##### Approved Minutes

**Item 4.1**

 **Audit and Risk Committee Meeting**

**Tuesday 14 April 2020 at 11am**

**By Microsoft Teams**

### Present

Karen Kelly Non-Executive Director (Chair)

Morag Brown Non-Executive Director

Stephen McAllister Non-Executive Director

**In attendance**

Susan Douglas-Scott Board Chair
Jann Gardner Chief Executive

Colin Neil Director of Finance
Lily Bryson Assistant Director of Finance

Liane McGrath Head of Corporate Governance/Board Secretary

Laura Langan Head of Clinical Governance (Chief Risk Officer) Joanne Brown Partner, Grant Thornton UK LLP
Karen Jones Director, Scott-Moncrieff

Chris Brown Partner, Scott-Moncrieff

**Minutes**

Anne McQueen PA to Director of Finance

1. Chair’s Introductory Remarks
Karen Kelly opened the meeting via Microsoft Teams and advised that as most items on the agenda are for noting or discussion she will invite leads to speak when presenting their paper then will invite non-executive directors to comment on the papers presented.
2. Apologies

None to note

1. **Declaration of Interests**There were no declarations of interests to note.
2. **Minutes of the previous Audit and Risk Committee Meeting**

Minutes from the meeting held on 11 February 2020 were read for accuracy and approved.

4.1 Matters Arising
An update on outstanding actions was provided with full detail recorded in the
action log.

1. **Effective**

**5.1 Internal Audit Progress Report**Joanne Brown presented a brief update on progress against the 2019/20 Audit Plan. Due to the Covid-19 situation the internal audit plan has been revised in agreement with management.

As a result, the planned Human Resource (HR) Controls review has been deferred to 2021 Audit Plan. This will allow full engagement with the Board’s new HR Director.

Joanne Brown noted that aside from the HR review all work will be completed and reported at the June Committee alongside the Internal Audit Annual Report (and opinion).

 The Board’s Agile Governance model was discussed and Jann Gardner noted that this model is assisting in mitigating new risks within the current situation. New services are developing at NHS Golden Jubilee (GJ) and are being implemented at pace, therefore it has been important to have a robust governance process to monitor these developments.

Members agreed that it was important to map out the process being used to ensure new processes, services and equipment being used have been ratified via a standard pathway. Laura Langan agreed to take forward a piece of work on this, mapping out the procedure for new services/processes and will review with the Executive Team before reporting back to the Audit and Risk Committee. Morag Brown also noted that this should be discussed and reviewed at the Clinical Governance Committee.

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| **Action No.** | **Action** | **Action by** | **Status** |
| 140420/01 | Laura Langan to draft procedure for the introduction of new services/processes for review at CGC and ARC. | LL | New |

**5.2 Fraud Update**Lily Bryson reported that a communication was received from Counter Fraud Services (CFS) advising that there has been an increase in cybercrime due to the Covid 19 crisis. CFS issued a cybercrime video which was shared with eHealth and will be included in the Staff Communications Bulletin for staff awareness. This communication with hyperlinks will be circulated to members for information.

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| **Action No.** | **Action** | **Action by** | **Status** |
| 140420/02 | Counter Fraud Services communication to be circulated to Committee and all Non-Executive Directors | LB | NewEmail circulated 14 April 2020**Closed** |

**5.3 Expansion Report**Colin Neil presented the expansion report and advised that at the last scheduled Site Progress Meeting Kier reported that both Phase 1 and Phase 2 were progressing well. However, the current Covid-19 situation has caused Aecom, the NHS GJ Project Managers, to issue Early Warning Notices as the strict working restrictions may impact on both Programme Phases.

Kier have indicated that they now had approximately half of their operatives on site, a significant increase on recent weeks As at 30 March 2020 there has been 9 days loss of progress reported for Phase 1.

Phase 2 Full Business Case (FBC) drafting is well underway, however, key areas of the FBC have been impacted by the pandemic situation. Health Facility Scotland have provided advice on guidance for business cases and discussion has been held with Scottish Government colleagues regarding the anticipated delay to submission, they are content with this approach.

West Dunbartonshire Council are scheduled to meet on 13 May 2020 in regard to planning approval however this may be subject to change. Discussions with the Council’s Executive Team are ongoing..

The cost profile will be revised and the circa £1.6m underspend for 2019/20 will be returned to Scottish Government prior to re-provision into the Board’s 2020/21 allocation.

**5.4 Agile Governance Model and**

**5.5 Command Structure**Colin Neil presented the above two reports, highlighting the inter-dependencies between both.

The Agile Governance model was approved by the Board on 26 March 2020. The paper sets out the revised Board approach to governance while the organisation is dealing with the Covid-19 pandemic. The agile arrangements aim to ensure the organisation can effectively respond to the pandemic situation and discharge its governance responsibilities.

Terms of reference are included in this paper. A key risk highlighted was the Agile group not being quorate due to the potential for Board members being unable to attend. However, Colin Neil advised that, to date, there has been excellent attendance. This process allows business of the organisation to continue as part of the Board’s response to Covid 19 pandemic.

The Command Structure paper outlines the framework and responsibilities being adopted in response to a national pandemic, a three tiered command system has been implemented based on the Gold Command (Strategic), Silver Command (Tactical) and Bronze Command (Operational) model.

Susan Douglas Scott noted that the process is working well and highlighted the Agile Gold Governance Group which is currently meeting twice per week. This group includes the Board Chair and Non-Executive Chairs of the Board’s Clinical Governance Committee, Person Centred and Staff Governance Committee and Finance, Performance and Planning Committee. The group allows regular contact between Executive and Non-Executives and is a forum for assurance and rapid decision making when required.

Chris Brown commended the Agile Governance arrangement noting that it appears robust. Other Board’s had been canvassed for their governance arrangements and there were variations with some Board’s standing down their Committee and Board meetings temporarily. Chris Brown noted support for the Board’s continuation with statutory governance and streamlining processes.

Jann Gardner added that if any emergency issues arise an urgent Board meeting would be arranged. The NHS GJ Board Meetings are still operating as planned and Board Workshop dates are being utilised to update Board Members and discuss any specific issues that may arise.

Finally, Susan Douglas Scott advised that when the Agile Governance Group was set up it was made clear that Audit and Risk Committee (ARC) sits separately to enable ARC to provide overview and ensure governance is appropriate and robust.

Committee Members noted the papers.

**5.6 Annual Accounts**Colin Neil presented this paper advising priority finance areas identified during Covid 19 are; Procurement to enable supplies function to continue, Payroll to ensure pay services continue and Financial Accounting Services to ensure suppliers are paid and to ensure cash flow services are maintained.

There has been discussion around arrangements for Annual Accounts over the past few weeks and the Technical Accounting Group wrote to Boards proposing to extend the annual accounts timeline by three months; the revised timetable is 31 August 2020 for submission of templates and 30 September 2020 for submission of annual accounts. This proposal was agreed by the Corporate Finance Network, however, where Boards can submit accounts on time they should seek to do so. NHS GJ anticipates that the original timelines can be met and are reviewing with external and internal audit, once this review has taken place a revised timetable may be considered..

Scottish Government have asked all Boards to submit their plans for financial governance arrangements regarding Covid 19 mobilisation plans. The NHS GJ threshold level for funding is £½million, this is a substantial level and is progressing well with the financial position being maintained.

Karen Kelly asked external and internal auditors for their perspective on revised timescales.

Chris Brown replied that the approach external audit have taken is to maintain resource and capacity to deliver against original timescales however, it is likely they may extend deadline and will keep in close contact with Colin Neil and Lily Bryson in this regard.

Karen Jones echoed that and noted other point is there may be slight change to content of Annual Accounts, however, there has been no formal approval or output from Scottish Government therefore until that time accounts must be completed as per statutory guidance.

Joanne Brown stated internal audit aim to get reports issued/completed as agreed and will flex with the Board’s timelines; they intend not to furlough staff and staff remain to work agile and remotely.

Colin Neil stated he will connect with external audit in latter part of this week and anticipates to adhere to original timetable.

 Committee Members noted this update.

**5.7 Board Risk Register**Colin Neil noted certain risks specific to Covid 19 are under review as they are evolving on an ongoing basis. Main aspect is assurance is in place to meet demands and there is an escalation process outlined. It is proposed to retain number of risks at high level for the time being.

Laura Langan advised that the command structure includes a risk log, these are live issues which are being monitored via Agile Governance route. Work continues with the Board’s Recovery Plan and any specific risks identified will be escalated.

 Committee Members noted this update.

**5.8 External Audit**All relevant matters were covered under Annual Accounts agenda item.
External audit will meet with Director of Finance and Assistant Director of Finance and agree revised timetable.

 Committee Members noted this update.

**6. Any Other Competent Business**Karen Kelly thanked everyone for participating and commended efforts of NHS GJ staff and external and internal audit at this time, stating as Chair of Audit and Risk Committee she feels assured that matters are being dealt with satisfactorily.

Karen Kelly stated as the next Audit and Risk Committee meeting is not scheduled until 9 June 2020 she is seeking approval from members to hold an additional meeting in early May and build this into the timetable as she feels a short 45 minute meeting would be helpful at this time.

 Committee Members approved this course of action.

The meeting was closed at 12.10pm.