

FTF Internal Audit Service

Internal Audit Annual Report 2023/24

Report No. B06/25

Issued To: Carol Potter, Chief Executive
Margo McGurk, Director of Finance and Strategy
NHS Fife Executive Directors Group

Gillian MacIntosh, Head of Corporate Governance and Board Secretary

Audit & Risk Committee
External Audit

Contents

| TABLE OF CONTENTS | Page |
|---|-------------|
| Section 1 | |
| Introduction and Conclusion | 3 |
| Internal Control | 4 |
| Added Value | 9 |
| Internal Audit Cover | 10 |
| Performance against Service Specification | 10 |
| Staffing and Skill Mix | 11 |
| Section 2 | |
| Detailed findings | 12 |
| Section 3 | |
| Key Performance Indicators | 38 |
| Section 4 | |
| Assessment of Risk | 39 |
| Section 5 | |
| Remaining Annual Report and ICE recommendations | 40 |

| TABLE OF FIGURES | Page |
|--|-------------|
| Figure 1: Internal Audit Cover | 10 |
| Figure 2: Summary of Client Satisfaction Surveys | 11 |

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|------------------------------------|---------------------|
| Draft Report Issued | 10 June 2024 |
| Management Responses Received | 13 June 2024 |
| Target Audit & Risk Committee Date | 20 June 2024 |
| Final Report Issued | 14 June 2024 |

INTRODUCTION AND CONCLUSION

1. This annual report to the Audit & Risk Committee provides details on the outcomes of the 2023/24 internal audit and my opinion on the Board's internal control framework for the financial year 2023/24.
2. Based on work undertaken throughout the year we have concluded that:

- The Board has adequate and effective internal controls in place.
- The 2023/24 internal audit plan has been delivered in line with Public Sector Internal Audit Standards.

3. In addition, we have not advised management of any concerns around the following:

- Consistency of the Governance Statement with information that we are aware of from our work.
- The description of the processes adopted in reviewing the effectiveness of the system of internal control and how these are reflected.
- The format and content of the Governance Statement in relation to the relevant guidance.
- The disclosure of all relevant issues.

ACTION

4. The Audit & Risk Committee is asked to **take assurance from** this report in evaluating the internal control environment and **report** accordingly to the Board.

AUDIT SCOPE & OBJECTIVES

5. The Strategic and Annual Internal Audit Plans for 2023/24 incorporated the requirements of the NHSScotland Governance Statement and were based on a joint risk assessment by Internal Audit and the Director of Finance & Strategy. The plans were approved by the Executive Directors Group (EDG) and the Audit & Risk Committee. The resultant audits range from risk based reviews of individual systems and controls through to the strategic governance and control environment. The Internal Audit Plan for 2023/24 was amended and approved at the March 2024 Audit & Risk Committee.
6. The authority, role and objectives for Internal Audit are set out in Section 20 of the Board's Standing Financial Instructions and are consistent with Public Sector Internal Audit Standards (PSIAS).
7. Internal Audit is also required to provide the Audit & Risk Committee with an annual assurance statement on the adequacy and effectiveness of internal controls. The Audit & Assurance Committee Handbook states:

The Audit & Risk Committee should support the Accountable Officer and the Board by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of the financial statements and the annual report. The scope of the Committee's work should encompass all the assurance needs of the Accountable Officer and the Board. Within this the Committee should have particular engagement with the work of Internal Audit, risk management, the External Auditor, and financial management and reporting issues.

INTERNAL CONTROL

Previous recommendations

8. The Internal Control Evaluation (ICE), issued December 2023, was informed by detailed review of formal evidence sources including Board, Standing Committee, Executive Directors Group (EDG), and other papers. The ICE made recommendations to drive forward strategic change within an environment of financial and workforce challenges and concluded that NHS Fife's assurance structures were adequate and effective but did agree recommendations for implementation by management.
9. Internal Audit monitor progress with outstanding recommendations through the Audit Follow Up system and all management responses are validated. Progress with Annual Report and ICE recommendations is now reported to the Audit & Risk Committee at each meeting and to the EDG on a quarterly basis. NHS Fife has demonstrated steady progress towards completion of most of our previous recommendations, with some not yet due. There has been minor slippage on Risk Management and Information Governance recommendations. The remaining actions to address recommendations in our previous ICE and Annual Reports, along with an assessment of progress are included in Section 5.
10. The 2024/25 ICE will provide an update on the remaining actions as well as providing an opinion on the efficacy of implementation of all agreed actions.
11. As well as following up previously agreed actions, we have completed testing to identify any material changes to the control environment in the period from the issue of the ICE to the year-end. Areas for further development will be followed up in the 2024/25 ICE.

Governance Statement

12. Throughout the year, our audits have provided assurance and made recommendations for improvements. Where applicable, our detailed findings have been included in the NHS Fife 2023/24 Governance Statement.
13. The Governance Statement format and guidance are included within the NHSScotland Annual Accounts Manual. The 2023/24 Accounts Manual states that the Governance Statement should explain the relationships (including the Health Board's responsibility for any operational aspects of activities) with any IJBs, and how the Board maintains governance oversight of its activities and receives assurance from the IJB on the development and delivery of its strategy and its overall governance. The Governance Statement guidance includes compliance with the principles of good governance set out in the NHS Scotland – Blueprint for Good Governance: second edition and sets out the essential features of the Risk Management section of the Governance Statement.
14. The Board has produced a Governance Statement which states that: *'During the 2023/24 Financial Year, there was one significant failure of internal control, related to a data breach / unauthorised release of patient-related information. The Information Commissioner's Office has issued a Reprimand to the Board for the incident, concluding that NHS Fife did not have appropriate security measures in place to secure personal information, as well as low staff training rates. Following this incident, the Board has introduced new measures to strengthen internal controls in the related areas. An update on all actions undertaken by the Board in response to the Reprimand is due to be submitted to the Information Commissioner in June 2024 and as such, at the time of writing, full assurance cannot be given that the Board's actions have fully addressed the original weaknesses in the control environment. Following the review and the action taken by the Information Commissioner's Office,*

the Board assessed the incident matched the requirements for disclosure.'

15. Our audit work has provided evidence of compliance with the requirements of the Accountable Officer Memorandum and this, combined with a sound corporate governance framework in place within the Board throughout 2023/24, provides assurance for the Chief Executive as Accountable Officer.
16. Therefore, **it is my opinion** that:
 - The Board has adequate and effective internal controls in place.
 - The Accountable Officer has implemented a governance framework in line with required guidance sufficient to discharge the responsibilities of this role.
17. All Executive Directors and Senior Managers were required to provide a statement confirming that adequate and effective internal controls and risk management arrangements were in place throughout the year across all areas of responsibility and, this process has been further enhanced by guidance written by the Director of Finance and Strategy. These assurances have been reviewed and no breaches of Standing Orders / Standing Financial Instructions were identified.
18. The Governance Statement reflects the Board governance and operating arrangements. It includes details of the Board performance profile and risk management arrangements, and organisational and supporting strategies.

Key Themes

19. Detailed findings are shown later in the report. Key themes emerging from this review and other audit work during the year are detailed in the following paragraphs.
20. The Board has continued to improve its governance during the year and has completed the Blueprint for Good Governance (2nd edition) self-assessment. The resulting action plan identified actions including renewal of the Board's risk appetite statement, finalising a stakeholder engagement strategy, increasing the benchmarking information available to the Board, and facilitating more opportunities for Board members to engage with staff and stakeholder groups.
21. The Audit Scotland 'NHS in Scotland 2023' report, published in February 2024 stated that *'Significant service transformation is required to ensure the financial sustainability of Scotland's health service. Rising demand, operational challenges and increasing costs have added to the financial pressures on the NHS and, without reform, its longer-term affordability'*. Financial sustainability remains a significant and enduring risk for all Health Boards and for NHS Fife. The 2023/24 savings target of £15 million was not delivered, with £8.14 million achieved (54%), of which £2.97 (36%) was recurring. For 2023/24, NHS Fife achieved break even and stayed within the Revenue Resource Limit (RRL). This was achieved largely following receipt of unplanned funding from the Scottish Government and other non-recurring sources. Brokerage of £14 million was also required for the second consecutive year to deliver the RRL target of breakeven.
22. As reported by the Director of Finance and Strategy to the March 2024 Board, the financial sustainability challenge is significant and unprecedented, with an estimated financial gap before savings of £121 million over the next three years. Savings of £75 million have been identified with a residual gap of £46 million.
23. In future years NHS brokerage funding may not be guaranteed to the extent it has been in past and NHS Fife may need to prepare contingency plans accordingly. The impact from the known reductions in capital funding will be a key consideration.

24. NHS Fife has introduced 'Re-form, Transform, Perform' (RTP) which has four workstreams: Medicines, Service Design and Delivery, Infrastructure, and Workforce, with an executive lead for each and a Director of Reform and Transform appointed. These workstreams are *'designed to be agile and fluid, enhancing delivery without altering individual roles or accountabilities. Initial savings are allocated to these streams, enabling focused delivery, rapid progress, and effective monitoring, all under Executive oversight to align with strategic goals.'*
25. The Board's Population Health & Wellbeing Strategy remains the overall document of strategic direction for NHS Fife through to 2028, and RTP will serve as an operational plan to deliver these strategic aims, supported by annual planning requirements.
26. Financial sustainability must underpin all decisions taken by the NHS Board and all staff have a part to play in moving the organisation to a more sustainable footing. The approach is collaborative and prioritised and in line with the Population Health and Wellbeing Strategy, with the overall aim of delivering the required level of savings and a sustainable and recurring balanced financial position.
27. There have been a number of changes within the Non-Executive cohort, including the appointment of the Chair.
28. The Blueprint for Good Governance states that *'An organisation's culture comprises its shared values, norms, beliefs, emotions, and assumptions about how things are and should be done around here'*. These 'things' include how decisions are made, how people interact and how work is carried out. Maintaining an appropriate organisational culture continues to be important and more so in the current environment when taking account of the scale of the financial challenge for NHS Fife alongside increasing service pressures. Such pressures will require to be carefully managed and may require some very difficult decisions.
29. Risk management work continues and is summarised in the NHS Fife Risk Management Annual Report 2023/24. A Board Development Event on risk appetite was held in April 2024 and work continues on this. The Risk Management Framework is being updated and a Delivery Plan to support implementation is being finalised. Internal Audit provided feedback on the deep dive process and this will be considered by the Risk Opportunities Group over the summer.
30. Operational performance has been mixed over the past year, and it is likely that the challenge will continue in the short and medium term until strategic solutions can be found, working in partnership with the IJB.
31. In common with many Health Boards, NHS Fife is finding achievement of a range of national targets extremely challenging. In 2023/24, Treatment Times Guarantee measures, long waits within the Emergency Department, numbers of new referrals and diagnostic performance remained key areas of focus for improvement within Fife.
32. The style of the Integrated Performance & Quality Report (IPQR) continues to evolve with Annual Delivery Plan trajectories and benchmarking graphs included. The IPQR continues to identify where performance is below expectations and provide meaningful narrative on the underlying causes and barriers to achievement and proposed solutions. This will need to be accompanied by a culture of rigorous but supportive challenge.
33. In their 'NHS in Scotland 2023' report Audit Scotland stated that *'Investing in preventative measures and implementing service reforms will help to ensure services are sustainable in the future'*. This view has also been reported by Public Health Scotland as outlined in the January 2023 discussion paper 'Public health approach to prevention and the role of NHSScotland' which stated that *'there is a*

growing body of economic evidence that supports the case for investing in public health interventions and prevention.'

34. Reflecting on the Audit Scotland and Public Health Scotland conclusions, the Population Health and Wellbeing Strategy has public health as a central component of its strategy, with public health measures reported within the Strategy update to the Board in May 2024.
35. The Audit Scotland report 'NHS Scotland 2023' reported '*The NHS, and its workforce, is unable to meet the growing demand for health services. Activity in secondary care has increased in the last year but it remains below pre-pandemic levels and is outpaced by growing demand. This pressure is creating operational challenges throughout the whole system and is having a direct impact on patient safety and experience.*' Internal Audit will follow up action to address recommendations from our May 2024 report B17/23 – Workforce Planning, which provided Reasonable Assurance.
36. Whilst there are important staff wellbeing factors related to high levels of sickness absence, the level of absence also has a direct impact on the level of supplementary staff costs. At the end of March 2024, the total spend on supplementary staffing for Health Board retained services was £21.1m, a reduction of £2.4m from the previous financial year. The actions taken to increase controls on spend and investment in staffing models and permanent posts took several months to deliver and the anticipated supplementary staffing reduction only began to be realised in the last quarter of the financial year.
37. Due to the scale of the forecast deficit within NHS Fife and the significant movement from plan, NHS Fife was assessed as being at level two of the Scottish Government escalation framework.
38. The Staff Governance Committee (SGC) Annual Report for 2023/24 concluded positively that it has fulfilled its remit and there was full coverage of the strands of the Staff Governance Standard. Progress has been made in implementing actions to address recommendations made in our previous annual and ICE reports with actions related to the staff governance standards and whistleblowing having recently been implemented. Action to provide the Staff Governance Committee with assurance on action to address Scottish Government feedback on the Staff Governance Monitoring Return is on track to be addressed in 2024/25.
39. The Clinical Governance Committee has operated well during 2023/24 and improvements continue. Assurance reports are now presented to the Clinical Governance Committee following each meeting of the Clinical Governance Oversight Group and provision of assurance on clinical aspects of services delegated to the IJB has also improved in 2023/24. The quality of data used to assess performance in progressing adverse events reviews is being examined and overall performance in this area continues to be poor. There are no actions from our previous annual and ICE reports related to Clinical Governance remaining to be addressed.
40. NHS Fife has performed well in compliance with Network & Information Systems Regulations (NISR) with the competent authority auditor concluding that '*NHS Fife is a high-performing board with well-defined security policies and procedures in place*' The uptake of mandatory Information Governance training has remained a challenge and this was raised by the Information Commissioner's Office. Assurances have been provided through governance structures that action is being taken forward to address this in 2024/25.

Key developments since the issue of the ICE included:

- The development of the 'Reform, Transform and Perform' Framework to enable change and work towards a financially and operationally sustainable future.
 - Self-assessment against the Blueprint for Good Governance, and submission of an improvement plan to Scottish Government.
 - Risk Management arrangements continue to evolve, and the Board's Risk Appetite is being reviewed and revised.
 - Ongoing review of the effectiveness of the Risk and Opportunities Group and reporting arrangements.
 - Approval of Committee Chairs' Assurance Reports and levels of assurance for agenda papers by Fife NHS Board on 28 May 2024. The Chairs' reports will complement the minutes of each meeting by summarising the committee business undertaken with the intention of enhancing escalation of items to the Board and providing a level of assurance.
 - NHS Fife continues to work with key partners to progress implementation of the Population Health and Wellbeing Strategy.
 - The Clinical Governance Strategic Framework Delivery plan is being implemented with monitoring of this being reported to the Clinical Governance Oversight Group.
 - Excellent performance in maintaining Clinical Policies has again been achieved in 2023/24 with 99% of policies being within their target review date.
 - The three-year Financial Plan 2024/25 to 2026/27 was approved by the Board on 26 March 2024 but remains as yet unapproved by the Scottish Government. A formal quarter 1 financial performance review with NHS Fife and Scottish Government is planned.
 - Approval by the Finance, Performance & Resources Committee (FPRC) in December 2023 for critical posts not currently funded.
 - Workforce planning linked to RTP.
 - NHS Fife achieved the highest level of engagement in Scotland for the iMatters process.
 - Whistleblowing arrangements and compliance with the national standards continues to improve with all of the actions related to recommendations made in internal audit report, B13/23 – Whistleblowing, now having been implemented.
41. Overall, there has been good progress on recommendations from the ICE from last year and the Internal Audit Annual Report for 2022/23. Where action is still to be concluded, the Board has been informed of the planned approach and timescales, as well as associated improvement plans.

Audit Output

42. During 2023/24 we delivered 26 audit products with five currently work in progress. (3 for NHS Fife and 2 for Fife IJB).
43. Our 2023/24 audits of the various financial and business systems provided opinions on the adequacy of controls in these areas. Summarised findings or a full report for each review were presented to the Audit & Risk Committee throughout the year.

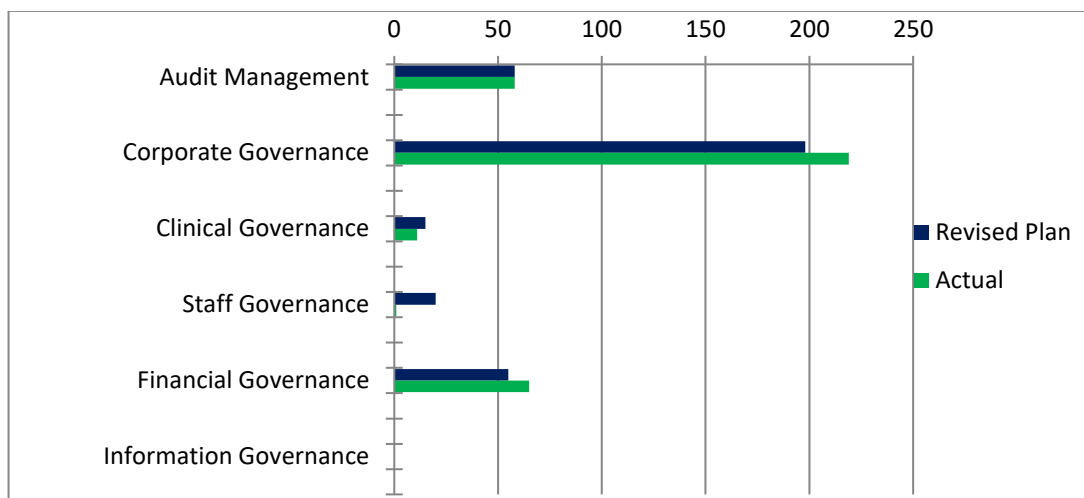
44. A number of our reports, including the ICE, have been wide ranging and complex and have relevance to a wide range of areas within NHS Fife. These should provide the basis for discussion around how NHS Fife can best build on the very good work already being done to improve and sustain service provision.
45. Board management continue to respond positively to our findings and action plans have been agreed to improve the systems of control.

ADDED VALUE

46. The Internal Audit Service has been responsive to the needs of the Board and has assisted the Board and added value by:
 - Examining a wide range of controls in place across the organisation.
 - Continuing as lead auditors for Fife IJB.
 - Providing internal input through Board Development Events and input to risk management developments.
 - The Chief Internal Auditor facilitates the Assurance Mapping Group, which coordinates consideration of assurance issues and updates, dissemination, and implementation of the Committee Assurance Principles across NHS Fife, Forth Valley, Tayside, and Lanarkshire.
 - Continuing to provide advice to Senior Management on the application of assurance mapping and risk management principles. The Regional Audit Manager has provided input and advice on the current deep dive reporting process.
 - Advising on amendments to the Fife IJB Risk Management Strategy.
 - Attending Information Governance and Security Steering Group and Digital & Information Board meetings and providing advice.
 - Providing opinion on and evidence in support of the Governance Statement at year-end and conducting an extensive ICE review which permitted remedial action to be taken in-year. This review made recommendations focused on enhancements to ensure NHS Fife has in place appropriate and proportionate governance, which supports and monitors the delivery of objectives and is commensurate with the challenging environment within which it is operating.
 - Providing Audit Follow Up reporting to the NHS Fife Audit & Risk Committee.
47. Internal Audit continue to reflect on our working practices to build on action taken in response to previous External Quality Reviews and in preparation for the External Quality Assessment in 2024/25.
48. The 2023/24 Annual Internal Audit Plan included provision for delivering audit services and providing the Chief Internal Auditor function to Fife's IJB, with Internal Audit Plans agreed. Internal Audit has continued to highlight the requirement for coherence between governance structures, performance management, risk management and, in particular, assurance to improve the ability of the IJB to monitor the achievement of operational and strategic objectives.

INTERNAL AUDIT COVER

49. Figure 1: Internal Audit Cover 2023/24



50. Figure 1 summarises the 2023/24 coverage against the revised Internal Audit Plan, approved by the Audit & Risk Committee in March 2024. As at end of April 2024 we had delivered 354 days against the 346 revised planned days. There are three ongoing Health Board and two ongoing IJB reviews.
51. During 2023/24 we have regularly reported to the Audit & Risk Committee delays in finalising audits from the previous audit years, mainly due to staff absences. To account for time lost due to staff absence, the Regional Audit Managers, Chief Internal Auditor, and the Director of Finance and Strategy developed a revised audit plan for 2023/24. The plan reflected the detailed work undertaken in the 2023/24 ICE which covered in detail the five strands of governance. While Information Governance and Staff Governance did not have any formal reviews during 2023/24 work on the ICE and Annual Report and key reports from the prior year have provided the required level of coverage.
52. A summary of 2023/24 performance is shown in Section 3.

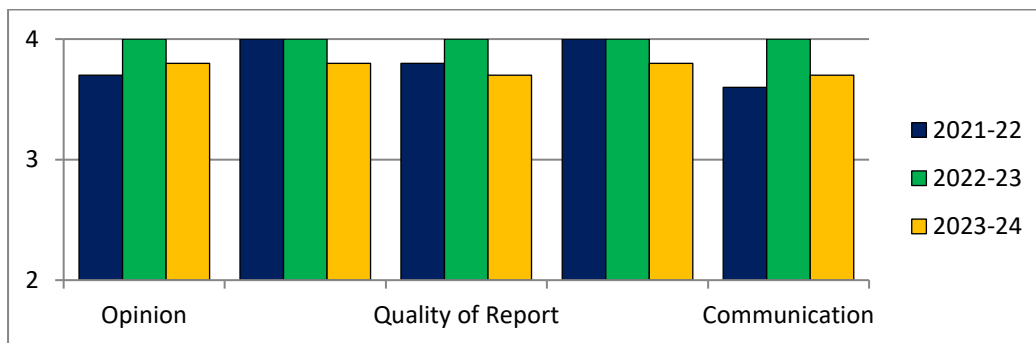
PERFORMANCE AGAINST THE SERVICE SPECIFICATION AND PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)

53. The FTF Partnership Board met in May 2024 and the 2023/24 budget was approved. The Partnership Board is chaired by the NHS Tayside Director of Finance and the FTF Client Directors of Finance are members. The FTF Management Team members are attendees.
54. We have designed protocols for the proper conduct of the audit work at the Board to ensure compliance with the specification and the PSIAS.
55. Internal Audit is compliant with PSIAS, and has organisational independence as defined by PSIAS, except that, in common with many NHSScotland bodies, the Chief Internal Auditor reports through the Director of Finance and Strategy rather than the Accountable Officer. There are no impairments to independence or objectivity.

56. Internal and External Audit liaise closely to ensure that the audit work undertaken in the Board fulfils both regulatory and legislative requirements. Both sets of auditors are committed to avoiding duplication and securing the maximum value from the Board's investment in audit.
57. PSIAS require an independent external assessment of internal audit functions once every five years. The most recent External Quality Assessment (EQA) of the NHS Fife Internal Audit Service in 2018/19 concluded that, *'it is my opinion that the FTF Internal Audit service for Fife and Forth Valley generally conforms with the PSIAS.'* FTF updated its self-assessment during 2022/23 and a further EQA will take place in 2024/25.
58. A key measure of the quality and effectiveness of the audits is the Board responses to our client satisfaction surveys, which are sent to line managers following the issue of each audit report. Figure 2 shows that, overall, our audits have been perceived as good or very good by the report recipients.

59. Figure 2: Summary of Client Satisfaction Surveys

Scoring: 1 = poor, 2 = fair, 3= good, 4 = very good.



60. Other detailed performance statistics are shown in Section 3.

STAFFING AND SKILL MIX

61. In 2023/24 the Internal Audit Plan was delivered with a skill mix of 84%, which substantially exceeds the minimum service specification requirement of 50% and reflects the complexities of the work undertaken during the year.

ACKNOWLEDGEMENT

62. On behalf of the Internal Audit Service I would like to take this opportunity to thank all members of staff within the Board for the help and co-operation extended to Internal Audit, throughout my tenure as Chief Internal Auditor.
63. My team and I have greatly appreciated the positive support of the Chief Executive, Director of Finance and Strategy, the Head of Corporate Governance and Board Secretary and the Audit & Risk Committee.

Jocelyn Lyall BAcc CPFA
Chief Internal Auditor

Corporate Governance

Corporate Risks:

Risk 1 – Population Health and Wellbeing Strategy – Moderate (12); Target (12) Moderate by 31 March 2024

Currently Below Risk Appetite

There is a risk that the ambitions and delivery of the new organisational strategy do not deliver the most effective health and wellbeing and clinical services for the population of Fife.

Risk 2 – Health Inequalities – High Risk (20); Target (15) High Risk by 31 May 2024

Currently Within Risk Appetite

There is a risk that if NHS Fife does not develop and implement an effective strategic approach to contribute to reducing health inequalities and their causes, health and wellbeing outcomes will continue to be poorer, and lives cut short in the most deprived areas of Fife compared to the least deprived areas, representing huge disparities in health and wellbeing between Fife communities.

Risk 4 – Environmental Management & Climate Change – Moderate (12); Target (10) Moderate by 1 April 2025

Currently Below Risk Appetite

There is a risk that if we do not put in place robust management arrangements and the necessary resources, we will not meet the requirements of the 'Policy for NHS Scotland on the Global Climate Emergency and Sustainable Development, Nov 2021.'

Risk 10 – Primary Care Services – High Risk (16); Target (12) Moderate by 31 March 2025

Currently Above Risk Appetite

There is a risk that due to a combination of unmet need across health and social care as a result of the pandemic, increasing demand on services, workforce availability, funding challenges, adequate sufficient premises and overall resourcing of Primary Care services, it may not be possible to deliver sustainable quality services to the population of Fife for the short, medium and longer term.

Reform, Transform, Perform

Reform, Transform, Perform (RTP) is NHS Fife's approach to improving services delivered to the population of Fife and addressing its financial challenges. RTP is a renewed strategic approach to creating the right conditions to evolve services, empower staff and to ensure a more sustainable future. This framework is firmly rooted in the ambitions laid out in the Population Health and Wellbeing Strategy. NHS Fife remains committed to this strategy and seeks to deliver the best quality health and care for the people of NHS Fife.

RTP has been widely communicated and there is a clear message from the Chief Executive and the senior team that everyone has a role to play in delivering RTP.

The Blueprint for Good Governance states that *"An organisation's culture comprises its shared values, norms, beliefs, emotions, and assumptions about "how things are and should be done around here"*. These 'things' include how decisions are made, how people interact and how work is carried out." A culture of rigorous but supportive culture will be key when taking account of the scale of the financial challenge for Fife alongside increasing service pressures. Such pressures will require to be carefully managed and may require some very difficult decisions.

Strategy Development and Implementation

Fife NHS Board was presented with mid-year and year-end reports on the Population Health and Wellbeing Strategy (PHWS) delivery plan. The year-end report introduces a summary of 32 key metrics and provided a progress update against the strategy's key actions.

The report provided updates on each of the four strategic priorities outlining the ambitions associated with each and the key achievements in 2023-24, performance against key metrics and a progress update against specific actions included in the strategy. The plans for NHS Fife for 2024/25 and beyond are described in the NHS Fife Annual Delivery Plan, the RTP Framework and the Board's Corporate Objectives, and will be refreshed throughout the 5 year lifespan of the strategy. An update on the status of the strategies and programmes supporting the PHWS and how these relate to its four strategic ambitions was also included.

Internal Audit Report B14/23 Strategic Plan Development provided Reasonable Assurance on NHS Fife's arrangements for developing the Population Health and Wellbeing Strategy and made one 'merits attention' recommendation related to risk management.

Governance Arrangements

The updated Code of Corporate Governance (CoCG) was recommended for approval by the Audit & Risk Committee on 16 May 2024 and approved by Fife NHS Board on 28 May 2024.

Standing committee annual assurance reports/statements confirmed that they have fulfilled their remits in 2023/24 and each committee undertook a self-assessment in 2023/24, with the results reported to each standing committee in March 2024.

All Standing Committees' draft annual reports/assurance statements are broadly in line with the FTF Committee Assurance Principles, cover all areas of their remits and include a conclusion on risk management relevant to the committee. These will be presented to the 20 June 2024 Audit & Risk Committee.

The introduction of Committee Chairs' Assurance Reports was approved by Fife NHS Board on 28 May 2024. These reports will complement the minutes of each meeting by summarising the committee business undertaken with the intention of enhancing escalation of items to the Board. The Board also agreed on proposed levels of assurance, based on those used by internal audit, to be included in reports so that members can consider what the suggested Level of Assurance means in respect of the subject matter, and focus their questioning and governance oversight on these aspects of the report.

The NHS Fife Chief Executive has completed the accountable officer memorandum which provides assurance that responsibilities of the accountable officer have been carried out and does not raise any issues regarding the discharge of these.

Blueprint for Good Governance

Internal Audit Report B12/24 Blueprint for Good Governance provided Substantial Assurance on NHS Fife's compliance with the timeline for completing the Blueprint self-assessment confirmed We confirmed that Scottish Government guidance had been followed, evidence appropriately recorded, and an appropriate action plan produced to improve NHS Fife's Governance arrangements with actions timebound within financial year 2024/25.

A Board Development session was held to analyse and discuss the results and develop the improvement plan.

Anchor Programme

The draft Anchor Strategic Plan was presented to PHWC in September 2023 and submitted to Scottish Government in November 2023. An update was presented to the Board in March 2024.

Work has progressed within the national Anchors workstream to develop metrics to be used by all Boards to measure progress and impact of their strategic plans. Boards were required to complete a baseline assessment and submit this to Scottish Government by 31 March 2024.

Public Participation and Community Engagement Strategy 2024/28

Public participation and community engagement will play a crucial role in the implementation and delivery of the strategy along with RTP activity. The Public Participation and Community Engagement Strategy 2024/28 was discussed at the Board Development Session on 30 April 2024 and presented to the PHWC on 13 May 2024. The strategy reflects the aims and objectives of the NHS Fife Population Health and Wellbeing Strategy 2024/2028 and was considered by Fife NHS Board on 28 May 2024 and they requested that the strategy be brought back to a future meeting once it has been updated to reflect the feedback from the meeting.

Operational Planning

The draft Annual Delivery Plan 2023/24 was presented to the Board in July 2023 before submission to the Scottish Government and subsequent approval on 11 August 2023. A new approach to monitoring Delivery Plans is being developed by the Scottish Government, with the expectation that this will draw performance information from existing reporting sources and that Boards will prepare performance trajectories, in conjunction with the Scottish Government, and aligned to finance and workforce plans.

Assurance Mapping

Internal Audit continues to provide advice to Senior Management on the application of assurance mapping and risk management principles. The Regional Audit Manager has provided input and advice on the current deep dive risk reporting process.

The Chief Internal Auditor facilitates the Assurance Mapping Group, which coordinates consideration of assurance issues and updates, dissemination, and implementation of the Committee Assurance Principles across NHS Fife, Forth Valley, Tayside, and Lanarkshire.

The Chief Internal Auditor also contributed to a presentation on scrutiny and assurance to Non-Executive Directors in May 2024.

Integration

A Fife Integration Scheme is in place and will be due for review in 2027.

The Finance, Performance & Resources Committee (FPRC) and Clinical Governance Committee (CGC) receive minutes from the IJB equivalent committees.

The Fife IJB Annual Assurance Report/Statement will be presented to its Audit and Assurance Committee on 27 June 2024.

Performance

The Board, the FPRC, the SGC, the CGC and the PHWC received regular performance reports against a range of key measures (Scottish Government and local targets). Projected & Actual Activity for Patient Treatment Time Guarantee (TTG), New Outpatients and Diagnostics are also reported.

The format of the Fife Integrated Performance and Quality Report (IPQR) has been reviewed and proposed changes were presented to and discussed at the April 2024 Board Development Event. Internal Audit provided commentary on the report format.

In common with all of NHSScotland, performance against national targets is proving challenging. It is imperative that NHS Fife is able to set and deliver realistic targets, within the context of its new Strategic Framework, as soon as possible, so that performance can be measured meaningfully.

Particular areas of challenge are 4 hour emergency access, patient treatment time guarantee, new out-patients, diagnostics, cancer 31 and 62 day referral to treatment, CAMHS and Psychological Therapies.

Best Value

Best value and effective allocation of resources is a key element of the Financial Improvement & Sustainability Programme (FISP) which contributes to *'a more effective triangulation of workforce, operational and financial planning, which supports the promotion and delivery of best value across all of our resource allocation.'* The FPRC received updates on the FISP in 2023/24 and this, along with the completion of the Best Value Framework as part of each Standing Committees' Annual Report, allows NHS Fife to demonstrate processes are in place to promote and deliver best value. The work of the FISP is now contained within the RPT framework arrangements.

Policies

A General Policies and Procedures update was provided to the 7 May 2024 meeting of the FPRC. In April 2024, of the 54 General Policies, 10 (18%) remain beyond their due date. Review work is underway for one (2%) General Policy, and three (6%) of General Policies are under review. 40 (74%) of General Policies are up to date which is an improved position since the last report in November 2023.

Corporate Objectives

The EDG considered the 2024/25 corporate objectives on 16 May 2024. The objectives are aligned with the existing strategic priorities within the PHWS and reflect the focus areas of RTP and the Annual Delivery Plan for 2024/25. The corporate objectives were discussed by the Remuneration Committee in May 2024 and an updated version is to be presented to the committee for approval on 24 June 2024. The corporate objectives have been mapped to one of the four NHS Fife agreed strategic priorities with delivery mapped to a responsible Executive Director and oversight to the relevant standing committee.

Board and Standing Committee Development Sessions

Areas covered in Board Development Sessions since the issue of the ICE included Risk Appetite; Scrutiny & Assurance – Best Practice in Governance and the Role of Board Standing Committees; Integrated Performance & Quality Report Review; Public Participation and Community Engagement Strategy; Blueprint for Good Governance; Financial Challenge for 2024/25; RTP Next Steps; individual discussion topics focused on empowering change to support the path to balance; Medical Education - initiatives aimed at widening access for Medical staff and students; Spiritual Care - Values Based Reflective Practice and Working Well in Fife.

Audit Follow Up

Internal Audit provided reports detailing the Audit Follow Up position to the Audit & Risk Committee on four occasions throughout 2023/24. Throughout the year, we liaised with officers to obtain meaningful updates on ongoing audit recommendations, obtained evidence to support the reported progress and completed validation checks to ensure the information provided to the Audit & Risk Committee was accurate.

The status of the actions related to previous Internal Audit Annual and ICE reports that remained to be addressed when we published our latest ICE report is recorded in the table at section 5 of this report. This shows that 3 of the 6 actions to address recommendations in our 2023/24 ICE Report (B08/24) are still to be fully implemented and 3 of the 11 actions to address recommendations in our 2022/23 Annual Report (B06/24) are still to be fully implemented. All other actions from previous ICE and Annual reports have been implemented or superseded and none of the remaining actions are more than 12 months old.

Risk Management

The Annual Risk Management Report 2023/24 was considered for assurance by the Audit & Risk Committee on 16 May 2024 and concluded that there were adequate and effective risk management arrangements in place throughout the year. The report referred to the continuous improvement of the operational risk management approach citing the following developments:

- Completing the refresh of the Risk Management Framework incorporating the Risk Register/Risk Assessment Policy (GP/R7).
- Refining risk management processes.
- Reviewing and updating of the Board risk appetite statement.
- Updating risk key performance indicators.
- Improving the content and presentation of risk management reports.
- Supporting the continuing development of assurance reporting.
- Devising and delivering a risk management training programme.
- Reviewing the Board Strategic Risk Profile.

The report outlines further improvements including:

- Update of Corporate Risk Register to reflect changes in the internal and external environment and RTP.
- Further contribution from the Risk and Opportunities Group (ROG) to identify and assess emergent risks and opportunities and potential impact on the Board's Risk Appetite Position.

A delivery plan to support the Risk Management Framework has been developed and will be reported to the Audit & Risk Committee when risk appetite is completed.

The ROG provided a positive annual statement of assurance for 2023/24 to the Audit & Risk Committee on 16 May 2024. This summarised the business covered by the group and reports on the self-assessment undertaken by members.

The Regional Audit Manager provided advice to the ROG on improving the deep dive process so that it explicitly answers the questions included in the committee assurance principles.

Since publication of our 2023/24 ICE report, revised KPIs were presented to Audit & Risk Committee on 16 May 2024 and the Audit & Risk Committee was advised that these will continue to evolve.

We evidenced improvement in completion of the Risk Management section of cover papers presented to the Board and its Standing Committees. Previous internal audit recommendations relating to development of risk appetite being used by standing committee in relation to strategy, decision making, prioritisation, budget setting and organisational focus and updates to the Dep Dive Process to address the

'specific questions when analysing a risk delegated to the committee in detail' are ongoing and progress will be monitored via the Internal Audit Follow-up system.

Environmental Management & Climate Change

The deep dive of the environmental management and climate change policy obligations risk reported to PHWC on 4 September 2023 provided 'Limited Assurance' that the Board will be able to manage the risk to its target level within the specified timescale. The paper explained that the root cause of the risk is that insufficient resource to meet the objectives of the NHS Scotland Climate Emergency Strategy 2022-26 and it outlines 20 actions to mitigate against this and their status. Six were assessed as completed, ten on track, one with a significant level of delivery challenge and three at risk of non-delivery.

The minutes of the meeting record that the main reason for 'Limited Assurance' is uncertainty and limitations around funding and competing priorities. The Board's Annual Delivery Plan includes a section on climate change and the related deliverables are to be monitored via that process. We welcome the appointments of a Non-Executive Sustainability Champion and Head of Sustainability.

Primary Care Services

The deep dive report on the provision of sustainable quality primary care services risk reported to the PHWC on 15 May 2023 provided 'Reasonable Assurance'. The paper explained that the root causes of the risk are broad issues that impact across all of Primary Care including General Practice, Community Pharmacy, Dentistry, and Optometry.

The report outlined 16 actions to mitigate against this and their status. One was assessed as completed, one as not started, seven on track and seven with a significant level of delivery challenge.

The Primary Care Strategy 2023-26 was endorsed by PHWC and subsequently approved by Fife NHS Board in July 2023. Primary Care Oversight Board monitoring of delivery of the strategy will be key to ensuring the successful mitigation of the risk.

Clinical Governance

Corporate Risks:

Risk 5 – Optimal Clinical Outcomes - High Risk (15); Target (10) Moderate by 31 March 2025

Currently Within Risk Appetite

There is a risk that recovering from the legacy impact of the ongoing pandemic, combined with the impact of the cost-of living crisis on citizens, will increase the level of challenge in meeting the health and care needs of the population both in the immediate and medium term.

Risk 9 – Quality & Safety - Moderate (12); Target (6) Low by 31 March 2025

Currently Within Risk Appetite

There is a risk that if our governance arrangements are ineffective, we may be unable to recognise a risk to the quality of services provided thereby being unable to provide adequate assurance and possible impact to the quality of care delivered to the population of Fife.

Risk 16 – Off-Site Area Sterilisation and Disinfection Unit Service - Moderate Risk (12); Target (6) Low by 1 April 2026

Currently Within Risk Appetite

There is a risk that by continuing to use a single offsite service Area Sterilisation Disinfection Unit (ASDU), our ability to control the supply and standard of equipment required to deliver a safe and effective service will deteriorate.

Annual Statement of Assurance

The Clinical Governance Committee (CGC) annual statement of assurance provided a reflective and nuanced conclusion that the Committee had fulfilled its remit and that adequate and effective clinical governance arrangements were in place during the year and provided commentary on a range of key areas and assurance arrangements.

Clinical Governance Strategic Framework

The Clinical Governance Strategic Framework and associated Annual Delivery Plan were approved by Fife NHS Board on 28 March 2023.

The year-end update on the 2023/24 delivery plan presented to Clinical Governance Oversight Group (CGOG) on 16 April 2024 recorded that from the 18 items on the plan 7 had been delivered, 9 are on track and 2 had not progressed as expected. The 2024/25 delivery plan was presented and includes 8 items carried forward from the 2023/24 plan and 4 new items. The items delivered in 2023/24 were:

- Review of Patient Representation on the Clinical Governance Committee - The addition of patient stories to the CGC agenda.
- A focus on Quality & Safety -Establishment of Care Assurance walkarounds and Infection Control walkarounds.
- Development of the Clinical Governance Strategic Framework Workplan 2023/24 – Delivery Plan developed and reporting on this to CGOG & CGC in 2023/24.
- Review of Adverse Events Policy & Procedure - Adverse Events Policy updated and supporting Management Resource Pack in development.

- Organisational Learning Communication Quality Improvement Project - Realistic Medicine Communications Plan developed and implementation started.
- Excellence in Care - Establishment of a Short Life Working Group to review tools and templates used with the aim of creating a consistent approach to providing care assurance from Ward to Board and also promoting the use of the Excellence in Care Dashboard.
- Clinical Governance Oversight Group – Workplan reviewed and regular assurance reporting to CGC now in place.

The CGOG April 2024 Assurance Summary provided CGC with assurance that the year-end position regarding the Delivery Plan had been reported to CGOG and that the workstreams included in the 2024/25 plan had been presented. This reporting would be enhanced if it included a high-level summary of delivery with reporting of the number of items delivered in target timescale and any issues with delivery.

All actions to address related recommendations from internal audit report B19/21 Clinical Governance Strategy and Assurance have been implemented and validated as part of the Audit Follow-Up process.

Progress towards implementation of actions to address recommendations from our report F06-22 Clinical and Care Governance is being monitored by the IJB follow-up protocol with 5 of the 16 actions having been validated as completed so far.

CGC Governance and Assurance

The Clinical Governance Strategic Framework outlines the governance framework and assurance reporting routes for clinical governance and includes services delegated to the IJB. The following annual assurance reports/statements and annual reports were received by CGC in 2023/24:

Annual Assurance Reports/Statements

- Clinical Governance Oversight Group
- Digital & Information Board
- Health & Safety Sub-Committee
- Information Governance & Security Steering Group
- Resilience Forum
- IJB Quality & Communities Committee

Annual Reports

- Adult Support & Protection Annual Report 2020-22
- Clinical Advisory Panel Annual Report 2022/23
- Controlled Drug Accountable Officer Annual Report 2023
- Director of Public Health Annual Report 2023
- Fife Child Protection Annual Report 2022/23
- Medical Education Annual Report 2022/23
- Medical Appraisal and Revalidation Annual Report 2022/23
- Occupational Health Annual Report 2022/23
- Organisational Duty of Candour Annual Report 2022/23

- Prevention & Control of Infection Annual Report 2022/23
- Radiation Protection Annual Report 2022/23
- Research, Innovation and Knowledge Annual Report 2022/23
- Volunteering Annual Report 2022/23

Service Provision Impact Post Pandemic

The CGC Annual Statement of Assurance 2023/24 provided reflection on changes to the configuration of services, and on which services could be provided, during the pandemic and the recovery period. This recognised that some patients were adversely affected by these decisions particularly in respect of a backlog in treatment and delays for patients in accessing diagnostic tests and care and provided assurance regarding the management of the associated corporate risk (Risk 7 *'There is a risk that due to demand exceeding capacity, compounded by unscheduled care pressures, NHS Fife will see deterioration in achieving waiting time standards. This time delay will impact clinical outcomes for the population of Fife'* – which is aligned to FPRC). This section of the assurance statement concludes by referring to likely recommendations in reports from both the UK and Scottish Covid Inquiries, and that NHS Fife will aim to implement actions to address any recommendations made in full, to ensure both patient and staff safety.

Risk Management

The CGC has considered the risks aligned to it throughout 2023/24 including consideration of deep dive reports into the risks associated with Quality and Safety, Off-site Area Sterilisation and Disinfection Unit Service, Digital & Information, Cyber Resilience, Optical Clinical Outcomes, and the closing of the corporate risk associated with Covid 19.

CGOG also considered the Corporate Risk Register at every meeting in 2023/24 and considered deep dives into the Digital & Information and Optical Clinical Outcomes corporate risks at its December 2023 and February 2024 meetings respectively. CGOG also considered the Adult Support/Child Protection risk report at its June 2023 meeting.

The IPQR continues to show relevant corporate risk information in all sections including Clinical Governance providing appropriate context for performance and risk management.

External Review

External reviews are included in the NHS Fife Activity Tracker and the Health & Social Care Partnership (HSCP) Clinical Assurance updates presented to the CGOG. The regular CGOG Assurance Summary reports presented to CGC include a summary of the reports considered. The annual assurance report/statement for the CGC for 2023/24 references reports from external bodies considered during 2023/24 and provides assurance that action is being taken to address recommendations. The CGOG annual assurance report/statement for 2023/24 does not provide assurance on the action being taken to address recommendations from external reports.

CGC considered external reports on a fatal accident enquiry, a HIS infection control inspection and a report from the Scottish Public Sector Ombudsman on a December 2023 and were assured that action plans were being progressed to address issues recommendations made.

CGOG considered external reports on Mental Welfare Commission inspections at wards at Whyteman's Brae, Lynebank and Stratheden Hospitals and the HIS Unannounced Inspection at Victoria Hospital at its meetings in 2023/24 and were assured that action plans were being progressed to address issues recommendations made.

Core members of the Organisational Learning Group (OLG) assessed the group's activities in 2023 in light of the well-publicised Countess of Chester Hospital incidents and a refreshed approach to the group's approach was considered by CGOG on 16 April 2024. The refreshed approach includes updating the terms of reference of the group, including revision to membership, and a new workplan for the group for 2024/25. Triangulation is included as a principle of the group and is referred to in its revised workplan as an improvement activity as part of the development of a learning system framework. An EDG development session on the OLG is to be undertaken in July 2023 and EDG members will be asked to decide on where an update on this work will be presented.

Significant Adverse Events

The IPQR presented to CGC on 3 May 2024 stated that reporting on the 'actions closed' aspect of Adverse Events was paused in December 2023. The data the KPI was based upon was unreliable and action is in progress to address this.

Adverse events KPIs are now reported to CGOG at each meeting with the following reported in April 2024, for February 2024:

- 43% of Significant Adverse Event Reviews (SAERs) for Major or Extreme Adverse Events were submitted and a decision made within 10 working days of reported date.
- 59% of adverse events with severity reported as 'no harm' were closed within 10 working days of reported date.
- 86% of adverse events with severity reported as 'Minor' or 'Moderate' were closed within 60 working days of reported date.
- 68% of adverse events with severity reported as 'major' or 'extreme' were closed within 90 working days of reported date.
- 50% of actions from Local Adverse Event Reviews (LAERs) and Significant Adverse Event Reviews (SAERs) were completed by their target dates.
- 72% of all actions from LAERs and SAERs reported since 1 April 2018 were closed.
- Overall analysis of incident categories does not highlight any significant trends.

The update to the Adverse Events Policy and associated procedures in 2023 has promoted a more streamlined and efficient management of major and extreme adverse events.

Organisational Duty of Candour

The Annual Duty of Candour (DoC) report covering the 2022/23 financial year was presented to Fife NHS Board 26 March 2023 and reported that there were 33 adverse events reported where DoC applied.

The report also included assurance that NHS Fife had complied with DoC in all 33 cases and that lessons were learned.

As reported to the 1 March 2023 CGC, in 2023/24 to date there were 8 confirmed DoC incidents (3 falls, 1 each for paediatrics, patient info, personal accident, surgical complication and tissue viability) with 8 outcomes recorded (4 being an increase in treatment). It has been agreed that the full report for 2023/24 should be presented in January 2025.

Clinical Policies and Procedures

CGOG was regularly updated on the review status of clinical policies and procedures in 2023/24 via the work of the Clinical Policies and Procedures Authorisation and Co-ordination Group. The CGOG Annual

Statement of Assurance reported that over the year a 99% compliance rate was achieved, which is an excellent outcome that has been consistent for a number of years.

Health and Safety

The 2023/24 Health & Safety Sub-Committee Annual Statement of Assurance confirmed that there were no significant control weaknesses or issues at the year-end which it considered should be escalated to the CGC or disclosed in the Board's Governance Statement.

The 2023/24 CGC Annual Assurance Report/Statement provided assurance on actions to mitigate risks associated with Reinforced Autoclaved Aerated Concrete (RAAC) within the Estate and radon in excess of HSE limits at a Medical Practice.

There was no Health & Safety Executive enforcement during the year.

Resilience

An annual statement of assurance for the Resilience Forum was presented to CGC on 3 May 2024 which provided moderate assurance, reflecting the work-in-progress to strengthen arrangements for resilience planning across NHS Fife and with its contracted partners.

The CGC Annual Assurance Report/Statement included assurance regarding business continuity arrangements put in place for potential industrial action and for the breakdown of CT scanners.

All actions to address recommendations from Internal Audit Report B23/22 on Resilience have been implemented and actions to address recommendations from Internal Audit Report B13/23 on Business Continuity Arrangements are progressing and are reported within Audit Follow Up reports to the Audit & Risk Committee.

Action Point Reference 1 – CGOG Annual Assurance Statement

Finding:

The CGOG receives updates on inspections by external bodies such as Healthcare Improvement Scotland and the Mental Welfare Commission via the NHS Fife Activity Tracker and the HSCP Clinical Assurance Update reports that are presented at each of its meetings, but this assurance is not referred to in its Annual Assurance Statement.

Audit Recommendation:

The CGOG Annual Statement of Assurance for 2024/25 should include reference to the assurance it receives on inspections by external bodies such as Healthcare Improvement Scotland and the Mental Welfare Commission. This should include assurance on action being taken to address recommendations made in these.

Assessment of Risk:

Merits
attention



There are generally areas of good practice.

Action may be advised to enhance control or improve operational efficiency.

Management Response/Action:

Management will include an appropriate reference to external assurance reporting in the next CGOG statement of assurance.

Action by:

Date of Expected Completion

Medical Director

31 March 2025

Staff Governance

Corporate Risks:

11 Workforce Planning and Delivery - High Risk (16); Target (8) Moderate by March 2025

Currently Above Risk Appetite

There is a risk that the current supply of a trained workforce is insufficient to meet the anticipated Whole System capacity challenges, or the aspirations set out within the Population Health & Wellbeing Strategy, which may impact on service delivery.

12 Staff Health & Wellbeing - High Risk (16); Target (8) Moderate by March 2025

Currently Above Risk Appetite

There is a risk that if due to a limited workforce supply and system pressure, we are unable to maintain the health and wellbeing of our existing staff, we will fail to retain and develop a skilled and sustainable workforce to deliver services now and in the future.

19 Implementation of Health and Care Staffing (Scotland) Act 2019 - Moderate Risk (12); Target (9) Moderate by July 2024

Currently Within Risk Appetite

Taking account of ongoing preparatory work, there is a risk that the current supply and availability of trained workforce nationally, will influence the level of compliance with HCSA requirements. While the consequences of not meeting full compliance have not been specified, this could result in additional Board monitoring/measures.

Workforce Planning

Internal Audit Report B17/23 Workforce Planning reviewed NHS Fife's Workforce Plan and was provided to the Audit & Risk Committee and the Staff Governance Committee (SGC) in May 2024.

Our audit opinion was 'Reasonable Assurance' and we made three significant and three moderate recommendations related to risk management, workforce plan information to assess the capacity and capability to effectively deliver services, oversight & assurance over delegated functions, workforce action plan, SGC and the workforce plan and comprehensive information to committee and the Board. One of the recommendations was addressed at the time of report publication and actions to address the remaining five recommendations have been agreed with management with target implementation dates ranging from 31 October 2024 to 31 May 2025.

An update on workforce planning was presented to the SGC on 6 March 2024 and provided assurance that the national workforce modelling tool would be utilised as part of the wider RTP discussions and would allow fuller modelling of how workforce levels are likely to change over the next three years.

Workforce Risks

The three corporate risks are set out as above. Both the Workforce Planning and Delivery Risk and the Staff and Wellbeing Risk are rated as High and are both above risk appetite. Both these risks and current ratings are reflective of the current environment including the intense levels of activity in health and social care and the pressures on staff.

During 2023/24 the SGC reviewed the corporate risks assigned to it including a new corporate risk for implementation of the Health and Care Staffing (Scotland) Act 2019 which comes into force in April 2024 and reflects the preparatory work required to meet the terms of the legislation. This risk was approved by the Board and has been reported to the SGC since January 2024. The risk score reflects the current

arrangements. Updates on preparation for implementation of Health and Care Staffing (Scotland) Act 2019 were presented to the September 2023 and May 2024 SGC and the May 2024 NHS Board and provided assurance on the plans for quarterly reporting and prioritisation of implementation of eRostering in clinical areas. The Scottish Government quarter 3 return provided reasonable assurance and no 'red' RAG status was noted for any element.

In addition to the summary presentation of the aligned risks, the SGC have received deep dive information on individual aspects of a corporate risks aligned to the SGC. In May 2023, the SGC were provided a deep dive into current levels of Bank & Agency utilisation and resultant financial spend, noting both the adverse impact on the Board's financial position and the possible quality and safety aspects from an overreliance on temporary staff. A further deep dive into Band and Agency programme of work was delivered to members in November 2023, noting that, despite the implementation of stricter controls and new initiatives, the financial impact of these had yet to be seen on the overall position. The SGC Annual Report for 2023/24 recognised that considerable work had been undertaken around the usage of bank and agency staff, and that it was likely that the financial impact will take longer to realise than originally intended. A further report to the Committee's March 2024 meeting noted that initiatives were continuing at pace however the real impact should be seen in 2024/25.

The March 2023 SGC was advised that future deep dives will be agreed by the Lead Officer in consultation with the Chair and Committee members. A Pharmacy workforce deep dive was planned for May 2024.

Staff Governance Committee

The Staff Governance Self-Assessment report was to the March 2024 meeting and noted improvements in year, including focus on strategic rather than operational details. Improvements included continued focus on agenda management and feedback from clinical and operational leads to aid interpretation of performance data were noted.

Revised SGC Terms of Reference were agreed at the March 2024 meeting. Amendments included the addition of oversight of Workforce Planning and risk, and review of compliance with Whistleblowing Standards, in response to previous internal audit recommendations.

The SGC Annual Report for 2023/24 concluded positively that it has fulfilled its remit and there is evidence of the SGC addressing full coverage of the strands of the Staff Governance Standard.

Staff Governance Assurances

Our 2023/24 ICE report recommended that the 2022/23 Staff Governance Monitoring Return presented to the 9 November 2023 SGC should be updated to reflect action taken to address Scottish Government Feedback. The feedback was reported to SGC on 14 May 2024 and SGC are to be updated on progress to address this feedback at a future meeting. Scottish Government has paused the requirement to complete the monitoring return and Boards have been asked to continue with their ongoing commitment to the Staff Governance Standards and that they will seek a statement of assurance on this from Boards later in 2024.

Each paper presented to the SGC in 2023/24 references the strand(s) of the Staff Governance Standard it relates to. The SGC's Annual Report/Assurance Statement was presented to SGC on 14 May 2024 and included reflection on how successfully and effectively the strands of the Staff Governance Standards have been implemented. Positive feedback on coverage was provided in the Staff Governance Committee Self-Assessment and is evident in SGC discussions.

Remuneration Committee

The Remuneration Committee (RC) held regular meetings throughout 2023/24. It completed an annual self-assessment of its performance along with all standing committees in February 2024, with only a small number of minor changes to future performance being required. This is reflected within the RC annual Report for 2023/24 which overall provides positive confirmation on the activities of the RC for the year.

Appropriately Trained & Developed

Both Personal Development Plan (PDP) and sickness absence statistics are now reported to the SGC as part of the IPQR.

41% of PDP reviews were complete at March 2024 (38% in March 2023), and Mandatory training completion was 56% at January 2024 (57% at April 2023). Both of these are well below the target of 80% and limited improvement has been made during the year, despite agreement of new management improvement actions. In March 2024 the SGC was provided as part of the Staff Governance focussed IPQR that for PDP performance *'action plans have been developed and this work will be taken forward in the first half of the 2024/25 financial year'* and on the existing actions to improving mandatory training uptake including agreeing performance trajectories with services and prioritising certain elements of core training, engaging with training owners, improving compliance reporting and reviewing and refining the core training offering to improve satisfying role specific training requirements. The Director of Acute Services offered assurance to the Committee by providing examples of the concerted efforts being employed to improve training compliance, particularly within Acute, despite extreme staff and service pressures ongoing.

The minutes of the meeting record that *'It was, however, noted that overall training attainment was disappointing and significant measures were needed to improve these metrics'*.

NHS Fife's Mandatory Core training compliance performance was reported to the March 2024 SGC for the period to 22 January 2024 and included assurance on associated recovery actions identified to improve completion levels into 2024/2025. The target for 31 March 2024 was 80%, however achievement was 56% up to January 2024, with actions identified to improve the performance.

The Medical Appraisal and Revalidation Annual Report for 2022/23 was considered at the January 2024 SGC. Primary Care GPs achieved 99.35%, Acute Consultants 91.27% and Speciality and Specialist Doctors (SAS) 59%. The report includes actions that will be undertaken in 2024/25 to improve performance.

Attendance Management

Sickness absence at February 2024 was 7.64%, a significant increase over February 2023 (5.69%). Benchmarking for February 2024 shows NHS Fife to be in the lower range of all the mainland Boards. SGC considered a comprehensive update on attendance management on 6 March 2024 which highlighted the need for a change in emphasis to secure a longer term, sustainable improvement in absence rates, and outlined the attendance management actions to be taken forward in 2024/25. The SGC annual assurance report/statement for 2023/24 concluded that *'Actions continue to be undertaken to manage the challenging circumstances that lead to sickness absence, in particular that of a long-term nature, which can by its nature be extremely complicated to manage'*.

The results of the 2023/24 iMatter survey and the comparative national results were presented to the SGC in January 2024. NHS Fife has achieved increases in each KPI with NHS Fife's engagement and questionnaire rates the highest out of all 14 NHS Scotland territorial boards.

Whistleblowing

All actions to address recommendations made in Internal Audit report B18/23 – Whistleblowing have been implemented.

Quarterly update reports detailing action to comply with the National Whistleblowing standards and the number of concerns raised are presented to the SGC. The SGC annual assurance report/statement 2023/24 includes a statement from the Board's Non-Executive Whistleblowing Champion providing assurance that at Board level there is an environment of listening and openness whilst emphasising that further work is required and that this is more important during this period of reform and transformation.

The annual whistleblowing report for 2023/24 was presented to SGC and to Fife NHS Board in May 2024, an improvement in timing to align with year-end reporting and assurance processes. Planned arrangements for 2024/25 include establishment of a Whistleblowing Oversight Group, a decision making team and recruitment of a Speak-up Coordinator.

Staff Wellbeing

The SGC endorsed NHS Fife's Staff Health and Wellbeing Action Plan 2023-2025 for publication on 11 January 2024. The Head of Workforce Planning & Staff Wellbeing emphasised that the future focus would require to be on evaluation and metrics, to ensure the best use of available resources.

The SGC annual assurance report/statement for 2023/24 summarises the services available to help support staff during this time of continuing high levels of activity on all services.

Financial Governance

Corporate Risks

6 - Whole System Capacity - High Risk (20); Target (9) Moderate by 30 April 2024

Currently Above Risk Appetite

There is a risk that significant and sustained admission activity to acute services, combined with challenges in achieving timely discharge to downstream wards and/or provision of social care packages, that the management of Acute hospital capacity and flow will be severely compromised.

7 - Access to Outpatient, Diagnostic and Treatment Services - High Risk (20); Target N/A

Currently Above Risk Appetite

There is a risk that due to demand exceeding capacity, compounded by unscheduled care pressures, NHS Fife will see deterioration in achieving waiting time standards. This time delay will impact clinical outcomes for the population of Fife.

8 – Cancer Waiting Times - High Risk (15); Target (12) Moderate by 30 April 2024

Currently Above Risk Appetite

There is a risk that due to increasing patient referrals and complex cancer pathways, NHS Fife will see further deterioration of Cancer Waiting Times 62-day performance, and 31 day performance resulting in poor patient experience, impact on clinical outcomes and failure to achieve the Cancer Waiting Times Standards.

13 - Delivery of A Balanced In Year Financial Position - High Risk (16); Target (12) Moderate by 31 March 2024

Currently Above Risk Appetite

There is a risk that due to the ongoing impact of the pandemic combined with the very challenging financial context both locally and nationally, the Board will not achieve its statutory financial revenue budget target in 2023/24 without further planned brokerage from Scottish Government.

14 - Delivery of Recurring Financial Balance Over the Medium Term - High Risk (16); Target (12) Moderate by 31 March 2024

Currently Above Risk Appetite

There is a risk that NHS Fife will not deliver the financial improvement and sustainability programme actions required to ensure sustainable financial balance over the medium term.

15 - Prioritisation & Management of Capital Funding - Moderate (12); Target (8) Moderate by 1 April 2026

Currently Within Risk Appetite

There is a risk that lack of prioritisation and control around the utilisation of limited capital and staffing resources will affect our ability to deliver the PAMS and to support the developing Population Health and Wellbeing Strategy.

Financial Performance

The Medium Term Financial Plan (MTFP) was endorsed by the FPRC (Reserved Business) on 14 March 2023 and approved by Board (Reserved Business) on 28 March 2023. It provided clarity on funding and expenditure assumptions with areas of greatest risk and uncertainty. It presented a range of potential scenarios which demonstrate the impact of changes to key parameters, with a £10.9m financial gap identified for 2023/24.

For 2023/24, NHS Fife achieved break even and stayed within the Revenue Resource Limit (RRL). Achievement of this was primarily due to the late receipt of share of *'funding of non-recurring additional UK Government consequentials'* (£10.3m) and a national reduction of CNORIS costs (£2.3 m). Brokerage was also required for the second consecutive year of £14.005 to deliver the RRL target of breakeven.

While the year-end financial position is line with the initial forecast, this has only been achieved by the use of non-recurring funding in year. Recurring cost improvements have not been achieved (see Savings section below).

The draft financial outturn position to 31 March 2024, subject to external audit review, is:

- A break-even position against the Revenue Resource Limit (RRL)
- A break-even position against the Capital Resources Limit (CRL)
- A break-even position against the cash requirement
- The 2023/24 savings target of £15 million was not delivered, with only £8.142 million achieved (54%), of which only £2.974 (36%) was recurring.

The Financial Performance Report 2023/24 paper to the May 2024 FPRC stated that the draft IJB outturn had increased to a £17m overspend from the £7m forecast deficit to end of January 2024, reported to FPRC in March 2024. The earlier reported deficit was to be managed through the application of £7m from IJB reserves. The movement was due to an increase in social care costs, supplementary staffing, GP prescribing and costs associated with providing out of area mental health services. General and earmarked reserves reduced the £17m overspend to £0.775m of which NHS Fife reported a £0.466m impact for the Health Board as part of the risk share.

The Director of Finance and Strategy for NHS Fife and the Director of Finance for Fife Council remained in dialogue with the IJB Chief Finance Officer (CFO) to determine the final position for the IJB, including the ability and agreement of partners to support reinstating aspects of the applied "ear marked" reserves in 2024/25. On 30 May 2024 the CFO received notification from the Scottish Government that several of the ear-marked reserves were required to be held by the IJB and therefore the £0.775m overspend increased to £5.578m which required to be covered through the risk-share arrangement. To cover the appropriate NHS Fife share, further repayable brokerage of £2.992m was requested from Scottish Government. This was a very late adjustment with final funding only confirmed on 11th June 2024.

The Chief Finance Officer is completing due diligence around the reasons for the significant move in the position at year end which will require further discussion with partners.

Financial reporting to the FPRC and Board remained consistent, and the position and challenges were clearly presented.

Savings Challenge

A savings target of £15 million was identified for 2023/24, all on a recurring basis.

Despite having identified the main areas to target cost reduction in the original financial plan for 2023/24, 54% of the cost improvement target was delivered and 36% was achieved on a recurring basis. The consequence of not achieving savings on a recurring basis means that around 80% of the 2023/24 savings plan (£12m) will be carried forward for action into 2024/25.

Financial Planning 2024/25

The Financial Plan 2024/25 – 2027/28 recognises that the scale of the financial challenge over the next 3 years is unprecedented and delivering financial balance across the 5-year timeframe will be extremely challenging. Due to the scale of the forecast deficit within NHS Fife and the significant movement from

plan, NHS Fife was assessed as being at level two of the Scottish Government escalation framework. FPRC noted that this did not represent formal escalation but did signal enhanced scrutiny at Scottish Government level.

The Internal Audit Annual Report for 2022/23 reported that the organisation must assure itself that it has both capacity and can affect cultural change sufficient to deliver the required level of savings in addition to business as usual. In 2023/24 NHS Fife have clearly communicated that it is everyone's responsibility to contribute towards achieving financial parity through Reform, Transform and Perform (RTP). RTP promotes a culture that empowers change by involving everyone, alongside clear instructions to budget holders to achieve savings within the grip and control programme.

On 13 December 2023 the Scottish Government advised NHS Fife that all NHS Boards had been assessed for financial performance against the revised NHS Scotland Support and Intervention Framework and confirmed NHS Fife would move from level 1 to level 2 due to the relative scale of deficit in 2023/24 and the variation from the original financial plan for the year.

The three-year Financial Plan 2024/25 to 2026/27 was approved by Board on 26 March 2024, with a summary of the revenue projections as follows:

| | 2024/25 £m | 2025/26 £m | 2026/27 £m |
|-------------------------------------|---------------|---------------|---------------|
| Financial gap before savings | (53,507) | (42,924) | (24,961) |
| Savings plans / targets | 25,000 | 25,000 | 24,961 |
| Residual gap | 28,507 | 17,914 | - |

The 3-year plan carries a significant level of risk, particularly in relation to ongoing capacity and workforce pressures which continue to drive increased use of temporary staffing. The Financial Plan recognises that the scale of the financial challenge is unprecedented and delivering financial balance across the 3-year timeframe will be extremely challenging.

The Scottish Government did not approve the MTFP with its assessment set out in a letter on 4 April 2024 which stated the NHS Fife MTFP not fully met the following criteria:

- A clear programme of work and supporting actions to achieve the target of 3% recurring savings on baseline budgets.
- Deliver an improved forecast outturn position compared to the forecast outturn for 2024/25 reported at the start of 2023/24.
- Present a credible financial plan that would meet the brokerage cap set by Scottish Government.

The Scottish Government has not asked NHS Fife to resubmit its MFTP but, in the period to the formal Quarter 1 financial review with the Scottish Government, key actions identified by the Scottish Government will need to be progressed to improve the position of the MTFP. These actions include:

- Progress delivery of a minimum 3% recurring savings in 2024/25 and develop options to meet any unidentified or high-risk savings balances.
- Continue to progress with the areas of focus set out in the 15 box grid.

- Engage and take proactive involvement in supporting national programmes as they develop in 2024/25.
- Develop further measures to reduce the Board residual financial gap towards the brokerage cap set.
- Provide an update on the financial risks outlined within the financial plan to assess likelihood of these materialising and the impact these could have on the Board's outturn.

Finance Risk Reporting Revenue

There are two corporate financial risks related to revenue, one for in year delivery of the financial plan and the second related to the longer term financial plan.

The update provided to the FPRC in May 2024 for Risk 13 - Delivery of a balanced in-year financial position noted the detailed discussions at the January and March 2024 FPRC meetings with the year figures being finalised for external audit review, and that the Director of Finance & Strategy will propose further clarification on the description of the risk for 2024/25 once the 2023/24 position is finalised.

The FPRC May 2024 update on Risk 14 Delivery of recurring financial balance over the medium term noted that the MTFP *'was approved by the NHS Fife Board in March 2024 however discussion remains ongoing with Scottish Government in relation to several key planning assumptions and is currently not approved. The plan indicates a 3-year period is required to enable delivery of sustainable cost reduction and service change to deliver recurring financial balance.'*

As expected, the risk scores for both these risks have remained High during 2023/24. The target risk scores due to be achieved by 31 March 2024 appear to be optimistic in the circumstances. We encourage review of both the target and actual risk scores, to ensure they fully reflect the deterioration in the financial position and the challenging environment.

Property Asset Management, Net Zero and Capital Risk

The capital plan for 2023/24 was approved in March 2023 as part of the MTFP. Reporting of the capital plan to the FPRC is frequent, with the latest report on year-end performance to the May 2024 FPRC reflecting a balanced position for capital funding and achievement of the year end capital resource limit financial target.

The deep dive of the Prioritisation & Management of Capital funding risk (No. 15), in January 2024 provided reasonable assurance. The minute reflects the conclusion that *'given the limited capital funding available, and demand for investment, members recognised it is vitally important that funding is prioritised to mitigate operational risks, whilst delivering change to meet strategic objectives. Employing the correct governance, processes and procedures also helps to mitigate the risk that the Board may fail to maximise the benefit from the capital allocation it receives.'*

We commend the discussion on the risk 15 and the recognition that a separate but closely related risk concerning the amount of capital funding and how this will impact on NHS Fife plans needs to be developed. Consideration of a new Corporate Risk – Reduced Capital Funding was approved by the EDG on 4 May 2024.

In September 2023 NHS Fife Board approved the Whole System Property and Asset Management Strategy, developed from the previous Property Asset Management Strategy.

This Strategy details how NHS Fife expects to meet the challenge to reduce carbon emissions to net zero by 2040. Carbon zero 'road maps' for nine of the Board's sites have been created, with a further three in

progress. Previous decarbonisation scheme funding has allowed £1.8m of investment projects during 2022/23 and further applications are planned over the next three years.

We commend the reporting to the January 2024 FPRC around the decarbonisation of the NHS Fife fleet of vehicles. A change in legislation has resulted in the previous target to not buy/lease new fossil fuelled light vehicles from 2025 to not using any by 2025. Effectively this shortens the target by several years. The paper to the FPRC is clear on the actions NHS Fife needs to take to meet this challenging target.

Best Value

Regular reporting of the Financial and Sustainability Programme to FPRC and the FPRC assessment of Best Value within its Annual Report for 2023/24 jointly demonstrate a commitment by NHS Fife to achieving best value across resource allocations.

Funding of Critical Posts

In December 2023, the Director General Health & Social Care and Chief Executive NHS Scotland, wrote to all NHS Board Chairs stating that approval is sought from Scottish Government before committing expenditure that does not have a budget, in the context of the national financial challenge. A paper to the January 2024 FPRC requested approval of posts critical to NHS Fife, because the clinical risk of not undertaking the expenditure was deemed to outweigh the financial risk. These posts were approved by the FPRC subject to discussions with the Scottish Government around including these cost pressures in the 2024/25 Financial Plan.

Digital and Information Governance

Corporate Risks:

Risk 17 – Cyber Resilience - High Risk (16); Target (12) Moderate by September 2024

Currently Above Risk Appetite

There is a risk that NHS Fife will be overcome by a targeted and sustained cyber attack that may impact the availability and / or integrity of digital and information required to operate a full health service.

Risk 18 - Digital & Information (D&I) - High Risk (15); Target (8) Moderate by April 2025

Currently Above Risk Appetite

There is a risk that the organisation maybe unable to sustain the financial investment necessary to deliver its D&I Strategy and as a result this will affect our ability to enable transformation across Health and Social Care and adversely impact on the availability of systems that support clinical services, in their treatment and management of patients.

Actions to Address Recommendations made in Previous ICE and Internal Audit Annual Reports

The following action has been completed:

The Information Governance & Security (IG&S) Update report presented to CGC on 1 March 2024 included consideration of an escalation to CGC of one incident, which was included as a disclosure in the 2023/24 draft Governance Statement.

The following actions are in progress:

- The IG&S Accountability and Assurance Framework report has been updated but performance measures (for five of the 10 categories) and risk summaries (for all 10 categories) are not yet included. The target date of 30 April 2024 has been extended to 31 October 2024.
- Timely issue of Information Governance and Security Steering Group (IG&SSG) and Digital and Information Board (D&I Board) meeting papers is to be monitored and reported in their respective annual reports/assurance statements in 2024/25. The target date of 30 April 2024 has been extended to 30 April 2025.
- The D&I Strategy update to CGC on 3 November 2023 included a more explicit review of the deliverables achieved during the D&I strategic period 2019-2024 and will inform development of the next iteration of the Digital and Information Strategy which is to be supported by a financial framework. The timeframe for development of the revised D&I Strategy has been extended from 31 July 2024 to 31 January 2025.

Governance Arrangements and Assurance Reporting

Reporting to the IG&SSG and the D&I Board has been adequate and effective throughout the year. Both groups provided regular update reports and Annual Assurance Reports/Statements to the CGC. The D&I Board meeting originally scheduled for April 2024 was rescheduled to 9 May 2024 and took place after the CGC meeting at which the D&I Board's Annual Assurance Statement/Report was considered (3 May 2024). The report was agreed by the D&I Board Chair (Medical Director), the Executive Lead for D&I (Associate Director for Digital & Information) and the Head of Corporate Governance/Board Secretary ahead of the CGC meeting and was subsequently presented to D&I Board.

The IG&SSG meeting scheduled for 31 January 2024 was cancelled meaning that the group met on three occasions in 2023/24 rather than the four required by its Terms of Reference. However, the conclusion in the IG&SSG Annual Assurance Report/Statement was that the remit of the group was fulfilled, and we concur with this as the papers intended for discussion at the meeting were distributed to members and appropriate assurance has been provided to CGC.

The IG&S Accountability and Assurance Framework report presented to each IG&SSG meeting provides assurance across 10 categories derived from the Network & Information Systems Regulations (NISR) and the ICO Accountability Framework. As reported above, further work to improve the report is required.

A Senior Information Risk Owner (SIRO) and a Data Protection Officer (DPO) are in place.

Digital and Information Strategy

The deep dive into corporate risk 18 – Digital and Information Strategy reported to the CGC in November 2023, recorded the need to rewrite the Digital Strategy to match the revised Population Health and Wellbeing Strategy and align to the wider strategic landscape, and that creation of a future strategy allows for specific consideration of the financial plan.

Updates on the D&I Strategy have been provided in line with the CGC 2023/24 workplan. The latest update in November 2023 concluded that many of the deliverables are consistent with an overall maturing of the digital capabilities and can be expected to be included in multiple strategies as NHS Fife moves through the levels of maturity associated with digital capability. The Associate Director of D&I has informed Internal Audit that the timescale for revising the D&I Strategy (2019-2024), which expired on 31 March 2024 but remains fit for purpose, has been put back from 31 July 2024 to 31 January 2025, as reflected in the D&I Board Workplan for 2024/25.

Risk Management

Risk reports were presented to the majority of IG&SSG and D&IB meetings in 2023/24 including visualisation of the risk profile.

During 2023/24, the IG&SSG and the D&IB received reports on relevant corporate and operational risks. Overall there was considerable movement in the risk profile, with several risks closed or with improved ratings and moved to a status of monitoring, although one risk rating did deteriorate.

Draft Risk Management Operational Guidance was presented to IG&SSG on 10 October 2023 and the Risk Tolerance Framework for D&I was presented to D&I Board on 19 April 2023.

The deep dive report on risk 17 – D&I Strategy, presented to CGC on 2 November 2023, concluded that there is reasonable assurance that the actions identified will be sufficient to reduce the risk score by April 2025, from its current High (15) level to the target level of Moderate (8), which is within the Board's risk appetite for this subject.

The deep dive report on risk 18 – Cyber Resilience concluded that there is reasonable assurance that the actions identified will be sufficient to reduce the risk score by September 2024 from its current High (16) level to the target level of Moderate (12), which is within the Board's risk appetite for this subject. More recently the D&I Board were provided with a verbal update on the hacking incident that impacted on NHS Dumfries and Galloway and received assurance that the exploit that had been effective in that Board would not have been effective in NHS Fife due to the controls in place.

NIS Regulations

The compliance score from the Competent Authority's May 2023 audit of the NIS Regulations has improved from 76% to 87%, but inclusion of additional controls resulted in a new baseline of 77% for NHS

Fife, a positive outcome against the required 60%. A presentation on the NISR audit by the Competent Authority was scheduled to be presented to the cancelled January 2024 IG&SSG but the high level results were reported to IG&SSG at the 16 April 2024 meeting in its Annual Assurance Report/Statement.

Digital Maturity Assessment

NHS Fife participated in the Scottish Government's Digital Maturity Assessment and received a comprehensive report on the outcomes. Assurance was taken that the consideration would be adopted into lifecycle and programme activities.

IG Incidents

In 2023/24, 12 incidents were reported to the Information Commissioner's Office (ICO), compared to 14 incidents in 2022/23. 83% were reported within the 72-hour requirement. 10 of the 12 incidents did not require any further follow up and two remain to be confirmed.

The incident that led to a reprimand from the ICO is included as a disclosure in the draft Fife NHS Board Governance Statement that was presented to the Audit and Risk Committee on 16 May 2024.

Information Governance & Security and Digital & Information Policies

The IG&S Accountability and Assurance Framework report presented to IG&SSG on 16 April 2024 reported on 8 IG&S policies and provided assurance that all were within their scheduled review dates. A report on General Policies to FPRC on 7 May 2024 included a further 8 D&I policies that had lapsed review dates and these were not included in the reporting to IG&SSG and were not reported to the D&I Board. The Associate Director of D&I explained that these policies are distinct from the IG&S arena and are therefore managed within the Digital & Information Senior Leadership Team Group.

Action Point Reference 2 – Digital and Information Strategy

Finding:

The D&I Strategy 2019-2024 remains fit for purpose but it has passed its original end date and the development of the next iteration has been put back from July 2024 to January 2025. CGC has been regularly updated on the delivery of the strategy but has not yet been informed of a clear timetable for its revision.

Audit Recommendation:

The update report to on the D&I Strategy scheduled to be presented to CGC in July 2024 should include clear scheduling of the revision process including presentation to D&I Board, CGC and ultimately to Fife NHS Board for approval.

Assessment of Risk:

Moderate



Weaknesses in design or implementation of controls which contribute to risk mitigation.

Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.

Management Response/Action:

Management accepts and will action this recommendation.

Action by:

Date of expected completion:

Director Digital & Information

31 July 2024

Action Point Reference 3 – IG&S/D&I Policies**Finding:**

The IG&S Accountability and Assurance Framework report presented to IG&SSG on 16 April 2024 reported on 8 IG&S policies and provided assurance that all were within their scheduled review dates. A report on General Policies to FPRC on 7 May 2024 included a further 8 D&I policies that had lapsed review dates and these were not included in the reporting to IG&SSG and were not reported to the D&I Board. The Associate Director of Digital and Information explained that these policies are distinct from the IG&S arena and are therefore managed within the Digital & Information Senior Leadership Team Group.

Audit Recommendation:

Assurance regarding the review status of D&I policies not included in the IG&S Accountability and Assurance Framework report should be regularly provided to the D&I Board.

Assessment of Risk:

Moderate



Weaknesses in design or implementation of controls which contribute to risk mitigation.

Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.

Management Response/Action:

Management will consider and report on this recommendation.

Action by:**Date of expected completion:**

Director Digital & Information





30 September 2024





Key Performance Indicators



| Planning | Target | 2022/23 | 2023/24 |
|--|----------------------|--|--|
| Strategic/Annual Plan presented to Audit & Risk Committee by June. | | Draft presented June 2023 | Draft presented June 2024 |
| Internal Audit Annual Report presented to Audit & Risk Committee by June | Yes | Presented Audit & Risk Committee – June 2023 | Presented Audit & Risk Committee – June 2024 |
| Audit assignment plans for planned audits issued to the responsible Director at least 2 weeks before commencement of audit | 75% | 100% | 78% |
| Efficiency | | | |
| Draft reports issued by target date | 75% | 57% | 46% |
| Responses received from client within timescale defined in reporting protocol | 75% | 80% | 100% |
| Final reports presented to target Audit & Risk Committee | 75% | 57% | 80% |
| Number of days delivered against plan | 100% at year-end | 90% | 102% |
| Number of audits delivered to planned number of days (within 10%) | 75% | 79% | 80% |
| Skill mix | 50% | 88% | 84% |
| Staff provision by category | As per SSA/Spec | Pie chart | |
| Effectiveness | | | |
| Client satisfaction surveys | Average score of 3.5 | Bar chart | |




Assessment of Risk



To assist management in assessing each audit finding and recommendation, we have assessed the risk of each of the weaknesses identified and categorised each finding according to the following criteria:

| | | | |
|------------------|---|--|-------------|
| Fundamental |  | Non Compliance with key controls or evidence of material loss or error. Action is imperative to ensure that the objectives for the area under review are met. | None |
| Significant |  | Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores. Requires action to avoid exposure to significant risks to achieving the objectives for area under review. | None |
| Moderate |  | Weaknesses in design or implementation of controls which contribute to risk mitigation. Requires action to avoid exposure to moderate risks to achieving the objectives for area under review. | Two |
| Merits attention |  | There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency. | One |

| ICE Report 2023/24 (B08/24) - Update of Progress Against Actions | | |
|--|---|---|
| Agreed Management Actions with Dates | Progress with agreed Management Actions | Assurance Against Progress |
| 1. Governance Statement Disclosures | | |
| <p>Process to highlight issues that may require to be included as disclosures in the Board's Governance Statement throughout the year.</p> <p>Action Owner: Head of Corporate Governance & Board Secretary</p> <p>Original target implementation date N/A.</p> | <p>Management considered introducing a new process but decided that the current arrangements to allow members of standing committees to consider which issues warrant disclosure in the Board's Governance statement are sufficient.</p> |  <p>Completed</p> |
| 2. Performance Monitoring | | |
| <p>Report to the Clinical Governance Committee on remedial action to improve performance for - Adverse Events Improvement Actions (70% target) and Complaint Closed- Stage 1 (80% target). This was recommended as these are the only measures included as Quality Performance Indicators in the Clinical Governance Strategic Framework that were not routinely reported on to the Clinical Governance Committee.</p> <p>Action Owner: Director of Nursing / Planning & Performance Team</p> <p>Original target implementation date 31 December 2023.</p> | <p>The IPQR now includes reporting on all of the Quality Performance Indicators included in the Clinical Governance Strategic Framework including evidence of review and remedial action.</p> |  <p>Completed</p> |
| 3. SG Annual Monitoring Return | | |
| <p>Update to SGC on the SG Annual Monitoring Return including an update on action taken to address Scottish Government feedback from previous years.</p> <p>Action Owner: Director of Workforce</p> <p>Original target implementation date 31 March 2024.</p> | <p>Scottish Government feedback related to the 2022/23 Annual Monitoring Return was reported to SGC on 14 May 2024 and a paper reporting on how the feedback has been acted upon is to be presented to SGC by the revised target implementation date of 30 Sep 2024.</p> |  <p>Minor slippage on agreed timelines</p> |
| 4. Assurance Reporting to IG&SSG | | |
| <p>a. All sections of IGS Accountability and Assurance Framework Report (IGSA&AR) to include performance measures and risk summary information.</p> <p>b. Monitoring of timing of distribution of IG&SSG and D&I Board Papers to comply with 5 days ahead of meeting date stipulation included in their Terms of Reference.</p> <p>Action Owner: Associate Director of Digital and Information</p> <p>Original target implementation date 30 April 2024.</p> | <p>a. The IG&S Accountability and Assurance Framework report presented to IG&SSG on 16 April 2024 did not fully address this recommendation and a revised target implementation date of 31 October 2024 has been agreed.</p> <p>b. Monitoring of the timing of issue of papers to of IG&SSG and D&I Board members was not undertaken in 2023/23. A revised target implementation date of 30 April 2025 to allow this to be monitored in</p> |  <p>Minor slippage on agreed timelines</p> |

| | | |
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| | 2024/25 and reported on in the IG&SSG and D&I Board Annual Assurance Statements for 2024/25. | |
| 5. IG&S Incident Management Assurance | | |
| <p>Incident Management reporting to direct IG&SSG members to consider whether any incidents will likely warrant disclosure in the Board's Governance Statement.</p> <p>Action Owner: Associate Director of Digital and Information</p> <p>Original target implementation date 30 April 2024.</p> | <p>Consideration of whether the ICO reprimand related incident warranted disclosure in the Board's Governance statement was included in the IG&SSG Annual Assurance Statement and was discussed at length at the IG&SSG meeting held on 16 April 2024.</p> |  <p>Completed</p> |
| Annual Report 2022/23 (B06/24) - Update of Progress Against Actions | | |
| Agreed Management Actions with Dates | Progress with agreed Management Actions | Assurance Against Progress |
| 1. Development of Risk Management | | |
| <p>a. Greater use of risk appetite including greater detail in risk reports presented to standing committees on how the risk appetite will affect strategy, decision-making prioritisation, budget setting and organisational focus.</p> <p>b. Deep Dive Reports to include:</p> <ul style="list-style-type: none"> • Further assessment as to which key management actions will impact on the target score with success criteria stated. • A focus on key controls only, providing overt assurance and an overt conclusion on the effectiveness of implemented controls. • An assessment of the proportionality of proposed actions and whether they should be sufficient to achieve the target score. <p>c. Revised Risk Management KPIs presented to the Audit and Risk Committee (ARC) that take account of previous internal audit recommendations and allow ARC members to assess the overall effectiveness of the system of Risk Management.</p> <p>d. Revised Risk Management Framework approved by the ARC providing a detailed description of joint Risk Management arrangements with the IJB including responsibility for operational risks, responsibility for sharing of information and responsibility for provision of assurance consistent with the IJB Risk Management Strategy.</p> <p>Action Owner: Director of Finance & Strategy</p> <p>Original target implementation date 31 March 2024.</p> | <p>a. Corporate Risks papers presented to each standing committee state if risks are within or outwith risk appetite. Review of the Board's risk appetite has not taken place yet.</p> <p>Risk reports to standing committees do not yet include greater detail on how the risk appetite will affect strategy, decision making prioritisation, budget setting and organisational focus and the minutes of their meetings do not record discussion on these topics referring to risk appetite. Target implementation date extended to 30 September 2024.</p> <p>b. The Deep Dives continue to evolve but they do not include the 3 components referred to in our recommendation which are derived from the 'Specific questions when analysing a risk delegated to the committee in detail' section of the Assurance Principles that are appended to the Risk Management papers presented to standing committees. Target implementation date extended to 30 September 2024.</p> <p>c. Revised KPIs which allow the A&RC to oversee performance management of the risk management framework were presented to A&RC on 16 May 2024</p> |  <p>Minor slippage on agreed timelines</p> |

| | | |
|--|--|--|
| | <p>and A&RC were advised that these will continue to evolve (Complete).</p> <p>d. The revised NHS Fife Risk Management Framework, including a description of RM arrangements with the IJB that satisfies our recommendation, was approved by Fife NHS Board on 26 September 2023 (Complete).</p> | |
| <p>2. Staff Governance Standards</p> | | |
| <p>a. A year-end report to be presented to the Staff Governance Committee providing year-end feedback on:</p> <ul style="list-style-type: none"> The action taken on each strand of the Staff Governance Standards during 2023/24. Reflection on how successfully and effectively these have been implemented. What actions are being taken forward into 2024/25, plus the further coverage planned for each strand during 2024/25. <p>b. The Staff Governance Committee Annual Report and Statement of Assurance to include a conclusion on compliance with the different strands of the Staff Governance Standards based on the paper referred to in 2a above.</p> <p>Action Owner: Director of Workforce</p> <p>Original target implementation date 31 March 2024.</p> | <p>a. The conclusion in the SGC Annual Report/Assurance Statement presented to SGC on 14 May 2024 combined with the paper presented to the March 2024 SGC on the coverage of the strands at SGC meetings in 2023/24 satisfies our recommendation.</p> <p>b. As per 2a above</p> |  <p>Completed</p> |
| <p>3. Whistleblowing</p> | | |
| <p>The Staff Governance Committee Annual Report and Statement of Assurance including a statement confirming the Whistleblowing Champion's opinion on the adequacy NHS Fife's whistleblowing arrangements.</p> <p>Action Owner: Director of Workforce</p> <p>Original target implementation date 31 March 2024.</p> | <p>The Whistleblowing Annual Report 2022/2023 was presented to the SGC on 9 November 2023 and subsequently to Fife NHS Board on 28 November 2023. This includes a statement from the Whistleblowing Champion on the adequacy of NHS Fife's Whistleblowing arrangements.</p> <p>The SGC Annual Assurance Report/Statement for 2023/24 presented to SGC on 14 May 2024 includes a statement from the Board's Non-Executive Whistleblowing Champion on the adequacy NHS Fife's whistleblowing arrangements at section 4.13.</p> |  <p>Completed</p> |
| <p>6. Digital & Information Strategy</p> | | |
| <p>a. Clinical Governance Committee (CGC) to be updated regarding the impact on strategic ambitions & new</p> | <p>a. The D&I Strategy update to CGC on 3 November 2023 included analysis of</p> |  |

| | | |
|--|---|--|
| <p>D&I Strategy of elements from previous strategy not yet delivered.</p> <p>b. The new D&I Strategy to include a resource & financial assessment supporting the likelihood of the revised D&I Strategy being delivered within the stated timescale.</p> <p>Action Owner: Associate Director of Digital & Information</p> <p>Original target implementation date 31 July 2024.</p> | <p>the delivery of items from the 2020-24 D&I Strategy and clearly shows items partially or not delivered. The update also identifies themes to be taken forward to the next iteration of the strategy (Complete).</p> <p>b. The D&I Strategy update to CGC on 3 November 2023 confirmed that this will be supported by a financial framework. The development of the revised D&I Strategy has been delayed. Target implementation date extended to 31 January 2025.</p> | <p>Minor slippage on agreed timelines</p> |
| ICE Report 2022/23 (B08/23) - Update of Progress Against Actions | | |
| Agreed Management Actions with Dates | Progress with agreed Management Actions | Assurance Against Progress |
| 1. Committee Assurances | | |
| <p>a. The Board's action list, which is currently maintained and followed up by the Corporate Governance & Board Administration team, will be tabled for review at future Board meetings.</p> <p>b. Risk sections within the SBAR papers presented to the Standing Committees and the Board should fully articulate the risks associated with the report, the linkage to the relevant Corporate or Operational risk and any related consequences.</p> <p>c. SBARs on Policy Updates to include a risk assessment on each policy which has passed the renew date, highlighting the risks and possible consequences of the policy not being reviewed within the timescale and superseded policies will be removed from Stafflink.</p> <p>Action Owner: Head of Corporate Governance & Board Secretary</p> <p>Original target implementation date 30 June 2023.</p> | <p>a. The Board's Action List was included on the agenda for its meetings on 31 January and 28 March 2023 and a comparison of the two Action Lists shows that it is being updated between meetings (Complete).</p> <p>b. Improvements to the completion of the Risk Management section of SBARs presented to the Board and its Standing Committees was evident in a sample selected for meetings in December 2023, January 2024, and March 2024.</p> <p>c. Discussion on the policies that have lapsed review dates took place at EDG on 2 November 2023 and a risk-based approach to prioritise the review and update policies was agreed and relevant assurances regarding this were provided by the relevant responsible Executive Directors. FPRC were notified of this on 14 November 2023 (Complete).</p> |  <p>Completed</p> |
| 10. IG&S Incident Reporting to CGC | | |
| <p>The IG&S update report for the Clinical Governance Committee to be updated to include a section for IG Incident Management including:</p> <ul style="list-style-type: none"> ○ Reasons for any instances of non-compliance with the 72-hour statutory timescale for | <p>IG&SSG Updates to CGC on 1 March 2024 includes assurance regarding compliance with the 72-hour timescale for reporting incidents to the ICO and consideration regarding whether or not any of the</p> |  <p>Completed</p> |

| | | |
|---|---|--|
| <p>reporting to the ICO and what has been done to prevent this from happening in future.</p> <ul style="list-style-type: none"> ○ Sufficient information to allow an opinion on whether any of the incidents reported to date should be considered for disclosure within the Board’s Governance statement. <p>Action Owner: Associate Director of Digital and Information</p> <p>Original target implementation date 31 May 2023.</p> <p>Extended to 29 February 2024 (TBC)</p> | <p>incidents will warrant disclosure in the Board’s Governance statement.</p> | |
|---|---|--|