

Dumfries and Galloway
Integration Joint Board
Audit, Risk and Governance Committee

17th September 2024

This Report relates to
Item 7 on the Agenda

NHS Audit and Risk Committee Annual Report and Assurance Statement 2023/24

Paper presented by Katy Kerr

For Noting

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List of Background Papers:	
Appendices:	Appendix 1 – NHS Audit and Risk Committee Annual Report and Assurance Statement 2023/24

1.	<p>Introduction</p> <p>1.1 This paper provides the IJB Audit, Risk and Governance Committee with a copy of the NHS Audit and Risk Committee Annual Report and Assurance Statement for 2023/24</p>
2.	<p>Recommendations</p> <p>2.1 The IJB Audit and Risk Committee is asked to:</p> <ul style="list-style-type: none"> • Note the NHS Audit and Risk Committee Report and Assurance Statement for 2023/24 to support assurances for the IJB Annual Accounts process.
3.	<p>Background and Main Report</p> <p>3.1 <u>Background</u></p> <p>3.2 All NHS Board Committees are required to provide a Committee Governance Statement, which gives assurance to the Chief Executive Officer that each committee is adhering to their roles and responsibilities and have met any specific criteria set out by either the Board or the Scottish Government Health and Social Care Directorate.</p> <p>3.3 As part of the overall Governance Statement process, each Standing Committee Chair is asked to demonstrate that appropriate arrangements are in place to allow the Board to undertake its business in a structured and efficient manner.</p> <p>3.4 <u>Main Report</u></p> <p>3.5 The attached NHS Audit and Risk Committee Report and Assurance Statement for 2023/24 was approved at NHS Audit and Risk Committee on 29 April 2024. This was subsequently submitted to the Corporate Business Team in May 2024 to support the drafting of the Governance Statement within the NHS Board's Annual Report and Accounts for 2023/24. The NHS Board Annual Report and Accounts 2023/24 were approved by Board on 27 June 2024.</p>
4.	<p>Conclusions</p> <p>4.1 A copy of this report is provided for completeness only, to ensure IJB Audit, Risk and Governance Committee have oversight of the NHS Audit and Risk Committee Annual Statement for 2023/24 and to support assurances for the IJB Annual Accounts process.</p>
5.	<p>Resource Implications</p> <p>5.1. There are no resource implications identified.</p>
6.	<p>Impact on Integration Joint Board Outcomes, Priorities and Policy</p> <p>6.1. There are no impacts identified.</p>

7.	Legal and Risk Implications		
7.1.	There are no legal or risk implications identified.		
8.	Consultation		
8.1.	The Chair of NHS Audit and Risk Committee and the NHS Director of Finance developed the Annual Report and Assurance Statement. In addition, all NHS Audit and Risk Committee members were asked to complete an annual survey in March 2024 and the outcome of the survey was reviewed by the Chair of NHS Audit and Risk Committee and the NHS Director of Finance and fed into the Annual Report and Assurance Statement.		
9.	Equality and Human Rights Impact Assessment		
9.1.	As this report does not propose a change in policy/strategy/plan/project, it is not necessary to complete an impact assessment.		
10.	Glossary		
10.1	All acronyms must be set out in full the first time they appear in a paper with the acronym following in brackets.		
	<table border="1"> <tr> <td>IJB</td> <td>Integration Joint Board</td> </tr> </table>	IJB	Integration Joint Board
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AUDIT AND RISK COMMITTEE
Self-Assessment Checklist
2024

Completed on 4 March 2024

STAGE 1 - Areas identified for Action Plan 2023

Review the action plan below which was completed in 2023. Confirm if each action has been carried out and completed. If any actions have not been completed these should be carried forward to the 2024 action plan and anticipated completion dates assigned to each of these.

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
1	22. Does the Audit and Risk Committee consider the findings of reviews on the effectiveness of the system of internal control?	Audit and Risk Committee would like to see development of a framework which demonstrates effectiveness of the system of internal control. <i>(carried over from 2019, 2021, 2022 action plans)</i>	Committee are keen to see progression of a Board Assurance Framework this year.	March 2024	02/10/23: The Board Assurance Framework is in progress; A&R are keen to see this being implemented and monitored. 04/03/24: There has been developments on this but Board Assurance Framework to be fully embedded.	N/A CARRIED OVER TO 2024

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
2	25. Does the Audit and Risk Committee satisfy itself that the arrangements for risk management, control and governance have operated effectively throughout the reporting period?	<p>Assurance to be provided that a risk appetite has been embedded and is being used in practice.</p> <p><i>(carried over from 2019, 2021, 2022 action plans)</i></p>	<p>Committee have noted the ongoing work on risk throughout last year, however, noted that risk appetite remains an area requiring further focus, understanding, development and translation to meaningful action. Committee will continue to seek assurances in this area.</p>	March 2024	<p>2/10/23: Risk appetite is being embedded and reported through the Strategic Risk Management Report to A&R. Now business as normal.</p> <p>04/03/24: Committee would like to see Risk Appetite embedded, evidenced and demonstrated in reports alongside decision making in 2024. Committee would also like to see how risk tolerance is demonstrated within reporting and decisions.</p> <p>Committee would like to see further detail on the compound impact of multiple risks across the organisation and assurance that risks are being managed at the appropriate level.</p>	<p>N/A</p> <p>CARRIED OVER TO 2024</p>

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
3	26. Has the Audit and Risk Committee considered how it should coordinate with other committees that may have responsibility for risk management and corporate governance?	<p>There is no formal plan in place for co-ordinating with other committees who may have responsibility for risk management and corporate governance</p> <p><i>(carried over from 2022 action plan)</i></p>	Explore how Committee co-ordinates with other committees that may have responsibility for risk management and corporate governance	March 2024	<p>March 2023: No formal plan in place, however discussions have begun to explore the relationships and responsibilities with other Committees.</p> <p>02/10/23: Internal discussions with Committee Chairs have taken place and there are more linkages to ensure co-ordination. Meetings with Council E&R, NHS A&R and IJB ARG have taken place.</p> <p>04/03/24: As above, good progress made this year. A procedure for ensuring the relevant committee has scrutiny of allocated corporate risks is in the process of being embedded. This to be monitored over the coming year.</p>	<p>N/A</p> <p>CARRIED OVER TO 2024</p>

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
4	27. Has the Audit and Risk Committee satisfied itself that the body has adopted appropriate arrangements to counter and deal with fraud?	Further assurances required around preventative measures. <i>(carried over from 2022 action plan)</i>	Committee would like to see further work on preventive measures going forward. eg. Committee would like to revisit the actions from patient funds audit to understand preventative fraud actions in context. Consideration to be given on how Whistleblowing is reflected in this.	March 2024	2/10/23: Regular Fraud updates presented to A&R. Counter Fraud Services presented a Fraud session to A&R July 2023. A&R members have undertaken online Fraud training. Patient funds processes have been reported via Financial Governance paper to A&R. 04/03/24: Good progress this year. Noted that new Counter Fraud Standards recently introduced. These to be embedded in 2024/25.	N/A CARRIED OVER TO 2024

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
5	31. Does the Audit and Risk Committee receive and consider management reports from senior staff in key business areas, such as Finance, HR and ICT?	<p>Committee receives reports for Finance and ICT (as related to A&R ToR). Committee does not receive reports for HR.</p> <p><i>(carried over from 2022 action plan)</i></p>	As per question 26, Committee would like to explore how it co-ordinates with other committees that may have responsibility for risk management and corporate governance.	March 2024	<p>2/10/23: Reports received via A&R. Now business as usual; effectiveness will continue to be reviewed by A&R.</p> <p>04/03/24: As above. Committee noted that governance structures may evolve as part of financial recovery plan work.</p> <p>Clarity to be sought on the HR element of this action. Other NHS Boards to be contacted to find out what they do in this area; GB to progress.</p>	<p>N/A</p> <p>CARRIED OVER TO 2024</p>
6	42. Are outputs from follow-up audits by internal audits monitored by the Audit and Risk Committee and does the committee consider the adequacy of implementation of recommendations ?	<p>Committee seeking further assurances on overdue actions arising from Internal Audit recommendations.</p> <p><i>(carried over from 2022 action plan)</i></p>	Committee would like to explore whether further robust actions are required to understand and monitor delays with overdue actions.	March 2024	<p>2/10/23: This is a key priority for A&R and active discussions with Senior Managers continue to take place. Actions are reviewed at Board Management Team on a regular basis. A&R see this as a priority and will continue to monitor.</p> <p>04/03/24: As above. Internal Audit scrutiny now in place across all committees. Internal Audit overdue actions to continue to be monitored.</p>	<p>N/A</p> <p>CARRIED OVER TO 2024</p>

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
7	45. Does the Audit and Risk Committee review the adequacy of internal audit staffing and other resources?	<p>Committee keen to get a better understanding of resourcing issues and value aspect of Internal Audit.</p> <p><i>(carried over from 2022 action plan)</i></p>	<p>Committee are aware of potential resourcing issues and would like to explore this further. Committee has also commented on the cultural and value aspect of Internal Audit, and are keen to ensure this is embedded further going forward.</p>	March 2024	<p>March 2023: Committee are supporting agile Internal Audit planning, recognising resourcing challenges and system pressures.</p> <p>2/10/23: Active discussions at present due to recent staff changes; audit plan will be considered at October A&R meeting to ensure we can continue to meet audit requirements.</p> <p>04/03/24: Vacancy still in place and options for recruitment being considered. Capacity to be monitored alongside audit plan.</p>	<p>N/A</p> <p>CARRIED OVER TO 2024</p>

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
8	46. Are internal audit performance measures monitored by the Audit and Risk Committee?	Committee keen to see more detail around Internal audit performance measures. <i>(carried over from 2022 action plan)</i>	Committee would like to reconnect with Internal Audit re KPIs and impact measures.	March 2024	2/10/23: A&R to seek further information from Chief Internal Auditor as best way to take this forward. External Quality Assessment will be progressed shortly; update will be provided at A&R October 2023. 04/03/24: EQA final report will be reported to Audit and Risk Committee in April 2024. Output from this will be considered then. Impact measures to be considered further going forward.	N/A CARRIED OVER TO 2024

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
9	<p>59. Do reports to the Audit and Risk Committee communicate relevant information at the right frequency, time, and in a format that is effective?</p> <p>60. Does the Audit and Risk Committee issue guidelines and/or a pro forma concerning the format and content of the papers to be presented?</p>	<p>Format of some presentations/reports require further development. New templates have been introduced, however, some work is required on interpretation and application of these. Noted that the Corporate Governance Action Group was overseeing this work, however, has not met over the past year.</p> <p><i>(carried over from 2019, 2021, 2022 action plans)</i></p>	<p>Committee would like to see this area remitted back to the Chair of Board to delegate for review and continual improvement.</p>	<p>March 2024</p>	<p>March 2023: Committee noted continual improvement in this area.</p> <p>2/10/23: In future reports, A&R will be looking for further evidence that risk appetite has been fully considered and applied.</p> <p>04/03/24: As above, business as usual. Reporting has developed over recent years. Committee noted that detail of reporting may evolve as part of streamlining governance work to support financial recovery.</p>	<p>N/A</p> <p>CARRIED OVER TO 2024</p>

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
10	66. Are there any areas where the Audit and Risk Committee could improve upon its current level of effectiveness?	<p>Couple of areas highlighted in this questionnaire where effectiveness could be improved.</p> <p><i>(carried over from 2022 action plan)</i></p>	<p>Committee will seek to have greater Board influence in relation to the overall control environment specifically in relation to levels of assurance and how they are currently assessed.</p> <p>This also links with question 45, in term of Internal Audit resourcing and value.</p>	March 2024	<p>March 2023: Committee will seek to have greater coordination and reporting arrangements with other Committees.</p> <p>2/10/23: Links to previous question. A&R will continue to monitor.</p> <p>04/03/24: Good work this year around committee Internal Audit reports scrutiny, Board workshops etc.</p> <p>Board governance structure continues to be monitored with more focus on workshops.</p> <p>Committee wish to see how risk appetite is considered to inform the priorities of committees.</p>	<p>N/A</p> <p>CARRIED OVER TO 2024</p>

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
11	11. Are new Audit and Risk Committee members provided with an appropriate induction?	Committee highlighted would find it beneficial to access internal training around Risk. <i>(new action 2023)</i>	Internal training on risk to be explored.	March 2024	2/10/23: Risk management training available to all Board Members. Various material sent to new A&R members when joining. Members to consider any gaps and discuss further with Chair of A&R. 04/03/24: As above. Committee satisfied with level of induction at current time. Business as usual.	04/03/24
12	55. Does the Audit and Risk Committee assess the performance of external audit?	Annual survey on External Audit performance is issued by Audit Scotland, but Committee would be interested to see the outcomes of the surveys. <i>(new action 2023)</i>	Annual survey on External Audit performance to be shared with Committee.	March 2024	2/10/23: The following reports were circulated to A&R Committee: <ul style="list-style-type: none"> • Audit Scotland Report – Quality of Public Audit in Scotland: Annual Report 2022/23 • Public Audit in Scotland 2023-28 • Audit Quality – Audit Scotland’s transparency report 2022/23 04/03/24: As above. Business as usual.	04/03/24

STAGE 2 – Review 2024 Questionnaire

Collectively form one response for each answer. Note any comments from Members about any improvements sought, areas requiring clarity, learning requirements etc.

Role and Remit

No	Question	Yes	No	N/A	Comments	2023	Comments Noted
1	Does the Audit and Risk Committee have written terms of reference?	Yes				Yes	
2	Do the terms of reference cover the core functions of an Audit and Risk Committee as identified in the SG Audit and Risk Committee Handbook?	Yes				Yes	
3	Are the terms of reference approved by the Audit and Risk Committee and reviewed periodically?	Yes			<p>Terms of Reference were revised at Audit and Risk Committee Self-Assessment Session on 27 March 2023. No changes were deemed necessary at that time and no changes have been required throughout the year.</p> <p>Term of Reference reviewed at this Self-Assessment Session on 4 March 2024.</p>	Yes	<p>Updated Terms of Reference presented to Audit and Risk Committee April 2022 and July 2022, and formally approved by Board in August 2022</p> <p>Committee noted that the Terms of Reference will be reviewed alongside the onboarding of new Non-Executive Members.</p>
4	Has the Audit and Risk Committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?		No		<p>Committee has noted a vacancy which is being reviewed by the Chair of the Board. Ideally, Committee would like the new member to have an accountancy background.</p> <p>INCLUDED IN 2024 ACTION PLAN</p>	Yes	

No	Question	Yes	No	N/A	Comments
5	Does the body's governance statement mention the Audit and Risk Committee's establishment and its broad purpose?	Yes			
6	Does the Audit and Risk Committee periodically assess its own effectiveness?	Yes			<p>Last year's Self-Assessment session took place on 27 March 2023 and was presented to Audit and Risk Committee on 24 April 2023.</p> <p>This year's Self-Assessment session took place 4 March 2024.</p>

2023	Comments Noted
Yes	
Yes	<p>Last year's Self-Assessment session took place on 07/03/22 and was presented to Audit and Risk Committee on 25/04/22.</p> <p>This year's Self-Assessment session took place 27/03/23.</p>

Membership, Induction and Training

No	Question	Yes	No	N/A	Comments
7	Has the membership of the Audit and Risk Committee been formally agreed by the management Board and or Accountable Officer and a quorum set?	Yes			
8	Are members appointed for a fixed term?	Yes and No			<p>Yes, as per Non-Executive appointments being fixed term.</p> <p>No for specific appointment to Audit and Risk Committee.</p> <p>Memberships of all governance committees are periodically reviewed for succession planning and at Board Chair's discretion.</p>
9	Does at least one of the Audit and Risk Committee members have a financial background?	Yes and No			Committee members have business/finance backgrounds but no qualified accountants are currently members of the Committee.
10	Are all members, including the chair, independent of the Executive function?	Yes			

2023	Comments Noted
Yes	
Yes and No	<p>Yes, as per Non-Executive appointments being fixed term.</p> <p>No for specific appointment to Audit and Risk Committee.</p> <p>Memberships of all governance committees are periodically reviewed for succession planning and at Board Chair's discretion.</p>
Yes and No	Committee members have business/finance backgrounds but no qualified accountants are currently members of the Committee.
Yes	

No	Question	Yes	No	N/A	Comments
11	Are new Audit and Risk Committee members provided with an appropriate induction?	Yes			<p>Welcome email sent to new members containing pertinent information (Terms of Reference, Audit Committee Handbook, useful reading (eg. Audit Scotland reports etc.), along with an invite to contact the Chair and/or Exec Lead for further information.</p> <p>Members are sent the link to the Scottish Government Audit and Risk e-learning module within the reading material issued.</p>
12	Has each member formally declared his or her business interests?	Yes			

2023	Comments Noted
Yes	<p>Welcome email sent to new members containing pertinent information (Terms of Reference, Audit Committee Handbook, useful reading (eg. Audit Scotland reports etc.), along with an invite to contact the Chair and/or Exec Lead for further information.</p> <p>Members are sent the link to the Scottish Government Audit and Risk e-learning module within the reading material issued.</p> <p>New Committee members to provide feedback to Committee Chair and Secretary if further onboarding is required.</p> <p>Committee would find access to internal training around Risk to be beneficial.</p> <p>INCLUDED IN 2023 ACTION PLAN</p>
Yes	

No	Question	Yes	No	N/A	Comments
13	Are members sufficiently independent of the other key committees of the Board?	Yes			Can be as independent as can be, given limited number of Non-Executive Board Members. Multiple members sit on other governance committees.
14	Has the Audit and Risk Committee considered the arrangements for assessing the attendance and performance of each member?	Yes			

2023	Comments Noted
Yes	Can be as independent as can be, given limited number of Non-Executive Board Members. Multiple members sit on other governance committees.
Yes	

Meetings

No	Question	Yes	No	N/A	Comments
15	Does the Audit and Risk Committee meet regularly, at least four times a year?	Yes			
16	Do the terms of reference set out the frequency and broad timing of meetings?	Yes			
17	Does the Audit and Risk Committee calendar meet the body's business and governance needs, as well as the requirements of the financial reporting calendar?	Yes			
18	Are members attending meetings on a regular basis and if not, is appropriate action taken?	Yes			
19	Does the Accountable Officer attend all meetings and, if not, is he/she provided with a record of discussions?	Yes			
20	Does the Audit and Risk Committee have the benefit of attendance of appropriate officials at its meetings, including representatives from internal audit, external audit and finance?	Yes			

2023	Comments Noted
Yes	
Yes	
Yes	Committee recognise the need to be agile when required.
Yes	
Yes	
Yes	

Internal Control

No	Question	Yes	No	N/A	Comments
21	Does the Audit and Risk Committee consider the findings of annual reviews by internal audit and others, on the effectiveness of the arrangements for risk management, control and governance?	Yes			
22	Does the Audit and Risk Committee consider the findings of reviews on the effectiveness of the system of internal control?	Yes			There has been developments on the Board Assurance Framework; Committee are keen for this to be fully embedded. INCLUDED IN 2024 ACTION PLAN
23	Does the Audit and Risk Committee have responsibility for review of the draft Governance Statement and does it consider it separately from the accounts?	Yes			
24	Does the Audit and Risk Committee consider how accurate and meaningful the Governance Statement is?	Yes			

2023	Comments Noted
Yes	
Yes	See previous Action Plan. Audit and Risk are keen to see progression of a Board Assurance Framework this year INCLUDED IN 2023 ACTION PLAN
Yes	
Yes	

No	Question	Yes	No	N/A	Comments
25	Does the Audit and Risk Committee satisfy itself that the arrangements for risk management, control and governance have operated effectively throughout the reporting period?	Yes and No			<p>Committee would like to see Risk Appetite embedded, evidenced and demonstrated in reports alongside decision making in 2024. Committee would also like to see how risk tolerance is demonstrated within reporting and decisions.</p> <p>Committee would like to see further detail on the compound impact of multiple risks across the organisation and assurance that risks are being managed at the appropriate level.</p> <p>INCLUDED IN 2024 ACTION PLAN</p>
26	Has the Audit and Risk Committee considered how it should coordinate with other committees that may have responsibility for risk management and corporate governance?	Yes and No			<p>A procedure for ensuring the relevant committee has scrutiny of allocated corporate risks is in the process of being embedded. This to be monitoring over the coming year.</p> <p>INCLUDED IN 2024 ACTION PLAN</p>

2023	Comments Noted
Yes and No	<p>No to 'satisfy itself' but Yes if question better phrased as 'consider whether'</p> <p>See previous Action Plan.</p> <p>INCLUDED IN 2023 ACTION PLAN</p>
Yes and No	<p>No formal plan in place, however discussions have begun to explore the relationships and responsibilities with other Committees.</p> <p>INCLUDED IN 2023 ACTION PLAN</p>

No	Question	Yes	No	N/A	Comments
27	Has the Audit and Risk Committee satisfied itself that the body has adopted appropriate arrangements to counter and deal with fraud?	Yes and No			Good progress this year. Noted that new Counter Fraud Standards recently introduced. These to be embedded in 2024/25. INCLUDED IN 2024 ACTION PLAN
28	Has the Audit and Risk Committee been made aware of the role of risk management in the preparation of the internal audit plan?	Yes			
29	Does the Audit and Risk Committee's terms of reference include oversight of the risk management process?	Yes			
30	Does the Audit and Risk Committee consider assurances provided by senior staff?	Yes			

2023	Comments Noted
Yes and No	No to 'satisfy itself' but Yes if question better phrased as 'consider whether'. Audit and Risk Committee would like to see further work on preventive measures going forward. eg. Committee would like to revisit the actions from patient funds audit to understand preventative fraud actions in context. Consideration to be given on how Whistleblowing is reflected in this. INCLUDED IN 2023 ACTION PLAN
Yes	
Yes	
Yes	

No	Question	Yes	No	N/A	Comments
31	Does the Audit and Risk Committee receive and consider management reports from senior staff in key business areas, such as Finance, HR and ICT?	Yes and No			<p>Committee noted that governance structures may evolve as part of financial recovery plan work.</p> <p>Clarity to be sought on the HR element of this action. Other NHS Boards to be contacted to find out what they do in this area; GB to progress.</p> <p>INCLUDED IN 2024 ACTION PLAN</p>

2023	Comments Noted
Yes and No	<p>Committee receives reports for Finance and ICT (as related to A&R ToR). Committee does not receive reports for HR.</p> <p>As per question 26, Committee would like to explore how it co-ordinates with other committees that may have responsibility for risk management and corporate governance.</p> <p>INCLUDED IN 2023 ACTION PLAN</p>

Financial Reporting and Regulatory Matters

No	Question	Yes	No	N/A	Comments
32	Is the Audit and Risk Committee's role in the consideration of the annual accounts clearly defined?	Yes			
33	Does the Audit and Risk Committee consider, as appropriate:				
	▪ The suitability of accounting policies and treatments?	Yes			Committee no longer has a qualified accountant, therefore, technical knowledge of financial accounting is now missing from committee membership.
	▪ Major judgements made?	Yes			
	▪ Large write-offs?	Yes			
	▪ Changes in accounting treatment?	Yes			
	▪ The reasonableness of accounting estimates?	Yes			
	▪ The narrative aspects of reporting?	Yes			
34	Is an Audit and Risk Committee meeting scheduled to receive the external auditor's report to those charged with governance, including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	Yes			
35	Does the Audit and Risk Committee review management's letter of representation?	Yes			

2023	Comments Noted
Yes	
Yes	Committee no longer has a qualified accountant, therefore, technical knowledge of financial accounting is now missing from committee membership.
Yes	
Yes	
Yes	
Yes	
Yes	
Yes	
Yes	

No	Question	Yes	No	N/A	Comments
36	Does the Audit and Risk Committee gain an understanding of management's procedures for preparing the body's annual accounts?	Yes			
37	Does the Audit and Risk Committee have a mechanism to keep it aware of topical legal and regulatory issues?	Yes			

2023	Comments Noted
Yes	
Yes	


Internal Audit


No	Question	Yes	No	N/A	Comments
38	Does the Head of Internal Audit attend meetings of the Audit and Risk Committee?	Yes			
39	Does the Audit and Risk Committee approve, annually and in detail, the internal audit plans including consideration of whether the scope of the internal audit work addresses the body's significant risks?	Yes			
40	Does the internal audit have a direct reporting line, if required, to the Audit and Risk Committee?	Yes			Julie Watters reports directly to the CEO, with regular discussions with Chair of A&RC.
41	As well as an annual report from the Head of Internal Audit, does the Audit and Risk Committee receive progress reports from the internal audit service?	Yes			
42	Are outputs from follow-up audits by internal audits monitored by the Audit and Risk Committee and does the committee consider the adequacy of implementation of recommendations?	Yes			Internal Audit scrutiny now in place across all committees. Internal Audit overdue actions to continue to be monitored. INCLUDED IN 2024 ACTION PLAN

2023	Comments Noted
Yes	
Yes	
Yes	Julie Watters reports directly to the CEO, with regular discussions with Chair of A&RC.
Yes	
Yes	

No	Question	Yes	No	N/A	Comments
43	If considered necessary, is the Audit and Risk Committee Chair able to hold private discussions with the Head of Internal Audit?	Yes			
44	Is there appropriate co-operation between the internal and external auditors?	Yes			
45	Does the Audit and Risk Committee review the adequacy of internal audit staffing and other resources?	Yes			Vacancy still in place and options for recruitment being considered. Capacity to be monitored alongside audit plan. INCLUDED IN 2024 ACTION PLAN
46	Are internal audit performance measures monitored by the Audit and Risk Committee?	Yes			EQA final report will be reported to Audit and Risk Committee in April. 2024. Output from this will be considered then. Impact measures to be considered further going forward. INCLUDED IN 2024 ACTION PLAN
47	Has the Audit and Risk Committee considered the information it wishes to receive from internal audit?	Yes			

2023	Comments Noted
Yes	
Yes	
Yes	Committee are supporting agile Internal Audit planning, recognising resourcing challenges and system pressures.
Yes and No	Committee would like to reconnect with Internal Audit re KPIs and impact measures. INCLUDED IN 2023 ACTION PLAN
Yes	

No	Question	Yes	No	N/A	Comments
48	Has the committee considered formal terms of reference defining internal audit's objectives, responsibilities, authority and reporting lines?	Yes			<p>The Internal Audit Charter outlines Internal Audit's objectives, responsibilities etc. This was last presented to A&R on 24 April 2023 - see paper here.</p>  <p>Item 14 - Internal Audit Plan 2023-24.pc</p> <p>Committee will review the Internal Audit Charter at their April 2024 meeting</p>

2023	Comments Noted
Yes	<p>The Internal Audit Charter outlines Internal Audit's objectives, responsibilities etc. This was last presented to A&R on 25/04/22 - see paper here.</p>  <p>Item 17 - Internal Audit Plan 2022-23.pc</p> <p>Committee will review the Internal Audit Charter at their April meeting</p>

External Audit

No	Question	Yes	No	N/A	Comments
49	Does the external audit representative attend meetings of the Audit and Risk Committee?	Yes			
50	Do the external auditors present and discuss their audit plans and strategy with the Audit and Risk Committee (recognising the statutory duties of external audit)?	Yes			
51	Does the Audit and Risk Committee Chair hold periodic private discussions with the external auditors?	Yes			
52	Does the Audit and Risk Committee review the external auditor's annual report to those charged with governance?	Yes			
53	Does the Audit and Risk Committee ensure that officials are monitoring action taken to implement external audit recommendations?	Yes			
54	Are reports on the work of external audit presented to the Audit and Risk Committee?	Yes			

2023	Comments Noted
Yes	
Yes	
Yes	
Yes	
Yes	
Yes	

No	Question	Yes	No	N/A	Comments
55	Does the Audit and Risk Committee assess the performance of external audit?	Yes			
56	Does the Audit and Risk Committee consider the external audit fee?	Yes			Committee is made aware of the external audit fee that is agreed with Audit Scotland. Noted that this year's fee increase is being challenged at both a local and national level.

2023	Comments Noted
Yes	<p>Yes, informally as part of ongoing Committee assurance processes and discussions. A key role is ensuring that the agreed plan is delivered at the end of the year.</p> <p>Annual survey on External Audit performance is issued by Audit Scotland, but Committee would be interested to see the outcomes of the surveys.</p> <p>INCLUDED IN 2023 ACTION PLAN</p>
Yes	Committee is made aware of the external audit fee that is agreed with Audit Scotland.

Administration

No	Question	Yes	No	N/A	Comments
57	Does the Audit and Risk Committee have a designated secretariat?	Yes			
58	Are agenda papers circulated in advance of meetings to allow adequate preparation by Audit and Risk Committee members?	Yes			
59	Do reports to the Audit and Risk Committee communicate relevant information at the right frequency, time, and in a format that is effective?	Yes			Reporting has developed over recent years. Committee noted that detail of reporting may evolve as part of streamlining governance work to support financial recovery. INCLUDED IN 2024 ACTION PLAN
60	Does the Audit and Risk Committee issue guidelines and/or a pro forma concerning the format and content of the papers to be presented?	Yes			
61	Are minutes prepared and circulated promptly to the appropriate people, including all members of the Board?	Yes			
62	Is a report on matters arising presented or does the chair raise them at the Audit and Risk Committee's next meeting?	Yes			
63	Do action points indicate who is to perform what and by when?	Yes			

2023	Comments Noted
Yes	
Yes	
Yes and No	Committee note continual improvement in this area. INCLUDED IN 2023 ACTION PLAN
Yes	
Yes	
Yes	
Yes	

No	Question	Yes	No	N/A	Comments
64	Does the Audit and Risk Committee provide an effective annual report on its own activities?	Yes			

2023	Comments Noted
Yes	

Overall

No	Question	Yes	No	N/A	Comments
65	Does the Audit and Risk Committee effectively contribute to the overall control environment of the organisation?	Yes			
66	Are there any areas where the Audit and Risk Committee could improve upon its current level of effectiveness?	Yes			Committee wish to see how risk appetite is considered to inform the priorities of committees. INCLUDED IN 2024 ACTION PLAN
67	Does the Audit and Risk Committee seek feedback on its performance from the Board and Accountable Officer?	Yes and No			A&R Chair seeks informal feedback from Board Chair and Accountable Officer as to performance of the Committee. Update reports from all committees are now submitted to Board on a quarterly basis to allow feedback as necessary.

2023	Comments Noted
Yes	
Yes and No	Committee will seek to have greater coordination and reporting arrangements with other Committees. INCLUDED IN 2023 ACTION PLAN
Yes and No	A&R Chair seeks informal feedback from Board Chair and Accountable Officer as to performance of the Committee.

Any Other Comments

2024	2023
<p>Committee look forward to the Board continuing its progress in understanding and embedding management of risk across the organisation. This will be focussing on the following building blocks for good corporate governance, including:</p> <ul style="list-style-type: none"> • Embedding the Risk Management Strategy • Implementing the use of Risk Appetite and tolerance throughout decision making • Implementation of the Board Assurance Framework • Address Actions identified as part of the EQA of Internal Audit • Collaborate with Internal and External Audit to ensure robust identity, resourcing and planning • Connectedness with other Committees, IJB partners and the Board <p>The Committee anticipate that the Action Plan will need to be agile given the significant financial challenges faced by the Board in 2024/25 and Board's response to this may require further review of the Committee structure, priorities and focus.</p>	<p>Committee look forward to the Board continuing its progress in managing and understanding risk across the organisation. This will be focussing on the following building blocks for good corporate governance, including:</p> <ul style="list-style-type: none"> • Embedding the Risk Management Strategy • Implementing the Risk Appetite throughout decision making • Continuing to develop the Board Assurance Framework • Collaborate with Internal Audit to ensure robust identity, resourcing and planning • Connectedness with other Committees and the Board

STAGE 3 - Areas identified for Action Plan 2024

Based on the results and general discussion above, identify the key issues that Members would wish to be pulled together as part of an action plan for the year ahead, with anticipated timeframes included. Include any carried over items. Remember to include any actions carried over from the 2023 action plan.

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
1	22. Does the Audit and Risk Committee consider the findings of reviews on the effectiveness of the system of internal control?	Board Assurance Framework has developed over recent years but needs to be fully embedded. <i>(carried over from 2019, 2021, 2022, 2023 action plans)</i>	Committee are keen to see Board Assurance Framework fully embedded this year.	March 2025		

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
2	25. Does the Audit and Risk Committee satisfy itself that the arrangements for risk management, control and governance have operated effectively throughout the reporting period?	<p>Further work required to embed risk appetite across organisation.</p> <p><i>(carried over from 2019, 2021, 2022, 2023 action plans)</i></p>	<p>Committee would like to see Risk Appetite embedded, evidenced and demonstrated in reports alongside decision making in 2024.</p> <p>Committee would also like to see how risk tolerance is demonstrated within reporting and decisions.</p> <p>Committee would like to see further detail on the compound impact of multiple risks across the organisation and assurance that risks are being managed at the appropriate level.</p>	March 2025		
3	26. Has the Audit and Risk Committee considered how it should coordinate with other committees that may have responsibility for risk management and corporate governance?	<p>New process implemented last year to ensure each committee has oversight and scrutiny of relevant corporate risks, however, this to be fully embedded over the coming year.</p> <p><i>(carried over from 2022, 2023 action plan)</i></p>	<p>New process for committee scrutiny of relevant corporate risks to be fully embedded this year and monitored.</p>	March 2025		

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
4	27. Has the Audit and Risk Committee satisfied itself that the body has adopted appropriate arrangements to counter and deal with fraud?	<p>Noted that new Counter Fraud Standards recently introduced. These to be embedded in 2024/25</p> <p><i>(carried over from 2022, 2023 action plan)</i></p>	Counter Fraud Standards to be embedded during 2024/25.	March 2025		
5	31. Does the Audit and Risk Committee receive and consider management reports from senior staff in key business areas, such as Finance, HR and ICT?	<p>Committee receives reports for Finance and ICT (as related to A&R ToR). Committee does not receive reports for HR.</p> <p>Committee noted that governance structures may evolve as part of financial recovery plan work.</p> <p><i>(carried over from 2022, 2023 action plan)</i></p>	<p>Clarity to be sought on the HR element of this action. Other NHS Boards to be contacted to find out what they do in this area; GB to progress.</p> <p>Governance structures to support financial recovery plan work to be monitored as part of A&R considerations.</p>	March 2025		

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
6	42. Are outputs from follow-up audits by internal audits monitored by the Audit and Risk Committee and does the committee consider the adequacy of implementation of recommendations?	<p>Committee seeking further assurances on overdue actions arising from Internal Audit recommendations.</p> <p>A&R see this as a priority and will continue to monitor.</p> <p><i>(carried over from 2022, 2023 action plan)</i></p>	Internal Audit overdue actions to continue to be monitored.	March 2025		
7	45. Does the Audit and Risk Committee review the adequacy of internal audit staffing and other resources?	<p>Vacancy still in place and options for recruitment being considered.</p> <p><i>(carried over from 2022, 2023 action plan)</i></p>	Internal Audit team capacity to be monitored alongside Internal Audit Plan.	March 2025		
8	46. Are internal audit performance measures monitored by the Audit and Risk Committee?	<p>Committee keen to see more detail around Internal audit performance measures.</p> <p><i>(carried over from 2022, 2023 action plan)</i></p>	<p>External Quality Assessment final report will be reported to Audit and Risk Committee in April 2024. Output from this will be considered then.</p> <p>Impact measures to be considered further going forward.</p>	March 2025		

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
9	59. Do reports to the Audit and Risk Committee communicate relevant information at the right frequency, time, and in a format that is effective?	<p>Reporting has developed over recent years. Committee noted that detail of reporting may evolve as part of streamlining governance work to support financial recovery.</p> <p><i>(carried over from 2019, 2021, 2022, 2023 action plans)</i></p>	Detail of reporting to be monitored in line with evolving governance arrangements in place.	March 2025		
10	66. Are there any areas where the Audit and Risk Committee could improve upon its current level of effectiveness?	<p>Couple of areas highlighted in this questionnaire where effectiveness could be improved.</p> <p><i>(carried over from 2022, 2023 action plan)</i></p>	Committee wish to see how risk appetite is considered to inform the priorities of committees.	March 2025		

No	Which question in Self-Assessment does this relate to?	Key Issue	Action Requested/Planned	Anticipated completion date	Current Status	Final completion date
11	4. Has the Audit and Risk Committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	Committee has noted a vacancy which is being reviewed by the Chair of the Board	Impact of vacancy to be monitored and discussed with Chair of Board as required. Ideally, Committee would like the new member to have an accountancy background.	March 2025		