



**Scottish
Ambulance
Service**

University National NHS Board



NOT PROTECTIVELY MARKED

Public Board Meeting		25 January 2023 Item 16
THIS PAPER IS FOR NOTING		
AUDIT COMMITTEE MINUTES OF 13 OCTOBER 2022 AND VERBAL UPDATE OF 13 JANUARY 2023		
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 13 October 2022 were approved by the Committee on 13 January 2023. A verbal update of the meeting held on 13 January 2023 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 10.30 ON THURSDAY 13 OCTOBER 2022 VIRTUAL, MICROSOFT TEAMS

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

In Attendance: Katy Barclay, Head of Business Intelligence
Melanie Barnes, Assistant Director of Finance
Rebecca Board, Risk Manager
Karen Brogan, Associate Director of Strategy, Planning and Programmes
Julie Carter, Director of Finance, Logistics and Strategy
Euan Esslemont, Deputy Regional Director – North *(for Item 7.1(a) only)*
Pippa Hamilton, Committee Secretariat – Minutes
Pauline Howie, Chief Executive
Robert Kay, ICT *(for Items 9&10 only)*
Avril Keen, Director of Workforce *(for Item 14 only)*
James Lucas, KPMG
Stephen Massetti, Director of National Operations
Maria McFeat, Deputy Director of Finance
Keith Nicholson, Cyber Security Scotland, *(for Item 9 only)*
Gordon Richardson, Head of Finance
Tom Steele, Board Chair

Apologies: Paul Bassett, Chief Operating Officer
Chris Brown, Azets – External Auditors
John McGuigan, Non-Executive Director

ITEM 1 WELCOME AND APOLOGIES

Carol Sinclair welcomed everyone to the meeting. Carol welcomed Gordon Richardson to his first Audit Committee meeting in his new role as Head of Finance.

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.

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- Irene Oldfather in her position of Director, Scotland Health and Social Care Alliance and Vice Chair of Domestic Advisory Group (DAG) on the Trade and Cooperation Agreement (TCA) with the European Union.
- Carol Sinclair in her position as Trustee of Scotland's Charity Air Ambulance and Strategic Data Adviser, Digital Health and Care, Scottish Government
- Paul Bassett in his position as Trustee, Scotland's Charity Air Ambulance.
- Stuart Currie - Board Member of State Hospital Board and Vice Chair of the Independent Review of Inspection, Scrutiny and Regulation of Social Care in Scotland by the Scottish Government.

ITEM 3 MINUTES OF PREVIOUS MEETING

The minutes of 16 June 2022 were reviewed for accuracy and subsequently approved as an accurate record of the meeting.

ITEM 4 MATTERS ARISING

Committee discussed the matters arising paper and updates provided on the undernoted items:

2022-06-05 - Risk Management

Stuart Currie updated members that the Clinical Governance Committee discussed the work being carried out to progress the outstanding Significant Adverse Event Reviews (SAERs) timeously and were assured by the robust discussion and the processes in place.

Carol Sinclair added that she attended the Performance and Planning Steering Group (PPSG) meeting in October from which she took further assurance of the rigor and attention being paid to the areas covered and discussed within the meeting, including the overarching position and process in place for SAERs. Carol reminded Non-Executive colleagues that there was an open invitation for them to attend PPSG meetings and advised that she found attending the meeting beneficial and would encourage Non-Executive colleagues to also attend to observe the meeting.

Members agreed that this action could be closed from the matters arising paper.

2022-06-15 – Internal Service Fraud Allegation Trends

Madeline Smith advised that she would arrange for a meeting to be scheduled between herself and Mel Barnes to discuss further an update being provided on internal Service fraud allegation trends being provided to the Staff Governance Committee.

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

2021-04-06	Recruitment Shared Services Update
2022-06-05	Risk Management – Outstanding SAER progress
2022-06-10	Draft Annual Report and Accounts (action 1)
2022-06-10	Draft Annual Report and Accounts (action 2)

Action:

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

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ITEM 5 AUDIT COMMITTEE MINUTES – RESTRICTED OR COMMERCIALY SENSITIVE ITEMS

Julie Carter presented a short paper to members which aimed to formalise the way in which minutes from the Audit Committee meetings would be captured going forward, specifically in relation to restricted or commercially sensitive items discussed by Committee which are not within the public domain noting that this was particularly relevant to the Resilience Committee reporting update and business reported through the Audit Committee.

Julie added that it was recognised that Audit Committee minutes are made public through the Board papers and in line with good governance and therefore it was proposed that any discussion related to these restricted items as discussed within future Audit Committee meetings would be reflected within the minutes as undernoted:

- Full minutes will be approved by the Audit Committee to ensure full transparency of Audit Committee business and discussion.
- Audit Committee minutes presented to the Public Board meetings would have the restricted business removed with a restricted business minute presented to the Private Board meetings.

Committee members advised that they were content with the proposed approach which was subsequently approved.

ITEM 6 RISK MANAGEMENT

Item 6.1 & 6.2 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.

Members discussed the paper presented and noted concern that the last review dates for the majority of risks were August 2022. Members noted that there was a discrepancy in the risk register review dates due to the timing of the papers being prepared for circulation to Audit Committee and it was agreed that Rebecca Board would circulate the latest version of the Risk Register discussed by the Performance and Planning Steering Group to Committee following the meeting.

Julie Carter advised that there was an action taken by herself and the Risk Manager at the last Board meeting to proactively seek to provide an update to Committee between papers being issued and the meeting date if any significant changes were made following review of the Risk Register by the Performance and Planning Steering Group to strengthen the level of assurance and information sharing.

Members noted that 3 new corporate risks had been added to the corporate risk register.

Following queries from Madeline Smith and Irene Oldfather in relation to the escalation of operational risks to the Corporate Risk Register, Julie Carter reminded members that there is a risk management policy in place in relation to escalation along with the Board Assurance

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Framework to ensure that risks managed by different groups are appropriately interlinked and escalated to the Corporate Risk Register as necessary.

Members welcomed the inclusion of the assurance and review groups within the Risk Attributes section of the Corporate Risk Register paper.

Action:

- 2. **Risk Manager** to circulate Corporate Risk Register presented to the October Performance and Planning Steering Group to Audit Committee.

ITEM 7 INTERNAL AUDIT

Item 7.1(a) Hospital Turnaround – Escalation Protocols – Internal Audit Report

Euan Esslemont joined the meeting for this item.

James Lucas presented the Internal Audit Report on Escalation Protocols. Committee noted that an overall assessment of “partial assurance with improvements required” was reached with 4 Medium findings being identified following completion of the audit.

Members noted that the Audit was undertaken with support from NHS Grampian as an example of one Health Board with high turnaround times, to specifically focus on comparing and contrasting the escalation protocols in place at both Boards, with the intention of raising any potential areas for improvement and synchronisation to drive further effectiveness wherever possible.

Carol Sinclair highlighted that within the first action contained within page 5 of the report, it refers to “a jointly agreed escalation protocol between Regional Health Boards and the Scottish Ambulance Service”. Carol requested that the “Regional Health Board” be amended to read Territorial Health Board”.

Madeline Smith noted that she welcomed the timeliness of this Audit.

Euan Esslemont highlighted that the actions and solutions varied and required appropriate facilitation, discussion and engagement between the Service, Health Boards and Health and Social Care Partnership to enable agreement of actions and management of protocols as a whole system risk.

Pauline Howie provided an update to members in relation to the discussions which were taking place within the Leadership Team in relation to reflecting the broader implications of turnaround times within Health and Social Care which included escalation to Health Board Executive Teams when necessary. Pauline highlighted that the Cabinet Secretary had issued a joint letter to Board Chief Executives clarifying their responsibilities of appropriate care for patients, clarity of previously allocated funding and the work ongoing to address workforce capacity.

Carol Sinclair thanked Pauline for the update and noted the work being undertaken and strong message issued to Health Boards from the Cabinet Secretary and added that members would take assurance from the collective conversations taking place.

Tom Steele asked if there was work ongoing in relation to the clinical governance primary risk of patients waiting in Ambulances outside Emergency Departments and the secondary risk of the Service not being able to attend patients due to the delays at hospital.

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Pauline Howie advised that in terms of clinical governance and practice, Dave Bywater was currently undertaking a piece of work to ensure appropriate assurance systems were in place. Pauline added that there was a joint Clinical Governance Committee risk in place as NHS Grampian also have this as a very high risk on their risk register with some other Health Board advising verbally that they also have the risk on their risk register, however added that Jim Ward was looking into this in more granular detail.

Carol Sinclair thanked members for the discussion.

Action:

- 3. **James Lucas** to amend wording within first action contained within page 5 of the Hospital Turnaround – Escalation Protocols – Internal Audit Report - “*Regional Health Boards*” to be amended to read “*Territorial Health Boards*”.

Item 7.1(b) Workforce and Data Integrity – Terms of Reference

James Lucas presented members with the Terms of Reference for the Workforce and Data Integrity Internal Audit. Members noted that the objective of the review would be to assess the integrity of reportable workforce data within the Service to ensure that it is fit for purpose and enables management to make robust decisions. James added that the scope of the internal audit would be to:

- Test the accuracy of reportable HR and Workforce data on a sample basis.
- Compare the HR and Workforce data that is reported locally with the Service to that which is reported nationally to evaluate and understand if there are any discrepancies or gaps.
- Assess the timeliness of reporting data and evaluate how operational manager are using the reported data.

Madeline Smith noted that she welcomed this internal audit adding that she would like to ensure that the audit also captured the risk of the Service being unable to share data across different systems. Madeline highlighted that the final audit report was due to be issued in November and asked if the Staff Governance Committee would be able to have early sight of the report at its meeting on 15 December. Julie Carter confirmed that it would be beneficial for the final report to be presented to the December Staff Governance Committee to gain insight and that James Luas would ensure that this was included as part of the audit process.

Action:

- 4. **Director of Finance, Logistics and Strategy/James Lucas KPMG** to ensure that Staff Governance Committee are given early sight of the Workforce and Data Integrity Internal Audit Report at the meeting on 15 December 2022 ahead of presentation to the January 2023 Audit Committee.

Item 7.2 Internal Audit Follow Up Report

James Lucas presented the follow-up and status report. James highlighted that the internal audit plan was slightly behind schedule due to lengthy system pressures which had been in place. Committee were assured that work was ongoing to complete the plan by the end of the financial year.

It was noted that there were 44 audit actions contained within the tracker, 26 actions were overdue or had been allocated revised target dates, 9 were complete with 35 outstanding, 9 of which were not yet due.

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Committee noted the report and update provided.

ITEM 8 REVIEW OF STANDING FINANCIAL INSTRUCTIONS (SFIS)

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

- **Section 8-** contracting for the Provision of Services
- **Section 9** – Terms of Service and Payment of Directors and Employees
- **Section 10** - Non Pay Expenditure

Members approved the proposed changes presented.

ITEM 9 RESTRICTED – NETWORK SECURITY SYSTEM (NIS AUDIT 2022 AND ACTION PLAN)

Invoking Standing Order 5.22 resolution to take item in private.

ITEM 10 RESTRICTED – CYBER SECURITY AND BUSINESS CONTINUITY UPDATE

Invoking Standing Order 5.22 resolution to take item in private.

ITEM 11 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.

Carol Sinclair queried in relation to the resourcing level of the Information Governance Team and asked if the Team were now fully resourced. Julie Carter advised that the Team was resourced up to funding level. Katy Barclay added that there had been a number of unexpected absences which had effected the small team. Katy advised that she was carrying out a piece of work to review the workload across the team.

Tom Steele asked for clarification in relation to the Information Governance resource required for Research, Development, and Innovation (RD&I) work. Katy advised that a fortnightly meeting takes place to understand what is on the horizon with many RD&I projects or workstreams requiring data protection oversight along with the Information Governance Team supporting the data protection impact assessments for the work.

Carol thanked Katy for the update and noted the excellent work ongoing, along with the challenges, changing and varying workload continuing to be faced by the Team.

Members noted the comprehensive update.

ITEM 12 FRAUD QUARTERLY REPORT

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

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- There had been one new fraud allegation reported since the last Audit Committee.
- Of the allegations reported to the June Audit Committee, both remained ongoing.
- Counter Fraud Standards had been introduced and Boards, in line with best practice, would be required to report on 12 component elements. Counter Fraud Services (CFS) have developed a new portal to make it easier for Boards to store and reference evidence.
- Whilst there was no requirement in 2022/23 for Boards to formally present the Fraud Standard Statement to the Audit Committee it was agreed that the Service, in line with good practice, would complete the Statement and present this to the Audit Committee at the April 2023 meeting as part of the Fraud Update.

Following a query from Carol Sinclair in relation to fraudulent claims of pay for shifts not worked, Julie Carter highlighted to Members that a Fraud Risk Heat Map had been developed and was presented to the April 2022 Audit Committee. Julie added that this area remains one of the highest risks and the risk heat map included the identified controls on place along with scoring of the effectiveness of these controls.

Julie Carter advised that Carol Sinclair, Mel Barnes and herself had met with Counter Fraud Services in August for an Annual Review, during which the Service received extremely positive feedback.

Action:

5. **Fraud Liaison Officer** to present Fraud Standards Statement to the April 2023 Audit Committee meeting as part of the Fraud Update.

ITEM 13 BEST VALUE PROGRAMME

Committee received a comprehensive update on the Best Value Programme which included updates on:

- Best Value Programme Plans for 2022/23
- Year to Date (YTD) Savings vs Target
- Progress with submission of project/workstream mandates and highlight reports for 2022/23
- The development of a measurement framework against each workstream
- The alignment of Best Value Programme Schemes in 2022/23 to portfolios for delivery of the 2030 Strategy
- The alignment to the National Sustainability and Value Programme.

Committee noted the paper, and that YTD savings were £3.18m against an identified target of £5m. Karen Brogan advised that the shortfall in savings was driven primarily from the Best Value Schemes which to date had a £1m of savings reported against a YTD target of £2.75m.

Members noted the significant work which continues to progress the programmes of work to ensure that focus and momentum is behind the delivery of all workstreams with an appropriate measurement framework in place to track associated benefits and savings.

Karen highlighted that the leadership input for the programmes had been strengthened with progress reported against the programmes through the 2030 portfolio and steering groups by the Executive leads at each meeting to enhance leadership accountability at Executive level. Karen added that additional reporting in more granular detail was also in place to the Performance and Planning Steering Group, and the 2030 Portfolio Boards. Members noted

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that the Internal Best Value Governance procedures would also be reviewed and actioned where necessary in line with the internal escalation plans.

Members complimented the Team on the effort being carried out in relation to the Best Value Programmes and were assured by the work and plans in place to continue the delivery of efficiency savings required for the Service to deliver a breakeven budget.

ITEM 14 RECRUITMENT SHARED SERVICES UPDATE

Avril Keen joined the meeting for this item and provided members with a verbal update on the Recruitment Shared Service since its implementation. It was noted that positive feedback had been received in relation to access into the new service. Avril advised that the Shared Service would now beginning to move staff into their restructured positions, however added that it was not yet known whether there would be dedicated resources for Ambulance Service recruitment.

Avril highlighted that NHS Lothian had raised issues in relation to increased recruitment levels which were not within the capacity of the Shared Service, such as redeployment, internal transfers and bank contracts. Avril provided assurance to Committee that a Programme Oversight Board was in place to monitor Key Performance Indicators (KPIs) and the Service Level Agreement (SLA).

Carol Sinclair thanked Avril for the update and advised that she would welcome a meeting with Madeline Smith, Avril Keen, Julie Carter and herself to discuss the monitoring of this programme, KPI measurement and governance committee assurance requirements.

Action:

- 6. **Director of Finance, Logistics and Strategy** to arrange a meeting with Madeline Smith, Avril Keen and Carol Sinclair to discuss the monitoring of the Recruitment Shared Services Programme, KPI Measurement and governance committee assurance requirements.

ITEM 15 AUDIT COMMITTEE SELF-ASSESSMENT ACTION PLAN

Committee were presented with an update on progress made against the agreed actions contained within the Audit Committee Self-Assessment Action Plan. Members noted and welcomed the completion of all 3 actions within the plan.

ITEM 16 BOARD ASSURANCE FRAMEWORK UPDATE

Julie Carter provided members with an update on progress in the development of the Board Assurance Framework to further develop the role of assurance committees. Members noted the paper, included appendices and the further work to be undertaken on the mapping of assurance levels within the Committee workplan following review of the Corporate Risk Register actions and 2030 objective mapping.

Members welcomed the update and progress made.

ITEM 17 COMMITTEE WORKPLAN 2022/23

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

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ITEM 18 RESILIENCE

Item 18.1 Restricted - Resilience Committee Update

Invoking Standing Order 5.22 resolution to take item in private.

ITEM 19 AUDIT COMMITTEE PROPOSED MEETING DATES 2023

Members noted the proposed Audit Committee meeting dates for 2023. It was highlighted that diary invitations for these dates had been issued subject to formal approval by the Board of all Governance Committee dates at the November meeting:

- 13 January 2023
- 20 April 2023
- 15 June 2023
- 12 October 2023

ITEM 20 ANY OTHER BUSINESS

None to Note.

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

Date of next Meeting - 10:30, 13 January 202

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