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# Board Meeting: 18 March 2021

**Subject:** Audit and Risk Committee Update
16 February 2021

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| **Recommendation:** Board Members are asked to: |
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| Discuss and Note | ✓ |
| Discuss and Approve |  |
| Note for Information only |  |

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## 1 Background

The Audit and Risk Committee was held on 16 February 2021, the following key points were agreed at the meeting.

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| **Effective** |
| * Board Risk Register was presented for approval which was updated following outputs from the Board seminar. Members approved the refreshed Risk Register and Risk Appetite.
* Accounting Policies to be used in preparation of the Annual Accounts were approved. It was noted that due to restrictions the valuation and stock counts may have to be undertaken virtually.
* The Committee were informed of the outcome of the National Fraud Initiative Exercise for 2020-21. Members noted the results and were satisfied with the robust approach taken.
* An update was provided on the work of Counter Fraud Services and the committee were informed that there were no cases under investigation. It is intended to undertake an in-house audit of eHealth equipment; the outcome of this audit will be made available to Internal and External Audit.
* Members were provided with an update on the Hospital Expansion Project.Phase 1 will be finalised once the final account has been agreed.Phase 2 is progressing, the draft Assurance Review report is being checked for factual accuracy and is due to be finalised by end of February 2021.
* Project Bank Account is being established for Phase 2 of Hospital Expansion in line with guidance from Scottish Government. This is now a mandatory condition of all capital projects. Members approved process and procedures for setting up a Project Bank Account and signing of Trust Deed.
* Committee approved use of Credit Card by the Communications Team for specific purpose of digital marketing and social media and recruitment needs. It was noted strict processes are in place for credit card use.
* The Committee were provided with information of the Provisions for Clinical Negligence and Other Risks Indemnity Scheme as this will form part of the annual accounts, members were assured that there are no implications to the Board.
* Annual Accounts Timetable was presented with background detail to enable the accounts to be submitted in line with timescales for June 2021.It was noted that all Board Committee Draft Annual Reports must be submitted to the April 2021 Audit and Risk Committee.
* External Audit Annual Plan was presented noting that this year’s audit will be undertaken remotely as per previous year and original timescales of June 2021 will be adhered to.
* Internal Audit Progress Report was presented and Members were informed that work is progressing. Members noted that the Workforce audit has been slightly delayed, the Director of Finance will progress this. The Auditors assured Members of their focus on the second phase of the Patient Pathway audit.
* The Governance Review audit found that robust and effective governance was in place in response to the COVID-19 pandemic. The report indicated one minor advisory note that would be considered going forward.
* Financial Sustainability – Phase One audit demonstrated that there were good controls in place in reporting COVID-19 spend to Scottish Government. One minor advisory point was noted.
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The next meeting is scheduled for Tuesday 20 April 2021.

## 2 Recommendation

Board Members are asked to note the Audit and Risk Committee Update.

**Morag Brown Acting Chair, Audit and Risk Committee**

**16 February 2021**

**(Colin Neil, Director of Finance)**