FTF Internal Audit Service

Annual Internal Audit Report 2022/23

Report No. T06/24

Issued To: **G Archibald, Chief Executive**
L Birse-Stewart, Chair

S Lyall, Director of Finance
NHS Tayside Directors / Executive Leadership Team

Audit Follow-Up Co-ordinator

Audit & Risk Committee
External Audit

Contents

Draft Report Issued	12 June 2023
Management Responses Received	12 July 2023
Target Audit & Risk Committee Date	22 June 2023
Final Report Issued	**18 July 2023**

INTRODUCTION AND CONCLUSION

1. This Annual Report to the Audit & Risk Committee provides details on the outcomes of the 2022/23 internal audit and my opinion on the Board's internal control framework for the financial year 2022/23.

2. Based on work undertaken throughout the year we have concluded that:

- The Board has adequate and effective internal controls in place;
- The 2022/23 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 **note** 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 2022/23 incorporated the requirements of the NHSScotland Governance Statement and were based on a joint risk assessment by Internal Audit and the Director of Finance. The resultant audits range from risk based reviews of individual systems and controls through to the strategic governance and control environment.

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.

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

8. The Internal Control Evaluation (ICE), issued in draft on 12 January 2023 and finalised on 9 March 2023, was informed by detailed review of formal evidence sources including Board, Standing Committee, Executive Leadership Team (ELT), and other papers. The ICE noted actions to enhance governance and achieve transformation and concluded that NHS Tayside's assurance structures were adequate and effective but did agree recommendations for implementation by management.

9. Recommendations identified in previous ICE and Annual Reports are set out in Section 5, together with a summary of progress. Internal Audit monitor progress with outstanding recommendations through the Audit Follow Up system and all management responses are validated. Progress with all internal audit recommendations is now reported to the ELT and to the Audit & Risk Committee.

10. NHS Tayside has demonstrated steady progress towards completion of several previous recommendations, with some not yet due. There has, however, been slippage on some key actions and clearly the revision of the overall and supporting strategies remains a significant task.

11. The 2023/24 ICE will provide an update on the remaining actions as well as providing an opinion on the efficacy of implementation of all agreed actions.

12. 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 were identified and will be followed up in the 2023/24 ICE.

Governance Statement

13. Throughout the year, our audits have provided assurance and made recommendations for improvements. Where applicable, our detailed findings have been included in the NHS Tayside 2022/23 Governance Statement.

14. For 2022/23, the Governance Statement format and guidance were included within the NHSScotland Annual Accounts Manual.

15. The Board has produced a Governance Statement which states that:

    '*As the appointed Accountable Officer, I am able to conclude with the ongoing improvement work undertaken throughout the year, as evidenced above; the governance framework and the assurances and evidence received from the Board's committees, that corporate governance continues to be strengthened and internal controls were operating adequately and effectively throughout the financial year ended 31 March, 2023*.

16. 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 2022/23, provides assurance for the Chief Executive as Accountable Officer.

17. 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.

18. 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, with each completing an Internal Control Statement based on the Scottish Public Finance Manual. These assurances have been reviewed and no breaches of Standing Orders / Standing Financial Instructions were identified. The following matters are specifically highlighted in the Governance Statement:

    - Missing Clinical Case Records;
    - Independent Oversight and Assurance Group on Tayside's Mental Health Services;
    - Enhanced Monitoring of Psychiatry and General Surgery Training Programmes;
    - Dundee Drugs Commission.

19. The Governance Statement reflects the Board governance and operating arrangements. It includes details of the Board performance profile and risk management arrangements, and the priority to produce a realistic, achievable strategy, focusing on how NHS Tayside will deliver services in the post Covid environment and reflecting the financial and staffing challenges faced.

Key Themes

20. Detailed findings are shown later in the report. Key themes emerging from this review and other audit work during the year, as well as the need to ensure sustainable services, are detailed in the following paragraphs.

21. NHS Tayside continues to demonstrate robust governance arrangements and a rigorous focus on maintaining good performance in service delivery within its financial constraints, which have been clearly communicated through the Board and Standing Committees, noting that the future financial environment is extremely challenging.

22. The Board's Strategy is essential to long term sustainability in the face of significant demand, workforce and financial pressures in the coming years and will need to be realistic in the context of those pressures. Whilst the Scottish Government has set and recently reinforced a number of very challenging and not necessarily consistent national objectives; NHS Tayside must ensure that its own strategic objectives are deliverable within acceptable risk tolerances. NHS Tayside will face significant challenges in the medium term until strategic solutions can be found, working in partnership with the Integrated Joint Boards (IJBs).

23. NHS Tayside has recognised that all strategies will need to be updated to reflect changing demands, backlog of need and scarcity of staff, all of which will require service redesign to create sustainable services, but progress has been slow and reporting to the Board on its development should be enhanced.

24. The Board continues to maintain good governance and has responded positively to the 2nd edition of the Blueprint for Good Governance.

25. Risk management arrangements are robust and the strategic risk profile underwent a major revision at the end of April 2023. It is important that NHS Tayside builds on this initial work to ensure risk appetite is meaningful by understanding how it will affect Strategy, decision-making, prioritisation, budget setting and organisational focus.

26. Many Health Boards are finding achievement of national targets and improvements extremely challenging because the majority of targets set by Scottish Government are no longer realistic in the current circumstances. NHS Tayside has been performing well against the Scottish average. At

the end of April 2023 Emergency Department compliance against 4 hour access target was 89%, below the 95% target but still the best performance for a mainland Scottish Board. 31 day cancer performance was on target at 95% and 62 day cancer performance was 75%, against a target of 95%. CAMHS performance was 74% against a target of 90% and Psychological Therapies performance was 77%, against a target of 90%.

27. The Audit Scotland report 'NHS Scotland 2022', issued February 2023, stated that '*the NHS in Scotland faces significant and growing financial pressures. These include inflation; recurring pay pressures; ongoing Covid-19 related costs; rising energy costs; a growing capital maintenance backlog; and the need to fund the proposed National Care Service. These pressures are making a financial position that was already difficult and has been exacerbated by the Covid-19 pandemic, even more challenging. This could limit investment in recovery and reform'.* Previous Internal Audit reports have recorded similar concerns and highlighted the strategic changes required in order to address them.

28. The pressures on long-term financial sustainability have increased even further and faster than anticipated. The three year financial plan overtly states that financial sustainability needs to be at the core of any decisions made, as reflected in the Internal Audit ICE recommendations.

29. The NHS Tayside Medium Term Financial Plan projects a financial challenge of £87.2 million in 2023-24. Traditional approaches to making efficiencies were producing declining savings, and new solutions will be required to ensure that services are sustainable. NHS Tayside will need to ensure that is has the capacity and capability required to identify, develop and implement these solutions whilst maintaining business as usual. The intended approach is through nine savings workstreams, with no direct linkage to strategy and therefore, thus far, the Board has not been informed of or approved any overt process to include savings of the magnitude required into the design of the new strategy. Our view is that it will be extremely difficult to achieve financial sustainability wholly through operational efficiencies. A strategic approach including robust prioritisation will be key.

30. We are aware that NHSScotland as a whole is predicting significant requirements for brokerage by 2025-2026 and that the Scottish Government has announced that it has a £1bn shortfall in 2023/24, rising to £1.9bn in future years. NHS Tayside's cumulative 3 year brokerage, at a total of £181.5m, is significant in this context and there is a risk that not all required brokerage may be available when needed; NHS Tayside should prepare contingency plans accordingly.

31. The Audit Scotland report 'NHS Scotland 2022' recognises workforce capacity as the biggest risk to the recovery of NHS services and highlights that the NHS Recovery Plan was not informed by robust modelling and there is a risk workforce targets will not be achieved. Given the volatile nature of the labour market, existing shortages and increased demand for staff, it essential that workforce planning effectively supports the achievement of the Board's operational, financial and strategic objectives. However, our review of Workforce Planning concluded that this was not, as yet, the case.

32. A programme of clinical governance improvements continues, central to which will be the revised Clinical Governance Framework. Assurance reporting continues to improve. Mental Health and Drugs and Alcohol Recovery, are considered to be Strategic risks for the IJBs, not for the Health Board. A Drugs & Alcohol strategic risk is in place for Dundee IJB, but the Perth & Kinross IJB Strategic risk on Whole System Mental Health remains under development. As previously reported by Internal Audit, the Care Governance Committee will need to be assured on both of these; it may be that the new IJB risk could provide the appropriate assurance, but this risk has not yet been fully

delineated and therefore this remains a potential gap in assurance. Given the significance of these risks, this gap in assurance should be addressed as soon as possible.

33. Key recommendations to provide clarity on the affordability of the Digital Strategy and risk mitigation, and identify the impact of any elements which will not be delivered, have not been implemented as agreed.

Key developments since the issue of the ICE included:

- Approval of the revised strategic risk profile 2023/24. Introduction of new risks for Strategy, ELT and integration and development of a single Workforce risk;
- Approval of the Financial Plan 2023/24 – 2026/27 and 5 year Capital Plan 2023/24 to 2027/28;
- Approval of updates to the Code of Corporate Governance;
- Blueprint for Good Governance presentation delivered by Professor John Brown at Board Development session;
- Embedding of revised Risk Assurance Report Template and Chairs Assurance Template;
- Agreement of risk appetite levels to be incorporated into the Risk Appetite Statement;
- Policy Oversight Group Assurance Reports have been developed and presented to the Performance & Resources Committee and Care Governance Committee;
- Agreement of a project plan to develop a Clinical Governance Framework;
- Presentation to the Care Governance Committee of new Key Performance Indicator Assurance reports: Adverse Events and Complaints/Feedback and an Improvement Academy Assurance report;
- Approval of the Standard Operational Procedure for External Inspections/Visits to NHS Tayside by Regulatory and Other External Bodies;
- Establishment of a Financial Recovery team to oversee Efficiency Workstreams;
- The Significant Adverse Event Review for the Missing Clinical Psychology Records has now been completed.

Audit Output

34. During 2022/23 we delivered 29 audit products which reviewed the systems of financial and management control operating within the Board and the IJBs.

35. Our 2022/23 audits of the various financial and business systems provided opinions on the adequacy of controls in these areas. Summarised findings or the full report for each review were presented to the Audit & Risk Committee throughout the year.

36. A number of our reports, including the ICE, have been wide ranging and complex audits and have relevance to a wide range of areas within NHS Tayside. These should provide the basis for discussion around how NHS Tayside can best build on the very good work already being done to improve and sustain service provision.

37. Board management continue to respond positively to our findings and action plans have been agreed to improve the systems of control.

ADDED VALUE

38. 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;
    - In conjunction with Local Authority Internal Auditors, undertaking IJB internal audits and providing a Chief Internal Auditor Service for Dundee and Angus IJBs including updating and enhancing the IJB Governance Statement self assessment checklist;
    - Chief Internal Auditor and Regional Audit Manager liaison with the Director of Finance and other Directors, on issues of governance, risk, control and assurance;
    - The Chief Internal Auditor has continued to lead the Assurance Mapping Group, which coordinates consideration of assurance issues and updates, dissemination, promulgation and implementation of the Committee Assurance Principles across NHS Fife, Forth Valley, Tayside and Lanarkshire;
    - Highlighting national governance developments with relevance to NHS Tayside;
    - Presentation to an NHS Tayside Clinical Governance Committee development event on assurance;
    - Providing opinion on and evidence in support of the Governance Statement at year-end and conducting an extensive Internal Control Evaluation which permitted remedial action to be taken in-year. This review made recommendations focused on enhancements to ensure NHS Tayside 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;
    - Provision of the Deputy Fraud Liaison Officer function for NHS Tayside.

39. Internal Audit have also built on action taken in response to previous External Quality Reviews.

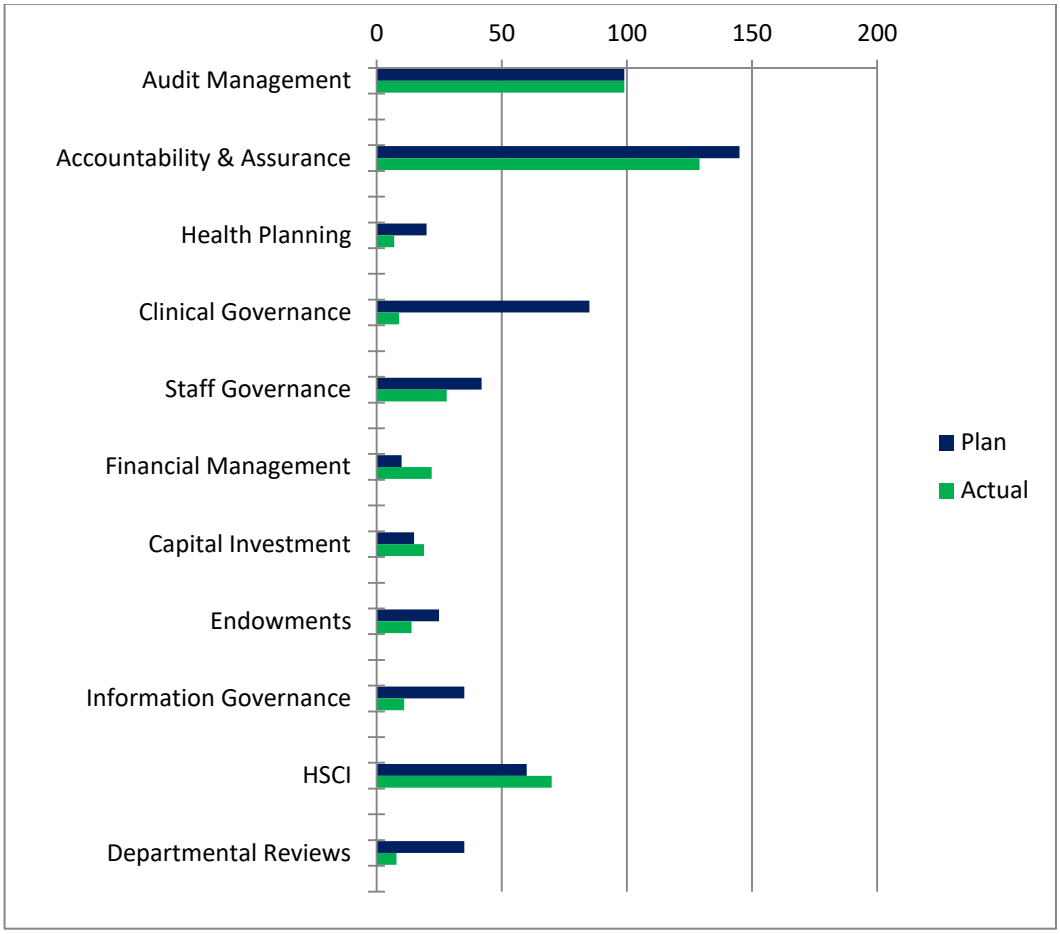
40. This has included:

    - Communication and assisting in the application of the Committee Assurance Principles;
    - Development of the FTF website;
    - Review and update of the FTF self assessment against the Public Sector Internal Audit Standards.

41. The 2023/24 Annual Internal Audit Plan included provision for delivering audit services, together with council colleagues, and providing the Chief Internal Auditor function to NHS Tayside and Angus and Dundee IJBs. Internal Audit Plans were agreed for each IJB. Internal Audit has continued to highlight the importance of maintaining momentum to clear intractable and long-standing issues with all partners, the requirement for coherence between governance structures, performance management, risk management and, in particular, assurance to improve IJBs' ability to monitor the achievement of operational and strategic objectives.

INTERNAL AUDIT COVER

42. Figure 1: Internal Audit Cover 2022/23



43. Figure 1 summarises the 2022/23 outturn position against the planned internal audit cover. The initial Annual Internal Audit Plan was approved by the Audit & Risk Committee at its meeting on 23 June 2022. As at end of April 2023 we had delivered 416 days against the 561 planned days (74%). Audits that have been risk assessed for inclusion in the 2023/24 Internal Audit Plan were reported to the May 2023 Audit & Risk Committee with rationale provided. Issues with receiving the required information to allow completion of some audits, as well as long term sickness within the Tayside Internal Audit Team have been reported to the Audit & Risk Committee throughout 2022/23.

44. A summary of 2022/23 performance is shown in Section 3.

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

45. The FTF Partnership Board met in March 2023 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 members of the FTF Management Team are attendees.

46. We have designed protocols for the proper conduct of the audit work at the Board to ensure compliance with the specification and the Public Sector Internal Audit Standards (PSIAS).

47. 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 rather than the Accountable Officer. There are no impairments to independence or objectivity.

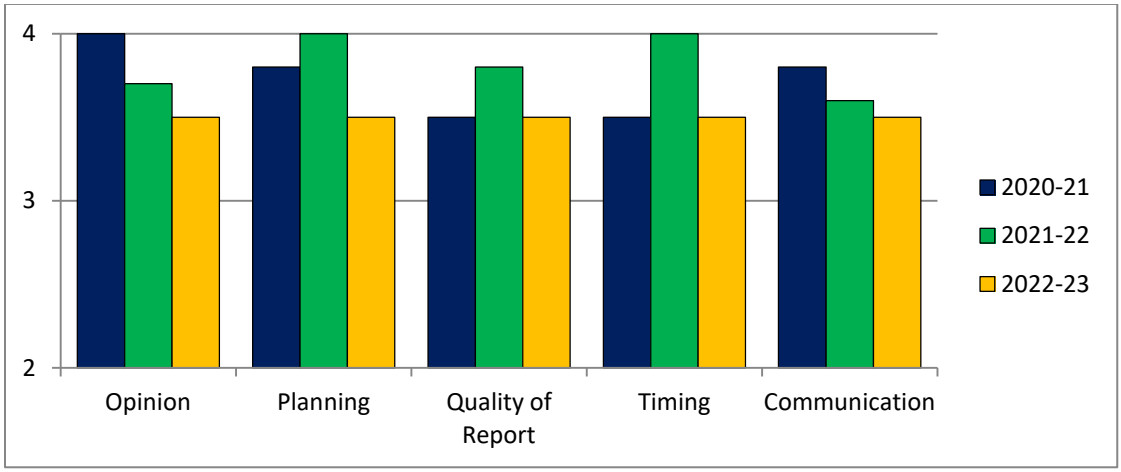
48. Internal and External Audit liaise closely to ensure that the audit work undertaken in the Board fulfils both regulatory and legislative requirements. Both sets of auditors are committed to avoiding duplication and securing the maximum value from the Board's investment in audit.

49. Public Sector Internal Audit Standards (PSIAS) require an independent external assessment of internal audit functions once every five years. The most recent External Quality Assessment (EQA) of the NHS Tayside Internal Audit Service in 2018/19, concluded that *'it is my opinion that the FTF Internal Audit service for Fife and Tayside generally conforms with the PSIAS.'* FTF updated its self assessment during 2022/23. A further EQA is due to take place in 2023/24.

50. 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.

51. Figure 2: Summary of Client Satisfaction Surveys

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



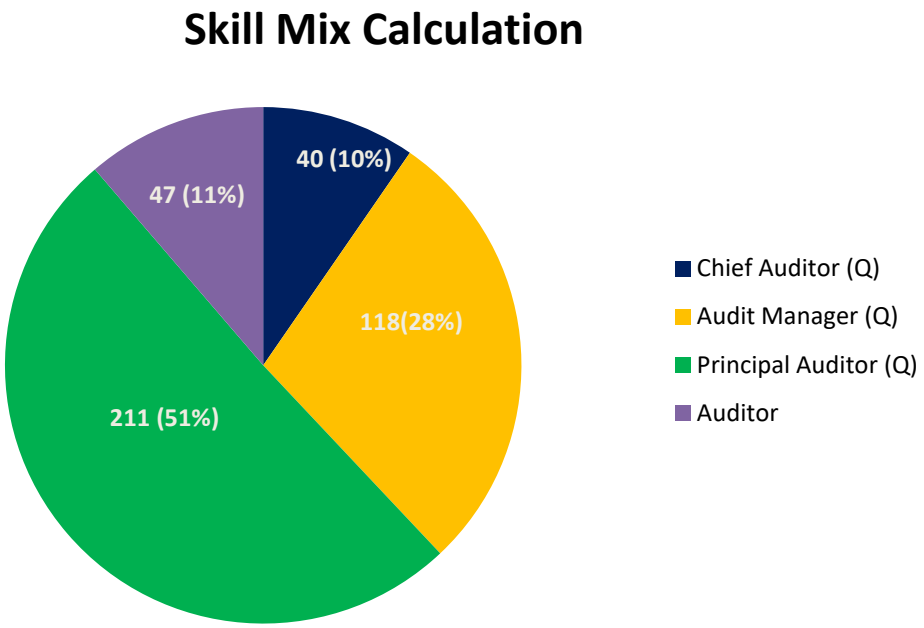
52. Other detailed performance statistics are shown in Section 3.

STAFFING AND SKILL MIX

53. Figure 3 below provides an analysis, by staff grade and qualification, of our time. In 2022/23 the audit was delivered with a skill mix of 89%, which substantially exceeds the minimum service specification requirement of 50% and reflects the complexities of the work undertaken during the year.

54. **Figure 3: Audit Staff Skill Mix 2022/23**

Audit Staff Inputs in 2022/23[days] Q= qualified input.



ACKNOWLEDGEMENT

55. 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.

56. My team and I have greatly appreciated the positive support of the Chief Executive, Director of Finance, the Assistant Director of Finance - Infrastructure and the Audit & Risk Committee.

A Gaskin, BSc. ACA
Chief Internal Auditor

Corporate Governance

Strategic Risks:

- **1316 - Development of Strategy - Current risk exposure: 16, Planed risk exposure 12**
- **807 - Statutory Obligations in relation to Environmental Management**
- **Current risk exposure: 16, Planed risk exposure 4**
- **Executive Leadership Team - Risk exposures to be confirmed**
- **Integration Joint Boards - Risk exposures to be confirmed**

Strategy

The creation of a strategic risk for Development of Strategy was proposed as a new risk in the 2022/23 Strategic Risk Profile approved by Tayside NHS Board on 30 June 2022, and the risk was approved by Tayside NHS Board on 27 April 2023. The risk is currently under development, to be informed by the recommendations from internal audit T15/23 – Strategic Planning (see below). The Director of Finance is the interim risk owner and the permanent risk owner will be the new Deputy Chief Executive.

Internal audit T15/23 - Strategic Planning was issued on 16 June 2023 and concluded that while there was slippage in developing the Strategic Plan, progress was being made and NHS Tayside has started to forge important linkages between remobilisation, strategy development, Public Health priorities and partners' strategic plans, with a focus on data and an understanding of the need for fundamental change. The newly appointed Deputy Chief Executive will set overall direction and will set parameters for prioritisation of resources. Management have agreed the importance of providing the Board with an update on the process and timetable, as a priority.

The report set out actions required to develop strategy against the backdrop of the challenges facing NHS Tayside, not least the need to achieve financial sustainability in the face of a projected three year cumulative deficit of £181.5m. It is by no means clear that any feasible transformation programme can address this financial gap on its own as well as the workforce and demand issues that could place long-term service sustainability at risk unless significant action is taken. It is our view that NHS Tayside may well need to prioritise services in order to ensure that key elements are safe and sustainable and this may well require difficult choices.

We have agreed with Management that a separate stand alone Public Health Strategy will not be required as Pubic Health integration with the wider NHS Tayside strategic plans will deliver maximum benefit.

Annual Delivery Plan (ADP)

The NHS Tayside ADP 2022/23 was submitted to SG on 29 July 2022 in line with the national planning timetable and a progress update for the first quarter was incorporated within it. The most recent ADP Quarter 4 update was presented to P&RC on 8 June 2023, following submission to SG on 28 April 2023.

Guidance for the development of 2023/24 ADPs and 2023/26 Medium Term Plans (MTPs) was provided to Health Boards on 28 February 2023 and included key timeframes for production of the ADP and MTP and their quarterly updates. Boards must submit their ADP 2023/24 by 8 June 2023 and their MTP 2023/26 by 7 July 2023. Submission of Quarter 1 and Quarter 2 progress updates will be required in October 2023.

Progress with ADP 2022/23 deliverables is detailed below. Two of the significant delays relate to Mental Health - CAMHS 18 week Referral to Treatment and the Neurodevelopmental service for children and young people, albeit, as noted above, performance is still favourable against the national average. Two

relate to Primary and Community Care - Reducing backlog of children with an urgent dental care need requiring general anaesthetic and recruitment to long term Dental vacant posts. The final area investment in Scotland's first accredited Consultant Pharmacist post. The quarter 4 update paper to P&RC explained the reason for these delays and summarised work ongoing to address them.

	July 2022 (Q1)	September 2022 (Q2)	December 2022 (Q3)	March 2023 (Q4)
Completed	7	4	12	30
On track	63	60	78	62
Behind schedule	46	54	28	27
Significant delay	9	6	6	5

Code of Corporate Governance

Further updates to the NHS Tayside Code of Corporate Governance were approved by the Audit & Risk Committee on 18 May 2023 and will be presented for approval to the Board on 29 June 2023.

Good Governance

The Blueprint for Good Governance (second edition) has been circulated to the Board and ELT and Professor John Brown presented the Blueprint at a Board Development Session on 31 March 2023. An SG national 'Understanding Good Governance Event' was also held on 26 April 2023.

The template for Board Self Assessment is expected to be issued to NHS Scotland later in the calendar year.

Non Executive Members visits to areas, wards, services etc., were paused during the pandemic and at the March 2023 development event, Professor John Brown advised that the Blueprint references the need for visits to enhance Non Executive Board Members understanding of the business as part of their governance role. This is being progressed through the Governance Review Group.

A paper on Board Champions was presented to the Board on 23 February 2023 and the decision on this was deferred to allow further discussion on their role.

Revised and updated Risk Assurance Report Template and Chairs Assurance Template were circulated for Standing Committee use from 1 April 2023.

Governance documentation including Committee Assurance Principles (including risk questions for Committees), guidance for Chairs, Executive Leads, Committee Support Officers and Chair's Assurance reporting is currently being reviewed. The Board Secretary and the Head of Committee Administration will meet with the Standing Committee Chairs, Vice Chairs, Lead Officers and Committee Support Officers to discuss the updated procedures, to be arranged in line with upcoming Committee pre agenda meetings.

Board and Assurance Committee Annual Reports

All the main Standing Committees' draft annual reports have been approved by the Committees and will be presented to the Audit & Risk Committee on 22 June 2023. The annual reports were broadly in line with the FTF Committee Assurance Principles and the content covered the issues we would expect to see highlighted, which have also been included within the draft Governance Statement.

Risk Management

The review of the NHS Tayside Risk Management Strategy in April 2023 was deferred to June 2023 pending Board approval of risk appetite. It will be presented to the Strategic Risk Management Group (SRMG) on 21 June 2023 for approval.

The Strategic Risk Management Annual Report 2022/23 and Work Plan 2023/24 were approved by the 18 May 2023 Audit & Risk Committee. The Annual Report provided substantial assurance and concluded that NHS Tayside continues to have an adequate and effective framework and systems for risk management. The SRMG Annual Report 2022/23 concluded that robust Risk Management arrangements were in place and embedded into all aspects of service provision, planning and business management.

Our 2022/23 ICE report stated that whilst the systems and processes for management of strategic risks are generally robust, and support is provided by the Head of Strategic Risk and Resilience Planning, but greater engagement was required from Executive Officers. Subsequently, this has improved, as was evident from the recent revision of the strategic risk profile. The February 2023 meeting of the SRMG was cancelled due to unavailability of key individuals, and whilst this had no detriment on the business conducted as approval was sought via circulation, we would recommend that attendance and contribution from members is carefully monitored.

The annual review of the Strategic Risk Profile commenced in February 2023 and the revised Strategic Risk Profile was approved by Tayside NHS Board on 27 April 2023. The strategic risk profile has been substantially updated and during 2022/23 two internal audit recommendations were completed: to develop a Strategy risk and ensure the impact of Covid was reflected in the risk profile.

NHS Tayside Strategic Risk Profile as at 9 June 2023			
Datix ref.	**Description**	**Current Risk Exposure Rating**	**Planned Risk Exposure Rating**
680	**Digital Cyber Security Attack:**	16 (Amber/ High)	9 (Yellow/ Medium)
807	**Statutory Obligations in relation to Environmental Management**	16 (Amber/High)	4 (Yellow / Medium)
1339	**Waiting times and patient outcomes**	20 (Red/Very High)	20 (Red/Very High)
734	**Health and Safety**	12 (Amber/High)	9 (Yellow/Medium)
679	**Digital Technical Infrastructure Legacy Debt Risk**	16 (Amber/High)	8 (Yellow/Medium)
312	**NHS Tayside Estates Infrastructure Condition**	16 (Amber/ High)	6 (Yellow / Medium)
1217	**Healthcare Environment**	16 (Amber/ High)	12 (Amber/ High)
tbc	**Sustainable Primary Care Services**	25 (Red/ Very High)	15 (Amber/ High)
723	**Long Term Financial Sustainability**	25 (Red/ Very High)	20 (Red/ Very High)
1336	**Finance Annual Plan 2023/24 (pending)**	25 (Red/ Very High)	20 (Red/Very High)

1337	**Finance Capital Plan 2023/24 (pending)**	20 (Red/Very High)	12 (Amber/High)
615	**Effective Prescribing**	16 (Amber/High)	9 (Yellow/Medium)
1316	**Development of Strategy**	16 (Amber/High)	12 (Amber/High)
1330	**NHS Tayside Workforce Risk**	20 (Red/Very High)	12 (Amber/High)
tbc	**Executive Leadership Team**	tbc	tbc
tbc	**Integrated Joint Boards**	tbc	tbc

The NHS Tayside risk profile continues to feature a significant proportion of very high or high risks, with planned risk exposures which are at best challenging, and possibly unachievable. As previously reported, the system could be enhanced by the use of in year trajectories to demonstrate progress in mitigating risks and we are aware that a further review of the risk assurance template is ongoing to determine how best to capture these.

Nine risks from the 2022/23 Strategic Risk Register have been archived:

- Archived - Corporate Parenting, Remobilisation of Adult Screening Programmes
- Four risks archived and replaced - Finance Annual Plan 2022/23, Finance Capital Plan 2022/23, Waiting Times and RTT Targets, Sustainable Primary Care Services
- Three risks archived and amalgamated into one new risk for NHS Tayside Workforce (Medical Workforce, Nursing and Midwifery Workforce and Workforce Optimisation)

A further two risks are being developed for:

- Integration Joint Boards: the Board Secretary is leading discussion with the Chief Officers. This risk will need to reflect key issues in delegated functions such as Mental Health and Drug deaths and ensure that appropriate assurance is provided on them.
- ELT: as a result of the existing vacancies within the executive leadership cohort there is a risk of increased pressure on remaining post holders which may lead to NHS Tayside being unable to deliver its strategy and associated objectives resulting in reputational damage to the organisation. These vacancies may also be a factor to be considered in the Development of Strategy risk.

All risks have review dates set and none were overdue as at 5 June 2023.

Risk Appetite

At the Board Development Session held on 30 March 2023, attendees discussed the agreed NHS Tayside Risk Appetite Statement, and agreed risk appetite levels to be incorporated into the Risk Appetite Statement.

- Compliance - risk appetite to remain as minimal/low;
- Reputational – risk appetite to increase to open/high;
- Quality of Care – risk appetite to remain at open/high;
- Finance – risk appetite to be reduced to cautious/moderate;
- Workforce - appetite remains the same at willing/significant.

Internal Audit have previously reported the requirement to identify how risk appetite will affect Strategy, decision-making prioritisation, budget setting and organisational focus. The Board Secretary and Head of Risk and Resilience Planning concluded a number of sessions with Committee Chairs, Lead Officers and Committee Support Officers between September 2022 and February 2023 to raise awareness of risk appetite. The 16 March 2023 ARC noted that the sessions had been concluded and that improvements had been explored and the implications of the implementation of risk appetite and links with assurance discussed.

As noted by the Audit & Risk Committee, future development of risk appetite should include greater detail on how it will affect Strategy, decision-making, prioritisation, budget setting and organisational focus; the 'so what' question, which is fundamental to making risk appetite real. We recommend that risk reporting to Board and Standing Committees includes the risk appetite for each risk, and commentary to describe the implications as to whether above or below appetite.

While we commend the positive steps taken to date on risk appetite, as noted by the Audit & Risk Committee, there is a need for future development of risk appetite to include greater detail on how it will affect Strategy, decision-making, prioritisation, budget setting and organisational focus; the 'so what' question, which is fundamental to making risk appetite real. Risk reporting to Board and Standing Committees does reference risk appetite but as the framework evolves we would expect risk appetite to be overtly reflected, particularly within target scores, when risks are updated and reviewed and for there to be consequences where risks are above appetite. Target dates have now been introduced and we would expect these to feature in the deliberations of Committees as they bed in.

We have been informed that work on risk appetite will be extended to service level risks and that consideration is being given to including risk appetite as a field in the Datix system.

Risk Maturity

The Risk Management Risk Maturity self assessment was approved by the Audit & Risk Committee on 18 May 2023, having been validated by the Chief Internal Auditor (CIA). The paper provided Reasonable Assurance and concluded that of the 15 characteristics within the Institute of Internal Auditors risk maturity tool, five were enabled, seven were managed, two were defined and one was categorised as aware. As in previous years the CIA noted that that Executive Directors' objectives should explicitly reference an objective of moving towards the stated target risk.

Performance

NHS Tayside performance to end of April 2023, as reported to P&RC on 8 June 2023 is detailed below:

Measure	Target / Trajectory	April 2023 Performance
% of patients starting cancer treatment within 31 days from decision to treat	>=95%	95.2%
% of Psychological Therapy patients treated within 18 weeks from referral to treatment	>=90%	77.4%
% of Smoking Cessation Sustain & Embed successful smoking quits at 12 weeks	100%	104.9% (2022/23 Q3)
% of IVF patients seen within 12 months from agreement to treat to screening	>=90%	100%

% of patients starting cancer treatment within 62 days of receipt of referral	>=95%	85.3%
% of CAMHS patients treated within 18 weeks from referral to treatment	>=90%	73.7%
% of Drug and Alcohol clients treated within 3 weeks from referral to treatment	>=90%	92%
Number of Alcohol Brief Interventions	4,758	2,063
% of A&E patients seen within 4 hour target	>=95%	89.4%
% of Mental Health presentations seen in A&E within 4 hour target	>=95%	88.7%
Rate of Clostridium Difficile Infections per 100,000 Occupied Bed Days	5	8.1 (Dec 22)
Rate of Staphylococcus Aureus Bacteraemia (SABs) per 100,000 Occupied Bed Days	13.1	24.3 (Dec 22)
Rate of E. coli Bacteraemia (ECB) per 100,000 Occupied Bed Days (National Indicator)	33.5	51.8 (Dec 22)
Number of Inpatient/Day case (TTG) patients waiting more than 84 days	N/A	7,449
Number of Inpatient/Day case patients waiting > 104 weeks TTG target as at month end	N/A	681
Number of Diagnostics (8 key tests) delivered	N/A	3,110
Number of days people aged 75+ spend in hospital when they are ready to be discharged	tbc	1,748
Total of NHS Tayside Delayed Discharges as at census date (last Thursday of the month)	50	133
Mental Health NHS Tayside Delayed Discharges as at census date (last Thursday of the month)	N/A	48
% of New Outpatient Did Not Attend Rate (All Acute Specialties)	<=7.1%	8.3%
% of Return Outpatient Did Not Attend Rate (All Acute Specialties)	<=9.9%	9.5%

The majority of targets are set by Scottish Government and many are no longer realistic in the current circumstances. NHS Tayside continues to perform well against the Scottish average, and secondary targets have not been set. While this is not of immediate concern, the planned NHS Tayside Strategy should set achievable targets against which performance can meaningfully be measured. Local targets, where set, appear realistic but challenging.

Internal audit T16/22 – Performance Management provided of Reasonable Assurance and concluded that Performance reports meet the requirements of Section C4 of the Blueprint for Good Governance in NHSScotland (2nd edition published November 2022), which sets out the requirements of an effective assurance information system and best practice in presenting data.

We concluded that performance reports are of a high quality, clear, consistent, user friendly and effective with a focus on key objectives. Management actions agreed in response to this report should ensure that in future there will be more of an overt link to the Strategic Risk Register and risks associated with poor performance and effectiveness of remedial action will be reported more clearly and consistently. Our review provided evidence of robust scrutiny and challenge on performance.

Audit & Risk Committee

The Audit & Risk Committee (ARC) approved the 'Review of Committee Effectiveness' at their 18 May 2023 meeting. The report provided a reasonable level of assurance, based on the turnover of Committee Members during the year. It is expected that the level of assurance will return to substantial in 2023/24.

Internal Audit provided reports detailing the Audit Follow Up Position to the ARC on four occasions throughout 2022/23. 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 ARC is accurate.

We have improved the quality of information provided in reports to the ARC by highlighting outstanding actions where the risk to the organisation merits particular attention, and where actions have been outstanding for more than one year. Audit Follow Up reporting includes progress on recommendations from Annual and Internal Control Evaluation reports.

Overall, response to Internal Audit recommendations has been positive, with Section 5 of this report summarising the current position on previous internal audit ICE and annual report recommendations.

Policies

In response to a recommendation within Internal Audit Report T08/22 Internal Control Evaluation it was agreed that Standing Committees would no longer review and approve policies which require a level of detailed scrutiny which was not appropriate or proportionate, but instead would receive a midyear and annual report from the appropriate Policy Oversight Group providing assurance in terms of the governance process and approval routes followed. The Policy Oversight Group Annual Assurance Report, presented to the 18 May ARC, provided Substantial Assurance that appropriate governance and approval routes had been followed in relation to the development of existing Governance and Information Governance policies.

Policy Oversight Group Assurance Reports have been presented to the P&RC, the Care Governance Committee and the Policy Oversight Group Annual Assurance Report was presented to the 18 May 2023 ARC. The first policy assurance report was scheduled for the April 2023 Staff Governance Committee, but was not presented. NHS Tayside currently has 142 policies and at 31 March 2023 three policies had breached their review dates. A further 24 policies had extended review dates, but several of these were not being actively reviewed as these were being taken forward as part of Once for Scotland policy work.

Best Value

The Best Value Framework was approved by the ARC on 23 June 2022 and implemented by the Board and Standing Committees during 2022/23. Four of the seven characteristics are delegated to the P&RC, one to the CGC, one to the ARC and one to Board. While the Board does not produce an annual report, the ARC annual report presented to the 2 June 2023 ARC provided robust assurance on best value and the other Standing Committees provided assurance on how they support the Best Value characteristics.

Best Value features in the standard report template and our review evidenced that it is completed as required.

Resilience

NHS Tayside's resilience and business continuity functions comply with the appropriate legislation. Developments during the year included:

- Approval of fully reviewed NHS Tayside Major Incident Plan, with significant clinical involvement;
- Approval of updated Corporate Business Continuity Plan, CBRN Response and Recovery Course and CBRN/HazMat Operational Plan;
- Approval of Critical Services and Critical Support Systems (including Digital Infrastructure) arrangements approved.
- Purchase of the Hospital Major Incident Medical Management and Support (HMIMMS) licence and the Health Assurance Toolkit (Prevent).

Integration

Tayside Integration Schemes were granted formal ministerial approval in November 2022. Internal audit has previously commented that the revised Integration Schemes should assist in addressing a number of key governance issues. However, as reported in our Angus and Dundee IJB annual reports, whilst the new schemes more clearly articulate operational management responsibilities, the review process did not resolve many of the other areas previously identified as concerns, including Large Hospital Set Aside (LHSA) and Corporate Support arrangements which now still need to be addressed. We would reiterate that all partners need to work together to resolve these long standing issues.

Partners must ensure they are clear on their responsibilities in line with the Integration Schemes and that they fulfil their roles accordingly, in the true spirit of integration. It may be beneficial to revisit the FTF Integration principles to assist with this, particularly to ensure that accountability and authority are appropriately aligned.

IJB minutes continue to be presented to Board and IJB Briefings summarising business considered by the IJB Boards and Audit Committees are also presented to Board by the Chief Officers (COs). The Perth & Kinross CO, as lead partner for Mental Health has also provided the Board with regular updates. We have commented on this in the Clinical Governance section of this report.

Action Point Reference 1: Financial Sustainability

Finding:

The ICE and last year's Annual Report contained key comments in relation to the actions and culture required to maximise the prospect of achieving financial sustainability in the face of extreme financial pressures and a prolonged period in which financial control was secondary to the clinical priorities arising from the Covid pandemic.

The financial situation has worsened considerably and the 2023/24 – 2025/26 financial plan identifies a cumulative £271.5m recurring gap before savings. It also projects an accumulated deficit of £181.5m by 31 March 2026, even with the delivery of significant savings and non-recurrent income, which are by no means guaranteed. It is by no means certain that the brokerage required to sustain this deficit can or will be funded by the Scottish Government, which is facing a demand for unprecedented levels of brokerage from across NHS Scotland and is itself projecting a significant deficit in the coming years.

The Board has identified nine specific workstreams to focus the delivery of the £30.0 million recurring annual savings. The focus of the workstreams and any wider cash releasing efficiency savings will be financial sustainability.

Audit Recommendation:

The NHS Tayside Board should consider the full extent of the risks to its future financial sustainability including contingency plans should Scottish Government brokerage not be forthcoming or in the event of a severe limitation of available funding requiring an urgent revision to its medium term financial strategy.

Each savings workstream should have a clear understanding of the quantum of savings required, which will necessitate the NHS Tayside Board understanding and stating its priorities and identifying areas for deprioritisation in order to free up resources for the areas of highest importance. These workings must link with the development of overall strategy to ensure congruence and avoid wasted effort exploring objectives and improvements that are simply unaffordable.

NHS Tayside should assure itself that it has the capacity and capability sufficient to drive strategy, and the associated transformation programme as well as delivering unprecedented savings. In particular, it should understand the staff resource and cultural changes which will ensure that this area is given the required priority, which will be particularly challenging in a difficult operating environment and one in which it is subject to potentially conflicting priorities from the Scottish Government.

Assessment of Risk:

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.**

Management Response/Action:	
The 2022/23 outturn, while a significantly improved position, was due to a number of nonrecurring measures. The drivers of cost during 2022/23 are linked to service delivery and operational performance – increased demand on acute services, inflationary pressures, bed numbers, system pressures, workforce and supplementary costs, prescribing costs, and energy costs. These cost drivers are fixed, and require whole system change to support and deliver financially sustainable models of care. In 2023/24 these costs will continue until service changes are made. The Workstream Programme set up to deliver an efficiency programme in 2023/24 is aligned to the cost drivers and pressures identified above. Each of the nine Workstreams is Director-led. The focus is to deliver 3% recurring savings, which is £30.0 million (equivalent to 5% of Board-directed budgets). Progress on the workstreams, including Key Performance Indicators (KPIs) and financial trajectories, will be reported on a weekly basis to Business Critical Gold and to each P&RC. **The revised three-year financial plan 2023/24 to 2025/26 was submitted to SG on 30 June 2023. Over the three years the Board has an unbalanced financial plan of £147.8 million (previously £181.5 million), in addition to the £9.6 million repayable financial flexibility. Senior Officers continue to engage with SG Health Finance colleagues on the actions required to improve the Board's financial position in 2023/24 and beyond.** **There remains a tension between delivery of operational service targets and financial performance. The expectations of SG regarding targets may not be affordable. The Board submitted an Annual Delivery Plan to SG in June, and will continue to work with SG on the delivery of targets and allocation of resource.** **The Business Critical Group has also commissioned work on how demand is presenting across whole system pathways post-Covid, as 2022/23 financial results would suggest a system imbalance and a shift in demand and cost. This will further inform decision-making.** **The Board is linked in with the national Sustainability and Value Programme. The size of financial gaps across all territorial NHS Boards will require Scottish Government policy decisions and wider support on the use of resource.** **The newly-appointed Deputy Chief Executive will lead the development of strategy and a programme of transformation.**	
Action by:	Date of expected completion:
Deputy Chief Executive/Director of Finance	**March 2024**

Clinical Governance

Current Strategic risks (as agreed by Tayside NHS Board on 27 April 2023):

(Current and planned risk exposures detailed in table below)

- TBC: Sustainable Primary Care Services (delegated to CGC)
- 1339: Waiting Times and RTT Targets (delegated to CGC)

Strategic risks archived at year end 2022/23:

- 637: Child and Adolescent Mental Health Services (CAMHS) (delegated to CGC)
- 798: Corporate Parenting (delegated to PHC)
- 1125: Screening Programmes (delegated to PHC)

Clinical Governance Framework

A light touch review of the Clinical & Care Governance Strategy, extending it to 2024, was approved at the June 2022 meeting of the Care Governance Committee (CGC). Work to develop a new Clinical Governance Framework, incorporating the Getting It Right for Everyone Framework (GIRFE) as well as the revised Governance Blueprint has now commenced. As previously recommended by Internal Audit, a project plan for its development has been agreed by the Patient Safety, Clinical Governance and Risk Management Triumvirate. The new framework will adopt the quality management approach outlined in the HIS Quality Management Systems Framework and the CGC will be updated on progress via the 6 monthly Patient Safety Clinical Governance & Risk Management (PSCGRM) team report.

The CGC receives assurance reports at alternate meetings from the HSCPs, Acute Services, Midwifery & Maternity Services, Pharmacy, and Mental Health & Learning Disability Services as well as Secure Care Services. Exception reports are provided to the interim meetings. At operational level, a series of workshops with Clinical Governance Chairs & Leads within Acute Services is being undertaken to support the quality of reporting from ward to board level. The GIRFE group has also continued to support the quality of assurance reporting.

To augment service assurance reporting, additional assurance reporting is being developed as follows:

- PSCGR Assurance report: The first report was presented to the December 2022 CGC and will be presented bi-annually. Following the archiving of the clinical governance risk, this report will update the CGC on work to strengthen clinical governance arrangements, including previous internal audit recommendations;
- Key Performance Indicator (KPI) Assurance reports: Adverse events and complaints/ feedback have been introduced;
- Improvement Academy Assurance report: The first Improvement Academy assurance report presented in June 2023 demonstrated a clear link from the work of the Academy to areas of risk (e.g. Mental Health, Primary Care). The report does not, and did not set out to, demonstrate the impact of the work of the Improvement Academy, only the support offered. Assurance on outcomes arising from Improvement Academy activity should be evidence within the services' assurance reports;
- Clinical effectiveness assurance report: Planned for October 2023 and as previously recommended by internal audit. Work is ongoing on identifying patient outcomes across specialties in relation to data on clinical outcomes, including local and national clinical audit.

This enhanced reporting strengthens the assurance basis across the four domains of the current Clinical & Care Governance Strategy (adverse event and clinical risk management, continuous improvement, person-centredness and clinical effectiveness). Implementation of the new Clinical Governance Framework will require agreement of the format for assurance reporting and associated indicators and measures; i.e. a standard, concise template, used consistently across services, with a focus on the identification, escalation and management of risks as well as graphic representation of data (active governance). CGC members should be asked for their views on the format and content of the revised assurance reports, to ensure the agreed report provides all required information and meets the standards established within the Committee Assurance principles. When the Clinical Governance Framework has been agreed, the CGC will need to revisit its reporting arrangements to ensure they continue to align with the Framework.

Care Governance Committee

The CGC annual report provided a reflective and nuanced overview of the work of the committee during the year and concluded that the Committee had fulfilled its remit and that adequate and effective clinical, care and professional governance and clinical risk management systems and processes were in place. The CGC Annual Report also highlighted actions to address internal audit recommendations.

The CGC Terms of Reference, assurance plan and annual workplan have been reviewed for 2023/24. Membership of the CGG now includes public partners and we have been informed that this is adding value to the work of the committee.

The committee assurance principles agreed by NHS Tayside state that whilst minutes are valuable for the group itself, they are not normally an efficient and effective source of assurance. The Board Secretary advised Standing Committee Lead Officers and Committee Support Officers that sub-groups should consider whether mid-year and/or annual reports provide an alternative source of assurance to Chairs' Assurance reports and minutes.

The CGC receives assurance through presentation of the minutes of the Infection Prevention and Control Committee and Public Protection Executive Group (PPEG).

Child Protection and Adult Protection Annual Reports were presented to the CGC in February 2023 and until it was archived in April 2022, risk assurance reports on the previous Public Protection strategic risk were presented to the CGC. During 2022/23 the Perth and Kinross and Angus HSCP assurance reports reported on outcomes and action being taken to address recommendations from the external inspections of Adult Support and Protection. Going forward, minutes of the PPEG will be the only source of ongoing assurance with an annual report planned for year end. The CGC should carefully consider how they will receive relevant, reliable, timely and sufficient assurances commensurate to known risk for the two areas in question and consider adding a mid-year report on Public Protection.

We have been informed that progress with actions arising from the CGC workshop held in October 2022 to '*improve CGC meetings in line with good governance, guidance and intelligence, with a focus on reports and report writing'* will be provided to the CGC through the PSCGR report, with frequency to be increased from annual to 6 monthly reporting.

Whilst a number of internal audit recommendations remain in progress, management has a clear focus on addressing previous actions and has met with internal audit to ensure mutual understanding of areas for improvement and steps taken to address previously reported control weaknesses. The CGC annual report reflected these and we have been informed that alongside the workshop actions as described

above, progress with outstanding internal audit recommendations will be reported to the CGC as part of the PSCGR report.

Risk Management

The movement in risks aligned to the CGC since December 2022 is detailed in the table below:

	ICE 2022/23 (risk exposure at December 2022)	Annual report 2022/23 (risk exposure at 27 April 2023)	Target risk exposure	Trend
• 353: Sustainable Primary Care Services	25	**25**	**12**	→
• 26: Waiting Times and RTT Targets	20	**N/A**	**N/A**	→
• Replaced by: 1339 Waiting Times and Patient outcomes	N/A	**20**	**20**	
• 637: Child and Adolescent Mental Health Services (CAMHS)	20	**Now archived**	**N/A**	↓
• 1125: Screening Programmes	16	**Now archived**	**N/A**	↓
• 798: Corporate Parenting	12	**Now archived**	**N/A**	↓

Three clinical governance risks have been archived, including the CAMHS strategic risk which was previously scored as red, with a risk exposure of 20. The reason for this decision was that '*Over the last 12 months performance has been consistently achieving above 70%. Therefore, there has been no adverse publicity for the board relating to mental health waiting times. We recommend that this becomes a local service risk as we are still not consistently achieving the 90% RTT target for Mental Health*'. The percentage of CAMHS patients treated within 18 weeks from referral to treatment reported at February 2023 was 57.9% against the target of 90%, 55.5% for March 2023, improving to 73.7% at end of April 2023. In common with many Scottish Health Boards performance in this area has been extremely volatile due to capacity issues and it is not clear that from these figures that the target has been consistently achieved as stated in the decision quoted above. While CAMHS performance is monitored as part of the wider Waiting Times risk, the new service level risk should be carefully monitored to ensure appropriate escalation if performance deteriorates.

Only two strategic clinical governance risks remain: Sustainability of Primary Care, and Waiting Times & Patient outcomes, both delegated to the CGC. The previous Waiting times risk has been replaced with a new risk focused on the outcomes for patients due to delays in diagnosis and treatment. This new risk has been drafted, although it is not yet live on Datix, and will be reported through the CGC in future as recommended by internal audit. We will comment further on this risk in the ICE, by which time the final version should be available for scrutiny.

The October 2022 CGC discussed the need to reflect the system wide impact of long waiting times, including additional workload created for primary care, increased use of resources and the impact on well-being of staff. However, no corresponding CGC action point was created to allow the CGC to monitor progress and the discussions are not currently reflected in the newly created Waiting Times and Patient Outcomes strategic risk and should be taken into account in future updates and reflected in the CGC's monitoring of the risk.

The percentage of patients seen within the 4 hour target reached 89.4% at April 2023 and whilst below the nominal national standard of 95%, NHS Tayside remains well above the national performance. The P&RC receive reports only on the 4 hour Emergency Department (ED) wait target, with breaches between 8 and 12 hours monitored through the Gold Command Whole System weekly report and reported directly to the Chief Executive and the Executive Nurse and Medical Directors, alongside the rationale and any associated risk. While NHS Tayside currently performs well against this metric, given recent research which made a direct link between 8 hour ED waits and increased mortality, this is an area which should be subject to proportionate governance monitoring. Following discussion with Management, it has been agreed that summary reporting on this metric will be included in the Acute Services Division assurance report.

Strategic Risk 353 - Sustainable Primary Care Services remains rated as 25, the highest risk score. It has been agreed that the existing Risk 353 will be archived and replaced with a new revised risk for 2023/2024. The new risk will encompass all of the associated risks for primary care services and accurately reflect the ongoing mitigation. During the year, detailed and informative risk assurance reports have continued to be provided to the CGC and reflect the range of actions being taken, including those in response to Internal audit T15/22 on Sustainability of Primary Care Services. It should be noted that the Board continues to receive notice of terminations of 17c contracts from GPs, most recently in relation to the Invergowrie Practice.

Mental Health and Drugs and Alcohol Recovery risks

The previous NHS Tayside Mental Health risk was agreed for archiving in May 2022 and whilst action to mitigate numerous service level risks in relation to Mental Health is regularly reported to the CGC, for over a year now there has been no structured risk based assurance to the CGC on this strategic, volatile, high risk and high profile area.

Mental Health is not included in the NHS Tayside 2023/24 Risk profile and the paper to the April 2023 Board explained that '*this is a Strategic Risk for the IJBs and any corresponding risk/s for NHS Tayside, related to the operational management (delivery) of Mental Health Inpatient Services, Learning Disabilities and Drug and Alcohol Services, will be at service level*'. The minute of the April 2023 Board meeting reflected that the wording of a new Tayside Mental Health Strategic Risk was still to be developed and a verbal update was provided to the April 2023 CGC by the Perth & Kinross IJB Chief Officer stating that *'the strategic risks that arise in terms of the development implementation of that whole system change programme are still under development'*. No NHS Tayside strategic risk was created for Drugs & Alcohol on the basis that *'this is a Strategic Risk for Dundee IJB as presented to NHS Tayside Strategic Risk Management Group and any corresponding risk for NHS Tayside will be at service level'*. We would highlight that this too is an area of significant risk, is scored red on the Dundee IJB risk register, that the ratio of drug deaths to drug usage is high in Dundee and that the standard of Healthcare provision is a known contributory factor to the risk.

Dundee City had the highest age-standardised drug misuse death rate of all local authority areas (for the 5-year period (2017-2021), making NHS Tayside the Health Board with the third highest drug death rate

in Scotland over this period. As described above, the Board has not deemed this area significant enough for the creation of a strategic risk.

We do however note that mitigation of service level risks related to Drugs and Alcohol is included within Medication Assisted Treatments reporting and service / HSCP assurance reports presented to the CGC.

We have previously reported that, in our view, it is not appropriate that no targeted assurance has been provided on controls in mitigation of these two clinical risk areas (including high mortality and known weaknesses in the provision of care). It may be that the new IJB risk will provide assurance on these areas but the CGC should urgently consider whether it understands and receives assurance on all important clinical governance risks, with the potential for clinical harm.

Mental Health

We have set out above the position in relation to the lack of formal risk management for Mental Health Services provision within the context of a number of years of concerns over the care provided. As described above, in year clinical governance reporting for Mental Health has continued via individual Health & Social Care Partnership (HSCP) assurance reports, as well as the General Adult Psychiatry and Learning Disability Inpatient report and a Secure Care Services report. Discussions have been ongoing for some time on how to provide assurance on whole system mental health and learning disabilities and a position paper was provided to the June 2023 CGC, indicating the creation of a Mental Health Safety & Quality Forum planned for later in 2023.

Work has also continued on agreeing a common set of Mental Health KPIs but this has not yet concluded and therefore has not been incorporated in the assurance reports as previously expected. It is anticipated that the Quality Standards for Secondary Adult Mental Health Services will be published in August 2023 and this would provide a further measurement framework. Taken together, these developments should enable more effective CGC scrutiny in future, with a focus on what information can be derived from the data.

The Independent Inquiry into Mental Health Services in Tayside was commissioned in 2018 to examine the accessibility, safety, quality and standards of care provided by all mental health services in Tayside. Following publication of its 'Trust and Respect' report in 2020, the Independent Oversight and Assurance Group on Tayside's Mental Health Services was established by the Minister for Mental Wellbeing and Social Care in October 2021 to provide advice and support to the Tayside Executive Partnership as they lead the change that is required for Tayside's mental health services. The group issued their final report in January 2023 which concluded that: '*While some good progress has been made, there remains a lot to do. The key task now is to ensure that there is a clear, prioritised plan for delivery of Living Life Well, supported by a robust financial and resourcing framework'*.

The Perth and Kinross Chief Officer, in their capacity as Lead Partner, presents Mental Health and Learning Disability Improvement Plan updates to each Tayside NHS Board meeting. In March 2023 Tayside NHS Board approved the Mental Health and Learning Disability Services Improvement Plan, prepared by the Chief Officer of Perth and Kinross IJB, in response to the six recommendations set out in the final report of the Independent Oversight and Assurance Group into Tayside Mental Health Services published in January 2023. As requested by the executive partners, an additional 4 key priorities are to be added in a similar format to form the Mental Health and Learning Disability Whole System Change Programme for Tayside. The March 2023 Board was also informed of work to revise the governance structure for the Living Life Well (Mental Health) Strategy and work to refine the strategy's priorities. Terms of Reference have been agreed for a new Executive Leadership Group (ELG) which in turn will report to Tayside NHS Board. The ELG will provide leadership and oversee implementation of the Mental

Health & Learning Disabilities Whole System Change Programme. We will comment on this area in more detail in the 2023/24 ICE report.

External Review

The Standard Operational Procedure for External Inspections/Visits to NHS Tayside by Regulatory and Other External Bodies was approved by the Executive Leadership Team on 24 April 2023 and submitted to the CGC for noting in June 2023. 'External/Internal reports' has also been added to the CGC's workplan and standing agenda headings. We welcome progress in this area.

The June 2023 CGC was provided with an assurance report on review of actions arising from the Invited Oncology Review by Royal College of Physicians (RCP), showing good progress. The CGC will continue to monitor progress until the actions are complete.

Healthcare Improvement Scotland (HIS) wrote to Health Boards in November 2022 highlighting concerns arising from their Safe Delivery of Care inspections of acute hospitals so that Boards could review their own systems and procedures. The only hospital in NHS Tayside inspected under this framework was Perth Royal Infirmary in December 2021, with the report issued in February 2022 and included in the Acute Services assurance report to the 3 April 2022 CGC. The CGC was also informed about the outcome of this inspection as part of the assurance report on the Infection Prevention and Control strategic risk which has since been archived, but no assurance was given over whether any of these general themes applied across NHS Tayside's Hospitals or of any ensuing actions required. Inspection/Review Reports are now provided to the Committee for awareness and action plans will be brought to future CGC meetings.

Duty of Candour

The 2021/22 Duty of Candour Annual Report was approved by the CGC in August 2022 and the 2022/23 report was to be presented to the August 2023 CGC as part of the PSCGRM Assurance report, rather than as a standalone item. We acknowledge that analysis of Duty of Candour data for the financial year takes a number of weeks to complete and the earliest opportunity to present the report to the CGC is annually in August. In our opinion, Duty of Candour merits a standalone report and we recommend that consideration is given to how the assurances required by law and sufficient reporting on Duty of Candour KPIs will be provided to the CGC. Management have agreed that, for 2023/24 provision of timely assurances to the CGC through Duty of Candour KPIs, including a mid-year update in the PSCGRM report will be progressed.

Public Health

A previous Internal Audit action point on the production of a new Public Health Strategy has been superseded on the basis that a separate stand alone Public Health Strategy will not now be developed, as it is felt that integration with the wider NHS Tayside strategy plans will confer greater whole system impact. Directorate developments and aims, and the planned contribution to the overall NHS Tayside strategic plan continued to be reported to the Public Health Committee (PHC) during the year. The May 2023 PHC considered its annual report, which was based on Chair's assurance reports, and confirmed that adequate and effective governance arrangements were in place during the year. The report also reflected on the future direction of the committee and the Terms of Reference, as well noting that the supporting assurance & workplan had been comprehensively updated for 2023/24.

During 2022/23, the Public Health Committee continued to receive risk assurance reports on the existing strategic risks delegated to them, to at least every second meeting, with detailed and mature risk discussions taking place. Both risks have now been archived.

Internal audit T10/23 Public Health Governance, which is imminent, will conclude on the operation of the PHC in line with Committee Assurance Principles including linkages between strategic objectives, performance management arrangements and risk assurance.

Action Point Reference 2: Duty of Candour

Finding:

The 2021/22 Duty of Candour Annual Report was not approved by the CGC until August 2022. The 2022/23 report will also be presented to the August 2023 CGC, this time as part of a routine PSCGRM Assurance report, rather than as a standalone item.

Organisations have a legal duty to produce a Duty of Candour annual report as soon as reasonably practical after the end of that financial year.

Audit Recommendation:

We recommend that consideration is given to how the assurances required by the Health (Tobacco, Nicotine etc. and Care) (Scotland) Act 2016 and the Duty of Candour Procedure (Scotland) Regulations 2018 will be provided to the CGC on a timely basis.

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:

Rather than being presented as part of the PSCGRM report the Duty of Candour report will be presented to the August CGC as a standalone item and the workplan will be updated to reflect this.

KPIs for regular Duty of Candour reporting will be reviewed and any learning from other Health Boards incorporated and these will align with the audit cycle.

Action by:	Date of expected completion:
PSCGRM leadership team	**August 2023 for report – January 2024 for KPI/Audit**

Staff Governance

Current Strategic risks (as agreed by Tayside NHS Board on 27 April 2023):

- **1330 – Workforce (Current exposure 20, Planned exposure 12)**
- **734 - Health and Safety (Current exposure 12, Planned exposure 9)**

Strategic risks archived at year end 2022/23:

- **58 - Workforce Optimisation**
- **863 – Medical Workforce**
- **844 – Nursing & Midwifery Workforce**

Workforce Planning and Risk Assurance

Internal audit T23/23 Workforce Planning recommended a full review of the number of workforce risks. Subsequently, the three previous risks (Medical Workforce, Nursing and Midwifery Workforce and Workforce Optimisation) were archived and amalgamated into one new risk for NHS Tayside Workforce.

The Workforce risk score is above appetite and the therefore each meeting of the SGC receives risk assurance reports. Recent reporting on each of the workforce risks indicates that while NHS Tayside is continuing to implement mitigating actions where possible, significant issues remain; chiefly with the recruitment of medical, nursing and midwifery staff, that are unlikely to solved in the short or even medium term.

Internal audit T23/23 Workforce Planning was considered at the June 2023 SGC meeting and concluded was that the Workforce Plan 2022-25 did required a number of enhancements and that did not currently provide a basis to ensure NHS Tayside's future workforce requirements will be met, or to mitigate workforce risks to an acceptable level. Action to address these issues is still being implemented and will not be completed until at least October 2023. Internal Audit will continue to monitor the changes made to workforce planning arrangements as part of our Audit Follow-Up protocol, in particular the changes made to obtain more accurate information on future staffing requirements; providing regular reports on key performance indicators to the SGC; and deciding what further mitigating actions are required to address the strategic risks relating to the workforce.

An overview of progress in relation to the internal audit recommendations and a summary of progress with the Corporate Workforce Plan Action Plan was presented to the SGC on 7 June 2023.

Staff Governance Assurances

Assurances on compliance with the Staff Governance Standard (SGS) are provided to the SGC through a variety of reports as detailed in its workplan, rather than by specific reports on each strand of the SGS. It was previously recommended in the 2022/23 ICE report that an additional column be included in the workplan to record the actual date the paper was presented to the SGC. This recommendation remains outstanding, having passed its original implementation date and will continue to be monitored as part of the Audit Follow-Up protocol.

As a consequence, several reports were not submitted to the SGC as planned. This included an iMatter report not presented to the February 2023 meeting, meaning that the SGC was not properly informed of the results and actions arising from the 2022 survey. In addition, year-end reports for the Area

Partnership Forum and the Health & Safety Management Committee were not presented to the April 2023 meeting as scheduled, meaning that the SGC annual report was prepared on the basis of incomplete assurances.

Our review of recent reports to the SGC confirmed that the standard cover papers were in use and assurances were graded. Consideration should be given to recording the level of assurance provided by each paper in the Committee's workplan to facilitate the Committee's year-end deliberations.

Remuneration Committee

The T08/23 ICE Report recommended that the processes for objective setting and performance management for 2021/22 should be clarified and agreed, and Executive objectives agreed. This recommendation has now been implemented with an additional paper being presented to the April 2023 RC meeting providing a formal record of the process around all 2021/22 Executive pay awards.

The April 2023 Remuneration Committee was informed that the timetable for completing the current executive appraisals was on track to meet the June 2023 return date. Executive objective setting for 2023/24 is to be reported to the June 2023 Remuneration Committee meeting and midyear assessments to the October 2023 meeting, both indicating that arrangements are now in place to resume those aspects of the Remuneration Committee remit.

As with the SGC, there are potential improvements to the layout of the Remuneration Committee workplan, including an additional column to record the date of presentation of reports and which year they relate to.

Staff Governance Annual Monitoring Return

The 2021/22 Scottish Government (SG) monitoring return response was received on 19 May 2023, along with the letter setting out the process for this year to report on 2022/23. Feedback was reported to the SGC on 7 June 2023. The SG response highlighted area of good practice, including the range of leadership and management development programmes offered by NHS Tayside, Wellbeing resources and bullying & harassment mediation. Areas that SG would like to see in the Board's 2022/23 return included actions from the July 2022 NHS Tayside Partnership Conference that focussed on staff wellbeing, recruitment and retention, outcomes from the Bullying & Harassment training, actions to develop a mechanism to record Bullying & Harassment cases associated with protected characteristics and actions from iMatter reports.

The iMatter reports, as part of the Staff Governance Monitoring Exercise 2021/22 Feedback and iMatter experience to the June 2023 SGC highlighted four recurring themes that require further engagement with staff through Focus Groups and Board members visits for 2023/24. The themes raised were included visibility, confidence and trust in board members, involvement in decisions and performance is managed.

Health & Safety including Training

Internal audit T13/22 Health & Safety has been issued in draft and provides Limited Assurance. Since the last internal audit of Health & Safety in 2019 there had been significant improvement in systems and processes, particularly in the establishment and embedding of H&S governance structures. However, progress in governance aspects was impacted by additional operational Health & Safety requirements due to the pandemic, specifically physical distancing, face fit testing for FFP3 respiratory protection and the immunisation programme. A Health & Safety Strategy is in place but whilst there has been an improvement in Health & Safety culture, the programme of Health & Safety audits was paused and has

not yet recommenced, nor have all risk assessments taken place and been reported. Completion of mandatory training at 31 December 2022 was recorded as 69%, which remains below the 80% target.

Appraisals and Sickness Reporting

TURAS appraisal completion during 2022 was 49% compared to 25% for 2021. This is a significant improvement, but is still well below the 95% target.

As at 31 March 2023, Medical Appraisal and Revalidation data shows that 85% of Primary Care doctors were appraised, with a further 9% in progress and 6% waiting to be submitted. At March 2022, 85% of Secondary Care consultants were appraised with a further 7.5% of consultant appraisals in progress. The SGC has been advised that in order to increase the engagement and completion of consultant appraisal, the appraisal co-ordinator has implemented a more comprehensive appraisal reminder system.

January 2023 sickness absence reported to the SGC was 6.77%, which is comparable with the Scotland wide figure of 6.87%. Long-term absence accounted for 4.08% of absence.

Whistleblowing

The 2022/23 Whistleblowing Annual Report was presented to the April 2023 SGC and concluded that continuing action had been taken by NHS Tayside during 2022/23 to support successful embedding of the National Whistleblowing Standards. During 2022/23 the SGC received regular update reports on whistleblowing incidents and on action taken to identify any learning opportunities and changes or improvements to services or procedures as a result of consideration of these concerns. No governance issues in relation to whistleblowing arrangements were reported. The report was signed off by the Whistleblowing Champion who was satisfied with the conduct of the business of the group, including the breadth of the business undertaken. Four concerns were raised in 2022/23.

Internal audit T25/23 Whistleblowing will conclude whether robust assurance on the operation of the Whistleblowing process is provided to the SGC supported by relevant, reliable and sufficient evidence. It will consider performance against KPIs and how leaning is implemented, as well as arrangements to raise awareness of the standards and train staff in this area.

Action Point Reference 3: Staff Governance and Remuneration Committees Workplans and reports

Finding:

The layout of the SGC and Remuneration Committee's workplan could be improved to ensure there is clarity on what should have been reported and whether it actually was.

Audit Recommendation:

There should be a column to record the actual date reports are presented and the narrative should clearly identify the specific year to which the reports relate.

All reports should specify the level of assurance provided rather than being "For noting". If a report literally provides no assurance then its presence on the agenda should be seriously questioned, there are more effective ways to disseminate reports of generic interest than through crowded Committee agenda.

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:

The adjustments will be made to the report templates of both committees to reflect the need to record a date that every report is presented and the time period referred to is explicitly detailed.

The reports will also be clear on the level of assurance required from the committee. If reports are for noting, the Lead Officer will link in with the Committee Support Officer to consider if they are listed for noting and therefore not requiring discussion in the main meeting.

Action by:	Date of expected completion:
Deputy Director of Workforce	**30 September 2023**

Financial Governance

Strategic Risks

Risk 723 Long Term Financial Sustainability

- Score 25 (Very High) Target 20 (Very High)

1182 Finance Annual Plan 2022/23

- Score 12 (High) Target 12 (High) * Reflects the year end financial position

1336 Finance Annual Plan 2023/24

- Score 25 (Very High) Target 20 (Very High)

1183 Finance Capital Plan 2022/23

- Score 12 (High) Target 12 (High) * Reflects the year end financial position

1337 Finance Capital Plan 2023/24

- Score 20 (Very High) Target 12 (High)

1217 Healthcare Environment –

- Score 20 (Very High); Target 15 (High)

312 NHS Tayside Estate Infrastructure Condition

- Score 16 (High); Target 16 (High)

807 Statutory Obligations in Relation to Environmental Management

- Score 20 (Very High); Target 20 (Very High)

615 Effective Prescribing

- Score 16 (High); Target 9 (Medium)

Financial Performance

The Draft Strategic Revenue Financial Plan 2022/23 was endorsed by the Performance & Resources Committee (P&RC) on 14 April 2022 and approved by the Board on 28 April 2022. The plan showed an initial financial deficit of £51.2m, mainly as a result of an underlying, recurring, brought forward deficit of £30m. Planned efficiencies of £23.4m and potential further SG funding reduced the projected deficit to £19.6m, which was the amount submitted to SG.

The draft financial outturn position to 31 March 2023, subject to external audit review, was:

- A breakeven position against the core Revenue Resource Limit (RRL) of £1,039.8 million after receipt of £9.6m financial flexibility from Scottish Government.
- An underspend of £52,000 against the core Capital Resources Limit (CRL) of £23.192 million
- 2022/23 savings target of £23.4m million was delivered, of which £4.4m million (19%) was recurring, slightly less than the Financial Plan recurring savings figure of 20%.

The following summary shows the NHS Tayside Year End Revenue position, highlighting movements from the month end February 2023 to the year end March 2023:

Forecast 12m outturn at 28 Feb 23	**(19.1)**
Unscheduled care funding	4.9
Technical accounting measures	1.9
Slippage in earmarks	1.0
Unforeseen rebates, credit notes, income	0.8
Additional funding secured	0.4
Operational improvements (SLAs)	0.6
March 2023 Actual Outturn subject to External Audit	**(9.5)**

The draft year-end figures were breakeven for each of the three HSCPs with all underspends transferred to the IJB reserves. The Board required SG financial flexibility of £9.6 million to balance the revenue position in 2022/23 and faces a significant challenge in achieving financial sustainability. The £9.6 million SG financial flexibility is within the 1% tolerance set out in the medium term financial framework, and as set out by revised SG expectations in November 2022.

Financial Reporting

Finance reporting to Board and P&RC by the Director of Finance has consistently and clearly articulated financial challenges. Given the importance of these issues, it is important to ensure that all members are able to understand the technical language used in finance reports and that this does not obscure key messages. Financial projections have fluctuated in line with an extremely volatile external environment. The style of the Financial Reports was amended for the P&RC meetings in February and April 2023, with the Director of Finance focussing on key messages to members, which was appropriate in the circumstances. The Financial Report to the June 2023 P&RC meeting for the period to 31 March 2023 provided more detail and this will continue into 2023/24.

Savings Challenge

The April 2022 Board approved a One Year Strategic Revenue Financial Plan for 2022/23 which identified a financial gap of £19.6m for the year, assuming that savings of £23.4 (risk assessed as £9m low, £8.9m medium and £5.5m high) could be identified and achieved. Only £4.8m of these savings were initially assessed as recurring (20%), meaning a significant underlying deficit carried forward into 2023/24. T23/24 Financial Management will consider the process for identification and validation of these figures.

2022/23 was a volatile financial year where significant shortfalls in assumed SG funding allocations, rising inflationary costs and continued service pressures set the Board on a trajectory towards a worst case financial overspend of £56 million for the year, if no actions were taken to effect a recovery. The Board implemented a Financial Recovery Plan in September 2022, identifying further efficiency savings and cost reduction measures to stabilise the Board's financial position, including an additional £43m of savings.

The original 2022/23 savings plan of £23.4 million was delivered in full, and £4.4 million (19%) was delivered on a recurring basis.

From the worst case scenario projection of £56.0 million, £46.5 million of measures consisting of corporate flexibility, technical accounting mechanisms, and slippage in planned earmarks and last-minute SG funding allowed NHS Tayside to achieve the year end planned deficit of £9.5 million.

The Director of Finance's Revenue Report for the period ended 28 February 2023 to the P&RC warned that "*recurring savings performance is low, and, therefore, the Board's recurring underlying deficit carried forward from year to year will continue to grow. The reliance on non-recurring measures over the last two years in particular, and the use of all available financial flexibility options in 2022/23, will mean those opportunities are not available to the Board in future years.*"

The Director of Finance has clearly articulated that internal financial flexibility is now exhausted will not be available in future. The savings work streams for 2023/24 are key to beginning to achieve financial sustainability and therefore we would encourage reporting on individual savings and work streams to the P&RC to allow proportionate scrutiny of this key area.

During the Covid pandemic, there was a necessary shift of focus towards operational priorities, which reflected the extreme risks in those areas as well as an influx of Covid related funding which lessened the immediate financial risk. In future, the risks related to financial sustainability are likely to rise sharply and rapidly, with the acute sector in particular facing very significant financial challenges. Consideration of the changes in culture required to adapt to this change should start now.

Medium Term Financial Plan 2023-2026

The three year Financial Plan for 2023-24 to 2025-26 was considered by the P&RC on 13 April 2023 and approved at the Board meeting on 27 April 2023. The report reflected that the scale of the financial challenge, uncertainty of funding in future years and the unstable economic environment that the health sector is operating in, meant that assurance on delivery of a balanced financial position for 2023/24 could not be provided.

The paper set out the SG requirement that Boards breakeven over 3 years, with 1% flexibility in-year, and achieve recurring savings of 3%. The paper made clear that these targets were unlikely to be met and forecast deficits of £57.2m, £61.3m and £62.9m during 2023-2026. Cumulative and rising deficits totalling £181.5m are clearly unsustainable and it is by no means certain that they can or will be funded by the SG, which itself is facing severe financial pressure.

We are aware that NHS Scotland as a whole is predicting significant requirements for brokerage by 2025-2026 and that the SG has announced that it has a £1bn shortfall in 2023/24, rising to £1.9bn in future years. We understand that all mainland Boards will require significant brokerage over the next three years and, whilst the total quantum is unknown, funding the likely overall brokerage requirement is likely to be extremely challenging. NHS Tayside's cumulative three year brokerage requirement, totalling £181.5m, is unprecedented and the availability of this level of funding cannot be guaranteed. NHS Tayside should monitor the risks relating to the potential availability of brokerage and have contingency plans in place; the impact of a sudden cessation of brokerage would be extremely damaging to service provision.

The SG response to the Medium Term Financial Plan (MTFP) was to request the following by 30 June 2023:

- Continued development of a Recovery Plan;
- Develop a plan to deliver 3% recurring savings in 2023/24 and develop options to met any unidentified or high risk savings balance;
- Develop other measures to further reduce the financial gap;

- Undertake a diagnosis of the key underlying drivers of the deficit and specific risks as presented within the Financial Plan, and the reasons for the significant change from the 2022/23 Plan;
- Assess cost reductions to be implemented to reduce the pressures in planned and unscheduled care provision.

The drivers of cost during 2022/23 are linked to service delivery and operational performance; service demands, inflationary pressures, bed numbers, system pressures, workforce and supplementary costs, prescribing costs and energy costs. These cost drivers are fixed and require whole system change to support and deliver financially sustainable models of care. In 2023/24 these costs will continue unless service changes are made. The Workstream programme set up to deliver an efficiency programme in 2023/24 is aligned to the cost drivers and pressures identified. The focus is to deliver 3% recurring savings, which is £30m.

A Financial Recovery Team has been commissioned by the Director of Finance to oversee development and implementation of the workstreams to deliver the 3% recurring savings target and to develop further measures to reduce the gap. Progress is to be reported weekly via the Board's Business Critical Group, led by the Chief Executive and there will be reporting to each P&RC.

The MTFP includes a number of assumptions, some with significant financial impact. The plan states that advice from SG is to assume allocations are provided broadly in line with 2022/23 allocations, unless otherwise advised. The Director of Finance stated that 'communications *at this stage from policy teams are beginning to indicate a reduction for Tayside, but, until greater clarity is received, assumptions are in line with 2022/23*.'

The MTFP does highlight key risks and assumptions, some with financial values, but overall financial impact is not fully delineated, should the risks materialise. This is an extremely volatile environment with considerable uncertainty in many if not most of the assumptions; therefore there would be benefit in highlighting best and worst case scenarios in order to help Board and Committee Members to understand fully the potential range of outcomes that the Board could encounter.

Over the years NHS Tayside has not always been successful in achieving its efficiency targets, although performance had improved in recent years, and most savings have been non-recurrent; with a particular reliance on financial flexibility. The Medium Term Financial Plan highlights that NHS Tayside will need to achieve a level of recurrent savings over the next three years that greatly exceeds any previous performance. The NHS Tayside Board needs to assure itself that it has the capacity and capability sufficient to derive and to drive strategy, and the associated transformation programme as well as delivering an extremely large savings programme. In particular, it should the understand staff resource, budgeting and cultural changes which will ensure that this area is given the required priority, which will be particularly challenging in a difficult operating environment and one in which NHS Tayside is subject to potentially conflicting priorities from the SG.

Internal Audit and others have reported previously that to achieve financial sustainability, NHS will need to embed it within a coherent strategic approach that includes robust prioritisation and which places financial balance at the heart of all decision making.

Capital Funding

The Finance Plan for 2022/23 forecasted a balanced capital budget and the draft unaudited figures for the year confirm a small under spend.

The change in direction nationally to a Whole System Plan will impact on both the Board's Property & Asset Management Strategy and the Capital Plan. Significant time and resource will be required to assess the implications and develop the Whole System Plan.

A presentation was provided by Property department to ELT on Whole System Planning & Asset Strategy which has been developed by Scottish Future Trust (SFT). While Scottish Government guidance on the Whole System Plan is awaited, NHS Tayside should ensure capital planning is clearly and explicitly linked to and aligned with the developing overarching Strategy.

The Asset Management Group Annual Report 2022/23 provided assurance that adequate and effective governance is in place to support the Committee in considering issues of asset management, key infrastructure risks, and the development of major capital investment business cases.

Climate Emergency & Net Zero Requirements

A Policy for NHS Scotland on the Climate Emergency and Sustainable Development - DL (2021) 38, was issued on 10 November 2021, with its requirements mandatory and with immediate effect. The DL is underpinned by the SG's Climate Emergency and Sustainability Strategy 2022-2026, published in August 2022.

The environmental management risk assurance report to the June 2023 P&RC rated the risk as high (20), which was the score throughout 2022/23. Positive steps have been taken to refresh the governance structures but identifying supporting resource remains challenging and securing revenue funding is a significant cost pressure.

The first agenda planning meeting of the Climate Change and Sustainability Board is scheduled to take place before the end of June 2023.

In March 2023 an external consultancy firm produced a net-zero route map for NHS Tayside, which has not yet been presented to the P&RC. Compliance with these regulations will almost certainly add to the financial pressures facing the Board. As a strategic assessment of resourcing needs has not been done for net zero requirements, we strongly encourage this is developed and presented to the P&RC, to ensure future success and reasonable prospects of attaining the net zero targets, and understanding its impact on NHS Tayside's overall finances.

Financial Risk Management

The Director of Finance reports on the strategic risks linked to either revenue or capital within the financial reports presented to each P&RC meeting. The revenue and capital reports detail service risks associated with each area. We commend this approach that allows the P&RC to assess the current risk score and review any changes to the score over the period and the quality of analysis presented.

Whilst NHS Tayside's financial governance arrangements are robust, they are operating within a system facing severe pressures and one in which the organisational culture of financial control was diminished during Covid, given the priority of maintaining safe services. As the environment has become more difficult, risks have increased and therefore existing controls may not be sufficiently resilient to substantially mitigate the new and increased pressures.

As at June 2023, strategic risk 723 - Long Term Financial Sustainability, had a score of 25 which was unchanged throughout the year, with a planned risk exposure of 20. This recognises that, even with all planned actions in place, there will still be a significant financial risk with 'extreme' consequences. Strategic risk 1182 - Finance Annual Plan 2022/23 has current risk exposure of 12 (reflecting the year end position), with planned risk exposure 12. Following the annual reports and accounts sign off, this strategic risk will be closed.

A new Finance Annual Plan 2023/24 strategic risk has been developed. This has a current exposure rating of 25, with the planned risk exposure of 20 reflecting that even if planned savings of £30m are achieved, NHS Tayside will deliver a £57.2m deficit.

The current and planned controls on the strategic risks have been specifically referenced in the financial report to the June 2023 P&RC. The current controls listed in the appendix to the Finance Report are numerous, as would be expected, but target dates have not been set and it is not clear which mitigation would have the greatest impact.

The assessment of the adequacy of the current controls for both the long term financial sustainability and the Financial Annual Plan 2023/24 strategic risks are recorded as “incomplete”, meaning that the controls are appropriately designed but not consistently applied.

A new risk aligned to the 2023/24 Finance Capital Plan has been added with a status of ‘pending’ following approval by NHS Tayside Board on 27 April 2023. A change in the risk appetite level for finance risks from open/high to cautious/moderate was approved by the Board at that same meeting, meaning that this risk is currently scored above risk appetite and will be subject to enhanced monitoring.

Strategic Risks:

Risk 680 eHealth Cyber Security Attack

- Current Score 16 (High); Planned Score 4 (Medium)

Risk 679: eHealth Technical Infrastructure and Modernisation Program

- Current Score 16 (High); Planned Score 8 (Medium)

Information Governance

The Information Governance and Cyber Assurance Committee (IGCAC) continue to provide assurance to the ARC through Network and Information System Regulation 2018 (NISR) updates and provision of IGCAC minutes.

The Digital Transformation Partnership (DTP) is responsible for the creation, review and implementation of the Digital Strategy and underpinning digital and information technology change programmes. The minutes of the DTP are presented to the P&RC. In response to our 2022/23 ICE report, Chair Assurance reports for IGCAC and the Digital Transformation Partnership (DTP) are now presented to the relevant Standing Committee.

Information Governance (IG) Responsibilities

A Senior Information Risk Owner and Data Protection Officer are in place.

IG Assurance Reports to IGCAC

IG assurance reports provide each meeting of the IGCAC with an overall assessment of any potential issues that may need to be included with the IGCAC Annual Report. These reports include:

- Cyber Resilience Framework
- Data Protection Act 2018
- IG Risks
- Caldicott
- Risk Assessments
- Freedom of Information (FOI)
- Information Asset Register
- Records Management
- Training

For the 3 months to 31 January 2023, NHS Tayside responded to 94% of FOI requests within the statutory timescale of 100%.

Work to update the Information Asset Register continues to be reported as a problematic issue to the IGCAC. Actions to date to engage officers in the process have not had the desired impact, and alternative approaches should be taken to ensure the required engagement of Information Asset Owners.

Compliance with Mandatory training for IG – Safe Information Handling is 88% for NHS Tayside employees.

IG Incidents and Reporting

IG Incident Reporting Assurance reports to the IGCAC includes the necessary information on breaches. Of 272 breaches during 2022/23 none have resulted in any action being taken against NHS Tayside, but recommended actions have been made by the Information Commissioner's Office. Follow up of these actions, is also appended to the assurance report. We previously recommended and agreed with management that the report should include an opinion on whether any of the incidents reported to date should be considered for disclosure in the year end Governance Statement, but this has not been included.

The Significant Adverse Event Review for the Missing Psychology Records has been completed and future monitoring of the SAER outcomes and actions will be considered by the Clinical Governance Committee. Internal audit report T30/23, is currently in draft and provides an update to the recommendations within T29/22 which have been substantially completed.

Risk Reporting

Reporting of IG risks to the IGCAC has continued throughout 2022/23. We previously recommended an overarching IG risk with links to individual components would be considerably more robust than the current system. This was not accepted.

Every second meeting of the P&RC receives assurance reports for the Technical Infrastructure and Modernisation Programme strategic risk (rated medium) and the Cyber Security Attack strategic risk (rated medium). The current risk exposure for the Cyber Security Attack Strategic Risk was raised during the second half of 2022/23 due to a November 2022 cyber attack coupled with the resignation of the Cyber Security Manager and Cyber Security analyst and therefore, this risk is now subject to enhanced monitoring and considered at each P&RC meeting.

The risk exposure for the Technical Infrastructure and Modernisation Programme risk has remained 'High' over the last 12 months; reaching the target risk exposure of 'Moderate' will require significant additional work. The most recent Risk Assurance report to the P&RC stated "*the risk score continues to remain the same, despite activity related to the mitigation of this risk putting in place solutions and changes which have helped to reduce the likelihood of issues within the IT infrastructure*."

The Annual Operating Plan (AOP) for digital delivery is presented to the P&RC and provides an update on the work delivering of the Digital Strategy 2022-27. The risk assessment section of the cover paper refers to risk registers for each individual project, but does not link to or mention the Technical Infrastructure and Modernisation Programme risk. The AOP should document the impact of each deliverable on the target risk exposure with success criteria stated, so any future funding decisions can be based on areas of greatest impact.

The Cyber Security Attack strategic risk exposure is assessed as 'high' and reflects the cyber attack in November 2022 and recruitment issues to key posts. A Cyber Security Manager has recently been recruited and this risk is under enhanced monitoring by the P&RC. Future actions identified to mitigate the risk exposure include:

- Ongoing project to upgrade eHealth application infrastructure to supported and secure levels.;
- Creation of Cyber Security Strategy and roadmap;
- Lesson review and recommendations from recent cyber incident.

Following the cyber attack a report was provided to the ELT on 23 January 2023 providing background and actions taken in relation to the incident. No patient data was lost and highlighted that NHS Tayside's cyber defences required further funding. Discussions are currently ongoing with Finance department.

NISR

The Scottish Health Competent Authority final audit of the three year period was issued on 8 September 2022 and reported to the December IGCAC and to the Audit & Risk Committee in January 2023. The compliance status for NHS Tayside has marginally improved with an overall compliance rate of 57% in 2022, compared to 55% in 2021 and 50% in 2020.

Information presented in NISR reports and Annual Reports to both the IGCAC and the A&RC demonstrate that NISR has been appropriately managed and reported. Plans for the next review by the competent authority were considered by the Audit & Risk Committee at its May 2023 meeting.

The next NIS audit is in progress with the final report due in June 2023. This review will be under the new revised Public Sector Cyber Resilience Framework. This will be a full on site audit and NHS Tayside will focus on demonstrating compliance against the 430 controls through development of a new Action Plan which will incorporate all the remaining recommendations outstanding from the last NIS review.

NISR action plans are recorded as a current control within the Cyber Security Attack strategic risk.

Information Commissioners Office (ICO) Audit

The scope of the ICO audit of NHS Tayside undertaken in March 2023 included '*the extent to which information governance accountability, policies and procedures, and information sharing agreements and logs which comply with the principles of all data protection legislation are in place and in operation throughout the organisation.*'

The final ICO report was received on 27 April 2023 and concluded that '*there is a reasonable level of assurance that processes and procedures are in place and are delivering data protection compliance. The audit has identified some scope for improvement in existing arrangements to reduce the risk of non-compliance with data protection legislation*.' Audit recommendations were categorised as 9 high priority, and 14 medium.

The Head of IG/Data Protection Officer has advised that an action plan has been developed based on the recommendations along with a request for further financial resource. Future reporting of the ICO report and the action plan will primarily be through the IGCAC and Audit & Risk Committee. The ICO report should have been included within the IGCAC Annual Report 2022/23, as the visit took place in, and relates to the control environment within, that financial year. However, the SIRO has stated that it will, instead, be included with the 2023/24 IGCAC Annual Report. The IGCAC annual report 2022/23 provides reasonable assurance and there were no issues that required to be included or considered for the 2022/23 Governance Statement. Whilst technically, the absence of consideration of the ICO report undermines that conclusion, the lack of any significant findings within it mean that the point is largely moot.

Digital and eHealth Strategy

NHS Tayside's Digital Health Strategy (2022 – 2027) was formally approved by the P&RC in April 2022. The Strategy emphasised that digital technology will be central to NHS Tayside's ability to undertake the transformation necessary to meet the challenges of rising demand, costs and expectations. The programs of work to deliver the Strategy have not been fully costed, and the funding for Digital included in both the Financial Revenue Plan for 2022-23 and the Capital Plan for 2022-2027, does not cover the totality of the Digital Strategy. Recommendations to remediate this control weakness were agreed as part of the T08/23 ICE, but these have not progressed as anticipated to implement by 30 June 2023 as agreed.

The Director of Digital considers the Digital Strategy to be a '5 year flexible framework' which will adapt as other strategies are developed. We highlighted in our 2021/22 Annual Report that the role of the P&RC in understanding the financial risks to the delivery of the strategy, prioritising developments and monitoring delivery has not yet been fully developed, and this is still the case.

The 3 year financial plan which was considered at the April 2023 P&RC highlighted Digital as a red risk with the '*Board recognising the need for continued investment into both digital infrastructure and strategy*'.

As reported in the 2022/23 ICE report, there is a requirement for a more robust model of reporting of digital activity through the Digital AOP, to provide a level of assurance reporting that is commensurate with the importance of digital activity in achieving objectives. Key Digital and Finance officers agreed to provide the following with a due date of June 2023:

- Updates on the capital and revenue spend in relation to the programmes/projects;
- Links to how the Digital Strategy is progressing and clarity on elements that may not be delivered and the impact of that on services and transformation;
- A benefits realisation review on completed projects reported to the P&RC, including timing, cost and, if possible data on whether the project achieved the desired impact on services.

As highlighted in section 5 - Follow up of previous recommendations, agreed actions to provide clarity on the affordability of the Digital Strategy, and to specify those elements of the Strategy that will not be delivered due to financial constraints and their impact on operational objectives, transformation, savings and the delivery of the Board's overall strategy, have not been implemented. These should be considered urgently by the P&RC, especially given the urgent need to transform services and deliver significant savings, all of which will rely on Digital transformation as a key enabler.

Digital Maturity Assessment

The Digital Partnership Board and the NHS Tayside Operational Leadership team have been advised that the SG is carrying out an assessment of NHS Tayside digital maturity which concentrates on the four key areas of capability, readiness, leadership, and infrastructure. The output from the assessment will be used to help shape the SG's digital strategy and identify areas for improvement and investment. The final date for submission of responses was 12 May 2023 and SG will visit NHS Tayside to discuss their responses and look at their evidence before creating a high-level report.

Action Point Reference 4: Information Asset Register

Finding:

The ongoing updating of the Information Assets continues to be a reported issue to the IGCAC. Actions to date to engage officers in the process have not had the desired impact to provide the required information.

Audit Recommendation:

Alternative approaches should be taken to ensure the required engagement of Information Asset Owners to provide the required information.

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:

The Board Secretary/Senior Information Risk Owner, is exploring alternative approaches with the Head of Information Governance and Cyber Assurance and the Corporate Records Manager to raise awareness and gain commitment from within NHS Tayside to further develop the Information Asset Register.

Areas under consideration are as follows:

- **An audit of NHS Tayside's information assets which would help identify who the information asset owners should be.**
- **The creation of an overarching corporate group to progress work associated with the Information Asset Register, corporate administration records management and the further roll out of Office 365 and Share point.**
- **The Board Secretary/Senior Information Risk Owner writing to the ELT and/or taking a report to an ELT meeting.**

A specific corporate communication to highlight the importance of the Information Asset Register within NHS Tayside.

Action by:	Date of expected completion:
Board Secretary	**31 March 2024**

Action Point Reference 5 – Digital Annual Operating Plan

Finding:

The AOP for digital delivery is presented to the P&RC and updates the Committee on the work that has been progressed by the Digital Directorate in delivering the Digital Strategy 2022-27. The risk assessment section of the report refers to risk registers for each individual project, but does not link or mention the Technical Infrastructure and Modernisation Programme or the Cyber Security risk.

Audit Recommendation:

The AOP should include determining which digital deliverable will impact on the target strategic risk score with success criteria stated so any future funding decisions can be based on the greatest impact to the overall risk score.

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:

The Digital Directorate will ensure that future AOP reporting for the PRC will include reference to where items contribute toward the mitigation of strategic risk and planned reduction in risk score. This will be incorporated into the summary table provided within the report in the same format where we refer to items that deliver on strategic themes. Reference to strategic risk will also be contained within the Risk Management section of the paper, in addition to the full risk assurance reports provided to PRC.

Action by:	Date of expected completion:
Director of Digital Technology	**31 August 2023**

Key Performance Indicators

Planning	Target	2021/22	2022/23
Strategic/Annual Plan presented to Audit & Risk Committee by June.		Draft presented 17 August 2021	Draft presented to 23 June 2022
Annual Internal Audit Report presented to Audit & Risk Committee by June	Yes	Presented to Annual Accounts Audit & Risk Committee - August 2022 (draft to June 2022)	Yes
Audit assignment plans for planned audits issued to the responsible Director at least 2 weeks before commencement of audit	75%	85%	100%
Efficiency			
Draft reports issued by target date	75%	50%	54%
Responses received from client within timescale defined in reporting protocol	75%	67%	92%
Final reports presented to target Audit & Risk Committee	75%	80%	69%
Number of days delivered against plan	100% at year-end	81%	75%
Number of audits delivered to planned number of days (within 10%)	75%	88%	64%
Skill mix	50%	83%	89%
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.**	**One**
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.**	**One**
Merits attention		There are generally areas of good practice. **Action may be advised to enhance control or improve operational efficiency.**	**Two**

	Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 30 April 2023
T08/21 Internal Control Evaluation Report 2020/21			
1	**Action point reference 2 - Strategy & Transformation** **Priority - Significant** • Identification of a Director level sponsor and project lead for strategic planning and change. • Plan and timetable for how the new strategy and supporting strategies will emerge, including governance arrangements and key responsibilities for individuals and groups. • A stocktake of previous transformative projects. • Articulation of a clear link between strategy and ongoing service developments. • Overt linkage to realistic medicine, transformative programs, efficiency savings and other initiatives. • Assessment of the risks to achievement. • Board should be provided with regular overviews of whether Recovery, Remobilisation and strategy development is on track, key achievements, challenges and risks, and any significant implications for strategy and priorities.	**Chief Executive & Director of Finance**  ~~**June 2021**~~ ~~**December 2022**~~ ~~**May 2023**~~ **July 2023**	The transformational programme within NHS Tayside has been reviewed in light of the Covid19 response, the ongoing transformation of health and social care, and the impact on patients and service users. In the immediate and medium term, this will be grounded in the Board's Remobilisation Plan and Annual Delivery Plan, which identifies the service models and ways of working for the immediate future. This reflects guidance received from Scottish Government in April 2022 in relation to the 'three horizons model' - Horizon 1 (1-2 years) 'stabilising', Horizon 2 (3-5 years) 'reform', Horizon 3 (5-10 years) 'transformation'. The updated Delivery Plan, Three-Year Financial Plan and Workforce Plan were submitted to Scottish Government at end of July 2022. The Annual Delivery Plan 2022/23 was presented to Board on 27 October 2022, including the timetable at appendix 3 and the timetable for the 3 year strategic plan. The Strategic Risk Profile 2022/23 was approved by Tayside NHS Board on 30 June 2022. A 'Development of Strategy' risk was proposed, however further work is required to be undertaken to develop this risk fully following identification of Risk Owner.

	Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 30 April 2023
			There is now an updated planning timetable which was presented to ELT in January 2023, and which should be presented to Board thereafter. Following presentation to the formal ELT meeting on 20 March 2023, an updated Strategic Risk Profile was discussed at the Board Development Session on 30 March 2023, together with further discussion on risk appetite. The final Strategic Risk Profile for 2023/24 and updated risk appetite statement was considered by the Strategic Risk Management Group on 19 April 2023 for endorsement, prior to formal approval at the 27 April 2023 Tayside NHS Board meeting. The Development of Strategy Risk (Risk Reference 1316) has been added to the Datix system during March 2023. ***Internal Audit note: Action to address this wide ranging recommendation will be reviewed and validated in audit T15/23 – Strategic Planning, to be reported to the June 2023 Audit and Risk Committee.***

	Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 30 April 2023
T06/23 – Annual Report 2021/22			
2.	**Action point reference 3 – Clinical Governance improvements** **Priority – Significant** **Summary of recommendations on review of the Care Governance Committee (CGC) work plan, and scope and nature of assurances.** **Priority – Significant** • Adequacy/effectiveness of Care Governance assurance; • Role of Safety Oversight Group; • Reporting on effectiveness as well as safety; • Realistic medicine; • Adverse Event KPIs. • Structured approach to the monitoring of external reviews • Mental Health risk; • Risks relating to Drug and Alcohol Recovery.	**Medical Director** **Executive Director of Nursing** **Head of Patient Safety, Clinical Governance and Risk Management.**  ~~**October / November 2022**~~ ~~**Quarter 4 2022/2023**~~ **March 2024**	Updates provided since the March 2023 Audit and Risk Committee are in red. The Management response to action point 3 in T08/23 - 2022/23 ICE report confirmed that '*Previous internal audit recommendations that remain outstanding, also actions from the Clinical Governance workshop held in October 2022, will be reported in the bi-annual PSCGRM Report to the CGC in a more structured way'.* The CGC workplan was reviewed, updated and noted at the 4 August 2022 meeting. A CGC workshop took place on 25 October 2022 as scheduled. Outstanding internal audit recommendations have been collated and an update was reported to the December 2022 CGC. While a programme of workshops to address internal audit recommendations was originally envisaged, this will instead be progressed through follow up sessions with Clinical Governance Chairs in Acute Services, the HSCPs, and Mental Health Services. Discussions are also planned for the Operational Leadership Team, Medical Leadership Team and with the Getting it Right for Everyone group.

	Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 30 April 2023
			The Board Secretary is progressing discussions with Non Executives to identify areas for inclusion in induction processes. Ongoing work with report authors will streamline and refocus future reports to the Committee. Preparation of a replacement strategic framework for drug and alcohol recovery is underway, to replace the ADP's previous strategic plan (2018-2021) and the Action Plan for Change developed in response to the original report from the Commission. A full update report setting out the approach to the development of the plan and initial draft commitments was considered and approved by the Dundee HSCP on 22 June 2022 and was provided in a report to CGC on 4 August 2022. Assurances previously provided through strategic risk 16 – Clinical Governance, were provided through the assurance report that was presented by the Patient Safety, Clinical Governance and Risk Management Team to the CGC on 1 December 2022. Assurances on effectiveness of clinical care are provided within assurance reports from acute, Mental Health and Learning Disabilities and the 3 HSCPs. A first assurance report on Realistic medicine was presented to the February 2023 CGC. The Safety Oversight Group escalates issues

	Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 30 April 2023
			through relevant services which then provide assurance in their assurance reports and risk reports presented to CGC. Assurances on effectiveness of adverse events management are provided in assurance reports presented to CGC by Acute Services, Mental Health and Learning Disability Service and the 3 HSCPs. The work of the PSCGRM Team to improve format and consistency of assurance reports in a template format, and presentation of Adverse Event data (local and system-wide) is on-going. More specifically: effectiveness of care will be provided and evidenced within the improved assurance reports going to CGC; The first report providing KPIs for Adverse Events and Complaints was presented to the CGC on 6 April 2023. The intention is to build on this report and include more measures. External reviews are now regularly presented to the CGC, a specific agenda item has been added to the CGC workplan: Inspection/Review Reports provided to the Committee (to be added to throughout the year) (For Awareness). Following the Board Development Event on risk management on 30 March and Board approval of the revised Strategic Risk Register on 27 April 2023, strategic risks for Mental Health and Drug & Alcohol

	Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 30 April 2023
			Recovery are no longer included as strategic risks for NHS Tayside. Mental Health will remain as a strategic IJB risk and an action was agreed that the Director of Finance would meet with the Chief Officers to agree wording. Any Drug and Alcohol risk will be at service level for NHS Tayside.
T08/22 Internal Control Evaluation 2021/22			
3.	**Action point reference 4 – Waiting Times risk** **Priority – Significant** The risk of deferred treatment, which undoubtedly has an extremely high inherent risk, should be quantified and presented to the Care Governance Committee (CGC) together with the associated key controls and assurance on their adequacy and effectiveness, in order that the CGC will be able to conclude on key clinical risks by year-end. The Adult Pathway Bed Capacity and Escalation Plan, which has the potential to lead to further delays in elective treatment, should also be taken into consideration in formulating this risk. The planned post Covid19 CGC evaluation and review session should be rescheduled and should consider the factors within this recommendation.	**Chief Officer, Acute Services and Head of Strategic Risk and Resilience Planning.**  ~~**March 2022**~~ ~~**March 2023**~~ ~~**April 2023**~~ **May 2023**	The Waiting Times and Patient Outcome risk has been updated and finalisation in the Datix system is pending. Following presentation to the formal ELT meeting on 20 March 2023, an updated Strategic Risk Profile will be discussed at the Board Development Session on 30 March 2023, together with further discussion on risk appetite. The final Strategic Risk Profile for 2023/24 and updated risk appetite statement were endorsed by the Strategic Risk Management Group on 19 April 2023, prior to and approved at the 27 April 2023 Tayside NHS Board meeting. A paper that captured the risks of deferred treatment was considered at the Care Governance Committee on 2 June 2022. The weekly clinical prioritisation framework and meeting remains in place to ensure patients deemed the highest risk are seen and treated according to their clinical risk.

	Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 30 April 2023
			Long waits targets have been set by Scottish Government for Out-patients and In-patient/Day cases. Service plans have been agreed to deliver the required improvements. *This action point will continue to be monitored via the AFU system and as per of the internal audit 2022/23 annual report work, pending fully update of the risk in the Datix system.*
T08/22 Internal Control Evaluation 2021/22			

4.	**Action point reference 5 - Clinical Governance Strategy**
	Priority - Moderate
	
	• Enable, inform, align Strategy;
	• Assurance to Care Governance Committee on:
	  • Development;
	  • Implementation;
	  • Reporting lines/Assurance mapping
	
	Development event should be scheduled with a clear agenda focusing on developing a project plan to progress the refresh of the Clinical Governance Strategy.
		Associate Medical Director Patient Safety, Clinical Governance and Risk Management
		
		Head of Patient Safety, Clinical Governance and Risk Management
		
		~~October 2022~~
		~~Ongoing~~
			The Management response to action point 4 in T08/23 - 2022/23 ICE report confirmed that 'The development of the Clinical Governance strategy/framework will be prioritised, with a clearer project plan; completion is scheduled for September 2024. Progress with this plan will also be shared through the Patient Safety Clinical Governance Risk Management bi-annual report to Care Governance Committee'.
			
			Care Governance Committee workshop took place on 25 October 2022 and the Clinical Governance Strategy was covered in the internal audit presentation.
			
			Following a light touch review, the updated Clinical Governance Strategy was approved by the June 2022 Clinical Governance Committee. Discussions on

	Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 30 April 2023
		March 2024	whether the document will be a Strategy or a wider Framework are being progressed. Outcomes will be aligned with the Getting It Right For Everyone Framework and a Gantt chart setting out the programme for review is in place.
T08/23 Internal Control Evaluation 2022/23			
1.	Action point 5 – Staff Governance Committee Terms of Reference Amendments to the SGC Terms of Reference made in April 2022 did not appear in the final version agreed by the Board. The next iteration of the SGC Terms of Reference should incorporate changes made at the last review and any new amendments agreed by the SGC, and included in the next update of the CoCG in June 2023. All strategic Risk reports are in line with the Strategic Risk Profile and reports are received in accordance with the reporting timescale required by the risk appetite. The Terms of Reference will be incorporated in the next update of the CoCG in June 2023.	**Deputy Director of Workforce, (Lead Officer for SGC)/ Head of HR - Workforce Planning**  **June 2023**	On 19 April 2023 the SGC considered their Terms of Reference and Assurance Workplan 2023/24, to be included in the next update of the Code of Corporate Governance.
2.	Action point 6 – Assurances to SGC To allow the SGC to conclude at year end on its remit the following topics should be received before year end: • Annual GP appraisal report	**Deputy Director of Workforce (Lead Officer for SGC)/ Head of HR - Workforce**	The Annual GP appraisal report was presented to the SGC on 18 April 2023. The draft HSMC Annual Report was scheduled for consideration at the 4 April 2023 HSMC. However, management have informed Internal Audit that

	Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 30 April 2023
	• Workforce and H&S Policies assurance reports We would recommend the format of the SGC Assurance & Workplan is updated in line with the approach used at the Care Governance Committee, which shows both planned and actual items under one workplan. Discussion on draft papers at pre-agenda meetings should ensure a proposed level of assurance is included on all papers presented for assurance. The annual GP Appraisal report will be included in the April 2023 meeting of the SGC. The Workforce and H&S Policies Assurance report is scheduled for April 2023, thereafter the workplan will be amended to request the report in August 2023 and February 2024, to allow this work to be concluded before the year end. In addition, work will be undertaken to amend the workplan to describe the planned and actual agenda items to allow greater oversight of reports that are deferred or delayed. Work will also be undertaken to ensure that the level of assurance is described in all papers brought to the SGC for Assurance.	**Planning** **April 2023** 	due to time constraints the annual report was not considered by the Committee. We have advised management that the draft HSMC Annual Report should be circulated and approved electronically, prior to circulation/presentation to the SGC. The H&S annual report has not been presented to the SGC. Our review of SGC papers confirmed that the level of assurance was described. An additional column in the workplan to record the actual date the paper was presented to the SGC remains outstanding.
T08/23 Internal Control Evaluation 2022/23			
3.	Action point 9 – Digital Reporting to P&RC To ensure more robust reporting of digital activity, future AOP reports to the P&RC should include: • Updates on the capital and revenue spend in relation to	**Director of Digital Technology**	No progress in this area since issue of the 2022/23 ICE report. Revised action by date to be agreed.

	Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 30 April 2023
	the programmes/projects; • Clearer links to how the Digital Strategy is progressing and, more importantly, clarity on elements that may not be delivered and the impact of that on services and transformation; • When a project is completed, a benefits realisation review should be undertaken and reported to the P&RC, including timing, cost and, most importantly, whether the project achieved the desired impact on services. It is key that the DTP produce a 2022/23 Annual Report in line with its ToR and using the standard template, with explicit assurance provided around the following extracts from the DTP ToR: • The Partnership will be responsible for the creation, review and implementation of our digital strategy and underpinning digital and information technology (IT) change programmes. The partnership will provide individual and collective assurance to the Accountable officer by providing an opinion on the adequacy of the arrangement for creation and delivery of the digital strategy and work plan and its links NHS Tayside's strategy. **The Digital Directorate will ensure more robust reporting of digital activity, and will ensure future AOP reports are submitted to the P&RC.** **This will include:** • **Updates on the capital and revenue spend in relation to the programmes/projects;** • **Links to how the Digital Strategy is progressing and clarity on elements that may not be delivered and the impact of**	 **June 2023**	

	Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 30 April 2023
	that on services and transformation; • **A benefits realisation review on completed projects reported to the P&RC, including timing, cost and, if possible data on whether the project achieved the desired impact on services.** • **A 2022/23 Annual Report in line with our ToR and using the standard template, with explicit assurance provided around the following extracts from the DTP Terms of Reference:** **"The Partnership will be responsible for the creation, review and implementation of our digital strategy and underpinning digital and information technology (IT) change programmes.** **The partnership will provide individual and collective assurance to the Accountable officer by providing an opinion on the adequacy of the arrangement for creation and delivery of the digital strategy and work plan and its links NHS Tayside's strategy".**		