

<b>HIGHLAND NHS BOARD</b>	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 <a href="http://www.nhshighland.scot.nhs.uk">www.nhshighland.scot.nhs.uk</a>	
<b>DRAFT MINUTE of MEETING of the          NHS Board Audit Committee</b> Microsoft Teams	<b>7 December 2021 9.00am</b>	

**Present:** Mr Alasdair Christie, NHS Board Non-Executive (Chair)  
 Mr Gerry O'Brien (Vice Chair)  
 Mr Alexander Anderson, NHS Board Non-Executive  
 Ms Susan Ringwood, NHS Board Non-Executive  
 Mr Stuart Sands, Lay Representative

**Other Non-Executive Directors Present:** Prof Boyd Robertson, NHS Board Chair  
 Ms Sarah Compton-Bishop, NHS Board Non-Executive  
 Ms Gaener Rodger, NHS Board Non-Executive

**In Attendance:** Mr Iain Addison, Head of Area Accounting  
 Ms Mary Burnside, Deputy Director of Midwifery  
 Ms Elspeth Caithness, Employee Director  
 Ms Ruth Daly, Board Secretary  
 Mr David Eardley, Azets  
 Mr David Garden, Director of Finance  
 Ms Fiona Hogg, Director of People and Culture  
 Ms Stephanie Hume, Azets  
 Ms Mirian Morrison, Clinical Governance Development Manager  
 Mr David Park, Deputy Chief Executive  
 Mr Stephen Chase, Committee Administrator

### 1 WELCOME, APOLOGIES AND DECLARATION OF INTERESTS

Mr Alasdair Christie advised that being an elected member of the Highland Council he had applied the test outlined in paragraphs 5.3 and 5.4 of the Code of Conduct and concluded that this interest did not preclude his involvement in the meeting.

### 2 MINUTE AND ACTION PLAN OF MEETING HELD ON 7 SEPTEMBER 2021

#### The Committee

- **APPROVED** the minute of the meeting held on 7 September 2021.
- The minute was amended to show D Garden as 'in attendance'.
- **APPROVED** the plan for the next quarter.
- **NOTED** The rolling Action plan:
  1. A workshop on Procurement and Tendering will be arranged ahead of the annual review.
  2. It was agreed that the review of Risk Management Appetite can be removed from the action plan.

### 3 MATTERS ARISING

There were no matters arising.

## 4 INTERNAL AUDIT

### Reports by Azets, Internal Auditors on behalf of David Garden, Director of Finance

#### 4.1 Progress Report, November 2021

D Eardley (covering the Chief Internal Auditor role while Chris Brown was on secondment) gave a brief overview of the circulated paper and noted that workstreams are largely on track. The Care at Home Assessment Model Audit should be ready to present at the next meeting of the committee.

In discussion, the following items were raised,

- It was asked if the Child Protection item can be fully delivered giving consideration to overlapping interests with other organisations such as the Highland Council, and if not then the scope of the item could be reviewed to fit areas within the committee's gift.
- It was asked if now is the right time to audit Business Continuity.
- Regarding the Audit Universe, it was noted that there are a lot of highs with no coverage. It was asked if this has a legacy risk rating.
- More information was requested as to why several items are transactional items. It was answered that Azets has a portfolio of NHS across Scotland and looks across health boards for insights to make audits as robust and as non-transactional as possible but with the aim of still providing a bespoke service to each board.
- D Eardley stated that he was delighted with the level of engagement and added that the papers are to be regarded as a means by which to encourage discussion to assist the committee in determining what areas it wishes to examine. It was stated that further information can be brought to a formal session such as the March meeting of the committee or outwith the meetings for committee members on request. The reports are the result of conversations with management in areas where it is felt there is unfinished work (for example the Vaccine Transformation Programme's move to a Board-led model).
- S Hume noted that the phasing of audits is split between committees with the aim of supporting best levels of interaction. Plans have been front loaded to minimise demands on time around the report to the Board in June.
- It was noted that Environmental Sustainability should be about planning for the future not just today.
- S Hume noted that the Internal Audit team remain flexible to respond to hot topics and invited the committee to talk with them as and when they deem appropriate.

#### The Committee

- **NOTED** the report.
- **Action:** D Eardley stated that further information can be brought to a formal session such as the March meeting of the committee or outwith the meetings for committee members on request.

#### 4.2 Significant Adverse Events

S Hume spoke to the circulated paper noting that,

- Of the 5 improvement actions, two are listed as grade 3.
- The tests undertaken were based on a weighted sample.
- Staff resource was a key issue in responding to events, but timescales are standardised.
- Of 45 open significant adverse events, 32 exceeded the target timescale.
- Some teams have invested more resources in this area and therefore there are differences in levels of effectiveness. Mental Health had the most events and the most overdue responses (some two years old).
- It was recommended that Management review QPS models across the board, review the backlog and the single person model, and that Management evaluate processes undertaken in Argyll and Bute to ensure match with NHS Highland.

In discussion, committee members questioned the gradings used and if the timescales were realistic.

- The Chair asked if this item should have been graded 4. S Hume answered that this was a judgement call and the Internal Audit erred to grade 3 because there were five items but that, as a whole, the report may lean towards a grade 4 rating. D Eardley noted that grade 3 is still a significant rating but that red ratings needed to be used in a targeted way and therefore a balance had to be struck.

M Morrison was on hand to provide assurance that a number of actions are in progress to address the issues:

- A Clinical Governance Support Manager is due to start in post in January 2022 and will focus on Adverse Events and Reviews.
- The IPQR matrix for Significant Adverse Events is in development.
- A more detailed action plan is in development addressing the performance matrix, training and development, and use of the Datix system.
- The Chair asked, regarding the Management Actions (item 8 below) if dates needed to change. M Morrison answered that she will get back to the committee once timescales have been reconsidered, noting that a significant amount of work in Mental Health has been undertaken and that the team are a third of the way through the backlog.
- The Chair suggested that this might be a standalone item for the 8<sup>th</sup> March committee for an update of the timeframe and to address the perception of inequalities of staff resource issues.

The Chair recommended that the report in its entirety be referred to the Clinical Governance agenda. G Rodger as chair of the Clinical Governance Committee agreed. S Compton-Bishop noted that she would liaise outwith the meeting regarding a review of Argyll and Bute's clinical governance.

#### **The Committee**

- **NOTED** the report.
- **AGREED** that the report be reviewed by the Clinical Governance Committee at its next meeting in January 2022.
- **AGREED** a standalone item for the March 2022 committee to address responses to the audit of Significant Adverse Events.

### **4.3 Whistleblowing Arrangements**

S Hume spoke to the paper that had been circulated ahead of the meeting.

- Six improvement actions were noted.
- It was thought that the contact service might not have recorded all cases as whistleblowing because of the different routes individuals have taken to raise concerns, for example via unions, therefore awareness raising for staff is an issue to be addressed.
- Quarterly assurance report reviewed – lack of insight on emerging trends
- It was recommended that management ensure there are documented and agreed routes with clear understanding for recording and reporting.

In discussion,

- F Hogg noted how helpful the report has been at this early stage in setting up whistleblowing arrangements and that this has assisted with the development of a clear action plan.
- A partner survey has been launched to raise awareness with NHS Highland's partner organisations.
- Three of the complaints received so far have been accepted as whistleblowing with other complaints redirected to the appropriate avenues.

- TURAS modules are being promoted both to give an introduction and provide more depth to the issue. There are challenges to embed the key messages, and this is being built into the leadership and management programme.
  - There is a challenge in distinguishing grievance cases from whistleblowing especially in relation to historic bullying cases.
  - The majority of cases raised were those where the individual felt that their issue was not resolved from a previous grievance report.
- A development session on procurement was agreed with the intention of holding it before the next annual report – Board and Committee Services will make arrangements.

**The Committee**

- **NOTED** the report
- **AGREED** that a development session on procurement was agreed with the intention of holding it before the next annual report – Board and Committee Services will make arrangements. Action: Board and Committee Services will make arrangements.
- **AGREED** to defer the Internal Audit training session for the committee to March 2022.

## **5 CORPORATE GOVERNANCE**

### **5.1 Annual Review of Code of Corporate Governance**

R Daly introduced the papers noting that the governance committees reviewed their respective Terms of Reference during their summer and autumn meetings and identified changes to be made, some of which were highlighted by the Board Assurance Framework. Aware that there is an update to the blueprint for good governance therefore perhaps a new provision to assess.

During discussion,

- Some inconsistencies of language in the papers were noted, for example, the use of both “5 working days” and “5 clear days”. R Daly agreed to draw together a consistent wording for committee Terms of Reference.
- It was noted that in the Clinical Governance Committee’s Terms of Reference it affords the potential situation where no clinician attends the meeting. The Clinical Governance Committee will consider this at its January meeting.

**The Committee**

- **AGREED** the report and revised Terms of References and revision to Section 9.11 of Standing Financial Instructions which will be put forward for endorsement by the Board in January.
- **Noted** that a review of the Code of Corporate Governance would be undertaken following any national changes to the Blueprint for Good Governance
- **Action:** The Clinical Governance Committee will consider its requirements to be quorate at its January meeting.

## **6 COUNTER FRAUD**

I Addison provided a verbal update to the committee.

- Several fraud awareness sessions were held. 173 attended an ‘on demand’ session on anti-bribery and corruption, and how to assess sickness/absence related frauds. Attendees mostly came from HR and Finance teams. This is an E-learning module which while it is not mandatory, every department is encouraged to take note of it.
- Sessions will continue to be offered to senior teams to push management agendas.
- The National Fraud Initiative for 2021 was completed in September in line with timescales.

- A formal report will be brought to the next meeting.

**The Committee**

- **AGREED** a full report will come to the 8<sup>th</sup> March meeting.

## **7 AUDIT SCOTLAND**

The committee's attention was directed to the full suite of Audit Scotland reports which can be accessed through the following link: <https://www.audit-scotland.gov.uk/report/search>

**The Committee**

- **NOTED** the information.

## **8 MANAGEMENT FOLLOW UP REPORT ON OUTSTANDING AUDIT ACTIONS**

The Head of Area Accounting provided an update noting 12 completed actions and 16 partially completed pieces of work.

The Chair thanked I Addison for the report and suggested that a more consistent style could be used going forward.

### IT Stock Control

- It was noted that Iain Ross's team's effort with stock control work had been very good.

### Community Planning Issues

The Community Planning SBAR was circulated by email ahead of the meeting.

- It was suggested that this item be moved to the Corporate Risk Register because any remaining risk was outwith NHS Highland.
- In discussion, it was suggested that the item should go to EDG first before the Corporate Risk register.
- To avoid losing sight of the item it was suggested that the EDG puts its case to the Audit Committee if the decision taken is to move the item elsewhere. A report was requested from EDG for the March meeting of Audit Committee.

### Maternity Service Redesign

There are three outstanding items concerning capacity, recruitment for a project manager, and the National Best Start programme. The latter of these has been extended to 2023.

- M Burnside noted that national programme work has been on pause through the pandemic and pressures on capacity have been supported through PMO. An advert for a programme manager is now live.
- It was commented that the phrase "partially complete" does not give an appropriate feel for the level of risk and does not tell the residual risk story.
- It was asked what impact the report on Dr Gray's Hospital has or will have and if NHS Highland is in a position to act on the outcomes.
- Mary B: Regional working in line with Best Start programme – will be across all this when project manager starts
- It was asked at what point should progress be tracked and if this should be pointed towards controls more than outcomes. It was also asked at what point the audit should be closed given that the delivery will take substantial time.
- It was agreed that a revised management response be provided to the committee with reasonings and how the actions are being managed.
- S Ringwood noted that the September committee minute suggested weighting would be added to the report. I Addison agreed to add a table for 2022 tracking and to add weighting for the March report.

- D Park commented that a more sophisticated template of response is required if moving items out of Audit in order to give assurance that the items are appropriately tracked and monitored.
- S Sands offered to work with D Garden and I Addison on an improved template for Audit assurance and response.

#### Business Continuity Planning

- D Park noted that a more detailed paper will be provided.
- The resources for resilience and Business Continuity are in place and making difference.

#### Counter-Fraud

- An update will come to the March 2022 meeting.

#### Payroll and Expenses

- An update will come to the March or April 2022 meeting.

#### Staff Redeployment

- This item has been delayed by Covid. The APF meeting of 17 December is due to approve and thereby close this action.

#### Financial Ledger – Income and Receivables

- The ability to record income of debtors through website will not be available until the new website goes live. The item will then go to the Corporate Risk Register.

#### PMO Financial Savings

- This item is partially complete and I Addison will follow this up for a completion date.

#### Performance Data

- There is no feedback to give at this time and the matter has been pursued. D Park asked if there may have been some miscommunication, and noted that with Lorraine Cowie now in post many items, if not closed, were close to completion. D Park will follow up the matter for the next committee.

#### GDPR and Information Management

- I Addison noted that the last five actions had been completed

#### Risk Management

- M Morrison provided assurance to the committee during item 4.2 above with a brief overview of work progressing actions.
- The report identifies limited progress, but significant work is ongoing.
- The Chair noted the emphasis on risk management and a keenness to give an extra push on this work.
- D Park commented that recruitment is underway to move forward, and in the meantime the team were supporting the risk management profile.

#### **The Committee**

- **AGREED** that the Community Planning item should go to EDG for review before moving to the Corporate Risk Register, the EDG should then put its case to the Audit Committee if the decision taken is to move the item elsewhere.
- **AGREED** a revised management response for Maternity Service Redesign be provided to the committee with reasonings and how the actions are being managed.
- **AGREED** that a more sophisticated template of response is required. S Sands offered to work with D Garden and I Addison on an improved template.
- **AGREED** a more detailed update for the Business Continuity Planning item.
- **AGREED** that a paper on Counter-Fraud will come to the March committee.

- **AGREED** that an update on Payroll and Expenses will come to the March or April committee.
- **AGREED** to close the Staff Redeployment action following approval by APF in December.
- **APPROVED** the Financial Ledger item which will move to the Corporate Risk Register.
- **NOTED** that the outstanding PMO Financial Savings item.
- **NOTED** an update on the Performance Data item will come to the March committee.

## 9 DATES OF MEETINGS FOR 2022 OF THE AUDIT COMMITTEE

- 8 March
- 3 May
- 28 June (Annual Accounts)
- 6 September
- 6 December

Meetings will start at 9am

### The Committee

- **AGREED** the dates.
- **Noted:** the stated start time in the agenda should be amended to show 9am for all meetings and not 2pm.

## 10 ANY OTHER COMPETENT BUSINESS

None.

## 11 DATE OF NEXT MEETING

The next meeting will be held on **Tuesday 8 March 2021** at **9am**, online via Teams.

The meeting closed at **10.48 am**.