FTF Internal Audit Service

Interim Control Evaluation 2020/21
Report No. A08/21

Issued To: **C Cowan, Chief Executive**
            J McCusker, Chair

            S Urquhart, Director of Finance

            NHS Forth Valley Directors / System Leadership Team

            G Bowden, Follow-Up Co-ordinator

            Audit Committee
            External Audit

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Draft Report Issued	8 January 2021
Management Responses Received	21 January 2021
Target Audit & Risk Committee Date	21 January 2021
Final Report Issued	5 March 2021

EXECUTIVE SUMMARY

1. As Accountable Officers, Chief Executives are responsible for maintaining a sound system of internal control and to manage and control all the available resources used in his/her organisation. This review aims to provide early warning of any significant issues that may affect the Governance Statement.

OBJECTIVE

2. The principal objective of this review is to provide assurance to the Chief Executive, as Accountable Officer, that there is a sound system of internal control that supports the achievement of the NHS Board's objectives.

3. This year's Internal Control Evaluation was carried out in parallel with internal audit A16/21 on Sustainable Services, which evaluated the processes, procedures and principles informing the design of the NHS Forth Valley System-Wide Remobilisation Plan and its underlying methodologies, to provide assurance on the adequacy of the reconfiguration process. We also considered the extent to which the organisation can provide assurance on questions raised by Audit Scotland in their 'COVID-19 Guide for Audit and Risk Committees' and on the governance response to COVID-19. Themes from the checklist are incorporated in the Ongoing & Required Developments section of this report.

4. This audit specifically considered how NHS Forth Valley has:

   - identified emerging risks and key actions to manage high priority risks;
   - identified the key risks and challenges to achievement of strategic objectives and ensured that progress is monitored at governance level;
   - identified opportunities for change and improvement to develop and implement the organisation's strategic agenda;
   - implemented revised arrangements to ensure NHS Forth Valley can effectively respond to COVID-19 and discharge its governance responsibilities.

RISK

5. Whilst there is no overarching corporate/strategic risk relevant to this review our audit specifically considered whether governance arrangements are sufficient, either in design or execution, to control and direct the organisation to ensure delivery of sound strategic objectives.

AUDIT OPINION

6. Ongoing and Required Developments and recommended actions are included at Section 2 of this report.

7. The Annual Internal Audit Report, issued 10 June 2020, was informed by detailed review of formal evidence sources including NHS Board, Standing Assurance Committee, Executive Leadership Team and other papers. As well as identifying key themes, our Annual report made three specific recommendations on:

   - Recovery (Sustainability)
   - Annual governance assurances
   - Staff Governance, including workforce planning

8. Of the 10 original 2019/20 Internal Control Evaluation recommendations, 4 are now complete and a further 2 recommendations relating to the risk management framework and the operation of the Clinical Governance Committee have been substantially progressed. Recommendations relating to overall strategy and development of clinical and care governance assurance arrangements remain extant. Recommendations in relation to the operation of the Staff Governance Committee and workforce planning have been discussed with the Chief Executive, Director of Finance and Director of Human Resources and Internal Audit will be providing further input to allow completion by year-end. All outstanding recommendations will be considered in detail at a System Leadership Team (SLT) meeting together with the findings and recommendations within this report.

9. Action to address the Recovery (Sustainability) recommendation has continued throughout the pandemic; this area has been reviewed within internal audit A16/21 and key findings incorporated within this report.

10. In this report, we have provided an update on progress to date and, where appropriate, built on and consolidated previous recommendations to allow refreshed action and completion dates to be agreed. This has culminated in 6 recommendations for which Management have agreed actions to progress by year end.

11. We recommend that this report is presented to each Standing Assurance Committee so that key themes can be discussed and progress against recommendations monitored.

    Key Themes

12. Detailed findings are shown later in the report. Key themes emerging from this review and other audit work during the year, as well as consideration of the overall impact of COVID-19 and the need to ensure sustainable services are detailed below.

13. We have seen improvement in the overall systems of governance and noted that the NHS Board has responded positively to the governance challenges posed by COVID-19. The appointment of a Board Secretary provides an opportunity to further enhance governance through the application of assurance mapping principles. It is acknowledged that this way of working will help in creating the proportionate and nimble arrangements required in the short-term, as well as assisting ongoing developments in Risk Management and further developing of the role of Standing Assurance Committees.

14. An enormous amount of reconfiguration and remobilisation work has been undertaken, allowing services to resume where appropriate in exceptionally challenging circumstances. Whilst our audit identified some potential enhancements to structures and processes which could be adopted in the next wave of reconfiguration, the key issue is to ensure the Chief Executive and Executive Directors have the space and time to focus and respond to this Pandemic as set out in the most recent Scottish Government letter.

15. Looking to the future and acknowledging the current challenges, there is an opportunity to build on excellent work already undertaken and ensure that all the strands of transformation and innovation are formally integrated, to enhance governance and reporting, ensure that development continues with appropriate resources and prioritisation, learning from the experience of reconfiguration and capturing and using existing data to create sustainable services and a strategy which reflects the new circumstances faced by NHS Forth Valley.

COVID-19/Sustainability

16. On 17 March 2020 NHS Scotland was placed on an emergency footing until at least 31 March 2021. Forth Valley NHS Board approved interim corporate governance arrangements on 31 March 2020. These were designed to ensure that the NHS Board received appropriate assurances on management of the COVID-19 outbreak, whilst allowing NHS Forth Valley to focus on the safety of its staff and patients.

17. The Chief Executive has regularly provided the Board with Governance Review updates as governance arrangements adapt through the emergency footing period. The organisation has carried out business in line with the guiding principle of maintaining governance while allowing officers time to carry out necessary duties. The draft Annual Operational Plan was submitted to Scottish Government as the basis for the first COVID-19 Recovery Plan and all COVID-19 System-Wide Mobilisation Plans have been submitted to Scottish Government as required.

18. The System-Wide Remobilisation Plan August 2020 to March 2021 was endorsed by the NHS Board on 23 October 2020, following approval of the draft plan for submission to Scottish Government in August 2020.

19. The Director of Public Health has presented a 'Pandemic Update' to each NHS Board meeting in 2020/21. These updates provided information in relation to the current status of the Pandemic and the local response. In addition, the Medical Director led a refresh of the NHS Board's Balanced Scorecard and this was presented to the Performance & Resources Committee in November 2020. Prior to this the NHS Board has received recovery scorecards which provided data on key clinical and COVID-19 related activity. The December 2020 Board received an update on the communications work undertaken to support the organisation's response to the ongoing pandemic and highlighted some of the other key communications initiatives promoted during the period July – November 2020.

20. The findings of internal audit A16/21 Strategic Planning Sustainable Services have been incorporated into this report in the context of the original recommendation from our Annual Report. Overall progress has been good, but this is clearly a very difficult area which will require continued efforts to ensure that the NHS Board is best placed to deliver the required outcomes as we enter the next phase of renewal and reconfiguration.

ACTION

21. The action plan [has been agreed] with management to address the identified weaknesses. A follow-up of implementation of the agreed actions will be undertaken in accordance with the audit reporting protocol.

ACKNOWLEDGEMENT

22. We would like to thank all members of staff for the help and co-operation received during the course of the audit.

A Gaskin, BSc. ACA
Chief Internal Auditor

Ongoing and required developments
Corporate Governance
Sustainability &Transformation

Annual Report 2019/20: Action point 1

This action point focused on the requirement to revise the Healthcare Strategy and supporting strategies, taking into account the impact of COVID-19, and for revised strategies to be approved by the Board and monitored by Standing Committees.

Progress: Substantial, but some risks remain.

This area was reviewed in Internal Audit A16/21 Strategic Planning - Sustainable Services, which specifically considered implementation of internal audit recommendations relating to the organisation's response to COVID-19 and the associated need to revisit transformation and strategy.

Governance and Assurance

In July 2020 the Board agreed to step up a number of its Assurance Committees and agreed that principles underpinning revised corporate governance arrangements (March 2020) would remained unchanged. These arrangements included:

- Use of Microsoft Teams to allow virtual meeting
- Regular communication between the Chair and Assurance Committee Chairs out with NHS Board meeting
- The Chair as the guardian of etiquette in virtual meetings
- Agreement of guiding principles to ensure the Board remained accountable
- Agreement that the Board would operate within an appropriate legal framework and in doing so: put the safety of patients and staff at forefront of its efforts; act in the best interests of the population; use resources efficiently and effectively; provide support whilst questioning planning assumptions to ensure the organisation maximises its resilience in response to the challenges it faces.

NHS Board Assurance Committees continued to meet, with the exception of the Remuneration Committee which did not meet until 1 September 2020. Dates for Standing Assurance Committee meetings to the end of March 2021 have been agreed. The NHS Board Chair has also maintained a schedule of initially formal and now informal meetings with Committee Assurance Chairs since Assurance Committees have been re-established.

The NHS Board has held closed sessions after each public NHS Board meeting and the System Leadership Team has reflected on the efficiency and effectiveness of NHS Board governance arrangements. Agenda items included updates on the Test & Protect, Flu and COVID-19 vaccination programmes, support to Care Homes and a Redesign of Unscheduled Care.

State of Readiness reporting to Scottish Government has confirmed that the NHS Board has good systems and processes in place to roll out the COVID Vaccination programme informed by JCVI priority groups. The Flu vaccination programme was successfully delivered in all but one group – social care staff and thought to how these staff are better integrated into the programme is something that will be considered nationally.

Strategy and Transformation

As reported to Board in October 2020, and in line with SGHSCD direction, the NHS Forth Valley System Leadership Team (SLT) has focussed on ensuring the organisation has capacity and capability to deliver: the Test & Protect programme; the Flu (and now COVID) Vaccination Programme; the remobilisation of planned care, enabling the system to pause if necessary; Mental Health Services; the work to reform Urgent Care; support to Cares Homes staff wellbeing and the Winter Plan.

Our review of SLT minutes and papers confirmed that the SLT regularly reviewed and applied appropriate scrutiny to these areas. The SLT has taken into account new priorities as they have emerged from the Scottish Government.

We found many examples of good practice with delegation of responsibility as far as possible, comprehensive guidance and documentation issued to managers which encouraged consideration of risk, links to innovation, prioritisation, strategy and national guidance as well as consideration and collation of support service requirements. Recovery Planning Guidance, a Plan Template and SBAR containing these elements were widely disseminated in May 2020. Communication has also been good and the Chief Executive at important junctures has issued system wide updates. The Head of Communications has also been very proactive and has used the intranet and NHS Board website has been used well to share information. The use of local media and regular updates provided by the Medical Director and Director of Public Health to convey public health measures is also been very proactive. When the critical stage of the pandemic has passed, it will be useful in the future to consider establishing greater formality around process, to consider how to improve formal reporting of progress to the SLT and through governance structures, as well as ensuring that the data gathered during remobilisation is used to best effect to inform future strategy developments and transformation.

Whilst a number of risks were captured and set out in the System-Wide Remobilisation Plan during the remobilisation process and an overall Strategic COVID-19 risk register created, we would expect further developments in the COVID-19 risk and eventual absorption as a factor of most, if not all, strategic risks. We do however note that the qualitative risk review discussions with all Risk Owners in November/December 2020, to update strategic risks, included the impact of COVID-19, e.g. has the pandemic exacerbated the risk or in some way aided mitigation and risks updated accordingly.

A Recovery Planning group led by the Head of Efficiency, Improvement and Innovation which was in place as at June 2020 has been stood down. It was intended that its work on remobilisation and recovery would be taken forward by the SLT with input from other key players, but the second wave and pressures on SLT time have not allowed this to take place as fully as intended. Discussions during 2020 (September, October 2020) referred to extending the SLT membership to include the chairs of ACF and APF. This work is due to be represented to SLT for approval in March 2021 with an intention to establish SLT Plus from early April 2021.

NHS Forth Valley in going forward will need to consider how it utilises the skills and information available to it to ensure that the work on renewal, reconfiguration and strategy is taken forward when appropriate, recognising that the majority of senior managers and Directors will be absorbed with the immediate consequences of the latest phase of COVID-19. There is considerable knowledge and experience available to the NHS Board but this project will need to be prioritised and supported, to ensure the NHS Board is able to emerge from the situation fully prepared to renew and reconfigure its services and revise its strategies, in line with Scottish Government Guidance and direction.

Action Point Reference 1: Sustainability & Transformation

Finding:

The Chief Executive's paper to the 30 June 2020 Board 'NHS Response to Re-mobilise, Recover and Re-design: The Framework for NHS Scotland' set out an intention to develop a 'single strategic transformational plan that takes account of short and long term initiatives'. That intention was linked to the accompanying COVID-19 System-Wide Remobilisation Plan required by the Scottish Government. The Remobilisation Plan was later updated and expanded and, together with Service Level Plans, agreed by Government; included some major transformational activities and substantial changes to service delivery.

In light of the Pandemic response a further update on transformation has not been provided to the NHS Board, nor has the Board been provided with an update on how the NHS Forth Valley Healthcare Strategy and supporting strategies will be reviewed and revised. It is intended that this will be picked up in the Spring of 2021. The P&RC have however received presentations on the Corporate Portfolio Management Office, and the development and delivery of the NHS Board's corporate change programme.

Audit Recommendation:

The Chief Executive should agree with the SLT how the various strands of work to inform and deliver the long term strategy for NHS Forth Valley will be analysed and translated into a co-ordinated programme that should build on the progress made to implement the System-Wide Remobilisation Plans. This should build on the existing work already undertaken and consider how best use can be made of existing expertise and data, particularly given the pressures on front-line services at present.

This review should also consider how best to ensure effective governance and oversight of this key area so that the NHS Board can formally consider the arrangements and in particular:

- Products – The NHS Board should clearly understand which decisions will come to them, when and in what format and which decisions it is delegating to management

- Processes - The NHS Board should understand how it will be kept informed of progress, of changes to the risk profile and of the impact of changes including appropriate post-project monitoring

- Priorities - The NHS Board should agree how it will set its priorities and how these will be communicated and implemented, understanding as above, that their implementation may not come to the NHS Board.

- Parameters - The NHS Board should outline which areas are sacrosanct to avoid wasting officers time

A timetable for development of the new Strategy and supporting strategies should be reported to the NHS Board. An updated stock take of implementation of the extant Healthcare Strategy should also be undertaken in the Spring of 2021.

Reporting on progress should be clearly assigned to an Assurance Committee or the NHS Board and should include a broad overview of whether Recovery, Remobilisation and strategy development is on track, key achievements, challenges and risks and any significant implications for strategy and priorities.

Assessment of Risk:		
Significant		Weaknesses in control or design in some areas of established controls. **Requires action to avoid exposure to significant risks in achieving the objectives for area under review.**

Management Response/Action:
The System Leadership Team (SLT) at its meeting of 23 February 2021 considered all the Directorates/Partnerships Remobilisation Plans. These Plans informed the NHS Board's 'System-Wide Remobilisation Plan': April 2021 to March 2022. This work supported by a Financial Plan, Capital Plan and Workforce Plan is being used to inform the Board's review (including stock take of progress) of the extant Healthcare Strategy.   The refreshed Healthcare Strategy will reaffirm the Board's vision, corporate objectives and key priorities across 3 Horizons(H) – H1 - (2021/2022), H2 (2022/2024) and H3 (2024/2026) and how these align to Government policy and Integration Authorities Strategic Commissioning Plans and directions.   A paper setting out the timetable to support the development of the Healthcare Strategy and supporting strategies will be presented to the NHS Board in March 2021.

Action by:	Date of expected completion:
Chief Executive	Paper setting out timetable to support the development of Healthcare Strategy - March 2021 Stocktake and stakeholder engagement May - July 2021 Healthcare Strategy consultation - August 2021 Healthcare Strategy – NHS Board for approval September 2021

Performance Monitoring of strategic objectives and transformation

Previous Recommendations: ICE Recommendation 3

Requirement for regular reports to the Performance & Resources Committee (P&RC), outlining the PMO objectives and ongoing programmes, and a timetable for achieving expecting savings.

Progress: Complete.

The Corporate Portfolio Management Office (CPMO) was established to facilitate the development and delivery of the NHS Board's corporate change programme. The update to the 24 November 2020 P&RC provided the position on the status of projects in terms of maximising benefits and direction of travel and current year and project future year projections for achievement of savings.

The NHS Board has adjusted existing performance targets to allow for COVID-19 and introduced specific COVID-19 related targets, having agreed at the September 2020 seminar that a Recovery Balanced Scorecard would be developed to track implementation of the System-Wide Remobilisation Plan. A Short Life Working Group led by the Medical Director was established to inform the content and design of the Scorecard which was initially presented to the November 2020 P&RC. The first Recovery Scorecard dataset was presented to NHS Board in December 2020 and will be presented to Board and P&RC monthly. It will be circulated on a weekly basis to the SLT to provide the opportunity to highlight and address key areas of performance.

The Recovery Scorecard has been split into Recovery - measures and indicators relating to unscheduled and scheduled care, and Response - Test and Protect and vaccination programme priorities.

As reported to the July 2020 P&RC, delivery of the national waiting times improvement plan for 2020-2021 remained a priority. As part of the ongoing recovery planning a scheduled care recovery framework has been developed to both strategically plan and operationally manage recovery and resumption of scheduled care activity.

While normal performance reporting has mainly ceased the CPMO progress report to the November 2020 P&RC provided an update on transformation initiatives and on achievement of savings.

NHS Forth Valley has continued to work constructively with the Integration Joint Boards (IJBs). The Falkirk Integration Scheme was agreed in 2015 and is required to be reviewed every 5 years. A paper to the March 2020 Falkirk IJB noted that the Scheme says little in relation to local operational delivery arrangements which were not agreed when the scheme was drafted in 2015. An initial review of the Clackmannanshire & Stirling Integration Scheme has been undertaken but is not being prioritised due to COVID-19 and will be revisited. In going forward it will be important to be clear about the role of the Integration Authorities as strategic planning, commissioning and oversight public bodies and the role of the NHS Board and Councils as the accountable parties for service delivery and performance.

The P&RC will be updated on progress with actions arising from the 'Review of Progress with Integration of Health and Social Care', published by the Ministerial Strategic Group for Health and Community Care (MSG) in February 2019.

Corporate risk for achievement of the Healthcare Strategy and transformation

Previous Recommendations: Annual report 2019/20, Action point 2, ICE recommendations 1 & 2

Creation of a corporate risk for achievement of the Healthcare Strategy and transformation should be considered.

Progress: Delayed due to COVID-19

A stock take exercise covering implementation of the Healthcare Strategy and capturing progress, and any changes arising from the response to the pandemic, is underway and will be reported to a future Board meeting. This will contribute to the overall review of the NHS Forth Valley Strategy, which will be undertaken in partnership with the HSCPs to ensure alignment of strategic aims and risks. While the reporting of the stock take was originally planned for October 2020, the planning team has been concentrating on duties in response to COVID-19 and, in the interim; the System-Wide Remobilisation Plan provides strategic direction for the organisation.

Risks were identified as part of the remobilisation process and the System Wide Remobilisation Plan sets out risk and mitigations. Those presented to the RPAG were used to develop a COVID-19 Recovery Risk register in August 2020, although this has not been reviewed or presented to SLT. A COVID-19 corporate risk was presented to the 15 December 2020 Board meeting and has been absorbed into the strategic risk register and specifically in to the strategic risk on COVID-19.

However, it is not immediately apparent that it contains all necessary elements and only two Corporate Risks for Financial Break even and Unscheduled Care have been updated to consider the impact of COVID-19.

The COVID-19 risk is Red (risk score of 20) with a target risk score of 6. The Risk description states '*If NHS FV does not deliver an effective re-mobilisation plan in response to COVID-19 there is a risk we fail to manage demand on services and miss opportunities for long term change / improvement*'. However, it does not identify specific controls risk to address the second component of the risk i.e. to ensure sustainable service improvements, although this is detailed in the System-Wide Remobilisation Plan for each of the key priority areas.

Action Point Reference 2: Strategy Risk

Finding:

The Strategy and transformation risk has not yet been developed despite its fundamental importance to the organisation. We would have anticipated that risks in this area would have fallen naturally from ongoing development work and it is of concern that the relevant risks and controls are not yet captured formally. The COVID-19 risk has not been incorporated into all Strategic risks.

Audit Recommendation:

a) The Strategy/transformation Corporate Risk should be developed as part of the arrangements considered above in relation to taking forward recovery, renewal and strategy.

b) The next review of strategic risks should consider if COVID-19 factors need be incorporated.

Assessment of Risk:

Significant		Weaknesses in control or design in some areas of established controls. **Requires action to avoid exposure to significant risks in achieving the objectives for area under review.**

Management Response/Action:

Strategy/Transformation Corporate Risk will be developed and agreed (as part of our Strategic Risk Register review) by SLT and presented to the Board for approval. This will also make reference to a review of COVID-19 factors and how these relate to the Board's strategic/corporate risks and the Board's ability to deliver on its commitments as set out in the System-Wide Remobilisation Plan.

Action By:	Date of expected completion:
Chief Executive, supported by the Head of Policy & Performance and the Corporate Risk Manager.	May 2021

Standing Committees and Annual Assurances

Previous Recommendations - Annual report 2019/20, Action point 2

Standing Committee Annual Reports should be able to provide robust assurance and allow reflection on the overall conclusions, highlighting key areas of concern and informing the work of the committee for the coming year.

Progress: The Board has recognised the need for change but rapid progress is required before year end

The December 2020 Board meeting was informed that a review early in the new year of Non-executive members' workload and spread across the assurance committees, community planning partnerships and IJBs will be undertaken in collaboration with Board members. There are a number of ongoing initiatives both locally and nationally which should inform this work including 'active governance' being led nationally and the work being undertaken by the Assurance Mapping group which NHS Forth Valley contributes to significantly.

The Board Seminar on 19 January 2021 focused on active and agile governance and the Assurance Mapping group has prepared a number of principles which would be relevant to any forthcoming governance review, providing guidance on assurance, agenda setting, annual reports and escalation of key issues. All of these will be helpful in addressing the issues raised by Internal Audit.

Our ICE work has identified a number of areas where, in compliance with Scottish Government guidance in response to the pandemic, the temporary standing down of Standing Committees means that they may not currently in a position to deliver full assurances. It is likely that the COVID-19 pandemic will again require the Board to revise its Standing Committee arrangements in the short term. In these circumstances, the assurance mapping principles may be particularly helpful in allowing Committees to consider how best to structure their meetings, their reports and their agenda in the short-term, as well as informing the overall review of governance arrangements.

Internal audit A27B/21 will provide ongoing advice, scrutiny and assurance on governance arrangements within acute services.

Action Point Reference 3: Governance and year end assurances

Finding:

Our ICE work has identified a number of areas where Standing Committees may not currently be in a position to deliver full assurances and it is likely that the COVID-19 pandemic will again require the Board to revise its Standing Committee arrangements in the short term.

Audit Recommendation:

Board and Standing Committees should review their work plans and consider how they will ensure that they receive sufficient assurances during the year to be able to conclude appropriately at year-end, especially considering potential further disruptions to governance as the pandemic continues. The Assurance Mapping group has compiled a set of principles which should be considered when conducting a review of the short and longer term governance arrangements and in particular the guidance on agenda setting will be helpful in focusing on the areas of highest priority for Standing Committees.

Our review of overall governance has identified a number of suggested areas which would enhance current arrangements, building on and helping to implement the principles referred to above and national guidance:

- The agreed appointment of a suitable qualified Board Secretary to ensure NHS Forth Valley applies good governance consistency across committees and implements national guidance

- Consistent use of the national format for cover papers (and accompanying guidance) to ensure papers overtly link to strategy, key objectives and strategic risks

- Use of work plans / forward planners by all Standing Committees and the use of Action Points updates

- Reflection by Board and Standing Committees on ability to provide necessary assurances at year end.

- In this year in particular, annual reports to Standing Committees should focus on key assurances and risks, using sufficient detail to allow the Committee to provide meaningful assurance on adequacy and effectiveness of internal controls but no more.

- A greater role for the Audit Committee in terms of its oversight of the system of Risk Management

- Introduction of a formal process for IJB assurances, where these are required to form an opinion of adequacy and effectiveness of controls within NHS Forth Valley

- Update of the Register of Interests on the NHS Forth Valley website.

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 NHS Board at its Seminar in January 2021 focused in the main on 'active governance' and heard from our Internal Auditors and Ms McCusker shared her reflections since joining the NHS Board in early 2020.

At this Seminar NHS Board members received the principles developed by the Assurance Mapping group and it was agreed that these would be presented to the NHS Board for consideration.   The principles if adopted would guide Assurance when conducting a review of their short and longer term governance arrangements and in particular our annual business calendar to inform agenda setting.

The Board and Assurance Committees will be expected to adopt the NHS Board report template from 1 April 2021.

Action By:	Date of expected completion:
Chief Executive	Implementation of Board and Assurance Committee template - April 2021
	Governance update to NHS Board in March 2021 will seek endorsement of 'principles'
	If adopted each Assurance Committee will be asked to conduct a review of their short and longer term governance arrangements - August 2021

Risk Management Framework

Previous Recommendations and stage of completion Annual Report 2019/20, Action Point 2, ICE 2019/20 Recommendations 1 and 2

Risk management support and a holistic review of the strategic risk register

Progress: Partially complete. (Superseded by Action Point 4)

NHS Forth Valley has taken the opportunity fundamentally to revise risk management processes with the appointment of the new Corporate Risk Manager, a revised Risk Management Strategy and a full update of the Strategic Risk Register. A more fundamental review of the Risk Management Framework is planned for October 2021 and is included in a new corporate risk management work plan, which will be monitored by the Audit Committee twice yearly.

The new Corporate Risk Manager started in September 2020 and has had a crucial role in progressing improvements in risk management arrangements at pace. Key developments have been presented to Board, Standing Committees and SLT including:

- 'light touch' update of the Risk Management Strategy to make short term improvements ahead of a new 3 year risk management framework for 2021-24. The full review of the Risk Management Strategy is scheduled for quarters 3 and 4 of 2020/21 and will include a focus on risk management arrangements with HSCP and risk appetite;
- full review of the Strategic Risk Register (SRR) approved by the December 2020 Board;
- Assignment of strategic risks to Board and Standing Committees. The first set of reports on assigned risks will be delivered in Q4 of 2020/21.
- Development of a 3 phase Risk Management work plan;
- SRR to be included on the SLT agenda on a quarterly basis as a minimum;
- Planned agreement of risk appetite.

The Regional Audit Manager meets monthly with the Corporate Risk Manager to share learning and provide input to the development of the risk management framework. Internal Audit continue to contribute to the Board's Assurance Mapping process, and the Assurance Mapping Group have developed principles which should inform the development of the new Risk Management Framework, noting that Internal Audit have already identified weaknesses in Standing Committee oversight of risk.

A risk for European Union exit preparedness (Brexit) with a risk score of 16 (Amber) has been added to the strategic risk register. The risk will be aligned to the NHS Board and the System Leadership Team has been well sighted on preparation for Brexit through updates on preparedness, particularly around procurement risks.

As noted above, a session dedicated to Board Assurance and risk management is scheduled for January 2021.

Internal audit A17A/21 will consider risk reporting and the embedding of risk management processes within the Acute Services Directorate as part of the NHS Board's Internal Annual Audit Plan.

Action Point Reference 4   Risk Management

Finding:

Progress to enhance risk management arrangements has been excellent and the organisation now has a route map to develop the risk management framework. The Corporate Risk Manager has identified the gaps in current arrangements and we would particularly emphasise the importance of:

- the requirement to align strategic risks to Standing Committees, to enable assurances to be provided on the adequacy and effectiveness of controls to mitigate risk
- the added value of the regular, holistic review of the SRR through the SLT
- ensuring Board input to the SRR particularly in horizon scanning to identify emerging risks
- reflecting the ongoing impact of COVID-19 on all strategic risks
- clarity on responsibilities and provision of assurances for risks related to services run by the HSCPs
- the planned review and refresh of operational risks, and development of a robust process to ensure operational risks are linked to strategic risks
- the need to incorporate assurance mapping principles and, in particular, ensuring that Standing Committees provide robust scrutiny of risks, controls and assurances under their purview
- providing a development session to clarify risk and assurance principles for NHS Board and Standing Assurance Committee members, and Executive risk and assurance reporting responsibilities.

We would also highlight that there is no overarching clinical governance risk and the integration risk was deescalated in August 2020.

Audit Recommendation:

Risk and Strategy are inextricably linked and the revision of the NHS Board's overarching Strategy should provide an opportunity to revisit the strategic risk profile.

The review of the Risk Management framework should overtly consider the issues detailed above and in particular, should incorporate the principles developed by the Assurance Mapping Group to ensure appropriate scrutiny of risks, controls, actions and assurances.

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:

We agree with the findings and the gaps already identified by the Corporate Risk Manager (CRM). The Corporate Risk Manager's Risk Management Workplan, submitted to the Audit Committee in October 2020, sets out the steps to complete the actions identified. Progress

has been made on a number of these actions to date, namely:

- Strategic risks aligned to Standing Assurance Committees as of February 2021 with plans in place for those committees to receive detailed risk assurance 'deep dives' on a regular basis

- Strategic Risk Register (SRR) is now subject to a detailed 6 monthly review by SLT, the first such review was undertaken in December 2020

- NHS Board receives a quarterly update report on the SRR

The Corporate Risk Manager will prepare a progress report setting out a response to each of the points set out above with a timescale for completion. This report will be presented to SLT for approval and subsequently to the Audit Committee on a regular basis to enable it to fulfil its risk management (system/process) assurance role to the NHS Board.

Action by:	**Date of expected completion**
Chief Executive, supported by the Head of Policy and Performance and the Corporate Risk Manager	June 2021

Other Corporate Governance Findings

Previous Recommendations – None

The Director of Finance led a joint review of all outstanding internal audit recommendations in partnership with Internal Audit, the Corporate Risk Manager and the Audit Follow Up Co-ordinator. The outcome of this was a refreshed, COVID-19 risk assessed and reprioritised plan for completion of actions which will be presented to the January 2021 Audit Committee.

The Board endorsed the third iteration of the Primary Care Improvement Plan (PCIP), as part of the Health Board's Annual Operating Plan and a priority for both Health & Social Care Partnership strategic plans.

The Board received updates on the Elective Care Development Programme, the purpose of which is to provide additional capacity for elective services, primarily for orthopaedics activity and joint replacements. Updates on Unscheduled Care developments were also provided. As part of the remobilisation of services and the transformation of unscheduled care, a Business Case for a Flow Navigation Centre and co-location with an Urgent Care Centre, was approved in October 2020.

An (environmental) Sustainability Action Plan is in place and while progress is being made in most areas, work was still required to ensure delivery of outcomes. Sustainability and climate emergency considerations will be built into business cases and papers where appropriate.

Internal audit A12/21 – Policies & Procedures concluded that the Procedure and Guideline Development Framework is well designed but could be improved through the introduction of a system to ensure all policies are reviewed and monitored in line with the agreed timetable. A review of all policies to determine whether they need to be refreshed to reflect changes due to COVID-19 was recommended.

Previous Recommendations and stage of completion - ICE recommendations 4 & 5

Clarification of relationships with the IJB Clinical & Care Governance Committees

Progress: Outstanding

Enhancements to assurances received by the Clinical Governance Committee including planned refresh of Clinical Governance Strategy by end March 2021.

Progress: In progress

The Clinical Governance Strategy is officially extant until 2021 when a full refresh is planned, although as previously reported, it requires significant revision to reflect current structures and especially arrangements that provide assurance on NHS service delivery to the Integration Joint Boards (IJBs) for those functions delegated to the IJBs. Although the intention was that that the Strategy would be completed by 31 March 2021, development of a clinical governance section in the planned Quality Improvement (QI) Strategy is also being explored and we would highlight that the basic principles relating to HSCI are yet to be agreed with partners.

The Medical Director has identified a number of gaps in the existing strategy and we have also highlighted areas which should be included. Our view is that it is unlikely that a Strategy which addresses all of these issues will be developed by 31 March 2021. We would also suggest that the focus should be on a Quality Assurance and Improvement Strategy, which takes into account the need for assurance on risks, controls and actions, rather than solely focusing on improvement.

The Clinical Governance Committee (CGC) met in July and November 2020. Due to the ongoing pandemic, the next meeting of the CGC in February 2021 will have a restricted agenda covering four key reports- Safety & Assurance, Standards & Reviews, HAI and Person Centeredness.

Our review of minutes and papers highlights significant improvements in assurance reporting in all NHS services, including those functions delegated to the IJBs for strategic planning and commissioning purposes. The revised CGC Forward Planner includes twice yearly review of the clinical risk register and since November 2020 service level risks have been reported through the new Safety and Assurance reports.

The Head of Clinical Governance will be developing clinical risk management processes to ensure clinical risk registers are in place to capture operational risks and that there is an appropriate process to escalate risks where required to the NHS Board and were appropriate IJBs. This should assist in developing an overall strategic Clinical Governance risk.

The CGC considered the first iteration of the new Safety and Assurance report (replacing the Balanced Scorecard) in July. The report covered key safety topics for the acute site with assurance reports being developed for other areas, including the Scottish Patient Safety Programme (SPSP) Essentials. In a key development, a new template for Service Assurance reports had been developed and reporting of these commenced in November 2020 with

reports on four areas, including Acute.

The national SPSP programme support was stood down during the pandemic and recommenced in June 2020.

External information is reported through a comprehensive Standards & Reviews report to each CGC. The November 2020 report included mainly COVID-19 related releases with additional guidance to ensure staff are aware of the expectations regarding completion.

A new streamlined process for undertaking Significant Adverse Event Reviews (SAERs) is being tested. When the revised process has been agreed, it will be documented in a refreshed Adverse Events Management Policy that will be re-launched. Duty of Candour processes form part of the review and NHS Forth Valley is represented nationally on the Duty of Candour expert reference group and is liaising with other NHS Boards to identify good practice.   The SAER report provided to CGC and Clinical Governance Working Group continues to be updated and we have agreed with Management that the cover paper of the next iteration will include a summary of performance against targets.

A Clinical Policy Review Group has been established to improve the management and communication of clinical guidelines. The group has met once to date and Terms of Reference are still to be agreed.

A COVID-19 infections report and COVID-19 highlight report provided the CGC with an update of COVID-19 related clinical governance activities which were adapted during COVID-19 to ensure that assurance over the safety of services was maintained.

The response to COVID-19 within Local Care Homes was led initially by Public Health, in close collaboration with Local Authority colleagues. The Chief Executive and Public Health Lead Consultant introduced a daily 'Huddle' in May 2020, this has transformed in response to the Cabinet Secretary's direction on care homes from the Huddle to the Care Home Strategy Group which continues to meet daily and reports to the Care Home Assurance Oversight Group chaired and led by the Executive Nurse Director.   This Group has the Chief Social Work Officers from all three Councils, Director of Public Health or Deputy and Medical Director to ensure good professional representations.   The Chief Officers are also members of this Group.   The Group meets weekly and provides weekly assurance to the Chief Executives of the NHS and Councils.

An Ethical Advisory Group was formally launched on 20 April 2020 to provide assurance around ethical guidance on policy implementation during the pandemic. A Shielding Group was established in line with Scottish Government guidance.

In July the CGC considered their draft Forward Planner to cover the remainder of 2020/21 and 2021/22. In our opinion, this is a high quality document which covers the main assurances required to allow the CGC to conclude on adequacy and effectiveness of arrangements during the year, although as previously reported it does not include Clinical & Care Governance assurances or receipt of a new Clinical and Care Governance Strategy.

As previously reported the CGC does not receive Clinical and Care Governance assurances or feedback from the IJBs. This will become even more critical given Health Boards' new responsibilities in relation to care homes. The Medical Director previously confirmed that minutes of the Clinical & Care Governance Committee will not be shared with the CGC and instead an annual report will fulfil this assurance requirement.

Action Point Reference 5

Finding:

There is a duty on the Health Board to ensure that it receives assurances over all services and it should do so in a way that prevents any gaps in assurance and avoids unnecessary duplication. This area is being reviewed in detail within internal audit CS07/21 – Clinical & Care Governance, but we have sufficient evidence to conclude that such arrangements are not yet in place. There has been no reporting to the CGC on clinical and care governance risks and issues relating to functions under the direction of the IJBs, nor is there a mechanism to ensure a holistic review of risk and issues or a mechanism to identify interface risks.

While clinical risks have not been specifically considered by the CGC the new forward planner includes review of risk register in June and December 2021 and mechanisms to ensure identification and escalation of clinical risks are in development.

Audit Recommendation:

As previously recommended, integrated Clinical & Care Governance structures should be described in the revised Clinical Governance Strategy to ensure there is a mechanism to allow a holistic review of risk and issues across Forth Valley and to identify interface risks. This should include introduction of a system for reporting to the CGC on clinical and care governance risks and issues relating to functions under the direction of the IJBs.

The Corporate Risk Manager and Head of Clinical Governance have started work to agree an approach to escalation and reporting of risks to CGC. Work is required to develop local department/service risk registers and relevant clinical risks will naturally emerge from that process.

Risk reporting to the CGC should be further developed, including the introduction of routine consideration of clinical risks for those functions under the direction of the IJBs. Duplication should be avoided and consideration to how this is achieved should be developed and agreed and then included in the refreshed Clinical Governance Strategy.

Assessment of Risk:

Significant   Weaknesses in control or design in some areas of established controls.

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

Management Response/Action:

The new Clinical Governance Strategy will sit within the Quality Strategy which is whole system, encompassing HSCPs and Clinical & Care Governance. Relevant colleagues have been involved to this point in the Strategy's development.

There are ongoing discussions captured in CGC minutes (Feb 2021) of how to align Clinical & Care Governance and Clinical Governance. One proposal is to create a single Clinical & Care Governance Committee for the Forth Valley area. These discussions also took place at Falkirk C&CG pre-meeting (unminuted, Feb 2021) where it was advised that the new "Feeley"

report meant that trying to progress significant governance changes at this time is unlikely to be appropriate given the thrust of that report. The more restricted time and reduced meeting frequency of the NHS Clinical Governance Committee would also be an issue in expanding the agenda. HSCP colleagues are both invited to the NHS Clinical Governance Working Group but have been unable to attend regularly due to other commitments.

The current arrangements, to share annual governance reports, will continue, to apprise partners of relevant issues, and the NHS CGC has a standing item to identify issues or risks that relate to HSCPs and that should be communicated to their Clinical & Care Governance structures. This is in the process of being reciprocated.

Action: The impact of the Feeley report needs assessed to guide medium term arrangements. Short term actions are to continue to develop links with HSCP leads to the CGWG, to incorporate Clinical & Care Governance into the Clinical Governance sections of the new Quality Strategy which is at the point of launching engagement on the draft, to ensure agendas prompt each group to share information, and that annual reports are tabled in each respective group, with sections for the partner areas to note.

The work on risk continues apace and Clinical Governance are closely involved with that and will continue to refine the clinical risk management aspects.

Action by:	Date of expected completion:
Medical Director, supported by the Head of Clinical Governance and the Head of Efficiency, Improvement and Innovation.	**31 December 2021**

> **Ongoing and required developments**
>
> **Staff Governance**

Robust assurances through the Staff Governance Committee with a focus on Workforce Planning

Previous Recommendations - Annual Report 2019/20 action point 3 and ICE 2019/20 action points 6 & 8)

- requirement for the Staff Governance Committee (SGC) to meet as a priority and for the business of the Committee to have a rigorous focus on workforce planning and on key performance areas, particularly where performance is below target
- Update of Workforce Plan to take account of the post COVID-19 recovery and reconfiguration and associated service redesign
- Improved assurances to SGC including HR Dashboard (including TURAS reporting) and risk assurance reporting.

Progress: Not complete

The 15 May 2020 meeting of the SGC was cancelled under the revised governance arrangements implemented due to COVID-19 and the SGC met in August and December 2020.

The 18 August 2020 SGC was provided with an update and presentation on progress against the Workforce Strategy 'Our People Strategy 2018 – 2021' but this did not allow meaningful analysis of progress against expectation. There is no specific reporting on the overall 'Workforce Plans' strategic risk that would allow the Committee to conclude on the adequacy and effectiveness of controls to mitigate this risk. The risk was updated in December 2020 and is currently scored as 16, the same level as the untreated level. The target risk score is 6. This implies that none of the current controls in place are proving effective in mitigating the risk and therefore close monitoring by the SGC is required. Internal Audit have provided comments on the risk to the Director of HR and the Corporate Risk Manager.

The August 2020 SGC workforce planning update covered organisational workforce activities and progress against the 6 key themes from the Workforce Strategy; it highlighted the requirement and intention to refresh and deliver an integrated workforce strategy and acknowledged the need for change.

The need for the SGC to carry out robust monitoring of the workforce plan, and the requirement for an interim workforce plan taking account of COVID-19 issues, has previously been raised by Internal Audit. Although the remobilisation plan stated that '*An overarching workforce plan is due to be reviewed by the Staff Governance Committee when it meets in December 2020*', this did not take place and the SGC has been informed that the review will now commence at the end of 2020.

On 3 December 2020 the Chief Internal Auditor met the Chief Executive, Director of HR and Director of Finance to discuss Workforce Planning and how assurance might be enhanced and the interim Workforce Plan might better reflect known risks. It was agreed that Internal Audit will work with the Director of HR to review alignment and consistency of workforce plans with partner organisations and within service areas, and to ensure robust linkages

between the workforce strategy and other strategies and risks, particularly finance and eHealth.

The previously agreed internal audit recommendation to structure SGC agendas around the Staff Governance Standard has not been implemented. All reports to SGC should better utilise the standard agreed cover paper format to ensure that there are overt links to NHS Forth Valley overall strategic aims, the Workforce Strategy, Strategic Workforce risks and the Staff Governance Standard.

The SGC has not received any monitoring reports on the Staff Governance Standard during 2020/21. The SGC should therefore take immediate action to ensure it will be in a position to conclude on compliance with the Staff Governance Standard at year end. We note that the constitution of the Area Partnership Forum (APF) has been refreshed and this revision should ensure that there is a clear understanding of any assurance activity conducted by the APF and how and when this will be reported to the SGC.

However, the HR dashboard has been further developed and its format presented to the December 2020 SGC. It is intended that completed dashboards will be presented to the SGC. It is important that the data from these reports is overtly linked to risk and assurance to allow meaningful conclusions on assurance to be drawn. The '*Everyone Matters Pulse Survey*'; will be reported in early 2021 and this should also provide valuable insight and assurance.

The SLT continued to monitor action taken in response to the Health & Safety Executive (HSE) enforcement notice relating to training and monitoring. This was also reported to the SGC and Area Partnership Forum. As at 22 January 2021 the Improvement Notice was lifted by the HSE, reflecting the improvements across services.

Management previously informed internal audit that progress on implementing the relevant ICE recommendations would be reported to the SGC but this has not taken place, although we have been informed that these will now be taken to the next meeting of the SGC.

The SGC Annual Report 2019/20 was delayed by COVID-19 but presented to Forth Valley NHS Board on 23 October 2020.

The importance of support for staff is a Scottish Government priority and has been reported through the P&RC Remobilisation updates. Practical service challenges have included the availability/cost of IT equipment to enable remote working and access to appropriate clinical and admin space for staff. NHS forth Valley has rolled out approximately 1,000 new remote access solutions.

The NHS Forth Valley Health and Wellbeing Programme Group, chaired by the Director of HR (the NHS Forth Valley Wellbeing Champion), was stood down at the start of the pandemic but recommenced in September 2020 to take forward programmes / work streams related to the support, health and wellbeing of NHS Forth Valley's staff. The group aims to maintain the Staff Support and Wellbeing Services which operated during COVID-19. Comprehensive Staff Wellbeing updates are presented to the SGC and cover topics such as national developments including national Wellbeing Champions, Shielding updates, COVID-19 mental health impacts on health and social care workforce.

The Recovery Scorecard, reported to Board, includes Better Workforce measures for overall sickness absence and COVID-19 related absence. A multidisciplinary improvement programme to manage absence has commenced with the establishment of a partnership working group and, as previously recommended, the SGC should be informed of the outcomes of improvement programme.

A summary of Coronavirus circulars and polices was presented to the August 2020 SGC,

although the SGC does not monitor the update of HR Policies. Phase 1 of the "Once for Scotland" Workforce Policies Programme, was officially launched on 1 March 2020 but was paused at the end of March 2020 due to COVID-19. In September 2020 the Programme Board decided to restart the Programme but to review again in the Autumn to consider recommencing in early 2021.

A Non Executive has been appointed as the NHS Forth Valley Whistleblowing Champion and the Nurse Director is the Executive Lead. The new Whistleblowing Standards will be launched on 1 April 2021 and a NHS Forth Valley Whistleblowing group has been established and will meet in January 2021, to better understand expectations and determine the implementation approach across NHS Forth Valley.   The Board Seminar in January 2021 will receive an update from the Independent National Whistleblowing Officer as part of its commitment to good governance.

The September 2020 Staff Governance Remuneration Sub Committee was advised that the Board of NHS Forth Valley had agreed corporate objectives which had informed an objective setting process that took account of both national (Scottish Government) and local (NHS Forth Valley Board) priorities. These draft objectives were presented to the Staff Governance Remuneration Sub Committee for approval. A mid-year report on individual performance was presented to the Committee in December 2019 and the Committee was assured by the process to oversee 'senior management' performance.

As reported to the SGC in August 2020, the GMC announced in March 2020 that doctors who were due to revalidate between 17 March 2020 and 16 March 2021 have had their revalidation submission date moved by one year. This was to support the health service to prioritise clinical care for patients during the coronavirus pandemic and therefore give responsible officers and doctors more time to reschedule and complete appraisals. There is however flexibility to allow those doctors who wish to revalidate to do so if there is local capacity within the system to allow this to happen.

Action Point Reference 6: Staff Governance Committee and Workforce

Finding:

Workforce Strategy & Plan:

Internal Audit will work with Management to facilitate enhancements in the governance around workforce planning in audit A21/21, building on previous Internal Audit reports that highlighted the need to ensure that workforce planning receives sufficient attention as an area of high risk which is fundamental to the achievement of NHS Forth Valley's strategic objectives. This ambition was articulated in the Workforce Planning update to the August 2020 SGC.

Operation of Staff Governance Committee:

Our review of SGC and APF minutes and papers provided strong evidence of the numerous activities being undertaken, including those in response to COVID-19 challenges, but did not provide overt assurance against each strand of the Staff Governance Standard (well informed; appropriately trained and developed; involved in decisions; treated fairly and consistently; provided with a continuously improving and safe working environment).

Audit Recommendation:

Workforce Strategy & Plan:

The Workforce Strategy (to be refreshed in the new calendar year) should aim to mitigate the workforce plan strategic risk, and should include SMART actions to mitigate the current workforce challenges.

Through the national 'Once for Scotland' work for standing committees, a national SGC remit is being developed. It is to be hoped that this work will ensure that the role of the SGC encompasses all relevant areas and we would expect NHS Forth Valley to participate fully in this review and to ensure that it can be assured that it has the right staff in the right place with the right skills at the right time and that there is a coherent, co-ordinated, adequate and effective approach to managing significant workforce risks.

Operation of Staff Governance Committee:

The SGC should be provided with structured assurance that Workforce Planning and the Staff Governance Standard are being delivered and there are no risks of which the Committee should be aware.

An annual SGC work plan should be introduced to provide a structure for standardised assurance reporting throughout the year to ensure the SGC is focussed on the areas of most strategic importance to the Board as well as those of the highest risk, and can conclude on the adequacy and effectiveness of arrangements at year end.

The SGC work plan and a similarly structured agenda format should include sections on how the SGC will receive assurance on :

- The workforce risk and the effectiveness of the controls in place and planned to mitigate the risk. Robust reporting on this area is necessary to provide the SGC with assurances that the processes in place to mitigate the risk are doing so successfully.
- Progress on the revision of the Workforce Plan to deliver the Board's strategic and operational objectives.
- Performance against the Staff Governance Standard. We suggest an action plan for

each of the strands and reporting linked to submission of the monitoring return to Scottish Government.

It is vital that all key controls and actions are identified; especially in areas of high and increasing risk and the SGC needs to be able to conclude positively on them through the receipt of relevant, reliable and sufficient assurances. Many of these assurances are being reported to the SGC but are not being articulated as risk controls.

While the Safety & Wellbeing reports provided some assurance on this area, the SGC should be provided with a report that summarises all COVID-19 related workforce issues. For example, staff redeployment, supplementary staffing, recruitment and associated checks, cross skilling, any changes to induction, training and performance appraisals.

Assessment of Risk:

Significant		Weaknesses in control or design in some areas of established controls.
		Requires action to avoid exposure to significant risks in achieving the objectives for area under review.

Management Response/Action:

The HR Director will focus on 4 key improvement areas:

- Complete the refresh of the Workforce Strategy and Plan
- Develop an Annual Workforce Plan to guide the Staff Governance Committee's agenda setting and assurance processes (refer to principles to support a review of governance arrangements)
- Undertake a COVID-19 risk review to determine the impact/likelihood for each of the workforce issues
- Introduce an Staff Governance assurance report that sets out mitigation actions to effectively manage workforce risks
- Complete the work on the HR Dashboard to support the assurance reporting set out above

Action by:	Date of expected completion:
HR Director	Refresh of Workforce Strategy and Plan - December 2021
	Develop an Staff Governance Annual Workforce Plan - June 2021
	Undertake a COVID-19 workforce related risk review - May 2021
	Introduce a Staff Governance 'Assurance Report' - June 2021
	HR Dashboard - operational by May 2021

Financial Governance

Forth Valley NHS Board approved the Financial Plan 2020/21 – 2024/25 on 31 March 2020. The Plan set out a position to deliver financial balance and the savings requirement over the next 3 years. It was noted that delivering savings plans carried a high level of risk in regard to the escalating impact of COVID-19 and while the financial impact of COVID-19 was not included within the Financial Plan, a separate detailed submission was made to the Scottish Government as part of the NHS Board's Mobilisation Plan.

The NHS Board has assessed the financial impact of COVID-19; throughout the year the Director of Finance has highlighted to Board and P&RC the significant and wide ranging financial impact of COVID-19 across services, including direct additional costs and a delay in the planned delivery of savings programmes.

COVID-19 costs are closely monitored and in December 2020 the SLT received an update on projected costs. Regular reports are provided to Scottish Government.

Under the emergency status, the P&RC was suspended in March 2020 and reconvened in July 2020. Virtual communication between the Chair of the P&RC and Director of Finance has been maintained throughout.

There have been no changes the Standing Financial Instructions or budgetary control systems due to COVID-19 and delegation limits have not changed.

As reported to the 15 December 2020 Board, the financial outturn position to 31 October 2020 was a revenue overspend of £0.048m. The forecast outturn at 31 March 2021 is a break even position, subject to confirmation of further anticipated funding to support COVID-19 costs and allocation of funding to deliver the Elective Care Centre development. The forecast position also assumes that there will be no net financial impact from COVID-19 which would translate to additional overspends through the IJB risk share mechanism.

Finance reporting to Board and P&RC has been transparent and the Director of Finance has consistently and clearly articulated financial risks, including the need for confirmation of allocations to cover COVID-19 costs, the delay in delivering anticipated savings in 2020/21 and risks associated with Brexit. Financial risks are set out in an appendix within the standard financial report.

On 31 March 2020 the NHS Board approved a 5 Year Financial Plan, with a savings target of £20.6m to break even in 2020/21 and a further £10.1m in 2021/22. Initial targets were set out against six themes, supported by the Corporate Portfolio Management Office (CPMO) team. Due to COVID-19 the majority of actions to support savings had to be paused as at end October 2020 the annual savings gap was assessed at approx. £5.9m (28% of annual target).

It is anticipated that funding to meet the savings shortfall attributable to COVID-19 will be met by Scottish Government and the level of additional financial support available should be confirmed in January 2021. Work has started on financial planning for future years and the Scottish Budget, expected to be announced on 28 January 2021, covers a one year period which will inform NHS Boards baseline funding uplift. Presentations on financial planning were provided to the P&RC and SLT.

Internal audit report A26/20, Corporate Programme Management Office (CPMO) provided recommendations and best practice for NHS Forth Valley to consider as management of the savings programme develops. We anticipate that the CPMO priorities in supporting savings will be revisited acknowledging this higher level of risk. Savings made in 2020/21 have been largely non-recurring and a detailed RAG status savings assessment is reported to each meeting of the Board and P&RC. Whilst COVID-19 has undoubtedly had an impact on the

delivery of savings programmes, it is clear that there will need to be substantive change in the way services are delivered if long-term financial sustainability is to be achieved. This will need to be incorporated into the redesign and renewal process and within the NHS Board's revised strategy, to ensure that all of the current savings initiatives are coherent, co-ordinated and underpinned by common principles.

As reported to the December 2020 NHS Board, the capital programme remains broadly on track across the main planned spend categories for 2020/21 with estimated slippage of £1.1m and further work is in place to review spend priorities against this sum.

The Best Value Framework 2019/20 report was presented to the 16 June 2020 Audit Committee. In the current circumstances, a full report for 2020/21 may not be the best use of officers' time and a reflection on any significant changes due to COVID-19 should be sufficient for assurance purposes.

In line with the planned update of Standing Orders and Standing Financial Instructions (SFIs) in March 2021, a whole system review of Financial Operating Procedures should be undertaken to ensure appropriateness and consistency with SFIs.

Information Governance

In December 2020 the strategic Information Governance (IG) risk was escalated to a Red risk rating of 20 (previously 16) by the SLT to reflect the outcomes of the NIS Regulatory Audit Report, although the impact of COVID-19 on information governance is not yet incorporated.

The IGG considers detailed operational risks but not the overall, strategic IG risk. A detailed COVID-19 Risk Assessment was presented to the IG Group in June and September 2020, and following considering of controls introduced, the risk score decreased from 15 in June to 12 in September 2020, with further reduction anticipated.

The IG Group has met twice to date in 2020/21. We noted good practice in that members completed a self assessment evaluation in May 2020 which was considered at the June 2020 meeting. The self assessment reflected on successes, learning and challenges, and potential areas for change. The self assessment identified training needs and it was agreed that a learning session will be incorporated in to a future agenda.

The IG work plan is a Standing agenda item and as reported to the 22 September IG Group. 27 of 107 actions were overdue, 15 were delayed, 20 were not started and 45 were on schedule. 59 actions had been closed.

An 'interim' NIS Regulatory Audit, without the benefit of site attendance, was undertaken in August 2020 and the report received in October 2020 scored NHS Forth Valley at 50% compliance. The report has not yet been considered by the IGG due to timing constraints, but NHS Forth Valley provided a detailed response to each of the 104 action points in November 2020, following which officers met with the Competent Authority on 15 December to discuss management response document and actions. A resource paper is being prepared for senior management, setting out what is needed to progress improvement in this area. We would expect the IGG and P&RC to monitor progress of these recommendations.

Internal audit A29/20 - Information Governance (IG) Update reflected the considerable progress made, noting that implementation of our recommendations had become even more critical given the Board's increased reliance on IT to facilitate the delivery services during COVID-19.   We have seen further progress in 2020/21, with positive IG action plan updates presented to the July and November 2020 P&RC meetings providing robust assurance on improvement. Actions relating to implementation of the Information Asset Register, training and Information Sharing Agreements are raised with partner organisations. There has been a real focus on addressing previous IG control weaknesses and practical improvements are clear.

An interim review of the IG Strategy was approved by the IG Group in June 2020.   The IG Group agreed a revised 2020/21 work plan in September 2020, including tasks form the last work plan that had not been completed. We noted good practice in the presentation of key points from IG Group meetings, as well as the minutes.

Information Security (approved December 2019), Data Protection and Confidentiality policies (approved October 2019) have not been reviewed in 2020/2021 to take account of the impact of COVID-19 and the increase in fraud risk and remote working. The draft NIS Regulatory audit report also highlighted that six existing policies needed to be updated and suggested 6 new policies that should be considered.

Internal audit A29/21 concluded that the extant NHS Forth Valley Digital and eHealth Strategy 2018-22 was aligned to the organisation's objectives and Scotland's Digital Health and Social Care Strategy. Reporting to the Performance and Resources Committee on implementation of the delivery plan associated with the NHS Forth Valley Digital and eHealth Strategy took place on a regular basis in 2018/19 and 2019/20 but has been interrupted in 2020/21. This interruption was due to the exceptional circumstances of NHS Forth Valley operating on an emergency footing due to COVID-19. Reporting to the Performance and Resources Committee is to resume as part the Capital, Infrastructure and Equipment report.

Currently project risks are identified across different criteria which contribute towards the RAG status reported for each project in the quarterly reports presented to the eHealth Programme Board. Where there are risks impacting the programme as a whole these are highlighted in the quarterly reports and are escalated where necessary. Management have agreed that in future these risks will be reported to the Performance and Resources Committee as part of the Capital, Infrastructure and Equipment

The System-Wide Remobilisation Plan reflected that since the beginning of March 2020 the eHealth department postponed all non-essential services to enable work on a variety of key transformation areas including acceleration of roll out of 'Near Me' and Microsoft Teams, improving increase wifi and remote access, procurement of additional devices to support more agile and home working and strengthening cyber security arrangements. The Initial Delivery Plan within the Health Board's Operating Plan for 2020/21 detailed 23 projects (not including Business As Usual requirements) of which 16 projects were deemed high priority.

In formulating the plan for the remainder of the year, all of the previous high priority schemes, along with Business As Usual will remain in the plan and the majority of the medium and low priority schemes have been deferred or overtaken by work that has been put in place since the COVID period commenced. Since the end of March there have been at least 15 different supporting Digital initiatives and technology solutions for the COVID response.

The eHealth Delivery Plan quarter three Interim Report as at October 2020; reported the status of the twenty four agreed actions as sixteen green, four amber and no red.

eHealth solutions have been and will continue to be critical in ensuring service delivery. The mid-term review of the Strategy is scheduled to be presented to the Digital and eHealth Programme Board on 8 February 2021.

Section 3   Definition of Assurance and Recommendation Priorities

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:

Risk Assessment		Definition	Total
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 control or design in some areas of established controls. **Requires action to avoid exposure to significant risks in achieving the objectives for area under review.**	Four
Merits attention		There are generally areas of good practice. **Action may be advised to enhance control or improve operational efficiency.**	Two