

Date of Issue: 11 June 2020

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**MEETING OF NHS BOARD AUDIT COMMITTEE  
17 June 2020 2.00pm  
Board Room, Assynt House, Inverness**

# 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 25 FEBRUARY 2020 (attached)**

**(PP 1 – 10)**

**The Committee is asked to:**

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

## **3 MATTERS ARISING**

## **4 INTERNAL AUDIT**

### **4.1 Individual Reports for Consideration (attached)**

- **Payroll and Expenses**
- **Financial Management and Recovery Planning**
- **Staff Redeployment**
- **Complaints Management**
- **Business Continuity Planning**
- **IT Service Redesign**

**(PP 11 - 120)**

**The Committee is asked to Consider** the circulated reports.

**4.2 Internal Audit Annual Report (attached)** (PP 121 - 138)

The Committee is asked to Consider the circulated report.

**4.3 Internal Audit Plan 2020/21 (attached)** (PP 139 – 208)

The Committee is asked to Agree the plan.

**5 MANAGEMENT FOLLOW UP REPORT (attached)**  
Report by David Garden, Director of Finance (PP 209 - 214)

The Committee is asked to Discuss and Note the circulated report.

**6 COUNTER FRAUD**

**6.1 Update of Fraud Awareness (attached)**  
Report by Barbara Milne, Fraud Liaison Officer (PP 215 - 282)

The Committee is asked to Discuss the circulated report.

**6.2 Payment Verification for Practitioner Payments (attached)**  
Report by Barbara Milne, Fraud Liaison Officer (PP 283 - 286)

The Committee is asked to Consider the circulated report.

**6.3 Tender Waiver Register**  
Report by Barbara Milne, Fraud Liaison Officer (attached) (PP 287 - 298)

The Committee is asked to Examine and Note the tender waiver register.

**7 ASSURANCE REPORTS**

**7.1 Risk Management Steering Group (attached)**  
Report by Mirian Morrison (PP 299 - 342)

The Committee is asked to Discuss the Report.

**7.2 Corporate Governance (attached)  
Report by Ruth Daly, Board Secretary**

**(PP 343 - 374)**

**The Committee is asked to Endorse** the Annual Reports which form a key part of the evidence in support of the Annual Accounts Governance Statement.

**7.3 Audit Assurance Reports on External Systems (attached)  
Report by Iain Addison, Head of Area Accounting**

**(PP 375 - 416)**

**The Committee is asked to Note and Take Assurance** from the 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.

**8 ANNUAL ACCOUNTS 2019 / 2020**

**(PP 435 - 589)**

- **Assurance for the Consolidation of Endowment Fund Accounts  
Report by Chair of the Trustees of the Highland Health Board Endowment Fund (attached)**
- **2019/20 Draft Final Annual Audit Report  
Report by Grant Thornton, External Auditors**
- **Letter of Representation from NHS Highland to Grant Thornton**
- **Draft Annual Report and Accounts 2019/2020**  
The draft Annual Report and Accounts for 2019/2020 are submitted for approval. Also included is the Summary/Schedule of Losses & Special Payments and the Draft Auditor's Certificate.

**The Committee is asked to:**

- **Note** that the Endowment Fund Accounts have been approved and can take assurance that having been audited, with an unqualified opinion, that they can be consolidated within NHS Highland's Accounts.
- **Note** the Draft Final Annual Audit Report prepared by Grant Thornton, External Auditors
- **Note** the Letter of Representation
- **Recommend** the Annual Report and Accounts for approval by the NHS Board.

**9 ANNUAL ACCOUNTS FOR PATIENT AND CLIENT PRIVATE FUNDS 2019/20**

**9.1 Patient and Client Private Funds (attached)  
Report by Iain Addison, Head of Area Accounting**

**(PP 417 - 426)**

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 Board.

**10 AUDIT COMMITTEE ANNUAL REPORT (attached)  
Report by Alasdair Christie, Chair of Committee**

**(PP 427 – 432)**

**The Committee is asked to Approve** the Report.

**11 AUDIT SCOTLAND**

The full suite of Audit Scotland reports can be accessed through the following link – <https://www.audit-scotland.gov.uk/report/search>

**12 ANY OTHER COMPETENT BUSINESS**

**12.1 Notification Of The Intention To Extend External Audit Appointments (attached)**

Circulated for Information

**(PP 433 - 434)**

**13 DATE OF NEXT MEETING**

The next meeting will be held on 8 September 2020 at 2pm, in the Board Room, Assynt House, Beechwood Business Park, Inverness.

**14 PRIVATE SESSION – AUDIT COMMITTEE MEMBERS AND INTERNAL AND EXTERNAL AUDITORS**

**Member and Attendees of the Audit Committee**

<b>Member</b>	<b>Invited Attendees</b>	<b>Possible Attendees</b>
Mr Alasdair Christie (Chair)	Mr David Garden	Ms Jean Boardman
Mr Alexander Anderson	Mr Iain Addison	Mr James Brander
Ms Ann Clark	Mr David Park	Ms Sarah Compton-Bishop
Mrs Ann Pascoe	Ms Joanna MacDonald	Mr Boyd Robertson
	Internal Audit	Mr P Macrae
	External Audit	Ms Deirdre Mackay
	All appropriate sponsors	Mr Adam Palmer
	EDG members	Ms Gaener Rodger
		Mr Paul Hawkins