

Minutes of a Meeting of **Borders NHS Board Audit Committee** held on Wednesday, 26<sup>th</sup> September 2018 @ 10 a.m. in the Board Room, Newstead.

**Present:** Mr M Dickson, Non Executive Director (Chair)  
Mrs K Hamilton, Non Executive Director  
Dr S Mather, Non Executive Director

**In Attendance:** Mrs L Clark, Operations Manager (MH & LD Service) (Item 8.2)  
Mrs J Davidson, Chief Executive (Arrived at 11.15 a.m.)  
Mrs B Everitt, Personal Assistant to Director of Finance (Minutes)  
Mrs C Gillie, Director of Finance  
Mr A Haseeb, Senior Audit Manager, Audit Scotland  
Mrs M Kerr, Director, PWC  
Mrs S MacDougall, Risk & Safety Manager (Items 6.1 and 7.1)  
Dr J Montgomery, Director of Medical Education (Item 6.1)  
Ms S Swan, Deputy Director of Finance  
Dr C Sharp, Medical Director (Items 6.1 and 8.2)  
Mr W Shaw, Head of Delivery Support (Items 4 and 6.1)

1. **Introduction, Apologies and Welcome**

Malcolm Dickson welcomed those present to the meeting. Apologies had been received from Tim Patterson, George Bell, Gillian Woolman and Jonny Steen.

2. **Declaration of Interest**

There were no declarations of interest.

3. **Minutes of Previous Meeting: 14<sup>th</sup> June 2018**

Margaret Kerr referred to item 7.1 (Internal Audit Plan Progress Update) and advised that the update was against the 2017/18 plan rather than the 2018/19 plan.

**The minutes were approved as an accurate record with the proviso that the change discussed is made.**

4. **Matters Arising**

*Action Tracker*

Karen Hamilton enquired if it had been confirmed which Board Development session the Risk Management process would be discussed. Carol Gillie agreed to check this with the Board Secretary.

**The Committee noted the action tracker.**

### *Business Continuity Internal Audit Report – Update*

Warwick Shaw spoke to this item. Warwick advised that the report provided an update against each of the recommendations. Warwick explained that the expectation was to move to an IT based system to modernise the way business continuity is approached within NHS Borders and was pleased to report that they now have agreement from IT to provide the resource to take this forward. It was noted that it was hoped to have the software installed before the end of the calendar year. Margaret Kerr referred to the recommendation relating to the integration of business continuity and IT disaster recovery and stressed that IT should not be developing business continuity plans in isolation. Warwick gave assurance that this would not be the case. Malcolm Dickson commented that he would liked to have seen action taken earlier but appreciated the constraints encountered. Malcolm asked, on behalf of the Audit Committee, that it be fed back this now be actioned as a matter of urgency and to ensure there is linkage between the organisation's business continuity planning and IT's disaster recovery plan. Susan Swan provided an update on the Road to Digital project where it was noted that IT will work to the plan that is prioritised and approved by NHS Borders to bring systems up-to-date and fit for purpose.

### **The Audit Committee noted the update.**

### *Finance Efficiency Savings Internal Audit Report – Update on High Risk Finding*

Carol Gillie spoke to this item which provided an update on the recommendations noted under the high risk finding. Carol gave assurance that work continues to produce a balanced financial plan and this is progressing in the right direction. Carol was unable to confirm the action as complete at the present time, however Board members are aware of the financial deficit and the challenges faced. Karen Hamilton referred to the second bullet point on page 2 regarding engagement with the public and advised that this had been removed from the agenda for the next Public Governance Committee as the paper was not complete, however June Smyth has now been asked to attend to provide a verbal update. Malcolm Dickson was pleased to see there was a benefits realisation plan for the overall programme to monitor delivery and stressed it was important that this is both realistic and achievable. Karen Hamilton referred to the update relating to budget holder's savings plans and asked if they were being given support to achieve this. Carol advised that she and June Smyth were holding a series of meetings across the organisation to ensure there is clarity on delivery of business as usual savings and break even on operational budgets. Margaret Kerr asked about the two external reviews that were being undertaken as she would be keen to see the finalised reports. Carol advised that the external review on the Financial Plan papers has now been finalised and is currently with the Chief Executive for circulation in due course. Carol was not aware of the progress on the other external review report. Margaret asked External Audit about the implications in terms of reporting for the Board in regard to brokerage having not been in this position before. Asif Haseeb advised that there would be increased reporting and scrutiny by the Parliamentary Committee. Susan Swan added that there is a scheduled meeting with External Audit in October where brokerage and the impact of this will be the main item for discussion. Malcolm Dickson felt it would be helpful to discuss in more detail to gain an understanding and receive feedback on the discussions with Audit Scotland. Carol suggested that this could be added to the first agenda for the Finance & Resources Committee. This was agreed. Malcolm also felt it would be beneficial to have sight of the timetable from Scottish Government to see exactly what is expected by what deadline. Carol agreed to feed this back to the Chair and Chief Executive as they have been in dialogue with Scottish Government to date.

### **The Audit Committee noted the update.**

## 5. Fraud & Payment Verification

### 5.1 *Countering Fraud Operational Group - Feedback*

Susan Swan spoke to this item. It was noted that the update presented had been circulated to the Countering Fraud Operational Group, which has good representation across the organisation, to raise awareness and to detect and defer fraud.

**The Committee noted the update.**

### 5.2 *NFI Update*

Susan Swan spoke to this item which was the Audit Scotland report produced following the National Fraud Initiative in Scotland exercise for 2016/17. It was noted that the process for 2018/19 would be commencing shortly with matches being issued in January 2019. It was noted that the Committee would receive an initial assessment for undertaking this exercise. Malcolm Dickson noted on page 11 that proportionately Scotland were lower for NFI outcomes than the rest of the UK. Carol Gillie enquired if the self assessment checklist is completed. Susan confirmed that this is undertaken to ensure best practice. Malcolm highlighted the NHS Lanarkshire case study on page 17 regarding duplicate payments and asked if this was relevant for NHS Borders. Susan advised that five duplicate payments had been identified as part of the process, two of which had already been picked up but not the other three. Carol enquired if Lanarkshire had implemented anything on the back of these findings. Susan agreed to check this and take forward as appropriate. Stephen Mather noted that there were no recommendations made within the report and asked if there is assurance that NHS Borders are complying with the regulations. Susan gave assurance that everything that is received from Counter Fraud Services (CFS) is risk assessed and actioned within existing resources. Carol reminded that an annual review is also undertaken with CFS and they are content with the engagement from NHS Borders and have not raised any issues of concern.

**The Committee noted the Audit Scotland report following the 2016/17 NFI exercise.**

## 6. Governance & Assurance

### 6.1 *Audit Follow Up Report*

Susan Swan spoke to this item. Susan explained that the follow up process entails monitoring implementation of each audit recommendation and if this exceeds the deadline by three months managers are asked to attend the Audit Committee to provide an update on progress. Susan went on to provide an update on both Internal and External Audit recommendations which were summarised within the report.

**The Committee noted the report.**

### *Property Transactions – Property Leases Internal Audit Report – Update*

Warwick Shaw spoke to this item which was an update on the recommendations within the Property Transactions – Property Leases Internal Audit Report. Warwick apologised that he had not progressed this timeously. Warwick went on to explain that he had experienced difficulties getting GP engagement due to competing priorities and provided an update on the areas of specific concern. Warwick felt that the current draft lease is acceptable and this will be discussed at the next GP Sub Committee meeting. It

was noted that visits will be made to GP practices during October and November with the intention of getting GP's to sign the lease by the end of January 2019 at the latest. Stephen Mather asked for assurance that there is genuine dialogue between NHS Borders and the GP's and there is give and take on both sides. Warwick confirmed that there was to a degree. Carol Gillie assured that action is being taken in line with the property transaction manual, however it had proved to be much more challenging than first anticipated.

**The Committee noted the update and approved the work plan and revised target date of January 2019.**

*Training of Junior Medical Staff Internal Audit Report – Update*

Jane Montgomery spoke to this item which was split into two categories, namely Simulation and Staffing.

- *Simulation*

Jane Montgomery was pleased to report that this has moved forward greatly. Jane explained that currently 2 hours per week are designated to this training, however the likelihood is this will need to be increased in the future as the requirement for simulation training is increasing with each iteration of the specialty curriculum. Jane also updated on plans to accommodate this training within the Education Centre, however due to competing demands this has not been progressed. Stephen Mather noted his disappointment around the accommodation issue as he had previously written to the Chief Executive asking for this to be looked at as a matter of urgency and had been assured that it would be. Carol Gillie confirmed that the accommodation alterations will be taken forward when the extra resources required are secured. Stephen highlighted that this may also be an opportunity for income generation for NHS Borders.

**The Committee noted the update and supported the further development of simulation training.**

- *Staffing*

Jane Montgomery advised of the challenges with the current Medical Education Department staffing establishment. It was also hoped to secure one designated office, rather than being spread over three offices, to give visibility where trainees can seek information and support. Cliff Sharp agreed that this would be extremely beneficial and ideally would be located near the Training Department. Margaret Kerr enquired what impact extra days would have. Jane advised that this would allow commitments to be fulfilled both regionally and nationally as if NHS Borders are unable to provide a quality service then trainees will go elsewhere. Cliff advised that Jane, as Director of Medical Education, does not have enough time currently to fulfil the requirements from the GMC. Malcolm Dickson suggested that the audit recommendations are revisited to ensure a service fit for purpose. Cliff agreed to do this and would provide an update for circulation electronically around the Committee.

**The Committee noted the update and the plans to progress the ongoing issues.**

#### *Risk Management Internal Audit Report - Update*

Sheila MacDougall spoke to this item which provided an update on the two recommendations arising from the Risk Management Internal Audit report which was now under the remit of the Joint Director of Public Health. These recommendations related to the review and approval of new risks held in the “awaiting final approval” category and the review of existing risks already on the register on an annual basis as a minimum. Sheila confirmed that action has been taken against both of these recommendations and progress is reported quarterly to the Clinical Executive Operational Group. It was noted that this will be ongoing.

**The Committee noted the update.**

#### *Clinical Governance Internal Audit Report - Update*

Cliff Sharp spoke to this item which provided an update on the two recommendations within the Clinical Governance Internal Audit report. Cliff confirmed that there is a draft Clinical Governance Strategy which now requires to be taken through the consultation/approval process. Regarding the clinical policies held by Clinical Governance & Quality it was noted that from a total of 260 policies the number out of date has reduced from 200 to 75 and liaison with clinicians, as the owners of these policies, is ongoing. It is hoped that this exercise will be completed in the next two months. Going forward an approvals process will be put in place prior to anything being added to the Intranet.

**The Committee noted the update.**

#### 6.2 *Debtors Write-Off Schedule*

Susan Swan spoke to this item and was pleased to report that there was no request for debtor write offs to date. Susan advised that the debt recovery agency is now in place and she was satisfied with the recovery action taken so far. It was noted that action is taken via phone or email and there is no doorstep calling. Malcolm Dickson noted the marked improvement in dental debts. Susan explained that they had worked in liaison with the dental service to undertake recovery planning which had been extremely successful.

**The Committee noted the report.**

## 7. **Risk Management**

### 7.1 *Update on Very High Risks*

Sheila MacDougall spoke to this item. Sheila apologised that the Annual Risk Management report had not been included as part of today’s update. It was agreed that this should be added to the agenda for the December meeting. Sheila went on to provide an update on the very high risk register where it was noted that movement is encouraging as new risks are being added. Sheila highlighted that although it looked like no risks had been removed from the register it was noted that they had been and these would be detailed within the next report. Sheila took the Committee through the report highlighting the two new risks added. Carol Gillie provided an update on the risk regarding the equipment within ASDU which has broken down and advised that the capital plan had been reviewed to allow replacement equipment to be ordered so this would be coming off in due course. Stephen Mather referred to page 7 and the risk relating to absconding patients due to being unable to lock the main hospital doors as he

was unsure from the detail provided how this could be lowered from very high to high risk. Sheila advised that action will be taken forward within the remit of the Security Policy. Stephen also referred to page 11 and the risk regarding the safe evacuation of the IM&T server room. Sheila advised that this will be further reviewed now there is a Fire Officer in post and this has been discussed with him. Stephen highlighted the risk on page 15 about accommodation for people with severe challenging behaviour and commented that this is a managed risk which is accepted. Sheila advised that in terms of the current risk appetite this has breached and a way forward is being discussed with other partner organisations. Cliff Sharp updated on regional plans for a low security unit at Gogarburn which NHS Borders would be part of. Margaret Kerr noted concern around the safe evacuation of the IM&T server room as the deadline was due in four days and as this had been identified a year ago it was not clear how this could be completed within the timescale. Sheila explained that it was hoped to have resolved this sooner however due to resource and time issues this had not been possible. Malcolm Dickson, on behalf to the Audit Committee, asked that this be expedited. Jane Davidson asked if risks were being mitigated meantime. Sheila felt that there could be increased mitigation. Sheila agreed to provide the Audit Committee with a virtual update by the end of October at the latest on this issue.

**The Committee noted the update report.**

## 8. **Internal Audit**

### 8.1 *Internal Audit Plan Progress Report*

Margaret Kerr confirmed that progress is on course against the plan for 2018/19.

**The Committee noted the progress report.**

### 8.2 *Internal Audit Report – Mental Health – Staff and Patient Safety*

Margaret Kerr introduced this item and advised that the report had an overall high risk rating. It was noted that there was one high risk rated finding, two medium rated findings and two low rated findings. Margaret advised that the review was initially intended to look at Huntlyburn and was pleased to report that action had been taken immediately against some of the recommendations. Margaret referred to the high risk finding regarding the risk assessment and safety planning process where a number of issues had been found such as incorrect documentation, incomplete admission checklists and patient safety care plans not being reviewed on a daily basis. It was noted that management had provided a response within the action plan for each of the contributing elements with a target date of 1 November 2018. In regard to the outstanding staff training (medium risk) and the patient safety climate tool being substituted for a non-standardised patient feedback questionnaire (medium risk) it was noted that actions against these are now complete. Margaret also highlighted the two lower risk findings relating to the outdated Occupational Health and Safety policy and Datix entries not being fully completed. Margaret explained that it was the first three findings which drove the overall high risk rating. Cliff Sharp advised that he had discussed the overall rating with George Bell, however he appreciated that this was a snapshot in time and took comfort that recommendations were being taken on board. Lisa Clark provided an update on the action taken on the high risk finding and advised that this was on track for completion by the 1<sup>st</sup> November 2018 target date. Lisa advised that the Occupational Health and Safety policy was currently being reviewed and this would also be completed by the target date. Regarding some Datix entries being incomplete Lisa advised that a reminder email has now been issued to staff and she has also asked Sheila

MacDougall if the box not being checked can be a mandatory field on the system. Karen Hamilton asked how effective it is emailing staff a reminder to do this. Lisa advised that it was also discussed at team meetings and feedback is provided for staff who are unable to attend. It was noted that progress would be monitored through the audit follow-up process.

**The Committee noted the report.**

8.3 *Internal Audit Report – MKU Donations*

Margaret Kerr introduced this item and advised that the report had an overall medium risk rating. Margaret advised that the audit had been undertaken at the request of management due to an ongoing police case. Carol Gillie advised that the court case for the alleged fraud had taken place the previous day and the member of staff had been found guilty with sentencing taking place on 18<sup>th</sup> October. Margaret explained that the audit had highlighted a number of areas for improvement with practical ways of tightening up current systems in place being suggested. It was noted that these would be of low cost to implement. Margaret advised that there are procedures in place however these are not always being followed in practice. There is also a lack of clarity around people's roles. Carol Gillie confirmed that the control environment will be improved upon and updated on the medium risk finding regarding receipts not always being signed by two members of staff. It was noted that the Administration staff have now been moved and there is additional staffing to support this going forward. Stephen Mather stressed that processes needs to be as simple as possible for people donating and asked if contactless payment could be accepted. Carol confirmed that this would be possible, however a chip and pin machine would require to be installed and there would still be an issue when a cash donation is made. Jane Davidson highlighted that the report provides ideas but the organisation needed to be mindful that it is not just the MKU affected, there are other departments within the BGH as well as the Community Hospitals. Jane suggested letting the staff involved produce a workable system. Carol added that although mitigating actions will be undertaken to reduce the risk it was unlikely that it could ever be fully eliminated.

**The Committee noted the report.**

9. **Integration Joint Board**

9.1 *Audited IJB Annual Accounts 2017/19*

Carol Gillie advised that David Robertson had been unable to attend today's meeting and explained that the accounts were being brought for information. Due to a timing issue it was noted that the accounts had now been signed and an unqualified audit opinion had been received. Carol advised that Mike Porteous, Chief Finance Officer was now in post as a secondment from NHS Lothian and would be leading on this going forward.

**The Committee noted the audited IJB Annual Accounts for 2017/18.**

10. **Items for Noting**

10.1 *Information Governance Committee Minutes: 28<sup>th</sup> June 2018 (Draft)*

Malcolm Dickson highlighted page 2 about the potential impact GDPR could have on staff resources. Carol Gillie advised that she was not aware of there being any request for additional resources. Malcolm also asked about item 6 regarding ICO enforcement

and asked if there was an update regarding the local incident reported to the ICO. Carol Gillie agreed to ask George Ironside for an update.

**The Committee noted the draft Information Governance Committee minutes.**

11. **Any Other Competent Business**

Malcolm Dickson suggested that the agenda be re-numbered in future to allow more focus on particular items. This was agreed.

Malcolm reminded External Audit and Internal Audit that they always have the opportunity to meet with the Audit Committee Chair and members in private.

12. **Date of Next Meeting**

Tuesday, 11<sup>th</sup> December 2018 @ 2 p.m., Board Room, Newstead.

BE  
02.10.18