

Audit Committee Assurance Report to Grampian NHS Board

Purpose of Report

This report is to provide assurance to the Grampian NHS Board that an appropriate system of internal control is in place to ensure that:

- 1.1 Business is conducted effectively and in accordance with the law and proper standards;
- 1.2 Public money is safeguarded and properly accounted for;
- 1.3 Financial Statements are prepared timeously, and give a true and fair view of the financial position of the Board for the period in question; and
- 1.4 Reasonable steps are taken to prevent and detect fraud and other irregularities.

Recommendation

The Board is asked to note the following key points and assurances discussed by the audit Committee.

Audit Committee meeting 8 December 2020

1. National Service Audit Reports

The Committee received a report from Mr Garry Kidd, Assistant Director of Finance, regarding progress with the action plan agreed by NHS National Services Scotland (NSS) to address the qualification on the 2019/20 service audit reports for Payments to Practitioners and National IT services. NSS have advised that the Test of Design is now complete and all actions recommended by the Service Auditors have been incorporated into a revised control framework. Evidence testing has started but most of that work will not be complete until February. More detailed feedback to client Boards will be provided following the NSS Audit Committee in December 2020 and a further report on progress will be available to NHS Grampian's Audit Committee at the February 2020 meeting.

2. SLT Compliance Sub-Group.

The Committee received a progress report on the work of the Compliance Sub-Group from Mr Paul Allen, Director of Facilities and eHealth. The Committee noted that although the work of the sub-group had recently re-started after a pause during the early stages of the Boards Covid-19 response, good progress had been made in the development and review of a Regulatory Body Compliance summary register. The introduction of subject matter compliance reporting has been well received and the group had their first full review covering the areas of Finance and Mental Health at their October 2020 meeting. A schedule is in place to ensure all other areas on

the register are reviewed at least annually moving forward. The Committee welcomed the progress to date but noted the high number of absences recorded at sub-group meetings. Members acknowledged the demands on staff but requested that attendance should be improved to ensure NHS Grampian can provide the necessary assurance on statutory and regulatory compliance.

3. Follow Up of Previous Years Low and Medium Risk Internal Audit Recommendations

The Committee received a report from Mr Garry Kidd, Assistant Director of Finance, summarising the status of agreed actions arising from medium and low priority internal audit recommendations in prior years. All of the recommendations dated prior to 2017/18 were complete but 27 from more recent years (2 from 2017/18, 14 from 2018/19 and 11 from 2019/20) remain open or partially complete. The Committee noted that progress in many areas had been impacted by the need to respond to Covid 19 and new target and review dates had been agreed. Progress will be closely monitored during 2021 with a formal report on progress to be considered by the Committee in December 2021.

4. Electronic Employee Support System (eESS) Implementation

The Committee received a report from Ms Geraldine Lawrie, Head of Workforce and Development regarding progress with the implementation of eESS. NHS Grampian is the last NHS Scotland Board to implement the system and 'go live' is scheduled for the end of February 2021. Training will make use of digital solutions and will initially be targeted at managers identified as frequent users and those involved in priority recruitment for Test and Protect and Vaccination programmes. Members noted the risks relating to implementation at the end of the financial year but welcomed the assurance that staff are working closely with colleagues to ensure that the learning available from other Boards is incorporated in to local implementation plans to help mitigate these risks.

5. Covid 19 – Review of Governance and Decision Making

The Committee considered the findings from the recent internal audit review of Governance and Decision Making processes during the 1st wave of the Covid-19 pandemic. The report noted the quick response by NHS Grampian in adapting to a rapidly evolving situation by establishing a Gold, Silver and Bronze structure. The report also highlighted good practice in relation to communication, compliance and governance arrangements. One high risk recommendation was identified related to inconsistencies in decision logs across Gold, Silver and Bronze Command i.e. in some instances the rationale for decisions were not clearly recorded and one medium risk recommendation related to Civil Contingencies planning i.e. the revised Major Infectious Disease Plan had not been formally approved and some of the working practices were not suited to a remote working environment. The Committee noted the findings of the report and requested a further report outlining 'lessons learned' is presented to a future meeting.

Audit Committee Development Session – 19th January 2021.

The Committee's annual development session took place on Tuesday 19th January 2021. The session focused on the evolving nature of increased cyber security risk during the profile . Content included interesting presentations from a PricewaterhouseCoopers LLP (PwC) subject matter expert on the threat environment and the Board's own General Manager for eHealth covered local cyber security arrangements in some detail. The session was well attended by Board and System Leadership Team members who welcomed the opportunity to raise their awareness of the Boards current cyber security risk profile and the mitigation measures in place to guard against these cyber threats.

Matters referred to other Board sub-Committees

None

Conclusion

The topical governance matters considered by the Audit Committee are a key source of assurance for the Board on the effectiveness of our management processes and internal control environment.

**Mr Sandy Riddell
Chair
Audit Committee**

Attachment: Agenda of meeting of Audit Committee held on 8 December 2020.

NHS GRAMPIAN (NHSG)
Meeting of the Audit Committee
Tuesday 8 December 2020, 10.30 - 13.30
Conference Room, Summerfield House

*Members should be aware that their names will be listed in the Minutes
which will be publicised on the NHSG Website*

AGENDA

Approx Timing	No	Item	Lead	Ref	Noting/ Decision	
1000	1	Apologies	SR	#		
1003	2	Minutes of the Meeting held on Tuesday 2 November 2020	SR	*	D	
1005	3	Matters Arising				
		3.1	Action Log of 2 November 2020	SR	*	D
		3.2	Any Other Matters Arising	SR	#	D
1015	4	Internal Audit				
		4.1	Progress Report	PWC	*	N
		4.2	Follow Up of Previous Years Low and Medium Risk Recommendations	GK	*	N
10.40	5	Governance				
		5.1	System Leadership Team Compliance Sub-Group – Assurance Report	PA	*	N
		5.2	Active Governance Pilot update	AG	*	N
10.55	6	eESS implementation update	GL/LH	*	N	
11.10	7	Primary care Contractor services including NHS National Services Scotland Audit Reports	AG	*	N	
11.15	8	Counter Fraud Progress Report	GK	*	N	
11.20	9	Single Tender Register	GK	*	N	
11.25	10	AOCB	SR	#		
11.30	11	Report to NHSG Board	SR	#		
		Date of Next Meeting 11am Tues 19 January 2021 – Development session 10.30am Tues 8 February 2021 – Committee meeting Both using MS Teams				

Mr Sandy Riddell
Chair, NHSG Audit Committee
Apologies to: else.smaaskjaer@nhs.net 01224 558409

* Paper attached
Oral/verbal