Scottish Ambulance Service
Working in Partnership with Universities

NHS SCOTLAND

NOT PROTECTIVELY MARKED

Public Board Meeting	31 January 2024
	Item 17

THIS PAPER IS FOR NOTING

AUDIT AND RISK COMMITTEE MINUTES OF 12 OCTOBER 2023 AND VERBAL UPDATE OF 18 JANUARY 2024

Lead Director Author	Carol Sinclair, Chair, Audit and Risk Committee Pippa Hamilton, Acting Board Secretary
Action required	The Board is asked to note the minutes and verbal report.
Key points	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. The minutes of the Audit and Risk Committee held on 12 October 2023 were approved by the Committee on 18 January 2024. A verbal update of the meeting held on 18 January 2024 will be provided by the Chair of the Committee.
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.
Link to Corporate Ambitions	The Audit and Risk 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 AND RISK COMMITTEE MEETING
10.30 ON THURSDAY 12 OCTOBER 2023
VIRTUAL, MICROSOFT TEAMS

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

In Attendance: John Baker, General Manager, ICT *(for item 13.1 only)*
Melanie Barnes, Assistant Director of Finance
Karen Brogan, Associate Director of Strategy, Planning and Programmes
Julie Carter, Director of Finance, Logistics and Strategy
Michael Dickson, Chief Executive
Gary Devlin, Azets – External Auditors
Julie Kerr, Secretariat – Minutes
James Lucas, KPMG – Internal Auditors
Stephen Massetti, Director of National Operations
Gordon Richardson, Head of Finance
Tom Steele, Board Chair
Sarah Stevenson, Risk Manager

Apologies: Katy Barclay, Head of Business Intelligence
Paul Bassett, Chief Operating Officer
Stuart Currie, Non-Executive Director
Pippa Hamilton, Committee Secretariat
Maria McFeat, Deputy Director of Finance

ITEM 1   WELCOME AND APOLOGIES

Carol Sinclair welcomed everyone to the meeting and 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.

- 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.
- Stephen Massetti – Chair of HRFCA Highland Gold Network

ITEM 3   MINUTES OF PREVIOUS MEETING

The minutes of 15 June 2023 were reviewed for accuracy and a small error was noted on Page 7, 5th paragraph, where the word *'recourse'* should be replaced with '*resource'*.   Subject to this change the minute was approved as an accurate record of the meeting.

Action/s: 1.   Secretariat to amend Page 7, paragraph 5 of the minutes of 15 June 2023 meeting where the word 'recourse' should be replaced with 'resource'.

ITEM 4   MATTERS ARISING

Committee noted the following items as completed and approved their removal from the Audit Committee Matters Arising paper. Closed all 8 actions;

2023-06-05.1 &05.2	Corporate Risk Register
2023-06-05.3	Risk Management Annual Report
2023-06-05.4	Risk Management Policy
2023-06-08	Restricted – Draft Annual Report and Accounts 2022/23
2023-06-14	Information Governance Quarterly Report
2023-06-15.3	Updated Fraud Policy
2023-06-18	Whistleblowing Annual Report

Action/s: 2.   Committee Secretariat to update the matters arising paper.

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 are highlighted in red for ease.
It was noted that the Risk Register presented had been approved by the Board at its meeting on 27th September 2023. Additional changes have been applied following feedback from Board members with percentage completion also applied to the actions. Feedback from members on the usefulness of this development is welcomed. The following points should be noted:

- A further deep dive scoping our digital transformation risks will be undertaken and reported back to the Board and Audit and Risk Committee over the coming months.

- Updates included within the report in terms of risk appetite and risk tolerance with the risk appetite for the Service shifting to be more open and the risk tolerances updated to that effect.
- Five of 37 very high KPIs have not been reviewed, but there has been continued dialogue around them with no concerns highlighted.
- Detailed analysis included in terms of Rest Breaks and the ongoing Test of Change Pilot.
- Significant Adverse Events – Internal Audit and Improvement Action Plan presented to Committee for discussion.
- Heatmap containing development of future and interconnected risks.
- Following review at PPSG no additional risks were escalated to the Corporate Risk Register.

Carol Sinclair thanked Sarah for the overview and noted that this report continues to develop. Carol asked for assurance that processes in terms of overview and escalation of risks through PPSG is working. Julie advised that a robust process is in place whereby PPSG consider whether risks require to be escalated or not and it was agreed that the Risk Management paper which is presented to PPSG would be added as an Appendix to the report to provide further assurance of the overview and escalation of risks to Committee.

Madeline Smith referred to the summary of the discussion from the recent Board Development day and in particular the section in relation to risk appetite being increased and suggested that this could be reflected to read 'more open' instead of 'increased'. Madeline welcomed the additional information contained within the report also stated that it would be helpful if the paragraphs in relation to the update from PPSG could be elaborated and expanded upon to provide more assurance to Committee.

A lengthy discussion ensued and members agreed that the additional information contained within the report is useful and agreed that it would be useful if the paragraphs in relation to the update from PPSG could be elaborated and expanded to provide more assurance to Committee. It was further agreed that the percentage completion of the mitigating actions within the Corporate Risks would be included to provide assurance on completion of the actions.

Members thanked Sarah for the paper and additional assurances provided and subsequently approved the Corporate Risk Register.

Action/s: **3.** **Sarah Stevenson to add Risk Management paper which is presented to PPSG as an Appendix to Quarterly Update to Audit and Risk Committee and expand on the paragraphs in relation to the PPSG update within the report.**

Action/s: **4.** **Sarah Stevenson to include percentage completion figures in relation to the mitigating actions within the Corporate Risks to provide assurance on completion of the actions.**

Item 5.3 Deep Dive Approach to Corporate Risks

Members were presented with a paper detailing a 'Deep Dive' approach to Corporate Risks and Committee were asked to review and approve the approach outlined in the paper and the programme of work. This proposal is intended to replace the Hot Topic approach adopted by other Committees in the form of detailed discussions on the mitigating actions contained within the Risks and is intended to provide Committee with an additional level of assurance on the

management of the Corporate Risks. It is intended that each meeting would cover a Corporate Risk or theme of multiple Risks. The Risk Handlers and members of their team will discuss the detail behind the actions including when they anticipate achieving the risk tolerance level and internal and external factors. A proposed programme for the work which is flexible is included with the paper for consideration.

Carol asked Committee members for views which generated a healthy discussion with members largely supportive of this approach. Committee agreed that it is useful that the plan can be adapted in the event of any new or emerging risks or issues which require consideration by Committee. Members did however question whether this was in fact duplicating some of the work presented to the other Governance Committees and Julie highlighted that this Committee brings together the risk maturity and it is anticipated that this would link in with Staff Governance and Clinical Governance Committees. It was agreed that the Chairs of each of the Governance Committees would meet with Julie Carter to agree a process for this going forward and a further iteration of this would be presented to gain Committees full support.

Action/s: 5.   Julie Carter to meet with Chairs of Governance Committees to agree a process for the Deep Dive Approach to Corporate Risks, with a further iteration of the report to be presented to Committee for approval.

Item 5.4   Board Assurance Framework Progress Update

Julie Carter presented an update on work on the Board Assurance Framework and Blueprint for Good Governance and Committee were asked to note the work on the Framework and note next steps which include:-

- The completion of the mapping of the objectives to the monitoring groups and the Board Assurance Committee, responsible for providing the assurance to the Board.
- A Board development session to agree the Blueprint for Good Governance improvement plan in response to the Board's self-assessment, for submission to Scottish Government by the end of the financial year.

Julie Carter highlighted that the assurance framework will describe the performance indicators linked to each of the corporate objectives and provide a clear picture of the links between the outcomes expected by the Board and the strategic and operational plans supporting the corporate objectives agreed by the Executive Leadership Team to deliver those outcomes. A Board Development session will be planned with improvement plan submitted by end March 2024. The mapping of governance and monitoring groups will be completed and reported to the January Audit and Risk Committee.

Carol thanked Julie for the overview and Committee noted the progress with further update to be presented to the January Committee.

ITEM 6   INTERNAL AUDIT

Item 6.1   Internal Audit Reports

(a)   Adverse Events Process

James Lucas introduced the report which summarised findings in relation to the planned internal audit in relation to Adverse Events. Overall assessment is '**Partial assurance with**

improvements required', which is in line with management's expectations. One high, 5 medium and 2 low risk findings were raised in total and several recommendations have been raised to strengthen the adverse events management process. The approach included review of relevant documentation, benchmarking SAS adverse events policy with other Scottish Health Boards, walkthroughs of the end-to-end process, interviews with key staff and ageing analysis over both open and closed (archived) Significant Adverse Event Reviews (SAERs) and SBARs (situation, background, assessment, recommendation). The number of adverse events within the Service has significantly increased in recent years, specifically post COVID.

The paper was taken as read and Carol thanked James for the overview and the content of the report which formalises and creates a stronger framework for improvement. All management actions have been fully accepted by the Service and target dates for completion set between October 2023 and March 2024. A lengthy discussion ensued between members and whilst Committee welcomed the Report and Action Plan, they raised concerns around the risks to both staff and patients highlighted within the findings as well as questions around gaps in time between the incidents and review commissioning, closure of incidents, approval of final SAERs reports and outstanding SAERs. It was agreed that whilst this work should be overseen by Clinical Governance Committee, given the nature and level of the actions, Audit and Risk Committee must take cognisance and scrutinise this to be assured that these are being progressed.

Julie Carter advised that an Action Plan has been developed by Shereen Cameron, Patient Safety Manager as a result of the Adverse Events Audit and an Improvement Plan presented and approved by the Executive Team which includes the approval of significant additional resourcing to enable the delivery of the Action Plan which will be closely monitored through Executive Team and PPSG. Shereen joined the meeting and summarised key points as set out below:

- A number of the initial findings have been addressed through updates to the last Clinical Governance Committee (CGC) and actions well in progress.
- All actions have allocated owners with identified timescales, and update reports will be presented at each CGC until completion and stabilisation is reached
- A risk relating to this issue is highlighted within the Clinical Risk Register, reviewed at each CGC and includes detail regarding mitigations.
- SAER improvement plan has been presented and approved by Executive Team, which includes the approval of significant additional resourcing to enable the delivery of our action plan and this will be closely monitored through the Executive team and PPSG
- Addition of a Patient Safety & Risk Oversight Group which will regularly report through PPSG and Clinical Governance

Shereen advised that the overarching aim is to have the backlog cleared and the system in equilibrium within 1 calendar year i.e. by October 2024. Clear milestones and actions are noted within the Audit Report and Action Plan.

Carol welcomed the update and it was noted that regular updates will be presented to Committee going forward.

(b)   Logistics and Stock Management

James Lucas introduced the report which summarised findings in relation to the planned internal audit in relation to Logistics and Stock Management Controls. The new NHS Inventory Management System 'Genesis' is currently being rolled out to replace 'GHx' which will help improve understanding of stock, consumption levels and will provide better visibility across the supply chain. Internal audit findings largely related to the design of controls within the logistics hubs. Some of these can be addressed with the implementation of Genesis and a concurrent

focus on updating current processes. Overall assessment is **Significant assurance with minor improvement opportunities**, which is in line with management's anticipated assurance rating. Three medium and four low risk findings were raised in total and recommendations have been agreed which will strengthen the logistics and stock process. Audit Committee were asked to note and comment on the report presented.

Carol Sinclair welcomed the report and noted that Stock Controls will be reviewed in January 2024. Julie Carter added that the agreed management actions contained within the report are straightforward which can be implemented quickly with realistic tight deadlines.

Committee noted, welcomed, and took assurance from the Audit Report presented.

Item 6.2 Internal Audit Follow Up Report

James Lucas introduced a report which provided Committee with an update on the Internal Audit Plan 2023-24. Members noted key points in this reporting period:

- Two of the total 6 internal audit reviews have been completed i.e.
  - 2023.01 CFC-Logistics and Stock Management Controls
  - b. 2023.03 – Adverse Events Process
- Fieldwork for one audit 2023.06 - Flow Navigation Centres has been completed and the report will be presented to the Audit and Risk Committee in January 2024
- Planning for 2023.05 – Health and Wellbeing Strategy Audit has been completed and fieldwork will start w/c 06/11/23.
- Planning for 2023.04 – Information Governance is currently in progress

James took Committee through the summary of progress against the internal audit plan as well as updates in relation to the 14 overdue actions.

Carol Sinclair thanked James for the report and asked if there was work which could be done in relation to some of the recommendations which are due but not yet implemented. Julie Carter provided assurance to Committee that since the production of the report the 'High' recommendation has now been resolved and evidence will be presented to Internal Audit for inclusion in the next report.

Committee asked for assurance that there is a formal structure around the controls and implementation dates for medium and high risks. Julie Carter assured Committee that a meeting takes place with Internal Audit where any changes are discussed and outstanding actions are presented to Executive Team to ensure they are comfortable.

Committee noted and took assurance from the Internal Audit Follow Up Report presented.

ITEM 7 REVIEW OF STANDING FINANCIAL INSTRUCTIONS (SFIS)

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

- Section 6 – Banking and Security of Cash, Cheques and other Negotiable Instruments
- Section 7 – Income, Fees and Charges

These sections have been reviewed with no notable revisions recommended.

Members approved the proposed changes presented.

ITEM 8   INFORMATION GOVERNANCE QUARTERLY REPORT

In the absence of Katy Barclay, Stephen Massetti 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 which Committee were asked to note.

Stephen highlighted that since the last update to Committee the full report from the recent Information Commissioners Audit has now been received which is exception based and contains detailed findings and non-conformities with data protection legislation. The intent of the report is to focus the Services attention on those control areas requiring action to mitigate information risks and improve compliance. Progress against the 13 identified recommendations have been accepted by the Service and are being progressed. Of these actions 3 are high, 7 medium and 3 low.   Progress is however, being impacted due to staffing challenges within the Information Governance Team, but it is anticipated that the Team will return to a full complement of staff by week commencing 23/10/23. Stephen highlighted that recommendations 12 and 13 involve many other stakeholders and will take some time to complete given competing priorities and winter pressures.

Carol Sinclair thanked Stephen for the overview and noted the positive report from the Information Commissioner's Office. Carol asked that realistic due dates are added to each of the recommendations in future reports as well as a percentage complete score. Irene Oldfather asked if any financial penalties may be incurred if we are unable to meet any of the recommendations from the ICO Audit or if we suffer a significant data breach as a result of the recommendations not being in place. It was agreed that a short paragraph should be added to the next report for Committee.

A discussion then ensued around Information Governance Risks and Tom Steele alluded to the high priority areas contained within the report and asked how they are taken into account more widely against our Corporate Risks. Sarah Stevenson provided assurance that regular meetings take place with Katy Barclay and work is currently underway reviewing the Information Governance Risk Register.

Committee noted the Information Asset Register presented as part of the report and in the interests of understanding progress and timelines and to provide assurance to Committee, Carol asked that the Register is completed fully and all areas marked TBC are updated.

Committee noted the update presented and Carol thanked Katy Barclay and the wider Information Governance team for their hard work and progress in this area despite limited resources.

Action/s: *6.   Katy Barclay to add realistic due dates to the recommendations contained within the Information Commissioner's Report as well as percentage complete scores.*

Action/s: *7.   Katy Barclay to add a short paragraph to the next Information Governance update providing an indication of any financial penalties we may incur if we don't meet any of the recommendations from the ICO Audit.*

Action/s: *8.   Katy Barclay to ensure the Information Asset Register is completed fully and update all areas currently marked TBC.*

ITEM 9   FRAUD QUARTERLY REPORT

Item 9.1   Fraud Update

Mel Barnes presented the quarterly fraud update and Committee were asked to note the content of the report which highlighted:

- 1 new allegation since the last Audit & Risk Committee
- Of the allegations reported to June Committee, neither have been fully closed and are still ongoing.

In terms of the longstanding Case C/20/0383, Mel reported that the Service received notification late last week that court proceedings have now commenced with a plead and diet due on 19th October. An internal meeting has taken place and a number of internal actions have been agreed including an HR process, communication with the NMC and an agreed external communications plan.

A conversation ensued in relation to the Fraud Risk Heatmap on Page 9 of the report which contains a control risk rating. Mel reported that it is common practice in Fraud Risk Heatmaps to identify how well controls are working, with the control risk rating an added extra in terms of how well we are mitigating the risk of fraud. Carol asked Sarah Stevenson if there would be an opportunity to use this elsewhere in the organisation's Corporate Risk Register. Sarah Stevenson agreed to have a conversation with Mel in this regard and look to see how this could be built in particularly for very high risks where there is frequent debate.

Action/s: 9.   Sarah Stevenson to explore the possibility of building in a control risk rating within the Corporate Risk Register particularly for the very high risks.

Carol thanked Mel for the overview and Committee noted the report presented.

ITEM 10   BEST VALUE PROGRAMME

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

- 2023/24 High Priority Efficiency Schemes aimed at reducing the £19 million Financial Deficit, as part of the back to balance plan.
- Best Value Programme Plans identified to date and progress against them for 2023/24 including schemes identified in July 23.
- Local Best Value Schemes identified to date for 2023/24 and progress against them.
- Progress that is being made around how we will measure improvement and savings including the now approved BV performance framework.
- Actual Savings achieved to date and savings forecast.
- Governance, Reporting and escalation arrangements

Karen Brogan advised that work continues to progress at pace however remains challenging. Karen highlighted that the financial plan describes a very challenging financial position for the next three years and in particular for 2023/24 and the paper describes the level of continued scrutiny and focus of the delivery of the financial plan and the efficiency savings. Given the financial risk and scrutiny the Team continues to drive and implement new Best Value

Schemes, with 3 new schemes established since the last report to Committee. A workshop was held with Management and Partnership to consider our approach to communication and engagement for best value and service improvement in relation to the development of a communication campaign, however it became clear during the workshop that the campaign approach should actually be more about weaving 'Doing the Right Thing' therefore the intention is to use existing 2030 portfolios and working groups to engage with our staff and embed a culture of 'everyone' doing the right thing underpinned and enabled by innovation, research, data and digital.

Carol Sinclair asked Julie Carter to remind Committee of the implications should we not achieve financial balance. Julie advised members that the Service have a signed off plan which shows £19 million deficit with the expectation from Scottish Government that this position will not deteriorate, otherwise an escalation process will be enacted with special measures put in place around financial controls. Scottish Government have also been clear that all Boards are expected to deliver 3% efficiency savings. Julie explained that whilst this year the Service are forecasting a deficit, we have a 3 year back to balance plan. Committee welcomed the level of detail and transparency contained within the report to support discussions and provide assurance. Tom Steele echoed Julie's comments and advised that a letter had been received from Scottish Government, which outlined to Boards that if improvements weren't made then we would be subject to enhanced monitoring. Julie assured Committee that improvement has been evidenced over the first quarter and we are on track to deliver a £12.5 million deficit. Carol reiterated the full support of the Committee and welcomed the innovation and creativity which is applied to very complex and challenging scenarios.

The focus of the conversation turned to travel and accommodation and Irene Oldfather noted that it would appear that there is a difficulty in gaining any traction/movement in this area, particularly given there is so much around hybrid meetings now. Irene asked for assurance that further inroads can be made in this area. Julie advised that work is ongoing to develop a Business Travel Policy to try to bring travel down in this area. Julie did however highlight that costs have increased significantly this year and unique to the Service is the need to cover shifts in remote and rural areas for annual leave/sick leave/public holidays etc.

From an external audit perspective, Gary Devlin assured Committee that he is confident that with the processes and programmes the Service have in place, nevertheless the challenges will become greater as time progresses. Gary highlighted that contingency plans could be brought in at any point in time the Service feels necessary. Gary also highlighted that at some point to achieve the savings the Service may have to affect the operational outcomes which would be a discussion with Scottish Government.

Committee noted progress and the discussion and feedback provided by members.

ITEM 11   AUDIT AND RISK COMMITTEE SELF ASSESSMENT ACTION PLAN PROGRESS UPDATE

Julie Carter presented Committee with an update in relation to the Audit and Risk Committee Self-Assessment Action Plan and Committee were asked to note the progress made against the agreed improvement action. The self-assessment checklist for 2023 was circulated virtually to members in April, with the collated checklist and action plan presented and approved at the June 2023 Committee meeting. An update on the self-assessment action is presented to Committee for noting.

Carol thanked Julie for the overview and Committee noted the update presented.

ITEM 12   COMMITTEE WORKPLAN 2023/24

Committee reviewed and noted the workplan for 2023/24 which is presented to each meeting for information. Committee duly noted 2 minor changes to the Workplan, namely Recruitment Shared Service Update and Board Assurance Framework Update which will now be presented to Committee in January 2024 instead of October 2023.

Committee noted the Workplan presented.

ITEM 13   RESTRICTED - RESILIENCE

Item 13.1   Restricted – Cyber Resilience and NIS Audit Action Plan Update

Invoking Standing Order 5.22 resolution to take item in private.

Item 13.2   Restricted - Resilience Committee Update

Invoking Standing Order 5.22 resolution to take item in private.

ITEM 14   AUDIT & RISK COMMITTEE PROPOSED MEETING DATES 2024

Committee discussed and agreed the proposed meeting dates for 2024 namely:-

- 18 January 2024
- 18 April 2024
- 13 June 2024
- 10 October 2024

ITEM 15   ANY OTHER BUSINESS

No items of other business were raised.

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

Date of next meeting - 18 January 2024.