

Borders NHS Board



Meeting Date: 24th September 2020

Approved by:	Malcolm Dickson, Chair, Audit Committee
Author:	Andrew Bone, Director of Finance
AUDIT COMMITTEE UPDATE	
Purpose of Report:	
<p>The purpose of this report is to brief the Board on any key issues within the Committee's remit, in order to provide assurance to the Board that these matters have been identified and are being addressed.</p>	
Recommendations:	
<p>The Board is asked to note the update from the Audit Committee meeting held on 14th September 2020.</p>	
Approval Pathways:	
<p>This report has been prepared for the Board.</p>	
Executive Summary:	
<p>The Audit Committee would like to highlight the following to the Board:</p> <ul style="list-style-type: none"> • Audit Follow Up Report – the Committee received the audit follow-up report prepared by Internal Audit. It was noted that a number of recommendations have been brought forward from previous audits going as far back as 2014/15. These are of low and medium risk. The Committee asked that the Board Executive Team provide specific focus to progress these actions which will be reviewed through the audit follow up process and an update report will be received at the December Audit Committee. • Internal Audit Plan Update Report – the Committee noted that the Internal Audit Plan had been flexed to accommodate the availability of the management team during the Covid19 pandemic. The Committee will receive three final audit reports at its meeting in December, namely Estates and Facilities, Delayed Discharges (IJB) and Pharmacy Contracts. In regard to the Financial Transformation audit due to be undertaken in February 2021, it was recognised that circumstances have changed and there will be further discussion with Internal Audit on how this audit will be progressed. • Internal Audit Charter 2020/21 – the Committee received the Internal Audit Charter for 2020/21 which sets out how Internal Audit complies with public sector standards. 	

- 2019/20 Financial Statements Audit Update – Audit Scotland provided an update on the Board's annual audit. The Committee noted the slippage to the original timeline agreed for the audit and that a clearance meeting was currently scheduled for 22nd September 2020. The final accounts would be brought to the Audit Committee on the 22nd October 2020 to recommend they are put forward to Borders NHS Board for formal approval which would also be held on the same day. The Chair of the Audit Committee thanked Audit Scotland for the flexibility that has been shown to the Board.
- Covid19 Guide for Audit and Risk Committees – the Committee received the guide prepared by Audit Scotland which detailed key areas for consideration during the Covid19 pandemic. The four areas which will require focus are as follows:
 - Internal controls and assurance
 - Financial management and reporting
 - Governance
 - Risk management

It was agreed that the Director of Finance would coordinate an initial response to the questions highlighted in the report under each of these sections, and that this would be presented to the Resources & Performance Committee in November 2020.

- Countering Fraud Operational Group (CFOG) Update – the Committee were updated in terms of current reporting and were assured that the regular updates received are circulated around CFOG to take forward appropriately across the organisation.
- NFI 2018/19 Exercise Report – the Committee received the report which highlighted progress made across the public sector in Scotland. It was recognised that although there is limited direct financial benefit to NHS Bodies arising from this exercise, the NHS participation makes a significant contribution to benefits gained across the wider public sector in Scotland. It was highlighted that the report presents useful context to those who are involved in procurement activity within the Board.
- NFI Update –the Committee received an update on the timetable for the 2020/21 exercise and were advised that the Board remain on track to deliver all actions within the timeline.
- Update on Very High Risks – the Committee received an update on the very high risks and were advised that the Risk Management Board now also receive the Covid19 Risk Register as well as the Operational Risk Register. It was noted that it is the intention to incorporate the Covid19 risks within the operational register but this is currently on hold due to the potential of a second wave of Covid19. The Committee acknowledged the progress made to date despite Covid19 impact on management capacity and accepted the update as evidence that risks are being actively managed.
- Audit Committee Self-Assessment Checklist – the Committee noted that the self-assessment had been completed by the Audit Committee members and two actions had emerged from this exercise, namely that the Director of Finance will pick up with the Chair and the Chief Executive on how the Board will seek assurance from all the Governance Committees in relation to delivery of their own performance; and

consideration will be given to seeking the views of the Chairs of the other Governance Committees prior to finalising future Internal Audit plans.

Impact of item/issues on:	
Strategic Context	Not applicable
Patient Safety/Clinical Impact	Not applicable
Staffing/Workforce	Not applicable
Finance/Resources	Not applicable
Risk Implications	Identified above
Equality and Diversity	Not applicable
Consultation	Not applicable
Glossary	CFOG - Countering Fraud Operational Group NFI - National Fraud Initiative