## Issues & Risks for the Board’s Attention

This report will go to the Board as a standalone item. Given the remit of Audit and Risk Committee (“ARC”) and their role as a scrutinising committee, this report will be more detailed than for other sub-committees of Board.

### Key Audit Matters:

**Internal Audit:** The additional audits requested for this year’s plan after the eHealth investigation were flagged. These are in the process of being scoped and will be completed in Q3/4. The positive Attendance at Work review and the improved recommendations and responses were commended. The ISMS audit was noted as a review of progression of work to date in relation to implementation of the ISMS. A rating of partial assurance was given. It was noted that extra resource may be required for information security team to continue this work with other competing priorities. It was requested that the Information Governance Committee specifically look at this plan, and have an overview of how ISMS sits with cyber essentials and other aspects of information governance. The Project Management and Benefits report was noted. A rating of partial assurance had been provided for this report. It was commented and accepted that the report had focussed on three specific high risk projects and whether these used the NSS framework approach to project management and benefits. It was recognised that some of the recommendations may not be required for smaller projects. A wider view would be taken of how the recommendations would fit across the function, and a solution was in place and being implemented. A SG led framework on this area would be brought to the Board’s attention when available. The IT risk workshop to be led by KPMG would be organised as soon as possible to assist.

The internal audit actions update was noted.

**External Audit and Annual Accounts:** The service audit assurance letter which would be sent to all Boards was noted as providing assurance that service audit had found no significant control issues. The Annual report and Accounts were approved subject to linking the paragraphs on pages 4 and 21 (on eHealth). It was commented positively that the financial position for the previous year had been strong.

The Audit Scotland report was discussed and it was noted that Audit Scotland and management were working through some final minor changes to wording on the report. Audit Scotland were clear that they were providing an unqualified and unmodified opinion on NSS for the previous financial year and that this was confirmed enough to allow sign off of the Accounts at the Board meeting on 29 June. It was noted again that the work on the report had been positive and this was to be reflected to the finance team. It was agreed by members that the quarterly finance report of Finance, Procurement and Performance Committee would contain a section on adjustments in future. The Finalised Audit Scotland report would be circulated to members of the committee prior to the Board meeting on 29 June and their views collated by the Chair of the committee.
The notification letter sent annually to Scottish Government outlining the position of NSS’s internal controls and any suspected serious fraud incidents was noted. This required to be adjusted to reflect that there had been one incident of weakness around eHealth and that although there had been several high internal audit findings, these had not affected the overall internal audit opinion.

**Key Risk Matters:**

The risk report and the quarterly fraud reports were noted, together with the recent training provided to non-executives on anti-fraud initiatives.

**Emerging Themes for Board Awareness e.g. changing trends in elements of NSS performance**

The GP IT team presented an overview of the current business case. A more detailed report will go to Finance, Procurement and Performance Committee in late summer. A paper on the clinical risks arising from the GP IT re-provisioning will report to Clinical Governance Committee in September. The Board will be provided with a brief separate update on this item at the meeting on 29 June.

The Gifts and Hospitality paper was noted. Assurance was provided that every gift and hospitality item had been approved as per the SFIs. It was noted that there were a higher number of entries than anticipated, and this would be considered and reviewed for EMT discussion to ensure that the number of entries did not increase. It was requested that the value of gifts and hospitality received was considered against marketing spend.

The Annual report on complaints, concerns, comments and feedback was approved with the comment that it was a good report and showed consistent complaint handling across NSS.

**Governance Improvements e.g. actions which have strengthened governance of Committee and should be shared**

Several referrals of matters from the committee to other committees are noted in this paper and will be auctioned by the Board Services team.

Audit Scotland provided clear guidance that their unqualified and unmodified opinion was sufficient to sign off the Annual Accounts at the Board meeting on 29 June.

The Consultancy spend was noted by the committee. This would be published with the annual accounts. It was requested that more detail be provided in relation to each item of spend to provide context.

The ARC Annual Report to the Board was approved for submission to the Board at their meeting on 29 June.
The amendments to the Standing Orders were noted and the paper would be recommended to board for approval at their meeting on 29 June. It was requested that an update be provided to the Finance, Procurement and Performance Committee on the progress with promotion of the updated SFIs and eHealth action plan.

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