

## Borders NHS Board



Meeting Date: 1 April 2021

<b>Approved by:</b>	Iris Bishop, Board Secretary
<b>Author:</b>	Iris Bishop, Board Secretary
<b>AUDIT COMMITTEE MINUTES 14.12.2020</b>	
<b>Purpose of Report:</b>	
The purpose of this report is to share the approved minutes of the Audit Committee.	
<b>Recommendations:</b>	
The Board is asked to <b>note</b> the minutes.	
<b>Approval Pathways:</b>	
This report has been prepared specifically for the Board.	
<b>Executive Summary:</b>	
The minutes are presented to the Board as per the Audit Committee Terms of Reference and also in regard to Freedom of Information requirements compliance.	
<b>Impact of item/issues on:</b>	
<b>Strategic Context</b>	As per the Audit Committee Terms of Reference. As per Freedom of Information requirements compliance.
<b>Patient Safety/Clinical Impact</b>	As may be identified within the minutes.
<b>Staffing/Workforce</b>	As may be identified within the minutes.
<b>Finance/Resources</b>	As may be identified within the minutes.
<b>Risk Implications</b>	As may be identified within the minutes.
<b>Equality and Diversity</b>	Compliant.
<b>Consultation</b>	Not Applicable.
<b>Glossary</b>	-

Minutes of a Meeting of **Borders NHS Board Audit Committee** held on Monday, 14<sup>th</sup> December 2020 @ 2 p.m. via MS Teams.

**Present:** Mr M Dickson, Non Executive Director (Chair)  
Mr B Brackenridge, Non Executive Director Elect  
Mrs F Sandford, Non Executive Director

**In Attendance:** Mr K Allan, Associate Director of Public Health (Item 4)  
Mr A Bone, Director of Finance  
Mrs J Brown, Director, Audit, Grant Thornton  
Mrs B Everitt, Personal Assistant to Director of Finance (Minutes)  
Mrs L Farrell, Audit Manager, Grant Thornton  
Mrs K Hamilton, Chair  
Mr G Ironside, Senior Health Information Manager (Item 5.3)  
Mr R McCulloch-Graham, Chief Officer (Item 6.3)  
Mrs C Oliver, Communications Manager (Item 4)  
Mrs S Paterson, Deputy Director of Finance, Head of Finance  
Mrs L Pringle, Risk Manager (Item 4)  
Mr R Roberts, Chief Executive  
Mr J Steen, Senior Auditor, Audit Scotland  
Mrs A Wilson, Director of Pharmacy (Item 6.4)  
Mrs G Woolman, Director, Audit Scotland

1. **Introduction, Apologies and Welcome**

Malcolm Dickson welcomed those present to the meeting.

Apologies were received from Dr T Patterson, Director of Public Health.

2. **Declaration of Interest**

There were no declarations of interest.

3. **Minutes of Previous Meetings: 14<sup>th</sup> September 2020 & 22<sup>nd</sup> October 2020**

**The minutes were approved as an accurate record.**

4. **Matters Arising**

*Action Trackers*

**The Committee noted the action trackers.**

### *Risk Management Internal Audit Report – Update on Recommendations*

The Committee received an update from Keith Allan on the outstanding recommendations from the Risk Management audit. Keith advised that the development of a Risk Management Strategy (finding 2) was achievable by the revised timescale of 31<sup>st</sup> March 2021. In regard to training (finding 3) Keith explained that this would be subject to Covid19 restrictions, as with the exception of 1:1 MS Teams meetings, training is currently on hold, however he felt that the revised timescale of 31<sup>st</sup> March 2021 was reasonable as a best case scenario. For finding 4, the monitoring of Key Performance Indicators (KPIs), Keith explained that this requires people to have the capacity to report on these as they have not been updated or monitored throughout the pandemic period, however he felt that the revised deadline of 31<sup>st</sup> March 2021 was acceptable. Ralph Roberts highlighted the uncertainty surrounding the first quarter of 2021 and suggested, if the Committee were in agreement, to extend the deadline for findings 3 and 4 to the 30<sup>th</sup> June 2021. This was agreed.

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

### *Engagement Plan 2021/22*

Clare Oliver spoke to this item which summarised the findings and recommendations arising from the Public Involvement and Engagement audit, namely refreshing the Public Involvement and Community Engagement Strategy, refreshing the process for co-ordinating Public and Patient Engagement and completing a demand and capacity analysis to review the current proposed programme of public involvement activity aligned to the Financial Turnaround Programme. Clare explained that they had been unable to achieve the original timescales due to the Covid19 pandemic, however advised that the Public Governance Committee have considered the findings, recommendations and actions. Clare confirmed that there was reasonable confidence with the revised timescale of 31<sup>st</sup> March 2021, with exception of the recommendation relating to the Financial Turnaround Programme as this would be dependent on how it moves forward within the organisation. Clare assured that in terms of public involvement, work hasn't stopped but has had to significantly change to engage with the public at this time.

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

## 5. **Governance & Assurance**

### 5.1 *Audit Follow Up Report*

Laura Farrell reported that 11 recommendations had been closed by management since the last meeting. Of the Internal Audit recommendations raised three were not yet due. For an additional 12 recommendations dates had been revised and were not yet due. It was noted that the revised timescales were primarily due to the Covid19 pandemic. Laura confirmed that timelines for the two Risk Management recommendations discussed under the previous item would be adjusted to 30<sup>th</sup> June 2021 as agreed.

#### **The Committee noted the Audit Follow Up report.**

### 5.2 *Debtors Write Offs*

Susan Swan spoke to this item. Susan advised that the Director of Finance regularly reviews income which remains outstanding despite the debt follow up process being followed and/or is under dispute by the debtor. Susan reported that the Director of Finance had authorised the write off of three cases, namely income due from a dental practice for rent of premises at Jedburgh Health Centre, income due from a GP practice

for rent of premises at Roxburgh Street Surgery and income due from the new dental practice for rent of premises at Jedburgh Health Centre. Susan went on to provide the details for each individual case and explained that for the third case, where it had been agreed, due to Covid19 and their inability to practice, not to charge for the service provided from the Area Decontamination and Sterilisation Unit (ASDU). It was noted that this remains under review and a weekly update is provided by the Director of Dentistry. Malcolm Dickson referred to the third case and asked if this would set a precedent. Susan confirmed that this was the only dental practice who rents property from NHS Borders so it would not. Gillian Woolman also referred to the third case as she was keen to understand the principles surrounding the rent rebate and how this had been worked through with Scottish Borders Council and would pick this up through future discussions.

Andrew Bone confirmed that with the resolution of these three cases there were no further outstanding areas of dispute with primary care practitioners.

**The Committee noted the debt written off as authorised by the Director of Finance.**

### 5.3 *Information Governance – Mid Year Review*

George Ironside spoke to this item. George reported that in addition to the usual work the Information Governance Team had also been engaged in progressing changes to processes and procedures to meet that of the European GDPR and the associated UK Data Protection Act 2018. The team had also supported initiatives relating to information sharing as a result of the Covid19 pandemic and progressed the Joint Data Controller position with the GP community across the Borders to introduce the nationally produced Data Sharing Agreement. It was noted that due to Covid19, the Information Governance Committee had only met once during 2020, with a further meeting scheduled later in the week. George highlighted that the number of privacy breach detections (Fair Warning) remains low, with a decline in the number of self look-ups over the past six months. It was also noted that the number of Freedom of Information (FoI) requests had reduced when compared with the same period for the previous year, primarily due to the Covid19 pandemic. George advised that in relation to cyber security, the Network Information Systems had been rescheduled from July 2020 to a desktop audit in October, with an onsite visit planned for August 2021. George highlighted that completion of the Information Governance eLearning module has dropped slightly during the course of the pandemic. This training was being actively promoted across the organisation.

Karen Hamilton advised that the Chairs Group are discussing the amount of FoIs being received from Scottish Government as they do not feel this is appropriate as they have their own researchers. Malcolm Dickson referred to Health Boards providing Data Protection Officer services to GPs as mandated and funded by Scottish Government and enquired if any Borders' GPs had opted out of this. George was not aware of any practices opting out and would be surprised should any not take up the offer.

**The Committee noted the update.**

## 6. **Internal Audit**

### 6.1 *Internal Audit Plan Update Report*

Laura Farrell spoke to this item and advised that the report provided details of the reports finalised since the last meeting which were being presented today and those which would come forward to future meetings.

**The Committee noted the update report.**

### 6.2 *Internal Audit Report – Estates & Facilities*

Laura Farrell spoke to this item which noted that the audit had concluded that there was partial assurance with improvement required and four medium risk findings had been reported. Laura referred to the first finding which noted that surveys had not been carried out on properties within the required timeframe and the associated risks have not been identified and reported to the Board. Laura advised that this finding had been accepted by management and that the NHS Borders Capital Investment Group will receive a status update going forward. It was further noted that the SCART champion will undertake a review of all properties within the next 12 months. In regard to the second finding Laura advised backlog maintenance and information requires to be recorded on the Estates Asset Management Systems (EAMS) which was currently not always the case. For finding 3 Laura highlighted that there was a disconnect between the Property Asset Management Strategy (PAMS) and the organisation's other strategies as well as an overall lack of governance. It was noted that the NHS Borders Capital Investment Group would lead on the development of PAMS which in turn would be reported through the Resources & Performance Committee. For the final finding it was noted that the costs against the agreed budget for backlog maintenance are not adequately monitored on a regular basis.

Andrew Bone accepted all the recommendations and confirmed that resolution to the majority of these would fall under the remit of the NHS Borders Capital Investment Group. Andrew highlighted that the next few months will be challenging and surveys will not be carried out until we are in a position for contractors to have access to sites, therefore the timescale of 31<sup>st</sup> March 2021 may require to be extended. Fiona Sandford asked if this deadline was realistic if the next few months are expected to be challenging. Andrew did not wish to push this back at the present time as they are currently deliverable but wanted to stress the need to keep this under review.

**The Committee noted the report.**

### 6.3 *Internal Audit Report – Delayed Discharges (IJB)*

Laura Farrell spoke to this item which noted that the audit had concluded that there was partial assurance with improvement required and three medium and two low risk findings had been reported. Laura highlighted the first medium risk finding which noted that policies and procedures in relation to care home placements are not consistently followed with instances noted of patients not being moved to an interim facility. The second medium risk finding advised of a lack of formal guidance and agreed timeframes for action to facilitate discharges. For the third medium risk finding it was noted that reporting arrangements may provide differing or limited views of delayed discharges. For the first low risk finding Laura advised that there was an opportunity to enhance trend reporting and increase awareness of national and local targets. The second low risk finding noted that any learning through the response to Covid19 may not be harnessed, with an example being community hospitals accepting

patients outwith their communities at the beginning of the pandemic which provided more options rather than patients going to the BGH as this ultimately helped with delayed discharges. Laura stressed that it was important to note the responses from management and the separate action plan provided. Malcolm Dickson asked if the report could be shared with the Integrated Joint Board (IJB). Jo Brown confirmed that she was content for this to be shared with the caveat that the report was completed in their capacity as the Internal Auditor for NHS Borders. Andrew Bone agreed to share the report with the Internal Auditor for the IJB.

Fiona Sandford felt that this was a very helpful report which was clear in providing reasons why NHS Borders are not delivering on delayed discharges. Rob McCulloch-Graham agreed that practices required to be made tighter and that there is a risk of overprescribing care when this is not required. Malcolm Dickson referred to the recommendation at 2.1 in regard to making the seven day timescale more visible by making reference to this within the Moving On policy and asked for assurance that this is included within the action plan. Rob confirmed that this is part of the Service Level Agreement that SBC are producing. Rob agreed that the policies and strategies in place, when compared to others nationally, require to be updated. Rob referred to the action plan which had been circulated alongside the report and was confident that all recommendations had been covered within this. Malcolm Dickson enquired if the report would be presented to the Resources & Performance Committee in January. Karen Hamilton advised that it would and if necessary it would be escalated to the full Board.

**The Committee noted the report.**

6.4 *Internal Audit Report – Pharmacy Controls*

Laura Farrell spoke to this item which noted that the audit had concluded that there was partial assurance with improvement required and one high, two medium and two low risk findings had been reported. Laura referred to the high risk finding which noted that unsecured medicines had been observed in a public area. It was noted that controlled drugs should be kept securely with random spot checks being undertaken to ensure there is no recurring instances. Laura highlighted the first medium risk finding regarding cycle counts not being performed regularly to ensure discrepancies are adjusted to facilitate timely automatic recording of stock, instead reliance is being put on Pharmacy staff. The second medium risk finding concluded limited visibility of approval of non-formulary drugs within Pharmacy and costs of medicines at ward level with a lack of visibility of the financial information provided to the Medicines Resource Group. For the first low risk finding, Laura advised that there is limited awareness of procedure documentation as well as discrepancies across these. For the second low risk finding it was noted that there were opportunities to enhance the use of reporting capabilities in the system which would flag any material adjustments for further investigation.

Alison Wilson advised that for the first two recommendations a meeting with the Clinical Nurse Managers had been scheduled to discuss these. In regard to the formulary procedure documentation on the intranet Alison agreed that this was not fit for purpose, however there was a lack of available resource at present to update this. It was noted that work is ongoing for a regional approach with NHS Lothian and Fife.

**The Committee noted the report.**

## 7. External Audit

### 7.1 *External Audit Annual Audit Report 2019/20 – Update on Recommendations*

Susan Swan spoke to this item which provided updates and progress made on the recommendations detailed within External Audit's Annual Audit Report for 2019/20. Susan took the Committee through each of the recommendations and the progress made against these. It was noted that a response was awaited on the Equality recommendation from the Director of Public Health and when received this would be circulated virtually around the Committee for information. Gillian Woolman commented that it was good to see the progress that is being made or planned. Gillian also wished the Committee to be aware that the dates for the 2020/21 audit will be slightly amended due to the cumulative backlog. Gillian advised that planning guidance permits audits to extend to 31<sup>st</sup> August 2021, however following discussion with the Director of Finance, it was noted that NHS Borders did not wish to work to the backstop date. It was noted that External Audit are working closely with Finance officers on a plan which will be presented to the Audit Committee in due course. Gillian referred to the Equality recommendation and appreciated that it is hard to invest resource but stressed there is merit in doing this and encouraged that this area does not slip.

Andrew Bone added that there is a mix of issues within the recommendations, some technical and others operational/strategic and advised that there is ongoing dialogue with other Boards on the technical issues. Andrew also advised that it was the intention to hold the first Turnaround Programme Board in January but stressed that this did not mean things would be back to normal, this would be to get a realistic assessment of what can be done in the last quarter of 2020/21 and the first quarter of 2021/22.

**The Committee noted the update.**

### 7.2 *Audit Scotland Report: Equal Pay Review*

**The Committee noted the report.**

### 7.3 *Audit Scotland Report: Gender Pay Gap*

**The Committee noted the report.**

### 7.4 *Audit Scotland Report: Covid19 Implications for Public Finance in Scotland*

Andrew Bone spoke to this report which described the current and anticipated impact on the public sector in Scotland, including the wider economic impact. Andrew highlighted that the report identified key themes arising in relation to risk and performance, including Best Value, Financial Sustainability, Health and Inequalities and Taxation Revenue Impact. The report also provided details on how Audit Scotland expect to address the scrutiny and assurance of these areas at a future audit. Gillian Woolman also flagged the reference to Scotland's new financial powers as the economy is extremely important at the moment as well as highlighting the challenges that would be faced going forward.

Gillian took the opportunity to remind the Committee that their appointment as External Auditor had been extended by one year. It was noted that for personal development, Jonny Steen, Senior Manager would be moving to be the lead for Scottish Borders Council and Graham Samson will now be the lead for NHS Borders. Malcolm Dickson, on behalf of the Committee, thanked Jonny for all his help and assistance over the

previous years. Andrew Bone reiterated these sentiments as it had been a real benefit to have had this continuity and the Board has benefited from Jonny's input over the years.

**The Committee noted the report.**

## 8. **Fraud & Payment Verification**

### 8.1 *Countering Fraud Operational Group – Update*

Susan Swan reported that the Countering Fraud Operational Group (CFOG) had not met in person. Susan referred to the Rolling Covid19 Intelligence Alert within the pack of papers and advised that this was received from Counter Fraud Services on a weekly basis which she reviews for any actions and passes to the appropriate person within the organisation to take forward. Malcolm Dickson referred to the Audit Scotland checklist on fraud which was referred to within the report at item 7.4. Susan confirmed that she would be asking members of CFOG to look at these actions for their workstreams and a consolidated report would be brought to the Audit Committee meeting in March 2021.

**The Committee noted the update.**

### 8.2 *NFI Update*

Susan Swan spoke to this item which provided an update on the actions required for the 2020/21 NFI exercise along with a status update for each.

**The Committee noted the update report.**

## 9. **Integration Joint Board**

**The Committee noted the link to the IJB Audit Committee agenda and minutes.**

## 10. **Items for Noting**

### 10.1 *Information Governance Minutes: 21<sup>st</sup> September 2020*

**The Committee noted the minutes of the Information Governance Committee from 21<sup>st</sup> September 2020.**

## 11. **Any Other Competent Business**

### 11.1 *Audit Scotland Covid19 Guide for Audit & Risk Committees – Board Response*

Andrew Bone spoke to this item and reminded the Committee that they had received the Audit Scotland report in September. Andrew advised that Executive Director colleagues had since provided responses against each of the questions to provide assurance that progress is being made against these. Andrew stressed that this was not an action plan and was being brought to the Audit Committee for scrutiny and to receive any comments/feedback. It was noted that the actions would be addressed through the various workstreams.

**The Committee scrutinised the draft response and provided comment/feedback.**



11.2 *Internal Audit – Extension to Contract*

Andrew Bone advised that, as a result of ongoing procurement issues, the current contract with Grant Thornton had been extended to June 2021.

**The Committee noted the update.**

12. **Date of Next Meeting**

Monday, 22<sup>nd</sup> March 2021 @ 2 p.m., MS Teams.

BE  
22.12.20