

NHS 24

**Approved Minutes of the Meeting of the
NHS 24 Audit and Risk Committee
held on Thursday 15 August 2024 at 10am
Microsoft Teams**

PRESENT

Ms Carol Gillie (in the Chair)
Mr Martin Togneri
Mr David Howe
Ms Amina Khan

IN ATTENDANCE

Dr Martin Cheyne
Mr John Gebbie
Ms Ann-Marie Gallacher
Ms Steph Phillips
Mr Kevin McMahon
Dr Jacqui Hepburn
Mr David Eardley
Ms Rachael Weir
Ms Mary-Jane Mitchell
Ms Rebecca McConnachie
Ms Geraldine Mathew
Ms Yvonne Kerr (Minutes)
Mr Scott Fraser (Counter Fraud Services, Item 5)
Ms Maureen Burns (item 6.1.2)

1. WELCOME, APOLOGIES AND INTRODUCTIONS

Ms Gillie welcomed members and attendees to the meeting. Ms Gillie also welcomed Mr Scott Fraser from Counter Fraud Services who was attending for Agenda Item 5.

Apologies were intimated on behalf of Mr Jim Miller, Chief Executive and Mr Damien Snedden, Deputy Director of Finance.

Ms Gillie also expressed thanks on behalf of the Committee to Ms Marieke Dwarshuis for her valuable contributions over the last few years.

NOTED

2. DECLARATIONS OF INTEREST

The Chair invited members to declare any interests in any of the items being discussed. There were no declarations made.

NOTED

3. MINUTES OF PREVIOUS MEETING OF 6 June 2024

The Committee considered the minute of the previous meeting held on 6 June 2024 and were content to approve this as a complete and accurate record.

APPROVED

4. MATTERS ARISING

4.1 Rolling Actions Log

The Committee agreed all actions recommended for closure can be removed from the action log. Following discussion, it was agreed that actions 856 and 869 could also be closed.

NOTED

5. COUNTER FRAUD UPDATE

Mr Scott Fraser presented an update on Counter Fraud.

Mr Fraser provided an overview on Counter Fraud Services and the 12 components of the Counter Fraud Standard. Mr Fraser noted Functional Standard 13 has been in place for a while. NHS Scotland are applying it as best practice working in partnership to implement this, but NHS Scotland Boards are not currently required to be compliant. It was noted NHS 24 are progressing well against the 12 components over the last 2 year period.

The Committee thanked Mr Fraser for his presentation.

6. INTERNAL AUDIT

6.1 Internal Audit Reports

6.1.1 Performance Monitoring/ADP

Ms Weir presented the report to the Committee.

It was noted that Scottish Government requires all Boards to submit an Annual Delivery Plan, setting out local priorities as aligned to both regional and national objectives. This report concludes that NHS 24 have developed robust arrangements to oversee both the preparation and submission of the Annual Delivery Plan, as well as regular monitoring of progress towards implementation of the plan at the most senior levels within the organisation. It was noted that the report is rated as “Effective” with three minor improvement recommendations. Ms Gillie noted an error on page 2 of the report. Ms Weir will take this forward.

The Committee agreed the report should be referred to the next Planning and Performance Committee meeting for noting.

ACTIONS:

Error on page 2 to be amended: Ms Weir

Report to be referred to the next Planning and Performance Committee for noting: Ms Kerr

The Committee noted the report for assurance.

6.1.2 Public Protection

Ms Weir presented the report to the Committee.

It is essential that NHS 24 have robust controls and processes in place to report and capture relevant events and learn lessons from them. It was noted that NHS 24 have extensive policy and guidance documentation in place that sets out the organisational approach to ensuring the safety of both children and adults, and so demonstrating a framework for compliance with the applicable legislation. The report is rated as "Minor Improvement Required" with one minor improvement recommendation. Ms Burns advised an action plan has been developed to monitor training and noted compliance has improved since the report was submitted.

The Committee agreed the report should be referred to the next Clinical Governance Committee meeting for noting.

ACTIONS:

Report to be referred to the next Clinical Governance Committee for noting: Ms Kerr

The Committee noted the report for assurance.

6.1.3 Risk Management

Mr Eardley presented the report to the Committee.

Effective risk management is necessary to facilitate the timely identification and mitigation of the risks to the achievement of business objectives. Risk Management arrangements were reviewed to ensure that there is a defined and consistently applied approach for identifying, assessing, prioritising and escalating organisational risks. This included whether risk management processes were embedded throughout the organisation. It was noted that there is clear alignment between the risk management framework and the national requirements in this area. The report is rated as "Effective" with two minor improvement recommendations. Following a question from Dr Cheyne regarding an oversight view of NHS 24 risk management arrangements, Mr Eardley noted based on risk register data it appears NHS 24 is continuing to manage its risks and emerging risks have evolved.

The Committee noted the report for assurance.

6.1.4 Property Transaction Monitoring

Mr Eardley presented the report to the Committee.

It was noted that there is not currently any guidance for boards on "moves within estate" across NHS Scotland and therefore it is not immediately apparent which aspects of the Property Transaction Handbook are applicable, or whether any such actions should be subject to review by Internal Audit. Although no rating was given for this audit due to the non-standard nature of the property transaction undertaken by NHS 24, it was noted there were no significant or material issues identified on the work undertaken. The report contains two minor improvement actions.

The Committee noted the report for assurance.

6.2 Internal Audit Plan Progress Report

Mr Eardley presented the report to the Committee.

Mr Eardley noted the four reports that were presented to this meeting. Risk Management Audit was due for the November meeting however was concluded in time to be included for the August meeting. Financial and Strategic Alignment and Sustainability is due to be presented to the November 2024 meeting. Ms Gillie requested more information on the Internal Audit on NHS 24's Governance. Mr

Gebbie confirmed discussions are ongoing with Azets and this is planned for later in the year. Mr Gebbie agreed to provide more information once agreement has been reached.

ACTIONS:

Mr Gebbie to provide more information once agreement has been reached: Mr Gebbie

The Committee noted the report for assurance.

6.3 Internal Audit Follow Up Report

Ms Weir presented the Follow Up Report to the Committee noting key highlights.

Ms Weir advised the good progress made this quarter in implementing audit recommendations. Of the thirteen actions followed up in this quarter, Azets confirmed closure of seven of these with management, with a further five not yet due. The one remaining action (relating to the 2023/24 audit of Primary Care Pathways and Resilience) was assessed as partially complete. Azets were provided with an update and revised timescale by management in respect of this action.

The Committee noted the report for assurance.

7. RISK MANAGEMENT

7.1 Risk Management Update

Mr McMahon presented the Risk Register to the Committee.

Mr McMahon noted the Risk Register has gone through a significant review in the past few months. The appropriate Committees prior to Audit and Risk Committee have discussed all risks. The Committee noted the target dates on the register and appropriate milestones had been included within risks that are aligned to duration of the Workforce Strategy.

Since the last meeting held in June 2024 key changes are noted. Seven risks have reduced in score, three new risks have been identified and three risks have also been closed.

Mr McMahon acknowledge the Risk Management Audit that has been discussed at item 6.1.3.

Mr Togneri noted some missing information for RPND/3927. Mr McMahon confirmed this will be updated before presentation to the Board.

The Committee noted the Risk Register for assurance and with minor changes recommend for onward approval to the Board.

ACTIONS:

Risk Register to be update before presented to the Board on 29 August 2024. Mr McMahon

7.2 Strategic Risk Register

Mr. McMahon presented the Risk Register to the Committee.

Following approval by the NHS 24 Board and Scottish Government of the 3 year Corporate Delivery Plan, the Executive Management Team undertook a full review of strategic risks to update and align to the Corporate Plan. Following discussions at EMT it was agreed the current processes would remain for the Strategic Risk Register. The Committee is presented with seven strategic risks which align to the Corporate Delivery Plan. It was noted target dates are all 2025 to align with key activity against the plan.

As these risks have been newly developed, the mitigation for these will be refined and updated as work relating to each progresses.

Ms Khan advised RI-10083 was discussed at the recent Planning and Performance Committee and asked for clarity for this risk. Following discussion Mr McMahon would amend the wording.

The Committee noted the Risk Register for assurance and with minor changes recommend for onward approval to the Board.

ACTIONS:

Wording on RI-10083 to be amended before presented to the Board on 29 August 2024. Mr McMahon

7.3 Risk Appetite Statement

Mr McMahon presented the report to the Committee.

Now that the Strategy and the Corporate Delivery Plans for 2024/25 are in place, it was agreed at the February 2024 Audit and Risk Committee meeting that the review of the Risk Appetite Statement would return to annually in line with the strategic planning, financial planning and workforce strategy. As part of risk management processes, NHS 24 will continue to review its processes to ensure risk appetite is embedded into decision making.

Although there have been no significant changes the updated Risk Appetite Statement contains minor amendments to reflect updates to strategy and delivery plans. Mr Togneri queried if moderate was an appropriate level for the finances. Mr Gebbie confirmed this was a realistic position as if NHS 24 had been restrictive then some programmes of work would not have commenced until allocations received.

The Committee noted the Risk Register for assurance and recommend for onward approval to the Board.

7.4 Risk Management Strategy: Progress Update

Mr McMahon presented the Strategy Update to the Committee.

The 2 year Risk Management Strategy was approved by the Board in August 2023. This paper provides an assessment against those objectives outlined in the strategy and demonstrates risk management is fully embedded within the organisation.

The Committee noted the Strategy update for assurance.

7.5 Risk Management Framework

Mr McMahon presented the Framework to the Committee.

It was noted that the Framework represents the process of how risks are managed in NHS 24. Although reviewed and updated on an annual basis the Framework is a live document and minor changes have been updated to reflect the Corporate Plan. Following development of the Risk Management Strategy, the Risk Management Framework has been streamlined and aligned to the Strategy. The Framework will be kept under review to support continued improvement as processes and reporting are developed. Mr Togneri noted this is a comprehensive framework and queried what is the mechanism to ensure this is measured against the Risk Appetite. Mr McMahon was asked to reflect on individual risks and how they align with the Risk Appetite.

A small amendment was noted withing section 5 in relation to sub committees.

Ms Mitchell noted the framework and asked if it was available for staff. Mr McMahon advised work is ongoing in communication and engagement and would feedback on how this can be available more widely for staff awareness and understanding.

ACTIONS:

Reflection on individual risk and advise how these align with the Risk Appetite. Mr McMahon
Amendment to Section 5 in relation to sub committees. Mr McMahon
Feedback to be provided on how this can be made more widely available for staff. Mr McMahon

The Committee noted the report for assurance.

7.6 Cyber Risk Register

Ms Gallacher presented the report to the Committee.

The Committee are asked to review the risks presented and take assurance on the risk management process for information and cyber security risks. The IG&S team manage the Information and Cyber Security Risk Register (ICSRR) which contains risks identified as either directly cyber security related or information governance and security related. Key points for the Committee to note:

- There is one overarching Cyber Security risk on the ICT Risk Register.
- There are currently fourteen risks on the ICSRR.
- Eight of the risks are set to Reduce.
- Five of the risks are set to Retain.
- One risk is set to Eliminate.

Ms Gallacher noted that all target dates are on track for completion within set timelines.

The Committee noted the report provided for assurance.

8. CORPORATE GOVERNANCE

8.1 Corporate Governance Activity Report Q1 (April – June)

Mr Gebbie presented the report to the Committee.

It was noted since the last Audit Committee there has been one new waiver of tender awarded. Seven new contracts were awarded and there were no Service Level Agreement processed since the last Q4 report and one compensation payment. Assurance was given that steps have been taken internally to address the issues. There has been five offers of gifts and hospitality recorded since the last meeting. Mr Gebbie highlighted a potential future waiver although this is not yet confirmed. Respond contract is due to end July 2025 and consideration will be needed for timings, impact and training. This will feed into the national discussion.

The Committee noted the report for assurance.

8.2 Financial Assurance Summary Report

Mr Gebbie presented the report to the Committee noting key highlights.

Mr Gebbie noted that the 2024/25 Finance Plan is on track in terms of meeting our financial obligations in year and mitigations are in place to combat any risks. It was noted savings are progressing well and we are ahead of target. Mental Health funding has been confirmed however there is still a potential shortfall for future years. A paper is being prepared to highlight funding requirements for Redesign of Urgent Care and the impact of varying funding levels on performance.

As outlined in the three-year Corporate Delivery Plan the financial constraints, robust critical path analysis, capacity planning and alignment of resource will be crucial to overall deliverability. Risk management will be key to supporting this process.

The Committee noted the report for assurance.

8.3 Information Governance and Security Report Q1

Ms Gallacher presented the report to the Committee noting key highlights.

The paper provides an overview of the key areas of activity for Q1 2024/25 for the Information Governance and Security (IG&S) team in ensuring compliance with all legislative requirements. Included in the report are a number of key points:

- A decrease in the number of Data Subject Access Requests received through this quarter, coming down from the previous year's record numbers. Ms Gallacher advised although numbers have decreased these are complex and time consuming.
- The introduction of Defender for Server to the server estate providing additional telemetry which will improve the overall security posture.
- 14 Risks on the Information and Cyber Security Risk Register.

Ms Khan asked for more information on plans to improve compliance with the training modules. Ms Gallacher confirmed work is ongoing across the organisation to improve compliance.

The Committee noted the report for assurance.

8.4 Governance for Endowments: Income Update

Mr Gebbie presented the update to the Committee noting key points.

Endowments have strict criteria regarding the use of funding on expenditure. This is being worked through with the Endowments Team at Golden Jubilee National Hospital. All spend will be approved by two out of three authorised signatories and then via Executive Management Team delegated authority and reported to Audit and Risk Committee, with an internal audit review in due course if felt necessary. It was proposed that an annual meeting will be arranged with Audit Committee Chair, Chief Executive/Deputy Chief Executive, Director of Finance and Fraud Liaison Officer as representative from the finance team.

Ms Mitchell asked for more information on the meetings to discuss distribution of funds within the Staff Endowment Fund. Mr Gebbie confirmed this meeting has still to be set up.

ACTIONS:

Mr Gebbie to set up a meeting to discuss the distribution of funds within the staff endowment fund.

The Committee noted the update for assurance.

9. WORKPLAN

9.1 Audit and Risk Committee Workplan

The Committee discussed and approved the Workplan for 2024/25.

10. COMMITTEE EFFECTIVENESS

Ms Mathew presented the Effectiveness Review Results to the Committee.

Ms Mathews noted that most responses to the statements made within the questionnaire were positive, with 94 Strongly Agree, 75 Agree, and 3 Slightly Agree. There were no responses received in the Strongly Disagree or Slightly Disagree categories, with 1 Disagree response related to the theme below:

- Appropriate training/briefings in relation to areas applicable to the Committee's area of business.

This theme was also noted in the July 2022 and 2023 survey's, therefore further consideration will be given to additional actions to address this area of concern. The Action Plan will be presented to the next Committee for consideration.

It was noted within the free text in Section B that the papers, support and secretariat for the Committee are all of very high quality.

The Committee noted the review for assurance.

11. INTEGRATED GOVERNANCE: KEY POINTS ARISING

The Committee is assured that key points discussed at this meeting are referred and will be discussed at other Committees.

12 AGREED COMMITTEE HIGHLIGHTS TO THE BOARD

The Committee highlights will be produced after the meeting and sent to the Chair for approval prior to the Board Meeting due to be held on 29 August 2024.

13 ANY OTHER BUSINESS

There was no other business noted.

14 DATE OF NEXT SCHEDULED MEETING

The date of the next meeting of the Committee is Thursday 21 November 2024 at 10am, Boardroom, Lumina.

15 PRIVATE MEETING OF THE AUDIT AND RISK COMMITTEE

A private meeting with the Internal Auditors was held with members of the Committee following the meeting.

The meeting concluded at 12.03pm.