Healthcare Improvement Scotland

MINUTES - Approved
Meeting of the Healthcare Improvement Scotland Audit and Risk Committee at
10.00, 07 March 2024 by MS Teams

Present	Auditors
Gill Graham (Committee Chair)	KPMG - James Lucas. Syed Hamood Kalim Shah Item 5.1 only.
Abhishek Agarwal (Non-Executive Director)	
Keith Charters (Non-Executive Director)	Audit Scotland – Claire Gardiner, Esther Scoburgh, Emma Brown.
Judith Kilbee (Non-Executive Director)	
Robert Tinlin (Non-Executive Director)	
	For specific items
In attendance	Lindsay Fielding, Strategic Lead (item 4.6)
Robbie Pearson, Chief Executive	Kevin McInneny, Head of Digital Services (item 4.3)
Lynsey Cleland, Director of Quality Assurance and Regulation	
Angela Moodie, Director of Finance, Planning and Governance	**Observing**
	Suzanne Dawson (Non-Executive Director)
Clare Morrison, Director of Community Engagement and Redesign	Fiona Glen, Associate Director for Evidence
Lynda Nicholson, Head of Corporate Development	Pauline Symaniak, Governance Manager
Safia Qureshi, Director of Evidence and Digital	**Committee Support**
Karlin Rodgers, Head of Finance and Procurement	Ruth Gebbie, Support to HIS Chair/ Governance Officer
Simon Watson, Director of Medical and Safety	
Ben Hall, Head of Communications	**Apologies**
Paul McCauley, Risk Manager	Carole Wilkinson, HIS Chair
Mhairi Hastings – deputising for Ann Gow	Sybil Canavan, Director of Workforce
	Duncan Service, Evidence Manager
	Ann Gow, Deputy Chief Executive/Director of Nursing and Systems Improvement

1.	WELCOME AND APOLOGIES FOR ABSENCE
1.1	The Chair welcomed all in attendance to the committee meeting and all attendees were reminded to declare any conflicts of interest. Apologies were noted as above.
2.	**MINUTES OF PREVIOUS MEETING/ACTION REGISTER**
2.1	**Minute of Audit and Risk Committee meeting on 29 November 2023**
	Decision: The Committee approved the minutes as an accurate reflection of the previous meeting.
	Action: The Committee Secretary to delete the recording post meeting.
2.2	**Review of action point register of Audit and Risk Committee meeting on 29 November 2023**
	The Committee reviewed the action point register, and the following was highlighted: -
	a) Item 3.1 Internal audit annual report should be listed under March rather than June on Business Planning Schedule.
	b) Item 4.3 point on plain English to stay open and timescales to be added.
	c) Item 4.3 around committee/ board approval should be amended to reflect minutes.
	All other action points were completed or will be discussed later in the agenda.
	Decision: The Committee gained assurance from the progress with action points.
3.	**COMMITTEE GOVERNANCE**

3.1	**Committee Annual Report**
	The first draft of the committee annual report and terms of reference were presented to the committee. No changes to the committee terms of reference were proposed. **Decision: The Committee noted the first draft of the annual report.** **Action: 'Digital strategy' to be added to future actions for 2024/25. Head of Communications to take this forward with Director of Evidence & Digital to agree a timescale and owner. The final draft of the report will be presented at the next meeting.**
4.	**CORPORATE GOVERNANCE**
4.1	**Information Governance Update**
	The Director of Evidence provided the Committee with an update and the following was highlighted: - a) Network Information and Security Regulations update provided an assurance of lower risk across the organisation. b) In future the compliance table will include percentage figures and any useful additional information to enable the committee to see any developments from one meeting to the next. c) There has been a significant increase in the number of Freedom of Information (FOI) requests received; specifically, around independent healthcare (IHC). **Decision: The Committee gained assurance from the information provided.** **Action: Next paper to include details of FOI's for comparison purposes and a more detailed compliance table for NISR.**
4.2	**Business Resilience & Sustainability**
	The Director of Evidence and Digital provided an update and highlighted the following: a) The NISR audit compliance status of 78%, up from 49% last year and considerably above the target of 60%. b) The auditor from NISR described HIS as a strong performing board and our evidence demonstrated the strength and depth of our commitment across the organisation. c) To coincide with the NISR activity, the Gold Commander Workshop, focussing on cyber crisis simulation and business continuity took place on 5 March. **Decision: The committee formally recorded its thanks to the staff involved in the NISR audit and gained assurance from the information provided.**
4.3	**IT Infrastructure**
	The Head of Digital Services joined the meeting for this item and highlighted the following: a) The infrastructure and migration progress has been slightly delayed following a request from Scottish Government due to current financial circumstances, but work is now underway. b) Our cyber risk remains high but appropriate controls are in place to mitigate this, and this is reflected in the risk register. c) Mitigations should reduce the likelihood of the risk happening, but the risk is still high. The impact remains high but slightly less so due to the mitigations in place. **Decision: The Committee gained assurance from the report subject to the actions below.** **Actions: The Director of Evidence and Digital and the Head of Digital Services to take comments into consideration regarding the organisations preparedness if the risk were to happen.**
4.4	**Corporate Website**
	The Head of Communications provided an update, and the following was highlighted: - a) The corporate website has moved to WordPress and is now live. The new website is under development, with more content to be added and/or moved from the archived website, which remains accessible to users. b) The Communications Team will continue to work with NHS National Services Scotland to

	incorporate the HIS team specific websites on to the new corporate website platform.
	c) Following on from a cost review exercise, there has been a reduction in the overall cost of the corporate website project, achieved mainly by extending the programme of work and repurposing the work of the Communications Team. **Decisions: The Committee thanked the Communications Team for their hard work and gained assurance in the reduction in the platform continuity risk.** **Actions: A revised Communications Strategy will be brought back to the Committee for consideration showing the impact of incorporating the website programme.**
4.5	**Financial Performance Report**
	The financial performance report at 31 January 2024 was presented to the committee alongside the quarterly reports on non-competitive tenders (NCT) and counter-fraud services (CFS) and the following was highlighted: a) Following an underspend, a likely return of £1.9m, alongside the mid-year non-recurring savings ask from Scottish Government (SG), takes the total returned to SG to £2.4m. b) Approval is currently being sought via Central Legal Office for permission to 'right off' an £8.4k debt for an Independent Healthcare customer who is now in administration. There is no recourse to debt recovery at this stage. c) For the period October 2023- February 2024, one NCT requested by the Scottish Medicines Consortium was approved. d) We have continued to make progress in completing actions assigned to us via the Fraud Annual Action Plan. There was a significant increase in training completion rates for CFS- fraud awareness training module, from 63% in quarter 2 to 92% in quarter 3. In response to questions from the committee, the following information was provided:- e) Forthcoming legislative changes expected in late spring/ early summer will enable us to remove IHC providers licences due to defaulting fees. Safety however remains our focus and we must continue to carry out our regulatory functions. **Decision: The Committee gained assurance of the financial position.**
4.6	**One Team Update**
	The Chief Executive was joined by the Strategic Lead to provide the Committee with an update around One Team, focussing on the efficiency and redesign workstreams. The following was highlighted:- a) A review of the current new commissions process will begin later this month and work is continuing on the development of a proposal for speaking engagements. b) A paper on a One Team approach to IHC debt will be presented at the next committee meeting. **Decision: The committee welcomed the One Team update.**
4.7	**Financing Planning/ 2024-25 Budget**
	The Director of Finance, Planning and Governance presented the 2024/25 budget and the five-year financial plan to the committee for consideration prior to be being submitted to Scottish Government (SG) on 11 March and then retrospective approval by HIS board at the end of the month. The following was then highlighted:- a) The Committee discussed the heavy reliance on achieving financial balance from the savings targets and asked for more comprehensive savings plans to be brought back to the Committee, aligning with the Annual Delivery Plan, and demonstrating a strong One Team ethos. b) The risks to the plan were also discussed and the rationale for inclusion or exclusion the in budget. c) The committee considered the five-year financial plan recognising the reliance on 2024/25 savings to be recurring to keep the organisation in a position of recurring financial balance over the next five years. **Decision: The financial uncertainty and seriousness of the financial challenges were noted by the Committee, and it was agreed the plan would be recommended to the Board for approval.**

	Action: More comprehensive savings plans to be brought back to the Committee, aligning with the Annual Delivery Plan, and demonstrating a strong One Team ethos. The Governance Manager to review the board dates for 2024/25 to ensure the board have the opportunity to consider and approve the budget prior to SG submission.
5.	**INTERNAL AUDIT**
5.1	**Internal Audit Update: Draft Internal Audit Annual Plan 2024/25; Internal Audit Progress**
	KMPG presented the Draft Internal Audit Annual Plan 2024/25, alongside the Internal Audit Progress Report and Internal Audit Reports. The key points were:-
	a) The Committee welcomed the Plan and charter, subject to one amendment. 'Chief Executive to be added as joint sponsor for partnership working, alongside employee director'.
	b) The data protection audit was rated as significant assurance with minor improvements.
	c) Governance arrangements for Executive Remuneration Committee (ERC) were rated as significant assurance with minor improvements. Risks will now come to board meetings and three key points will also be produced for the board.
	d) The Internal Audit Progress Report 2023/24 is now almost successfully completed and the final report of the six will be presented at the next committee meeting in June. In terms of actions; 5 are complete and 7 are overdue and 15 are not yet due. In comparison to other similar organisations we are in a favourable position.
	Decision: The Committee welcomed the Draft Internal Audit Annual Plan 2024/25, the Internal Audit Progress Report and Internal Audit Reports.
	Action: ERC risks to be added to strategic risk register and three key points will also be produced for the board.
6.	**EXTERNAL AUDIT**
6.1	**Annual Audit Plan 2023/24**
	External auditors, Audit Scotland presented their audit plan for 23/24, which included a proposed 6% fee increase. Key points were:-
	a) There were some changes to the audit team due to movement of staff but some continuity within the team will remain.
	b) There was discussion around the proposed audit fee increase and there was strong opposition to the increase from committee members.
	Decision: The Committee supported the direction of travel of the plan but did not support the fee increase and have requested that Audit Scotland further consider efficiency savings to bring their fee in line with the budgets of other public sector organisations.
	Action: Claire will take our feedback to the Chief Operating Officer of Audit Scotland.
7.	**RISK MANAGEMENT UPDATE**
7.1	**Strategic & Operational Plan Risk Registers**
	The Committee reviewed all the strategic risks currently held and the operational plan risks assigned to this Committee. Key points were:-
	a) The corporate website risk has been lowered on the strategic risk register and the three website risks, have been removed from the operational plan risk register as they are now classified as low risk. The risk of failure to comply with the Covid enquiry has also been reduced.
	b) We are at an advanced stage of being able to raise a risk around external and internal communications.
	c) It is important that testing controls and effectiveness and introducing preparedness are considered when staff are scoring their risks.
	d) There are some actions on the action plan around internal controls for the cyber security risk and these will be included by the Director of Evidence & Digital in the next ICT Report.

	Decision: The Committee gained assurance that the risks presented were recorded and mitigated appropriately subject to the action below. **Action: Resilience & Digital Solutions Lead to consider our strategic risks alongside future business continuity exercises for 2024/25.**
8.	**STANDING BUSINESS**
8.1	The Chair listed the key points as: HIS website progress; NISR update; 2024/25 budget (including audit fees).
9.	**ANY OTHER BUSINESS**
9.1	The Chair asked for reflections on the meeting, and these included productive, clear, and well-structured discussions, real progress being reported, good understanding of where the risks are and decreased uncertainty over time.

Approved by: Gill Graham
Date:18 June 2024

Teams meeting recording deleted: 18 June 2024
Next meeting: 18 June 2024 10am