

Purpose of Report

To brief the Board on key issues, discussed on 25 June 2019, which the Audit Committee consider should be of interest to all Board members.

Recommendations

It is recommended that Board Members note the issue outlined below:

Key Issues

1. Internal Audit Annual Opinion 2018/19

The Board's internal auditors, PricewaterhouseCoopers LLP, presented their annual report for 2018/19. In total, 11 internal audit reviews were carried out during the year. Only one high risk rated finding was identified, in relation to governance arrangements for the Electronic patient Records Project for which a management action plan is in place under the oversight of the Board's Digital Strategy Group. More generally the Committee were pleased to learn that the positive responses from management to the recommendations from individual audit reviews were a factor considered by the Chief internal Auditor when arriving at her annual opinion on the overall adequacy and effectiveness of the Board's systems of internal control as: "generally satisfactory with some improvements required". The Committee agreed that the report represented a fair summary of the internal audit activity throughout the year.

2. Progress on the Blueprint for Good Governance Action Plan

The Committee received a report from the Board's Director of Finance detailing progress on the implementation of the action plan agreed by the Board in April 2019 and covering the *five functions* of governance described in the Scottish Governments Blueprint for Good Governance model. The Committee were pleased to learn that each of the agreed actions was progressing well with a draft revised Assurance Framework to be available for consideration by the System Leadership Team (SLT) in July 2019 and then for further consideration at the Board Seminar in September 2019.

3. Annual Report on the Effectiveness of Risk Management Arrangements

The Committee considered the annual report on the effectiveness of risk management arrangements. Members welcomed the recent initiatives to improve risk management arrangements, in particular the Performance, Assurance, Improvement and Risk (PAIR) Framework adopted by the System Leadership Team (SLT) and the Weekly Clinical Risk Meetings (CRM) which had recently been introduced to review all new risks and report key issues directly to the SLT. The Committee noted that the revised arrangements will be subject to an internal audit review that will report later in the year.

Rhona Atkinson
Audit Committee Chair
19 July 2019