited by ICO and Paul Bassett confirmed that we could be re-audited, but not as a follow-up, it will be a fresh audit.

Action/s: 3. James Lucas to add into the acknowledgements section on Page 3 of the Information Governance Internal Audit Report that Paul Bassett holds the role of SIRO.

Committee noted, welcomed and approved the Audit Report presented.

(c) Health and Wellbeing Strategy

James Lucas introduced the report which summarised findings in relation to the planned internal audit in relation to Health and Wellbeing Strategy. Overall assessment is ‘**Partial Assurance with Improvements Required**’. Three medium and three low risk findings were raised in total and recommendations and management actions have been agreed. James apologised for the late circulation of this paper which was due to the challenging timescales over Christmas and winter pressures on the Service. By way of background James stated that the Health and Wellbeing Strategy was developed back in 2021 and runs through to 2024 with the purpose of the strategy to enable staff to feel healthy, well, valued and supported. Overall the audit noted a number of areas of good practice which includes the design of the governance structure. However, despite the best intentions, and the foundations that have been laid to deliver the strategy, there are still a number of areas of improvement required in relation to challenges over funding for welfare leads, measuring and reporting, iMatter Survey, Health and Safety and Wellbeing Training, Occupational Health Referrals, Ambulance Station Visits, Standards and Policies and Wellbeing Network and Champions. Summarising, James advised that there are resourcing challenges and funding challenges which need to be addressed, but also there are areas of good practice which have been noted. The findings raised, particularly the 5 moderate findings have ranked this in the partial assurance with improvement required bracket.

Avril Keen thanked James and the Internal Audit team for the huge amount of work which has gone into this report and provided reflections by way of a verbal update to Committee into the areas above where improvements are still required. Madeline Smith also thanked James and the team for this audit and expressed concerns that the Service haven’t managed to address the area of measurement and impact in relation to the Strategy and asked how this could change going forward. Madeline reflected that findings 2.1 and 2.2 in the report are related i.e.

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challenges over funding and measuring and reporting success in that we can't justify having additional funding for resources unless we can evidence how this has made a difference to staff experience. Madeline stressed the importance of building the learning into what we do for the next strategy which will be developed this year and a presentation will go to Staff Governance Committee which will outline the plan for the next strategy and look back and reflect to inform the new strategy going forward. Madeline also reflected on the mixed training elements of the report and made mention of the Health & Safety mandatory training and the OD training elements and expressed concerns that this should not all be addressed in the same manner. Tom Steele also welcomed the report and expressed concerns in relation to section 2.8 which states that the Board have agreed to appoint a champion. No conversations have taken place in this regard and Tom stated that careful consideration would need to be given to this before it is agreed.

Carol thanked members for their contributions to the Health and Wellbeing Strategy Audit Report and recognised that work needs to be undertaken in terms of refining some of the language and ensuring everyone is fully engaged and supportive of the management actions contained within the report.

It was therefore noted that Committee had a full and detailed discussion in relation to the report and Committee agreed that the Health and Wellbeing Strategy Internal Audit Report will be presented to the next Audit and Risk Committee for approval.

Action/s: **4. James Lucas to present the updated Health and Wellbeing Strategy Internal Audit Report to the Audit and Risk Committee meeting in April for approval.**

Item 7.2 Internal Audit Draft Plan 2024/25

James Lucas introduced a draft Internal Audit Plan which provided Committee with an overview of work planned for 2024-25. Meetings have taken place with the Chair, Chief Executive, Chair of Audit and Risk Committee and Executive Team members and the key areas which will form the basis of the internal audit plan for 2024-25 have been agreed as below:

- Core Financial Control – Estates Repairs (Finance)
- GRS Timecards – Benefits Realisation (Data Quality)
- Clinical Medicine Management (Strategic)
- Clinical Hub (Risk)
- Public Protection (Governance)
- Infection Prevention Control (Compliance)
- Follow-up Reporting

The final draft Internal Audit Plan will be presented to the Audit and Risk Committee at the April 2024 meeting.

Committee endorsed the proposal to further develop the Internal Audit Draft Plan and Tom Steele will work with James Lucas and Julie Carter to agree timescales for presentation to the Service Board.

Item 7.3 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 summarises the key points in the period since

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the last report. James highlighted that a vast amount of progress has been made against the Internal Audit Plan this year with 6 of the 7 audits completed within the plan. One audit remains still to be delivered which is the Smart Devices Project which is being scoped for quarter 4 and will be completed by the end of the financial year. James highlighted that there are 2 partial assurance reports, namely Adverse Events Process and Health and Wellbeing Strategy. James highlighted that findings are highlighted against the Health and Wellbeing Strategy report as this is currently still being finalised and a number of findings or risk ratings may change. Subsequent to earlier comments, the report will be taken offline and tidied up, but James advised that this would not change the materiality of the findings.

James went on to highlight that the overall opinion is due to be presented to Committee in June with the year end accounts and stressed that because there are 2 partial assurance accounts, this does not mean that there will be a partial assurance report at year end. Two factors are taken into account for the year end report, one being the majority of reports have shown significant assurance and only 2 partial, with 1 high risk. The second factor is where the Service sits with outstanding actions, particularly high risk actions. When setting implementation dates for actions around the 2 partial assurance reports this was taken into consideration. James highlighted that good progress is being made currently against the adverse events actions. Currently there are 45 outstanding actions which includes the 3 reports presented today. Progress is being made, with 15 actions closed within the period including a high risk action and 25 actions not yet due. James reflected that whilst there are 20 overdue actions, significant progress has been made against the Plan and with the next substantive report not due to Committee until October there is a good amount of time to focus on reducing these actions.

Carol thanked James for the summary of the position and suggested that some of the historic actions are reviewed and a decision made as to whether they are still relevant to the organisation.

Action/s: 5. James Lucas to undertake a review of the historic actions and if no longer relevant to the organisation narrative should be added to close down.

Madeline Smith highlighted that there are a number of actions contained in the report which are due by end January 2024 and asked for assurance that these will be fulfilled given there are only 2 weeks of the month remaining. Julie advised that conversations take place when dates are set to ensure that these are realistic and deliverable. Percentage completion is used to ensure that areas which are at risk of slippage can be afforded extra focus.

Committee approved the Internal Audit Progress Report.

ITEM 8 EXTERNAL AUDIT ANNUAL REPORT

Gary Devlin, Azets presented Committee with the External Audit Plan and Audit and Risk Committee were asked to note the Plan. The External Audit Plan highlights the key elements of the proposed Audit Strategy and provides an overview of the planned scope and timing of the statutory external audit of Scottish Ambulance Service (SAS) for the year ended 31 March 2024 for those charged with governance. Gary highlighted that a risk-based approach is taken which reflects the overall assessment of the relevant risks which apply to the Service. This ensures that the audit focuses on the areas of highest risk. Work is coordinated with Audit Scotland, internal audit, other external auditors and relevant scrutiny bodies, recognising the increasing integration of service delivery and partnership working within the public sector. Gary advised that two significant risks in relation to financial sustainability and financial management have

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been identified, but at this stage, no significant risks have been identified in relation to the other wider scope areas. In terms of Audit fees for 2023/24, these have yet to be provided by Audit Scotland and will be provided once this information has been received. Gary referred to the proposed timetable for the audit and advised that it is anticipated that the audit will be completed within the timescales as agreed and laid out in the document.

Carol thanked Gary for the overview and noted the accessibility of the reports provided from external audit which are very clear and easy to engage with. Audit & Risk Committee noted the proposed plan presented.

ITEM 9 BOARD ASSURANCE FRAMEWORK UPDATE

Julie Carter presented an update on work in relation to the Board Assurance Framework and Blueprint for Good Governance and Committee were asked to:

- Note the work on the Board Assurance paper which was presented to the October 2023 Audit and Risk Committee Meeting.
- Approve the BAF Template completion for the 24/25 Corporate Objectives and Corporate Risks.
- Note the Actions in relation to the internal audit recommendations and internal audit plan.
- Consider the establishment of an integrated governance committee and/or utilise the BAF approach to identify the key areas that impact across the governance groups and build them into the Board Development session workplan.
- Agree the deep dive approach to the wider Service Risk Registers, utilising the PPSG reporting and outputs.

Julie Carter highlighted that a meeting took place with the Board Secretary, Risk Manager, Director of Finance Logistics and Strategy and Chairs of the three Governance Committees on 6th December where the information was presented and an update from this meeting is also included within the paper. The assurance work will also, once agreed, be aligned to the Assurance Committee(s) workplan and reviewed against the terms of reference. A Board Development Session will be planned with improvement plan submitted by end March 2024.

Carol thanked Julie for the overview and Committee noted the work to progress to this stage and approved the BAF Template. Committee noted the actions in relation to the internal audit recommendations and internal audit plan and agreed to the establishment of an Integrated Governance Committee to identify the key areas that impact across the governance groups and build them into the Board Development Session Workplan. Committee also agreed to the deep dive approach to the wider Service Risk Registers, utilising the PPSG reporting and outputs.

ITEM 10 REVIEW OF STANDING FINANCIAL INSTRUCTIONS (SFIS)

Gordon Richardson presented Committee with a paper which outlined proposed changes to the undernoted section of the SFIs:

- Section 13 – Stores and Receipt of Goods

The main addition within this section is a table of approval limits for stock adjustments which defines the levels of authority and escalation routes. New proposed additional text is highlighted yellow and text highlighted in red is marked for removal.

A review of the section below scheduled for this time is continuing and an update will be provided to members at the next Audit & Risk Committee meeting:

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- Section 18 – Scheme of Delegation

Committee approved the proposed changes in relation to Section 13 presented and noted the update in relation to Section 18.

ITEM 11 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 dates will be assigned noting the actions in the matters arising paper. Katy reported that the Team are now back to a full complement of staff, therefore actions within the ICO Audit and other actions will now progress at pace. Katy reported that the Information Governance Risk Register was reviewed in November 2023, with 1 high risk identified in relation to the storage, use and disposal of data and it is anticipated that once the actions from the ICO Audit and Internal Audit are complete this risk will reduce. Work continues with the Information Asset Register with input and engagement required from staff around the Service. Katy noted the actions from the matters arising paper and concluded that these will be updated and included in the next report to Audit and Risk Committee.

Carol thanked Katy for the comprehensive overview and referred to section 4.1 of the report which highlights that there have been 34 information security incidents raised. Carol asked if there was any intelligence in relation to the completeness of this data i.e. is it 50% of people who report these. Katy highlighted that it is difficult to quantify what is not reported, although we have more reported incidents now than we ever have in the past which is a positive. Katy highlighted that there is a plan over the next few months to look at the common breaches and pull together common guidance for staff advising what should be done in these situations. In terms of the one major incident which has been referred to the ICO, Carol asked how Audit and Risk Committee will receive updates on this particular incident. Katy reported that an update will form part of the next report to Committee.

The focus of the conversation then turned to the Level 2 Notice of Intervention levied against the Service from the ICO in relation to our performance against Freedom of Information requests and Carol noted that she had no recollection of this notice. Katy advised that a meeting has taken place with the Commissioners representative before Christmas and they are hopeful that given the statistics that we have shown over the last few months this could be reviewed and we are currently awaiting the decision and statics continue to realise 95 – 100% compliance each month. It was agreed that updates in relation to the ICO intervention will be included in future reports.

Action/s: 6. Katy Barclay to include an update in relation to the Information Commissioner's Office Intervention in the next Information Governance Quarterly report to Committee.

In relation to learning outcomes, changes in procedure etc arising from the breach and the engagement with the Commissioner's office, Mike McCormick asked if there was a way which this could be presented to Committee in an anonymised way to provide assurance that when these instances occur there is an action, a learning and avoidance of repetition. Katy advised that we could summarise our learnings and recommendations around actions which have come from this specific breach and any advice received from the Commissioner which will ensure we are progressing the recommendations and adhering to the governance around them. Carol advised that currently Emma Stirling is undertaking a review of the Learning from Events Group

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and suggested that we could consider whether learning from Information Security Events forms part of this learning ecosystem from the Service. It was agreed that Katy would liaise with Emma offline to see if this is something which could be considered when re-designing this Group.

Action/s: 7. Katy Barclay to liaise with Emma Stirling to discuss the possibility of learning from Information Security Events forming part of the re-design of the Learning from Events Group.

In relation to the ongoing work on the Information Asset Register Mike asked if the completion of this may help to reduce incidents. Katy advised that this would be difficult to quantify, but will mean that we have documented all data flows within the organisation and will help with our governance and structure and it is hoped that this will also help with breach compliance.

Committee noted the update presented and Carol thanked Katy Barclay and the wider Information Governance team for their hard work and progress in this area.

ITEM 12 FRAUD QUARTERLY REPORT

Mel Barnes 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 Pleading Diet took place on 16/11/23 where a trial date of 5th March 2024 was set and an intermediate trial date set mid-February to ensure parties are ready for the trial. Witness Citations have been received by a number of Service staff and the Procurator Fiscal and CFS will provide appropriate support to those individuals.
- Progress is being made on the actions from the CFS Investigation Report.

Carol advised that in her capacity as Counter Fraud Champion she attends quarterly Fraud Liaison Officer and Counter Fraud Champion Sessions when available and noted that this provides an insight into the work of other Boards. In particular, Carol referenced communications which come through from CFS which are very well written and asked if the Service could do more to push this out through Staff Engagement Sessions. Mel advised that targeted communication is issued to staff, but she will look to increase this to help in terms of a preventative measure through education and awareness sessions to ensure that staff are aware of the consequences of doing something.

Carol thanked Mel for the overview and Committee noted the report presented.

ITEM 13 SHARED SERVICE PROVISION FOR SAS

Maria McFeat presented an update in relation to Shared Service Provision for the Service and Committee were asked to note the detailed paper which provides a summary of the assurance provision in place in order to ensure Service Level Agreements and Service Audits are delivered in line with plan for each of the Services:

- Provision of Recruitment Shared Service
- Provision of Payroll Shared Service
- Provision of National Single Instance National Finance System

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Audit assurance will be provided through:

- Service Audits which will be undertaken on an annual basis and scrutinised by the provider Board(s), Audit Committee and shared with all Boards included within the shared service.
- An agreed and signed Service Level Agreement (SLA) reviewed on an annual basis, describing the Services being delivered.
- Regular reporting on the agreed KPIs on service delivery which will be reported to Audit and Risk Committee and where appropriate the other standing Committees of the Board e.g. recruitment services to the Staff Governance Committee.
- Membership of SAS staff on the Shared Services groups/reporting structure.

Maria went on to describe the current status of each of the shared services and Committee were asked to endorse the shared service assurance checklist.

Carol thanked Maria for the overview and Committee endorsed the shared service assurance checklist as detailed in the report.

ITEM 14 RECRUITMENT SHARED SERVICE UPDATE

Recruitment Shared Service Update is included within the Shared Service Provision for SAS as detailed in Item 13 above.

ITEM 15 COMMITTEE WORKPLAN 2023/24

Committee reviewed and noted the workplan for 2023/24 which is presented to each meeting for information. Madeline Smith made members aware that she now has clashes with the proposed Audit & Risk Committee dates in April and October this year and it was agreed that the Secretariat would review these dates and canvass availability with a view to moving them if possible.

Committee noted the Workplan presented.

Action/s: 8. *Secretariat to review Audit & Risk Committee meeting dates for April and October 2024 and canvass availability with a view to moving these meetings if possible.*

ITEM 16 RESTRICTED - RESILIENCE

Item 16.1 Restricted – Cyber Resilience and NIS Audit Action Plan Update

Invoking Standing Order 5.22 resolution to take item in private.

Item 16.2 Restricted - Resilience Committee Update

Invoking Standing Order 5.22 resolution to take item in private.

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ITEM 17 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 18th April 2024 at 10:00 am.

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Board Update – Audit Committee 22 April 2024

Audit Chair’s Public Board Briefing

The Audit and Risk Committee met on Monday 22 April 2024 and discussed the following:

- **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 Risk 4638 (Hospital Turnaround) and in particular the requirement of Boards to implement the principles for safe transfer to hospital, ensuring timeous handover of Ambulance Patients and agreed that narrative should be strengthened around this action.
 - 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.
 - Committee discussed Risk 5653 (Organisational Culture) and given feedback from Committee it was agreed that this risk would be moved back to high.
- **Review of Standing Orders**

Committee reviewed and noted the Standing Orders which were recommended for presentation to the Board for approval.
- **Board Members Declarations of Interest and Gifts and Hospitality Register**

Committee noted and approved the Board Members Declarations of Interest and Gifts and Hospitality Register declarations as at 31st March 2024.
- **Review of Terms of Reference**

Committee reviewed and approved the minor revisions to the current Audit and Risk Committee Terms of Reference as part of the annual governance and assurance cycle.
- **Annual Report**

Committee reviewed and approved the Annual Report as part of the annual governance and assurance cycle.
- **Audit & Risk Committee Self-Assessment**

Committee noted the Self-Assessment checklist which will be circulated virtually for completion, with collated versions presented to the June meeting of Committee.
- **Internal Audit Final Reports**

Committee noted, welcomed and approved the updated Health & Wellbeing Strategy Audit report presented and the Smart Devices Project (Lessons Learned) report.

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- **Internal Audit Follow Up 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 2023/24 Plan is now complete and work is underway with the next round of Audits for Quarter 1.

- **Final Draft Internal Audit Plan 2024/25**

Committee received an update of the Internal Audit Plan for 2024/25 which provided members with an overview of work planned for the next financial year. 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. Committee welcomed, noted and approved the final Draft Internal Audit Plan 2024/25 and Internal Audit Charter.

- **Audit Scotland Report**

Committee noted the Annual Report produced by Audit Scotland on the NHS in 2023 which identified a number of key messages and recommendations for Scottish Government and NHS Boards and also provided members with an update on the Service response to the 2022 report recommendations. Further discussions will take place at the April Board Development Session.

- **External Audit Annual Report**

Members were presented with the External Audit Plan which provided Committee with a report on progress made to date with the external audit. Committee noted the report which contained two minor housekeeping improvement points.

- **Accounting Estimates**

Committee noted the rationale and methodology of the material accounting estimates to be reflected within the annual accounts. 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

Committee noted the proposed methodology.

- **Endowment Accounts Proposal**

Committee considered the options available with regards arrangements for the Endowment Fund Accounts. Two options were considered and Committee approved the preferred option (Option 2) as detailed below

- 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.

- **Information Governance Quarterly Report**

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Members noted that the actions from the Information Commissioners Office Audit were being progressed. It was noted that in relation to the Level 2 Notice of Intervention levied against the Service from the ICO in relation to our performance against Freedom of Information requests that in February 2024 the Service were notified that this intervention would be lifted and formal confirmation is awaited.

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

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