# Board Meeting: 21 November 2019 \\Nwtc-filestr01\photographs\Foundation\logos\merge nhs gjf\dual branding.jpg

**Item 7.5**

**Subject:** Audit and Risk Committee Update
22 October 2019

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| Recommendation:  | Board members are asked to:

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| Discuss and Note | X |
| Discuss and Approve |  |
| Note for Information only |  |

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## 1 Background

The following key points were agreed at the meeting and have been split into the three high level quality ambitions of person centred, safe, and effective.

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| **Person Centred** |
| **Mutually beneficial partnerships between patients, their families and those delivering healthcare services which respect individual needs and values and which demonstrate compassion, continuity, clear communication and shared decision-making.** |
| * An update on Prevention of Fraud was noted by the committee on work undertaken throughout the year and forthcoming activities.
* National Fraud Initiative Annual report is expected to be issued soon and will be presented to the next committee meeting.
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| **Safe** |
| **There will be no avoidable injury or harm to people from healthcare they receive, and an appropriate, clean and safe environment will be provided for the delivery of healthcare services at all times.** |
| * A review of the Board Risk Register highlighted proposed changes to the following risks and members were satisfied with recommendations:
* EU Withdrawal - all contingencies as far as possible have been put in place. This risk was increased to high level.
* Waiting Times - will be reviewed and discussed in detail at the Board Workshop cutting into speciality areas to reflect risks as they vary depending on speciality, in particular Cardiac Waiting Times. This was added as a new risk.
* Infection Control Doctor support to Expansion Programme services has been added as high risk.
* The committee were informed that a National Review of Standing Orders was being undertaken with input from the Board Secretary Group aligning with Once for Scotland approach. It is anticipated that the new model will be implemented by the end of the financial year.
* Members received assurance that the Board has achieved Cyber Essentials Accreditation and Cyber Security Workshops have been delivered to staff withgood attendance by staff across the Board. Taking into account current intelligence on the threat of a cyber attack it was agreed that this would remain as a high level risk on the Board Risk Register, albeit acknowledging all actions have been taken internally to mitigate this threat.
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| **Effective** |
| **The most appropriate treatments, interventions, support and services will be provided at the right time to everyone who will benefit, and wasteful or harmful variation will be eradicated.** |
| * Internal Audit Progress Report was presented and members approved the following changes to the Audit Plan.
* Commissioning and Elective Centres review scheduled for Quarter 4 in 2020 to be moved to Quarter 1 in 2021.
* International Financial Reporting Standards (IFRS 16) readiness review to be undertaken in it its place as this is a new complexity which involves a significant amount of work to implement.
* Internal Audit Recommendations Follow up Report was noted by members with good progress reported, in particular it was noted that all outstanding recommendations for 2017/18 are now closed.
* The committee were informed of implementation of International Financial Reporting Standard (IFRS) 16 which is being adopted for accounting period commencing 1 April 2020. The fundamental reason for this change is it removes the distinction between operating and finance leases and requires all assets to be publicised in annual accounts. A group has been established to oversee this work and the team will work with internal and external auditors to submit information to Scottish Government, the detail will be presented to the next committee meeting.
* Due to change in Senior Management roles within Estates, interim authorised signatory arrangements require to be put in place. Members approved proposed changes and it was agreed that given the new management structure all authorised signatories across the Board would be reviewed to ensure alignment.
* The committee was informed that Audit Scotland’s NHS in Scotland Report was due to be published imminently and would be circulated to members.
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The next meeting is scheduled for: Tuesday 11 February 2020.

**Karen Kelly**

**Chair, Audit and Risk Committee**

**25 October 2019**

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