



**NOT PROTECTIVELY MARKED**

**Public Board Meeting**

**24 November 2021**

**Item 16**

**THIS PAPER IS FOR NOTING**

**AUDIT COMMITTEE MINUTES OF 9 JUNE 2021 AND VERBAL REPORT OF  
13 OCTOBER 2021**

<b>Lead Director Author</b>	Carol Sinclair, Chair of Audit Committee -
<b>Action required</b>	The Board is asked to note the minutes and verbal report.
<b>Key points</b>	<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 9 June 2021 were approved by the Committee on 13 October 2021.</p> <p>A verbal update of the meeting held on 13 October 2021 will be provided by the Chair of the Committee.</p>
<b>Timing</b>	A verbal update of the most recent Committee meeting will be provided to the Board. Minutes are presented following approval by the Committee.



## **MINUTES OF AUDIT COMMITTEE MEETING**

**10.00 A.M. ON WEDNESDAY 09 JUNE 2021**

### **VIRTUAL, MICROSOFT TEAMS**

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

**In Attendance:** John Baker, General Manager ICT (*for Items 11.2 & 19.1 only*)  
Katy Barclay, Head of Business Intelligence  
Melanie Barnes, Assistant Director of Finance  
Paul Bassett, Director, National Operations  
Karen Brogan, Programme Director Best Value  
Kate Brooks, Grant Thornton  
Joanne Brown, Grant Thornton  
Julie Carter, Director of Finance, Logistics and Strategy  
Frances Dodd, Director of Care Quality and Professional Development  
Pippa Hamilton, Committee Secretary (Minutes)  
Pauline Howie, Chief Executive  
Liz Humphreys, Non-Executive Director  
Duncan Keith, Head of Finance  
James Lucas, KPMG  
Trevor Spowart, General Manager Fleet (*for Item 11.1 only*)  
Sarah Stevenson, Risk Manager  
Neil Thomas, KPMG

**Apologies:** Tom Steele, Board Chair

#### **ITEM 1 WELCOME AND APOLOGIES**

Carol Sinclair welcomed everyone to the meeting.

#### **ITEM 2 DECLARATIONS OF INTEREST**

Standing declarations of interest were noted:

- Madeline Smith in her position of Vice Chair, NHS24 and Board Member of 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 Associate Director, Public Health Scotland.

Doc: 2021-06-09 Draft Minutes	Page 1	Author: PA to Director
Date: 2021-06-09	Version 2.0	Review Date: October 2021

- Paul Bassett in his position as Trustee, Scotland's Charity Air Ambulance.
- Stuart Currie - Board Member of State Hospital Board.

### ITEM 3 MINUTES OF PREVIOUS MEETING

The minutes were reviewed, it was noted that the standing declaration of interest for Madeline Smith required to be amended to read "*Madeline Smith in her position of Vice Chair, NHS24 and Board Member of Digital Health and Care Innovation Centre*".

Committee approved the minute as an accurate record of the meeting subject to the above change being made.

### ITEM 4 MATTERS ARISING

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

2019-10-08	Assurance Mapping
2021-04-09.1	Review of Terms of Reference
2021-04-14	Fraud Update
2021-04-16	Best Value Programme
2021-04-17	Committee Workplan 2021/22

#### Action:

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

### ITEM 5 WHISTLEBLOWING UPDATE

Frances Dodd and Liz Humphreys provided Committee with an update on changes to the Whistleblowing process within the Service. It was noted that from 1<sup>st</sup> April a Once for Scotland Policy aligned to the National Whistleblowing Standards had been implemented. The Committee noted the changes included:

- An Independent National Whistleblowing Officer (INWO Website) with resources for staff
- New Whistleblowing page on @SAS and Public Facing Website
- Designated Confidential Contacts
- Phone line and dedicated whistleblowing email
- Internal SAS process developed in partnership
- A 3-stage process for raising concerns
- Staff and Manager Training
- FAQs and Staff Guidance
- Regular staff communications ahead of launch

Frances advised that the new process would promote a healthy workforce culture built on openness, transparency, and accountability. The new process will ensure a new focus on;

- Helping staff raise concerns that may be about patient safety or risk as early as possible and responding appropriately.
- Support and protection for staff when they raise concerns

Doc: 2021-06-09 Draft Minutes	Page 2	Author: PA to Director
Date: 2021-06-09	Version 2.0	Review Date: October 2021

Frances added that the process would evolve and be strengthened over the coming months as training and support arrangements got underway. It was noted that in terms of governance reporting arrangements for this work, reporting would take place through both the Clinical Governance and Staff Governance Committees, along with the Board. Frances advised that discussions would also take place with Internal Audit for future auditing purposes, however in terms of governance processes it was not felt that regular reported was required to Audit Committee given the reporting lines already in place.

Julie Carter agreed that Audit Committee did not require a separate report given that there would be an Internal Audit and Risk Management link which would allow for Audit Committee to receive relevant information and necessary assurance. Julie asked that Frances ensured that Melanie Barnes, National Fraud Liaison Officer was linked into this work from a fraud perspective.

Madeline Smith provided assurance that the Staff Governance Committee would be receiving regular updates and measuring reporting in relation to Whistleblowing. Madeline added that Risk was currently an area which required discussion within Staff Governance Committee to articulate some of the risks whilst supporting culture, communication and learning from events. Madeline suggested that internal audit reporting would be useful to ensure adequate reporting and processes ensuring confidentiality and trust.

Carol Sinclair thanked Committee for the discussion, adding that Committee would welcome any further updates as and when required with monitoring being provided through fraud, internal audit and risk updates. Carol added that Board members would take assurance through the Board reporting process.

**ITEM 6      Restricted – ENDOWMENT FUND ACCOUNTS 2020/21**

Duncan Keith presented the draft Endowment Fund Accounts 2020/21 which Committee were being asked to note and review prior to approval by the Trustees. It was noted that the Audit Committee was not a formal Committee of the charity, however it was recommended that the Accounts are reviewed by the Board Audit Committee. Duncan advised that the charity's External Auditors would be in attendance at the Trustee's meeting on 30 June 2021.

Duncan advised that the accounts contained an unmodified audit opinion and that there were no material issues to bring to the attention of the Committee.

Committee noted the presented accounts and thanked Duncan for a well presented document.

**ITEM 7      Restricted – DRAFT ANNUAL ACCOUNTS 2020/21**

Duncan Keith presented the draft Annual Accounts for 2020/21 which Committee were being asked to review and discuss and recommend these to the Board for approval.

Duncan reminded members that an annual accounts workshop was held with Board members on 7 June 2021 at which some Audit Committee members were in attendance. Duncan highlighted that the Accounts detailed that the Service had achieved its 3 financial targets and contained an unmodified draft audit opinion. Committee noted that there were no material issues that required to be brought to members attention.

Julie Carter advised Committee that there was a live discussion ongoing between Audit Scotland and Scottish Government regarding COVID Personal Protective Equipment (PPE) and how this would be recognised within individual Board accounts and that the National Services

Doc: 2021-06-09 Draft Minutes	Page 3	Author: PA to Director
Date: 2021-06-09	Version 2.0	Review Date: October 2021

Scotland Accounts. Julie added that the Service’s presented accounts recognises the PPE purchase for COVID sits within the NSS Annual Accounts, however this may change depending on how the ongoing discussions are resolved. Committee noted that any changes would not impact on the financial outturn however, the Annual Accounts would require to be updated to reflect the PPE used and funding received.

Carol Sinclair noted her thanks to Julie Carter and the team for working closely with the Auditors and Scottish Government surrounding the PPE issue and as a Committee would receive the necessary updates as discussions are resolved and any necessary action taken to amend the Annual Accounts.

Madeline Smith advised that she was unable to attend the accounts workshop and had a few suggestions that she would like to see included within the Report:

- Page 14 – Workforce recruitment and training summary – the number of offers made was noted however, the numbers for all currently going through training should be included.
- Page 16 – Enabling Technology – suggested that there be inclusion of some information outlining to the work ongoing in relation to innovation.
- Page 26 – Equality and Diversity – suggested that the establishment of staff equality networks, such as Black, Asian, and Minority Ethnic (BAME) Forum and Proud@SAS Network for Lesbian Gay Bisexual and Transgender + (LGBT) be included.

Julie Carter thanked Madeline for her suggestions and advised that she would take these away and ensure further information was included.

Committee noted the report and welcomed a full discussion at the June Board meeting ahead of approval of the Accounts.

**Action:**

2. **Director of Finance, Logistics and Strategy** to include further information within the Annual Accounts on the areas suggested by Madeline Smith.

**ITEM 8 REVIEW OF SFI SCHEME OF DELEGATION**

Duncan Keith presented Committee with a paper setting out the proposed amendment to section 18 Scheme of Delegation of the Standing Financial Instructions (SFIs) which formed part of an annual review of the SFIs. Committee were asked to discuss the amendments prior to submission to the Board. Members noted the key changes as highlighted below:

- Update on the capital investment limit following the DEL Update to £3m
- Updates from the Standing Financial Instructions that have been previously approved
- A summary of the “other delegated matters” providing more user friendly and concise description.

Committee noted that financial training and awareness of delegated limits was also being developed for new postholders, primarily within the Regions along with communications being issued to managers as a reminder of current levels.

Committee noted the proposed amendments to Section 18, Scheme of Delegation of the Standing Financial Instructions.

Doc: 2021-06-09 Draft Minutes	Page 4	Author: PA to Director
Date: 2021-06-09	Version 2.0	Review Date: October 2021

## ITEM 9 MODEL FRAMEWORK DOCUMENT

Julie Carter presented Committee with the Service's Framework Document which formed part of the key accountability and governance framework and set out the broad framework within which the Service operates and defines the key roles and responsibilities which underpin the relationships between the Service and the Scottish Government. Committee noted that the framework document was reviewed, updated and agreed every 2-3 years.

Julie advised that the proposed revisions to the Framework had been track changed on the version that was last approved by the Board and Scottish Government sponsorship team in September 2017 and the hyperlinks throughout the document had been updated as required. Julie highlighted that in addition to the proposed changes, a paragraph had been included to reflect the work of the Service's Performance and Planning Steering Group.

Committee were asked to review the revised framework document presented ahead of presentation to the Board for approval in July. It was noted that following Board approval, the revised framework would go through final clearance stage by the Scottish Government before being placed in the Scottish Parliament's Reference Centre and published on the Service's website.

Madeline Smith suggested that given how the Service had changed and expanded, whether Item 6, purpose strategic aims and objectives required to have more information build in to reflect for example, Paramedics within GP surgeries and Mobile Testing Units

Julie Carter advised that she would review and include wording within the second paragraph of Item 6 to reflect Community Care and population health.

Pauline Howie added that it would be useful to also include the Service's specific responsibilities under other key Acts, such as Civil Contingencies Act and Corporate Parenting.

Committee were content to note the revisions presented.

### Action:

**3. Director of Finance Logistics and Strategy** to review the Model Framework Document with a view to including:

- Include wording within the second paragraph of Item 6 to reflect Community Care and population health
- Include the Service's specific responsibilities under other key Acts, such as Civil Contingencies Act and Corporate Parenting.

## ITEM 10 SERVICE AUDIT ACTIVITY 2020

Julie Carter reported that, as part of the year end assurance process, two third party audit reports had been undertaken; Financial Ledger services provided by NHS Ayrshire and Arran and National IT Services provided by NSS. Julie highlighted that members would recall that the IT Services Audit in 2019/20 was classified as "qualified", however this had now moved to "unqualified" in this year's report, with good progress made.

Julie added that the Financial Ledger Services audit contained a positive report with no issues to highlight.

Doc: 2021-06-09 Draft Minutes	Page 5	Author: PA to Director
Date: 2021-06-09	Version 2.0	Review Date: October 2021

Carol Sinclair added her appreciation to NSS colleagues for the work which had taken place throughout a particularly challenging process and recognised the shared services approach could often be challenging in understanding the related controls.

Committee noted the presented letters from both service audits and the amount of work undertaken. Members looked forward to seeing continued improvements in the Service Audit activity during 2021.

## **ITEM 11 INTERNAL AUDIT**

### **Item 11.1 Fleet Management Arrangements - Full Review**

Trevor Spowart joined the meeting for this item.

James Lucas and Trevor Spowart presented Committee with the Internal Audit Report on Fleet Management arrangements. Committee noted that three recommendations were identified, 2 graded as low and 1 as medium which were presented to Committee within the report and included management responses for each recommendation.

Carol Sinclair noted the very positive report, adding that it reflects a high performing team who are confident in their role in the business ensuring compliance with regulations and other legal requirements to support the organisation. On behalf of Committee Carol passed on thanks to the Fleet team.

Carol asked for clarification from Trevor Spowart that given that progress of the actions were well underway, were the timeline deadlines still achievable. Trevor assured Committee that he remained comfortable with the timelines included within the report.

Madeline Smith highlighted that the recommendation which related to succession planning, would not be limited to just the Fleet department, and suggested that this work also required to be reflected across the organisation. Pauline Howie confirmed that succession planning was part of the Service's Workforce Plan.

Committee noted and took assurance from the report presented.

### **Item 11.2 ICT RESILIENCE**

John Baker joined the meeting for this item.

James Lucas and John Baker presented Committee with the Internal Audit Report on ICT Resilience. Committee noted that six recommendations were identified, 2 graded as high, 2 medium and 2 as low which were presented to Committee within the report and included management responses for each recommendation.

Committee noted that the following a power failure within the West ACC and the failure of the emergency generator to start, a number of events occurred resulted in ICT systems, including the 999 telephony service being temporarily interrupted following which various immediate actions were taken by the Service. James advised that in addition to the actions being implemented, the Service asked KMPG to carry out a short/sharp review to assist in identifying learning and improvement actions.

James highlighted to Committee that it became clear during the Audit that two key themes ran through the recommendations on which focus would be beneficial.

Doc: 2021-06-09 Draft Minutes	Page 6	Author: PA to Director
Date: 2021-06-09	Version 2.0	Review Date: October 2021

- No clearly defined relationship between ICT and ACC and ACC to ICT
- A lack of mature governance and oversight of IT and ACC resilience including third parties and periodic testing of capabilities.

Committee discussed the background to the Audit being commissioned, the recommendations within the audit report, and timelines associated. Committee noted that work had begun to establish formal reporting processes for IT Resilience along with reviewing the governance and testing process and business impacts, analysis and interdependencies. Paul Bassett provided assurance to Committee that all work required would be carried out across all ACC sites.

### Item 11.3 Internal Audit Charter

*Item deferred to October 2021 Audit Committee.*

### Item 11.4 Internal Audit Annual Report

James Lucas introduced the report which summarised findings in relation to the planned internal audit coverage, implementation of recommendations and Head of Internal Audit Opinion.

In terms of planned audit coverage, 100 core days across 10 reviews had been utilised plus an additional 10 days identified for contract management. At the start of the 202/21 period, there were 37 findings and management actions outstanding and 21 new recommendations were identified, which included 2 of high priority. All recommendations were accepted by management and followed up throughout the year. At the end of the 2020/21 period there were 28 outstanding management actions, of which 14 were not year due and the remaining 14 have revised due dates.

James was pleased to present the following audit opinion “**Significant (with minor improvements) assurance can be given, as there is generally a sound system of internal control, which is designed to meet SASD objectives and that controls are consistently applied in the areas reviewed**”.

Committee noted the assurance taken from the report and thanked James and his team for their work throughout the year.

### Item 11.5 Internal Audit Status Update and Follow Up

James Lucas provided Committee with a paper which provided a status update and follow up report on current open management actions from previous internal audits.

Committee noted that of the 33 actions considered, 5 actions were marked as complete, leaving 28 open actions of which, 14 were not yet due, with the due date of the remaining 14 being revised to later dates following review of evidence provided and discussions with relevant action owners.

Committee noted the report.

## ITEM 12 EXTERNAL AUDIT

### Item 12.1 External Audit Draft Annual Report

Joanne Brown and Kate Brooks introduced the annual report to members which addressed to core financial statement audit and the wider scope audit dimensions: financial management;

Doc: 2021-06-09 Draft Minutes	Page 7	Author: PA to Director
Date: 2021-06-09	Version 2.0	Review Date: October 2021



financial sustainability; governance and transparency and value for money. Joanne advised that she planned to issue an unmodified audit opinion on the annual report and accounts.

Kate confirmed that materiality was set at £6.43 million which represented 1.8% of gross expenditure based on the 2020/21 draft financial statements. Committee noted that four significant recommendations arose from the audit work, however Kate advised that these were all interrelated and following testing it was highlighted that the authorisation/review of journals were not being consistently applied. Committee noted that a management action had been raised in relation to this recommendation which was included within the presented report.

Madeline Smith commented that the narrative within the Executive Summary of the report was positive to read, however suggested that the wording within the second last paragraph be amended to read that agendas for Board and Committee meetings were reviewed to focus on priority items, rather than *“agendas stripped down to cover only essential items”*. It was agreed that Kate would review this wording and ensure the use of better language.

Madeline also suggested that in within the last paragraph of the Executive Summary, wording could be added to outline that although there was slippage within the Best Value Programme, the programme had made significant progress. Julie Carter suggested that the Board Secretary would be able to supply Kate with some wording for these areas, to ensure synergy of wording across core documents. It was agreed that Kate would make contact with the Board Secretary with a view to obtaining consistent wording.

Stuart Currie added that more efficient governance and scrutiny had been put in place by the Service during the pandemic, which no mapping or modelling could have predicted and suggested that the outstanding achievement should also be noted within the report and suggested that this could be included within the conclusion on page 18 of the report.

Carol Sinclair thanked Stuart and Madeline for the suggestions, adding that these were reasonable requests to be made and asked that Jo and Kate give consideration to the suggestions ahead of the report being presented to the Board.

**Action:**

- 4. **External Auditors** to give consideration to the undernoted suggestions made by members for inclusion within the final External Audit Annual Report:
  - **Executive Summary** - second last paragraph to be amended to read that *agendas for Board and Committee meetings were reviewed to focus on priority items, rather than “agendas stripped down to cover only essential items”*.
  - **Executive Summary** – Best Value Programme –to outline that although there was slippage within the Best Value Programme, the programme had made significant progress.
  - **Kate Brooks** to make contact with Board Secretary with a view to obtaining consistent wording and ensure synergy across core documents.
  - **Page 18 Conclusion** - given the more efficient governance and scrutiny that had been put in place by the Service during the pandemic, which no mapping or modelling could have predicted it was suggested that the outstanding achievement should be noted within the report.

**Item 12.2 Statement of Assurance**

Committee noted that statement of assurance presented.

Doc: 2021-06-09 Draft Minutes	Page 8	Author: PA to Director
Date: 2021-06-09	Version 2.0	Review Date: October 2021

## **ITEM 13 INFORMATION GOVERNANCE**

### **Item 13.1 Information Governance Update**

Katy Barclay provided her 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 since the last Audit Committee meeting, two policies had been presented and approved by the Information Governance Group, and would now go through consultation as part of the Policy Review Group process:

- Information Security Policy
- Freedom of Information Policy

It was noted that the Information Governance policy cycle was also presented to the last Information Governance Group where it was subsequently agreed that a 2 year review process would be put in place for each policy.

Carol Sinclair highlighted that within the information security actions IS3 had proposed revised timescales, however, continued to have a green RAG status, and queried whether this should in fact have an amber RAG status. Katy advised that she would review the RAG status for this action.

Committee discussed action DQ1, noting that due to delay in some submissions for the high-level asset register being received, was discussed at the April Committee meeting where it was agreed that this action would remain open on the tracker. Committee noted that delay in receiving the submissions continues and asked if there was anymore that would be done to assist with the progression of the action.

Katy highlighted that work continues to request submission of the audit returns, and given the corporate risks associated with this area a risk had been identified as part of the process.

Pauline advised that plans are in place for this work to be taken back through the Executive Team to understand more around the delay in submission of the audit returns to enable the risk to be managed accordingly.

## **ITEM 14 FRAUD UPDATE**

The Service's Fraud Liaison Officer, Melanie Barnes, presented her quarterly fraud update advising that:

- Two new allegations have been received since the last Audit Committee, with internal investigations ongoing to determine where there is any substance to the allegations.
- The 1 action reported to Committee in January 2021 remains ongoing with a Counter Fraud Services (CFS) investigation running in tandem with the internal investigation. Assurance was provided to Committee that the report into this investigation was due to be received by mid July.
- A benchmarking exercise into the 2020/21 NFI matches had been carried out with the 4 Boards who responded to the request with the results showing that for both creditor and payroll matches the Service was in line with the other Boards.

Doc: 2021-06-09 Draft Minutes	Page 9	Author: PA to Director
Date: 2021-06-09	Version 2.0	Review Date: October 2021

Committee thanked Melanie for the update and noted the helpfulness of the NFI benchmarking exercise to allow Committee to be assured that the Service was positioned in a positive way in comparison to other Boards.

Stuart Currie enquired whether the Service had counter fraud champions and a fraud liaison officer. Julie Carter confirmed that Melanie was the Service’s fraud liaison officer and Carol Sinclair was a Counter Fraud Champion. Julie added that the Service is due to implement a logistics and itinerary system which will assist with fraud detection and horizon scanning.

Julie added that she and Melanie had recently met with Counter Fraud Services, who had given a very helpful presentation which she felt that Audit Committee members may benefit from and proposed that this be presented to the October Committee meeting. Committee agreed that the presentation from CFS would be useful and that this should be included within the October Audit Committee agenda.

**Action:**

- 5. **Head of Finance** and **Committee Secretariat** to add Counter Fraud Services presentation to Committee workplan and for October Committee meeting agenda.

**ITEM 15 RISK MANAGEMENT**

**Item 15.1 & 15.2 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 meeting were highlighted in red for ease. Committee noted the improved position highlighted within the report.

**Item 15.3 Risk Management Annual Report**

Sarah provided Committee with the Risk Management Annual Report for 2020-2021. Committee noted that the Annual Report summarised:

- Key activities and achievements relating to the management of risk for the last financial year,
- Incident reporting statistics for 2020-2021
- The Risk Management Workplan for 2021-2022.

Madeline Smith suggested that it may be useful if the programme/project risks were split out from the day to day risk. Sarah advised that there was a flow chart in place for business as usual and project risk registers which details the reporting structure. Sarah added that she would ensure that the business as usual and project risks were split within the next annual report, adding that she would also include the flow charts within the papers.

Committee approved the annual report.

**Action:**

- 6. **Risk Manager** to split business as usual from project risks and include flow charts for reporting structure of risks within the next annual report to Committee.

Doc: 2021-06-09 Draft Minutes	Page 10	Author: PA to Director
Date: 2021-06-09	Version 2.0	Review Date: October 2021

## **Item 15.4 Risk Management Policy**

Committee were presented with the Risk Management Policy, which had been reviewed following consultation with the Service and Performance and Planning Steering Group. Sarah Stevenson advised that the main areas of addition/amendment were noted as:

- Reviewed Risk Register contents
- Updated Risk Matrix
- Updated Group/Committee Structures
- Inclusion of example Risk Register
- Inclusion of case study on clearly defining risks
- Operationalising and Visualising risk case studies included
- Risk Appetite Statement included.

Committee members advised that they were content to recommend the Policy to the Board for approval.

## **ITEM 16 BEST VALUE PROGRAMME**

Julie Carter provided Committee with an update on the Best Value Programme for 2021/22. The paper provided an update on the newly formed Best Value Operational Group and presented the updated and approved policy and procedures including the agreed escalation processes for the programme.

Committee noted the update.

## **ITEM 17 COMMITTEE WORKPLAN 2021/22**

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

## **ITEM 18 BOARD ASSURANCE FRAMEWORK**

Julie Carter provided a paper to members which detailed the work ongoing to develop a Board Assurance Framework approach to ensure that the Services' corporate and strategic focus was also aligned to the risk framework.

Committee noted that a meeting took place with the Internal Auditors to consider models that were simple to use and added value. Julie advised that the auditors provided a good practice example, and added that a test of change was subsequently carried out on a selection of financial sustainability and digital objectives which took the undernoted approach:

- For each corporate objective a table was produced (Committee were provided with an example table within the presented paper).
- The table aimed to show how the Board gain assurance on the delivery of the objective
- How the objective was mapped to the current corporate risks and how those are being managed
- Approval by the Board when agreeing the objectives and then reviewed during the year.

Julie advised that following completion of this test and reflection, consideration was given to the following:

- Key milestones
- Reporting lines
- Alignment to key risks gives assurance that the objectives are on the right track and how the objectives mitigate the risk actions

Doc: 2021-06-09 Draft Minutes	Page 11	Author: PA to Director
Date: 2021-06-09	Version 2.0	Review Date: October 2021

- Highlighted the gaps and therefore prioritised actions.

Carol Sinclair commented that this work was a positive step forward and would provide Committee with deeper assurance of mitigating and managing risks.

Committee thanked Julie for the paper noting that it looked forward to further updates as work progresses.

## **ITEM 18 RESILIENCE**

### **Item 19.1 Network Information System (NIS) Audit/Cyber Update**

John Baker provided Committee with a paper with provided an update on the wider ICT and cyber resilience activity and the 2021 NIS Audit.

Committee noted that as a result of the 2020 NIS Audit and a number of unplanned disruptions to ICT services within the Service, following which KPMG were commissioned to undertake a review of IT resilience (as discussed at agenda item 11.2), IT and cyber resilience remain key focus areas with a number of actions featuring heavily within the 2021/22 ICT workplan.

The paper presented provided members with the detail of high level ICT work plan elements, work recently completed in relation to IT and cyber resilience and work ongoing or planned for the next 3-6 months.

Committee noted the updated provided.

### **Item 19.2 Resilience Committee Terms of Reference and Annual Report**

Paul Bassett presented the Resilience Committee Annual Report for 2020/21 and the updated Terms of Reference for approval.

Committee noted the work of the Resilience Committee during 2020/21 and the reviewed Terms of Reference which were presented with no proposed amendments.

Madeline Smith noted that within section 7 of the Terms of Reference the Audit Committee is omitted from the reporting line and suggested that this be included. It was agreed that Paul would ensure that this was amended.

Subject to the above amendment being made to the Resilience Committee Terms of Reference, members approved both the Annual Report and Terms of Reference presented.

#### **Action:**

- 7. Director – National Operations** to include reporting line from Resilience Committee to Audit Committee within the Terms of Reference at section 7.

### **Item 19.3 Resilience Committee Update**

Committee noted the minutes from the Resilience Committee held on 19 April. Paul Bassett highlighted the key points of discussion at the meeting included:

- COP26 Update
- Business Continuity
- Security KPIs

Doc: 2021-06-09 Draft Minutes	Page 12	Author: PA to Director
Date: 2021-06-09	Version 2.0	Review Date: October 2021

Madeline Smith asked if there were plans to give assurance to the Board in relation to COP26 and the plans in place to overcome any challenges. Paul advised that the Board would be kept full apprised of plans, adding that a business case would be presented to the next Board meeting.

**ITEM 20      SIGNIFICANT ISSUES LETTER TO SCOTTISH GOVERNMENT**

Committee approved the letter of significant issues for submission to the Scottish Government by the deadline of 30 June.

**ITEM 21      ANY OTHER BUSINESS**

None to note.

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

**Date of next Meeting - 10:00, 13 October 2021.**

Doc: 2021-06-09 Draft Minutes	Page 13	Author: PA to Director
Date: 2021-06-09	Version 2.0	Review Date: October 2021