FTF Internal Audit Service

Internal Control Evaluation 2023/24

Report No. T08/24

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

C Hiscox, Chief Executive
B Jenkins, Deputy Chief Executive

S Lyall, Director of Finance
L Lyall, Assistant Director of Finance – Infrastructure

Directors / Executive Leadership Team

M Dunning, Board Secretary
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Audit Follow-Up Co-ordinator

Audit and Risk Committee
External Audit

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Draft Report Issued	29 December 2023
Management Responses Received	30 January 2024
Target Audit & Risk Committee Date	14 March 2024
Final Report Issued	19 February 2024

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 Tayside Internal Audit Plan provides cyclical coverage of all key elements of Corporate, Clinical, Staff, Financial and Information Governance.

3. Together, the mid-year Internal Control Evaluation (ICE) and the Annual Report provide assurance on the overall systems of internal control, incorporating the findings of any full reviews undertaken during the year and providing an overview of areas which have not been subject to a full audit. 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. These interim and year-end reviews provide early warning of issues and allow a holistic overview of governance within NHS Tayside.

4. The Draft 2023/24 Annual Delivery Plan was signed off by Scottish Government (SG) on 4 August 2023. The NHS Tayside Board draft Medium Term Plan for the period 2023/2026 was submitted to SG on 7 July 2023 with feedback to be provided. SG guidance advised that the draft Medium Term Plan should take into consideration service changes which Boards are preparing for locally over the next 3 years and identify through horizon scanning issues which may require local, regional, or national planning input.

5. Section 1 – Executive Summary of the ICE was presented to the January 2024 Audit and Risk Committee (ARC) and the final version was issued upon receipt of management responses. This allows the year-end process to be focused on annual assurances and confirmation that the required actions have been implemented. The ICE provides a detailed assessment of action taken to address previous internal audit recommendations from our 2022/23 ICE and Annual Report.

6. This review will be a key component of the opinion we provide in our Annual Internal Audit report and will inform the 2024/25 Internal Audit planning process.

7. Our audit 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.

AUDIT OPINION

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

9. Our 2022/23 Annual Report was issued on 21 June 2023 and was informed by detailed review of formal evidence sources including Board, Standing Committee, Executive Leadership Team (ELT), and other papers.

10. As well as identifying key themes, the 2022/23 Annual Report made five specific recommendations in the following areas:

    - Consideration of the full extent of the risks to financial sustainability including brokerage availability, quantum of savings required for each workstream and capacity to drive strategy.

    - Provision of timely assurances on Duty of Candour.

- Improvement in the layout of the Staff Governance Committee (SGC) and Remuneration Committee workplans to provide assurance that all aspects had been completed.
- Ensuring engagement from Information Asset Owners to provide required information.
- Impact of deliverables within the Digital Delivery Annual Operating Plan on target strategic risk scores and identification of success criteria.

11. Outstanding actions from our previous ICE and Annual Report recommendations are shown in Appendix 1.
12. Action to address the overarching Clinical Governance Improvements recommendation, which was itself a consolidation of previous unimplemented recommendations, has been extended from October 2022 to March 2024. While we have made five clinical governance recommendations in this report, we acknowledge the significant improvement work already underway and the clear ambition to provide extensive and comprehensive assurance reporting to the committee. The implementation of the new Clinical Governance Framework provides the opportunity to agree the range and format for assurance reporting and associated indicators and measures.
13. Overall, there has been good progress on actions to address recommendations from the 2022/23 ICE and Annual Report. Where action is still to be concluded, the Board has been informed of the planned approach and timescales, as well as associated improvement plans.
14. In this report we have provided an update on progress to date and, where appropriate, built on and consolidated previous recommendations to allow refreshed action and completion dates to be agreed.
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 and relevant strategic risks for each strand of governance are included. Key themes emerging from this review and other audit work during the year are detailed in the following paragraphs.
17. The Audit Scotland report – NHS Scotland 2022, issued February 2023, stated that *'the NHS in Scotland faces significant and growing financial pressures. These include inflation; recurring pay pressures; ongoing Covid-19 related costs; rising energy costs; a growing capital maintenance backlog; and the need to fund the proposed National Care Service. These pressures are making a financial position that was already difficult and has been exacerbated by the Covid-19 pandemic, even more challenging'*. Internal Audit reports have recorded similar concerns and highlighted the strategic changes required. The financial risk for NHS Tayside, NHSScotland and the public sector has continued to increase.
18. As reported in our 2022/23 Annual Report, 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. However, the Board has continued to respond, and risk assess, to ensure the most urgent work is prioritised.
19. Workforce risks remain very high across NHSScotland, and the current and target risk scores 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. Continuing staff shortages and increased demand for staff means that effective workforce planning remains key in supporting the achievement of the Board's operational, financial, and strategic objectives.

20. Maintaining operational performance against mandated targets remains extremely challenging. NHS Tayside continues to perform well against the 31 day cancer target and in the 4 hour ED target, albeit performance is slightly below target. Improvement is required in the 62 day cancer target and in CAMHS. While operational improvements will have a limited impact on performance, genuinely strategic solutions must be identified, with a focus on collaborating with partners to address underlying capacity and flow issues.

21. 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 NHS Tayside has the capacity to drive strategy and transform to effectively and efficiently deliver services, and achieve recurring savings.

22. 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.

23. The financial challenge within NHS Tayside and the wider health and social care sector is at a level above what has been seen before. We have not repeated our previous recommendations in this area, but we continue to carefully monitor progress against the Financial Sustainability recommendation from our 2022/23 Annual Report. Ongoing work to develop strategy will be critical, as will work to refresh the Collective Leadership and Culture Strategic Framework 2018 – 2023. Identification of contingency plans to manage the level of brokerage available is crucial.

24. Whilst the SG has set 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.

25. This report contains recommendations that reflect the changes to the risk environment in which the Board operates. Our recommendations are aimed at ensuring coherence between Governance Structures, Performance Management, Risk Management and Assurance.

KEY DEVELOPMENTS

26. Key developments since the issue of our 2022/23 Annual Report included:

- Approval of the Three-year Medium Term Financial Plan by the NHS Tayside Board in April 2023.
- SG sign off of the 2023/24 Annual Delivery Plan on 4 August 2023.
- Ongoing updates to the Code of Corporate Governance.
- Board Development Sessions covering a diverse range of topics.
- Ongoing collaborative approach to developing a single Clinical Governance Framework across the whole Tayside system.
- Additional assurance reports provided to the Care Governance Committee.
- Addition of a strategic risk on Patient reported outcome measures.
- Ongoing work on the development of a Primary Care Strategy and improved controls to mitigate the Sustainable Primary Care Services risk.
- Approval and drafting of a new strategic risk for substance related morbidity and mortality and planned work with stakeholders to identify actions to mitigate the risk.
- Formal approval of the Mental Health and Learning Disability Whole System Change Programme which addresses the recommendations of the Independent Oversight and

Assurance Group (January 2023) and new governance arrangements which take account of the role of the three Integration Joint Boards.

- Implementation of improvements in response to the internal audit review of Workforce Planning.
- Establishment of a Programme Board and completion of a self-assessment in preparation for the implementation of the Health & Care (Staffing) (Scotland) Act 2019 (Safe Staffing Legislation).
- Full implementation of national 'Once for Scotland' Phase 1 polices and implementation work for Phase 2 underway.
- Development of an Information Governance template for submission to the Information Governance and Cyber Assurance Committee twice a year.

ACTION

27. 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

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

Jocelyn Lyall, BAcc CPFA
Chief Internal Auditor

CORPORATE GOVERNANCE

Corporate Risks:

- **1316 – Development of Strategy – Current risk exposure 16 (High), Planned risk exposure 12 (High), Within appetite**
- **1217 – Healthcare Environment - Current risk exposure 16 (High), Planned risk exposure 12 (High), Within appetite**
- **1371 - Executive Leadership Team - Current risk exposure 12 (High), Planned risk exposure 8 (Medium), Below appetite**

Strategy

Internal audit T15/23 on Strategic Planning, issued in November 2023, concluded that progress in developing a Strategic Plan was being made and NHS Tayside had started to forge important linkages between remobilisation, strategy development, public health priorities and partners' Strategic Plans, with a focus on data. On 27 April 2023 Tayside NHS Board approved the 'Development of Strategy' strategic risk.

Report T15/23 provided Reasonable Assurance and set out: the requirement for effective governance and oversight of strategy development, so that the Board can be engaged at all stages of the process, approve key strategic assumptions and principles, and formally scrutinise arrangements in line with an agreed timetable; the requirement to report on the formal strategy development process, priorities, principles, products, and parameters; management of a Development of Strategy risk.

The Deputy Chief Executive is responsible for managing this risk and for implementing the internal audit recommendations. In response to our recommendations a timeframe of February 2024 has been agreed for development of the strategy project plan with a timetable to be approved by Tayside NHS Board in April 2024.

Given the complexity of the delivery landscape and escalating financial pressures the Strategic Plan will be essential in setting direction for NHS Tayside. Our view remains that NHS Tayside may well need to prioritise services in order to ensure that key elements are safe and sustainable, and this may well require difficult choices. In the absence of a Strategic Plan which overtly states organisational priorities and underpins the delivery of quality care, the ability to make informed decisions would be more difficult.

Operational Planning

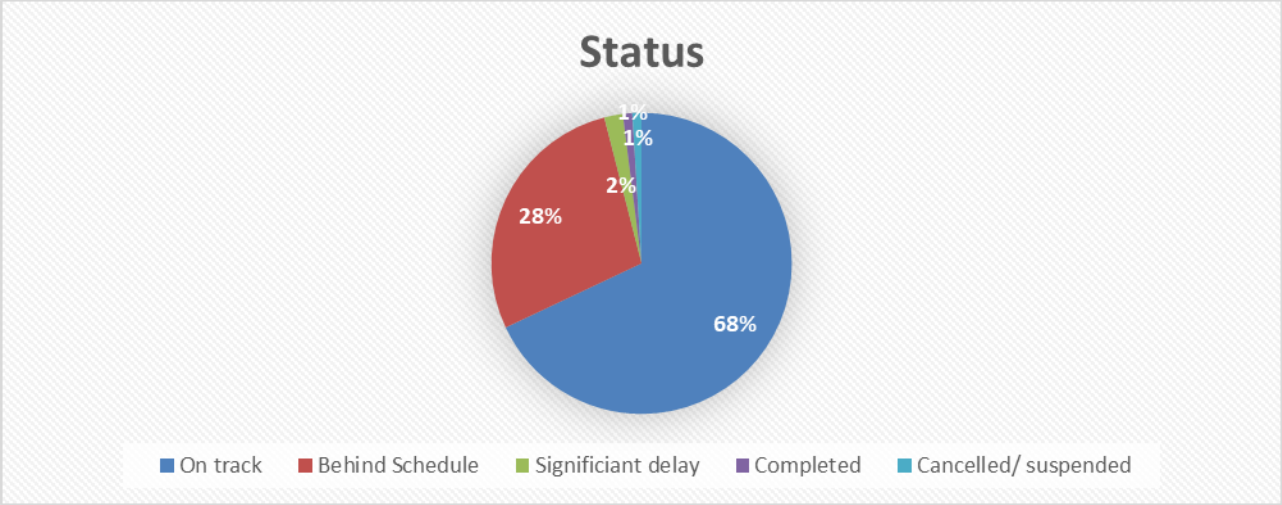
The 2023/24 Annual Delivery Plan was in line with SG guidance and was presented to Board on 31 August 2023, following submission to SG on 8 June and sign off on 4 August. The Annual Delivery Plan is monitored locally by the Performance and Resources Committee (PRC) NHS Tayside on a quarterly basis and monitored externally by SG.

The Medium Term Plan 2024-26 (MTP) was also considered by the August 2023 Board. The Board was advised that all territorial NHS Boards' MTPs were to be reviewed by SG to inform government strategy.

The December PRC considered the 2023/24 Annual Delivery Plan quarters 1 and 2 progress update report which had been approved by the Executive Leadership Team (ELT) on 23 October, prior to

submission to SG. The PRC was advised that SG had no specific issues to feedback on the quarter 1 and 2 performance update.

The status of deliverables on 30 September 2023 was:



The December PRC was advised that SG will again formally commission 2024/25 Three Year Financial Plans, with financial planning guidance and timescales to be aligned with Annual Delivery Plan guidance.

The Tayside Winter Resilience Plan 2023/24 was approved by the Board on 26 October 2023. There is no separate winter funding allocation for health boards and instead funding is integrated across all urgent and unscheduled care programmes.

The Plan's data modelling and forecasting notes a predicted timeline of increased unscheduled demand through December to February 2024. Both major incident and winter resilience tabletop exercises were being progressed in late October and early November 2023. The NHS Tayside Major Incident Plan is to be reviewed and updated by the end of January 2024.

Governance and Assurance Risks and Developments

Updates to the Code of Corporate Governance (CoCG) were approved by Board on 29 June 2023 after being previously considered by the ARC. Since then there have been some minor approved updates to the CoCG.

Board Development Sessions continue to operate and have covered a diverse range of topics. The January 2024 session will include consideration of the outcome of the November 2023 Blueprint for Good Governance Board self-assessment. As previously reported, we recommend that the outputs and any actions from Board Development Sessions are formally recorded and monitored.

Risk Management

The updated NHS Tayside Risk Management Strategy and Framework was approved at the April 2023 Board meeting and will be reviewed again in May 2024. The revised Strategic Risk Profile was approved by Tayside NHS Board on 27 April 2023.

The Strategic Risk Register (SRR) continues to be reviewed by the Strategic Risk Management Group (SRMG) and considered at each meeting of the ARC, with Standing Committees routinely receiving assurance reports on the strategic risks assigned to them, although due to an administrative error the Health & Safety risk was not reviewed by the SGC in August 2023. The Board reviewed the full SRR in April and October 2023.

There are 18 agreed strategic risks, 17 of which were fully recorded within the Datix System, and one (Delivery of Mental Health Strategy) in development. The risks were assessed as follows:

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

As reported to the 6 December 2023 SRMG, three risks were overdue for review and a further three risks did not have review dates set. Whilst this is an improvement compared to the 2022/23 position when six risks were overdue and did not have a review date, risk reviews should be undertaken timeously to ensure that NHS Tayside remains alert to changing circumstances.

All planned 2023/24 meetings of the SRMG have taken place, but there was 30% non-attendance at the four meetings to date. Attendance and participation in SRMG meetings should be carefully monitored.

We continue to conclude that overall risk management arrangements within NHS Tayside are robust, based on the continuing operation of the overarching risk management arrangements and associated governance arrangements.

Risk Appetite

At the March 2023 Board Development Event, the Board agreed an update to its risk appetite statement. The system for enhanced monitoring of risks above appetite is operating as expected and as reported to the 6 December 2023 SRMG, for the 17 recorded strategic risks: -

- 7 were above risk appetite and subject to enhanced monitoring
- 8 were within risk appetite
- 2 were below risk appetite

Internal Audit have previously commented on the need for further 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, i.e. the ‘so what’ question, which is important in making risk appetite real. Whilst risk reporting to Board and Standing Committees includes the risk appetite for each risk, further work is required to capture commentary to explain the implications of what above or below appetite means in practice.

As previously reported by Internal Audit and based on our analysis of the Board’s current control environment and external risks, it is our view that many of the planned risk exposure ratings are unlikely to be achieved in a reasonable timeframe and five of the 17 reviewed strategic risks may be ‘underscored’ against the wider external environment.

Planned risk exposure ratings should be reviewed and adjusted to challenging but realistic levels and achievable timescales for delivery. As a driver for prioritisation and action, risk appetite statements should be based on a realistic assessment of what can be delivered.

Audit and Risk Committee (ARC) / Internal Audit

Engagement with the Audit Follow Up (AFU) process has been good, which is important at a time where external pressures are increasing both risk and the need to ensure that identified control weaknesses are remediated.

We have experienced delays in receiving required information and agreement to commence some audits and this, along with internal staffing pressures, has impacted on delivery of the Internal Audit Plan. Taking cognisance of the evolving risk environment and the work we will be undertaking to develop the 2024/25 Internal Audit Plan we will revisit our current plan to prioritise those audits which are of most significance.

Committee Assurance

Version 2 of the Blueprint for Good Governance has been considered by the Governance Review Group and the Board. The Blueprint for Good Governance requires Boards to regularly review their governance arrangements and annually conduct a structured self-assessment to review their effectiveness, identifying any new and emerging issues or concerns.

The revised Blueprint for Good Governance survey was issued to Executive and non-Executive Board Members, Directors, and Senior Managers for completion in November 2023. The results will be discussed at the planned Board Development Event on 25 January 2024, with a Governance Development Plan scheduled to be formally presented to the Board on 29 February 2024.

We reported in our 2022/23 Annual Report that governance documentation including the Committee Assurance Principles (which include risk questions for Committees), guidance for Chairs, Executive Leads, Committee Support Officers, and Chairs' Assurance reporting was being reviewed.

At their July and November 2023 meetings the Governance Review Group reviewed the governance guidance documentation and agreed further updates, including the process for development and approval of Chairs' Assurance Reports and a process for submitting assurances to the Integration Joint Boards (IJBs) in relation to clinical and care governance. Between July and October 2023, the Board Secretary also held discussions with each Standing Committee Chair, Vice Chair, Lead Officer, and Committee Support Officer.

Internal Audit continue to promote the use of the Committee Assurance Principles, which provide complementary guidance to the Blueprint for Good Governance through leadership of the Assurance Mapping Group, Risk Management work and though individual internal audits. Committee Assurance Principles remain an important tool to support non-Executive members in discharging their responsibilities.

Policies

At 30 November 2023, eight of 127 policies were in breach of their review date and extensions were granted for 21 policies, including the Records Management Policy and the Management of Health and Safety Policy. 18 NHS Scotland Once for Scotland Polices were launched on 1 November 2023 and replaced 15 NHS Tayside Corporate Policies.

On 15 August 2023 the SGC considered the Mid-Year Policy Update report and on 7 December the PRC considered the Policy Oversight Group Assurance Report – Facilities. These reports both provided Reasonable Assurance.

On 5 October 2023 the Care Governance Committee (CGC) considered the Clinical Policy Governance Group (CPGG) report which provided Reasonable Assurance but reported that the CPGG had met only once in the period between April and September 2023, with two meetings cancelled due to quoracy issues, and that ensuring sufficient attendance at meetings was becoming a challenge. To address this issue, a review of the membership and/or the meeting schedule was to be undertaken.

On 16 November the ARC considered the Policy Oversight Group Midyear Assurance Report which provided Substantial Assurance that appropriate governance and approval routes had been followed in relation to the development of existing Governance and Information Governance policies. In our opinion the policy review process is well established.

Anchor Strategy

The 27 October 2023 Board approved the Anchor Strategy for submission to SG. The Anchor Strategy has six areas of focus and annual action plans will be co-produced to ensure SG targets (still to be finalised) are achieved. It sets out governance and partnership arrangements to progress anchor activity, current and planned anchor activity, and a baseline in relation to workforce, local procurement, and use or disposal of land and assets for the benefit of the community.

Culture and Values

The June 2023 SGC considered an update on progress on the 'Collective Leadership & Culture Framework 2018-2023' which provided Limited Assurance. Key points included:

- Review of the framework and ongoing development work examining culture to help set direction of travel in relation to culture, considering the impacts to ways of working of the pandemic and in light of national initiatives such as the National Workforce Strategy for Health & Social Care in Scotland.
- The importance of engagement, development, leadership and culture, given the numerous challenges facing the organisation.
- Eleven separate culture value descriptions were assessed against the assurance definitions with nine areas assessed as providing Limited Assurance and two areas assessed as providing Reasonable Assurance. One of the Limited Assurance areas was "NHS Tayside Board, Committees & Executive Leadership Team ensure their way of working reflects values".

The importance of an appropriate culture was recognised by the Minister for Social Care, Mental Wellbeing and Sport, following the November 2023 Annual Review which concluded that in order for NHS Tayside to face its challenges, improve performance, transform services alongside managing a challenging financial position "It will be important to build on the partnership approach and to ensure the necessary stability and support for colleagues is in place. This will be vital in ensuring trust in leadership and culture, as well as providing strong foundations on which to set your recovery."

The commentary and the scale of the Limited Assurance conclusions within the June 2023 Collective Leadership & Culture Framework 2018-2023 update indicate that there is a risk that culture frameworks within Tayside may not be effective.

The Blueprint for Good Governance states that "An organisation's culture comprises its shared values, norms, beliefs, emotions, and assumptions about "how things are and should be done around here". These 'things' include how decisions are made, how people interact and how work is carried out." We welcome the planned work on the 'Collective Leadership & Culture Framework' and recommend that it is progressed at a pace to sufficiently support NHS Tayside's displayed behaviours and cultures and governance.

Capacity

There have been a number of changes to the non-Executive membership of Standing Committees and the IJBs, and the appointment of three new Non Executive Members is imminent with approval awaited from the Cabinet Secretary. There are currently vacancies in: the Angus IJB, Perth & Kinross IJB, the ARC the PRC and the SGC.

Alongside the change in the non-Executive cohort, there has been significant change within the Executive cohort, including the retirement of the Chief Executive and Chief Officer for Acute Services. Officers have been appointed to the roles of Interim Chief Executive, Deputy Chief Executive, Chief Officer (Angus Health and Social Care Partnership), Director of Workforce and Director of Facilities. Leadership capacity will require to be carefully managed by NHS Tayside over the coming months as the organisation works to deliver healthcare services and navigates the financial challenge, whilst developing the Strategic Plan, and progresses planning for 2024/25.

Performance

NHS Tayside's performance continues to be regularly reported to the Board and PRC. Our audit of Performance Management, issued in May 2023 provided Reasonable Assurance and concluded that Performance Reports meet the requirements of Section C4 of the Blueprint for Good Governance, which sets out the requirements of an effective assurance information system and best practice in presenting data. Performance Reports are of a high quality, clear, consistent, user friendly and effective with a focus on key objectives.

Performance against key targets at the end of October 2023, presented to Board on 14 December 2023 was as follows:

Measure	Target / Trajectory	April 2023 Performance	October 2023 Performance	Scotland Position
% of patients starting cancer treatment within 31 days from decision to treat	>=95%	95.2%	97.8% (Sept 23)	94.7% (Sept 23)
% of Psychological Therapy patients treated within 18 weeks from referral to treatment	>=90%	77.4%	71.5%	79.4% (quarter to Sept 23)
% of Smoking Cessation Sustain & Embed successful smoking quits at 12 weeks	100%	104.9% (2022/23 Q3)	134.4% (Q4 2022/23)	-
% of IVF patients seen within 12 months from agreement to treat to screening	>=90%	100%	100%	99.7% (quarter to Sept 23)
% of patients starting cancer treatment	>=95%	85.3%	67.3% (Sept	71.2% (Sept

within 62 days of receipt of referral			23)	23)
% of CAMHS patients treated within 18 weeks from referral to treatment	>=90%	73.7%	56.9%	75.6% (quarter to Sept 23)
% of Drug and Alcohol clients treated within 3 weeks from referral to treatment	>=90%	92%	90.4% (Sept 23)	-
Number of Alcohol Brief Interventions	4,758	2,063	1,501 (cumulative Q2 23/24)	-
% of A&E patients seen within 4-hour target	>=95%	89.4%	91.1%	64.8% (Oct 23)
% of Mental Health presentations seen in A&E within 4-hour target	>=95%	88.7%	91.2%	-
Rate of Clostridium Difficile Infections per 100,000 Occupied Bed Days	5	8.1 (Dec 22)	15.4 (quarter to June 23)	16.1 (quarter to June 23)
Rate of Staphylococcus Aureus Bacteraemia (SABs) per 100,000 Occupied Bed Days	13.1	24.3 (Dec 22)	24.8 (quarter to June 23)	18.3 (quarter to June 23)
Rate of E. coli Bacteraemia (ECB) per 100,000 Occupied Bed Days (National Indicator)	33.5	51.8 (Dec 22)	54.8 (quarter to June 23)	37.6 (quarter to June 23)
Number of Inpatient/Day case (TTG) patients waiting more than 84 days	N/A	7,449	8,719	-
Number of Inpatient/Day case patients waiting > 104 weeks TTG target as at month end	N/A	681	770	-
Number of Diagnostics (8 key tests) delivered	N/A	3,110	5,224 Related to most recent previous period	-
Number of days people aged 75+ spend in hospital when they are ready to be discharged	tbc	1,748	1,536	-

Total of NHS Tayside Delayed Discharges as at census date (last Thursday of the month)	50	133	98	-
Mental Health NHS Tayside Delayed Discharges as at census date (last Thursday of the month)	N/A	48	22	-
% of New Outpatient Did Not Attend Rate (All Acute Specialties)	<=7.1%	8.3%	8.6% (Sept 23)	7.4%
% of Return Outpatient Did Not Attend Rate (All Acute Specialties)	<=9.9%	9.5%	10.3% (Sept 234)	-

NHS Tayside continues to perform well in some key targets against the Scottish average, such as percentage of patients starting cancer treatment within 31 days from decision to treat and percentage of A&E patients seen within the 4-hour target.

However, we note that across some of the key measures at October 2023 compared to the position at April 2023, NHS Tayside's performance has declined.

Best Value

NHS Tayside's Best Value reporting system was approved at the June 2022 ARC and implemented by the Board and Standing Committees during 2022/23. Four of the seven characteristics are delegated to the PRC, one to the CGC, one to the ARC and one to the Board.

Whilst Standing Committee Reports include reference the related Best Value characteristics, generally reports do not articulate how the Best Value characteristic is evidenced, related to the report context. Therefore, it is recommended that report templates succinctly capture how a report demonstrates achievement of how the stated Best Value characteristics has actually been evidenced. We also recommend that now that the Best Value reporting system has been in place for a period of time, that a proportionate assessment is undertaken to determine if the Best Value Framework is being applied by the Board and Standing Committees as intended.

Sustainability

Internal audit review of Board and PRC papers evidenced that financial sustainability is given appropriate priority. A Business Critical Gold Command structure has been implemented for finance and a Financial Recovery Team oversee a structured workstream programme to deliver sustainable savings. Progress to date indicates that this has been a serious challenge and the SG budget letter to Boards on 19 December 2023 did not indicate that financial challenges will ease in the near future. Our view remains that it will be extremely difficult to achieve financial sustainability wholly through operational efficiencies and a strategic approach including robust prioritisation will be necessary.

The PRC monitors Strategic Risk 807 – Climate Emergency and Sustainable Development. SG's ambitious targets in relation to net-zero will be a serious challenge to deliver in the prescribed timescales. As financial resources are put under increasing pressure the benefits from reductions in energy consumption and moving towards sustainable healthcare are clear. However, meeting the challenging targets also requires investment and resourcing and the Board need to be assured that measures taken will ultimately benefit NHS Tayside and its service users.

Resilience

Assurances on resilience arrangements are reported to SRMG and to the ARC in the SRMG Annual Report. The Resilience Planning Update Report (1 June to 31 August 2023) to the October SRMG stated that 176 active Business Continuity Plans (BCP) are available on Staffnet, an increase of five from the previous reporting period. At 31 August 2023, 71% of the BCPs were in date against a target of 75%. The update report provided substantial assurance.

Related to Resilience Planning activity, during 2023/24 a number of cyclical pieces of work or improvement activities were undertaken. These included: the launch of, and quarterly testing of the NHS Tayside Alert App; delivery of monthly BCP Awareness Sessions and Duty Executive/Duty Manager Awareness Sessions; commencement of reporting against Resilience Planning KPIs; production of a quarterly resilience newsletter; and a review of organisational preparedness against the NHSScotland Resilience Standards was carried out. Resilience Planning governance arrangements have been revised with the view to strengthening them. They will be implemented from 1 April 2024.

Though not a strategic risk on its own right, resilience features across the strategic risk profile. For example within the Digital Cyber Security Risk with a resilience exercise planned in January 2024.

Winter Planning

The Winter Resilience Plan 2023/24 was presented to the October Board and was informed by collaboration with key stakeholders to ensure timely access to the right care, in the right place, first time. It is underpinned by the Urgent & Unscheduled Care Collaborative and Redesign of Urgent Care Programme, taking account of the SG's Winter 2023/24 Preparedness Programme and Checklist. A multi-channel public communications strategy is a major part of the plan to reiterate messages about how the public should access care, how they can support health services during winter and to start conversations to manage public expectations during periods of high demand. Plans are ongoing to incorporate a Winter Planning section into the NHS Tayside Alert App, and this should be launched by end of January 2024. The Winter planning tabletop exercise debrief report captures areas of good practice and lessons learned, including ensuring a full winter planning debrief takes place in March 2024 to allow work on the 2024/25 winter plan to begin earlier.

Integration

Tayside Integration Schemes were granted formal ministerial approval in November 2022. Internal Audit has previously reported that the revised Integration Schemes should assist in addressing a number of key governance issues, but that whilst the new schemes more clearly articulate operational management responsibilities, the review process did not resolve all areas previously identified as concerns, such as Large Hospital Set Aside (LHSA) and Corporate Support arrangements, which now still need to be addressed.

IJB minutes continue to be presented to the NHS Tayside Board and IJB Briefings are presented to the NHS Tayside Board by the Chief Officers. The SRMG reviews the three IJBs' strategic risk registers and is informed of IJB risks for NHS Tayside consideration and NHS Tayside risks for IJB consideration.

The significant financial challenge for NHS Tayside and its IJB partners, and the unprecedented 2024/25 financial challenges in the wider health and social care sector will require NHS Tayside and the IJBs to fully work together in partnership. Collaborative governance, which is a key feature of the Blueprint for Good Governance, requires a clear understanding of where responsibilities lie and requires trust and willingness from all parties to work together, with the right culture in place to support all those involved.

When health and social care systems come under pressure, there is a risk that collaborative governance is not achieved.

Partners need to work together to ensure that they deliver on the integration agenda and must ensure they are clear on their responsibilities in line with the Integration Schemes, and that they fulfil their roles accordingly in the true spirit of integration. Consideration may also need to be given to any implications of the delayed implementation of the National Care Service.

Outcomes from the Blueprint for Good Governance self-assessment and the planned work associated with the Collective Leadership and Culture Framework are likely to be useful sources of information to support integration, to help assess whether the Tayside Integration Schemes are being delivered and identify any areas that require to be strengthened. It may also be beneficial to revisit the FTF Integration principles to assist with this, particularly to ensure that accountability and authority are appropriately aligned.

Action Point Reference 1 – Best Value	
Finding:	
NHS Tayside's Best Value reporting system was approved at the June 2022 ARC and implemented by the Board and Standing Committees during 2022/23. Whilst Standing Committee Reports include reference the related Best Value characteristics, generally reports do not articulate how the Best Value characteristic is evidenced, related to the report context.	
Audit Recommendation:	
Report cover papers should succinctly capture how a report demonstrates achievement of Best Value characteristics. An assessment should be undertaken to determine if the Best Value Framework is being applied by the Board and Standing Committees as intended.	
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 report template and guidance document will be updated to include a Best Value paragraph and to ask report authors to provide detail regarding how the Best Value characteristic has been evidenced. Information to enable an assessment regarding the application of the Best Value Framework will be gathered from a review of each of the Committees Annual Reports.	
Action by:	**Date of expected completion:**
Board Secretary	**31 March 2024**

CLINICAL GOVERNANCE

Current Strategic risks

1339 - Waiting Times and Patient Outcomes Current 20 (Very high) Target 20 (Very high) Within appetite

1374 - Sustainable Primary Care Services Current 20 (Very high) Target 12 (High) Within appetite

1412- Patient Reported Outcome Measures Current 20 (Very high) Target 6 (Medium) Within appetite

Pending Strategic risk

1405 (Pending) - Substance related morbidity and mortality Current 20 (Very high) Target 20 (Very high) Within appetite

New risk to be added to Datix:

Delivery of Mental Health Strategy - category of risk, risk owner and delegated standing committee yet to be confirmed. (Once the risk has been fully developed, it may not be aligned to the Care Governance Committee (CGC)

The Clinical and Care Governance Strategy is under review and is inclusive of Secondary and Primary Care Services, Mental Health Services, Public Health, and the three Health and Social Care Partnerships (HSCPs). A number of workshops have been held as part of a collaborative approach to develop the new framework, which will incorporate the revised national Blueprint for Good Governance and amalgamate the current NHS Tayside Clinical Governance Strategy and the Getting it Right for Everyone (GIRFE) Framework, which applies to HSCPs. The Care Governance Committee (CGC) was provided with an update on progress in August 2023 with the next update planned for February 2024.

To allow it to conclude on the adequacy of the clinical and care governance arrangements, the CGC receives assurance reports at alternate meetings from the HSCPs (incorporating community mental health and learning disability services delegated to the IJBs), Acute Services, Services, Pharmacy, and Board Retained Mental Health & Learning Disability Services and a strategic assurance report for Midwifery and Maternity. Exception reports are provided to the interim meetings. The six report templates used in general follow the four domains set out in the current Clinical Governance Strategy.

The CGC takes assurance from several additional reports, with new reports now also being provided from the Strategic Hydration and Nutrition Committee and a new report on falls and falls prevention. We commend the clear ambition to provide extensive and comprehensive assurance reporting to the committee. The range of reports has grown over time, including in response to internal audit recommendations, and the volume of reporting to the committee is now extensive, making it potentially harder for the key issues to be clearly visible. More streamlined reports and a more consistent way of presenting data and key performance indicators within assurance reports would make reports easier to analyse and will make it easier to identify key issues.

The implementation of the new Clinical Governance Framework provides the opportunity to agree the range and format for assurance reporting and associated indicators and measures. CGC members should be asked for their views on the format and content of the revised assurance reports, to ensure the

agreed report provides all required information and meets the Committee Assurance principles, particularly in ensuring no gaps or duplication. When the new Clinical Governance Framework has been agreed, the CGC will need to revisit its reporting arrangements to ensure they continue to align with the Framework. It is intended that the new Framework will be approved by CGC by September 2024 with final Board approval thereafter.

Internal Audit has previously commented that while the CGC receives a high volume of reporting on safe and person centred care, reporting on effectiveness of care is considerably less prominent. This was brought into focus locally by the Professor Eljamel case and nationally by the Lucy Letby case. A paper was presented to the October 2023 CGC '*to provide awareness of the Clinical Governance processes in place to inform the Board on the corporate oversight of data related to clinical effectiveness and quality of patient care. There are currently no organisational processes in place to collect, analyse and implement improvement based on the use of Patient Reported Outcome measures (PROMS) across the organisation which is regarded as a good measure of the quality of care. Due to the requirement to establish the infrastructure and processes, we currently wish to make the Committee aware of the plan to make this a strategic risk with a mitigation plan formed.*' While this is a helpful first step, the draft does not make reference to clinical audit which should have a role in mitigating clinical risk and contributing to the effectiveness of clinical care.

Recent CGC discussions underlined the need for a consistent measurement framework setting quality performance indicators. Outputs of the Excellence in Care (EiC) national measures captured within the Care Assurance and Improvement Resource (CAIR) could provide a source of data and measures.

The Healthcare Improvement Scotland Standards and Indicators team will be leading a workshop to explore the scope for development of a set of healthcare standards relating to patient safety, clinical care and governance, staff training, adverse events, quality management and whistleblowing. The team is exploring whether the development of core leadership, governance, and safety standards to apply in all healthcare settings would support quality improvement and assurance work across the system.

We recommend an implementation & delivery plan for the new framework which sets out how assurance will be provided across all aspects of clinical governance from ward to board, proportional to clinical risk and addressing all outstanding previous internal audit recommendations (see action point 2).

Care Governance Committee (CGC)

The CGC Terms of Reference, Assurance Plan and Annual Workplan for 2023/24 were agreed in February 2023. Reporting arrangements for the CGC were updated in line with the new Integration Schemes and now include provision for '*feedback to each of the three IJBs on the outcome of discussion on their assurance report, confirming the level of assurance that was provided and highlighting any action required'.* We have been informed that no agreement has been reached as to how this is will operate in practice. Discussions are to take place between committee support colleagues and the Medical and Nurse Director as executive leads for the CGC.

We were previously informed that progress with actions from the October 2022 CGC workshop which aimed to *'improve CGC meetings in line with good governance, guidance and intelligence, with a focus on reports and report writing'* and internal audit recommendations which remain in progress would be reported to the CGC through the Patient Safety Clinical Governance & Risk Management (PSCGRM) report, with frequency to be increased from annual to 6 monthly reporting.

The outstanding issues that were to be addressed from the workshop mirror our commentary above, particularly on the format and focus of assurance reporting, including use of data and escalation of risks. Whilst not formally updating against individual actions, we have verified that these actions were

incorporated into 'business as usual' work by the PSCGRM team and improvements are captured in updates by the PSCGRM team to the CGC. One action (in relation to attendance) has now been fully addressed.

We have summarised outstanding internal audit action points below:

Report	Action	Update
Annual Report 2021/22	External inspections: How to formally collate and report to CGC on findings and improvement actions arising from external visits and inspections, as well as the implication for internal systems.	Ongoing - see external review section.
Annual Report 2021/22	Mental Health risk: How implementation of the Tayside Mental Health and Wellbeing Strategy (Living Life Well), as a key control, will be monitored.	Ongoing – see Mental Health section.
Annual Report 2021/22	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).	• Ongoing - see Clinical Governance framework section. • Ongoing - See Adverse Event section. • Ongoing - see external review section.
Annual Report 2022/23	Duty of Candour KPIs.	Ongoing - See Duty of Candour section.

Risk Management

The movement in NHS Tayside strategic risks aligned to the CGC since issue of our 2022/23 Annual Report is detailed below:

	Annual report 2022/23 (risk exposure at 27 April 2023)	ICE 2023/24 (risk exposure at November 2023)	Target risk exposure	Trend
• 1374 Sustainable Primary Care Services	25	20	12	↓
• 1339 Waiting Times and Patient outcomes	20	20	20	→
• 1405 Substance related morbidity and mortality (PENDING)	N/A	20	20	

• 1412 Patient Reported Outcome Measures (PENDING)	N/A	20	6	
• TBC Delivery of Mental Health Strategy	Category of risk, risk owner and delegated standing committee yet to be confirmed. Once the risk has been fully developed, standing committee responsibility may not rest with the Care Governance Committee (CGC)			

The risk score for Sustainable Primary Care Services has now reduced slightly, reflecting the progress made on the controls to mitigate this risk, including work on the draft Tayside Primary Care Strategy to be presented for approval in February 2024 and continuing progress to address the complex action points arising from internal audit T15/22 on Sustainability of Primary Care.

Internal Audit previously recommended that the Waiting Times risk required fundamental change to reflect the potential for patients to suffer serious harm due to delays in diagnosis and treatment, with the new Waiting Times and Patient outcomes risk live on Datix since May 2023. However, the assurance reports provided to the CGC in the year to date have all been focussed on the subject of the previous waiting times and RTT risk and reference only the controls and performance from this old risk (see action point 3).

The 9 August 2023 Strategic Risk Management Group (SRMG) approved a new strategic risk for Substance related morbidity and mortality. We have previously commented on the importance of targeted assurance in mitigation of this high clinical risk and welcome this development. The risk is pending on the Datix system, with assurance to be provided to the Public Health Committee. A workshop will be supported by the Improvement Academy to explore with stakeholders future actions to mitigate this risk. This key development is in line with previous internal audit opinion.

A paper proposing the development of a 'Clinical Effectiveness evaluated by Patient Reported Outcome Measures' strategic risk was approved by the SRMG in October 2023. The Head of Strategic Risk and Resilience Planning has met with the Associate Medical Director for Clinical Governance and a further paper outlining this risk was presented and approved by the SRMG in December 2023, and the risk is now live on Datix. Future assurance reports are to be provided to the CGC.

The Child and Adolescent Mental Health Services (CAMHS) risk was downgraded to a service level risk at year end 2022/23. We previously commented on the volatility of performance in this area. Performance at August 2023 was 51.9% against a target of 90%. Following a request from the October 2023 PRC to add CAMHS and Neurodevelopmental Waits to the Strategic Risk Profile as an individual risk, the December 2023 SRMG was presented with, and accepted, a proposal that the existing Waiting Times Strategic Risk is expanded to capture CAMHS and/or Neurodevelopmental waits. We would stress again that the assurance the CGC needs on the waiting times risk should focus on the impact of delays on patients.

The previous NHS Tayside Mental Health strategic risk was agreed for archiving in May 2022 and Mental health was not included in the NHS Tayside 2023/24 risk profile on the basis that '*any corresponding risk/s for NHS Tayside, related to the operational management (delivery) of Mental Health Inpatient Services, Learning Disabilities and Drug and Alcohol Services, will be at service level*'. Internal Audit have maintained the view that there should be structured risk based assurance to the CGC (or subsequently identified delegated committee) on this strategic, volatile, high risk and high profile area. The August

2023 SRMG agreed that the risk on delivery of the Mental Health Strategy would be replicated across all IJB and NHS Tayside risk registers and would be a strategic risk for NHS Tayside. We have previously reported that it is not appropriate that no targeted assurance has been provided on controls in mitigation of this risk since May 2022 (see action point 4). Although scoring and a description for the risk were to be available by then, the December 2023 SRMG meeting received no further clarification and it was determined that the chair of SRMG would write to Chief Officers to expedite this action.

Mental Health

Assurance on Mental Health comes from reports on board retained services as well as through the community Mental Health elements of the HSCP assurance reports. Mental Health delegated services have developed KPIs but those reported to NHS Tayside CGC are performance based rather than quality of care based.

The NHS Tayside Performance Report has been expanded to cover measures for Mental Health Emergency Admissions, Readmissions within 28 days of discharge, Mental Health Outpatient Appointments, and Community Mental Health Outpatient Appointments. The reporting continues to evolve and is to include outcome measures in future.

The SG has developed new core system wide mental health standards derived from the national Mental Health and Wellbeing Strategy key national measures and NHS Tayside will be a pilot board. The expectation is that services will monitor and report on the standards and they will be embedded in governance processes.

The June 2023 Board approved the Mental Health and Learning Disability Whole System Change Programme (which refines the priorities set out in the NHS Tayside Mental Health and Wellbeing Strategy 'Living Life Well'). Updates continue to be provided by the Perth and Kinross IJB Chief Officer, in their capacity as Lead Partner. The December 2023 NHS Tayside Board received a proposal to rationalise this reporting to three formal reports per year in 2024, with a verbal update in between.

External Review

The CGC has received information on a number of reviews and inspections in the year to date, either through specific agenda items or via services' assurance reports.

Professor Eljamel

The Executive Medical Director's due diligence review of the Professor Eljamel case resulted in a number of recommendations. Several of these mirror long term outstanding internal audit recommendations in relation to clinical effectiveness and the monitoring of action plans and triangulation of external reviews.

The Due Diligence Review was presented to Tayside NHS Board in August 2023 and an action plan to address the report's nine recommendations was endorsed by the CGC in October 2023.

The Scottish Government announced a public inquiry into Professor Eljamel in September 2023.

National reviews and emerging issues

In one case, a national review based on events in another board was reported (National audiology review) but national reviews are not consistently reported (for example, NHS Tayside's response to the SG request for assurance following the events at the Countess of Chester Hospital, has not been reported to the CGC or Board).

The December 2023 CGC received a report on the August 2023 Independent Review of Audiology Services in Scotland, which made 55 recommendations to be addressed by SG and Health boards. Recommendations for Health Board implementation are either on track to complete within timescale or are complete.

Following the events at the Countess of Chester Hospital (Lucy Letby), the Cabinet Secretary requested all Boards in Scotland provide assurance that their processes and systems for the early identification, reporting and robust timely investigation of patient and staff safety concerns are fully effective.

The letter from the Chair of Tayside NHS Board to the SG was shared with CGC members in November 2023 and direction from the SG on next steps is awaited.

Breast Cancer

An update provided to the December 2023 CGC on the Invited Oncology Review by the Royal College of Physicians provided reasonable assurance on progress. Of the 20 action points, four remain ongoing. A final paper is to be provided to the next CGC.

Scottish Public Services Ombudsman (SPSO)

CGC members have previously indicated that they wished to see information on progress with SPSO recommendations. These are now included in clinical governance assurance reports and in the HSCPs' Mental Health reports, with information provided on the status of recommendations. However, the Acute Services assurance report does not report on SPSO cases. Management have informed us that any SPSO outcomes discussed at the Acute CGC will be included in future Acute Services assurance reports.

Closing the loop

Action to be taken in response to the Due Diligence review includes a review of the Standard Operating Procedure for external inspections, including agreeing a performance measure for the time taken to develop an Action/Improvement Plan to be monitored by the relevant Board Standing Committee, which was also previously recommended by Internal Audit. The CGC needs to know the extent to which identified control weaknesses have been remedied and be able to triangulate key external findings with internal assurance mechanisms. This should be taken into consideration as part of the recommended update (See Action point 5).

Significant Adverse events

The extant Adverse Event Management Policy is due to be updated in April 2024. Following a previous internal audit recommendation, KPIs on adverse events are now reported to the CGC but there is no KPI on implementation of agreed actions following an adverse event review. When material issues arise from adverse event reviews, the CGC should receive reports which explicitly highlight the implications for the quality of assurances provided by internal quality systems. (see action point 6).

Duty of Candour

The 2022/23 Annual Report was presented to the August 2023 CGC as a standalone item thus addressing our previous audit recommendation. Whilst no other boards' annual reports for the same year were available at that point, the CGC was informed that NHS Tayside's figures were in line with other Board's previous year's reports. The CG was also informed that Scottish Government Duty of Candour guidance is under revision and this will impact the format of future reports. KPIs on Duty of Candour are to be reported in future Clinical Governance assurance reports. This action is due by March 2024.

Action Point Reference 2 – Clinical Governance Framework

Finding:

Recent CGC discussion on assurance levels underlines the need for a consistent measurement framework setting quality performance indicators. Implementation of the new Clinical Governance Framework provides the opportunity and will require agreement of the format for assurance reporting and associated indicators and measures.

Audit Recommendation:

As part of the implementation and delivery of the new framework, assurance reporting to the CGC should be reviewed including volume and presentation, with the aim of refining reporting arrangements to ensure clarity and simplicity of message.

An Implementation & Delivery Plan should be developed for the new framework, setting out how assurance will be provided across all aspects of clinical governance from ward to Board, proportional to clinical risk and addressing all outstanding previous internal audit recommendations including:

- A review of the existing standard template to embed current good practice and ensure it reflects the new Clinical Governance Framework using a standardised and proportionate approach across the whole system.
- A clear assurance framework (including reporting and escalation) for all clinical governance activities and controls from ward to Board, including the systems and processes for completion of clinical audit.
- Consistent use of (graphic representation) data that supports analysis.
- Ensuring clearly defined quality performance indicators to measure, monitor and evaluate the quality and safety of care and allow early action when a concern is identified.
- Consideration of how to report on clinical governance in Primary Care and Public Health.
- An organisation-wide system for collecting and analysing patient reported outcome measures, to provide assurance to the Board on the clinical effectiveness of patient care.

We have assessed this action point as moderate. Whilst we would highlight the importance of the Clinical Governance framework as a fundamental enabler, with the scale not to be underestimated, we also recognise the significant collaborative work already undertaken and ongoing to develop the new Clinical Governance Framework, that work remains on track and that the current reporting arrangements remain fit for purpose.

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:	
An implementation and delivery plan has been developed for the new single Clinical Governance Framework which is due for renewal in September 2024. The Framework is currently available as a draft document and following further engagement is on track to be finalised by September 2024, and presented at the 3 October 2024 Care Governance Committee meeting, all according to plan. The template report currently used for assurance reporting to Care Governance Committee has been adapted and amended over time; it will be further developed in line with the revised Clinical Governance Framework, and services will continue to be supported to report and present data more consistently by members of the PSCGRM Team. There will be a focus on reporting of the 'effectiveness' domain of clinical governance over 2024, which will include clinical audit and PROMs. Current clinical governance reporting arrangements for Primary Care (through Angus HSCP) and Public Health (through the Public Health Committee reporting directly to the Board) will be evaluated in 2024.	
Action by:	**Date of expected completion:**
Executive Nurse and Medical Director	**October 2024 then ongoing**

Action Point Reference 3 - Assurance on Waiting Times Risk	
Finding:	
Internal Audit previously recommended that the Waiting Times risk required fundamental change to reflect the potential for patients to suffer serious harm due to delays in diagnosis and treatment. Our AFU process previously agreed that the action to update this risk is complete with the new Waiting Times and Patient outcomes risk live on Datix since May 2023. However, the assurance reports provided to the CGC in the year to date have referenced only the controls and performance relating to the previous risk.	
Audit Recommendation:	
Assurance reporting to the CGC on the waiting times risk should be based on the updated current risk.	
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:	
Findings are noted with regard to the assurance reports provided. The Planned Care Service Manager will work with the Head of Patient Safety Clinical Governance and Risk Management to review and enhance the assurance report moving forward to reflect the person centred aspects and initiatives in place to support patients while wait to be seen.	
Action by:	**Date of expected completion:**
Interim Chief Officer – Acute Services	**30 June 2024**

Action Point Reference 4 – Delivery of Mental Health Strategy Risk

Finding:

A previous strategic risk on 'Mental Health & Learning Disabilities' was archived in May 2022. Since then, there has been ongoing discussion on the need for an updated risk. In August 2023 the SRMG agreed that the risk on delivery of the Mental Health Strategy be replicated across the IJB and NHS Tayside risk registers and would be a strategic risk for NHS Tayside. Although scoring and a description for the risk were to be available for the December 2023 SRMG, this meeting received no further clarification, and it was determined that the chair of the SRMG would write to IJB Chief Officers to expedite this action. We note that once the risk has been fully developed, standing committee responsibility may not rest with the Care Governance Committee (CGC).

Audit Recommendation:

Development of this strategic risk should be expedited to ensure targeted assurance controls in mitigation of this risk can be provided to the CGC or the subsequently identified delegated committee.

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 risks relating to the successful implementation of the Mental Health and Learning Disability Whole System Programme (June 2023) have been identified (August 2023) and reported/managed via a standing item by the Executive Leadership Group (monthly) and the multi-sector Programme Board (bimonthly) since September 2023.

The risk owner will be the Chief Officer for Perth and Kinross HSCP as Lead Partner, however each of the three IJBs and NHS Tayside will include the same strategic risks within their risk management arrangements.

Action by:	Date of expected completion:
Chief Officer, Perth and Kinross IJB	**30 April 2024**

Action Point Reference 5 - External Reviews

Finding:

While we previously welcomed progress in the approval of the Standard Operational Procedure for External Inspections/Visits to NHS Tayside by Regulatory and Other External Bodies, the CGC has not received comprehensive information on the full results of all reviews and on improvement actions and progress, nor information on triangulation of external reviews with the results of internal monitoring.

SPSO reporting now forms part of individual service assurance reports, but the Acute Services assurance report does not include reference to this.

The Action plan in response to the Due Diligence review relating to Professor Eljamel includes a review of the Standard Operational Procedure for external inspections and states that: *'A performance measure will be agreed for the time taken to develop the required Action/Improvement Plan. The Action/Improvement Plan will be monitored by the relevant Board Standing Committee to ensure that actions are taken, and improvements are made in a timely fashion and to ensure that all actions / improvements are audited to provide assurance to the Board.'*

Audit Recommendation:

The review of the Standard Operational Procedure for external inspections should set out the process to formally collate and report to CGC on all findings and improvement actions arising from external visits and inspections, as well as analysis of the implication of these results for the output of internal assurance systems, i.e. was the organisation aware of issues.

SPSO reporting should be included in the Acute Services assurance report.

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:

A report 'Procedure for External Inspections / Visits to NHS Tayside by Regulatory and Other External Bodies' was approved by the ELT on 24 April 2023 and reported to the Care Governance Committee on 1 June 2023. This will now be reviewed considering the Due Diligence Review of Documentation held relating to Professor Eljamel and reported back to the Care Governance Committee by the Board Secretary.

The Standing Operating Procedure states that it is the relevant Executive Lead who will prepare the required Action and/or Improvement Plan following an external review. A performance measure will be agreed for the time taken to develop the required Action/Improvement Plan by the Board Secretary which will be incorporated into the Procedure for External Inspections / Visits to NHS Tayside by Regulatory and Other External Bodies.

The Action/Improvement Plan will be monitored to ensure that actions are taken, and improvements are made in a timely fashion and to ensure that all actions / improvements are audited to provide assurance to the Board.

Learning and reflection from issues identified through internal and external assurance systems is reported to CGC either through assurance reports or through standalone reports. Triangulation of this data to identify themes is not currently explicit within reporting. Internal Audit will continue to work with Clinical Governance colleagues to progress overt reporting in this area.

The Nurse Director Corporate Nursing has informed us that the Acute Clinical Governance Group discuss all SPSO outcomes and currently only share if there is any wider learning. Acute Services will be asked to include SPSO outcomes in care governance reporting.

Action by:	Date of expected completion:
Board Secretary - Procedure for External Inspections / Visits to NHS Tayside by Regulatory and Other External Bodies'	**31 March 2024**
Chief Officer Acute and Acute Nurse Director– SPSO reporting.	**31 March 2024**
Chief Internal Auditor and Head of Patient Safety Clinical Governance and Risk Management.	**30 September 2024**

Action Point Reference 6 - Adverse Events

Finding:

We welcome the development of the adverse events KPI reporting to CGC. However, none of the KPIs currently reported relate to the implementation of agreed actions following an adverse event review.

Audit Recommendation:

As a development, consideration should be given to reporting data on implementation of agreed actions following an adverse event review. In addition, when material issues arise from adverse event reviews, the CGC should receive reports which explicitly highlight the implications for the quality of assurances provided by internal systems.

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 KPI report presented at Care Governance Committee has developed, extended, and refined over 2023 and the report being presented to the February 2024 committee meeting contains more graphical representation of data, including implementation of 'agreed actions' following significant adverse events and duty of candour data. To support consistent reporting going forward the overarching KPI charts currently presented at CGC will be replicated within assurance reports for acute services, MH services and HSCPs with their own data.

As per the Management Response to action point 5, learning and reflection from issues identified through internal and external assurance systems is reported to CGC either through assurance reports or through standalone reports. Triangulation of this data to identify themes is not currently explicit within reporting. Internal Audit will continue to work with Clinical Governance colleagues to progress overt reporting in this area.

Action by:	Date of expected completion:
Executive Nurse and Medical Director	**29 February 2024**

STAFF GOVERNANCE

Strategic Risks delegated to Staff Governance Committee (SGC)

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

1330: Workforce: Current Score 20 (High), Target Score 12 (Moderate) Below Appetite

[amalgamation of the previous risks: 844 – Nursing & Midwifery Workforce, 863 – Medical Workforce and 58 – Workforce Optimisation]

Strategic Risk delegated to Remuneration Committee (RC):
1371: Executive Leadership Team Current score 12 (High), Target score 8 (Medium)- Below Appetite

Governance Arrangements

The SGC updated and approved revised Terms of Reference in October 2023. Although not of major consequence to the functioning of the SGC, differences still exist between the Terms of Reference as agreed by the SGC and those included in the extant CoCG. These have been provided to the Board Secretary and the Director of Workforce for further consideration.

Updates on the 2023/24 SGC assurance and workplan are reported to each SGC meeting. The workplan is in line with the remit as per the current CoCG.

Workforce Strategy/Planning

NHS Tayside's Workforce Plan 2022-2025, as approved by the SG in 2022, was reviewed by Internal Audit with several areas for improvement being recommended in the report T23/23 on Workforce Planning. Implementation of recommendations is being monitored as part of the AFU process and several improvements have been made including a review of the workforce action plan to enable more effective monitoring of individual actions and reporting to the SGC, a short life working group established to review the workforce risk management arrangements, with all previous workforce risks being amalgamated into one overall strategic workforce risk for reporting to the SGC.

Further work to quantify future levels of anticipated workforce need is planned, pending development of a national tool.

The NHS Tayside 2023/24 Annual Delivery Plan describes the current action being taken relating to workforce issues, all of which are reported to be on track at the end of Quarter 2. There are clear links between the workforce sections of the Annual Delivery Plan and the Medium Term Plan (MTP), with both the Workforce Plan and the MTP acknowledging that work remains to be done on refining the workforce planning process and the use of data, as well as monitoring local implementation. In conjunction with the SG, supporting MTPs for workforce are being produced.

Safe staffing levels

The Health & Care (Staffing) (Scotland) Act 2019 (Safe Staffing Legislation) needs to be fully implemented by 1 April 2024 with the first report due in May 2025. A comprehensive update was provided to the December 2023 SGC, with the self-assessment showing NHS Tayside at all yellow and amber (systems and processes are in place but not used by all staff). NHS Tayside have set up a Programme Board to provide strategic guidance and governance oversight to report to the SGC.

Risk Management

The Workforce strategic risk (rating - very high) and Health & Safety strategic risk (rating – moderate) are reported to the SGC. Since October 2023 the Health & Safety risk has been subject to enhanced monitoring. As with many risks, the target scores remain extremely challenging, given the scale of the risk, progress / effectiveness of the actions currently in place and further action required.

Implementation of the Health & Safety Strategy and Action Plan 2023-26 is the only remaining outstanding mitigating action for the Health & Safety Risk. An update on completion of the action plan is monitored by the Health & Safety Management Committee.

Audit report T13/22 on Health & Safety detailed findings from a review of NHS Tayside's Health & Safety arrangements and provided Limited Assurance. A number of recommendations to strengthen arrangements have been implemented with outstanding actions reported through the AFU process.

Since August 2023, a new ELT risk has been delegated to the Remuneration Committee. To date only verbal assurance on this risk has been provided (to the November 2023 meeting of the Remuneration Committee) and we would expect a full risk assurance report to future meetings.

Staff Governance Reporting – Workforce Metrics

The SGC receives quarterly Staff Governance reports setting out workforce metrics including analysis of Workforce data including by job family, vacancies, absence trends, age profile, turnover, recruitment, and diversity.

In June 2023, the SGC requested a greater emphasis on the quality and analysis of data presented with a focus on areas of concern which require assurance. An updated report was presented to the December 2023 SGC asking members for their views. We welcome this development and would recommend that this data is interpreted and reported so the reader can clearly see its impact on assurance to the related Strategic risk.

Staff Governance Standard (SGS)

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 provided. Achievement against each strand of the SGS varies, for example only Limited Assurance has been agreed on 'Involved in decisions which affect them' in the year to date with no clear improvement actions proposed or agreed. Where performance is reported as limited, the SGC should request information on planned action to ensure NHS Tayside fully complies with all aspects of the SGS.

The 2022/23 National Annual Monitoring Return was approved for submission to SG at the October 2023 SGC.

Workforce Policies

A midyear workforce policy update to the August 2023 SGC covered development and maintenance of local HR policies and Once for Scotland Workforce Policies. The report provided assurance that national Once for Scotland Phase 1 polices are now fully implemented in NHS Tayside with implementation work for Phase 2 underway.

NHS Tayside Policies that are not part of Once for Scotland are monitored via the NHS Tayside Workforce Policies database and the Workforce and Governance Forum, with reasonable assurance provided to the SGC as part of the midyear report.

Staff Experience

An update on completion of the Collective Leadership and Culture Strategic Framework 2018 - 2023 was provided to the June 2023 SGC meeting and detailed progress in developing cultural values and how this is now being taken forward through a value based and person-centred approach. The update provided Limited Assurance as it is acknowledged by senior management that the scope and scale of activities that influence culture are not entirely captured and that the approach and direction of travel in relation to culture requires to be reviewed.

A verbal update was provided to the SGC in October 2023 noting work on refreshing the framework continued and a further Board workshop is to be scheduled to help to maintain momentum in this complex area.

The iMatter update presented to the August 2023 SGC meeting reported a staff uptake of 52%, which is lower than previous years (58% in 2022). Additional initiatives are proposed for 2024 to improve engagement in iMatter completion and confirm that action plans have been prepared. A timeline has been agreed for directorates to attend the SGC to provide information on their action plans, although this has not started. We would note the value to the SGC in seeing the themes which emerge from iMatter across the organisation. This responsibility rests with local partnership fora which report to the Area Partnership Forum (APF), which provides minutes and an Annual Report to the SGC. However, the October APF minutes indicate that staff side representatives felt a framework for sharing iMatter information was required. An APF standing agenda item has been introduced for updates to be received.

Succession planning

The Talent Management Strategy was approved in 2019 to establish processes for 'the attraction, identification and nurturing of talent' and to provide a framework by which improvement could be measured. Progress with the succession planning element has been limited as reported to the SGC in June 2023. A timeline for implementation is to be provided to the February 2024 SGC and we would stress the importance of this work and would expect to see emphasis on implementation across the organisation with a clear monitoring framework and frequent updates 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 2023 SGC meetings, with a further report scheduled for February 2024.

In addition to an annual assurance statement provided to the April 2023 SGC, an Annual Whistleblowing Report for 2022/23 was presented to the August 2023 SGC meeting. NHS Tayside was notified of five concerns during 2022/23 with four falling under the standards and one outwith because it was raised anonymously. The report detailed progress to comply with INWO requirements and listed the priorities for 2023/24, including further enhancements to staff training and communication of whistleblowing arrangements.

As recommended by the INWO, to separate whistleblowing issues from other Human Resources issues, the Executive Director of Nursing is the Executive Lead for Whistleblowing.

An audit review of whistleblowing arrangements is currently being finalised and will be reported in audit report T25/23.

Remuneration Committee (RC)

The RC completed a self-assessment of its performance for 2022/23 at its June 2023 meeting. The completion of the self-assessment and consideration of whether suitable evidence on performance management arrangements is being submitted to the RC has been further considered in audit T10/24 which is in the process of being finalised.

The draft report has several recommendations, mainly concerning executive and senior management objective setting and appraisals, and the RC review of these. It concluded that robust governance procedures need to be put in place to ensure the Committee can timeously deal with important annual milestones and so that this process of performance management can be seen throughout the organisation.

Appraisals

At 30 June 2023 only 42.2% of Agenda for Change appraisals had been completed against a target of 95%. Recovery plans are discussed at Local and Area Partnership Forums and have been reported as providing limited progress in achieving improvement in appraisal completion. Appraisals are also referred to as part of the value-based employment journey under the Talent Strategy and Culture frameworks and should be a key focus to developing the internal workforce, contributing to the workforce plan and a key control / mitigation within the workforce risk.

A 2022/23 Consultants' Appraisal Annual Report was presented to the October 2023 SGC meeting, reporting that 91% were appraised for 2022/23. This is an improvement on 2021/22 performance of 85%, but difficulty in retaining the required number of appraisers is highlighted as an issue.

A GP Annual Appraisal Report was presented to the SGC in April 2023, stating that at 20 March 2023, for 2022/23, 85% of appraisals were completed with most of the remainder being underway with only 1% still to be arranged.

The revalidation process for both consultants and GPs is not solely determined by appraisal, but requires consideration of a number of factors and submission of information, alongside the expected discharge of appraisal. This element is a component of clinical governance reporting and processes have been strengthened since 2018 since the issue highlighted in the Professor Eljamel Due Diligence review.

The Responsible Officer's Advisory Group (ROAG) was implemented in 2022 and reviews professional governance concerns of clinicians. Processes have been developed in part based on the lessons learned from the Professor Eljamel Due Diligence review. The purpose of the group is to strengthen triangulation of internal signals to enable prospective identification of emerging problems and determine any action to ensure patient safety and support doctors in difficulty.

As part of the action plan in response to the Professor Eljamel Due Diligence review, work is being undertaken to strengthen the understanding of, and engagement with, the ROAG process and professional governance responsibilities with all senior medical managers, the medical leadership team, the area medical committee and general practice as well as all clinicians. Assurances on the ROAG and a guide to dealing with concerns raised regarding medical and dental staff were provided to the October 2023 SGC.

Core Skills Training

The compliance scores for the seven modules of mandatory and statutory training were reported to the June 2023 SGC meeting and as at 31 May 2023 these varied between 79% to 89%. This remains below the minimum compliance figure of 90% but is an improvement since the introduction of measures to increase compliance and monitoring in September 2022.

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 6.35% as at 31 August 2023, compared to 6.32% for NHS Scotland and against the target of 4%.

Action Point Reference 7 – Staff Governance Metrics linked to Risk

Finding:

The SGC receives quarterly Staff Governance reports setting out several workforce related metrics.

In June 2023 the SGC requested a greater emphasis on the quality and analysis of data presented with a focus on areas of concern which require assurance. An updated report was presented to the December 2023 SGC asking members for their views. However, neither the cover paper nor metrics report currently refer to the related strategic risk on workforce and what the data means for the performance of this risk.

Audit Recommendation:

Whilst we welcome the development work undertaken, we now recommend that this data is interpreted and reported in such a way so the reader can clearly see its impact on or provision of assurance to the related Strategic risk.

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:

Following feedback from the Co-Chairs of the Staff Governance Committee, as well as discussion with leadership within the Workforce Directorate, work is underway to review the current approaches to workforce data and analytics, with a stronger focus on understanding workforce trends; using key workforce metrics to track progress against strategic workforce initiatives; and provide assurance on workforce risks. It is anticipated this will take the form of dashboard reporting, with the ability to drill down into the detail, as required.

Meetings have already commenced, and it is intended there will be a proposed approach presented for the Quarter 4 2023/24 reporting to Staff Governance Committee. This will allow for assessment and amendment in preparation for reporting for Quarter 1 of 24/25.

Actions are therefore as follows:

1. Senior HR staff to meet with Staff Governance Committee co-chairs in January 2024 to revisit the current format and content of existing reporting.
2. Use of dashboard reporting and reporting levels to be discussed and agreed.
3. Consideration of additional metrics that could be incorporated to be discussed.
4. New Staff Governance report to be tabled for consideration for Quarter4 2023/24 with a view to have agreed and embedded moving forward into Quarter 1 2024/25 and thereafter.

Feedback from Board and committees will be sought to help shape future development.

Action by:	Date of expected completion:
Director of Workforce	**1 April 2024**

Action Point Reference 8 - Staff Governance Standard	
Finding:	
Achievement against each strand of the SGS varies, for example only Limited assurance has been agreed on 'Involved in decisions which affect them' in the year to date with no clear improvement actions proposed or agreed.	
Audit Recommendation:	
Where performance on a strand of the Staff Governance Standard is reported as limited, the SGC should request information on required actions and monitor progress to ensure NHS Tayside fully complies with all aspects of staff governance standards.	
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:	
It has been incorporated into SG action planning and monitoring that where "limited assurance" has been reported, this item remains on the SG action plan and is followed up until "reasonable assurance" is attained.	
Action by:	**Date of expected completion:**
Director of Workforce	**20 February 2024**

FINANCIAL GOVERNANCE

Strategic Risk:

723 Long Term Financial Sustainability Current score 25 Very High; Target score 20 Very High, Above appetite

1336 Finance Annual Plan 2023-24 Current score 25 Very High; Target score 20 Very High, Above appetite

1337 Finance Capital Plan 2023-24 Current score 20 Very High; Target score 12 High, Above appetite

1217 Healthcare Environment Current score 16 High; Target score 12 High, Within appetite

312 Estate Infrastructure Condition Current score 16 High; Target score 6 Medium, Within appetite

807 Statutory Obligations in relation to Environmental Management Current score 16 High; Target score 4 Medium, Above appetite.

Three Year Financial Plan 2023/24 to 2025/26

SG issued formal guidance on financial planning covering the financial years 2023-24 to 2025-26 with final plans to be submitted by 16 March 2023. The guidance required Boards currently unable to deliver financial balance in 2022-23 without support from the SG to develop a Financial Recovery Plan to demonstrate how balance will be achieved within three years.

NHS Tayside's draft three-year financial plan was submitted to SG on 16 March 2023. SG responded on 31 March 2023 and asked the Board to take actions and submit a revised plan by 30 June 2023. The PRC considered the original draft plan on 13 April 2023 with Board approval on 27 April 2023, noting the requirement to submit a revised financial plan by 30 June.

The original Plan identified a financial gap of £87.2m for 2023-24, reducing to £57.2m after delivery of 3% (£30m) efficiency savings aligned to the SG Sustainability & Value Programme. In total, the Plan set out a forecast deficit of £181.5m over the three-year period, again assuming delivery of £30m savings per annum.

Three Year Financial Plan 2023/24 to 2025/26 – SG Response

The SG acknowledged the position outlined in the draft three-year plan in March 2023, with the Board advised to undertake the following actions:

- Continue to develop a Recovery Plan.
- Develop a plan to deliver 3% recurring savings in 2023-24 and develop options to meet any unidentified or high-risk savings balance.
- Development of other measures to be taken to further reduce the financial gap.
- Undertake a diagnosis of key underlying drivers of the deficit and specific risks as presented within the Financial Plan, together with the reasons for the significant change from the 2022-23 position.
- Assess cost reductions to be implemented to reduce the pressures in planned and

unscheduled care provision.

The Director of Finance has commissioned a Financial Recovery Team to oversee the development and implementation of a structured workstream programme set up to deliver the 3% recurring savings target, and to develop further measures to reduce the gap. Progress will be monitored through the Board's Business Critical Group, led by the Interim Chief Executive, and reported to the PRC.

Following confirmation of £16.4m additional funding on 14 June 2023 the Three-Year Financial Plan was revised and the additional allocations reduced the net financial gap in 2023-24 to £40.8m, and the three year total to £147.8m, again assuming delivery of £30m savings in each year.

Current Financial Position for the period to 31 October 2023

Finance reporting to Board and PRC by the Director of Finance has consistently and clearly articulated financial challenges through Standing Committees and the Board.

The revised three-year financial plan reports an underlying deficit of £70.8m with a £30m cost improvement plan and a projected residual gap of £40.8m for 2023-24. A £29.8m revenue overspend was reported for the seven months to the end of October 2023. The financial report reflects the continuing impact of the historic and emerging financial pressures set out in the three-year financial plan and, more importantly, reflects the limited progress to deliver against the agreed £30m cost improvement programme.

The forecast outturn at month 7 for the full year is a £38.8m deficit, an improvement on the £40.8m deficit in the three-year financial plan.

Cost Improvement Plans (Savings)

The Director of Finance's report to the December 2023 Board reports "national benchmarking is not identifying Tayside as an outlier in the high-level comparison of costs".

In line with national expectations and a 3% cost reduction target was allocated across the Board core revenue resource limit. A cost improvement target of £30m is the responsibility of NHS Tayside to deliver.

The SG Financial Improvement Group, supported by the Financial Improvement Network, focused on a number of priority areas of spend.

Nine specific workstreams on which to focus the delivery of required savings have been identified and progress is reported to the PRC within the Revenue Financial Report. PRC members have noted the results of the savings workstreams and challenged the Director of Finance as to whether the £30m target was achievable. Members also provided feedback on the initial workstream reporting, requesting that future updates covered all nine workstreams rather than selected ones. The Committee now receive regular updates on all workstreams.

At 31 October 2023, £11m had been identified and achieved, representing 37% of the recurring £30m target set by SG. The Director of Finance reports that the savings target will be delivered, however this will be achieved substantially via local corporate flexibility and other savings. This local corporate flexibility, non-recurrent, has been phased in during September and October to

support delivery of the savings target.

Finance Risk Reporting Revenue

There are two corporate financial risks, one for in year delivery of the financial plan and another related to longer-term financial sustainability. Both risks have been at the highest score of 25 throughout this financial year.

The cover paper for each finance report to PRC identifies the related risks and includes a summary of performance over the last four reporting periods. Key mitigating controls are included in an Appendix to the finance report.

The update provided to the PRC in December 2023 for both risks noted that the target risk for both is 20, still a very high score. This recognises the significant challenges of balancing SG policy objectives and operational performance against the need to deliver within the financial envelope available. The target risk score also takes into consideration the work that the Board continues to do to deliver the recurring savings target in year.

The top five risks to the financial outturn are also included as an appendix to the finance paper. NHS Tayside identified the following: Scottish Government Policy (operational v financial performance), delegated budgets and services, prescribing, digital and capital / investment.

In the finance report to the December PRC the Director of Finance stated that "*these risks are key to 2023-24 financial performance, and the longer-term financial sustainability of the Board. Support is required from the whole system to address these risks in full - health and social care partnerships, national decision-making and central SG policy*".

Forward Look 2024-25 onwards

SG correspondence at the end of October 2023 to set out two clear expectations for 2024/25 financial plans:

"*These expectations are that all NHS Board plans for 2024/25 will set out:*

- *A clear programme of work and supporting actions to achieve the target of 3% recurring savings on baseline budgets, a template will be provided for this; and*
- *An improved forecast outturn position compared to your forecast outturn position reported at the start of 2023/24.*

Where assurance cannot be given over both these areas, financial plans will not be accepted. Through review of plans early next year we will consider the overall position and follow up with a discussion on financial performance, and potentially escalation status where appropriate".

SG announced the 2024/25 budget on 19 December 2023. The draft plan will be submitted to SG in January 2024 and will be subject to feedback. The PRC is scheduled to consider the plan in February 2024 and a final plan is scheduled to go to the 29 February 2024 Board for approval ahead of submission to the SG by 11 March 2024.

The December PRC received a paper on the update to the draft revenue financial plan 2024-25 to 2026-27. It specifies that the Board will commence financial year 2024-25 with a projected total of £48.4m repayable funding support from SG - £9.6m from 2022-23 and £38.8m from 2023-24.

The SG budget letter dated 19 December 2023 confirms that, for Boards in receipt of brokerage in previous years, this will be capped for 2024-25.

Our 2023/23 Annual Report (T06/24) previously highlighted that "*NHS Tayside should assure itself that it has the capacity and capability sufficient to drive strategy, and the associated transformation programme as well as delivering unprecedented savings".* The recently appointed Deputy Chief Executive will prioritise this agenda and lead development of strategy and a programme of transformation.

Property Asset Management, Net Zero and Capital Risk

The five-year capital plan for 2023/24 to 2027/28 was approved on 27 April 2023 along with the three-year revenue financial plan. The capital plan is regularly reported to the PRC, with the December 2023 report highlighting a projected full year breakeven position.

Strategic Risk 312- Estates Infrastructure currently has a score of 16, high and a target of 6, medium. Some of the planned or proposed controls are long term and current controls are assessed as 'incomplete' and the target risk seems optimistic at this stage.

We note an NHS Tayside staff communication on 23 October 2023 confirming that an independent contractor appointed by NHS Assure carried out surveys on buildings identified by NHS Tayside as potentially containing Reinforced Autoclaved Aerated Concrete (RAAC). Locations confirmed to contain RAAC have been identified and the surveys did not report any concern that required immediate attention or relocation of services. The report is awaited and the affected areas are being monitored. Any remedial works could impact on finance and the maintenance plan, and this may need to be factored into the related risk.

The Strategic Risk Report on risk 1217- Healthcare Environment – presented to the December 2023 PRC noted the SG expectation that Boards should now commence the development of a 'Whole System Planning' approach to such activities and any Board that has done so can cease developing a PAMS. The SG budget letter, issued on 19 December 2023, states that "*a Directors' letter on Whole System Planning that focuses on maintaining your current estate, will be issued in the New Year"*. The focus on maintenance will necessitate a review of the capital plan and the strategic risks and controls in relation to the healthcare environment, capital plan and climate emergency as new projects and development are not being funded for at least the next two years. We reiterate that senior management engagement in the property and asset management process is key to expediting this strategy.

Strategic Risk 807 – Climate Emergency and Sustainable Development / Statutory Obligations in Relation to Environmental Management is currently scored at 16 with a target rate of 4. The current risk exposure is above risk appetite. Challenges include a need to develop a permanent team to progress an increasing list of tasks required against the extremely challenging targets and timescales within the DL and the need for a strategic assessment of resourcing needs to achieve future success. Due to the scale of the task the current level of assurance is Limited.

The Climate Change and Sustainability Board (CC&SB) first met in June 2023. The CC&SB reports to NHS Tayside Board, PRC, ELT and the APF. The December 2023 SRMG was informed that the Director of Public Health and Head of Strategic Risk and Resilience Planning have started work to review Risk 807 – Climate Emergency / Sustainable Development.

Internal audit T33/23 on Property Department - Facilities Directorate, is in draft and will conclude on whether progress has been maintained with actions from previous internal audit T31a/23 and

whether the Service Planning Group (formerly the CEL 35 group) is operating effectively and providing robust assurance to the Asset Management Group and PRC. Additionally, we have concluded on adequacy of initial steps to ensure compliance with DL (2021) 38 – A Policy for NHS Scotland on the Global Climate Emergency and Sustainable Development.

Asset Verification

Physical checking of a sample of assets is a management requirement within the NHS Tayside Financial Operating Procedures. Internal Audit have been informed that, following a review of procedures, all assets will now be verified over a specified period and physical checking of equipment will commence early in 2024.

Financial Procedures

Financial Procedures have a scheduled review date and an identified review group and are also reviewed when the CoCG is updated. Financial procedures are available on the Finance Directorate website on Staffnet; but this is not a complete repository and there is no 'at a glance' way to establish the percentage in date. A central location on Staffnet where all finance and finance-related policies are held would be of benefit to new members of staff or to staff who are not within the finance directorate but interact with it. Internal audit T26/24 on Financial Process Compliance will report further on this area.

Other Areas covered by ICE Fieldwork

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

- Standing Financial Instructions
- Standards of Business Conduct
- Anti-Fraud and Corruption Policy and Response Plan
- Control over the Acquisition, Use, Disposal and Safeguarding of Assets

INFORMATION GOVERNANCE

680 Digital Cyber Security Attack Current score 16 (High), Target score 8 (Medium), Above appetite

679 Digital Technical Infrastructure Legacy Debt Current score 16 (High), Target score 8 (Medium), Within appetite

Governance and Assurance

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

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 DTP minutes and Chair's Assurance report are presented to the PRC.

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

IG Assurance Reports to IGCAC and Departmental Reporting

Every department completes a template covering all workstreams and IG themes for submission to the IGCAC twice a year. This system was introduced in June 2023 and provides the Committee with assurance on IG activities across the organisation and compliance with underpinning legislation. Initial reporting will begin in early 2024.

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

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

For the three months to 31 October 2023, NHS Tayside responded to 88% (target 100%) of Freedom of Information requests within the statutory timescale of 20 days.

There has been an increase in information assets recorded on the Information Asset Register, but there is still a lack of engagement in several areas. Internal Audit included a recommendation in T06/24, with a due date of 31 March 2024, for NHS Tayside to explore alternative approaches to improve engagement of the Information Asset Owners.

Compliance with Mandatory training for IG – Safe Information Handling is 92%.

Risk and Adverse Event Reporting

The IG&CA Team liaises with the relevant department when an information governance risk has been identified. The Team review all data breaches reported in Datix as adverse events to identify significant IG risks which are then recorded as a service risk. These IG risks are monitored by the IG&CA Team and all operational IG risks continue to be reported to the IGCAC.

The PRC receives assurance reports for the Technical Infrastructure and Modernisation Programme strategic risk (rated high) and the Cyber Security Attack strategic risk (rated high), with both risk ratings reflective of the current environment.

The Cyber Security Attack Strategic Risk is subject to enhanced monitoring by the PRC due to a Cyber Attack in November 2022, and because improvements to controls are required following the external NIS review in April 2023. Actions to enhance cyber security training were recommended in the NIS review and a tabletop exercise for key personnel has been arranged for January 2024 with Resilience Planning.

The risk exposure for the Technical Infrastructure and Modernisation Programme risk has remained 'High' over the last 12 months and achieving the target risk exposure of 'Moderate' will require significant additional work. A three-year investment plan has been shared with the Finance Department and the Asset Management Group and we would expect this to be presented to the PRC.

The Annual Operating Plan (AOP) for digital delivery is presented to the PRC and provides an update on work to deliver the Digital Strategy 2022-27. The risk assessment section of the cover paper refers to risk registers for each individual project and has now been enhanced to link each programme of work to the appropriate strategic risk, with the aim that these programmes will contribute to mitigate and reduce strategic risks scores. As reported in the 2022/23 ICE report (T08/23 Action Point 9 – due June 2023), greater clarity on the financing of the digital strategy and when a project is completed a benefits realisation review should be undertaken and reported to the PRC, including timing, cost and, most importantly, whether the project achieved the desired impact on services. This should include the impact to the relevant Strategic risk.

Information Governance Policies and Procedures

The status of IG related policies is reported to the IGCAC and Strategic Risk Management Group (SRMG). The reports to the December 2023 IGCAC and SRMG highlighted the ongoing Once for Scotland approach for IG policies. All NHS Tayside IG policies have been granted an extension until March 2024 when the national policies should be available.

IG Incidents and Reporting

IG Incident Reporting Assurance reports to the IGCAC include the necessary information on breaches, including incidents that have been provided to the ICO, feedback from ICO and ICO outcomes. During 2023 no breaches have resulted in any action being taken against NHS Tayside, but recommended actions have been made by the Information Commissioner's Office. Our previously agreed recommendation that the report should include an opinion on whether any of the incidents reported to date should be considered for disclosure in the year end Governance Statement has not been actioned.

The Significant Adverse Event Review (SAER) for the Missing Psychology Records has been completed and future monitoring of the SAER outcomes and actions will be considered by the Care Governance Committee. Internal audit report T30/23 is in draft and provides an update to

the recommendations within T29/22, which have been substantially completed.

Network & Information Systems Regulations (NISR)

NHS Tayside was fully audited in April 2023 under the revised Scottish Government Public Sector Cyber Resilience Framework with the report received in June 2023. NHS Tayside achieved an overall performance status of 49%. The IGCAC is provided with updates on the Management Action Plan designed to address the recommendation of the recent Public Sector Cyber Resilience Framework (PSCRF) and the NISR audit. An update presented to the September 2023 ARC, reported by exception only areas where NHS Tayside has not met the required KPI compliance with no overall status provided.

A Management Action Plan was issued on 19 September 2023 to all leads for a management response relating to the specific controls which did not comply with NISR. The action plan takes the form of a continual cyclical improvement process between key leads in various departments and the IGCA Team, who continue to regularly engage with leads to provide guidance and assess the evidence so far provided. The SIRO will meet in January 2024 with all leads to review progress of the NISR compliance.

Information Commissioners Office (ICO) Audit

In March 2023, NHS Tayside was audited by the Information Commissioner's Office (ICO). Whilst the audit reported a reasonable level of assurance that processes and procedures are in place and are delivering data protection compliance, scope for improvement in existing arrangements to reduce the risk of non-compliance with data protection legislation was identified.

Progress with recommendations is reported to the IGCAC. As reported to the IGCAC in September and December 2023 "*due to conflicting priorities and resource implications within the team, many of the actions have not been progressed*." By year end we would expect these recommendations to have significantly progressed.

Digital and eHealth Strategy

NHS Tayside's Digital Health Strategy (2022 – 2027) was formally approved by the PRC 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.

Our 2022/23 Annual Report highlighted the need for the Strategy to be fully costed. While reporting within the Digital Update to the PRC has been enhanced for impacts and links to Strategic risks, the costing of the digital strategy and funding remains a high risk within both revenue and capital reports to the PRC.

As reported in the 2022/23 ICE report, there is a requirement for a more robust model of reporting of digital activity through the Digital AOP, to provide a level of assurance reporting that is commensurate with the importance of digital activity in achieving objectives. The Internal Audit Plan for 2023/24 includes a review of Digital which will further explore these areas, with the review to be completed by May 2024. The audit will consider:

- 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;

- Benefits realisation review on completed projects reported to the PRC, including timing, cost, and data on whether the project achieved the desired impact on services.

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Assessment of Risk

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

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

Action completed since issue of 2022/23 Annual Report:	
Aim	**Progress**
Clinical Governance	
T08/22 Action point 4 Waiting Time Risk Priority - Significant Risk of deferred treatment and patient outcomes.	 **Complete** The final Strategic Risk Profile for 2023/24 and updated risk appetite statement were endorsed by the Strategic Risk Management Group on 19 April 2023 and approved at the 27 April 2023 Tayside NHS Board meeting. A new Waiting Times and Patient Outcomes risk is now live on Datix.
Staff Governance	
T08/23 Action point 6 – Assurances to SGC **Priority- Merits Attention** • Further reports to be received before year end • format of the SGC Assurance & Workplan • Levels of assurance on papers.	 **Complete** The GP Appraisal Report ("Primary Care Appraisal Report") was received in April 2023. Assurance reports on Workforce and Health & Safety Policies have been presented and are included in the workplan with appropriate timing. The format of the workplan was updated in line with the recommendation.
T06/24 Action point 3 - SGC and RC workplans and reports **Priority – Merits Attention**	 **Complete** This action point related to providing clarity within the SGC and Remuneration Committee workplans on compliance with the reporting schedule. The workplans note when items were deferred.
Financial Governance	
T08/23 Action point 8 - Financial Planning and Financial Reporting.	

Priority - Moderate • Approval of the Financial Plan through PRC and Board • Financial planning and financial reporting reports should be separate if possible, to reflect the different purpose (generally approval and assurance).	**Complete** The three year Financial Plan 2023/24 to 2025/26 was approved by Tayside NHS Board on 27 April 2023. Following feedback from Scottish Government (SG), a revised three year Financial Plan 2023/24 to 2025/26 was submitted to SG on 30 June 2023. The PRC Assurance and Work Plan has financial planning and financial monitoring reports included as separate items, with financial monitoring reports to each Committee meeting and financial planning reports twice per year – December and February meetings. It was noted in the PRC Annual Report 2022/23, approved at the April 2023 PRC meeting, that '*financial reports were consistent in messaging, and clearly identified risks to delivery of financial plans throughout the year*'.
Information Governance	
T08/23 Action point 10 - Digital Governance **Priority Moderate** 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.	 **Complete** This action related to the assurances received from the Information Governance and Cyber Assurance Committee (IGCAC) and the Digital Transformation Partnership (DTP). The first Chair's Assurance Report from IGCAC was presented to the Audit and Risk Committee on 6 March 2023. The Director of Digital Technology now also provides a DTP Chair's Assurance Report to the PRC.
T08/23 Action point 11 – NISR KPI reporting. **Priority Moderate** 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.	 **Complete** This action related to an action plan for monitoring progress towards compliance with the Network and Information Systems Regulation Key Performance Indicators (Public Sector Cyber Resilience Framework (PSCRF)). A report was provided to the September 2023 Information Governance and Cyber

	Assurance Committee providing an update on the Management Action Plan to address the recommendation of the recent PSCRF and Network and Information Systems Audit. Progress against the management response and actions to the prioritised recommendations, along with re-evaluation of the "partially achieved" and "not achieved" controls, will be monitored through the Cyber Resilience Governance Group and will be regularly reported to the Information Governance and Cyber Assurance Committee. We note however that the paper provided limited assurance as NHS Tayside achieved an overall performance status of 49%.
T06/24 Action point 5- Digital Annual Operating Plan **Priority- Moderate** Link between the AOP and strategic risk'.	 **Complete** From August 2023 onwards, the Digital Update report presented to the PRC now includes reference to where each delivery item is helping to mitigate the two Digital strategic risks. An additional column has been included in the table. There is also reference within the paper to the risks themselves, referencing the detailed assurance reports under separate agenda items at each PRC.
Ongoing	
Aim	**Progress**
Corporate Governance	
T06/24 Action point 1- Financial Sustainability **Priority: Significant** **Due March 2024** Future financial sustainability through: • contingency plans • savings workstream • congruence with overall Strategy • capacity and capability sufficient to drive strategy, and the associated	 Slippage Contingency plans have not been discussed. There is extensive reporting through the PRC on the nine workstreams that were identified to deliver £30m recurring savings. The latest report shows that at end of October 2023, £11m of recurring savings have been

transformation programme • staff resource and cultural changes to ensure that this area is given the required priority.	identified. A new Deputy Chief Executive is now in post and progressing Strategy work. An Executive Leadership risk has been established and will be monitored through the Remuneration Committee. An update on completion of the Collective Leadership and Culture Strategic Framework 2018 - 2023 was provided to the June 2023 SGC provided Limited Assurance. A verbal update was provided to the SGC in October 2023 noting work on refreshing the framework continued and a further Board workshop is to be scheduled to help to maintain momentum in this complex area.
Clinical Governance	
T08/22 Action point 5 Clinical Governance Strategy **Priority Moderate** **Due Date March 2024** Project plan to progress the refresh of the Clinical Governance Strategy.	 **On track** A project plan was created and development of the new Clinical Governance framework is ongoing and on track for approval in 2024
T06/23 Action point 3 Clinical Governance Improvements **Priority Significant** **Due March 2024** • External inspections: How to formally collate and report to CGC on findings and improvement actions arising from external visits and inspections, as well as the implication for internal systems. • Mental Health risk: How implementation of the Mental Health Strategy, as a key control, will be monitored.	 **On track** • A Standard Operational Procedure for External Inspections/Visits to NHS Tayside by Regulatory and Other External Bodies has been approved. The Action plan in response to the Due Diligence review relating to Professor Eljamel includes a review of the SOP due by end of March 2024  **Slippage** • A Mental Health Strategic Risk is still outstanding. For detail, see Clinical Governance Section and Action point

T08/23 Action point 3 Clinical Governance Improvements **Priority Significant** **Due March 2024** • effectiveness of care • KPIs for adverse event management • external reviews.	 **On track** • New strategic risk on Patient Reported Outcome Measures agreed and pending on Datix • KPIs now reported to CGC • As above
T06/24 Action point 2: Duty of Candour **Priority- Moderate** **Part 2 Due January 2024** We recommend that consideration is given to how the assurances required by the Health (Tobacco, Nicotine etc. and Care) (Scotland) Act 2016 and the Duty of Candour Procedure (Scotland) Regulations 2018 will be provided to the CGC on a timely basis.	 **Complete/ On track** The Duty of Candour (DOC) report was approved by the CGC on 3 August 2023. KPIs will be reviewed going forward around DOC to add into the Clinical Governance & Complaints KPI report.
Information Governance	
T08/23 Action point 9 – Digital Reporting to PRC **Priority- Moderate** **Due Date January 2024** More robust reporting of digital activity to include: • Updates on the capital and revenue spend in relation to the programmes/projects; • Progress of the Digital Strategy especially non delivery and the impact on services and transformation; • Benefits realisation reviews • Digital Transformation Partnership Annual Report in line with its ToR and using the standard template, with explicit assurance provided on the creation, review and implementation of the digital strategy and underpinning digital and information technology (IT) change programmes.	 **Slippage** As reported in the 2022/23 ICE report, there is a requirement for a more robust model of reporting of digital activity through the Digital AOP, to provide a level of assurance reporting that is commensurate with the importance of digital activity in achieving objectives. The Internal Audit Plan for 2023/24 includes a review of Digital which will further explore these areas, with the review to be completed by May 2024. The audit will consider: • 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. • Benefits realisation review on completed projects reported to the PRC, including timing, cost, and data on whether the

	project achieved the desired impact on services.
T06/24 Action point 4 - Information Asset Register **Priority – Merits Attention** **Due by March 2024** Alternative approaches should be taken to ensure the required engagement of Information Asset Owners to provide the required information.	 **On track** Alternative approaches to improve the engagement of the Information Asset Owners are ongoing.