

Audit Committee Assurance Report to Grampian NHS Board

Purpose of Report

This report is to provide assurance to the Grampian NHS Board that an appropriate system of internal control is in place to ensure that:

- 1.1 Business is conducted effectively and in accordance with the law and proper standards;
- 1.2 Public money is safeguarded and properly accounted for;
- 1.3 Financial Statements are prepared timeously, and give a true and fair view of the financial position of the Board for the period in question; and
- 1.4 Reasonable steps are taken to prevent and detect fraud and other irregularities.

Recommendation

The Board is asked to note the following key points and assurances discussed by the audit Committee at the meeting on 15 June 2021.

1. Service Audit Reports 2020/21

The Committee received an update from Mr Kidd, Assistant Director of Finance, on the outcome of the final 2020/21 audit reports for services provided, on NHS Grampian's behalf, by other NHS Boards. The National Single Instance of the Financial Ledger provided by NHS Ayrshire & Arran and National IT services provided by NHS NSS both received an unqualified opinion but Practitioner Services, provided by NHS NSS, had once again received a qualified opinion.

The Committee welcomed the improvement in the IT audit opinion over the prior year and noted the various improvement actions agreed by the NSS Audit and Risk Committee to address the qualification on the Practitioner Services audit opinion. Members also welcomed the positive feedback from a briefing hosted by the Chair of the NSS Audit and Risk Committee on 3 June 2021, attended by Directors of Finance and their External Auditors, including the additional assurance provided by NSS following the positive outcome from a subsequent, additional internal audit review they commissioned in to ad hoc COVID related payments.

2. Audit Scotland Progress Report

Ms MacDonald, Senior Audit Manager with Audit Scotland the Board's external auditors, presented a report to the Committee on progress with the 2020/21 annual audit. Members noted that a key focus of the audit work this year will be on additional expenditure and increased Scottish Government funding relating to the COVID pandemic and that no significant issues had been identified, at the date of the report, in relation to additional testing carried out to ensure appropriate controls were in place around changes to working arrangements during the pandemic.

3. Short Life Working Group – Renewal

The Committee remain focused on the opportunities for closer working with the three Integration Joint Boards (IJB's), in particular the potential to improve the effectiveness of internal audit activity across the partners through collaborative working. A further joint meeting with IJB Chief Officers and Chief Internal Auditors has been arranged for 29th July to consider the nature and scope of a pilot exercise to progress an area of cross system audit activity.

4. Internal Audit Review of Theatre Utilisation

The Committee considered the findings from a recent internal audit review of theatre utilisation which included recommendations for improvement in the control and monitoring of utilisation data, monitoring the backlog of elective surgery and to co-ordinate the availability of beds, surgical time and theatre availability at the time of booking. The Committee requested that a member of the management team should attend the next meeting to provide an update on the management action plan and that the report is shared for further consideration by both the Clinical Governance and Performance Governance Committees.

5. Counter Fraud Activity

Mr Kidd, Assistant Director of Finance, as part of his regular update on counter fraud matters, updated the Committee on the plans to implement, the 12 new Government functional standards (GovS 013: Counter Fraud) across NHS Scotland. These new standards set expectations for the management of fraud, bribery and corruption risks in government organisations. Members welcomed the intention of management to establish a Counter Fraud Steering Group to ensure effective executive oversight and co-ordination of the expanding counter fraud agenda and to lead implementation of the government functional standards across NHS Grampian.

Matters referred to other Board sub-Committees

The internal audit report on theatre utilisation to be shared for further consideration by both the Clinical Governance and Performance Governance Committees (see 4 above).

Conclusion

The topical governance matters considered by the Audit Committee are a key source of assurance for the Board on the effectiveness of our management processes and internal control environment.

Mr Sandy Riddell
Chair
Audit Committee

Attachment: 1. Agenda of meeting of Audit Committee held on 15 June 2021.

NHS GRAMPIAN (NHSG)

**Meeting of the Audit Committee
Tuesday 15 June 2021, 11.00 - 12.30**

MS TEAMS

*Members should be aware that their names will be listed in the Minutes
which will be publicised on the NHSG Website*

AGENDA

Approx Timing	No	Item	Lead	Ref	Noting/ Decision
1100	1	Apologies	SR	#	
1103	2	Minutes of the Meeting held on Tuesday 16 February 2021	SR	*	D
1105	3	Matters Arising			
		3.1 Action Log of 20 April 2021	SR	*	D
		3.2 Any Other Matters Arising	SR	#	D
1110	4	Internal Audit			
		4.1 Progress Report	PwC	*	N
11.25	5	External Audit progress report	Audit Scot	*	N
11.40	6	Governance			
		6.1 Counter Fraud Progress Report	GK	*	N
		6.2 Risk Management Progress report	MS	*	N
		6.3 Draft Governance Statement 2020/21	GK	*	D
		6.4 2020/21 Significant Issues letter to Health and Social Care Assurance Board	GK	*	D
		6.5 Primary Care Contractor services including NHS National Services Scotland Audit Reports	GK	*	N
		6.6 Single Tender Register	GK	*	N
12.10	7	Cyber Security Scotland – Network and Information systems Regulations 2018 Audit		*	N
12.25	9	AOCB	SR	#	
12.30	10	Report to NHSG Board	SR	#	
		Date of Next Meeting 11.00 am Tues 24 August 2021, MS Teams			

Mr Sandy Riddell
Chair, NHSG Audit Committee
Apologies to: else.smaaskjaer@nhs.scot 01224 558409

* Paper attached
Oral/verbal
~ To follow