

# Minute

## TAYSIDE NHS BOARD AUDIT COMMITTEE - OPEN BUSINESS

# NHS Tayside

Minute of the meeting of Tayside NHS Board Audit Committee held at 9.30 a.m. on **Thursday 11 May 2017** in the Board Room, Kings Cross Hospital, Dundee

### Present:

Ms L Dunion, Non Executive Member, Tayside NHS Board  
Mrs J Golden, Non Executive Member, Tayside NHS Board  
Mr S Hay, Non Executive member, Tayside NHS Board (Chair)  
Mr M Hussain, Non Executive Member, Tayside NHS Board

### Chair, Chief Executive and Senior Officers

Mr L Bedford, Director of Finance, NHS Tayside  
Ms L McLay, Chief Executive, NHS Tayside

### External Auditors

Mr B Crosbie, Senior Audit Manager, Audit Scotland  
Ms A Machan, Senior Auditor, Audit Scotland

### Internal Audit – FTF Audit and Management Services

Mr T Gaskin, Chief Internal Auditor, FTF Audit and Management Services  
Mrs J Lyall, Acting Regional Audit Manager, FTF Audit and Management Services

### Other Attendees

Prof J Connell, Chair, Tayside NHS Board  
Ms M Dunning, Board Secretary, NHS Tayside  
Mrs F Gibson, Head of Financial Services, NHS Tayside  
Mrs L Green, Committee Support Officer, NHS Tayside  
Miss D Howey, Head of Committee Administration, NHS Tayside  
Mrs L Lyall, Capital Finance Manager, NHS Tayside (for Item 10)  
Mr R Marshall, Representative of Area Partnership Forum  
Mr R MacKinnon, Associate Director of Finance - Financial Services & Governance/FLO, NHS Tayside  
Mrs H Walker, Risk Manager, NHS Tayside

### Apologies

Mr D Cross, OBE, Non Executive Member, Tayside NHS Board

### Mr S Hay in the Chair

#### 1. WELCOME

Mr Hay welcomed all to the meeting including Professor Stephen Logan, Chair of NHS Grampian and Member of the Assurance and Advisory Group.

Mr Hay advised the Committee that Glennis Middleton had not been re-elected following the Local Authority Council elections on 4 May 2017. Mr Hay extended his thanks and warm appreciation to Glennis for her valuable input to the Committee.

It was noted there were two vacancies in the Membership of the Committee and confirmation of nominated Local Authority Representatives was awaited.

#### 2. APOLOGIES

The apologies were noted as above.

#### 3. DECLARATION OF INTERESTS

There were no declarations of interests.

#### ACTION

#### **4. MINUTE OF PREVIOUS MEETING**

##### **4.1 Minute of the Audit Committee Minute – 9 March 2017**

Mr Hussain requested that the first sentence of the last paragraph on page 53 be amended to read “Mr Hussain accepted the recommendations in relation to Staff Governance, noting in relation to the number of deferred items, there had been issues regarding non attendance at meetings”.

The Committee agreed to the amendment.

The Audit Committee Minute of the meeting held on 9 March 2017 was approved on the motion of Mr Munwar Hussain and seconded by Mrs Judith Golden.

##### **4.2 Action Points Update**

Mr Bedford spoke to the Action Points Update.

**Strategic Risk Management Group Minute – 24 November 2016** – The Committee noted that early notification of forthcoming meetings and regular reminders would be put in place to improve attendance at Strategic Risk Management Group (SRMG) meetings. It was noted that Risk Managers would be required to attend to talk to their respective risks if the Risk Owner could not be present and the SRMG Terms of Reference would be updated to incorporate this deputising arrangement.

Mrs Walker advised the Committee that work was ongoing regarding the review of the Terms of Reference and alternative ways of conducting business were being explored.

**Internal Audit T08/17 – Interim Evaluation of Internal Control Framework** – It was noted this report had been circulated to all Standing Committee Chairs and Committee Support Officers on 19 April 2017.

**External Review of all Mental Health Sites** – The Committee noted the update provided in Appendix 1 to the Action Points Update. Mr Bedford reminded the Committee that the Finance and Resources Committee had given approval for Phase 1 of the Window Replacement Programme which would focus on Murray Royal Hospital and some areas of the Carseview Centre. It was noted Tayside NHS Board had approved the allocation of £1m for the Mental Health Environmental Programme and a further £2.3m from the Board Contingency had been set aside to allow for emerging environmental issues and expanding the programme to other Mental Health sites.

Mr Gaskin sought clarification that all wardrobe (including cupboard) doors had been removed from all areas within all Mental Health sites. Confirmation was provided that this was the case.

##### **4.3 Work Plan 2017/18**

The Committee was asked to note the Work Plan 2017/18.

Mr Bedford advised the Work Plan 2017/18 reflected the current and forthcoming reporting arrangements. The Committee was asked to note the Work Plan 2017/18 and continue to monitor.

##### **The Committee**

- **Noted the Work Plan 2017/18**

##### **4.4 Matters Arising**

There were no matters arising.

#### **5. AUDIT FOLLOW UP**

## **5.1 Audit Follow Up (AFU) – Mid Cycle Update Report (AUDIT38/2017)**

Mr Bedford noted that the Work Plan stated the Full Cycle Update Report would be presented to the Committee however, due to absence within the department the Full Cycle Update Report would be presented to the next Committee meeting.

Mr Bedford advised the report highlights D opinion Internal Audit Reports and previous External Audit Reports. All comments were included in Appendix 1 of the report.

It was noted in relation to T21/14 Medical Equipment and Devices a comprehensive report had been presented to the Committee at its meeting in January 2017 and this action was now complete. An update in relation to T22/17 Follow Up of Financial Planning and Management would be considered separately under Item 6.2 of the Agenda.

Mr Hay sought an update in relation to The Office of the Scottish Charity Regulator (OSCR). It was noted Mr Robert MacKinnon was liaising with OSCR regarding the removal of restrictions. Mr MacKinnon advised the first step was a fund re-organisation scheme. There was a large exercise looking at larger funds and the clinical alignment and a consultation process would be required following that.

### **The Committee**

- **Noted the further progress made during the period from January 2017**

## **6. INTERNAL AUDIT**

### **6.1 Internal Audit Progress Report (AUDIT40/2017)**

Mr Gaskin advised the Committee in relation to Internal Audit Report T01/17 – Audit Risk Assessment and Planning there had been progression following the submission of this report. It was noted that following discussion with the Chief Executive and Directors it had been agreed the report T01/17 – Audit Risk Assessment and Planning would now be submitted to June 2017 Committee meeting.

Mr Gaskin advised the decision to defer submission to the June 2017 meeting would allow additional time for the considerations of both the NHS Tayside and the Integrated Joint Boards (IJBs) and for the focus and consideration of Directors. Mr Gaskin noted he felt a better product would be submitted and was pleased with the level of engagement.

#### ***9:43 Ms Margaret Dunning arrived***

Mr Gaskin highlighted the requirement to find a balance between governance and the operations arrangements and advised a meeting had been arranged with Mr Bill Nicoll, Director of Strategic Change. It was noted the work would be less focussed on governance and more on operational arrangements.

It was noted Mr Gaskin would meet with Local Authority Internal Audit colleagues to ensure agreement and the inclusion of any key issues in the partner organisations. Mr Gaskin highlighted the importance of the support of the Audit Committees to ensure a cohesive plan was presented.

Prof Connell queried when the Committee would get an update on the D aspect of Health and Social Care Integration (HSCI) in Internal Audit Report T15/17 – Health and Social Care Integration (HSCI). Prof Connell noted concerns regarding this and the need to move this forward.

Mr Gaskin advised there were various submission dates for the delivery of audits within the Integrated Joint Board (IJB) Internal Audit plans and also stated that he was working with both NHS Tayside and the IJBs on developing annual audit plans for 2017/18.

Ms Dunning advised that regarding the governance of HSCI the IJBs had outlined two models in Tayside and there was the requirement to review these models and the consequence for NHS Tayside. It was noted there were difficulties in having two models and a meeting had been scheduled to review the models and consequences to NHS Tayside. It was noted an update would be provided at the June 2017 Committee meeting.

Ms McLay noted her support of the discussions around the Internal Audit Annual Plan 2017/18 and the ongoing work exploring the governance implications of Health and Social Care Integration. It was noted in relation to HSCI, this was also an issue for consideration at national level and there was recognition from Scottish Government (SG) of the challenges, progress made and the variance being described from all Health Boards. Ms McLay noted this was new territory and concluded by noting her appreciation of the helpful work of Internal Audit around the 2017/18 Internal Audit Plan.

Mr Crosbie queried the impact of having two governance arrangements within the Governance Statement (GS). It was noted that there was no clear guidance from NHS Scotland and discussions would continue with Local Authority colleagues and IJB partners to ensure arrangements were suitable for all.

Mr Gaskin highlighted that the Summary of Report Content was included as Appendix 1 of the report.

#### **The Committee**

- **Noted the progress on the 2016/17 Internal Audit Plan**
- **Noted that Internal Audit Report T01/17 – Audit Risk Assessment and Planning would be submitted to the June 2017 meeting**
- **Noted that an update regarding the Internal Audit Report T15/17 – Health and Social Care Integration would be submitted to the June 2017 meeting**

### **6.2 Follow Up of Financial Planning Audit Report No T22/17 (AUDIT39/2017)**

Mr Bedford advised the report provided the Committee with an update on the status of the audit recommendations and the management actions which arose from the Follow Up of Financial Planning Internal Audit Report which was presented to Committee at its meeting in March 2017.

Mr Bedford highlighted ref.1 of Appendix 1 in relation to Internal Audit Report T28/14 – Financial Monitoring and advised that following discussions with the Chair of the Finance and Resources Committee, the addition of informal Finance and Resources Committee meetings to “bridge the gap” between reporting had been agreed and would be arranged to alternate with the formal Finance and Resources Committee and Tayside NHS Board meetings.

It was noted the formal meetings scheduled for 2017/18 would remain unchanged however, meetings for 2018/19 would be arranged to be held towards the end of the month to allow for the most up to date financial position being presented to the Finance and Resources Committee in the form of a written report as opposed to a verbal update.

In relation to ref. 5 Mr Bedford advised that following the completion of the annual accounts the Standing Financial Instructions would be updated and where appropriate more detailed operational guidance would be developed. This would be reported to both the Audit and Finance and Resources Committees.

Mr Gaskin advised the Committee a lot of progress had been made however, further work was required due to changes to the risk environment. Mr Gaskin noted that ensuring a robust Finance Team was in place was a fundamental issue.

Mr Hay spoke in relation to ref.6 and noted that it would be reassuring for the Committee to see a detailed Finance Workforce Plan. It was confirmed this would be completed by September 2017.

Mr Hussain noted a number of actions related to Finance and Resources scrutiny and sought assurance that the organisation was committed to the process at an appropriate level and requested an update in relation to working with Information Statistics Division (ISD) Scotland. Mr Bedford advised that all Health Boards were given information from the NSS Discovery tool. It was noted that whilst a number of areas required further review there was a good level of engagement at an operational level.

It was noted the Local Delivery Plan, to be finalised by September 2017, would draw on regional elements and the One Year Operational Plan had identified a number of productive opportunities through the NSS Discovery Tool.

Prof Connell queried how the Finance Workforce Plan, due to be developed by September 2017, would feature within the Corporate Workforce Plan which was required by June 2017. Mr Bedford reflected on the approved Finance structure that was now actively being taken forward and the consideration that would be given to ensuring an effective substructure was in place. This would be more in particular to redefining roles whilst ensuring adequate training and support was in place.

**The Committee**

- **Noted the current position**

**6.3 Internal Audit T12/17 – Integration Joint Board (IJB) Governance Update**

Ms Dunning advised this had been discussed under Item 6.1 Internal Audit Progress Report and re-iterated that a meeting had been arranged to discuss plans and an update would be submitted to the June 2017 Committee meeting.

MD

**The Committee**

- **Noted the update provided under Item 6.1**
- **Noted an update would be submitted to the June 2017 Committee meeting**

**7. EXTERNAL AUDIT**

**7.1 NHS Tayside External Audit Interim Report 2016/17 (AUDIT37/2017)**

Mr Crosbie was in attendance and thanked the Committee for the invitation to present this report.

Mr Crosbie advised the Committee the report provided a summary of the key issues identified during interim audit work on governance arrangements and the key controls within the main financial systems. It was noted that para. 6 of the report highlighted the nature of key controls tested.

Mr Crosbie advised that Audit Scotland would use this work to assess the extent to which the systems could be relied on for the purpose of providing the information for the financial statements and identify where additional work may be required.

Mr Crosbie advised that Audit Scotland had concluded that Tayside NHS Board's systems of internal control were sound however, there were some areas for improvement identified, highlighted in Exhibit 1 of the report. Mr Crosbie also noted that one area was identified where further work would be required and this would be focussed specifically on suppliers' bank details.

It was noted the Annual Audit Report would be submitted to the June 2017 Committee meeting.

Mr Crosbie wished to highlight the reliance placed on the work of Internal Audit to avoid the duplication of efforts.

Mr Bedford noted that significant work had been undertaken by Mrs Frances Gibson and Mr Robert MacKinnon in relation to issues highlighted within the report. Mr Crosbie commended the work undertaken and the timeous response from management.

There was discussion in relation to the appearance of the NHS Tayside website and the need to ensure it was kept up to date. Ms Dunning advised the Committee that there were some complexities in ensuring up to date information due to a fast changing environment however, the website was under continual review, and all efforts were made to ensure accuracy of information. Ms Dunning agreed to explore any areas where improvements can be made.

**The Committee**

- **Noted the NHS Tayside External Audit Interim Report 2016/17**
- **Noted the Annual Audit Report would be submitted to the June 2017 Committee meeting**

## **8. RISK MANAGEMENT**

### **8.1 Annual Report of the Strategic Risk Management Group 2016/17 (AUDIT27/2017)**

Ms Dunning advised the Committee the Strategic Risk Management Group Annual (SRMG) Report 2016/17 was present to the Committee for information.

Ms Dunning highlighted there had been issues during the year in relation to attendance at meetings and various options had been considered to improve attendance. It was noted that Risk Managers were required to deputise should the Risk Owner be unavailable.

Ms Dunning noted the importance of the group and advised Mrs Hilary Walker, Risk Manager would review the possibility of extending the Membership of the group to Risk Managers.

It was noted the number of strategic risks were also being reviewed.

#### **The Committee**

- **Noted the content of the report**

### **8.2 Risk Management Annual Report (AUDIT28/2017)**

Mrs Walker presented the Risk Management Annual Report in relation to Risk Management activities which had been undertaken during 2016/17 to the Committee for approval and advised that it had been endorsed by the Strategic Risk Management Group (SRMG).

Mrs Walker highlighted the following:

- work was ongoing regarding the review of the Terms of Reference of the SRMG and alternative ways of conducting business were being explored
- an agreement had been reached at the Tayside NHS Board meeting held on 4 May 2017 to only report the Board Assurance Framework/Strategic Risk Profile to the Board twice per year
- the number of risks within the Strategic Risk Profile would reduce during 2017/18
- the NHS Tayside risk appetite statement took effect from 1 April 2017 and reporting of risks above the appetite to Tayside NHS Board first occurred on 4 May 2017
- the survey monkey issued in relation to service level risks had closed and a meeting was scheduled for end May 2017 to consider results and agree an improvement plan
- Draft regulations had been received in respect of the Duty of Candour. These would be issued within the organisation as part of a feedback/consultation exercise and a collective response on behalf of NHS Tayside provided to the Scottish Government

It was noted the Risk Management Mid Year Report had been submitted to the Committee at its meeting on 17 January 2017 and this detailed additional work undertaken and concluded during 2016/17

#### **The Committee**

- **Approved the Risk Management Annual Report**

### **8.3 Risk Management Work Plan 2017/18 (AUDIT29/2017)**

Mrs Walker presented the Risk Management Work Plan 2017/18 to the Committee for approval.

It was noted that whilst the production of a Work Plan was not mandatory for Risk Management it was good practice in providing assurances to the Committee and outlined plans for 2017/18.

Mrs Walker advised that the Work Plan for 2017/18 was included as Appendix A to the report and progress and work undertaken during 2016/17 was included within Appendix B to the report.

The Committee noted the information contained within the report was very comprehensive.

#### **The Committee**

- **Approved the Risk Management Work Plan 2017/18**
- **Noted the progress and work undertaken during 2016/17**

#### **8.4 Risk Management CIPFA Self Assessment and Audit Checklist (AUDIT30/2017)**

Mrs Walker advised the Committee that the report was an element of good practice in providing Members with an assurance of systems and processes in place for risk management.

The Committee was advised that the framework consisted of 12 elements which the organisation was self assessed against. Levels of compliance were contained within the report. Mrs Walker advised that the self assessment score within Projects and Partnerships had been reduced from 100% to 58%. This reflected the changing environment in relation to Health and Social Care Partnerships (HSCPs). It was noted that the report had been shared with Internal Audit and Ms Margaret Dunning, Board Secretary and it was anticipated this score would return to 100% upon conclusion and implementation of governance arrangements with the Integrated Joint Boards (IJBs).

Mrs Walker assured the Committee the self assessment and audit checklist was not just a “box ticking” exercise but was carried out thoroughly and that an audit trail/evidence was available if required.

Mrs Golden wished to thank Mrs Walker for the updated status in relation to staff side representation at meetings of the Strategic Risk Management Group. It was noted that nominations for additional staff side representation at these meetings was being currently being sought.

The Committee noted their appreciation of the work carried out.

##### **The Committee**

- **Reviewed progress against the CIPFA Self Assessment and Audit Tool**
- **Noted that a further review against the standard would be undertaken during 2017/18**
- **Recommended that assurance from the HSCPs incorporated an assessment against the requirements of the CIPFA guidance or equivalent to ensure a commonality of approach and as part of the overall governance process between the Health Board and the IJBs**

#### **9. AUDIT COMMITTEE TERMS OF REFERENCE AND WORKPLAN 2017/18 (AUDIT31/2017)**

Mr Bedford advised the Committee the Audit Committee Terms of Reference and Work Plan 2017/18 was presented to the Committee for approval.

It was noted all Standing Committees were required to produce annual work plans by the 30 June of each year and the Committee Work Plan was cyclical. The Terms of Reference of the Committee were included within the NHS Tayside Code of Corporate Governance.

Mr Bedford highlighted that in addition to the two vacancies within the Membership of the Committee the position of Vice-Chair was also vacant and would be addressed following confirmation of the nominated Local Authority Representatives.

##### **The Committee**

- **Approved the Audit Committee Terms of Reference and Work Plan 2017/18**

#### **10. PROPERTY TRANSACTIONS 2016/17 (AUDIT32/2017)**

Mr Bedford advised the Committee that Appendix 2 of the report contained the relevant proformas and certificates however, the Tender Report Forms would not be publically available due to containing commercially sensitive information.

Mrs Lyall was in attendance to present the report.

Mrs Lyall advised the Committee that in line with the Property Transactions Handbook, (the Handbook), the Committee should be advised of all property transactions completed within the year.

Mrs Lyall highlighted the recommendations contained within the report.

It was noted that the Handbook required that the Committee was responsible for monitoring property transactions and that monitoring was carried out on an annual basis.

Mrs Lyall advised the Committee there were six certificated property transactions in 2016/17 noted as being:

- Sale of Dundonnachie House, Aberfeldy
- Sale of the former Sunnyside Royal Hospital, Montrose
- Sale of the former Murray Royal Hospital, Perth
- Sale of surplus land at the former Douglas Clinic, Dundee
- Sale of the former Orleans Day Hospital, Dundee
- Sale of the former Longcroft Clinic, Dundee

The Committee noted that Post Transaction Monitoring was a cyclical process. The cycle normally commenced in May each year when the Committee was provided with the details of the property transactions completed during the previous financial year. A sample of the completed property transactions were measured against the Handbook by Internal Audit. The resultant audit report would be presented to the August 2017 Committee meeting, prior to submission to the Scottish Government Health and Social Care Department (SGHSCD) along with the Property Transaction Monitoring Report by 30 October 2017.

It was noted that Internal Audit had been asked to undertake an inspection of the Sunnyside and Murray Royal transactions and following discussions between Internal Audit and Senior Management it was agreed the Dundonnachie House transaction would also be reviewed.

Mrs Lyall advised that Internal Audit had been consulted on the content of the report prior to submission to the Committee.

It was noted that the Property Asset Management Team had been strengthened in 2016/17 with the appointment to a number of posts to ensure compliance with Handbook guidance and timescales were being adhered to.

The Committee noted that all property transactions had been reported to Tayside NHS Board.

#### **The Committee**

- **Noted that there were six completed property transactions during 2016/17**
- **Approved a draft return for 2016/17, and noted that the report would be submitted to the SGHSCD by the deadline of 30 October 2017**
- **Noted the copies of relevant proformas and certificates contained within Appendix 2 of the report**

**10:32 Mrs Louise Lyall left the meeting.**

#### **11. PAYMENT VERIFICATION: FAMILY HEALTH SERVICES (FHS) CONTRACTORS (AUDIT33/2017)**

The Committee was asked to note the Payment Verification: Family Health Services (FHS) Contractors report.

#### **The Committee**

- **Noted the Payment Verification: Family Health Services (FHS) Contractors report.**

#### **12. TAXATION OF WORKERS PROVIDED THROUGH INTERMEDIARIES (IR35) AND SELF EMPLOYED (AUDIT34/2017)**

Mr MacKinnon advised the report provided an update to the Committee around the impact for NHS Tayside of the Finance Act 2017 in respect of taxation of workers provided through intermediaries. The report also provided an update around the taxation by NHS Tayside of self employed workers. The nature of the changes to legislation regarding the taxation of workers provided through intermediaries (IR35) within the Finance Act 2017 placed responsibility on all public sector bodies, including the NHS in Scotland, to determine whether the nature of the work would fall within HRMC's definition of employment for tax purposes. It was noted changes to legislation would take effect as of 6 April 2017.



The Committee noted HMRC/HM Treasury had published policy guidance, draft legislation for the Finance Bill 2017, a Technical Guide and NHS Scotland Management Steering Group (MSG) had also issued guidance to NHS Boards.

Mr MacKinnon advised that where workers were engaged by NHS Tayside the responsibility to apply the intermediaries' or the self employment tax rules was with NHS Tayside, however, in instances where agency staff were recruited through a third party responsibility to apply these rules could be transferred to the third party.

It was noted that NHS Tayside had a duty to apply tax legislation or face liability for employment taxes and penalties.

Mr MacKinnon assured the Committee that due diligence had been applied and section 3.4 of the report set out clear actions in place. There was a significant potential for financial and workforce pressures and based on an initial assessment, the level of expenditure to which the intermediaries or the self employment tax rules could apply was c£10m of annual recurring activity.

Mr MacKinnon highlighted the recommendations within the report and sought the Committee's approval to move forward with the required changes to the NHS Tayside Code of Corporate Governance.

Mr Doherty wished to commend the work of Mr MacKinnon and his team and advised that following a National Human Resources Directors meeting there were significant emerging issues affecting a number of Health Boards, in particular, the sustainability on services within some other Health Boards.

It was noted from an NHS Tayside perspective these changes went beyond clinicians and had implications for other areas such as eHealth however, the impact was greater within other Health Boards.

Ms McLay sought assurance regarding the position of NHS Tayside and risks faced in the event of delays from other Health Boards. Mr Doherty advised all Health Boards had a duty to comply and assured the Committee NHS Tayside had taken steps to reduce risk and sought guidance from Scottish Government (SG).

Mr Hay queried the effect of the new legislation on clinicians and was advised there would be implications for clinicians who provided locum services.

Mr MacKinnon highlighted the importance of working together to apply new legislation and noted the divergence of one Health Board would have implications for NHS Tayside.

The Committee discussed the sourcing of locums through national contracts and noted that SG had taken steps to promote their use by all Health Boards.

The Committee noted that Tayside NHS Board could be deemed the employer of workers provided through intermediaries or the self employed and all cost pressures would be reported to the Finance and Resources Committee.

It was noted all efforts had been made to ensure NHS Tayside was compliant.

Ms McLay noted there may be potential operational risks in relation to areas such as Nursing and Midwifery and Mental Health and this would be monitored.

#### **The Committee**

- **Noted the key legislative changes from 6 April 2017**
- **Noted the actions being progressed by management**
- **Agreed in principle to amendments to the Code of Corporate Governance in respect of "off payroll engagements" and taxation of workers which would be brought back to the Committee for approval upon the recommendation to the Board Secretary and Director of Finance through the Governance Review Group**

**13. COMPLIANCE WITH SCOTTISH GOVERNMENT WORKFORCE DIRECTORATE CIRCULARS AND NHS TAYSIDE EMPLOYMENT POLICIES (AUDIT35/2017)**

Mr Doherty presented this report to the Committee and advised this report was deferred from the previous Committee meeting held on 9 March 2017 as noted within the Action Points Update.

The Committee noted the report provided details as to how NHS Tayside was assured in relation to compliance with circulars issued by the Health Workforce and Strategic Change Directorate of the Scottish Government and compliance with existing NHS Tayside employment policies.

Mr Doherty advised that the Staff Governance Committee had agreed the following three initial areas for audit:

- Non Grade Protection
- Fixed Term Contracts
- Pay As If At Work (PAAW) – Return to work

It was noted the Staff Governance Committee would receive the outcomes of these audits during this financial year and that the assessment was welcomed from a Staff Side perspective.

**The Committee**

- **Noted the progress detailed within the report**

**14. BEST VALUE FRAMEWORK ASSURANCE 2016/17 – TAYSIDE NHS BOARD (AUDIT41/2017)**

Ms Dunning advised the Committee that the purpose of the report was to provide an assurance on the business considered by Tayside NHS Board during 2016/17 against the current Best Value Framework.

The Committee was asked to recommend the approval of the Assessment of Tayside NHS Board's Best Value Characteristics (Framework Assurance) 2016/17, included as Appendix 1 of the report.

The Committee noted that as part of its overall annual governance process, Tayside NHS Board developed a Framework for allocating Best Value characteristics and agreed which were delegated to Tayside NHS Board and its Standing Committees. Ms Dunning advised that Standing Committees were expected to review these characteristics and provide assurance on Best Value through their Annual Reports.

Mrs Dunion raised concerns regarding the value of the report, noting it was difficult to recognise some of the responses to the outcomes/evidence. In particular, Mrs Dunion noted her concerns that Tayside NHS Board had not been sighted on the Communication and Engagement Strategy and in reference to page 19 of the report did not agree that there was involvement in developing indicators. Mrs Dunion noted her unease in relation to some elements of the report and felt further work was required. Mr Hay shared these concerns and noted the need for the report to be reviewed prior to being submitted to Tayside NHS Board.

Ms Dunning advised in relation to the Communication and Engagement Strategy, Mrs Jane Duncan, Head of Corporate Communications was involved in the consultation process with staff and stakeholders. She advised that in option appraisals stakeholders were involved in the development of indicators. She also advised that the requirements and overall characteristics were what was expected to be seen in an effective organisation and this was an assessment of our achievement against these and given our commitments it was understandable not all were achieved in the year.

Mrs Golden noted her agreement with concerns raised and highlighted within the bullet points of section 4 of the report Improvement and Quality Committee should read Clinical and Care Governance Committee.

Mr Gaskin advised the Committee that part of the role of the Committee was to check accuracy, note future work planned and be assured that the report reflected what was happening. Mr Gaskin agreed that more focus on actions may be beneficial to Tayside NHS Board.

It was agreed Ms Dunning would meet with Mrs Dunion and Mr Hay to discuss and review the report and re-submit to the Committee at its meeting in June 2017.

It was noted the Best Value Framework Assurance was not scrutinised by External Audit or Scottish Government however, was a useful tool for self reflection.

**The Committee**

- **Noted the content of the report**
- **Noted a review of the report would be undertaken and re-submitted to the June 2017 Committee meeting**

**15. PAPERS/MINUTES FOR INFORMATION**

**15.1 Strategic Risk Management Group Minute – 2 February 2017**

The Strategic Risk Management Group Minute of 2 February 2017 was presented to the Committee for information.

**The Committee**

- **Noted the Strategic Risk Management Group Minute of 2 February 2017**

**15.2 Audit Scotland Reports**

The Agenda provided links to the following Audit Scotland Reports:

- Technical Bulletin 2017/1

**The Committee**

- **Noted the Audit Scotland Reports**

**15.3 Attendance Record**

**The Committee**

- **Noted the Attendance Record**

**Update – Action Points Update**

**External Review of all Mental Health Sites** - Mr Bedford advised, in response to the query raised by Mr Gaskin during discussions, that he had received confirmation that all wardrobe (including cupboard) doors had been removed from all areas.

**16. DATE OF NEXT MEETING**

**The next meeting of the Audit Committee will take place on Thursday 22 June 2017 at 9:30am in the Board Room, Kings Cross Hospital, Dundee**

Subject to any amendments recorded in the Minute of the subsequent meeting of the Committee, the foregoing Minute is a correct record of the business proceedings of the meeting of Tayside NHS Board Audit Committee held on 11 May 2017, and approved by the Committee at its meeting held on 22 June 2017.

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**CHAIR**

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**DATE**