

Borders NHS Board



Meeting Date: 24 June 2021

Approved by:	Iris Bishop, Board Secretary
Author:	Iris Bishop, Board Secretary
AUDIT COMMITTEE MINUTES 22.03.2021	
Purpose of Report:	
The purpose of this report is to share the approved minutes of the Audit Committee.	
Recommendations:	
The Board is asked to note the minutes.	
Approval Pathways:	
This report has been prepared specifically for the Board.	
Executive Summary:	
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.	
Impact of item/issues on:	
Strategic Context	As per the Audit Committee Terms of Reference. As per Freedom of Information requirements compliance.
Patient Safety/Clinical Impact	As may be identified within the minutes.
Staffing/Workforce	As may be identified within the minutes.
Finance/Resources	As may be identified within the minutes.
Risk Implications	As may be identified within the minutes.
Equality and Diversity	Not Applicable.
Consultation	Not Applicable.
Glossary	-

Minutes of a Meeting of **Borders NHS Board Audit Committee** held on Monday, 22nd March 2021 @ 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: Dr K Allan, Associate Director of Public Health (Items 9.1 and 9.2)
Miss I Bishop, Board Secretary (Item 5.1)
Mr A Bone, Director of Finance
Mrs J Brown, Director, Audit, Grant Thornton
Mr A Carter, Director of Workforce (Item 6.2)
Mr D Cunningham, Graduate Trainee Auditor, Audit Scotland
Mrs B Everitt, Personal Assistant to Director of Finance (Minutes)
Mrs L Farrell, Audit Manager, Grant Thornton
Mr A Haseeb, Senior Audit Manager, Audit Scotland
Ms S Lam, Non Executive Director
Mr R McCulloch-Graham, Chief Officer (Item 4)
Mrs S Paterson, Deputy Director of Finance, Head of Finance
Dr T Patterson, Director of Public Health
Mr B Salmond, Associate Director of Workforce (Item 6.2)
Mrs G Woolman, Director, Audit Scotland

1. **Introduction, Apologies and Welcome**

Malcolm Dickson welcomed those present to the meeting.

Apologies were received from Mr R Roberts, Chief Executive and Graeme Samson, Senior Auditor, Audit Scotland.

2. **Declaration of Interest**

There were no declarations of interest.

3. **Minutes of Previous Meetings: 14th December 2020**

The minutes were approved as an accurate record.

4. **Matters Arising**

Action Tracker

The Committee noted the action tracker.

Update on Internal Audit Tender

Andrew Bone reported that a tender exercise had been undertaken and Grant Thornton had been appointed to provide the Internal Audit service for a period of four years with effect from 1st April 2021. It was noted that this is a joint appointment with NHS Lothian.

The Committee noted the update.

Delayed Discharges Internal Audit Report – Update on Progress

Rob McCulloch-Graham spoke to this item. Rob reported that a Steering Group had been set up in November 2020 which meets on a weekly basis and provides operational grip which was previously missing as identified within the Internal Audit report. It was noted that there is now a much better compliance with policies than there was previously. Rob highlighted the difficulties in keeping the number of delayed discharges down due to the volatility of this area of work. Rob went on to highlight the chart on page 2 which noted the decrease to a total of 13 delayed discharges at the beginning of the pandemic, however this has since risen and substantially so over the last four weeks. Rob went on to explain that Waverley Care Home is currently being remodelled which will see a release of 16 beds which will target the groups of patients who are currently delayed discharges. The completion of this is scheduled for the end of April 2021 and it was hoped a reduction in delayed discharges would then be seen thereafter. Fiona Sandford recalled that the Internal Audit report was very clear that a fundamental cultural change was required and asked who was leading this change and ensuring policies are enforced. Rob advised that Nicky Berry, Director of Nursing, Midwifery and Acute Services and Jen Holland, Chief Operating Officer, SB Cares lead the Steering Group which includes senior operational leads from across the services. Bill Brackenridge stressed the enormous challenge faced and noted his concern that the action plan may not succeed. Bill appreciated the decline in the number of delayed discharges but felt it was unfortunate to see the increase, particularly in the last four weeks. Fiona referred to the Audit Scotland report later on the agenda (Covid19 What it Means for Public Audit in Scotland) and in particular to the comment regarding the size of care homes and asked for assurance that when these are designed that this will be taken into account. Rob was cognisant of this and had already discussed with the Care Inspectorate, amongst other relevant parties.

The Committee noted the update.

5. Governance & Assurance

5.1 Code of Corporate Governance Update

Iris Bishop spoke to this item. Iris reminded the Committee that the Code of Corporate Governance is required to be updated every 3 years with any sectional updates in between. Iris went on to take the Committee through the various amendments proposed within sections A, C and F. Malcolm referred to page 243 of section F regarding the proposed addition of “Appointment of Consultants” section. Malcolm enquired if appointments would be held up as these come to the Board for ratifying. Iris assured that no appointments would be held up and would be reported through the Consultant appointment update report received by the Board on a regular basis. Andrew Bone referred to the addition of “Response to Emergency Situation/Major Incident” within the table

on page 226 of section F and advised that a Standing Operating Procedure (SOP) will be developed taking into account the lessons learnt throughout the pandemic. The SOP would go through the appropriate route for approval.

The Committee made recommendation to the Board to approve the updated Sections A, C and F of the Code of Corporate Governance (April 2021).

5.2 *Audit Committee Terms of Reference*

Susan Paterson spoke to this item. Susan highlighted the one addition noting that the Audit Committee would undertake an annual assessment on the Committee's work.

The Committee reviewed and approved the Terms of Reference.

5.3 *Audit Committee Workplan 2021/22*

Susan Paterson spoke to this item. Susan highlighted two additions to the workplan, namely the Strategic Risk Register will come forward to the June and December meetings and the Annual Risk Management report will come to the September meeting.

The Committee reviewed and approved the Workplan for 2021/22.

5.4 *Audit Follow Up Report*

Laura Farrell spoke to this item and reported that seven recommendations have been closed since the last report received. It was noted that of the 17 outstanding recommendations, five of which are not yet due for closure, nine of these now have a revised timescale for completion. For the remaining three a revised timescale had yet to be provided. Laura referred to appendix 1 of the report which detailed the status of outstanding actions and took the Committee through this. In regard to the Public Engagement and Involvement recommendations Laura advised that it has been suggested that the recommendations go to the Public Governance Committee for discussion and agreement on a way forward. Laura advised that she would be contacting Rob McCulloch-Graham and Nicky Berry regarding the Delayed Discharges recommendations to ensure these are all complete in advance of the next meeting. Malcolm Dickson noted the revised timescale of 31st May 2021 for implementing the Pharmacy Controls recommendations and although appreciated this is an incredibly busy time for the Pharmacy Department, asked the Committee if they were content with this delay. Andrew Bone agreed to pick up with Alison Wilson but felt the 31st May seemed reasonable.

The Committee noted the report.

6. **Internal Audit**

6.1 *Internal Audit Plan Update Report*

Jo Brown spoke to this item and advised that the report provided an update on progress against the 2020/21 Internal Audit plan. Jo advised that since the last meeting the Terms of Reference are being scoped with the sponsors for the Primary Care Improvement Plan and Financial Transformation audits. It was noted that the fieldwork is currently underway for the Waiting Times audit.

Although these were slightly behind timescale Jo had no issues to raise. Malcolm referred to the Primary Care Improvement Plan audit and asked if the IJB Chief Officer and GP colleagues would be consulted as part of this. Laura Farrell advised that Ralph Roberts is the sponsor and has identified Rob McCulloch-Graham and Kevin Buchan, amongst others, as key contacts.

The Committee noted the update report.

6.2 *Internal Audit Report – Workforce Planning*

Laura Farrell spoke to this item which noted that the audit had concluded that there was partial assurance with improvement required and two medium risk findings had been reported. Laura appreciated the impact due to the pandemic over the last year called for a more agile approach to recruiting staff and that this had been taken into account. Laura noted that the first finding was in connection with the funded establishment review process being inconsistent across the organisation, compounded by a lack of internal policy and procedure documentation. The sample testing of establishment reviews, extending back to 2019, found that these had only been undertaken within nursing and midwifery. The second finding related to a lack of central oversight of workforce planning activities and alignment with other strategies and objectives across the organisation. Fiona Sandford felt this was a helpful report which highlighted the length of time since an establishment review had been undertaken within Radiology which was listed as the most outdated. Fiona asked if she was correct in thinking that no SMART action plans had been produced. Laura confirmed that this was correct, even for nursing and midwifery who had undertaken establishment reviews.

Andy Carter welcomed the report and would be looking to make workforce planning more engrained as business as usual. Andy advised that Scottish Government have requested an interim workforce plan by the end of April 2021 and that Bob Salmond was leading on this. Andrew Bone highlighted that a key control is the budget setting process and that management recognise that more is required to be done around workforce planning, particularly as this is a key issue linked to financial sustainability. Bill Brackenridge recognised that this is a particularly challenging area for NHS Borders and stressed the requirement to determine exactly what workforce is required and recruit to this. Bill noted that he would be content for the plan to take time to come to fruition once there is a vision of what life will be like post pandemic. Malcolm Dickson added that he would also like to see the IJB taken into account as part of this process. Bob Salmond advised that this is the first time Scottish Government have sought a three year plan which will be integrated across health and social care. Bob assured that as this has been deferred to March 2022 this will be the focus over the next 12 months.

The Committee noted the report.

6.3 *Internal Audit Plan 2021/22 – Initial Planning Paper*

Jo Brown spoke to this item and advised that this had been discussed with the Board Executive Team (BET). Jo appreciated that NHS Borders were under a number of pressures so wished to be flexible and work with the Board. For the quarter one plan presented today, Jo highlighted that they had picked areas where they did not expect too much impact on staff. Jo took the Committee

through the proposed audits for quarter 1 and the potential thematic areas which will be further explored with management. It was noted that further discussion would take place with BET on the remainder of the plan for 2021/22 as well as looking to put in place a three year plan. Malcolm Dickson confirmed that the quarter one plan had been shared with the Chairs of the other Governance Committees to ensure they are sighted on it and to provide an opportunity to make any suggestions.

The Committee noted the report.

7. External Audit

7.1 *External Audit Annual Audit Plan 2021/21*

Asif Haseeb spoke to this item and advised that due to the pandemic their appointment as External Auditor had been extended by one year. Asif highlighted exhibit 1 which detailed the seven financial statements and broader business risks. It was noted that performance reporting was the only new risk added, all the others had appeared in the plan in previous years. The addition of this was as a result of the pandemic and performance reporting being significantly reduced. Asif referred to exhibit 2 which detailed the audit outputs and timescales which he stressed were only indicative at present. Asif then went over exhibit 3 which contained details of the materiality levels and exhibit 4 which noted the financial statements timetable, again only indicative at the present time.

The Committee noted the contents of the plan for 2020/21.

7.2 *Audit Scotland Report: Covid19 What it Means for Public Audit in Scotland Report*

Susan Paterson spoke to this item. Susan advised that the Clinical Executive Operational Group had remitted the report to the Audit Committee for information and to take forward any appropriate actions. Susan summarised the report which included the key principles Audit Scotland had adopted in its response to the pandemic, namely the main deliverables during the pandemic, impact to financial, performance and best value audit during the pandemic and publication of the 2019/20 NHS in Scotland Overview report. Susan confirmed that there were no specific actions for the Committee to take forward. Gillian Woolman added that the report was a helpful oversight of the compression Audit Scotland are under for carrying out the 2020/21 audits and sets the scene for going forward.

The Committee noted the report.

7.3 *Audit Scotland Report: NHS in Scotland 2020*

Susan Paterson spoke to this report which again the Clinical Executive Operational Group had remitted to the Audit Committee for information and to take forward any appropriate actions. Susan referred to the cover paper which noted all references made to NHS Borders within the report. Susan advised that confirmation of accuracy for all references had been requested and this had been given. Gillian Woolman advised that the report is compiled at the conclusion of all audits of NHS Boards and is submitted to the relevant Committee within the Scottish Parliament. Gillian went on to highlight the

specific recommendations at the bottom of page 5, namely to support staff's health and wellbeing, ensure access to healthcare which has been reduced as a result of the pandemic and publish data to ensure transparency around the management of waiting lists. Gillian specifically highlighted these to encourage NHS Borders to take ownership. Gillian went on to take the Committee through the report and highlighted specific areas of interest. Fiona Sandford referred to paragraph 43 (third bullet point) regarding "Exercise Iris", delivered by the Scottish Government in March 2018, and had identified 13 actions. Fiona assumed that the learning from this would be thoroughly embedded going forward. Malcolm Dickson asked if Andy Carter was sighted on the recommendation regarding staff wellbeing. Andrew Bone confirmed that he was and that staff wellbeing is subject to regular discussion by the Board Executive Team and other operational meetings.

The Committee noted the report.

8. **Fraud & Payment Verification**

8.1 *Countering Fraud Operational Group – Update*

Susan Paterson reported that the intelligence report is reviewed by herself in the first instance due to the size of it and any specific actions are passed to the relevant member(s) of the Countering Fraud Operational Group to take forward.

The Committee noted the update.

8.2 *Audit Scotland Checklist on Fraud – Consolidated Return*

Item deferred to the June 2021 meeting.

8.3 *NFI Update*

Susan Paterson 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. Susan reported that of the 1,113 matchers, 950 had been cleared with no instances of fraud. It was also noted that for the four very high rated matches from a payroll aspect these had also been cleared with no instances of fraud.

The Committee noted the update.

9. **Risk Management**

9.1 *Update on Very High Risk*

Tim Patterson introduced this item. Tim explained that when risk assessments are reviewed, any relating to Covid19 are prioritised with a short term Covid19 Risk Register being created. Tim was pleased to report that no new very high risks had been identified since the last report received. It was noted that one very high risk had been mitigated and a further three had been merged or re-assessed. Malcolm Dickson referred to page 3 of the report where it stated that service managers are overwhelmed by risks and assumed that the Risk Management Board would be addressing this. Tim provided an update on the key challenges faced by the Risk Management Board, including capacity issues within the Risk Management Team, to help services deal with these. Advice was currently being sought from NHS Lothian. Tim stressed that this is a

complex situation as NHS Borders moves forward into remobilisation phase and hoped that progress would be seen during the coming year.

The Committee noted the report.

9.2 *Risk Management Strategy*

Tim Patterson introduced this item which was a five year plan for Risk Management, highlighting governance structures, culture, auditing and monitoring, supported by the Risk Management policy and guidance. It was noted that this had been out for consultation to all staff, approved by the Risk Management Board and Clinical Executive Operational Group and had been endorsed by the Board Executive Team. Malcolm Dickson reminded that the role of the Audit Committee is to assure the Board that there is an adequate Risk Management system in place and is being implemented and that it is for the Clinical Boards and the Risk Management Board to manage risks. Malcolm confirmed he was content with the Risk Management Strategy and recommended it be put forward to NHS Borders Board for approval.

The Committee noted the Risk Management Strategy and agreed submission to Borders NHS Board.

10. **Integration Joint Board**

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

11. **Annual Accounts 2020/21**

11.1 *Annual Accounts 2020/21 Timetable*

Susan Paterson spoke to this item which detailed the indicative timetable for production of the 2020/21 Annual Accounts. Susan highlighted that they have reverted to the existing timeline of April to June as the delay last year had caused operational issues within the Finance Department. Susan highlighted that the timetable still included an informal session to review the accounts in detail, to which all Non Executive and Executive Directors will be invited to attend. Gillian Woolman showed concern around the date noted for the signing off of the accounts by the Board as 30th September. Susan explained that this is the backstop date and that she hoped the accounts would be signed off prior to this. Andrew Bone gave assurance that the intention was to deliver accounts on the normal timetable (i.e. by end June) and that this flexibility was noted given further review of timetable to be undertaken over next few weeks. Andrew Bone added that an extraordinary Board meeting to approve the Annual Accounts would be arranged if necessary and that it was expected this would be in July.

The Committee noted the timetable for completion of the 2020/21 Annual Accounts.

12. **Items for Noting**

None.

13. **Any Other Competent Business**

None.

14. **Date of Next Meeting**

Tuesday, 15th June 2021 @ 2 p.m., MS Teams.

BE
30.03.21