

MINUTES - Approved
**Meeting of the Healthcare Improvement Scotland Audit and Risk Committee at
10.00, 18 June 2024 by MS Teams**

Present	Auditors
Gill Graham (Committee Chair)	KPMG - James Lucas, 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
	Lindsay Fielding, Strategic Lead (item 3.7)
In attendance	Kevin McInnery, Head of Digital Services (items 3.2 & 3.5)
Robbie Pearson, Chief Executive	
Lynsey Cleland, Director of Quality Assurance and Regulation	Committee Support
Ann Gow, Deputy Chief Executive/Director of Nursing and Systems Improvement	Ruth Gebbie, Support to HIS Chair/ Governance Officer
Ben Hall, Head of Communications	
Laura Liddle, Associate Director of Workforce	Apologies
Paul McCauley, Risk Manager	Abhishek Agarwal (Non-Executive Director)
Tony McGowan, Associate Director of Community Engagement	Lynda Nicholson, Head of Corporate Development
Angela Moodie, Director of Finance, Planning and Governance	Sybil Canavan, Director of Workforce
Safia Qureshi, Director of Evidence and Digital	Clare Morrison, Director of Director of Engagement & Change
Karlin Rodgers, Head of Finance and Procurement	
Duncan Service, Employee Director	
Simon Watson, Director of Medical and Safety	

1.	WELCOME AND APOLOGIES FOR ABSENCE
1.1	The Chair welcomed all in attendance to the meeting and all attendees were reminded to declare any conflicts of interest. Apologies for the meeting were noted as above.
2.	MINUTES OF PREVIOUS MEETING/ACTION REGISTER
2.1	Minute of Audit and Risk Committee meeting on 7 March 2024
	Decision: The Committee approved the minutes subject to item 4.7 '2024/24 budget' being amended to '2024/25 budget' Action: The Committee Secretary to delete the recording post meeting and amend error for item 4.7.
2.2	Review of action point register of Audit and Risk Committee meeting 7 March 2024
	The Committee reviewed the action point register, and the following was highlighted: - a) Item 4.3 Plain English version - the Cyber Security Manager will be assigned this task. b) Item 4.8 Property update - a further update will be available at next week's board meeting. c) Item 4.4 Corporate website - deferred to next meeting in September. d) All other items were complete or are discussed later in the agenda.

	Decision: The Committee gained assurance from the progress made with action points.
3.	CORPORATE GOVERNANCE
3.1	Financial Performance Report including: Governance update - non competitive tender log; Register of Gifts and Hospitality; Register of International
	<p>The Director of Finance, Planning & Governance provided the Committee with an update and the following was highlighted: -</p> <ul style="list-style-type: none"> a) Financial performance at the end of May 2024 showed a £0.3m underspend (4%) and we have achieved more of our savings target - £700k of the £2.5m target - than we would have expected by this point in the year. Plan is to bank this internally to HIS on a quarterly basis to provide more certainty that we will achieve the savings target. b) We have received part funding for our Primary Care Improvement Programme, one of the three larger programmes funded by additional allocations that were paused. The other two were Drugs and Alcohol programme, and Mental Health reform. Confirmation of the allocation position is not expected from Scottish Government until early July so the proposal is to continue to fund these programmes but take a final decision at the end of July. The Committee discussed this issue in some detail regarding potential actions and implications before agreeing to the recommended action in the paper. <p>Decision: The Committee endorsed the proposals set out in the paper, subject to mitigations being in place should the allocations not be received.</p>
3.2	IT Infrastructure
	<p>The Director of Evidence and Digital provided an update on ongoing work to upgrade IT infrastructure and advised that the cyber security threat level remains high. The key points from the discussion were:</p> <ul style="list-style-type: none"> a) The cyber security centre of excellence provides reports on potential breaches so we are not dependent on staff reporting. b) Migration to the cloud will be phased and supported by a business continuity plan. c) Rollout to Windows 11 is phased but moving forward on new laptops and with a pilot group. Windows 10 is in support until October 2025. <p>Decision: The Committee noted the update and accepted moderate assurance. Action: An update on Windows 11 rollout to be provided to the next meeting.</p>
3.3	Business Resilience & Sustainability
	<p>The Director of Evidence and Digital advised that all action that was within the ability of HIS to influence had been taken such as recycling, travel and energy. However, overall gains are limited by the fact we have a small office footprint. Next steps are to examine sustainability within the context of our work programmes.</p> <p>Decision: The Committee accepted moderate assurance on the progress with sustainability.</p>
3.4	Information Governance
	<p>The Director of Evidence and Digital provided an update, highlighting the additional information provided in the report on Freedom of Information (FOI) requests and the significant increase in the number of FOIs being received. The Committee were advised that contingencies to cover the increase were the use of an external consultant, a review of the efficiency of the systems that support the process and increased stakeholder engagement in the sector which is the source of a lot of the FOIs.</p> <p>Decision: The Committee accepted limited assurance regarding information security and moderate assurance in relation to FOIs.</p>

3.5	Digital Strategy
	<p>The Director of Evidence and Digital provided a presentation on progress with the digital strategy. The discussion noted the importance of culture in transformation and the need to build digital considerations into current and future processes.</p> <p>Decision: The Committee noted the update. Action: Digital Strategy updates to be provided to future meetings.</p>
3.6	Corporate Website
	<p>The Head of Communications provided an update, advising that 65% of the web content has been transferred to the new corporate website and further priority content is being identified. It is now important to educate people on what the website is there to do and the Communications Team content designer will offer 'sofa sessions' on content audit and design.</p> <p>Decision: The Committee noted the update and were assured by the progress being made.</p>
3.7	One Team Update
	<p>The Chief Executive was joined by the Strategic Lead and it was advised that the action point in relation to timescales for the process for approval of grants and funding, is now complete. The HIS Employee vacancies for Admin Officer and Project Officer roles have now been advertised both internally and externally. This is central to the One Team approach and HIS becoming a more flexible and agile organisation.</p> <p>In response to questions from the Committee, it was advised that plans for an all staff event have been paused due to financial constraints. Smaller directorate events have taken place over the last few months, and the staff long service awards are still scheduled to take place on 25 June.</p> <p>Decision: The Committee accepted moderate assurance from One Team progress.</p>
4.	INTERNAL AUDIT
4.1	Fixed Asset Management Report 2023-24
	<p>KMPG presented the Fixed Asset Management Report and highlighted that post covid there has been a change in how IT assets are tracked. There are three medium rated findings and five low rated findings around the tracking, destruction and return of IT items. The Committee expressed some concern regarding the issues on adequate control of assets.</p> <p>Decision: The Committee accepted significant assurance on the audit report with minor improvement opportunities.</p>
4.2	Annual Internal Audit Report and Opinion 2023-24
	<p>KPMG reported that during 2023-24 six audits have been completed with 1 partial assurance, 13 medium findings and 15 low risk findings.</p> <p>Decision: The Committee accepted the Head of Internal Audit's opinion of significant assurance with minor improvement provided by the auditors.</p>
4.3	Progress Report
	<p>KPMG provided a summary of progress against the Internal Audit Plans for 2023-24 and 2024-25. The six internal audit reviews in the 2023-24 plan have been completed and the 2024-25 plan is now underway. There may be a delay to later in the reporting period for the audit on statutory obligations.</p> <p>Decision: The Committee noted the update.</p>

5.	EXTERNAL AUDIT
5.1	Service Audit Reports
	<p>The Director of Finance, Planning & Governance presented a paper detailing the service audit reports for the services provided by other boards to HIS - two with National Services Scotland (NSS) for IT and payroll services, and one with NHS Ayrshire Arran for hosting our financial ledger. Other than a minor qualification for IT access controls, the reports had an unqualified opinion. NSS is taking steps to address the IT matter.</p> <p>Decision: The Committee accepted moderate assurance from the reports.</p>
5.2	Annual Audit Report 2023-24 and ISA 580 2023-24
	<p>This item was taken after item 5.3. Audit Scotland provided their report of the 2023-24 audit advising:</p> <ul style="list-style-type: none"> a) They remained independent throughout the year and applied appropriate ethical standards for auditors. b) They intend to issue an unmodified opinion and there are no significant findings in year. c) They thank the HIS Finance Team for a smooth audit and high quality reports.
5.3	Annual Accounts 2023-24
	<p>The Director of Finance, Planning & Governance asked the meeting to note that the accounts had already received significant scrutiny through circulation by email and at the accounts workshop. Minor changes had been made since then and were detailed in the paper.</p> <p>Decision: Having considered items 5.2 and 5.3, the Committee were content to recommend adoption of the Annual Accounts for 2023-24 to the Board subject to the final checks below.</p> <p>Action: Confirm accuracy of content on page 21 regarding Scottish Health Technologies Group and on page 51 about the gender numbers of Non-executives.</p>
5.4	Annual Accounts Workshop 2024 meeting notes
	The Committee welcomed the inclusion of the Annual Accounts Workshop notes.
6.	RISK MANAGEMENT UPDATE
6.1	Strategic & Operational Plan Risk Registers
	<p>The Committee reviewed all the strategic risks and the operational plan risks assigned to this Committee. Key points were:-</p> <ul style="list-style-type: none"> a) The draft of the revised Workforce Plan will be completed by the end of this month for sharing with the Partnership Forum and Executive Team before being presented at the next meeting of the Staff Governance Committee. b) Operational Plan Risk 1166: as the Microsoft model is now in operation, the risk has been reduced to a medium level. The Digital Team will continue to monitor the risk over the next few months, with a view to closing it. c) The corporate website risk is currently sitting at low, and consideration will be given to moving it to the Operational Plan Risk Register. d) The level of assurance has been applied to this paper based on whether risks are in or out of appetite. Work continues to be done around the effectiveness of controls and how these might be tested using an evidence-based approach. <p>In response to questions from the Committee, the following additional information was provided:</p> <ul style="list-style-type: none"> e) Some risks on the Operational Plan Risk Register remain out of date.

	<p>f) The Risk Management Advisory Group have recently reviewed their terms of reference to give a clearer focus on how to connect to committees. The comments on the operational plan risks will be fed into the group's improvement plan.</p> <p>Decision: The Committee accepted the levels of assurance offered within the paper. Action: Executive Team to review and update all operational risks.</p>
7.	STANDING BUSINESS
7.1	Board 3 key points
	The Chair listed the key points as: Financial position, fraud prevention; operational plan risk register.
7.2	Feedback session
	Reflections on the meeting were fed back to the Chair from committee members and included effective chairing and timekeeping, and high-quality meeting papers.
8.	ANY OTHER BUSINESS
8.1	The HIS Chair highlighted that this is Gill Graham's final meeting as Chair of the Audit and Risk Committee as her appointments end on 30 June. She thanked Gill for her commitment and contribution to the work of the Committee and Board.

Approved by: Rob Tinlin
Date: 4 September 2024

Teams meeting recording deleted: 11 September 2024
Next meeting: 4 September 10am