

HIGHLAND NHS BOARD	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 www.nhshighland.scot.nhs.uk	
DRAFT MINUTE of MEETING of the NHS Board Audit Committee Microsoft Teams	7 February 2023 9.00am	

Present:

Gaener Rodger, NESH Board Non-Executive (Chair)
 Susan Ringwood, NESH Board Non-Executive (Vice Chair)
 Alexander Anderson, NESH Board Non-Executive
 Alasdair Christie, NESH Board Non-Executive
 Heledd Cooper, Director of Finance
 Garret Corner, NESH Board Non-Executive
 Stuart Sands, Independent Lay Member

**Other Non-Executive
 Directors Present:**

Boyd Robertson, NHS Highland Chair

In Attendance:

Tim Allison, Director of Public Health
 Ashley Bickerstaff, Azets Internal Auditors
 Louise Bussell, Director of Nursing
 Charlotte Craig, Business Improvement Manager, A & B HSCP
 Ruth Daly, Board Secretary
 Pam Dudek, Chief Executive
 David Eardley, Azets, Internal Auditors
 Jane Gill, Programme Management Director
 Fiona Hogg, Director of People and Culture
 Stephanie Hume, Azets, Internal Auditors
 Lorna Munro, Azets Internal Auditors
 David Park, Deputy Chief Executive
 Kate Patience-Quaite, Interim Nurse Director
 Boyd Peters, Medical Director
 Iain Ross, Head of eHealth
 Katherine Sutton, Deputy Director of Operations
 Nathan Ware, Governance & Assurance Co-ordinator
 Alan Wilson, Director of Estates
 Stephen Chase, Committee Administrator

1.1 WELCOME, APOLOGIES AND DECLARATION OF INTERESTS

The Chair welcomed the members and attendees to the meeting and noted the change in chairing arrangements to the committee.

The Chair thanked A Christie and G O'Brien for their respective chairing and vice chairing of the committee, with particular thanks given to A Christie for having taken on the chair role during a difficult time for the Board and having helped address the Section 22 audit report.

A Christie will remain as a member of the committee and G O'Brien has now left to be replaced by G Corner who was welcomed to the committee.

Congratulations were given to S Ringwood on taking up the Vice Chair role.

Thanks were expressed on behalf of the committee to Kate Patience-Quaite for her work as Interim Nurse Director and congratulations given to L Bussell on taking on the permanent role.

Apologies had been received from Elspeth Caithness.

1.2 DECLARATION OF INTERESTS

None were made.

1.3 MINUTE AND ACTION PLAN OF MEETING HELD ON 6 DECEMBER 2022 [pp.1-11]

- The minute of the meeting held on 6 December 2022 was approved as an accurate record pending some corrections provided by B Robertson.
- The rolling actions were noted: leads for actions will be updated and the item on Unfilled Shifts removed now that it has closed.

The Committee

- **APPROVED** the amended minute of the meeting held on 6 December 2022.
- **NOTED** The Rolling Action plan.

1.4. MATTERS ARISING

There were no matters arising.

INDIVIDUAL INTERNAL AUDIT REPORTS

2.1 Progress Report

[pp.12-19]

D Eardley introduced the Progress Report and noted that work was proceeding at a reasonable space with three Internal Audits lined up for March. Management had identified areas within Payroll where Internal Audit may be able to suggest solutions, and the report has brought together some of the recurring themes following previous discussion at the committee.

The Committee **noted** the report.

2.2 Out of Area Referrals

[pp.20-41]

S Hume provided an overview of the report and commented that the review had taken place in October 2022 and covered three control objectives examining processes in place for the Board to make out of area referrals and how they are managed. Eight recommendations were made, three of which were rated amber relating to Service Level Agreements, Case Reviews and Clinical Advisory Group governance arrangements.

The Audit sponsor, B Peters acknowledged that the paperwork and processes had needed refreshing and following the changes in governance since COVID it was felt now was a good time to address these issues. He also gave a brief clarification of the two main governance routes for out of area referrals:

- The Clinical Advisory Group (CAG) is a once a month meeting of senior clinicians, which is aimed at considering requests for a patient to get treatment outside the Board area

where there is not an existing agreement for that to be done. This requires a very specialized approach because occasionally requests for treatment and conditions where there is no evidence that a treatment works are received, and therefore it acts as a last line of scrutiny.

- The Safe Haven Team largely consider referrals going out of Highland at a higher volume which are included under SLAs, and the team also reclaims funding for people treated in Highland who belong to other areas in the UK and vice versa.

During discussion, the further clarification of the difference between CAG and the Safe Haven Team was provided which noted that a clinician may refer a patient's case to CAG for consideration in cases where the clinician disagrees with the patient's request for a particular treatment, the CAG decides if the request should be supported based on expert clinical opinion.

- S Sands commented on the thematic elements which run through a number of Internal Audit reports around policy frameworks and staff awareness of policies and asked if it was possible to have a central point to provide an overview of the policy framework across NHS Highland.
- In answer, B Peters noted that Executive Director Group (EDG) had recognized a need to refresh repositories for policies and had commissioned work led by B Peters to quantify the state of NHS Highland policies, procedures and guidelines and will report back to the EDG at its next meeting. It is thought that it will take around a year to satisfactorily set up and embed a system that improves on these areas.
- A Christie commented that this area for improvement had been discussed at the Clinical Governance Committee and therefore it was welcome to hear that the EDG are considering this.
- A Christie asked, in response to the Internal Audit recommendations, if senior clinicians would have the time to take on the role of a dedicated case manager for high level treatment packages but noted that a centralised role may be more cost effective.
- In response B Peters noted that the volume of cases for CAG is low. He noted that the suggestion of a dedicated case manager was one that would be explored but to not commit to implementation until a full analysis had been carried out. Many of the high tariff treatments under consideration deal with mental health and learning difficulties that require specialised clinical input that would not be within the scope of a single person.
- J Gill spoke on behalf of the Head of Strategy and Transformation, Lorraine Cowie, to offer assurance on some of the actions assigned to the team and acknowledged that they would support the actions assigned to B Peters.
- Six actions had been assigned to the Head of Strategy and Transformation and some of these had already been actioned, and there is confidence that the associated timelines can be met.

The committee **noted** the report.

2.3 Shadow IT

A Bickerstaff gave a brief introduction to the report which gave two red ratings among the five control actions which concern respectively, appropriate user authentication controls and effective controls to manage the lifecycle of user accounts. The other main area for consideration was governance oversight of systems which showed some inconsistencies of approach.

The Audit sponsor, I Ross gave an overview of the management responses and noted that this audit had been long wanted and gave a good sense of the issues involved.

- Only four systems were included in the sample but there are others.
- I Ross noted the governance route for matters in this area which moves from the Digital Resilience Group with a diverse service membership who took part in the Internal Audit and to the Information Assurance Group which reports to Audit Committee.
- I Ross commented that he would lead on the actions to provide centralised oversight to report back to the Audit Committee.
- It was commented that those items graded red were largely legacy risks from a culture of work arounds and provide good planning insights for risks when Microsoft 365 is adopted.
- A number of local and national controls are being implemented to deal with these legacy risks. For example, controls have been agreed with Medical Physics and it was clarified that passwords are not shared but that there are reused passwords for specific systems where staff members may have left the organisation.
- Shadow IT work will tie in with work arising from the NIS audit to create core policies and procedures that comply with national policies as they become available.

During discussion, the following questions were addressed,

- It was asked if there was concern about possible higher risk systems outwith the sample for the audit.
- I Ross commented that this would be a process over time and that the Digital Resilience Group would pull together a full list of shadow IT to ensure implementation of controls above and beyond the four sampled areas.
- S Sands also asked if I Ross had capacity to take on the lead role and sufficiently influence teams to address weaknesses.
- I Ross answered that the wide representation in the Digital Resilience Group gave a good basis to proceed and influence teams across the services, and that his role would be more of a conduit for the information.
- S Ringwood asked what could be done to address the low take up of statutory training on cybersecurity
- I Ross answered that at the last meeting of the Audit Committee his report on the IAG noted the detailed work around the uptake of safe handling of information and cyber which also proposed a hard control of removing access to systems until the training is addressed as an ultimate sanction.
- A Anderson asked if there was a sense of how many shadow IT systems there might be in the organisation.
- I Ross answered that it was very likely that in the majority of major systems with clinical input that most shadow IT had been captured. It was thought that further down the system where people have built business applications and databases based on items like Microsoft Access and Excel where it would be more difficult to track. There was no easy answer but it was felt that the major systems had been largely addressed.
- D Park gave assurance to the committee that the main core systems are adequately protected without the same level of risk that was identified in the audit report which were more small localised systems developed over time.
- S Sands commended I Ross and his team for the way in which they had asked for the audit to be undertaken.

The Committee **noted** the report.

2.4 Workforce Planning

L Munro introduced the report and noted that NHS Highland had to publish a revised workforce plan in October 2022 and Scottish Government had issued guidance on a timeline. The audit confirmed that NHS Highland had followed the process expected.

- The sponsor of the audit, Fiona Hogg gave an overview of the management response which confirmed many areas of challenge to the culture and the responses will align with the Together We Care Strategy, the Annual Development Plan and the national workforce strategy.
- F Hogg noted that in the management response there was an aim to avoid being overambitious in terms of completion dates.

In discussion the following points were made,

- A Anderson expressed concern that only 5 out of 65 teams had taken part.
- F Hogg commented that many ways had been tried to engage staff but that giving a focus on managing business on a day-to-day basis and how this translates into performance more than workforce planning as such and make it more real for staff.
- P Dudek added that it is a matter of building up capability within the organisation and enabling managers to make decisions.
- D Park stressed the importance of coordinating planning processes to allow workforce planning to take place and that it is likely to take a few iterations before expectations are fully set and understood.
- K Sutton noted that the transformational plan is critical to the workforce plan and that a supporting piece of work is needed to get the right rules and capacity in place for delivery of care.
- B Robertson noted that it was a good report and vital to the Board in the context of strategy and delivery of the strategy. He expressed concern at the fragmented state of systems as they appear in some aspects of the report but that the analysis would enable F Hogg and colleagues streamline processes.

In summing up the Chair noted that Clinical Governance Committee would have oversight of Out of Area Referrals and that Staff Governance would do likewise for Workforce Planning actions both in addition to the management updates coming to Audit Committee.

The Committee

- **NOTED** the reports.

ASSURANCE REPORTS

3. MANAGEMENT FOLLOW UP REPORT ON OUTSTANDING AUDIT ACTIONS

H Cooper noted that working has progressed over the last few meetings to reduce the outstanding management actions and get them closed.

- The Actions Planner had been dated and given ratings to show progress.
- All actions had been completed for Whistleblower Arrangements pending the review of the evidence by the Internal Audit team.
- Statutory Mandatory Training actions are partially complete and evidence will be submitted to consider if ratings can be downgraded.
- Most actions for Homeworking are partially complete and as above, the evidence will be submitted Internal Audit for consideration. Some of the actions cannot be progressed without the consideration of the potential impacts of the Once for Scotland policy.
- The Healing Process is mostly complete, and a review of data retention policy is required.

- Actions for Significant Adverse Events had been completed and evidence had been provided.
- Tendering actions remain partially complete but should be completed by the end of the March, subject to staffing and review of evidence Internal Audit.
- The Care At Home assessment model is partially completed and review policies and procedures had been undertaken and will be reviewed by the management team before the implementation programme can happen.
- H Cooper noted the recommendation to the Committee that actions graded at 3 and 4 be tracked regularly at the Committee and actions at grades 1 and 2 be subject to an annual review with a recognition of the risks.

During discussion it was noted that,

- Completion dates in the action tracker are still to be filled dependent on conversations with management teams and national policies.
- S Sands commended the approach of the reporting and the confidence given that actions are managed along similar lines, however he commented that the term 'partially complete' should be rephrased to emphasise the residual risk involved in the item.

The Committee

- **Accepted** substantial assurance from the report
- **Agreed** to the closure of historic audits, and
- Took **assurance** where actions had been incorporated into 'business as usual' reporting assigned to appropriate governance monitoring.

4. COUNTER FRAUD

H Cooper provided an update on progress with Counter Fraud services and noted that work is ongoing with two health boards piloting the new counter fraud standards (see appendix 1).

- There are 12 standards to achieve focussed on achieving prevention, detection and investigating fraud. Within the organisation there is a local fraud liaison officer, Sarah Macauley, who addresses the first level of any fraud report and then refer on to the Counter Fraud Service where appropriate.
- The Counter Fraud Service carry out training for Highland and have updated their mandatory training modules.
- we also have some benchmarking information from other boards to help highlight potential risk.
- A quarterly national report is received from the Counter Fraud Service.
- There had been four fraud areas put forward to the Counter Fraud Service for investigation and one of them had been closed, one had provided some counterfeit actions, and the other two are ongoing.
- The Chair asked if the NHS Counter Fraud Strategy would come to the committee for endorsement, and asked that a future report on the National Fraud Initiative come to the committee.
- H Cooper noted that the Counter Fraud Standards have only recently been released and work is underway with Counter Fraud Service to address them. Several of the actions are in place already in terms of policies and infrastructure and more details will be provided as it becomes available as a result of the conversations.
- H Cooper noted that it was a national requirement to endorse the new standards and the committee confirmed its formal support.

The committee accepted **substantial** assurance from the report, noting that NHS Highland currently complies with the majority of the standards with the outstanding action of implementing a gifts and hospitality policy.
The committee also gave support to the National Fraud Initiative 2022-23 Exercise.

5. ANY OTHER COMPETENT BUSINESS

None.

6. DATE OF NEXT MEETING

The next meeting will be on **Tuesday 7 March 2023** at **9.00am** on a virtual basis.