FTF Internal Audit Service

Internal Control Evaluation 2022/23

Report No. T08/23

Issued To: **L Birse-Stewart, Chair**

G Archibald, Chief Executive
S Lyall, Director of Finance

Directors / Executive Leadership Team

M Dunning, Board Secretary
H Walker, Head of Strategic Risk & Resilience Planning

Audit Follow-Up Co-ordinator

Audit and Risk Committee
External Audit

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Draft Report Issued	12 January 2023
Management Responses Received	22 February 2023
Target Audit & Risk Committee Date	16 March 2023
Final Report Issued	**9 March 2023**

EXECUTIVE SUMMARY

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

OBJECTIVE

2. The NHS in Scotland remained on an emergency footing until 30 April 2022. The planned NHS Tayside Strategy should demonstrate how the organisation will deliver services in a post Covid environment and also reflect on the financial and staffing challenges facing the NHS.

3. The NHS Recovery Plan 2021-26, issued in August 2021, sets out key headline ambitions and actions to be developed and delivered now and over the next 5 years. The aim of the plan is to drive the recovery of the NHS in Scotland, not just to pre pandemic levels but beyond.

4. The NHS Tayside 2022/23 Annual Delivery Plan was submitted on 29 July 2022. Scottish Government (SG) 2022/23 Annual Delivery Planning Guidance, issued in May 2022, indicated that first draft medium term plans would be required by the end of January 2023. However, further guidance issued in November 2022 recognised current system pressures and uncertainty on finances, and asked Boards to roll forward their current 2022-23 plans into Quarter 1 of 2023-24, updating as required as part of normal quarterly reporting. Further SG guidance will be issued in February 2023, including articulation of national priorities which will form the basis for the strategic 'commission' for Boards' own plans. The internal audit plan provides cyclical coverage of all key elements of Corporate, Clinical, Staff, Financial and Information Governance. NHS Tayside has in place a Risk Management Strategy and Framework, due for review in April 2023 and the Strategic Risk Register (SRR) is reported to Board and to Standing Committees. We have prioritised our audit work to provide assurance on the areas of likely highest risk.

5. Together, the Internal Control Evaluation (ICE) and year-end reviews report on the overall systems of internal control, incorporating the findings of any full reviews undertaken during the year. These reviews do not, and cannot, provide the same level of assurance as a full review but do allow an insight into the systems which have not been audited in full, and provide early warning of issues and allow a holistic overview of governance within NHS Tayside.

6. Previous internal audit recommendations from the 2021/22 ICE and Annual Internal Audit Report are reported to the Audit and Risk Committee through the Audit Follow Up system. This report highlights areas where action is ongoing, has not been completed or has not been adequate in remedying control weaknesses. Outstanding recommendations are in Appendix 1.

7. In the ICE we assess the adequacy and effectiveness of internal controls, which should allow remedial actions to be taken before year-end, allowing the annual accounts process to be focused on year-end assurances and confirmation that the required actions have been implemented.

8. This evaluation assessed the design and operation of the controls in place and specifically considered whether:

    - Governance arrangements are sufficient, either in design or in execution, to control and direct the organisation to ensure delivery of sound strategic objectives.

9. This review will be a key component of the opinion we provide in our Annual Internal Audit Report and will inform the 2023/24 Internal Audit Planning process.

AUDIT OPINION

10. Ongoing and required developments and recommended actions are included at Section 2.

11. The Annual Internal Audit Report was issued on 15 June 2022 and was informed by detailed review of formal evidence sources including Board, Standing Committee, Executive Leadership Team (ELT), and other papers.

12. As well as identifying key themes, the Annual Internal Audit Report 2021/22 made seven specific recommendations.

13. Four of these are fully complete, with progress validated by Internal Audit and reported through the Audit Follow Up system. Recommendations relating to Public Health risk and the financial impact of Covid-19 on the year end position are due for completion by end of March 2023. Action to address the overarching Clinical Governance Improvements recommendation, which was itself a consolidation of previous unimplemented recommendations, has been extended from November 2022 to March 2024.

14. These themes feature again in this ICE report and this has culminated in 11 recommendations for which management have agreed action to be progressed by year end.

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

KEY THEMES

16. Detailed findings are shown later in the report. Key themes emerging from this review and other audit work during the year are detailed in the following paragraphs.

17. Audit Scotland previously stated that "*the NHS was not financially sustainable before the pandemic and responding to Covid-19 has increased those pressures*." Since then, the overall financial position has deteriorated considerably across the whole of NHSScotland. Previous Internal Audit reports recorded similar concerns and highlighted the strategic changes required in order to address them. The ongoing impact of UK government budget changes, the pandemic, rising inflation and associated pressure on public pay, substantial rises in waiting lists, difficulties in recruitment, extremely ambitious Scottish Government (SG) targets across a range of areas and many other challenges have all increased financial risk for NHS Tayside, NHSScotland and the public sector in general, including our Local Authority partners. Our section on Financial Governance highlights the extremity of the challenge for NHS Tayside but the response to these pressures needs to be strategic, holistic and cultural; financial sustainability must be at the heart of production of a new strategy and a key factor in all decision-making.

18. In the face of the challenges posed by Covid, maintaining operational performance against mandated targets has been almost impossible to achieve. However, NHS Tayside's overall performance compares well against the NHSScotland average. While NHS Tayside has fully complied with SG planning requirements, as set out in the 3 horizons model - Horizon 1 (1-2 years) 'stabilising', Horizon 2 (3-5 years) 'reform', Horizon 3 (5-10 years) 'transformation', it is likely that these challenges will continue and that operational improvements, whilst necessary, will only serve to buy time, until genuinely strategic solutions can be found, including closer working in partnership with the IJBs to address underlying capacity and flow issues.

19. Many of NHS Tayside's governance arrangements are robust, but are operating within a system facing severe pressures. As the environment has become more difficult, associated risks have increased and therefore existing controls may not have been sufficiently resilient to substantially mitigate different and increased pressures. The Board needs to assure itself that it has sufficient capacity and capability to deliver strategically, whilst demonstrating improved patient care in the short term.

20. NHS Tayside's progress with developing a longer term strategy is detailed in the corporate governance section of this report. NHS Tayside has fully complied with SG planning requirements, as set out in the 3 horizons model, and development of governance structures, formalisation of strategy risks and development of the timetable for the strategy project plan have still to be progressed. As previously recommended, the Board should be informed of progress in this area.
21. We previously highlighted the risks associated with the National Workforce Strategy for Health and Social Care and the need for realistic plans within NHS Tayside. Since then, the NHS Tayside Workforce Plan 2022-2025 has been published. Workforce risks remain high across NHSScotland and indeed health sectors all over the world and the current risk and target risk scores for Workforce will require careful consideration to ensure they reflect local, national and international pressures and the extent to which these are and can be mitigated locally, as well as to reflect the output from our recent audit of Workforce Planning.
22. As reported in the Annual Internal Audit Report for 2021/22, the challenge now is balancing short term risks against longer term risks which can only be mitigated through strategic change. The shape of future strategy will be dependent on a number of complex factors, with some subject to change.
23. Whilst the SG has set a number of very challenging national objectives, many of which appear to be high risk, NHS Tayside must set achievable strategic objectives which can be delivered within its own risk appetite.
24. The Strategic Risk Profile has been substantially updated. While the Waiting Times risk is now reported to the Care Governance Committee and some initial work has been undertaken, the significant clinical risk of harm caused by failure to treat within an appropriate timescale will not be reflected in this risk until March 2023. Owners for three strategic risks are still to be identified and the risks are still to be quantified. The Mental Health Risk has not yet been replaced and the Alcohol and Drugs Recovery risk, whilst a serious issue for the Board, is still not reflected in the Strategic Risk Register.
25. As previously reported, work is required to identify how the new risk appetite will affect Strategy, decision-making prioritisation and budget setting and organisational focus.
26. While some work has been undertaken to improve Clinical and Care Governance arrangements, including a workshop in October 2022, several longstanding internal audit recommendations have not been actioned. A coherent response is required to address all of the outstanding weaknesses with due priority and urgency.
27. This report contains a number of recommendations that reflect the changes to the risk environment in which the Board operates. There are opportunities now to further enhance governance through the application of assurance mapping principles. Our recommendations are aimed at ensuring coherence between Governance Structures, Performance Management, Risk Management and Assurance.
28. We are, however, pleased to note the significant progress made to date, particularly with progressing recommendations from our 2021/22 Annual Internal Audit Report and officers engagement with the Audit Follow Up process.

KEY DEVELOPMENTS SINCE THE ISSUE OF THE ANNUAL REPORT INCLUDED:

- The Annual Delivery Plan 2022-23 was presented to Board on 27 October 2022, following submission to the SG on 29 July 2022;

- A full review of the Code of Corporate Governance was approved by Board in December 2022;
- Board Development Sessions have covered a diverse range of topics;
- A new format integrated performance assurance report continues to evolve to provide wider assurance around mental health, primary care and public health performance;
- Each Best Value characteristic has been allocated an executive lead officer and aligned to a Standing Committee or to the Board. The Standard Assurance Report Template has been updated to ensure that all papers and Committee and Board Reports show the alignment to the relevant Best Value Characteristic(s);
- From February 2022, Care Governance Committee assurance reporting from the Health & Social Care Partnerships (HSCPs), Acute Services, and Mental Health & Learning Disability Services was supplemented by a Midwifery and Maternity Services report and by the introduction of a Pharmacy report from August 2022. Mental Health Secure Services now report separately from inpatient Mental Health and Learning Disabilities Services;
- The Patient Safety, Clinical Governance and Risk (PSCGR) team now has triumvirate leadership and three work-streams for Patient Safety, Adverse Event Management and Quality Assurance and Risk Management. The first PSCGR assurance report was presented to the December 2022 Care Governance Committee;
- A workshop to improve Care Governance Committee meetings in line with good governance, guidance and intelligence took place in October 2022 with a presentation by Internal Audit on previous clinical governance recommendations and the operation of the Committee;
- The NHS Tayside Workforce Plan 2022-2025 was endorsed by the Staff Governance Committee at its June 2022 meeting prior to submission to SG for 31 July 2022;
- Work is ongoing to develop a succession planning framework;
- Whistleblowing directives issued by the Independent National Whistleblowing Officer are being implemented;
- Three-year Financial Plan was submitted to the SG on 29 July and one year Recovery Plan submitted on 30 September 2022;
- A Business Critical Gold command has been established to deliver financial outturn, service targets and SG performance targets;
- The 5-year Capital Plan was approved on 28 April 2022;
- The Children's Theatre suite, Multi Storey Plant Room and Neo Natal Intensive Care Unit have all been completed;
- A net zero route map is being developed;
- Review of the Information Security Policy to reflect the Public Sector Cyber Resilience Framework is planned;
- Information Security incident reporting to the Information Governance and Cyber Assurance Committee has been enhanced;
- The Digital Strategy was approved in April 2022.

ACTION

29. 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

30. 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

CORPORATE GOVERNANCE

Corporate Risks:

Development of Strategy - No specific risk has yet been identified as the organisation is currently working under and in line with the strategic direction set by Scottish Government following the Covid-19 pandemic.

Strategy

Although there had been considerable slippage in developing the Strategic Plan due to the focus on the operational response to Covid-19, progress is now being made and momentum generated. NHS Tayside has started to forge important linkages between remobilisation, strategy development, Public Health priorities and partners' strategic plans, with a focus on data. There is now an updated planning timetable which will be presented to Executive Leadership Team (ELT) in January 2023, and which should be presented to Board thereafter.

The Annual Delivery Plan (ADP) presented to the Board in October 2022 stated that *'Although this is a one year plan, it should be viewed as a precursor to the development of our three year Strategic Plan 2022-25 ..... the ADP sets out our immediate and short term priorities and deliverables for the year ahead it also establishes the baseline for NHS Tayside's medium and longer term planning approach for ourselves, key partners and our population'.*

The Annual Internal Audit Report 2020/21 recommended that a strategic risk relating to the development and implementation of overall strategy be introduced. Although such a risk was agreed in principle when Tayside NHS Board approved the Strategic Risk Profile on 30 June 2022, it is still in progress.

While we acknowledge the very real and urgent pressures within the Health and Social Care system, we would reiterate that production of a realistic, achievable strategy must remain a key priority to ensure the sustainability of Tayside in the longer term. The requirement for a credible Integrated Clinical Strategy with broad cross-sectoral ownership, to enable the Health Board to return to financial sustainability, was also recommended within the 3rd stage NHS Tayside Advisory and Assurance Group report in December 2018, and remains an essential and fundamental requirement to ensure long term sustainability.

NHS Tayside does have an agreed Vision, Aims and Values, and key deliverables based on national objectives are described in the ADP. However, corporate objectives to implement strategic priorities are not overtly articulated.

Internal audit T15/23 on Strategic Planning is in progress and will conclude on the process for development of the Strategic Plan and the level of Board engagement and reporting in this process. Initial work has evidenced the requirement for the Board's Strategy to link to other strategies, and particularly to those of the Integrated Joint Boards (IJBs). An Interface Planning Group is in place to facilitate this cross view and ensure strategies are integrated, identify overlaps, and avoid duplication or gaps, to ensure stronger more aligned planning.

The ADP describes how a public health approach will be embedded throughout health and social care delivery. The Public Health Directorate will be vital in the development of the next strategic plan for NHS Tayside, to ensure that public health is integral in NHS Tayside's strategic objectives and operational activity. It has been decided that a standalone Public Health Strategy will not be developed because

Directorate strategic developments and aims, and the planned contribution to the overall NHS Tayside strategic plan, are reported to the Public Health Committee.

On 14 November 2022, the SG outlined its planning approach for 2023-24 and the intention to have a more co-ordinated and coherent approach to delivery planning across the whole system. This new planning approach will include:

- clear, high level, population based priorities for the NHS as a whole
- goal setting at national level
- continuation of short, medium and longer term planning by Boards
- a new commissioning approach which will engender greater collaboration to reflect Scotland's population needs as a whole in local, regional and national plans.

Further guidance will be issued in February 2023, including articulation of national priorities which will form the basis for the strategic 'commission' for Boards' own plans. The extent to which these national priorities will be achievable within the constraints under which NHS Tayside operates and also the extent to which they match identified local population needs, will not become clear until then. We would highlight that NHS Tayside's local circumstances are such that financial sustainability in particular is unlikely to be achieved without difficult decisions and a robust focus on key priorities.

Operational Planning

The ADP 2022-23 is in line with Scottish Government guidance and was presented to Board on 27 October 2022, following submission to the Scottish Government on 29 July 2022. The October 2022 paper to Board featured a Covering Note which provided a summary of the content and included the quarter 1 performance.

The Tayside Winter Plan for NHS Tayside and its partner organisations was approved by the Board on 15 December 2022. The Winter Plan described plans to launch a National Urgent and Unscheduled Care Collaborative and confirmed the Board's share of National £50m funding announcement for 2022/23 to be £2.75m, representing a funding reduction to NHS Tayside of £0.704m on the previous year, with the £2.75m in totality being aligned to supporting the costs of the Redesign of Urgent Care Programme. This means that the Board is left with no funding to invest in improvements to support winter. The paper clearly described the risks of prolonged hospital stays due to discharge delay, prolonged time in the Emergency Department due to limited access to hospital beds with an inevitable deterioration in 4-hour target performance, increased use of unscheduled hospital beds, spilling into elective, and ultimately causing the cancellation of planned care.

The Winter Plan acknowledged increased demand combined with additional risks of adverse weather, increased staff sickness due to seasonal illness and the challenge of staff being required to isolate as contacts of Covid-19 cases. It is clear from the paper that there will be yet more pressure on workforce, which is already an area of high risk.

Governance and Assurance Risks and Developments

Updates to the Code of Corporate Governance (CoCG) were approved by Board in June 2022 including revision of the Best Value Framework following a review by the Finance Directorate. A full review of the CoCG was approved by Board in December 2022.

Board Development Sessions have covered a diverse range of topics including Value Based Reflective Practice and Communications, the Strategic Risk Profile and Risk Appetite, Scottish Government Direction 2022/23, the five key performance areas and Staff Wellbeing, Workforce Plan, Workforce

Challenges, HR Strategy, Culture and Leadership, Flexible Workforce and Living Wage. It is proposed that a Board Development Session planned for January 2023 will cover Succession Planning, Academic Partnership and Digital - designing for the future, and a March 2023 session will cover Sustainability and Climate Challenge and Primary Care. We recommend that the outputs and any actions from these sessions are formally recorded and monitored.

Risk Management

The NHS Tayside Risk Management Strategy and Framework was approved by Tayside NHS Board in April 2021 and is due for review in April 2023.The Strategic Risk Register (SRR) continues to be presented to each meeting of the Audit and Risk Committee (A&RC) and was presented to Board in June and October 2022.

At the end of January 2023 there were 18 recorded strategic risks:

- 10 red/very high risks
- 8 amber/high risks
- 0 yellow/medium risks
- 0 green/low risks;

Risk descriptions are still to be written, current risk exposure ratings considered, and risk owners identified for three strategic risks for Drug and Alcohol Recovery Service, Mental Health and Development of Strategy.

The Strategic Risk Management Group (SRMG) has a remit to ensure NHS Tayside's risk management arrangements are robust, comply with national policy and are embedded into all aspects of service provision, planning and business management.

As reported to the 6 December 2022 SRMG, six risks were overdue for review and a further six risks did not have review dates set.

The SRMG does now have a standing agenda item to identify IJB risks for NHS Tayside consideration and NHS Tayside risks for IJB consideration, although this does not appear to be fully embedded as yet and we have noted areas, such as the Mental Health and Drugs and Alcohol Recovery risks, where the Group might have identified and escalated issues sooner.

The Tayside Risk Management Group, with membership from NHS Tayside and the IJBs, continues to meet under the Chairmanship of the Chief Finance Officer from Dundee IJB. This group is currently developing an outcomes focussed work plan and has a key role in improving the approach to managing risks across Tayside.

The Head of Risk and Resilience supported a Perth and Kinross IJB Workshop to review Mental Health Strategic Risk, an Angus IJB Risk Workshop to review Sustainable Primary Care Services Strategic Risk and an Angus IJB Risk Appetite Development Session.

It is our view 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, greater engagement is required from Executive Officers, especially at a time when the both the scale and volatility of risks has increased dramatically. We do however acknowledge the need for officers to manage and prioritise competing service pressures.

Risk Appetite

Following a Board Development Event in May, the June 2022 Board approved the updated risk appetite statement. Risks above appetite are subject to enhanced monitoring through presentation to every meeting of the Standing Committee to which they are aligned. Where enhanced monitoring is required, the use of the risk questions detailed within the Risk Management Strategy Framework are promoted for use in obtaining assurance in relation to the management of the risk. These questions are based on the Committee Assurance principles. In addition, the Head of Strategic Risk and Resilience Planning has delivered sessions to Standing Committee Chairs and lead officers, and an aide memoire has been shared with them to support this process.

As reported to the 6 December 2022 SRMG, for the 18 recorded strategic risks:-

- 10 were above risk appetite and subject to enhanced monitoring
- 4 were within risk appetite
- 4 were below risk appetite

Since October 2022, SRR reports have included an additional column showing the risk score in relation to Risk Appetite. Work has been completed to review and update both the risk assurance and Chair's assurance report templates to capture this information and these will be implemented from April 2023.

The November 2022 A&RC noted the need for more innovative ways of scrutinising and monitoring risks, both above and below appetite. Internal Audit have commented on the need for future development of risk appetite to include greater detail on how the risk appetite will affect Strategy, decision-making prioritisation and budget setting and organisational focus, the 'so what' question, which will be 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 whether above or below appetite.

Based on our work throughout the year and our analysis of the Board's current control environment and external risks, it is our view that most current target risks are unlikely to be achieved. The Board should review its target risks and adjust them to challenging but realistic levels together with the realistic timescales for delivery. If the Board's risk appetite statements are to be a driver for prioritisation and action, rather than a paper exercise without meaning or impact, it is vital that they too, are based on a realistic assessment of what can be delivered.

Audit and Risk Committee (A&RC) / Internal Audit

While officers have continued to engage positively with Internal Audit despite ongoing service pressures, we have experienced some issues in progressing audits due to delays in receiving required information and agreement to commence our work. This has impacted on delivery of the 2022/23 and 2021/22 Internal Audit Plans to date, with delays in delivery of the audits on Strategic Planning, Financial Management and Medical Equipment and Devices.

We do however note improved engagement with the Audit Follow Up process, which is important at a time where external pressures are increasing both risk, and the need to ensure that identified control weaknesses are remediated.

Committee Assurance

New Non Executive membership of Standing Committees and IJBs was approved by the Board on 27 October 2022 and further changes approved on 15 December 2022.

The revised Governance Blueprint was issued at end of December 2022 and we will consider the implications for the Health Board and for Internal Audit before year end. The Board's next self-assessment and a Corporate Governance Action Plan will be completed when national guidance on self assessment is received and we will report on this at year end.

The Committee Assurance Principles were first endorsed by the A&RC in May 2021 for use by Board and Standing Committees. The principles, as intended, continue to provide complementary guidance to the recently revised Governance Blueprint.

As previously reported in the 2021/22 ICE report, many papers still lack adequate, or sometimes any, detail on the associated risks, and narrative provided does not overtly link to the strategic risk or service risks nor provide assurance on narrative, scores or the adequacy and effectiveness of key controls and actions.

To address this finding and to assist Standing Committees in focussing on key risks, from September to November 2022 the Board Secretary and Head of Risk and Resilience Planning concluded a number of sessions with Committee Chairs, Lead Officers and Committee Support Officers to explore improvements and to discuss the implications of implementation of risk appetite and links with assurance. The risk section of Board and Committee papers has been reviewed and augmented to support this being given a higher priority. Once finalised, the template will be approved by the Governance Review Group. Our review of recent papers did not evidence a significant improvement in this area and we will repeat this exercise at year end, when, hopefully, the outcomes of the recently completed sessions should be more evident.

There is variation in the completion of the risk assessment section of papers across Standing Committees with the Care Governance Committee (CGC) and Public Health Committee (PHC) papers risk sections generally of a good standard, but Staff Governance Committee (SGC) papers requiring further work. This is explored further in the Staff Governance section of this report.

Internal Audit continue to promote the use of the assurance principles through leadership of the Assurance Mapping Group, Risk Management work and though individual internal audits.

Policies

The Governance Review Group approved the Policy Development, Review and Control Policy on 7 September 2022. As reported to the November 2022 A&RC, Standing Committees will receive midyear and annual reports from relevant policy groups, providing assurance that appropriate governance and approval routes have been followed. As at 30 September 2022, 16 of 141 policies were in breach of their review date and extensions were granted for nine policies, including the Information Security Policy.

Culture and Values

A paper to the June 2022 SGC provided an update on progress with the 'Collective Leadership & Culture Framework 2018-2023'. It described how Covid related work continues and identified the recommended needs of: compassionate leadership; prioritisation of collective leadership; support of wellbeing. While the update reported that *'We can therefore take some assurance that our direction of travel is aligned to the needs of our colleagues in the 'post Covid period', whilst also recognising the need to monitor and refresh what we offer through the learning that continues to be shared*', there was no reporting of tangible outcomes with a focus on progress.

Performance

Since August 2022, an integrated performance assurance report has been presented to the Board and Performance & Resources Committee (P&RC) in a new format, which continues to evolve to provide wider assurance around mental health, primary care and public health performance. The summary report also provides assurance against the best value characteristics of Vision and Leadership, and Performance Management.

In common with every Health Board in Scotland, access targets are not being met, but overall performance compares well against the NHSScotland average.

Performance against key targets at end of October 2022, presented to Board on 15 December 2022 was as follows:

Access

- 7,390 Inpatient/Day case patients waiting > 84 days (National Indicator Target 0). TTG activity exceeded planned for April to October 2022, with 11,202 patients treated against a planned figure of 10,407
- 13,283 New Outpatients waiting > 12 weeks as at month end (National Indicator, Target 0)
- 5,466 Diagnostics (8 key tests) patients waiting > 6 weeks target as at month end. Key diagnostic test activity exceeded planned figure for April to October 2022, with 46,793 patients seen against a planned figure of 39,922
- 66.9% of patients treated within 18 weeks - combined performance (National Indicator, Target of 90%)

Cancer

- 95.7% (target of 95%) of patients starting cancer treatment within 31 days from decision to treat (National Indicator)
- 80% (target of 95%) of patients starting cancer treatment within 62 days of receipt of referral (National Indicator)

Unscheduled Care

- 88% (target of 95%) of A&E patients seen within 4 hour target (National Indicator)
- 83.2% (target of 95%) of Mental health patients seen in A&E

- CAMHS – 62.8% (target of 90%) of patients treated within 18 weeks since referral
- Psychological therapies – 82.8% (target of 90%) of patients treated within 18 weeks since referral
- Drug and Alcohol clients seen – 72.5% (target of 90%) of patients treated within 3 weeks since referral.

Quarterly Performance Reviews (QPRs) support departmental devolved accountability and ensure that assurance is provided at governance level, and provide early warning of risks and issues. Work to further develop and improve the QPR system commenced in September 2022, led by the Director of Acute Services. Internal Audit have contributed to this process and shared the Committee Assurance Principles to inform good governance and risk escalation.

Best Value

The new Best Value reporting system was approved at the June 2022 A&RC. Each Best Value characteristic has been allocated an executive lead officer who will build assurances on best value into existing reporting arrangements. Each characteristic is aligned to a Standing Committee or to the Board and the Standard Assurance Report Template has been updated to ensure that all papers and Committee and Board Reports show the alignment to the relevant Best Value Characteristic(s). We would expect that Standing Committee annual reports will conclude on achievement of Best Value, based on reporting throughout the year, albeit Best Value will require careful consideration in the current circumstances, where controls may be reasonable, but still insufficient to deliver the desired outcomes.

Sustainability

Internal audit review of Board and P&RC papers evidenced the priority given to financial sustainability and a Board Development event on 29 September 2022 briefed members on the challenges in managing the financial position. A Business Critical Gold Command structure is being implemented for finance and performance. However, NHS Tayside is facing a cumulative deficit of £176m over the next three years and the Board will need to foster a culture in which financial sustainability is at the heart of all decision making and of the Board's overall strategy.

Resilience

Resilience is not a strategic risk, but does feature across the strategic risk profile, for example in Urgent and Unscheduled Care. The ADP update to the December 2022 P&RC stated that '*The impact of the pandemic is still being acutely felt in the health and care system and it is universally acknowledged that services continue to be under substantial and sustained pressure. Organisational resilience is crucial to be able to deliver services this winter and our whole system winter response builds on the shared learning and the achievements over the past two years*'.

Assurances on resilience arrangements are reported to the SRMG and to the A&RC in the SRMG annual report. The Resilience update report to the 19 October 2022 SRMG reflected that at 20 September 2022, 73% (target of 75%) of Business Continuity Plans were in place and the Risk and Resilience Planning team undertake a monthly monitoring and follow up exercise. Internal audit D06-22 on Resilience Planning – Category 1 Responders, provided Limited Assurance on Business Continuity Planning arrangements within Dundee IJB. Agreed actions included provision of assurance that the IJB's partners have suitable resilience arrangements in place for the services they host on behalf of the HSCP, as overseen by the IJB.

Integration

IJB Chief Officers provide briefings to each Board meeting and IJB minutes are presented to Board. On 22 June 2022 the Board approved the revised Integration Schemes for Angus, Dundee and Perth and Kinross IJBs. The cover paper provided assurances that all three Integration Schemes reflected and appropriately record the recommendations from the Ministerial Strategic Group (MSG) for Health and Community Care.

Action Point Reference 1 – Strategy and Financial Sustainability

Finding:

Our Annual Internal Audit Report 2021/22 recommended action to ensure that *'Board and ELT should ensure that financial sustainability is given appropriate priority in all decisions, recognising that money spent now will not be available for future needs.'* Whilst the agreed action has been taken, financial pressures have increased even further than anticipated and there is a need for even greater focus on financial sustainability. It is clear that operational measures alone will not be sufficient and will only buy time to allow the more fundamental strategic change required.

The Financial Governance section of this report highlights the extremity of the challenge and it is not yet clear whether the planned Strategy will deliver the radical changes required or that planned changes to SG priorities will create the opportunity for them. Without radical change, the prospects of NHS Tayside identifying the savings required would appear to be extremely limited.

Audit Recommendation:

NHS Tayside is facing a cumulative deficit of £176m over the next three years and the Board will need to foster a culture in which financial sustainability is at the heart of all decision making and of the Board's overall strategy.

Tayside NHS Board should collectively consider how they ensure that the extremely challenging financial environment is reflected in, and the need for financial sustainability underpins, all decisions taken by the Board and by officers.

In particular, it should direct officers to ensure that financial sustainability is given appropriate priority within the planned Strategy and that there is absolute clarity over the extent to which the strategy will deliver recurrent savings of the magnitude required. The planned Strategy risk should reflect all known potential barriers to delivery.

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:

Corporate financial reports presented to ELT, relevant Standing Committees and Tayside NHS Board continue to detail the financial position, forecasts and actions to address issues raised. The reports also highlight the risks associated with the current financial environment, recognising the balance between financial sustainability and service delivery. The financial reporting structure is embedded in the system, and ensuring that there is a strong financial grip at the heart of the organisation.

The Director of Finance continues to engage with SG Health Finance and wider networks to support messaging and delivery of financial plans.

The three year Financial Plan 2023/24 to 2025/26 is due to be submitted to Tayside NHS Board for

approval in April 2023, following progress update reports being considered at the February meetings of the P&RC and Tayside NHS Board.	
Action by:	**Date of expected completion:**
Director of Finance	**April 2023**

Action Point Reference 2 – Risk Management

Finding:

As reported to the 6 December 2022 SRMG, six risks were overdue for review and a further six risks did not have review dates set.

Based on our work throughout the year and our analysis of the Board's current control environment and external risks it is our view that most current target risks are unlikely to be achieved.

Since October 2022, the SRR reports to the Board and A&RC have included an additional column showing the risk score in relation to Risk Appetite. Work to enhance risk assurance reporting to include risk appetite is nearing completion and risk appetite has already been referenced in the reporting of the finance and capital risks to P&RC.

Audit Recommendation:

It is our view 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, greater engagement is required from Executive Officers, especially at a time when the both the scale and volatility of risks has increased dramatically, but acknowledging the need for officers to manage and prioritise competing service pressures.

The Board should review its planned exposure risk ratings and adjust them to challenging but realistic levels together with the realistic timescales for delivery. If the Board's risk appetite statements are to be a driver for prioritisation and action, rather than a paper exercise without meaning or impact, it is vital that they too, are based on a realistic assessment of what can be delivered.

Risk appetite should, as previously discussed, be further developed to include greater detail on how the risk appetite will affect Strategy, decision-making, prioritisation and budget setting and organisational focus.

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:

Written communication is planned to be issued to SRMG members by the end of February 2023 to advise on the process and timeline for the review of Strategic Risks and Risk Appetite Statement, leading to the development of the Strategic Risk Profile 2023/24. This review will consider risk scores, risks to be archived and potential new risks for inclusion.

The proposed Strategic Risk Profile 2023/24 and Risk Appetite will be considered by the ELT on 20 March 2023 ahead of discussion at the Board Development Event on 30 March 2023. The final Strategic Risk Profile 2023/24 and Risk Appetite Statement will be submitted to Tayside NHS Board

on 27 April 2023 for approval.	
Action by:	**Date of expected completion:**
Director of Finance	**April 2023**

CLINICAL GOVERNANCE

Current Strategic risks – current scores and targets detailed in table below:

- 353: Sustainable Primary Care Services (delegated to CGC)
- 26: Waiting Times and RTT Targets (delegated to CGC)
- 637: Child and Adolescent Mental Health Services (CAMHS) (delegated to CGC)
- 1125: Screening Programmes (delegated to PHC)
- 798: Corporate Parenting (delegated to PHC)

Archived Strategic risks:

Archived in June 2022:

- 934: Mental Health and Learning Disabilities (now archived)
- 880: Care Home Oversight (now archived)

Archived since year end but already reported as archived in the 2021/22 Annual report:

- 14: Infection Prevention and Control *(archived since year end)*
- 736: Public Protection *(archived since year end)*

1069: Covid-19 Vaccination Programme *(archived since year end)*

Clinical Governance Framework

A light touch review of the Clinical & Care Governance Strategy was approved at the June 2022 meeting of the Care Governance Committee (CGC) with a more comprehensive review incorporating the Getting It Right For Everyone framework and the revised Governance Blueprint planned for 2024. We previously recommended that a project plan for development of this Strategy should be agreed and monitored. Some broad timelines in the form of a Gantt chart were included in the assurance report from the Patient Safety, Clinical Governance and Risk (PSCGR) team to the December 2022 CGC and, while this recommendation remains outstanding, we have been informed that the intention is to develop further the overarching plan for review to ensure the timescales can be met.

Assurance reports are provided to alternate meetings of the CGC in line with the reporting frequency for risk assurance reports, with exception reports provided to the interim meetings. From February 2022, assurance reporting from the HSCPs, Acute Services, and Mental Health & Learning Disability Services was supplemented by a Midwifery and Maternity Services report and by the introduction of a Pharmacy report from August 2022. Mental Health Secure Services now reports separately from inpatient Mental Health and Learning Disabilities Services.

There is variation in the quality of reporting (for example in relation to adverse events) and we welcome the plans put in place by the PSCGR team to update the reporting format and ensure consistency, and welcome the ongoing work at operational level with Chairs of specialty clinical governance meetings, to refine and improve reporting and escalation focused on clinical risk assurance. The templates for reporting will be discussed, initially by the Clinical Governance Chairs / Leads group that work within Acute specialities at a workshop on 18 January 2023. This should develop a standard, concise template, used consistently to eliminate variation in reporting, enable comparison across services, with a focus on the identification, escalation and management of risks.

Discussions have been ongoing with the Board Secretary regarding how sub-groups can effectively provide assurance to the CGC. Committee assurance principles state that minutes are valuable for the group itself but are not normally an efficient and effective source of assurance and we have suggested that assurances be strengthened through provision of structured Chairs' Assurance reports. At the 11 January 2022 Governance Review Group, it was agreed that the Board Secretary would write to all Committee Leads asking them to review how groups reporting to Standing Committees provide assurance.

The PSCGR team now has triumvirate leadership and three work-streams for Patient Safety; Adverse Event Management; Quality Assurance and Risk Management. The first PSCGR assurance report presented to the December 2022 CGC was intended to replace reporting on the archived Clinical Governance risk. Whilst the report was very informative, and well received by members, further work will need to be undertaken to ensure the report provides structured assurance on the PSCGR's contribution to strengthening clinical governance arrangements, and that previous internal audit recommendations are addressed. A first assurance report on Realistic Medicine was reported to the February 2023 CGC.

There is variance in the level of information provided on adverse events in the clinical governance assurance reports provided by services to the CGC. As referenced above, the planned standard assurance report template should provide an overview as well as allow comparison across services. The template should include a comprehensive set of KPIs in relation to adverse events, including total numbers, categories, timescales for review etc. While the individual services' reports can provide some granular assurance on adverse events KPIs to the CGC, regular whole system assurance on the operation of this key control is currently not provided.

Internal audit T08/22 - Internal Control Evaluation 2021/22, recommended that the CGC clarify the mechanism to ensure the Safety Oversight Group (SOG) provide appropriate assurance and escalation of issues to the CGC, as well as considering how adverse events and other reviews can evidence effective operation of assurance systems. However, following further discussion with management it is clear that the SOG is not the appropriate vehicle for this and the previous recommendation is now superseded. We intend to carry out an internal audit during 2023/24 to review the function and flow of assurance from clinical governance subgroups to the CGC.

We previously recommended a focus on reporting on effectiveness, as well as safety of care. A work stream on patient outcomes is being progressed and includes a review of all work across specialties in relation to data on clinical outcomes, including local and national clinical audit. The PSCGR team plans to meet with Health & Business Intelligence Team to explore the possibility of a centrally held resource containing all externally reported patient outcome data. We welcome this work, and recommend that consideration is given to how this data can be used to provide appropriate assurance to the CGC on effectiveness of care.

Care Governance Committee

A workshop to '*improve CGC meetings in line with good governance, guidance and intelligence, with a focus on reports and report writing'* took place in October 2022 with a presentation by Internal Audit on previous clinical governance recommendations and the operation of the CGC, with a focus on how the Committee Assurance principles can support improvement in reporting to CGC. Following the workshop, issues and concerns were collated and a draft action plan was reported to the December 2022 CCG, which indicated that workshop attendees will now be consulted on the completeness and accuracy of the outcomes from the workshop. However, there was no information on how these actions will be monitored by the CGC. We have subsequently been informed that the organisation is considering

providing updates through the PSCGR report, with the frequency to be increased from annual to 6 monthly.

As in previous reports, a number of internal audit recommendations remain outstanding. These 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. 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.

We have noted above the importance of monitoring the completion of audit recommendations and the importance placed on these within the revised national Blueprint for Good Governance, partially as a result of historic practices within NHS Tayside. It is important that there is clear focus on ensuring that these alternative actions effectively address the original weaknesses identified by Internal Audit, and are delivered on time. The CGC should be provided with regular updates on these recommendations, as well as the actions agreed at the October 2022 workshop.

Risk Management

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

	Annual report 2021/22	ICE 2022/23	Trend
• 353: Sustainable Primary Care Services	25	25	→
• 26: Waiting Times and RTT Targets	20	20	→
• 934: Mental Health and Learning Disabilities	16	N/A- Archived June 22 and not yet replaced	**N/A**
• 637: Child and Adolescent Mental Health Services (CAMHS)	16	20	↑
• 1125: Screening Programmes	16	16	→
• 798: Corporate Parenting	12	12	→
• 880: Care Home Oversight	4 (Proposal to archive)	N/A- Now Archived (9 June 2022)	↓

With the exception of the CAMHS risk which has increased, the scores, assessment of controls and assurance levels provided have not changed in the risk assurance reports provided in the year to date. Therefore, actions have not successfully mitigated risks downwards in year.

Internal audit T06/22 – 2020/21 Annual Internal Audit Report, issued in August 2021, reported management's intention to review the Waiting Times strategic risk to reflect potential for patients to suffer serious harm if services are not prioritised effectively. Although work has begun to reframe this risk and encompass patient outcomes, the review remains outstanding and its Datix review is currently more than 12 months overdue. A new completion date of March 2023 has now been agreed.

The October 2022 CGC discussed the need to reflect the impact of long waiting times on the whole system, 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, although the work undertaken should be useful when the risk is finally updated.

We previously reported a potential dilution of assurance in that the Mental Health Risk is reviewed by the CGC but updates on the Mental Health Strategy, a key control, and Mental Welfare Commission visits, are presented to the Board. The April 2022 CGC agreed the need for further review of the Mental Health risk to ensure that there is a clear focus on delivery of the Mental Health Strategy, with proposals to come to the August 2022 CGC. However, following the Board Development event in May 2022, it was agreed the NHS Tayside Mental Health risk should be archived and a new strategic risk related to Mental Health Services would be created for NHS Tayside *'in relation to reputation and dependency on HSCPs to put in place solutions'*.

It was also agreed that strategic Mental Health risks would be established for one or all of the IJBs, dependent upon the services they deliver.

A workshop took place in August 2022, led by the Perth & Kinross (P&K) IJB Chief Officer, with further work and another meeting to take place in October 2022. However, despite repeated requests, we were not provided with any information on progress and we note that the December 2022 SRMG was, again, informed that '*A collaborative piece of work is ongoing across the three IJBs to reframe the strategic mental health risk, led by the Chief Officer Perth and Kinross HSCP. Once complete, consideration will be given to any strategic risks associated with the operational management (delivery) of Mental Health Inpatient Services, Learning Disabilities and Drug and Alcohol Services*'. No timescale for completion was given.

It is not acceptable that the CGC has received no specific assurance on controls in mitigation of this high risk area for 6 months now, nor any update on a volatile and high risk area. Without urgent and effective remedial action, it will not be possible to conclude that CGC oversight of key risks has been adequate and effective. The CGC should actively monitor the development of this risk and ensure that it will be assured on implementation of the Mental Health Strategy, a key control.

Another area of very high clinical risk relates to drug deaths. Following a memorandum issued by the Chief Internal Auditor (CIA) in March 2022, discussions have been ongoing to develop a Drugs & Alcohol Recovery risk, but this is not yet in place. The June 2022 SRMG minutes state that '*The Chief Executive, Director of Finance and Head of Strategic Risk and Resilience Planning will meet to discuss the Drug and Alcohol Recovery Service risk and confirm the risk owner*' and the AFU position reported to the November 2022 A&RC was that this would be completed by Quarter 4 2022/2023. Dundee IJB created the Drugs & Alcohol strategic risk in May 2021, with a score of 25 which has remained at this level since. Again, it is not appropriate that the CGC does not have sufficient oversight in an area of high mortality with known and significant weaknesses in the provision of care.

Although there is an overarching recommendation in relation to risk management within the corporate governance section of this report, the CGC should urgently consider the assurances and information it requires in order to be able to provide appropriate assurance by year-end.

The CGC and Public Health Committee (PHC) continue 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.

Strategic Risk 353 - Sustainable Primary Care Services remains rated as 25, the highest available risk score. Internal audit T15/22 on Sustainability of Primary Care Services was first issued in May 2022 and was widely circulated to NHS Tayside and IJB colleagues for comment, before being presented as a draft final report to the November 2022 A&RC. The final report was issued on 11 January 2023. Management have already acknowledged the need for an overhaul of the strategic risk and we will provide overt assurance on the fully reviewed and updated risk as part of a future internal audit, noting that a second workshop on this risk is proposed for March 2023. We welcome the assurance reports on this risk which have been provided to each meeting of the CGC since August 2022.

External Review

Our Annual Internal Audit Report 2021/22 stated that '*The CGC must be assured that actions from external inspection reports are being progressed, as well as using these reports to assess the quality of internal assurances. Action to strengthen internal controls in this area has been required for a number of years and the Standard Operating Procedure for external inspection visits is still not fully completed. At present there is no clear process to inform the CGC of inspections have taken place, when a report has been issued, whether and how an action plan has been developed and who is responsible for monitoring implementation, with responsibility often diffuse and inconsistent'.*

As yet, no progress has been made in this area, although the update on previous recommendations to the CGC stated that '*the next workshop will consider how findings and improvements arising from external visits and inspections relevant to CGC will be formally collated to CGC*'. As this workshop will now not take place, a representative of the PSCGR team will meet with the Board Secretary in January 2023 to progress this action.

In our opinion the CGC should be informed of all reports which could either impact on the CGC's assurance opinion to the Board *'that robust clinical, care and professional governance and clinical risk management systems and processes are in place and effective throughout the whole system for NHS Tayside'* (as per its remit), or where a report is likely to affect (either individually or in conjunction with other information) the CGC's assessment of risk scores, controls or assurances provided.

The minutes of the August 2022 CGC show that the committee recommended that '*a mechanism be developed to provide the Committee with assurance that actions have been enacted and the services are comfortable that the case is completed*'. However, the December 2022 CGC update only gave assurance on the sharing of Scottish Public Services Ombudsman (SPSO) recommendations and provision of information to the SPSO. The December 2022 CGC received updates on two separate issues in relation to a Neurosurgery and Breast Oncology, both of which occurred prior to 2022/23. The Breast Oncology report did not set out the factors impacting on NHS Tayside's ability to deliver breast cancer services e.g. recruitment and, vitally, how these will be mitigated in the short, medium and long term.

A review of Neurosurgery was commissioned by the previous Health Secretary and reported in May 2022. One of the four outstanding recommendations was 'reviewing *the way in which NHS Tayside supply action plans and subsequent relevant assurance from reviews through clinical governance processes to the Boards delegated committee*', with the response that the '*Care Governance Committee will receive progress reports, updates and action plans by request and completed action plans for assurance on effectiveness of implementation'*. This response is not sufficient; the CGC should automatically receive such reports so that it is informed of the extent to which identified control weaknesses have been remediated and so that it has a proper understanding of the clinical risk environment, but also so that it can triangulate key external findings with its own assurance mechanisms.

The Breast Oncology paper reported that NHS Tayside had commissioned the Royal College of Physicians (RCP) to complete a review in January 2021 following ongoing concerns related to alleged under-prescribing of adjuvant chemotherapy drugs. The RCP report recommended improvement with regard to Standard Operating Procedures and policies, multidisciplinary team meetings, governance and leadership and clinical record keeping. In addition, a clinical record review of 24 case records highlighted areas of learning to be reviewed through local morbidity and mortality meetings. The report was published on 7 October 2022 and a presentation on its contents given to the October 2022 Board meeting, when it was agreed that the CGC would monitor the action plan and report on it via the CGC Chair's Assurance report and minutes. However, the paper to the December 2022 CGC set out neither the RCP report findings, nor its action plan.

Duty of Candour

The 2021/22 Duty of Candour Annual Report was approved for publication by the CGC in August 2022. The Medical Director informed the Board in October 2022 that she was discussing Duty of Candour with the Central Legal Office following the RCP Breast Oncology review (see above).

Mental Health

The revised Integration Scheme, approved in June 2022, delegated co-ordination of strategic planning for mental health services across Tayside to P&K IJB. A paper to the December 2022 Board provided an update on coordination of strategic planning for mental health services and set out the current position in relation to Listen Learn Change, an action plan prepared in response to the recommendations outlined in Trust and Respect (the Strang Report). The Independent Oversight and Assurance Group on Tayside's Mental Health Services 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 report reinforces previous internal audit recommendations on the need for assurance on the implementation of the Mental Health Strategy as a key control. A robust Mental Health risk assurance process would be congruent with many issues raised in the report.

At its meeting in October 2022, the P&K IJB approved ongoing work to consolidate leadership arrangements and refine governance and structures to deliver on the Tayside Mental Health Strategy - Living Life Well and agreed to receive a report for IJB approval by end of March 2023. This Strategy is key in addressing the mental health risks(s) which, while not currently clearly articulated, nevertheless exist.

IJB Clinical Governance assurance reports to the CGC include Mental Health aspects. Minutes of the August 2022 CGC show that work was ongoing to agree a common set of Mental Health KPIs but these have not yet been incorporated in the assurance reports as expected, with no explanation provided through the Action points update process.

Public Health (PH)

While plans were in place for the production of a new Public Health Strategy for NHS Tayside, the August 2022 PHC was informed that instead a Public Health approach is to be embedded within NHS Tayside's forthcoming strategic plan. A review of papers submitted to the PHC during the year to date shows there is a clear understanding of, and focus on, the priorities and direction for Public Health and the work of the department and committee. As well as engaging internally across NHS Tayside, another focus of work has been how best to engage with HSCPs and Community Planning Partnerships for maximum impact.

Performance management for Public Health has featured in internal audit interim and annual reports over the years. The Director of Public Health's annual report was presented to the PHC in October 2022

and sets out a range of data and statistics of the current status across the following range of topics: population of Tayside, the impact of Covid, Mental health, Substance Use, ill health, modifiable risk factors, health protection, dental health in children and screening. As a next step, reporting should focus on how to measure and monitor the impact of the work of the Public health department on these metrics.

Action Point Reference 3 – Clinical Governance Improvements

Finding:

A number of previous internal audit recommendations remain outstanding and have been collated with an update reported to the December 2022 CGC. A series of workshops to address internal audit recommendations had been planned, but will now be progressed through a number of, currently undefined, individual actions. While the process for the monitoring of improvement actions arising from the October 2022 CGC workshop has not been reported to the CGC, we have been informed that the intention is to provide updates through the PSCGR report, on a 6 monthly basis.

A key internal audit recommendation was a project plan for the development of a new Clinical Governance Strategy. Given that the operational environment is under considerably greater stress than when the extant strategy was developed and there is greater understanding of assurance across and between partner bodies, it is important that the CGC prioritises the development of a Strategy / Framework which can provide appropriate assurance, proportionate to the enhanced level of clinical risk.

Audit Recommendation:

The CGC should be assured that the proposed alternative actions effectively address all of the original weaknesses identified by internal audit. Updates on this as well as the actions agreed at the October 2022 workshop should be regularly provided to the CGC.

There needs to be a consistent, cohesive and co-ordinated, but rapid approach to Clinical Governance and the development of a Clinical Governance Strategy / Framework which sets out how assurance will be provided across all aspects of clinical governance, proportional to clinical risk and addressing all outstanding previous internal audit recommendations including:

- effectiveness of care
- KPIs for adverse event management
- external reviews (noting our findings above)

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:

This report is noted and welcomed by the Management Team. The intention to carry out an internal audit during 2023/24 to review the function and flow of assurance from clinical governance subgroups to the CGC is also welcomed. 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 data set to illustrate how KPIs for adverse event management are being met will be consistently presented in the same assurance reports and an overarching data set will be presented bi-annually in the PSCGRM report; external reviews are now regularly presented to 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) **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 CGC in a more structured way. The development of the CG 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 PSCGRM bi-annual report to CGC.**	
Action by:	**Date of expected completion:**
Head of Patient Safety Clinical Governance and Risk Management **Associate Medical Director Patient Safety, Clinical Governance and Risk Management** **Lead Nurse – Clinical Governance** **Executive leads – Executive Nurse Director/Medical Director**	**March 2024**

Action Point Reference 4 – Public Health	
Finding:	
Performance management for Public Health has featured in internal audit interim and annual reports over the years. The Director of Public Health's annual report was presented to the PHC in October 2022 and sets out a range of data and statistics of the current status across the following range of topics: population of Tayside, the impact of Covid, Mental health, Substance Use, ill health, modifiable risk factors, health protection, dental health in children and screening.	
Audit Recommendation:	
As a next step, reporting should focus on how to measure and monitor the impact of the work of the Public health department on these metrics.	
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 work of the Directorate of Public Health is systematically reported to the Public Health Committee for assurance, including impact on the range of topics outlined above. There has been a focus through the P&RC for additional reporting in that forum also but meetings arranged to determine how this can be best achieved effectively and efficiently, without duplication, have been postponed unfortunately. The NHS Tayside Internal Audit department is planning a review of current Public Health governance arrangements and the Director of Public Health looks forward to the findings of this review to guide further work in relation to this action point in future.	
Action by:	**Date of expected completion:**
Director of Public Health	**March 2024**

STAFF GOVERNANCE

Strategic Risks

734: Health and Safety Current Score 12 (High), Target Score 9 (Medium)

844: Nursing and Midwifery Workforce Current Score 16 (High), Target Score 4 (Medium)

863: Medical Workforce Current Score 16 (High), Target Score 16 (High)

58: Workforce Optimisation Current Score 20 (High), Target Score 12 (Medium)

Governance Arrangements

The Staff Governance Committee (SGC) approved revised Terms of Reference for 2022/23 in April 2022. These are not included in the extant CoCG, although the differences are not major.

Updates on the 2022/23 SGC assurance and workplan are reported to each SGC meeting. The workplan is in line with the remit as per the current CoCG, for example, strategic risks are reported to every second meeting, rather than the remit approved by the SGC in April 2022.

Workforce Strategy/Planning

In compliance with SG requirements to re-introduce a 3 yearly planning cycle across NHS Scotland, a NHS Tayside Workforce Plan 2022-2025 has been produced and is published on the NHS Tayside website. Following approval of the Workforce Plan by the SGC in June 2022 it was submitted to SG to meet the 31 July 2022 deadline. SG feedback on where the plan could be improved and NHS Tayside's response to that was reported to the SGC in October 2022. Internal Audit report T23/23 – Workforce Planning, which will be presented to the January 2023 A&RC and to the next available SGC, highlighted a number of areas for improvement in the next iteration of the Workforce Plan.

Risk Management

Reporting on workforce strategic risks is a SGC standing agenda item, with reporting alternating between the Medical Workforce risk, Nursing & Midwifery risks, Workforce Optimisation risk and Health & Safety risk. A standard reporting format is used, giving a structured analysis of each risk, the scores and mitigating actions, although, as with many risks, the target scores will be extremely challenging, given the scale of the risk and the actions currently in place.

Internal audit report T23/23 – Workforce Planning provided commentary and a recommendation on revision of the workforce related risks.

The majority of mitigating actions have already been completed for the Health & Safety risk and the current assessment remains high (scored at 12), so there is no route to reduce this risk unless the external environment were to improve dramatically and quickly, which is extremely unlikely at present. Fieldwork has been completed on internal audit T13/22 – Health & Safety.

The SGC may wish to explore these issues in more detail in order to enhance scrutiny, as part of the broader consideration of assurance referred to within the Corporate Governance Section of this report.

From our review of SGC papers, agenda items do not always articulate their link to strategic risk. An action has been agreed within internal audit T23/23 to address this.

Staff Governance Standards

Guidance is still awaited from the SG review of Staff Governance Standard (SGS) monitoring arrangements and accordingly there was no requirement to prepare a staff governance action plan for 2022/23. The SGC Assurance & Workplan records the assurance reports the SGC should receive on the SGS, the meetings to which each report will be presented and the level of assurance actually provided. However, the majority of reports referred to within the updated Assurance Workplan presented to the October 2022 SGC meeting provided no meaningful level of assurance. Internal Audit have previously reported (T08/22 – ICE) that "*assurances within the regular monitoring reports should be presented in a way that allows members to be able to understand how they contribute to the totality of assurance on Staff Governance, but also allow identification of any gaps*". This recommendation remains outstanding.

An amendment was made to standing committees' responsibilities for overseeing policies as detailed within the Policy Oversight Group report presented to the November 2022 A&RC meeting. The SGC was not presented with an assurance report on workforce or Health & Safety policies in December 2022 as set out in the SGC workplan.

Staff Experience

The ongoing impact of the Covid-19 pandemic and the action being taken to support staff has continued to be reported to the SGC with reports covering staff health and wellbeing including presentation of an update on year 3 of the Collective Leadership and Culture Strategic Framework 2018 - 2023 to the June 2022 SGC meeting, and the response to the Scottish Government National Annual Monitoring Return in October 2022. Both reports included information on the work being undertaken to improve staff experience of working with NHS Tayside and promote good mental health and wellbeing. Information for staff is being circulated through Vital Signs.

As noted above, a paper to the June 2022 SGC provided an update on progress with the 'Collective Leadership & Culture Framework 2018-2023'. It described how Covid related work continues and identified the recommended needs of: compassionate leadership; prioritisation of collective leadership; support of wellbeing. While the update reported that *'We can therefore take some assurance that our direction of travel is aligned to the needs of our colleagues in the 'post Covid period', whilst also recognising the need to monitor and refresh what we offer through the learning that continues to be shared* ', there was no reporting of tangible outcomes/progress.

The iMatter update presented to the October 2022 SGC meeting reported a staff uptake of 58%, consistent with previous years, but that there had been a significant drop in action plan completion from 54% to 42% albeit this is in line with the NHScotland average. Action to investigate overall improvement to iMatter was reported as being undertaken, but has yet to be reported back to the SGC.

Whistleblowing

Arrangements are in place to investigate and report on whistleblowing cases to meet the Independent National Whistleblowing Officer (INWO) requirements. Quarterly reports were presented to the April, August and December 2022 SGC meetings. The April report included an annual assurance statement, signed by the Whistleblowing Champion, concluding that the Whistleblowing Group had fulfilled its remit for 2021/22. This is a positive approach to providing the SGC with relevant assurance on whistleblowing arrangements for its own annual reporting requirements.

An Annual Whistleblowing Report for 2021/22 was presented to the August 2022 SGC meeting. It reported that NHS Tayside was notified of 10 concerns during the 2021/22 year with six falling under the standards and four outwith the standards because they were raised anonymously. The report detailed

progress to comply with INWO requirements and listed the priorities for 2022/23, including enhancements to staff training and further communication of whistleblowing arrangements.

As recommended by the INWO, to separate whistleblowing issues from other Human Resources issues, consideration is being given to making whistleblowing an operational function separate from Human Resources, but as yet a decision has not been finalised.

Remuneration Committee

The Remuneration Committee (RC) reviewed its Terms of Reference at its April 2022 meeting. Formal guidance and a standardised template on the format of Standing Committee Terms of Reference is still awaited from the Once for Scotland team. Minutes indicate that that there is acceptance that the Chief Executive or Director of Workforce will leave the meeting when items relating to them are discussed.

The October 2022 RC received a presentation from the Chair of the National Performance Management Committee (NPMC) on the role and remit of the Remuneration Committee.

The RC completed a self assessment of its performance for 2021/22 at its June 2022 meeting.

Appraisals

We note the objectives for this year were not presented until the November 2022 RC i.e. half way through the year.

The performance assessment outcomes for 11 of the 19 executive cohorts were considered by the RC at its June 2022 meeting, with the performance assessment outcome for the Chief Executive and seven others awaited. The paper asked the RC, on behalf of NHS Tayside Board, to make recommendations on performance to the NPMC for those members in the Executive Cohort. The paper did not explain what would happen with the outstanding appraisals but stated that '*Remuneration Committee recommendations on performance assessment outcomes will be confirmed to NPMC following the meeting'*. The minutes do not record any discussion of individual grades but show that the RC did agree the recommended recommendations for submission to the NPMC, albeit without any discussion on the treatment of outstanding assessments.

The August RC did not consider this matter and the October RC received a paper (apparently covering 17 of the 19 Executive Cohort, although the numbers are ambiguous) stating that '*Reporting of outcomes has been actioned following the June meeting via agreed proforma, as signed by the Committee Chair*.' It did not state whether or not this included those staff whose outcomes had not been reviewed by the Committee in June but then also stated that '*Remuneration Committee recommendations on performance assessment outcomes will be confirmed to NPMC following the meeting*' and also that '*As required by NHS Circular: PCS(ESM)2019/1 the Remuneration Committee is requested, on behalf of NHS Tayside Board, to make recommendations on performance to the NPMC for those members in the Executive Cohort*.'

The minutes of the August RC meeting show no specific discussion or formal decision on the Executives who were not formally reviewed in June, only that the paper was noted. We found a similar situation with pay for Senior Managers, with no clear approval of assessments which were outstanding in June, albeit these do not require formal approval by the RC.

An updated paper for noting, with all performance assessment outcomes recorded as completed and having already been sent to the NPMC was presented to the 18 October 2022 RC meeting. Whilst the paper was ostensibly for approval, the minutes show the paper as being noted, not approved, and the associated narrative states '*both of these papers were submitted to the Remuneration Committee to confirm submission and receipt of these Performance Assessment Outcomes to the National*

Performance Management Committee'. It is not therefore clear that the appraisals have all been formally approved or that the process had been concluded with the appropriate level of rigour, scrutiny or record-keeping. However, the new Deputy Director of Human Resources informed the February 2023 RC that further work would be undertaken to ensure there was an appropriate record of formal process around all 2021/22 Executive pay awards. We have been informed that a paper to the April 2023 RC will seek formal and overt approval of the remuneration of the remaining 6 Executives.

In addition, the 2022/23 RC self-assessment process will overtly reflect on this matter with the April 2023 RC being advised of the key points and a formal process presented to the June RC to ensure that, in future, papers to, and minutes of the RC provide full assurance that regulatory standards have been met and that all appraisals have been reviewed with sufficient rigour to allow them to be recommended to the NPMC with confidence that due process has been followed, as well as allowing the RC to demonstrate compliance with best practice.

In our Annual Report 2021/22 we reported that three of the senior Workforce team, including the Director of Human Resources would retire in 2022/23 and we were given to understand that a paper would be presented to the RC, setting out the steps to ensure that these key posts are filled, and that the Workforce team is suitably skilled to take forward the challenging workforce planning agenda. This paper has not been presented to the RC and the Director of HR post has not yet been filled.

Work is ongoing to develop a succession planning framework for use within NHS Tayside, with the approach being trialled within the Pharmacy Directorate.

A staff appraisal report showing the completion of PDP reviews presented to the August 2022 SGC meeting reported that as at 01 July 2022 the Turas system recorded 43.9% of appraisals being completed (24.28%) or in progress (19.62%), compared to a target of 95%, albeit compliance is poor across NHSScotland following Covid. Recovery plans are discussed at local and Area Partnership Forums.

A Consultants' Appraisal annual report went to the October 2022 SGC meeting, reporting that 85% were appraised for 2021/22. The report states that no exemptions will now be given relating to Covid and for the current year a reminder has been sent out to those due an appraisal to arrange for one to be completed. Difficulty in recruiting a sufficient number of appraisers is highlighted as a continuing problem within NHS Tayside.

The SGC annual workplan shows that a GP Annual Appraisal report should have been presented to the April 2022 meeting but so far this has not yet been received.

Following the issue of our internal audit Annual Report 2021/22, the Chair and Vice Chair requested that we highlight that the revalidation process is not solely determined by appraisal, but requires consideration of a number of factors and submission of information, alongside the expected discharge of appraisal.

Core Skills Training

As at August 2022, 70-83% compliance scores for the seven modules of mandatory and statutory training were reported to the SGC, below the minimum compliance figure of 90% with limited progress on improvement.

Sickness Reporting

Sickness absence is reported to the SGC in the Quarterly Workforce Update Report. The absence rate, which now includes absence arising from Covid-19, was 6.24% as at 31 October 2022, in comparison with 6.33% for NHS Scotland.

Action Point Reference 5 – SGC Terms of Reference	
Finding:	
Amendments to the SGC Terms of Reference made in April 2022 did not appear in the final version agreed by the Board.	
Audit Recommendation:	
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.	
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:	
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.	
Action by:	**Date of expected completion:**
Deputy Director of Workforce (Lead Officer for SGC)/ Head of HR - Workforce Planning	**June 2023**

Action Point Reference 6 – Assurances to SGC

Finding:

The SGC assurance & workplan set out how the SGC should receive assurance on each element of its remit, including a number of different sources of assurance to cover the staff governance standard on 'appropriately trained and developed'.

The workplan element of the document is not updated when a paper is not received as planned, making it difficult to assess where assurance is outstanding. For example, we noted that the SGC has not yet received the annual GP Appraisal report, nor assurance from the relevant policy oversight groups which had both been planned by this point in the year.

In addition, several papers, in particular those relating to the staff governance standard on 'appropriately trained and developed', do not conclude on the levels of assurance provided.

Audit Recommendation:

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
- 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.

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 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.

Action by:	Date of expected completion:
Deputy Director of Workforce (Lead Officer for SGC)/ Head of HR - Workforce Planning	**April 2023**

FINANCIAL GOVERNANCE

Strategic Risk:

723 Long Term Financial Sustainability – Score 25 Very High; Target 15High

As a result of failure to develop and implement the actions outlined in the one year NHS Tayside Strategic Financial Plan 2022/23, including the identification of recurring cost implications related to Covid-19 and remobilisation, NHS Tayside does not remain in financial balance, resulting in NHS Tayside not meeting its statutory financial targets

1182 Finance Annual Plan 2022/23 – Score 25 Very High; Target 12 High

As a result of risks and uncertainties the projected outturn for financial year 2022/23 as outlined in the approved one year NHS Tayside Strategic Financial Plan 2022/23 is not achieved resulting in NHS Tayside not meeting the financial targets set by SGHFCGVD

1183 Finance Capital Plan 2022/23 – Score 20 Very High; Target 12 High

As a result of risks and uncertainties the projected capital outturn for financial year 2022/23, as outlined in the approved 5 Year NHS Tayside Capital Plan 2022/23-2026/27 is not achieved resulting in NHS Tayside not meeting the financial targets set by SGHFCGVD

1217 Healthcare Environment – Score 20 Very High; Target 15 High

As a result of the lack staff, modern FM IT systems and the prioritisation and control around the utilisation of limited resources available to deliver the Regional Asset Management Plan (RAMP), there will be an inability to deliver safe and effective care in an appropriate healthcare environment which is fit for purpose, supports business continuity, and aligned to evolving clinical strategies, which will result in impeding clinical services and associated damage to organisational reputation.

312 NHS Tayside Estate Infrastructure Condition – Score 20 Very High; Target 6 Medium

As a result of failure to address known property backlog maintenance liabilities, risks to clinical or support services' business continuity may manifest in service failure, which result in the inability to meet clinical and supporting services' demand and associated reputational loss; considering the entire existing property portfolio of NHS Tayside, by renewing or improving the existing built environment infrastructure risk to business continuity and resilience

615 Effective Prescribing – Score 12 High; Target 9 Medium

As a result of changes in market forces, national pricing policy and variation in prescribing practice these variables may impact upon our ability to deliver financial targets with regards to prescribing (both primary care and secondary care) costs. As new medicines become increasingly complex and their costs continue to grow, it is imperative that we have in place effective governance arrangements to ensure the safe, clinically effective and cost effective use of medicines

Financial Environment

The ADP for 2022/23 was approved by NHS Tayside Board on 28 April 2022 and submitted to the SG on 29 July 2022. The SG responded that '*all boards are facing a challenging financial position and we note that, at the time the plans were developed, there was considerable uncertainty around expected*

allocations. We would therefore ask that ADPs are regularly reviewed to ensure they are deliverable within the current financial envelope and from within expected staffing levels'.

Papers presented to the Board and Performance and Resources Committee (P&RC) have highlighted a number of significant risks to the achievement of the revised target deficit budget position of £12m (1% financial flexibility per the medium term financial framework) and its achievement is by no means certain. The latest report to the P&RC in December 2022 provided Limited Assurance based on the financial projection for 2022/23. The paper highlights *"the changes in financial planning assumptions, previously reported to the Committee at the October meeting, £24.0 million of shortfalls in anticipated SGHFCGVD funding allocations and £12.4 million of inflationary and other operational pressures, the financial outturn increased from £19.6 million to £56.0 million if no further action was taken.*'"

Financial Planning 2022/23

The Draft Strategic Revenue Financial Plan 2022/23 was endorsed by the 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.

In line with SG requirements, an updated financial plan, extended to three years was submitted to SG on 29 July 2022. The contents of the revised plan were noted but not formally presented or approved at the 25 August 2022 Board meeting. The revised financial plan reflected revised planning assumptions issued by SG and showed the 2022/23 financial gap widening to £25.1m, based on the savings plan of £23.4m.

However, the financial report part of the paper also stated that, as at July 2022, the projected deficit was now £50.6m because the original financial plan gap of £19.6m was now £25.1m, and that further pressures, forecast to be £25.5m, also need to be addressed.

We would highlight that years 2 and 3 of plan for 2023/24 and 2024/25 showed forecast deficits of £72.2m and £79m respectively, which would leave a cumulative deficit of £176m.

Following a Quarter 1 review meeting between NHST officers and SG Health Finance colleagues NHS Tayside was instructed that it should deliver within the original £19.6m financial deficit approved by the Board in April 2022. This was included in the financial report to the October 2022 Board meeting which also noted that if delivery of financial balance was not possible without support from Scottish Government, NHST would be required to develop a financial recovery plan to set a path to financial balance within a period of not greater than 3 years. NHST submitted its Financial Recovery Plan to the SG on 30 September 2022.

The financial recovery plan submitted to SG on 30 September 2022 makes it clear that a whole system approach would be required to support financial recovery and we would reiterate the view set out in numerous Internal Audit reports and the Assurance and Advisory Group review, lead by Professor John Brown, that a strategic approach and the production of a new overall strategy, are essential prerequisites to delivering financial sustainability.

Financial Reporting

Finance reporting to Board and P&RC by the Director of Finance has consistently and clearly articulated financial challenges through Standing Committees and the Board. The continuing impact of Covid-19 on the financial plan and the savings programme has been clearly explained and the latest finance report presented to the P&RC in December 2022 gave a very honest and open report of the issues facing the Board. Not surprisingly, financial projections have fluctuated in line with an extremely volatile external environment, although we would note that savings have been consistently below trajectory.

However, there would be benefit, given the importance of these issues, in ensuring that all members are able to understand the technical language used in finance reports and that this does not obscure key messages.

Matching the current SG focus, reports to both the Board and P&RC have primarily focussed on in year performance and whilst the scale of the problem has been clearly highlighted, there has been less detail on how the significant gaps in the next two financial years will be met, mainly due to the level of detail in guidance and assumptions being issued by the SG.

We recognise that this is an extremely fast moving financial environment, and that there have been a number of financial briefings to members, but NHS Tayside will need to develop an approach which allows Board and particularly P&RC members the opportunity to consider, review and discuss the latest iterations of the Financial Recovery Plan and particularly the three year financial plan, in detail, rather than just an overview of projected deficits and associated actions as included within the financial plan. This may not be easy and no perfect solution is likely to be found, but the Board will need to recognise that financial volatility is likely to be a factor for some time and adjust its governance processes accordingly.

The SG informed all Boards on 11 November 2022 that the expectations within the parameters of the national medium term financial framework 2018 were to be followed. The Scottish Government stated that for this year the projected outturn has to be within one per cent of a Board's total core revenue resource funding, with NHST now having a projected year end deficit of £39m with the target now a £12m deficit.

The draft strategic financial plans 2022/23 and finance reports up to July 2022 were considered in reserved business at both the P&RC and the Board as the national context referenced in these papers was sensitive and there was still uncertainty around the Scottish Government funding position but later finance reports were taken in open business.

Risk Management

The Director of Finance reports on the strategic risks linked to either revenue or capital within the financial reports presented to each Committee meeting. The revenue and capital reports contain detail of the service risks associated with each area. We commend this approach as this allows the P&RC to assess the current risk score and any changes to the score over the period with actual in year performance.

As noted above the financial reports to P&RC do provide information on financial controls, mitigations and risks. However there is no overt linkage to the three finance risks on the CRR and whilst there are similarities it would be difficult for the lay reader to map directly from the finance report to glean direct assurance on what is presented to the formal risk.

As at December 2022, both risk 723 - Long Term Financial Sustainability and 1182 Finance Annual Plan 2022/23 current score was 25, with planned risk exposures of 15 and 12 respectively, although both would appear to be optimistic unless fundamental change is achieved.

Savings

The Revenue Report to the December 2022 P&RC provided Limited Assurance based on the financial projection for 2022/23 and the deviation from the one year strategic financial plan outturn approved by the Board in April 2022. The SG have now made it clear that NHST has to deliver an out turn position in line with the projected out turn of 1% of the Board's total core revenue resource funding, which for NHS Tayside is a £12m deficit. Any financial support required in 2022/23 would also need to be repaid to SG in the following two financial years.

The latest financial recovery plan to demonstrate financial balance over the three year period was submitted to SG on 30 September 2022. As mentioned in the financial reporting section above, the detail of these submitted recovery plans have not been presented separately to the P&RC or the Board, with high level information provided as part of the regular Financial Reports.

The December paper stated that the Board requires £67.4 million of savings (11% of Board Directed Services) to deliver the new financial target of a 12m deficit made up as follows:

- £23.4 million efficiency savings within the original Financial Plan
- £17.0 million low risk identified in a recovery plan;
- £19.4 million of medium to high risk actions, and
- £7.6 million to reduce the gap from £19.6 million to £12.0 million.

Recurring savings performance is reported as low although no percentage is provided.

The paper also assumes that the original savings of £23.4m plus the additional low risk savings from the Recovery Plan of £17m have been identified and delivered. Achievement of any of these efficiency savings in full will be challenging.

The measures taken included a number of financial flexibility measures which will clear out all opportunities for non-recurring operational efficiencies and financial flexibility in future. In other words, future savings will need to be substantial and recurrent. To achieve financial stability, NHS Tayside will need a coherent strategy which identifies priority areas and disinvestment opportunities, with clear links to a realistic, adequately resourced programme of savings and transformation programmes with appropriate levels of oversight and reporting.

The Chief Executive has established a Business Critical Gold Command governance framework to effectively direct all aspects of the Board's response to deliver the agreed financial outturn, service targets and performance delivery set by SG. This additional oversight builds on current monitoring, scrutiny and planning arrangements relating to key service and Board priorities, and on the positives learned during the response to Covid-19. Business Critical Gold Command will commission 'task and finish' groups to deliver in key areas of financial recovery and performance.

Capital Plan and Property Strategy

The five year capital plan was approved by the Board on 28 April 2022. This presented a balanced position in 2022/23, albeit with an over-commitment of around £1.066m reflecting natural slippage within the capital programme. Part of this over commitment is reflected as being due to capacity issues within the Property Team to support the delivery of the capital investment. This links to the Property Management issues reported by Internal Audit which are included in this section.

Core capital funding was fully committed in 2022/23 with around £17.6m remaining uncommitted for earmarked priorities in years 2-5.

The P&RC receive regular updates on current major capital projects. The most recent report to the December 2022 P&RC forecast a breakeven position for the year. The Children's Theatre Suite, the Multi-Storey Plant room and the Neonatal Intensive Care Unit are reported as complete. The Ninewells Electrical Infrastructure Zone 2 project has reported a significant delay with construction completion now in Quarter 4 of 2022-23. The project is currently reporting a 39% increase on the approved Full Business Case cost and a report has been approved electronically by the Project Team and Project board in December 2022 prior to being considered by the Asset management Group later in January 2023 and then Tayside NHS Board.

Internal audit T31A/23 – Property and Asset Management – Audit Follow Up of reports T24/21 and T25/15, issued in November 2022, provided Reasonable Assurance that action had been taken to address identified control weaknesses from previous internal audit reports T24/21 – Property Management Strategy and T25/15 – Utilisation of space in GP Practices.

We were reasonably assured that sufficient action has been taken to address previous internal audit recommendations and the foundations are in place to achieve and maintain a robust system of governance, risk management and control for property and asset strategic management. However, it was too early to conclude on whether these internal controls will be effective in supporting the achievement of objectives.

The Director of Facilities has confirmed to internal audit that NHS Tayside has a current Regional Asset Management Plan (RAMP) which is considered still 'in date' by Scottish Government, and is in the process of being updated in conjunction with internal stakeholders.

The refresh of the CEL 35 governance mechanisms should allow NHS Tayside to produce a refreshed RAMP /Property and Asset Management Strategy (PAMS) which will need to be approved by the Board and then delivered. It is however too early to tell if the mechanisms will have the desired effect.

However, the key issue is the need for a PAMS, or equivalent, that sets out NHS Tayside's approach to managing property to facilitate achievement of strategic aims and to mitigate key risks, such as the Sustainability of Primary Care Services risk.

As previously reported, there have been some delays in the process in this very important area and now that we can see movement, we will continue to monitor progress through the Audit Follow Reports to the A&RC.

Environmental Reporting

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 which, after consultation, was published in August 2022. The October P&RC was provided with Limited Assurance on the management of the strategic environmental management risk 807. An external consultancy firm are in the final stages of preparing a net-zero route map for NHS Tayside. Compliance with these regulations will almost certainly add to the financial pressures facing the Board.

Internal audit T14/23 – Environmental Strategy – will review initial steps in implementing the changes along with the structure and governance arrangements required by the DL.

Other Areas covered by ICE Fieldwork

We also reviewed the following areas, none of which highlighted any issues of note:

- Standing Financial Instructions
- Standards of Business Conduct
- Anti-Fraud and Corruption Policy and Response Plan
- Financial Operating Procedures

Control over the Acquisition, Use, Disposal and Safeguarding of Assets will be covered in a separate audit.

Action Point Reference 7 – Finance Risk Reporting to P&RC	
Finding:	
Risk reporting to the P&RC does not include coverage of key mitigating controls. Whilst these controls and their adequacy are recorded on the Datix system the P&RC are not sighted on these and cannot therefore scrutinise and challenge them. The controls around Risk 723 – Long Term Financial Sustainability – and Risk 1183 – Finance Capital Plan 2022/23 - have been assessed as 'incomplete', meaning that controls are appropriately designed but not consistently applied.	
Audit Recommendation:	
The risk reporting to P&RC could be enhanced by including coverage of the key mitigating controls.	
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:	
Actioned. **Both Revenue and Capital Finance Update reports presented to the February 2023 Performance and Resources Committee contained an additional appendix to provided details of current and planned controls for the relevant finance risks contained within the Datix system.**	
Action by:	**Date of expected completion:**
Director of Finance	**Complete – February 2023**

Action Point Reference 8 – Financial Planning and Financial Reporting

Finding:

The CoCG under matters reserved for Board includes – "Financial plan for the forthcoming year, and the opening revenue and capital budgets." The initial financial plan for 2022/23 was approved by the Board on 28 April 2022 but the 3 year Financial Plan was only noted by the Board, after it had been submitted to the SG and the revised financial plan has not been formally approved.

Notification of updates to financial plans to the P&RC and Board have been incorporated within the reporting of financial performance, which is understandable in the circumstances but would not be appropriate in the longer term, given that financial volatility is likely to remain a factor for some time.

Financial reporting has been open and transparent but the extreme circumstances have increased the need to ensure all members understand financial reports and also introduced new terminology, particularly in the field of financial flexibility.

Audit Recommendation:

Ideally, the CoCG should be followed such that the P&RC and Board approve short-term and long term plans, and any changes to them, before they are submitted to the SG. Given that financial volatility is likely to mean that such plans may well need to be revised in year as circumstances and SG requirements change, there should be a formal process that acknowledges the primacy of the Board and P&RC in this process, ensures they are consulted as much as possible and formally advised of the latest position, whilst affording the Director of Finance the flexibility required to respond to exigent circumstances which may not afford time to take papers through formal governance structures.

Reports on financial planning and financial reporting should be separate if possible, to reflect the different purpose (generally approval and assurance).

It is good practice to ask Board and particularly P&RC members to feedback on the content of Finance Reports and particularly to ensure that they understand the terminology used, particularly as new terms are introduced.

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 timing of the submission of financial plans to Scottish Government is not within the control of the Board.

Separate reports for financial monitoring and update on the development of the financial plan were considered by the Performance and Resources Committee and Tayside NHS Board in February 2023. A combined paper was considered at the December 2022 Performance and Resources Committee

meeting to reflect the early stage of development and timing of the Scottish Budget announcement and circulation of guidance planning assumptions from Scottish Government.	
Action by:	**Date of expected completion:**
Director of Finance	April 2023

INFORMATION GOVERNANCE

Strategic Risk:

Risk 680 eHealth Cyber Security Attack

- Current Score 12 (Moderate); Planned Score 6 (Medium)

Risk 679: eHealth Technical Infrastructure and Modernisation Program

- Current Score 12 (Moderate); Planned Score 6 (Medium)

Previous ICE and Annual Internal Audit Report Recommendations – Information Governance (IG)

Action had been completed to address IG related recommendations. While management did not agree to streamline all IG and Digital reporting under the remit of the P&RC, we commend the work undertaken to enhance reporting on Information Commissioner's Office (ICO) recommendations and action plans within the Assurance report provided to the Information Governance and Cyber Assurance Committee (IGCAC).

Previous ICE and Annual Internal Audit Report Recommendations – Digital

Delivery of the Digital Strategy is one of the key enablers for achieving efficiency and transformational change. More robust reporting of Digital activity to the P&RC is needed to provide a level of assurance reporting that is commensurate with the importance of digital activity in achieving objectives.

An update on the provision of a Digital Annual Report is included under the Digital Strategy section below. Previous recommendations related to the Digital Strategy not being fully costed or funded and the requirement for assurances on risks associated with delivery to be overtly reported to the P&RC, including monitoring of delivery of programmes and intended benefits.

A Digital Annual Operating Plan update is now provided to the P&RC and following discussions with key Finance and Digital officers, reporting will be enhanced to include updates on the capital and revenue spend in relation to the programmes/projects listed. Reports should provide clearer links to Digital Strategy progress, and more importantly, should clearly signpost elements that are not being delivered. When a project is completed, a benefits realisation review should be undertaken, including cost, value for money and whether the project had the desired impact on services.

Governance

The IGCAC continues to provide assurance to the A&RC through updates on the Network and Information System Regulation 2018 (NISR) 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. Our review of digital governance will be completed by financial year end.

While minutes are provided to both the A&RC and P&RC, we would recommend that a supplementary Committee Assurance report is included to help highlight relevant issues, particularly where there are items for consideration for disclosure within the Board's Governance Statement.

Information Governance Responsibilities

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

Information Governance Policies and Procedures

The IGCAC work plan includes a section on IG related policies, with updates presented to each meeting. The Information Security Policy has passed its review date and will be updated to reflect the Public Sector Cyber Resilience Framework, which was introduced in November 2022 to replace the Cyber Essentials and NIS Controls assurance Framework.

IG Assurance Reports to IGCAC

IG assurance reports are presented to each meeting of the IGCAC. The IG midyear assurance report previously reported to the A&RC has been removed from the A&RC work plan. This report provided a useful summary of all IG activity, and provided early warning of any potential issues before year end and it is not clear how this will be obtained in its absence.

NHS Tayside currently responds to 95% (target 100%) of Freedom Of Information requests within 2 weeks. Engagement from officers for identifying Information Assets continues to be a reported issue to the IGCAC.

The IG assurance report provides a "snapshot" of all IG activity across the following areas:

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

IG Incidents and Reporting

IG Incident Reporting Assurance reports to the IGCAC have been enhanced to include the number of data breaches since the previous report, the number reported to the ICO, feedback from the ICO on previously reported incidents and outcomes received for previously reported data breaches/complaints from data subjects. Where the ICO outcome includes actions, these are included as an appendix to the report with an update position provided. This process could be further enhanced by including an opinion on whether any of the incidents reported to date should be considered for disclosure in the year end Governance Statement.

The Significant Adverse Event Review for the Missing Psychology Records is at draft report stage, and should be considered by the CGC, with the A&RC continuing to oversee progress in remediating the control weaknesses identified by Internal Audit.

Risk Reporting

Internal Audit previously reported that an IG risk register should be produced with reporting to each meeting of the IGCAC, and overt linkage to IG aspects of the two digital strategic risks. The action taken by management is in accordance with the management response, but does not necessarily address the underlying issues as it has only resulted in the recording of existing risks on Datix, rather than active consideration of the totality of the risk environment and ensuring that there is an operational risk for each component. An overarching IG risk with links to individual components would be considerably more robust.

Every second meeting of the P&RC receives assurance reports for both the Technical Infrastructure and Modernisation Programme risk (rated high) and the Cyber Security Attack Strategic Risk, (rated medium). The Technical Infrastructure and Modernisation Programme risk is under enhanced monitoring as it is outwith risk appetite, and will now be presented to every P&RC meeting.

The score for the Technical Infrastructure and Modernisation Programme risk has remained 'High' over the last 12 months and further reduction to the target risk of moderate will require significant additional work. As highlighted within the Risk Assurance report "*Progress is being made with mitigation of this risk, however, given the scale of the work required we continue to see little change in risk score. We have sound foundations and understanding of the work to be done and are pleased to see progress being made. Tackling areas of Digital improvements requires significant investment to be made, which we anticipate becoming more challenging with the financial pressures being faced by the organisation*." The costing and clarity on the affordability of the Digital Strategy, and those elements of the Strategy that will not be delivered due to financial constraints, needs to be considered by the P&RC.

The Cyber Security Attack strategic risk score has recently increased to 'high. This score reflected that between December 2022 and February 2023, NHS Tayside was subjected to a cyber-attack and the Cyber Security Manger and Cyber Security Analyst have left the organisation. Recruitment activity is underway for both posts. . Some project activity, such as the rollout of Advanced Threat Protection, or a change in anti-virus software has been put on hold.

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, with reporting to the A&RC due 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.

By the end of 2023, all Boards must meet a national set of KPIs. NHS Tayside has recognised that a significant programme of delivery will be required to meet these KPIs by the end of 2023. These KPIs should be reported to the IGCAC early in 2023, so that required action can be taken immediately.

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.

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.

A Digital Annual Operating Plan (AOP) Update was presented to the December 2022 P&RC meeting. It provided a table of the digital projects ongoing with a RAG status, however no definitions are provided to evaluate what the risk is around delivery and what actions are being taken where a project is assessed as amber/red. The AOP also states it provides evidence around the Best Value characteristic – Use of Resources, however there is no reporting around the financial position or financial risks to each digital project. each programme of work designed to support the delivery of the Digital Strategy. The AOP could also be enhanced by providing detail on the impact of the parts of the Digital Strategy that are not being delivered.

The Digital Annual Report to the P&RC in September 2022 was presented in the same format as the Digital AOP. It is key that for 2022/23, the DTP produce an Annual Report in line with its Terms of Reference, with explicit assurance provided around the following elements:

- "*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*."

Internal Audit will undertake a review of Digital Governance early in 2023, which will include the role of the DTP and the prioritisation process for digital projects.

Action Point Reference 9 – Digital Reporting to P&RC

Finding:

The reporting of Digital activity to the P&RC is not fully commensurate with the importance of digital activity to the Board and the transformation necessary to achieve sustainable services.

The Digital Annual Report delivered to the P&RC in September 2022 was presented in the same format of the Digital AOP. The Annual Report was not in the standard template format.

Audit Recommendation:

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 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.

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 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 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".**	
Action by:	**Date of expected completion:**
Director of Digital Technology	**June 2023**

Action Point Reference 10 – Digital Governance

Finding:

The minutes of the IGCAC are provided to the A&RC and the DTP minutes to the P&RC but these do not necessarily provide all of the required assurances.

Audit Recommendation:

We would recommend that In addition to the IGCAC and DTP minutes, a Committee Assurance report should be presented to the respective Standing Committee to escalate and highlight relevant issues for consideration by the standing committee, to provide assurance on whether risks are being managed effectively and to highlight any items to be considered for disclosure within the Board's Governance Statement.

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:

With guidance, in addition to the IGCAC and DTP minutes, we will present a Committee Assurance report to the respective Standing Committee to escalate and highlight relevant issues for consideration by the standing committee, to provide assurance on whether risks are being managed effectively and to highlight any items to be considered for disclosure within the Board's Governance Statement.

The Board Secretary is the Chair of the Information Governance and Cyber Assurance Committee which reports to the A&RC. The Board Secretary will provide an Information Governance and Cyber Assurance Committee Chairs Assurance Report to each Audit and Risk Committee starting for the year 2023 - 2024.

Action by:	Date of expected completion:
Director of Digital Technology (re. DTP)	**August 2023**
Board Secretary (re. IGCAC)	**April 2023**

Action Point Reference 11 – NISR KPI Reporting

Finding:

By the end of 2023 all boards will be required to meet national NISR KPIs. NHS Tayside has recognised that a significant programme of delivery will be required to meet on time.

Audit Recommendation:

Reporting against NISR KPIs should commence early in 2023 to the IGCAC, together with review, approval and monitoring of an appropriate action plan, so that required action can be taken immediately and there is a realistic prospect that the KPI can be achieved by end 2023.

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 revised Public Sector Cyber Resilience Framework (PSCRF), which incorporates the Network and Information Systems (NIS) Regulation 2018, is still in draft. The Framework has undergone a number of significant changes as a result of the revision and addition of cyber security standards and frameworks. The revised Framework also introduces new controls and some of the subcategories have been removed or merged. There is also a new Tier system which replaces the level of attainment for each control recommendation.

The new structure will consist of the following: 17 categories; 68 subcategories (reduced from 76); new categories on Cloud Services and Internet of Things (IoT); 430 controls (reduced from 435) and an organisation-wide structure to show shared responsibilities. These control categories have a direct impact on how we work to achieve the compliance Key Performance Indicators (KPI) as required by the Scottish Government Competent Authority (CA) by the end of 2023.

Based on the audit review outturn in 2022, the key message from the NIS audit was that we would need a significant programme of work to be delivered if we are to achieve these KPIs.

Our focus will be to demonstrate compliance against the 430 controls, and to that effect a new action plan will be put in place which will incorporate the revised 83 recommendations from the last Review Audit.

To date, there has been no official communication from the Scottish Government Competent Authority (CA) in terms of implementing the revised Framework. The Framework alongside its guidance documentation are still in draft, as per last communication in December 2022. The NISR audit schedule for 2023 is yet to be finalised by the Competent Authority and the audit team. We cannot therefore at this stage appropriately align our recommendations to the new Framework structure or draw a timeline in for the NIS audit.

Whilst we are waiting for communication from the Competent Authority, meetings continued with the Cyber Security Manager regarding the cyber security risks and weaknesses within our infrastructure as identified in the Review Audit Report. This work halted due to the Cyber Security Manager leaving NHS Tayside in November 2022. There has now been a successful recruitment by the Digital Directorate and the new Cyber Security Manager took up post late January 2023. Formal meetings and work will now recommence with the Digital Directorate. **The work to progress the Action Plan will be monitored through the Cyber Resilience Governance Group (CRGG) which will be reported to the Information Governance and Cyber Assurance (IGCA) Committee and then onto the Audit and Risk Committee for assurance.**

Action by:	Date of expected completion:
Board Secretary (re. IGCAC)	**TBC – dependent on when the revised Public Sector Cyber Resilience Framework is received**

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.**	**Four**
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.**	**Five**
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 31 December 2022
1. T08/22 Internal Control Evaluation: Risk Management & Performance Reporting. Priority - Moderate		
The risk section of Board and Committee papers should be given higher priority than at present and should contain basic information to facilitate a focused discussion on the risk implications, be overtly linked to any operational or strategic risks, and contain enough information for members to be able to form a conclusion on whether the score, narrative and other elements of the related risk are adequately described. The reporting framework at governance level should triangulate resources, performance, and risk within the overall governance framework. Best practice would be for monitoring and performance reports to be related to specific risks and to contain an overt conclusion on whether controls are operating as intended, to mitigate the risk effectively. The Standing Committee Governance and Assurance Guidance would be useful in ensuring this triangulation. This review of performance reporting should consider the increasing significant impact of the Omicron variant and the impact on the current risks and controls.	**Board Secretary, Head of Committee Administration, Head of Strategic Risk and Resilience Planning.** ~~August 2022~~ ~~September 2022~~ ~~November 2022~~ ~~February 2023~~ **March 2023** 	Meetings with the Committee Chairs, Lead Officers and Committee Support Officers, to explore improvements and to discuss the implications of implementation of risk appetite and links with assurance, have taken place. The revised templates will be signed off by the Corporate Governance Review Group by email circulation. The Head of Strategic Risk and Resilience Planning has delivered sessions to Standing Committee Chairs and lead officers to ensure that they are also fully briefed and aware of the systems and processes in place. An aide memoire has been shared with them to support this process.
2. T08/21 Internal Control Evaluation Report 2020/21: 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	**Chief Executive & Director of Finance** ~~**June 2021**~~	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

Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 31 December 2022
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.	~~**December 2022**~~ **March 2023** 	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. There is now an updated planning timetable which was presented to Executive Leadership Team (ELT) in January 2023, and which should be presented to Board thereafter. ***Internal audit note: Action to address this wide ranging recommendation will be reviewed and validated in internal audit T15/23 – Strategic Planning, to be issued by end of December 2022.***

Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 31 December 2022
3. T08/21 Internal Control Evaluation Report 2020/21: Corporate Governance – Covid19. Priority - Significant		
• Clearly articulate the impact of Covid19 on the risk profile of the organisation at both the strategic and service level. • Identify all relevant controls mitigating the strategic and service level impacts of Covid19 and implement clear assurance lines. • Risks documented within the Covid19 risk register should be reviewed and escalated if necessary.	**Director of Finance & Head of Strategic Risk and Resilience Planning/Interim Head of Clinical Governance and Risk** ~~**April 2021**~~ ~~**October 2022**~~ ~~**December 2022**~~ **March 2023** 	Proposed amendments to the Strategic Risk Register will be discussed at a Board Development event on 30 March 2023, prior to Tayside NHS Board approval of the revised Strategic Risk Register. While the Strategic Risk Profile 2022/23 was approved by Tayside NHS Board on 30 June 2022, as reported to Board on 27 October 2022, there remain some outstanding actions in relation to the development of new risks and updates to existing risks The requirement to conclude the outstanding actions was highlighted at the Strategic Risk Management Group held on 19 October 2022.
4. T06/22 Annual Internal Audit Report: Strategy Risk. Priority - Fundamental		
• Introduction of a strategic risk relating to the development and implementation of overall strategy • Appropriate officers identified to own and manage the risk • Effective governance and oversight so that the Board can formally scrutinise the arrangements and be engaged in all key decisions, and in setting the vision/ direction for the next iteration of the plan.	**Director of Finance** ~~**March 2022**~~ ~~**October 2022**~~ ~~**December 2022**~~ **April 2023** 	When the Strategic Risk Profile 2022/23 was approved by Tayside NHS Board on 30 June 2022the 'Development of Strategy' risk was proposed, however, as reported to Board on 27 October 2022, further work is required to be undertaken to develop fully following identification of Risk Owner. The December 2022 Strategic Risk Management Group was informed of this requirement. No specific risk has yet been identified as the organisation is currently working under and in line with the Strategic

Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 31 December 2022
		Direction set by Scottish Government following the Covid-19 pandemic. Proposed amendments to the Strategic Risk Register will be discussed at a Board Development event on 30 March 2023, prior to Tayside NHS Board approval of the revised Strategic Risk Register.
5. T06/23 Annual Internal Audit Report and T08/22 Internal Control Evaluation: Summary of recommendations on review of the Care Governance Committee 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 of 2022/2023.**	The Care Governance Committee workplan was reviewed, updated and noted at the 4 August 2022 Care Governance Committee. 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. 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

Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 31 December 2022
		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. It is intended that the framework and supporting delivery plan, investment plan and workforce plan will be finalised by the end of Nov 2022. 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 Jun 2022 and was provided in a report to CGC on 4 August 2022. Alignment of the Drug and Alcohol Recovery risk to an appropriate Standing Committee is being progressed. 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 Care Governance Committee 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 is planned for the February 2023 CGC. The Safety Oversight Group escalates issues through relevant services which then provide assurance in their assurance reports and risk reports presented to CGC. Assurances on effectiveness of adverse events management

Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 31 December 2022
		are provided in assurance reports presented to CGC by Acute Services, Mental Health and Learning Disability Service and the 3 HSCPs.
6. T08/22 Internal Control Evaluation and T06/22 Annual Internal Audit Report: 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** 	A paper that captured the risks of deferred treatment was considered at the Care governance Committee on the 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. 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.
7. T08/22 Internal Control Evaluation: 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	**Associate Medical Director Patient Safety, Clinical Governance and Risk Management** **Head of Patient Safety, Clinical**	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 whether the document will be a Strategy or a wider Framework are being progressed.

Audit Report – Recommendation & Agreed Action	Responsible Officer, original and amended due dates RAG Status	Position at 31 December 2022
agenda focusing on developing a project plan to progress the refresh of the Clinical Governance Strategy.	**Governance and Risk Management** ~~**October 2022**~~ **Ongoing** 	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. Full review of the Clinical Governance Strategy is due in 2024.
8. T08/22 Internal Control Evaluation: Staff Governance Standards. Priority - Moderate		
The assurances within the regular monitoring reports should be presented in a way that allows members to be able to understand how they contribute to the totality of assurance on Staff Governance but also allow identification of any gaps.	**Director of Workforce** ~~**June 2022**~~ ~~**December 2022**~~ **March 2023** 	Reporting formats were not considered as planned on the December agenda. Discussed at agenda planning with Co-Chairs. Consideration of Standards compliance reporting required to be deferred in light of proposed amended Scottish Government reporting template. While this was anticipated for June 2022, the template was issued on 26 July 2022. Consideration of future reporting followed sign off for submission of the 2021/22 Staff Governance Monitoring Return by the Committee for assurance and submission to Scottish Government in November 2022.