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MEETING OF NHS BOARD AUDIT COMMITTEE

22 June 2021

To follow the meeting of the Endowment Trustees (which begins at 10am)

Microsoft Teams

A G E N D A

1. APOLOGIES

1.1 Declaration of Interests

Members are asked to consider whether they have an interest to declare in relation to any Item on the agenda for this meeting. Any member making a declaration of interest should indicate whether it is a financial or non-financial interest and include some information on the nature of the interest. Advice may be sought from the Board Secretary's Office prior to the meeting taking place.

2. MINUTE AND ACTION PLAN OF MEETING HELD ON 4 May 2021 (PP 1–12)

The Committee is asked to:

- **Approve** the Minutes
- **Note** the rolling Action Plan.

3. MATTERS ARISING

3.1 Election of Vice Chair to the Audit Committee.

4. INDIVIDUAL AUDIT REPORTS

Report by Azets, Internal Auditors

4.1 Risk Management (PP 13–34)

4.2 Immunisation (PP 35–54)

4.3 Board Assurance Framework (PP 55–76)

4.4 Internal Audit Summary report (PP 77–88)

4.5 Internal Audit Annual Report 2020/21 (PP 89–112)
Report by Azets, Internal Auditors

The Committee is asked to

- **Note** the report which provides overall assurance from the Internal Audit Service of NHS Highland.

ASSURANCE REPORTS

5 Audit Assurance reports on External Systems (Paper to follow)
Report by Iain Addison, Head of Area Accounting

There are circulated Service Audit Reports on Practitioner Services, National IT Services and NSI Ledger System.

The Committee is asked to:

- **Note and Take Assurance** from the satisfactory Service Audit reports from National Services Scotland (NSS) covering Practitioner Services Division and National IT Services and NHS Ayrshire and Arran covering the NSI Ledger system.

6. CORPORATE GOVERNANCE – Governance Committee Annual Reports (113-124)

There are circulated the following Annual Reports to be considered by the Committee:

- Revised Staff Governance
- Revised Highland Health and Social Care Committee
- Audit Committee

The Committee is asked to:

- **Note** the revised Annual Reports for Highland Health and Social Care and Staff Governance Committees.
- **Note** the annual report for the Audit Committee

7 ANNUAL REPORT AND ACCOUNTS 2020/21

7.1 Assurance for the Consolidation of Endowment Fund Accounts (Paper to follow)
Report by Chair of the Trustees of the Highland Health Board Endowment Fund

The Committee is asked to:

- **Note** that the Endowment Fund Accounts have been approved and that they can take assurance that having been audited, with an unqualified opinion, that they can be consolidated within NHS Highland's Accounts.

7.2 Draft Final Annual Audit Report (Papers to follow)

Report by Grant Thornton, External Auditors
Incorporating ISA 540 (Audit Scotland, External Auditors)

The Committee is asked Note the report content.

7.3 Letter of Representation from NHS Highland to Grant Thornton – to be tabled

The Committee is asked Note the report content.

7.4 Draft Annual Report and Accounts 2020/21 for NHS Highland (PP 125-227)

The draft Accounts for 2020/21 are for approval. Also included is the Summary/Schedule of Losses & Special Payments and the Draft Auditor's Certificate.

The Committee is asked to:

- **Consider** the Internal Audit Annual Report 2020/2021
- **Consider** the Report of the External Auditor
- **Note** the submission of the NHS Highland Annual Report and Accounts including the Summary of Losses
- **Recommend** the Annual Report and Accounts for approval by the NHS Highland Board.

8. ANNUAL ACCOUNTS FOR PATIENTS AND CLIENTS PRIVATE FUNDS

8.1 Patient and Client Private Funds (Paper to follow)

Report by Iain Addison, Head of Area Accounting

These accounts are outwith the consolidated Board Accounts and have been audited by *Johnston Carmichael, Chartered Accountants*. A draft audit certificate is attached.

The Committee is asked to:

- **Approve** these Accounts for submission to the NHS Highland Board.

This Item will be followed by a short 'In Committee' meeting of the NHS Board to receive the Annual Accounts.

9. NOTIFICATION FROM SPONSORED BODY AUDIT COMMITTEE (PP 229-232)

Letter from Audit Chair

There is circulated draft letter from the Chair of the Audit Committee to the Scottish Government Health Finance Division.

The Committee is asked to:

- **Note** the circulated draft letter.

10. COUNTER FRAUD

This item will be considered at the next meeting of the Committee.

11. RISK MANAGEMENT PROCESS

This item will be considered at the next meeting of the Committee.

12. AUDIT SCOTLAND

<https://www.audit-scotland.gov.uk/report/search>

13. MANAGEMENT FOLLOW UP REPORT ON OUTSTANDING AUDIT ACTIONS

13.1 Follow Up Report on Outstanding Audit Actions 2019/2020

13.2 Follow Up Report on Outstanding Audit Actions 2020/2021

Verbal update by Iain Addison, Head of Area Accounting on behalf of David Garden, Director of Finance.

14. ANY OTHER COMPETENT BUSINESS

15. DATE OF NEXT MEETING OF THE AUDIT COMMITTEE

The next meeting will be held on **Tuesday 7 September 2021 at 9am**, via Teams.

16. PRIVATE SESSION – AUDIT COMMITTEE MEMBERS AND INTERNAL AND EXTERNAL AUDITORS ONLY