



NOT PROTECTIVELY MARKED

Public Board Meeting

30 November 2022

Item 19

THIS PAPER IS FOR NOTING

**AUDIT COMMITTEE MINUTES OF 16 JUNE 2022 AND VERBAL REPORT OF
13 OCTOBER 2022**

Lead Director Author	Carol Sinclair, Chair, Audit Committee -
Action required	The Board is asked to note the minutes and verbal report.
Key points	<p>In compliance with the Service's Standing Orders, the approved Committee minutes are submitted to the Board for information and consideration of any recommendations that have been made by the Committee.</p> <p>The minutes of the Audit Committee held on 16 June 2022 were approved by the Committee on 13 October 2022. A verbal update of the meeting held on 13 October 2022 will be provided by the Chair of the Committee.</p>
Timing	Minutes are presented following approval by the Committee. The Board will receive a verbal update of the most recent Committee meeting from the Chair of the Committee.
Corporate Risk Identification	Risk 4636 – Health and wellbeing of staff Risk 4638 – Wider system changes and pressures
Link to Corporate Ambitions	The Audit Committee has responsibility on behalf of the Board to ensure that the appropriate work is undertaken to assess clinical governance within the Service and provide assurance to the Board that the governance arrangements are safe, effective and person centred.
Equality and Diversity	No issues identified.



MINUTES OF AUDIT COMMITTEE MEETING

10.00 A.M. ON THURSDAY 16 JUNE 2022

VIRTUAL, MICROSOFT TEAMS

Present: Carol Sinclair, Non-Executive Director (Chair)
Stuart Currie, Non-Executive Director
John McGuigan, Non-Executive Director
Irene Oldfather, Non-Executive Director
Madeline Smith, Non-Executive Director

In Attendance: John Baker, General Manager ICT (*for Item 19.2 only*)
Katy Barclay, Head of Business Intelligence
Melanie Barnes, Assistant Director of Finance
Paul Bassett, Chief Operating Officer
Rebecca Board, Risk Manager
John Boyd, Grant Thornton
Karen Brogan, Associate Director of Strategy, Planning and Programmes
Julie Carter, Director of Finance, Logistics and Strategy
Frances Dodd, Director of Care Quality and Professional Development
Pippa Hamilton, Committee Secretariat – Minutes
Duncan Keith, Head of Finance
James Lucas, KPMG
Maria McFeat, Deputy Director of Finance
Gordon Richardson, Head of Finance
Tom Steele, Board Chair

Apologies: Pauline Howie, Chief Executive

ITEM 1 WELCOME AND APOLOGIES

Carol Sinclair welcomed everyone to the meeting. Apologies were noted as above.

ITEM 2 DECLARATIONS OF INTEREST

Standing declarations of interest were noted:

- Madeline Smith in her position as Non-Executive Director, Digital Health and Care Innovation Centre.
- Irene Oldfather in her position of Director, Scotland Health and Social Care Alliance
- Carol Sinclair in her position as Trustee of Scotland's Charity Air Ambulance and Chief Officer, Public Health Scotland.
- Paul Bassett in his position as Trustee, Scotland's Charity Air Ambulance.

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- Stuart Currie - Board Member of State Hospital Board.

ITEM 3 MINUTES OF PREVIOUS MEETING

The minutes of 20 April 2022 were reviewed for accuracy and subsequently approved as an accurate record of the meeting.

ITEM 4 MATTERS ARISING

Committee noted the following items as completed and approved their removal from the Audit Committee Matters Arising paper.

2021-10-06	Risk Management – Vulnerable Persons Charts
2021-10-06	Risk Management – SAERs Report Comparison
2022-01-07.1 & 07.2	Risk Management – Learning from Events Group assurance updates to Clinical Governance Committee
2022-01-07.1 & 07.2	Risk Management – Risk Appetite review to include data of vulnerable persons trends
2022-04-10	Audit Scotland – NHS in Scotland 2021 Report

Action:

1. **Committee Secretary** to update matters arising paper.

ITEM 5 RISK MANAGEMENT

Item 5.1 & 5.2 Quarterly Update and Corporate Risk Register

Rebecca Board presented the Committee with the quarterly Risk Update and Corporate Risk Register advising that all changes since the last Committee were highlighted in red for ease.

Rebecca Board highlighted the addition of a new risk 5296 which had been added to the Corporate Risk Register which was noted by members.

Members noted and welcomed the developing work of a Risk Dashboard.

Rebecca Board asked members to note the establishment of a short life working group to progress management information and reporting in relation to RIDDOR reporting which was being undertaken by the Head of Health & Safety.

Madeline Smith referred to the review of Service Risk Registers by the Performance and Planning Steering Group and welcomed sight of the review schedule. Madeline noted that a number of high and very high risks from the Service Risk Registers were currently included within the Corporate Risk Register however added that the risks relating to the delay in the Learning in Practice (LiP) Programme was not. Madeline asked if there were plans in place for PPSG to review the risks in relation to the LiP Programme. Julie Carter advised that PPSG have requested further information on the mitigating actions and controls in relation to the LiP risks, which will be presented to the July meeting of PPSG to allow for consideration whether further escalation of these risks was required.

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Committee asked for assurance to be provided in relation to the progress being made in relation to the progression of outstanding Significant Adverse Event Reviews (SAERs).

Frances Dodd provided assurance to members that ongoing work was taking place between herself and with the Medical Director to review the SAER process.

Carol Sinclair added that SAERs are reported through the Clinical Governance Committee (CGC) and suggested that Stuart Currie, as Chair of CGC bring back more detailed assurance to the next Audit Committee on the work being carried out to progress the outstanding Reviews.

Committee approved the Corporate Risk Register as presented.

Action:

- 2. **Clinical Governance Committee Chair** to bring back more detailed assurance from the Clinical Governance Committee to the next Audit Committee on the work being carried out to progress the outstanding Reviews

Item 5.3 Risk Management Annual Report

The Risk Management Annual Report was presented to Committee and subsequently approved. Members thanked Rebecca Board and her Team for the production of the Report.

ITEM 6 GOVERNANCE COMMITTEE ANNUAL REPORT AND TERMS OF REFERENCE

Item 6.1 Staff Governance Committee and Clinical Governance Committee Annual Report and Terms of Reference

Committee were presented with and noted the Annual Reports and Terms of Reference for the Staff Governance Committee and Clinical Governance Committee which would form part of the assurance to the Service’s governance statement.

ITEM 7 INTERNAL AUDIT

Item 7.1 Ambulance Control Centres (ACC) – Auto Dispatch Internal Audit Report

James Lucas presented the Internal Audit Report on Ambulance Control Centres. Committee noted that an overall assessment of “significant assurance with minor improvement opportunities” was reached with 2 findings (1 Medium and 1 Low) being identified following completion of the audit.

James highlighted that the undernoted areas of good practice were identified following stakeholder interviews and review of supporting evidence:

- Auto Dispatch Confirmation
- Performance and Planning Steering Group Reporting
- Benefits of Auto Dispatch

Members noted the assurance provided within the report. Paul Bassett advised that the actions agreed from the Audit included:

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- The intended benefits from the Auto Dispatch system will be reviewed and revised to ensure they are well articulated with SMART targets that can be appropriately measured and reported.
- Revised measures will also include value for money considerations to ensure they are the most appropriate targets for achieving the intended benefits.
- Implementation of a formal channel for capturing feedback, with the development of an action plan detailing feedback and actions taken.

Committee noted the report and associated management actions.

Item 7.2 **Restricted - Internal Audit Annual Report**

Invoking Standing Order 5.22 resolution to take item in private.

ITEM 8 **Restricted - EXTERNAL AUDIT**

Item 8.1 External Audit Draft Annual Report

Invoking Standing Order 5.22 resolution to take item in private.

Item 8.2 **Restricted - Draft Letter of Representation**

Invoking Standing Order 5.22 resolution to take item in private.

ITEM 9 **Restricted – ENDOWMENT FUND ACCOUNTS 2021/22**

Invoking Standing Order 5.22 resolution to take item in private.

ITEM 10 **Restricted – DRAFT ANNUAL REPORT AND ACCOUNTS 2021/22**

Invoking Standing Order 5.22 resolution to take item in private.

ITEM 11 **SERVICE AUDIT ACTIVITY 2021/22**

Julie Carter reported that, as part of the year end assurance process, two third party audit reports had been undertaken.

Committee noted the presented letters from both service audits and the amount of work undertaken.

ITEM 12 **SIGNIFICANT ISSUES LETTER TO SCOTTISH GOVERNMENT**

Committee approved the letter of significant issues, signed by the Chair of the Committee, for submission to the Scottish Government by the deadline of 29 June 2022.

ITEM 13 **REVIEW OF STANDING FINANCIAL INSTRUCTIONS (SFIS)**

Duncan Keith presented Committee with a paper which outlined proposed changes to the undernoted sections of the SPFs:

- **Section 5** - Annual Accounts and Annual Report
- **Section 12** - Fixed Asset Registers and Security of Assets

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- **Section 16** - Non Exchequer Funds – Endowment Funds
- **Section 17** - Non Public Funds – Scottish Ambulance Service Benevolent Fund

Members approved the proposed changes.

ITEM 14 INFORMATION GOVERNANCE

Item 14.1 Information Governance Quarterly Report

Katy Barclay provided a quarterly update on Information Governance, which outlined progress against audit recommendations, breaches of the Data Protection Act and progress towards the implementation of the actions from the Records Management Plan.

Katy highlighted that good progress was being made in relation to Information Governance related policies, adding that these had been through the Policy Review Group and were currently progressing through the consultation and approval process.

Members noted that the Information Asset Register Project had recommenced with a planning meeting with Asset Owners and Champions undertaken.

Katy highlighted that the Service had experienced an increased number of information security incidents within the latest reporting period. Katy added that high reporting was not necessarily negative and shows increased awareness of reporting. Katy provided assurance to members that work was undertaken to investigate and mitigate all reported information security incidents and added that all of the incidents reported within the last quarter were assessed as being below the threshold for reporting to the Information Commissioners Office and Scottish Government.

Members requested that a deep dive be undertaken into the causes of the information security incidents. Katy advised that she would undertake work to pull out themes and provide the output of this the Audit Committee members in due course.

Committee noted the report and thanked Katy for the helpful and transparent report.

Action:

- 3. Head of Business Intelligence** to carry out a thematical deep dive into the causes of information security incidents and provide the output of this work to the Audit Committee in due course.

ITEM 15 FRAUD QUARTERLY REPORT

The Service's Fraud Liaison Officer, Melanie Barnes, presented the quarterly fraud update which highlighted:

- No new fraud allegations from either Counter Fraud Services (CFS) or internally had been reported since the last Audit Committee.
- Of the allegations reported to the April Audit Committee three had been closed by both the Service and Counter Fraud Services (CFS).

Members discussed the cultural issues surrounding such allegations and John McGuigan asked if data could be provided in relation to the number of allegations upheld by the Service and those upheld with Counter Fraud Services.

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Julie Carter advised that CFS work closely with Mel Barnes along with monitoring trends. Carol Sinclair suggested that in relation to internal Service investigations this was likely to fall under the remit of the Staff Governance Committee. Madeline Smith advised that she would take this discussion up off line as Chair of the Staff Governance Committee to establish if this work could be picked up by the Committee.

Mel Barnes highlighted to Committee that she hoped to plan a staff engagement session with Counter Fraud Services to highlight correct reporting routes, policies and processes to staff.

Action:

- 4. **Chair of Staff Governance Committee** to pick up discussion with John McGuigan and Mel Barnes in relation internal service fraud allegation trends to establish if this should be reported through the Staff Governance Committee.

ITEM 16 BEST VALUE PROGRAMME

Committee received a comprehensive update on the Best Value Programme and noted the summary of programmes for financial year 2022/23, status of identified work streams and savings achieved to May 2022.

Members noted that 23 mandates were completed with the hope the remainder would be finalised by the end of June. Julie Carter added that work was underway to work up a trajectory on expected savings which would assist in escalation planning and forecasting.

John McGuigan enquired whether the mandates are risk assured prior to approval. Julie Carter advised that mandates are clear about what will be done, consequences and savings opportunities and support needed to make that happen. Members noted that the Best Value Programme Board review the overall implications and sign off the mandates.

Madeline Smith noted that year to date savings were behind the identified target at quarter 1 of the financial year and asked if assurance could be provided the Programme would catch up with the savings targets.

Karen Brogan advised that a weekly delivery meeting chaired by the Director of Finance, Logistics and Strategy was in place to increase focus and reduce delivery barriers. Karen added that Action plans had been accelerated to ensure that all schemes were up and running by July and that an appropriate measurement framework was in place to track associated benefits and savings.

Committee noted the paper and assurances provided.

ITEM 17 WHISTLEBLOWING UPDATE

Frances Dodd provided Committee with a comprehensive Whistleblowing Annual Report for 2021/22. Committee noted that the Annual Report had been approved by the Clinical Governance Committee.

Members noted the report which described the Service’s response to the new Whistleblowing arrangements, the approach taken by the Service as well as an overview of the concerns raised

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through the Whistleblowing route and the themes and organisational learning as a result of the process to investigate the concerns during the first year of implementation of the standards, from April 2021 to March 2022.

ITEM 18 COMMITTEE WORKPLAN 2022/23

Committee reviewed and noted the workplan which was presented to each meeting for information.

ITEM 19 RESILIENCE

Item 19.1 Resilience Committee Update

Paul Bassett highlighted that the Resilience Committee meeting on 05 April 2022 received updates on:

- Operationalising Risk
- Cyber Security Including Business Continuity
- Winter 2021/22 Debrief Report
- CCRP (ESRCP) Phase 2
- Fast Tracking CBRN Preparedness
- Volunteer and First Responder Strategy
- Climate Change Risk Assessment
- Incident Command Framework

Committee noted the update provided.

Item 19.2 Cyber and NIS Update

John Baker, General Manager, ICT joined the meeting for this item. John presented Committee with a paper which provided and update on cyber resilience, the NIS Audit Action Plan and ICT Business Continuity.

Committee welcomed the excellent progress made against the NIS Audit Action Plan and expressed its thanks to the team and colleagues across the Service for the work undertaken.

Members noted the update.

ITEM 20 ANY OTHER BUSINESS

Duncan Keith

Carol Sinclair advised Committee that this was the last Audit Committee for Duncan Keith ahead of his retirement from the Service. Members passed on their thanks to Duncan for his work and contribution to the Audit Committee throughout his time with the Service. Members also welcomed Gordon Richardson as Duncan’s successor in the role of Head of Finance.

Carol Sinclair closed the meeting and thanked everyone for their attendance and the robust discussions during the meeting.

Date of next Meeting - 10:00, 13 October 2022.

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