

**NHS Grampian (NHSG)
 Minute of the Audit Committee Meeting
 Tuesday 8th December 2020 (10.00 – 11.30)
 Microsoft Teams**

Present

Mr Sandy Riddell, Non-Executive Board Member, NHS Grampian (Chair)
 Cllr Douglas Lumsden, Non-Executive Board Member, NHS Grampian
 Ms Rachael Little, Employee Director, NHS Grampian
 Mr John Tomlinson, Non-Executive Board Member, NHS Grampian

In Attendance

Mr Alan Gray, Director of Finance, NHS Grampian
 Mr Garry Kidd, Assistant Director of Finance, NHS Grampian
 Professor Lynda Lynch, Chair, NHS Grampian
 Ms Amy Anderson, Non-Executive Board Member, NHS Grampian
 Ms Anne MacDonald, Senior Audit Manager, Audit Scotland
 Ms Lindsey Paterson, Partner, PricewaterhouseCoopers LLP (PwC)
 Ms Gillian Collin, Senior Manager, PricewaterhouseCoopers LLP (PwC)
 Mr Paul Allen, Director Facilities and eHealth, NHS Grampian (Item 5.1)
 Ms Gerry Lawrie, Head of Workforce and Development, NHS Grampian (Item 6)
 Ms Emma Gowie, Assistant Accountant, NHS Grampian
 Ms Else Smaaskjaer, Minute

Item	Subject	Action
1	<p>Welcome Mr Riddell welcomed everyone to the meeting.</p> <p>Apologies from Committee Members Councillor Isobel Davidson, Non-Executive Board Member, NHS Grampian</p> <p>Declaration of Interest None.</p>	
2	<p>Minute of Meeting Held on 2nd November 2020 The minute was approved as an accurate record.</p>	

Item	Subject	Action
3	<p data-bbox="272 233 508 268">Matters Arising</p> <p data-bbox="272 306 841 342">3.1 <u>Action Log of 2nd November 2020</u></p> <p data-bbox="370 380 1308 415">The Committee reviewed the action log from the previous meeting.</p> <p data-bbox="370 453 1373 632">Mr Kidd advised that the Chair of the Audit Committee and the Chair of the Performance Governance Committee (PGC) had agreed that future reporting of matters relating to sustainability and the impact of carbon emissions regulations would be more appropriately considered on the agenda of the PGC.</p> <p data-bbox="370 669 1268 743">It was noted that all other items were included on the agenda or scheduled for a future meeting.</p> <p data-bbox="272 781 1019 816">3.2 <u>Any other matters arising not on the action log</u></p> <p data-bbox="370 854 922 890">Short Life Working Group – Renewal</p> <p data-bbox="370 928 1365 1142">Mr Riddell informed the Committee that initial discussions between Grampian Audit Committee Chairs had been positive and there was a desire to progress collaborative working in areas such as internal audit planning. A joint meeting, involving key representatives from each of the Integration Joint Boards and NHS Grampian, will be arranged early in the new year to further consider opportunities in this area.</p> <p data-bbox="370 1180 1341 1253">Mr Riddell agreed to provide a further update on progress at the next meeting.</p>	<p data-bbox="1409 1180 1458 1215">SR</p>
4	<p data-bbox="272 1293 483 1329">Internal Audit</p> <p data-bbox="272 1367 1133 1402">4.1 <u>Progress Report and High Priority Recommendations</u></p> <p data-bbox="378 1440 1373 1843">Ms Collin presented the report which detailed internal activity since the last meeting of the Audit Committee and stated that good progress was being made on the 2020/21 internal audit plan. Since the last update, two reviews were complete and at draft reporting stage (COVID - Governance and Decision Making and Budgeting and Financial Monitoring). Scoping meetings and planned fieldwork dates for the other reviews were being scheduled. Draft terms of reference were available for three reviews (PPE Supply Chain, Risk Management and Cross System Ways of working) and will be presented to the Committee at the next meeting, following final agreement with management.</p>	

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	<p>Ms Collin also explained that the internal audit plan is subject to a regular risk based review and no changes to the current plan were considered necessary since the last update.</p> <p>Ms Collin went on to report progress against high risk findings identified in previous reviews:</p> <p><u>GDPR</u> – agreed actions relating to governance and management were now confirmed complete.</p> <p>The Committee agreed that the ongoing issues in this area were operational in nature and these findings should now be removed from future progress reports.</p> <p><u>Cyber Security of Medical Devices</u> – agreed actions relating to establishment of the Information Security Group and development of local guidance were confirmed complete. Work remains ongoing regarding the outstanding actions related to population and maintenance of the equip asset register.</p> <p>The Committee agreed that the findings related to establishment of the Information Security Group and development of local guidance should now be removed from future progress reports. Progress against the outstanding actions should be reported at the next meeting.</p> <p><u>Records Management Plan</u> – the outstanding actions relate to development of the records management plan and a supporting information asset register. The Board is currently undergoing a voluntary assessment with the National Records Office and this will inform the process in these areas but progress has been impacted by the COVID response.</p> <p>The Committee noted progress against the outstanding actions will be reported at the next meeting.</p> <p><u>COVID 19 – Review of Governance and Decision Making</u></p> <p>Ms Collin also updated the Committee on the findings from the recent review of Governance and Decision Making processes during the 1st wave of the Covid-19 pandemic. The report noted the quick response by NHS Grampian in adapting to a rapidly evolving situation by establishing a Gold, Silver and Bronze structure. The report also highlighted good practice in relation to communication, compliance and governance arrangements. One high risk recommendation was</p>	

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	<p>identified related to inconsistencies in decision logs across Gold, Silver and Bronze Command i.e. in some instances the rationale for decisions were not clearly recorded and one medium risk recommendation related to Civil Contingencies planning i.e. the revised Major Infectious Disease Plan had not been formally approved and some of the working practices were not suited to a remote working environment.</p> <p>Mr Gray advised that management accepted the findings and acknowledged the need to reflect on lessons learned during the response to Covid 19, including how decisions should be properly recorded and the importance of contingency planning.</p> <p>Ms Anderson observed that given the overall situation NHS Grampian had responded very well. The Executive Team had ensured continuation of Board Meetings and had established a clear process for communicating decisions made to staff, patients and other stakeholders.</p> <p>Mr Tomlinson asked if issues surrounding care homes had been considered and Ms Collins confirmed that this had not been part of the review which had focused on Command and Control arrangements.</p> <p>Mr Gray informed the Committee that a report will be prepared for NHS Grampian Board outlining monitoring and assurance responsibilities of individual Board Committees during periods of emergency response and recovery.</p> <p>The Committee noted the findings of the report and requested a further report outlining 'lessons learned' is presented to a future meeting.</p>	<p>AG</p>
<p>4.2</p>	<p><u>Follow Up of Previous Years Low and Medium Risk Recommendations</u></p> <p>Mr Kidd presented a report summarising the status of agreed actions arising from medium and low priority internal audit recommendations identified during the five year period 2015/16 to 2019/20. He informed the Committee that, out of a total of 158 actions arising during this period, all of the recommendations dated prior to 2017/18 were complete, four were not yet due and 27 (2 from 2017/18, 14 from 2018/19 and 11 from 2019/20) remain open or partially complete. Mr Kidd explained that progress against some of the outstanding recommendations had been impacted by the need to respond to Covid 19 and new target and review dates had been agreed. He informed</p>	

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	<p>the Committee that the target dates were realistic and progress will be closely monitored during 2021.</p> <p>The Committee noted the report and agreed that the status of those recommendations reported as outstanding or partially complete, should be reported back in December 2021.</p>	GK
5	Governance	
	<p>5.1 <u>SLT Compliance Sub-Group – Assurance Report</u></p> <p>Mr Allen, Director of Facilities and eHealth, presented the report providing an update on the progress of the SLT Compliance Sub-Group. The Terms of Reference had been reviewed and the aim and purpose of the group confirmed as ensuring that NHS Grampian is compliant with statutory and regulatory requirements. NHS Grampian's Risk Advisor will continue to advise on the overall approach to risk. Mr Allen informed the Committee that although the work of the sub-group had recently re-started after a pause during the early stages of the Boards Covid-19 response, good progress had been made in the development and review of a Regulatory Body Compliance summary register. The introduction of subject matter compliance reporting has been well received and the group had their first full review covering the areas of Finance and Mental Health at their October 2020 meeting. A schedule is in place to ensure all other areas on the register are reviewed at least annually moving forward.</p> <p>Ms Anderson asked if patient facing compliance issues are within the remit of the sub-group. Mr Allen reported that as the sub-group evolves there will be continued monitoring to ensure that all requirements, including patient facing items, are included.</p> <p>Mr Riddell noted the number of absences recorded at sub-group meetings and asked if this indicated that membership should be reviewed. Mr Allen confirmed this will be reviewed and managers will be asked to support staff at the appropriate level to attend meetings of the sub-group. Mr Kidd, acknowledged the demands on staff but agreed that attendance should be improved to ensure NHS Grampian can provide the necessary assurance on statutory and regulatory compliance.</p> <p>The Committee thanked Mr Allen for the update and noted the progress of the SLT Compliance Sub-Group.</p>	

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	<p data-bbox="272 233 829 268">5.2 <u>Active Governance Pilot Update</u></p> <p data-bbox="370 302 1377 520">Mr Gray presented the report providing details of the NHS Scotland Active Governance Programme and informed the Committee that NHS Grampian will be one of two pathfinder Boards. He explained that one of the key aims of the Active Governance project is to improve effective corporate and public reporting, including a review of how information is presented using data visualisation principles.</p> <p data-bbox="370 554 1300 632">Mr Gray advised that this would be further discussed at the Board Seminar on 14th January 2021.</p> <p data-bbox="370 665 1328 743">The Committee noted the report and welcomed the role of NHS Grampian as a pathfinder Board.</p>	
6	<p data-bbox="272 779 716 814">eESS Implementation Update</p> <p data-bbox="272 848 1386 1255">Ms Lawrie, Head of Workforce and Development attended to provide the Committee with an update regarding the implementation of the Electronic Employee Support System (eESS). She reported that NHS Grampian is the last NHS Scotland Board to implement the system and ‘go live’ is scheduled for the end of February 2021. Some risks had been identified relating to timing at the end of the financial year but staff are working closely with colleagues in other areas to understand how those risks can be best managed. There will also be advantages in learning from the experience of others. Training will make use of digital solutions and will initially be targeted at managers identified as frequent users and those involved in priority recruitment for Test and Protect and Vaccination programmes.</p> <p data-bbox="272 1289 1386 1436">Members noted the risks relating to implementation at the end of the financial year but welcomed the assurance that staff are working closely with colleagues to ensure that the learning available from other Boards is incorporated in to local implementation plans to help mitigate these risks.</p> <p data-bbox="272 1470 1365 1547">The Committee thanked Ms Lawrie for a helpful update on progress and requested an update, post implementation, at the April 2021 meeting.</p>	GL
7	<p data-bbox="272 1583 1284 1661">Primary Care Contractor Services Including NHS National Services Scotland (NSS) Audit Reports</p> <p data-bbox="272 1694 1349 1801">Mr Kidd provided an update on progress regarding assurance arrangements relating to the management of payments to independent primary care contractors.</p>	

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	<p>The payment verification process</p> <p>Mr Kidd explained that the position remained largely as reported at the last meeting i.e. due to restrictions on services delivered by independent contractors during the pandemic, most aspects of the payment verification system remain paused. As services begin to re-mobilise the system is expected to be gradually reintroduced. Similarly, monitoring of SDAI conditions remained temporarily suspended as service arrangements during this period would have made it difficult for practices to meet their obligations and achieve the required number of NHS sessions, although recovery action relating to two (pre COVID) non-compliant dental practices remains ongoing.</p> <p>Service audit reports</p> <p>Mr Kidd updated the committee on progress with the action plan agreed by NHS National Services Scotland (NSS) to address the qualification on the 2019/20 service audit reports for Payments to Practitioners and National IT services. NSS had advised that the Test of Design was complete and all actions recommended by the Service Auditors had been incorporated into a revised control framework. Evidence testing had started but most of that work would not be complete until February. More detailed feedback to client Boards was expected following the NSS Audit Committee in December 2020 and a further report on progress will be available to NHS Grampian's Audit Committee at the February 2020 meeting.</p> <p>Financial Performance Monitoring Arrangements</p> <p>Mr Kidd informed the Committee that the Board's Deputy Director of Finance and the Chief Finance Officers (CFO) for the Integration Joint Boards had agreed revised financial reporting performance monitoring arrangements for primary care related expenditure. Each CFO will receive a monthly financial performance statement detailing the split of all delegated primary care functions, including an analysis of constituent elements of service, as they relate to that IJB. Each CFO will ensure that the statements are subject to monthly review and any relevant feedback will be co-ordinated through the Board's Primary Care Finance team, to ensure consistency and liaison where appropriate on common financial management issues.</p> <p>The Committee noted the report.</p>	
8	<p>Counter Fraud Progress Report</p> <p>Mr Kidd presented the report noting progress on counter fraud matters within NHS Grampian. He reported that the outcome from the NHS Scotland short</p>	

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	<p>life working group reviewing the approach to the Register of Interests, Hospitality and Gifts was inconclusive and the work of the group had been suspended. NHS Grampian had introduced revised local arrangements, based on documents shared by Counter Fraud Services, which had been agreed by the Audit Committee.</p> <p>Mr Kidd noted that given one of the biggest financial risks to NHS Grampian is that of procurement fraud it is intended to focus on the management of conflict of interest as a key priority during 2021. There had been periodic reminders in daily briefings for staff to remain vigilant and ensure they follow agreed procedures.</p> <p>Mr Tomlinson suggested a short video presentation to reinforce messaging to staff, including real examples of consequences if processes are not followed. Mr Kidd agreed to include this feedback for consideration in developing future communications in this area.</p> <p>The Committee noted the report.</p>	<p>GK</p>
9	<p>Single Tender Actions – Review of Recent Approvals</p> <p>Mr Kidd presented the paper detailing single tender actions authorised since the last meeting, together with a summary of the justification.</p> <p>The Committee noted the report.</p>	
10	<p>AOCB</p>	
10.1	<p><u>Committee Meeting Dates 2021</u></p> <p>Proposed dates to be confirmed.</p>	<p>SR/ES</p>
11	<p>Report to Grampian NHS Board</p> <p>It was agreed that the following will be reported to all Board members at the meeting in February.</p> <ul style="list-style-type: none"> • Update from SLT Compliance Sub-Group; • eESS Implementation; • NSS Audit Report; • Covid 19 – Review of Governance and Decision Making; and • Follow Up of Previous Years Low and Medium Risk Recommendations. <p>Mr Kidd to draft the report to the Board for Mr Riddell’s review.</p>	<p>GK/SR</p>

Item	Subject	Action
	Date of Next Meeting Tuesday 16 th February (11.00 – 12.30) Microsoft Teams	