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# Board Meeting: 24 May 2022

**Subject:** Audit and Risk Committee Update
20 April 2022

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| **Recommendation:** Board Members are asked to: |
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| Discuss and Note | ✓ |
| Discuss and Approve |  |
| Note for Information only |  |

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## 1 Background

The Audit and Risk Committee was held on 20 April 2022, the following key points were agreed at the meeting.

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| **Effective** |
| * **Fraud Update**

The Partnership agreement with the Scottish Government for provision of counter-fraud services for financial year 2022/23 had been signed by the CEO.* **Hospital Expansion Project**

Phase Two was reported to be progressing to schedule and budget. The Capital spend to conclusion of month 11, including the Work Task Orders, was recorded at £9million.Preparations were progressing well to ensure that the imminent breakthroughs will not cause significant impacts on day to day operability of clinical areas beyond disruption which is factored into programme assumptions.* **Board Risk Register**

In order to support the Board in developing its Risk Appetite, and in support of the Board’s evolving risk management arrangements, risk register templates and protocols are being revised, with a target date for completion of June 2022. * **Accounting Policies**

The draft policies remain to be finalised, however were before the Committee for early visibility and comment on their contents.Further discussions on the Accounting Policies will take place at the meeting on 16 June 2022.* **Plan for year end 2022/23**

The Committee received assurances that the timetable for presentation, scrutiny and comment on the annual accounts and financial statements remains on schedule.* **National Fraud Initiative Outcomes**

The Committee were advised that the National Fraud Initiative Outcomes have not yet been released. * **Draft Annual Reports**

The Committee were presented with the Draft Annual Reports for the Board Committees. The comments were noted by the Board Secretary and will incorporate within the reports for presentation during the forthcoming May Committee cycle. The Audit & Risk Committee will receive the reports for final approval at the meeting in June ahead of the consideration, by the Board of NHS Golden Jubilee, of the final accounts for financial year 2021/22.* **Cyber Security**

The current situation in Ukraine remained of concern. No specifics threats had been made to Scottish Health Boards, however the Scottish Government Cyber Resilience Unit continue to monitor the situation as high risk. Future update reports will contain Key Performance Indicators to provide assurance to the Committee on cyber security performance. The Committee were advised of a network outage on 19 April 2022. Assurances were provided to the Committee.* **Draft Governance Statement**

The Committee were presented with the Draft Governance Statement for consideration. The Committee would receive a further report at the meeting in June for inclusion in the final accounts.  * **ARC Work-plan 2022-2023**

The Committee Approved the ARC Work-plan 2022-2023 with the inclusion of Cyber Update.* **ARC Terms of Reference 2022-2023**

The Committee Approved the Terms of Reference with the inclusion of the Deputy Director of Finance as a standing attendee at the Committee.* **SFIs**

The Committee supported the Standing Financial Instructions ahead of the consolidated report for approval at the meeting in June 2022.* **NSI Audits**

The Committee noted the NSI Audits and welcomed the proposed change to dashboard format for future reports. * **Procurement Strategy**

The Committee were presented with the Procurement Strategy 2021-2024. This is an active strategy and will be refreshed on an annual basis. The Committee noted and approved the Procurement Strategy. |
| **Auditor Reports** |
| * **Auditor Reports**

Peter Clark from Grant Thornton UK LLP presented the Auditor Reports. The review of IT equipment is under way and is progressing well.Grant Thornton UK LLP would provide its opinion on the annual accounts and financial statements at the Committee meeting in June. * **Internal Audit Progress Report**

Jamie Fraser from Grant Thornton UK LLP presented the Internal Audit Progress Report.* **Final reports (Financial Controls)**

Rectification of outstanding items would be fully embedded as part of Executive Director’s Objectives set out for 2022-2023. The Committee would receive further update on progress at the meeting in June 2022.* **Update on 2022-2023 Plan**

The NHS Scotland Academy governance schedule had been forwarded to the Board’s internal auditors with no significant changes noted. * **Audit Scotland Reports – Update**

The Committee requested Audit Scotland be invited to attend a future meeting.* **External Audit Update**

Karen Jones from Azets attended the meeting to present the External Audit Update.The Audit process would commence on Tuesday 3 May 2022. The Committee will receive a final update at the meeting on 16 June 2022 ahead of the final accounts submission on 30 June 2022 in accordance with the Scottish Government timetable.  |

The next meeting is scheduled for Thursday 16 June 2022.

## 2 Recommendation

Board Members are asked to note the Audit and Risk Committee Update.

**Karen Kelly Chair, Audit and Risk Committee**

**20 April 2022**

**(Colin Neil, Director of Finance)**