



**Scottish
Ambulance
Service**

University National NHS Board



NOT PROTECTIVELY MARKED

Public Board Meeting		31 May 2023 Item 16
THIS PAPER IS FOR NOTING		
AUDIT COMMITTEE MINUTES OF 13 JANUARY 2023 AND VERBAL UPDATE OF 20 APRIL 2023		
Lead Director Author	Carol Sinclair, Chair, Audit Committee Lindsey Ralph, Board Secretary	
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 January 2023 were approved by the Committee on 20 April 2023. A verbal update of the meeting held on 20 April 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.	



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**MINUTES OF AUDIT COMMITTEE MEETING
10.30 ON FRIDAY 13 JANUARY 2023
VIRTUAL, MICROSOFT TEAMS**

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

In Attendance: John Baker, General Manager, ICT (*for item 14.1 only*)
Katy Barclay, Head of Business Intelligence
Melanie Barnes, Assistant Director of Finance
Julie Carter, Director of Finance, Logistics and Strategy
Gary Devlin, Azets – External Auditors
Pippa Hamilton, Committee Secretariat – Minutes
Pauline Howie, Chief Executive (*from 11:00*)
James Lucas, KPMG – Internal Auditors
Stephen Massetti, Director of National Operations
Maria McFeat, Deputy Director of Finance
Gordon Richardson, Head of Finance
Tom Steele, Board Chair (*until 12:30*)
Sarah Stevenson, Risk Manager

Apologies: Irene Oldfather, Non-Executive Director

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 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.

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- 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 13 October 2022 were reviewed for accuracy and an amendment was requested to the Internal Service Fraud Allegation Trends update, within page 2 of the minutes to read *“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”*.

Members approved the minute subject to the above amendment being made.

Action:

1. **Committee Secretary** to update minute with wording change page 2, Internal Service Fraud Allegation Trends update.

ITEM 4 MATTERS ARISING

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

1. **2022-06-14.1 – Thematical Deep Dive into causes of information security incidents** – Katy Barclay advised that this information was included within the paper presented at agenda item 9 and it was therefore agreed that this action could be closed from the action tracker.
2. **2022-10-07.1(b) – Internal Audit Report Workforce and Data Integrity Audit Report** James Lucas advised members that due to operational pressures within the Service, this Internal Audit had been delayed and he would ensure that once the report is complete that this is shared with Avril Keen and Madeline Smith to present to the March Staff Governance Committee.
3. **2022/10/14 - Monitoring of Recruitment Shared Services Programme, KPI Measurements and governance committee assurance requirements.** Julie Carter advised that a meeting was being arranged with date options circulated. It was agreed that this action would be deferred to the April Audit Committee to allow the meeting to take place.

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

2022-06-15	Fraud Quarterly Update
2022-06-14.1	Thematical Deep Dive into causes of Information Security incidents.
2022-10-06.1	Risk Management
2022-10-07.1(a)	Internal Audit Report – Hospital Turnaround Escalation Protocols

Action:

2. **Committee Secretary** to update matters arising paper.
3. **James Lucas, KPMG/Director of Workforce** to ensure that findings of Workforce and Data Integrity Audit is presented to the March Staff Governance Committee.

ITEM 5 RISK MANAGEMENT

Item 5.1 & 5.2 Quarterly Update and Corporate Risk Register

Sarah Stevenson 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 noted that the suggestion for the annual risk register session with the Board to be removed from the Risk Management Workplan as the Corporate Risk Register is reviewed at each Board meeting. Members agreed to the removal of this item from the Risk Management Workplan.

Committee welcomed that a review of the risk tolerances would take place following the approval of the Risk Appetite at the January Board meeting.

A comprehensive discussion took place in relation to improving the focus for Audit Committee in several spaces including SAERs, Rest Breaks and Hospital Turnaround Times, and the flow of assurance between Governance Committees.

Madeline Smith highlighted that the risk tolerances were all currently medium and asked for clarification if this was an accurate reflection given that the risk scoring was different. Sarah Stevenson advised that this was an accurate reflection, however following approval of the Risk appetite at the January Board, these would be reviewed.

Madeline asked in relation to rest break compliance and to ensure Committee were receiving the most up to date progress report, if more information required to be included within the Risk Register to reflect the work ongoing. Julie Carter provided assurance that the Rest Break Programme Board was carrying out a huge amount of work and advised that the Programme Board hold an action plan and suggested that it may be beneficial for Committee to have sight of this for information and assurance of the work being undertaken. It was agreed that Stephen Massetti would arrange for the Rest Break Programme Board Action Plan to be circulated to Audit Committee members for information.

Madeline highlighted that within Risk 4640, it was noted that the likelihood to further slippage of this work would reduce overtime, however asked for confirmation if this was in fact the case as slippage of this work continues to be ongoing. Julie Carter advised that the longer the delays continue the more mitigations the Service are finding and assured Committee that work by the Service is continuing within this space.

Madeline asked for a funding allocation update in relation to urgent and unscheduled care. Julie Carter advised that funding had been received and had been allocated to the Regions.

Madeline suggested that the risk performance overtime graphs contained within the report required to be amended as this should not contain a static upper control line. Sarah advised that she would make the necessary changes to the graphs to ensure that these were better visualised.

John McGuigan added that in relation to staff safety and rest breaks there was a sense that some staff, particularly from rural areas were concerned about vehicle availability within these areas if they did not return to their base station for a rest break and rested within an alternative location. John asked if more information could be provided to Committee on this.

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Sarah advised that regionally there are differences in Rest Breaks and advised that she would include a chart within the next report for rest breaks for each region and include additional supporting narrative to ensure Committee understanding.

Julie Carter added that the regional variation in rest breaks is also very much linked to Hospital Turnaround Times (HTAT) and added that a number of actions are being picked up through the Rest Break Programme Board. Julie suggested that the work of the Rest Break Programme Board could be a potential hot topic for a future Audit Committee meeting.

John also asked for clarification for the reasons for the timescales of Significant Adverse Event Reviews (SAERs) not being met.

Sarah advised that the delays are as a result of multiple factors, including capacity within the system to complete the reviews in a timely manner and within 90 days, which can often be down to difficulties in contacting crews on shift work. Sarah provided assurance that families are however engaged with throughout the process and reminded members that the reviews require to go through a complete governance cycle which can be timely. Sarah added that following engagement with other Health Boards, it should be noted that all other Health Boards are also experiencing delays in the completion of SAERs and provided assurance to members that this is being looked at nationally along with a piece of work being carried out by the Service. Julie Carter reminded members that SAERs are monitored through the Clinical Governance Committee (CGC) with regular detailed assurance updates provided through CGC.

Carol Sinclair commented that it was important that herself and Stuart Currie, as Chair of Clinical Governance Committee work to ensure that the flow of assurance of Committees was appropriate for each Committee. Julie Carter advised that she would take forward a discussion with Jim Ward and Sarah Stevenson in relation to what was relevant for Audit Committee assurance, to ensure no duplication of the greater layer of information and discussion which takes place at Clinical Governance Committee. Carol thanked Julie for the suggested hot topic item and agreed that this would be useful, however she was keen to ensure that this did not include operational detail as this was not an area for Audit Committee discussion.

Julie Carter added that she would also pick up a discussion with Sarah Stevenson and Jim Ward in relation to internal control for Audit Committee Vs Clinical Governance Committee to ensure there was no duplication of work

Carol Sinclair thanked Sarah for the comprehensive report which generated rich discussion and allowed for actions to be taken forward to improve the focus for Audit Committee in several areas.

Action:

- 4. **Director National Operations** to circulate the Rest Break Programme Board Action Plan to Audit Committee members for information.
- 5. **Risk Manager** to make necessary amendments to risk performance overtime graphs including the removal of the upper control line to ensure these charts could be better visualised by members.
- 6. **Risk Manager** to include a chart within the next risk management report for rest breaks for each region to show regional variation along with additional supporting narrative.
- 7. **Secretariat** to include work of Rest Break Programme to Audit Committee Workplan as a future Hot Topic item.

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8. **Director of Finance, Logistics and Strategy, Risk Manager and Medical Director** to take forward discussion on what was relevant for Audit Committee assurance, to ensure no duplication of the greater layer of information and discussion which takes place at Clinical Governance Committee.

ITEM 6 INTERNAL AUDIT

Item 6.1(a) Core Financial Controls

James Lucas presented the Internal Audit Report on Core Financial Controls. Committee noted and discussed the findings highlighted from the internal audit. Committee noted that an overall assessment of “significant assurance with minor improvement opportunities” was reached with 1 low and 1 Medium finding being identified following completion of the audit.

Item 6.1(b) GRS Resource Planning – Resilience

James Lucas presented the Internal Audit Report on GRS Resource Planning Resilience. Committee noted and discussed the findings highlighted from the internal audit. Committee noted that an overall assessment of “significant assurance with minor improvement opportunities” was reached with 1 low and 3 Medium finding being identified following completion of the audit.

Item 6.2 Cyber/Business Continuity Review

James Lucas presented the advisory report on Cyber/Business Continuity Review. Committee noted that this report did not contain an assurance rating as it was an advisory report following a mock Business Continuity (BC) and Cyber Incident Response Plan (CIRP) exercise carried out by the Service and as such would not form part of the Audit Opinion at year end. KPMG advised that as part of the review 3 low and 1 medium findings were identified. Members noted that a formal debrief report from the mock exercise would be presented and discussed at the next Resilience Committee meeting and following which would be presented to the Audit Committee.

Action:

9. **Director of Finance, Logistics and Strategy** to present the formal debrief report from the mock Business Continuity and Cyber Incident Plan exercise to the April Audit Committee following presentation to the February Resilience Committee.

Item 6.3 Internal Audit Follow Up Report

James Lucas presented the follow-up and status report. It was noted that there were 50 audit actions contained within the tracker, 9 actions were overdue or had been allocated revised target dates, 16 were complete with 34 outstanding, 25 of which were not yet due. Members noted the encouraging and strong position which was testimony to the diligence and work carried out by the Executive Team.

Members approved the proposed revised target dates as outlined within the report.

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ITEM 7 EXTERNAL AUDIT

Gary Devlin from the Service’s newly appointed External Auditor, Azets, joined the meeting for this item and provided members with a paper which outlined an introduction to the Audit Team within Azets and set out the delivery of the Audit Strategy for 2022/23.

Members discussed the paper and noted that external audit would have a similar underlying approach to that of the previous external auditor, however, there had been some changes to the Code of Audit Practice and auditing standards which were outlined to members.

ITEM 8 REVIEW OF STANDING FINANCIAL INSTRUCTIONS (SFIS)

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

- **Section 15** – Information Technology

Members approved the proposed changes presented.

ITEM 9 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.

Members noted that there had been 26 information security incidents raised and investigated in the latest reporting period however all matters confirmed during investigations were assessed to be below the threshold for reporting to the Information Commissioners Office and Scottish Government. Committee also welcomed the inclusion of the thematic analysis included within the report for information security incidents between May and November 2022.

Committee noted that there had been some staffing challenges due to absence within the team over the past 3 months. Carol Sinclair asked if the team were resourced to establishment and if the staff challenges were likely to cause prolonged pressure. Katy confirmed that the team were resourced to establishment and that the staff had now returned from absence taking the team back up to full resource.

Stuart Currie commented that it was encouraging to see that staff were bringing potential information security issues to the attention of the Service and had the confidence to raise such issues.

Tom Steele commented that the Service had started publishing performance information weekly and asked if that had made a difference to the number of Freedom of Information requests being received and if there was an appetite to publish more data.

Pauline Howie advised that before Christmas the Service received its highest ever number of FOI requests which was as a result of key themes such as Hospital Turnaround Times, single crewing and other areas of political interest. Pauline added that the Service is working closely with Public Health Scotland in relation to official statistic publication and the robust control around that. Members noted that the published data had been well received and had resulted in

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a lot of referrals being made by the FOI Team to the published data with the Service keen to explore the publishing of further data.

Carol Sinclair thanked everyone for the discussion and noted that Committee took significant assurance from the information within the paper and would look forward to hearing more about future publications.

ITEM 10 FRAUD QUARTERLY REPORT

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

- There had been one new fraud allegation reported since the last Audit Committee.
- Of the allegations reported to the October Audit Committee, both remained ongoing.

Mel advised that in relation to investigation C/20/0383, the Counter Fraud Services (CFS) investigation was completed with a report then being submitted to the Procurator Fiscal who will review and decide whether criminal charges are to be brought against the individual, which due to backlog could take up to 18 months. Mel added that given the case was currently sitting with the Procurator Fiscal for decision on criminal charges and the Service have received the recommendations from CFS as provided in the paper for members information, it is proposed that this case be removed from the investigation report submitted to Audit Committee and updates provided to Committee as and when these are received by the Service.

Members thanked Mel for the update and approved the proposal of the removal of investigation C/20/0383 from Audit Committee reporting.

ITEM 11 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/work stream mandates and highlight reports for 2022/23
- The alignment of National Sustainability and Value Programme
- The ideas emerging for 2023/24 and the efficiency and best value process for 2023/24 as being developed as part of the 3 year financial plan.

Committee noted the paper which outlined YTD savings at November 2022 and the verbal update provided for December 2022 which advised that £10m had been delivered against a savings target of £10.2m. Members noted that in line with the financial plan the Service remains on track to deliver the £17.4m savings target by the end of March 2023.

Julie Carter advised that the 2023/24 Best Value Programme will be tailored to a smaller number of programmes, which will be presented to the Board as part of the 3 year financial plan. Julie added that each programme will have clear programme management support and Executive leadership attached to each and will report through the 2030 Steering Group and the Board. It was noted that Best Value work will continue to report through the Performance and Planning Steering Group as part of the financial governance update.

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Carol Sinclair thanked Julie for the updated and Committee welcomed how well the Best Value Programme work was developing along with the learning being taken year on year.

ITEM 12 COMMITTEE WORKPLAN 2022/23

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

ITEM 13 DRAFT COMMITTEE WORKPLAN AND ASSURANCE MAPPING 2023/24

The draft Committee workplan for 2023/24 was presented for approval. Members noted that as part of the Board Assurance Framework and to ensure that Audit Committee is focused on work being done, aligned to the Service’s greatest risks and strategic aims, the workplan has been reviewed and mapped to the Corporate Risks and the 2030 Assurance Framework.

Members were asked to note the new suggested additions to the workplan, namely that each meeting would have a “Hot Topic” item along with the inclusion of Development sessions for Audit Committee members.

Stuart Currie and Madeline Smith as Chairs of Clinical Governance and Staff Governance Committees highlighted that they would like to see this approach also applied to the workplans for those Committees.

Members approved the proposed workplan, assurance mapping and suggested additions.

Action:

- 10. Secretariat** to review and map the Staff Governance Committee and Clinical Governance Committee workplans to the Corporate Risks and the 2030 Assurance Framework.

ITEM 14 RESTRICTED - RESILIENCE

Item 14.1 Restricted – Cyber Resilience and NIS Audit Action Plan Update

Invoking Standing Order 5.22 resolution to take item in private.

Item 14.2 Restricted - Resilience Committee Update

Invoking Standing Order 5.22 resolution to take item in private.

ITEM 15 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, 20 April 2023

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