

HIGHLAND NHS BOARD	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 www.nhshighland.scot.nhs.uk	 NHS Highland na Gàidhealtachd
MINUTE of MEETING of the NHS Board Audit Committee Microsoft Teams	9 September 2025 9.00 am	

Present: Emily Austin, Non-Executive (Chair)
 Bert Donald, NHSH Board Non-Executive
 Gerry O'Brien, NHSH Board Non-Executive

In Attendance: Gareth Adkins, Director of People and Culture
 Louise Bussell, Board Nurse Director
 Garret Corner, NHSH Board Non-Executive
 Jamie Fraser, Azets, Internal Auditors
 Claire Gardiner, Audit Scotland, External Auditors
 Amber Hamilton, Azets, Internal Auditors
 Stephanie Hume, Azets, Internal Auditors
 Arlene Johstone, Chief Officer, HHSCP
 Sarah McCaulay, Technical Accountant and Fraud Liaison Officer
 Brian Mitchell, Board Committee Administrator
 Andrew Nealis, Information Governance & IT Security Manager
 David Park, Deputy Chief Executive
 Dr Boyd Peters, Board Medical Director
 Liz Porter, Assistant Director of Financial Services
 Nathan Ware, Corporate Governance and Records Manager

1.1 WELCOME, APOLOGIES AND DECLARATION OF INTERESTS

Apologies were noted from A Anderson, A Christie, S Compton-Bishop, H Cooper and F Davies.

The Chair advised she had agreed to extending the December 2025 meeting to three hours in length due to the anticipated agenda to be covered.

1.2 DECLARATION OF INTERESTS

There were no Declarations made in relation to this Item.

1.3 MINUTE AND ACTION PLAN OF MEETING HELD ON 24 JUNE 2025

The Minute of the meeting held on 24 June 2025 (Annual Accounts), and Committee Work Plan were **Approved**.

In relation to the Committee Action Plan, the following was **Noted**:

Actions 7,8 and 9 – **Agreed** Actions can be **closed**.

The Committee:

- **Approved** the draft Minute and Committee Work Plan.
- **Agreed** in relation to the Rolling Action Plan, Actions 7, 8 and 9 be **closed**.

1.4. MATTERS ARISING

1.4.1 Update on Completion of Adult Social Care Services Review Actions

Members were advised this matter would be considered under Item 2.4 on the agenda.

1.4.2 Risk Management Training

Members **Noted** this Item would remain an open action, with ongoing discussion taking place including by the Board Medical Director and Head of Corporate Governance. An update on risk management would be provided under Item 4 on the agenda.

1.4.3 Potential for Deviation from SFIs - Payments

The Chair proposed this matter remain open, with discussion ongoing in relation to a number of associated aspects. The Committee so **Agreed**.

2 INTERNAL AUDIT PROGRESS REPORT AND INDIVIDUAL REPORTS

2.1 Internal Audit Progress Report

S Hume spoke to the summary report advising as to the position as at 1 September 2025, confirming the reviews planned for the coming quarter and identifying any changes to the plan. It was confirmed the review of Remote Access would be brought to the December 2025 meeting. Work remained on track to deliver the Internal Audit Plan for 2025/26 by the June 2026 Audit Committee. The plan for the following quarter was outlined. Internal audit themes identified as part of the 2025/26 audit process were indicated as relating to policies and procedures, and roles and responsibilities. An overall update on progress against the 2025/26 audit plan was provided along with an indication of the relevant audit outcomes to date and relevant Key Performance Indicator (KPI) status. The Committee was invited to note the circulated report, endorse the plan for the next quarter and provide any relevant comment.

The following was discussed:

- Internal Audit Themes. Questioned if points highlighted were focussed in any particular activity area and what improvement action underway. Advised both areas highlighted represented common reporting themes, with issues addressed as matters arise.

The Committee:

- **Noted** the content of the circulated report.
- **Noted** the Remote Access review would be submitted to the December 2025 meeting.

2.2 Children's Services Transition Arrangements

In introducing this Item, the Chair took the opportunity to thank all involved in the review process for ensuring progress in this reporting area. S Hume spoke to the circulated report, the Executive Summary of which provided an audit rating of substantial improvement being required. The report outlined the review background and scope, provided an overall control assessment and indicated six improvement actions had been identified, five of which related

to the design of controls in place. Key findings were outlined, and detail of the relevant Management Action Plan was included.

There was discussion of the following:

- Links with Activity Relating to Complex Cases. Confirmed crossover aspects were being actively considered.
- Timescales for Actions. Advised there would continue to be discussion over reported timescales in relation to future activity and reporting. Relevant changes would be reported.
- Replication of Learning from Review Findings. Advised did not form specific element of review scope however Internal Audit would welcome further discussion in this area.
- Audit Ratings. Advised represented an overall assessment of a number of elements including control areas, findings and risk appetite aspects. Noted discussion and feedback from management was welcomed in regard to future review findings reporting.

After discussion, the Committee:

- **Noted** the content of the circulated report.
- **Noted** there would be ongoing discussion and review of timescales for noted actions.

2.3 NHS Highland Resident Doctor Compliance

S Hume spoke to the circulated report, the Executive Summary of which provided an audit rating of substantial improvement being required. The report outlined the review background and scope, provided an overall control assessment and indicated 18 improvement actions had been identified, 13 of which related to the design of controls in place. Key findings were outlined, and detail of the relevant Management Action Plan was included. It was advised the review had been focussed on Medicine and General Surgery within Acute Services, the detail of sample testing also having been provided. Significant risk areas were highlighted.

There was discussion, as follows:

- History of Review Findings. Questioned how long identified concerns had existed, what actions had previously been taken, and the level of oversight and monitoring of recommended improvement actions outcomes.
- Cultural Observations Findings. Advised discussion with relevant staff had informed the review findings, as had wider professional guidance aspects. Noted early discussion on Rota Hub establishment had taken place.
- Findings Relating to Documentation. Questioned if view of clinicians had been sought in relation to findings. Advised discussion with clinicians was reflected where appropriate.
- Review of Progress and Action Timescales. Further detail sought on relevant oversight and reporting arrangements. Noted update would be sought for next meeting.

After further detailed discussion, the Committee:

- **Noted** the content of the circulated report.
- **Noted** there would be ongoing discussion and review of timescales for noted actions, with a further detailed formal update to be requested for the next meeting.
- **Agreed** appropriate arrangements be ensured in relation to future attendance invitations for Executive Officers.

2.4 Management Action Follow Up Report 2025/26 (Q1)

S Hume spoke to the circulated report, advising as to progress made by management in implementing agreed management actions previously identified. The summary of progress indicated that in relation to the 35 actions identified, some progress had been made in relation to each. It was reported management had made progress with the completion of actions, with

no outstanding actions where no progress had been made. Of the 15 actions assessed as 'Action' on track of being progressed with revised completion date', all had had their due dates moved on at least one occasion from that set at the time of finalising the original report.

There was discussion of the following, relating to actions associated with reviews involving the following areas:

- Primary Care Services. Sought update on action timescales. Agreed Head of Primary Care be invited to provide a formal update at the next meeting.
- Cyber Security (Network Controls). Sought update on action timescales. Advised additional evidence had been submitted, with process documentation actions completed.

After discussion, the Committee

- **Noted** the circulated report.
- **Agreed** Head of Primary Care be invited to provide a formal update to the next meeting.

3 EXTERNAL AUDIT

There were no matters discussed in relation to this Item.

4 RISK MANAGEMENT UPDATE

The Chair stated this matter had been included as a Standing Item on the agenda and advised as to discussion in relation to potential development of associated metrics and improved reporting in this area in terms of associated system governance aspects. Executive responsibility for risk had recently been assumed by the Deputy Chief Executive. Detailed discussion of this area had been scheduled for the December 2025 meeting.

B Peters updated members as to discussion of aspects including corporate risk oversight, highlighting the need for the Audit Committee to consider what risk metrics it would consider of benefit moving forward. It was reported a number of formal risk registers were in place, including at operational level. Associated Orange Book requirements were referenced relating to good governance, and the need to consider system processes at all levels across a number of governance committee remit areas. The benefits of discussing and developing metrics and an associated reporting dashboard were discussed.

D Park went on to highlight the complexities of reviewing systems relating to the management of risk across multiple operational areas and the move away from the existing Datix system of reporting. Aspects relating to future of data review and reporting was under consideration, an update on which would be provided to the next meeting.

After considered and detailed discussion of a number of complex associated organisational risk aspects, the Committee:

- **Noted** the update provided
- **Noted** further detailed discussion had been scheduled for the next meeting.
- **Noted** members had been requested to further consider relevant Committee related aspects ahead of detailed discussion at the next meeting.

The Committee adjourned at 10.10am and reconvened at 10.20am.

5 COUNTER FRAUD UPDATE

S MacAulay spoke to the circulated report, providing the Committee with an update as to the progress of Counter Fraud actions and services in order to highlight instances of fraud and provide assurance on the actions being taken to prevent fraud. Specific updates were provided in relation to Counter Fraud 12 components; 2024/25 Fraud Standard Statement return and associated evidence; Counter Fraud Services (CFS); current cases and recent events; National Fraud Initiative (NFI) exercise activity; and relevant training actions. The report proposed the Committee take **Substantial** assurance.

There was discussion of the following:

- Counter Fraud Assessment Activity by CFS. Advised relevant activity had yet to be confirmed, with further assistance from Internal Audit colleagues having been discussed. The matter would be raised with CFS at the regular monthly meeting.
- Counter Fraud Services Quarterly Report. Noted reference to 40% of team being new in post. Advised this was an unusual position, with funding for additional staff having been recently received and actioned. Improvement in support arrangements was expected, including development of new training modules.
- Access to Trained Investigators (Component 9) – Advised Investigators centrally located, with activity taking place at a local level in the event of larger, complex cases and as individual cases dictated more widely. Comprehensive staff training in place, this forming a reporting element of the annual assurance statement provided to NHS Boards. NHS staff did not usually undertake relevant investigation activity, with advice taken from CFS on taking matters forward where appropriate.

After discussion, the Committee:

- **Noted** the content of the circulated report.
- **Noted** further discussion would take place with CFS in relation to Counter Fraud Assessment activity.
- **Agreed** to take **Substantial** assurance.

6 GIFTS, HOSPITALITY AND SPONSORSHIP POLICY

N Ware spoke to the circulated report advising as to proposed revision of the NHS Highland Gifts, Hospitality and Sponsorship Policy in terms of reflecting updated best practice, sustainability goals, operational efficiencies and relevant legislative changes. Proposed Policy changes had been identified in association with the Director of Finance, wider finance colleagues, Charity Lead, governance team, Human Resources Sub Group and Area Partnership Forum and had been aligned with national standards. It was advised the revised Policy, if approved, would be communicated through the weekly communications update.

During discussion, the Chair requested consideration be given to including greater clarity in relation to relevant guidance referral routes, and wider communication of the same.

The Committee:

- **Noted** the content of the circulated report.
- **Agreed to Approve** the revised Policy document for publication.

7 INFORMATION ASSURANCE GROUP 6 MONTH UPDATE

A Nealis spoke to the circulated report, providing an update on the work of the Information Assurance Group and assurance NHS Highland was operating in compliance with applicable

Information Security and Data protection legislation. The report covered the period from February to August 2025. Specific updates were provided in relation to the work of The Caldicott Guardian; Adult Social Care; Corporate Records Management; Clinical Records Management; Data Protection activity; Freedom of Information; Information Governance and IT Security; regulatory audits; ratified Policies; other significant areas of discussion as indicated and detail of reportable incidents during the reporting period. There had also been circulated Minute of Meeting of the Information Assurance Group held on 26 March 2025. The report proposed the Committee take **Substantial** assurance.

There was discussion of the following:

- Guidance for Staff Taking Professional records. Advised the reference related to a continuous update of relevant documentation and guidance clarification aspects.
- Role of Assurance Group Members. Advised members were encouraged to act as advocates for information governance and wider cyber security.
- Associated Risk Level. Confirmed as high risk due to potential impact of any individual incident and the potential role of external actors. Confirmed staff maintained a high level of risk awareness, with relevant advice sought on a regular basis. NHS Highland continued to perform well across a number of specific reporting areas.

After discussion, the Committee:

- **Noted** the content of the circulated report.
- **Agreed** to take **Substantial** assurance.

8 FORMAL REQUEST FOR FINANCIAL WRITE-OFF

L Porter H Cooper spoke to the circulated report, providing relevant background detail and requesting the Committee consider formal approval for the write off of a loss to NHS Highland of £56,689.20. The sum in question had initially been pursued however was now logged with the relevant administrators acting for the relevant company involved. There would be no material impact on the 2025/26 NHS Highland Annual Accounts although associated learning would be taken. The report proposed the Committee take **Substantial** assurance.

After discussion, the Committee Agreed to Approve the requested financial write-off.

9 AUDIT SCOTLAND REPORTS

The Chair drew the committee's attention to the link for papers at the Audit Scotland website that had been selected for the interest of Committee members.

The Committee so Noted.

10 ITEMS ESCALATED FROM OTHER COMMITTEES

There were no matters raised in relation to this Item.

11 ANY OTHER COMPETENT BUSINESS

Members were advised there would be discussion at the next meeting in relation to future scheduling of Tender Waiver items for Committee consideration. An update was also provided in relation to the planned banking arrangements to be introduced as part of the wider Lochaber Service Redesign Project. This was a normal project management arrangement.

12 DATE OF NEXT MEETING

The next meeting was to be on **Tuesday 9 December 2025** at **9.00 am** on a virtual basis. The meeting length had been extended to three hours duration as earlier indicated.

The meeting closed at 11.00am.