

# FTF Internal Audit Service

**NHS Tayside**

**Internal Control Evaluation 2020/21**

**Report No. T08/21**

**Issued To:** G Archibald, Chief Executive  
S Lyall, Director of Finance

**NHS Tayside Directors / Executive Leadership Team  
IJB Chief Officers**

**M Dunning, Board Secretary**

**H Walker, Head of Strategic Risk and Resilience Planning**

**L Green, Audit and Risk Committee Members' Library**

**Audit Follow Up**

**Audit & Risk Committee  
External Audit**

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## EXECUTIVE SUMMARY

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

## OBJECTIVE

2. The principal objective of this review is to provide assurance to the Chief Executive, as Accountable Officer, that there is a sound system of internal control that supports the achievement of the Board's objectives.
3. This year the Internal Control Evaluation was carried out in parallel with the Sustainable Services review, which evaluated the processes, procedures and principles informing the design of the NHS Tayside Remobilisation Plan and its underlying methodologies, to provide assurance on the adequacy of the reconfiguration process. We also considered the extent to which the organisation can provide assurance on questions raised by Audit Scotland in their 'COVID-19 Guide for Audit and Risk Committees' and on governance response to COVID-19. Themes from the checklist are incorporated in the 'ongoing and required developments' section of this report.
4. This audit specifically considered how NHS Tayside has:
  - Identified emerging risks and key actions to manage high priority risks;
  - Identified the key risks and challenges to achievement of strategic objectives and ensured that progress is monitored at governance level;
  - Identified opportunities for change and improvement to develop and implement the organisation's strategic agenda;
  - Implemented revised arrangements to ensure NHS Tayside can effectively respond to COVID-19 and discharge its governance responsibilities.

## RISK

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

## AUDIT OPINION

6. Ongoing and required developments and recommended actions are included at Section 2.
7. The Annual Internal Audit Report was issued on 6 July 2020 and was informed by detailed review of formal evidence sources including Board, Standing Committee, Executive Leadership Team, and other papers. As well as identifying key themes, the Annual Internal Audit Report made three specific recommendations on:
  - Strategy and transformation
  - Annual assurance reports
  - Workforce planning
8. Action to address the recommendations continues to be progressed throughout the pandemic and key findings are incorporated within this report.
9. Three recommendations from the 2019/20 Internal Control Evaluation (ICE) remain ongoing:

- Development of a measurement system to ensure that officers are held to account and that there is a supportive performance management culture
  - Consideration of governance principles when taking forward MSG Improvement Plans and when updating Integration Schemes
  - Enhanced Public Health performance reporting
10. In this report we have provided an update on progress to date and, where appropriate, built on and consolidated previous recommendations to allow refreshed action and completion dates to be agreed. This has culminated in 7 recommendations for which Management have agreed actions to progress by year end.
11. The findings of internal audit T16/21 - Sustainable Services, have been incorporated into this report in the context of the original recommendation from our Annual Internal Audit Report. Overall progress has been good, but this is clearly a very difficult area which will require continued efforts to ensure that the Board is best placed to deliver the required outcomes as we enter the next phase of renewal and reconfiguration.
12. 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

13. Detailed findings are shown later in the report. Key themes emerging from this review and other audit work during the year, as well as consideration of the overall impact of COVID-19 and the need to ensure sustainable services, are detailed in the following paragraphs.
14. We have seen ongoing improvement in the overall systems of governance, particularly committee assurances, and noted that the Board has responded positively to the governance challenges posed by COVID-19. There are opportunities further to enhance governance through the application of assurance mapping principles, which may help in creating the proportionate and agile arrangements required in the short term, as well as assisting ongoing developments in Risk Management.
15. An enormous amount of reconfiguration and remobilisation work has been undertaken, allowing services to resume in exceptionally challenging circumstances. Our sustainability work provided strong evidence of a clinically led/managerially enabled approach with an understanding that real change is required.
16. The Board has recognised that all strategies will need to be updated and the key question is how to ensure that reconfiguration, renewal and strategy development are taken forward whilst most senior officers and Directors are necessarily dealing with complex, challenging and demanding operational issues of the utmost urgency and importance.
17. There is now an opportunity to pull together all these strands to build on the excellent work already undertaken, learning from the experience of reconfiguration and capturing and using existing data to create sustainable services and a strategy which reflects the new environment. In the coming months it will also be important to consider how and when Board members should be involved in this process, to enhance governance and reporting and to ensure that development continues with appropriate resources and prioritisation in very difficult circumstances.
18. By this point, we would have expected the Board to have had sight of a COVID-19 risk and we would have expected the individual elements to be starting to be incorporated into the relevant elements of the wider Strategic Risk Register/Board Assurance Framework. Further work is now needed to ensure that at both strategic and operational level the impact of COVID-

- 19 on the risk profile of the organisation is clearly articulated and all relevant controls are identified together with clear assurance lines.
19. While aspects of Staff Governance risk and assurance reporting are still in development, previous recommendations from the 2019/20 Annual Internal Audit Report and Internal Control Evaluation have progressed and reporting to the Staff Governance Committee continues to improve.
  20. The remit of any Clinical Governance Committee is extensive, particularly so in NHS Tayside given the disbanding of the Clinical Quality Forum. We welcome the forthcoming evaluation and review session, and would suggest consideration of assurance mapping principles in that process.
  21. Finance reporting to Board and Performance & Resources Committee has been transparent and the Director of Finance has consistently and clearly articulated financial risks.
  22. The positive impact of key appointments during 2019/20 has now revitalised the Digital agenda, in particular the development of the Digital Strategy, improved governance arrangements and the acceleration of projects to meet the changing needs of staff and patients due to the pandemic.

## COVID 19

23. On 17 March 2020 NHS Scotland was placed on an emergency footing until at least 31 March 2021. On 26 March 2020 Tayside NHS Board approved revised governance arrangements for the period April to June 2020, designed to ensure NHS Tayside could effectively respond to COVID-19 and discharge its governance responsibilities, to make time available for management and operational staff to deal with COVID-19 and to minimise the need for people to travel to and physically attend meetings.
24. The 28 May 2020 Board approved the resumption of the Board and Standing Committees with specific measures in place, including use of Microsoft Teams.
25. As the pandemic continues, the Board Secretary is monitoring the current governance arrangements to ensure an appropriate level of governance, acknowledging the pressures on management and operational staff dealing with COVID-19. A paper to the January 2021 Board, in line with recent SGHSCD guidance, sets out a proposed approach to governance as the current phase of the pandemic impacts on the ability of officers to support Standing Committees. This is likely to result in the suspension or deferral of all Standing Committees.
26. The Chief Executive has provided each Board meeting with verbal COVID-19 updates through the emergency footing period, with a more formal summary report provided in December 2020. The Director of Public Health has provided qualitative update reports to each Board meeting.
27. NHS Tayside activated a Command Structure with the Bronze (operational), Silver (tactical) and Gold (strategic) Command levels stepped up in March 2020. This formal system was designed to ensure that key matters for decisions are considered at the right time and at the right level in response to fast-moving situations. Bronze, Silver and Gold groups have representation from clinical staff, support staff, Health and Social Care Partnership colleagues, managers and staff side colleagues.
28. The Director of Public Health established a weekly multi-partner Incident Management Team (IMT) with membership of the Chief Executive of NHS Tayside, the three Local Authority Chief Executives, Police Scotland Divisional Commander and the Health and Social Care Partnership Chief Officers. The meeting explores local incidences of COVID-19, positivity rates and trends in the three localities, also taking into account impacts of individual outbreaks and capacity in local hospitals.

**ACTION**

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

**ACKNOWLEDGEMENT**

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

**A Gaskin, Bsc. ACA**

**Chief Internal Auditor**

## CORPORATE GOVERNANCE

### Sustainability & Transformation

**Annual Report 2019/20: Action point 1a – requirement for reporting to Board on Strategy and transformative work strategic risk register refresh for COVID-19.**

**Progress: Substantial**

#### Remobilisation & Service Delivery changes

NHS Tayside's ongoing response to COVID-19 is set out in the 'Tayside Remobilisation Recover and Redesign Plan, August 2020 to March 2021' and was considered by Board on 29 October 2020. Priorities were identified as: Test and Protect; Incident Management Teams in response to significant/complex outbreaks; Extended Seasonal Flu Vaccination programme; COVID-19 vaccination programme; Public communications and advice.

The Winter Plan, approved by the Board on 17 December 2020, informs the local Unscheduled Care Action Plan and is aligned to NHS Tayside Annual Operational Plan and the strategic improvement plans of the three Health and Social Care Partnerships.

We commend the way in which NHS Tayside was able to maintain a focus on 'Business Critical' improvement and development as well as core services which had to continue. In addition, NHS Tayside was able to deliver more activity/ productivity during the first few months than planned in the current remobilisation plan.

Remobilisation support from Organisational Development, the Business Unit, Capacity Managers and TrakCare specialists was in place, focused on key areas. NHS Tayside also developed a remobilisation toolkit, subsequently recognised by Health Improvement Scotland as good practice, to support specialties in developing their local remobilisation plans. Whilst not all elements were incorporated into the specialty level remobilisation templates, these would provide an excellent basis for future service planning and strategy development.

The Planned Care Board was established in June 2020 to provide strategic leadership for the development of the elective care strategy across the whole system.

We found practical manifestations of a clinically led and engaged culture, managerially enabled, where Clinical Care Groups are accountable for quality of care and operational performance and where the need for transformative change was understood.

Before we enter the next phase of remobilisation there is an opportunity to reflect and build on the best aspects of the previous phase: sharing, monitoring and ensuring the use of best practice. There is also a need for overt assurance that service delivery is clinically safe including monitoring mechanisms to identify potential harm.

#### Strategy

The NHS Strategy overview paper informed the October 2020 Board that the Chief Executive is leading an executive review of NHS Tayside's strategic direction, including consideration of all extant strategies and:

- Development of a revised overarching strategy to reflect the current environment and new ways of working developed in response to COVID-19
- Integration and alignment of supporting NHS Tayside strategies
- Alignment with national guidance adapted to respond to COVID-19
- Revision of NHS Tayside service strategies to reflect changes from COVID-19

- Ensuring all lessons learned are retained and further developed

At the 26 November 2020 Board Development Event on Strategy and Risk Management, the Chief Executive presented a series of principles to underpin development of the NHS Tayside vision and the key delivery elements for the Health Service in Tayside, which together form the strategy blueprint.

Recruitment of a Deputy Chief Executive has been actively progressed but as yet a post holder has not been appointed and NHS Tayside does not currently have a formally identified lead officer for strategy and transformative change.

NHS Tayside will need to consider how it utilises the skills and information available to it to ensure that the work on renewal, reconfiguration and strategy is taken forward, recognising that the majority of senior managers and Directors will be absorbed with the immediate consequences of the latest phase of COVID-19. There is considerable knowledge and experience available to the Board but this project will need to be prioritised and supported even in this most difficult of times, if the Board is to emerge from the situation fully prepared to renew and reconfigure its services and revise its strategies.



**Action Point Reference 1 Sustainability****Finding:**

The considerable progress made to date in delivering and remobilising services needs to be sustained and lessons learned used to direct future transformation and strategy.

**Audit Recommendation:**

NHS Tayside should build on the processes and culture developed through the remobilisation planning process, and develop remobilisation plans into annual service plans, which incorporate budget and workforce planning discussions. Service plans need to be clinically safe, financially affordable and resourced through appropriate staffing. This should then provide a basis for future operational performance monitoring arrangements with exception reporting to governance level.

Greater formality around the remobilisation process should be introduced, to consider how to improve formal reporting of progress through governance structures, as well as ensuring that the data gathered during remobilisation is used to best effect to inform future strategy developments and transformation. While there has been extensive qualitative reporting, more quantitative reporting would provide clear evidence of progress on critical success factors.

The next step for the organisation should be completion of a comprehensive evaluation exercise of the service changes made. This should aim to mainstream positive developments and the public and stakeholders should be consulted on the direction of travel.

The remobilisation plan template should be augmented and be completed by all clinical groups and specialities, including unplanned care, to act as a service plan template. The remobilisation support team could become a review step to ensure all relevant aspects have been addressed. The process should also include a step providing assurance that the service delivery is clinically safe. In addition, there is a need to develop monitoring of adverse events due to COVID-19 to identify where delays in diagnosis or treatment caused harm.

Consideration should be given to the best way to link the work on strategic leadership for the development of the elective care strategy to the ongoing transformation of unplanned care, as well as reviewing reporting lines for the Planned Care Board to provide assurance on the important work being undertaken.

**Assessment of Risk:**

Significant



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

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

**Management Response/Action:**

**The Board's Remobilisation Plan for 2021/22 was submitted to Scottish Government (SG) on 26 February, 2021. The Plan will be taken to the Board meeting in June 2021.**

**SG have commended the Board on the robust process implemented for monitoring and reporting of progress against plan. At service level, implementation is managed through**

service planning and budget review meetings with each specialty group. These meetings have a focus on identification of innovation and service change delivered through the Covid period, with a view to embedding these changes in service models. These reviews are based on the Remobilisation Plan, pick up on both scheduled and unscheduled care, and seek to inform financial and workforce plans.

Quantitative reporting, and progress on critical success factors, is evidenced through performance reports which go routinely to both Performance and Resources Committee and Tayside NHS Board. These report and monitor measures relating to both planned and unscheduled care.

Progress in implementation will be monitored throughout the financial year.

| Action by:                            | Date of expected completion: |
|---------------------------------------|------------------------------|
| Chief Executive & Director of Finance | 31 March 2022                |

**Action Point Reference 2 Strategy & Transformation****Finding:**

The 2019/20 Annual Internal Audit Report reflected that NHS Tayside had identified the need to review its pre-pandemic transformative plans to reassess priorities and set a new long-term strategic vision for health and social care services.

Several of the recommendations from the Annual Internal Audit Report have been substantially addressed through the NHS Strategy overview paper to the October 2020 Board that provided assurance that the Chief Executive is leading an executive review of NHS Tayside's strategic direction, including consideration of all extant strategies. The strategic approach was further developed at the November 2020 Board Development Event.

A strategic route map to ensure sustainable services has not yet been developed and reported through governance structures.

**Audit Recommendation:**

The Chief Executive has set out the direction of travel for review and revision of strategy to ensure NHS Tayside is sustainable in the future.

There is now a requirement to put in place a project plan and timetable to progress this work. This plan should include arrangements to review and monitor the implementation of the overarching and supporting strategies (Workforce, Finance, Property/Asset Management, Risk Management and Digital) to ensure appropriate resources are available to deliver strategy, clearly linked to revised service models, including, as a priority, the revised Mental Health Strategy.

Arrangements should include:

- Identification of an Director level Sponsor and Project Lead for strategic planning and change;
- A plan and timetable for how the new Strategy and supporting strategies will emerge, including governance arrangements and key responsibilities for individuals and groups;
- A stock take of previous transformative projects;
- Articulation of a clear link between strategy and ongoing service developments, to ensure future services are sustainable;
- Overt linkages to realistic medicine, transformative programmes, efficiency savings and other initiatives;
- Assessment of the risks to achievement.

There should be effective governance and oversight of this key area so that the Board can formally scrutinise the arrangements, and in particular approve the principles underlying remobilisation and reconfiguration planning. The Board should be engaged in all key decisions, and in setting the vision/ direction for the next iteration of the plan including:

- Products – The Board should clearly understand which decisions will come to them, when and in what format, and which decisions it is delegating to management
- Processes - The Board should understand how it will be kept informed of progress, of changes to the risk profile and of the impact of changes including appropriate post-project monitoring

- **Priorities** - The Board should agree how it will set its priorities and how these will be communicated and implemented, understanding as above that their implementation may not come to the Board
- **Parameters** - The Board should outline which areas are sacrosanct to avoid wasting officers' time.

The Board should be provided with regular overviews of whether Recovery, Remobilisation and strategy development is on track, key achievements, challenges and risks and any significant implications for strategy and priorities.

### Assessment of Risk:

Significant



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

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

### Management Response/Action:

Since the November 2020 Board Development Event on Strategy Planning , development of strategy was impacted by the need for NHS Tayside to respond to the second wave of Covid-19, which was more severe than anticipated. In addition, the following three factors have been identified as being key in informing future strategic direction:

- Following the 6 May 2021 Scottish election, a new Cabinet Secretary for Health will be appointed. The national Chief Executives' Group have agreed that, as all Scottish Boards face similar issues, the Chair of the Group will seek clarity on the strategic direction of the NHS in Scotland.
- The Chief Executives' Group will also seek clarify on the implementation status of the Independent Review of Adult Social Care in Scotland, published in February 2021 (the Feeley report), and how this impacts on Boards' strategic direction of travel.
- Version 3 of the NHS Tayside Remobilisation Plan, submitted to Scottish Government on 26 February 2021, provides the short term strategy. While Scottish Government have commended the Board on the robust process implemented for monitoring and reporting of progress against plan, the Remobilisation Plan was embargoed until after the 6 May 2021 election and has therefore not been presented to the Tayside NHS Board.

The June 2021 Board will be informed of the process for taking forward the update of the Board's strategy and will incorporate the Internal Audit recommendations above, amongst a range of factors. In particular, it will capture based on the best information available at the time :

- Scottish Government direction of travel for Health Boards post election.
- The content of version 3 of Tayside Remobilisation Plan, related feedback, and its impact on strategy
- A description of the new integration agenda

The available information will inform the Board's strategic action plan for the remainder of 2021/22, responsibility for which will be allocated to Directors.

| Action by:                            | Date of expected completion:   |
|---------------------------------------|--------------------------------|
| Chief Executive & Director of Finance | 30 June 2021 for Board update. |

## CORPORATE GOVERNANCE

### Risk Management

**Annual Report 2019/20: Action point 1 – requirement for strategic risk register refresh for COVID-19.**

**Progress: Ongoing but significantly delayed**

Risk Management featured in the November 2020 Board Development Event and the Director of Finance has committed to facilitate a further session in 2021/22.

The Risk Management Short Life Working Group has progressed the review of the Risk Management Strategy and the Risk Management Framework into one revised and updated document which should be launched early in the new financial year. The working group has also considered streamlined reporting arrangements which provide clarity on the different functions and roles of the Strategic Risk Management Group, Standing Committees, Audit and Risk Committee and Tayside NHS Board in respect of risk management.

The Dundee Health & Social Care Partnership (HSCP) Chief Finance Officer led work to develop a Risk Management Strategy for the Tayside HSCPs. This is a key development which will provide clarity on the arrangements for management and assurance on HSCP operational risks. These arrangements should ensure that there are no omissions or duplication in the consideration of risks. Arrangements will be reflected in the NHS Tayside Risk Management Strategy, which will be presented to the April meeting of Tayside NHS Board for approval. Chief Officers provide HSCP strategic and COVID-19 risk updates to each meeting of the Strategic Risk Management Group.

As reported to the January 2021 Audit & Risk Committee, there are eight risks assessed as very high, 13 as high and two as medium. The COVID-19 risk is not included in this assessment as it is yet to be finalised.

The COVID-19 risk has been created by the Director of Public Health with support from the Head of Strategic Risk & Resilience Planning. As reported to the 21 January 2021 Audit & Risk Committee, the risk was circulated to key Directors for feedback prior to being discussed at the Strategic Risk Management Group meeting on 8 December 2020. The risk is currently awaiting final approval from the Chief Executive and has therefore not been recorded in the Datix system nor been presented to Board or Standing Committee. Strategic risks for Infection Control, Finance, Health & Safety and Medical Workforce have been updated to reflect COVID-19 implications and the Workforce Optimisation risk acknowledges that COVID-19 needs to be reflected. Slippage in planned controls due to COVID-19 is acknowledged in the Clinical Governance risk with updates presented to the Care Governance Committee. Key service risks relating to Covid-19 are contained within some of the HSCP reports that were presented to the November 2020 CQF (and will now be presented directly to CGC) and in the Acute Services Division Quality Performance Review report which specifically referenced harm from COVID-19 within ophthalmology services.

A COVID-19 risk register was developed in April 2020 and has been regularly reviewed through Silver command, and presented to Gold command for awareness/ decision as appropriate. Several COVID-19 service level risks are recorded in Datix.

**Action Point Reference 3 COVID 19 risk****Finding:**

A COVID-19 risk has been drafted but has not been recorded in the Datix system. This strategic risk has not been presented to Board or Standing Committee. By this point, the COVID-19 risk should have been mainstreamed in to the wider Strategic Risk Register.

Not all strategic risks have been updated to reflect COVID-19.

There has been excellent work to address the operational challenges presented by COVID-19 at service level and COVID-19 service level risks have been recorded.

**Audit Recommendation:**

Given the delay, there is little benefit in producing a comprehensive COVID-19 risk incorporating all elements, and the focus should be on a holistic review of the strategic risk register to ensure COVID-19 is reflected across the strategic risk profile. Further work is now needed to ensure that at both strategic and service level the impact of COVID-19 on the risk profile of the organisation is clearly articulated and all relevant controls are identified and clear assurance lines implemented.

Risks documented within the COVID-19 risk register should be reviewed and any which require escalation identified.

**Assessment of Risk:**

Significant



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

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

**Management Response/Action:****Strategic risks**

**Review of the Strategic Risk Profile is to be undertaken during March 2021. As part of this process risk owners/managers will be requested to review and update any risks proposed to remain on the Strategic Risk Profile for 2021/22 to ensure the impact of COVID -19 is included and articulated where appropriate within risk descriptions and all relevant controls.**

**Service level risks**

**Service level risks will continue to be updated and reviewed locally, as part of usual clinical governance and risk management processes. Several COVID-19 service level risks are recorded in Datix and others will be added as necessary.**

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

**Director of Finance & Head of Strategic Risk and Resilience Planning/Interim Head of Clinical Governance and Risk Management.**

**30 April 2021**

## CORPORATE GOVERNANCE

### Annual assurances and other corporate governance issues

**Annual Report: Action point 2 –Triangulation of year end assurances through Executive Directors and Senior Managers assurances and Standing Committee annual reports**

**Progress: Ongoing**

Internal audit reports T12B/20 and T11/21 – Committee Assurance, reported on improvements in committee processes. Internal Audit contributed to two rounds of workshops with Standing Committee Chairs, Vice Chairs and Lead Officers to develop and embed agreed developments. Internal Audit also provided advice on the assurance principles developed by the Assurance Mapping Group.

In August 2020 the Board Secretary led a joint meeting with committee chairs and vice chairs, lead officers and committee support officers. This resulted in implementation of the Committee Assurance Plans, a Standard Operating Procedure for assurance and accompanying templates, and agreement on the importance of timely submission of draft reports for pre-agenda meetings.

Themes arising from the committee assurance work undertaken in 2019/20 were constructively incorporated in the work of the Audit & Risk Committee, the Performance & Resources Committee and Care Governance Committee, with a positive focus on additional improvements to further enhance the flow of assurance. Following an initial Staff Governance Committee workshop, a second meeting took place on 23 September 2020 to discuss how officers can ensure that the committee is focussed on the areas of most strategic importance to the Board as well as those of the highest risk. The draft T11/21 report was presented to the 15 December 2020 SGC but SGC assurance arrangements are still to be agreed.

Governance arrangements will be revised during the remainder of 2020/21 to reflect the serious impact of the pandemic on officers' time and recent SGHSCD guidance. The Board Secretary is reviewing arrangements for provision of Standing Committee year end assurances and it is our view that Standing Committee annual reports should be tightly focussed and provide the minimum level of detail needed to provide meaningful assurances on adequacy and effectiveness. The sub-committees also have a key role in providing necessary assurances to allow Standing Committees to conclude on adequacy and effectiveness of arrangements. Standing Committee meetings will be deferred in the short term which will exacerbate any potential shortfalls in assurance.

A permanent Board Chair has been appointed and there have been several changes to the Chairs and constitution of Standing Committees. Three Non Executive posts are currently advertised. Induction and training for Non Executives is provided through National Education Scotland and a national Board Member Induction Workshop was held on 23 September 2020. Board Development monthly newsletters are shared with non Executives. In addition, the Board Secretary has communicated to Non Executives the requirement to complete and review any training / awareness material on the Turas Board Development website, as well as the requirement to complete the required NHS Tayside mandatory Learnpro modules.

The NHS Scotland Corporate Governance Steering Group is producing NHS Scotland standardised and core documentation including model Governance Committee Terms of Reference, Standing Financial Instructions and Schemes of Delegation for NHS Boards. Progress is reported through the NHS Tayside Governance Review Group and the Code of Corporate Governance will be updated to reflect this documentation, when available. The NHS Scotland template and accompanying guidance is used for all NHS Tayside Board and Standing Committee cover papers and all reports must clearly state the level of assurance provided.



National progress on Active Governance was reported to the 27 August 2020 Board meeting and the Board Chair will provide further information to the Board through the NHS Chairs' meeting.

The Annual Review on 26 October 2020 was postponed until 15 January 2021.

A one off Internal Audit Follow Up exercise was undertaken in December 2020 and reported to the 21 January 2021 Audit & Risk Committee. This was led by the Director of Finance with input from internal audit. All outstanding recommendations were risk assessed in the context of COVID-19 and revised actions and due dates agreed where appropriate.

As reported to the December 2020 Strategic Risk Management Group, 7 of 149 policies had breached their review dates. Six of the seven were clinical policies and the intention is to establish a Clinical Policy Group to review and develop Clinical policies.

### Action Point Reference 4 Standing Committees

#### Finding:

In line with recent SGHSCD guidance, NHS Tayside Board has agreed a lighter approach to governance as the current phase of the pandemic impacts on the ability of officers to support Standing Committees. This has resulted in the suspension or deferral of all Standing Committees.

The Board Secretary has informed us that Committee Support Officers have been instructed to develop assurance work plans in order to understand assurances required by year-end. The date for year-end is not yet finalised and we are aware that other NHS Boards may again be deferring this until after June.

#### Audit Recommendation:

All Standing Committee Lead Officers should provide assurance to the Accountable Officer that they, and their Standing Committees, will be in a position to provide the necessary assurances at year end.

#### Assessment of Risk:

Significant



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

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

#### Management Response/Action:

**Standing committees will resume on 1 April 2021. Standing Committees will, at their first meeting in 2021-2022, consider any assurance reports related to the year 2020/2021. This will allow the standing committees to agree their annual reports at a meeting prior to the Audit Committee to be held on 17 August 2021 to comply with the annual assurance and annual accounts processes.**

#### Action by:

Board Secretary

#### Date of expected completion:

17 August 2021

## CORPORATE GOVERNANCE

### Performance Management

Performance reports focus on national measures and standards and local measures aligned to strategic direction. While the focus has been on the aims outlined within the Annual Operational Plan, during 2020-21 the focus has shifted towards understanding the impact of the pandemic on performance against national measures, as well as the incorporation and development of measures aligned with the remobilisation plan.

The immediate priorities for Public Health are linked to the COVID-19 pandemic, and measures are in place or being developed for 4 core areas: Test & Protect; Extended Flu Immunisations; COVID-19 Vaccinations; Re-mobilisation of screening.

While the Public Health updates to Board provided good qualitative information, a limited amount of data on these four priorities has been provided to date. The COVID-19 update to the December 2020 Board did however provide high level data on: number of people tested; number of positive cases in Tayside; number of people with confirmed COVID-19 in hospital; number of people in ICU and in HDU.

The December 2020 performance report to P&RC incorporated outpatient activity and the use of digital technology. Further work is planned to identify appropriate measures in respect of: Mental Health; Digital; Workforce; Integration and Quality of Care.

**Action Point Reference 5 Performance Reporting****Finding:**

While the Public Health updates to Board provided good qualitative information, a limited amount of data on these four priorities has been provided to date.

The December 2020 performance report to P&RC incorporated outpatient activity and the use of digital technology. Further work is planned to identify appropriate measures in respect of: Mental Health; Digital; Workforce; Integration and Quality of Care.

**Audit Recommendation:**

We have noted above that the COVID-19 Risk has not yet been fully articulated and also the need for all assurances, including performance reports to relate specifically to risk as well as the standing down of a number of Committees. The measures chosen for reporting should therefore be focused on key risks and objectives, and should provide overt conclusions on those objectives and risks in line with the assurance principles referred to above.

**Assessment of Risk:**

Significant



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

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

**Management Response/Action:**

Management have progressed discussion with the newly appointed Chair and Vice Chair of the P&R Committee regarding performance reports and the intention is to develop a documented Performance Management Framework. Management will work with the P&RC Chair and Vice Chair, and with internal audit, to develop the framework which will include identification of appropriate reporting measures. When the framework is developed wider engagement and consultation will be undertaken and the Performance Management Framework will be approved through governance structures.

An organisation wide implementation plan for the framework will then be put in place.

The committee assurance principles which embody much of this recommendation will be presented to the 20 May 2021 Audit & Risk Committee and internal audit will incorporate work on performance management into the planned 2021/22 assurance mapping audit.

**Action by:**

**Director of Performance and Systems Management**

**Business Unit Service Manager**

**Date of expected completion:**

**Framework developed and consultation commenced – July 2021**

**Formal approval and implementation of Performance Management Framework - December 2021**

**CORPORATE GOVERNANCE****Governance principles for Integration****ICE Report 2019/20: Action Point 3**

**Consideration of governance principles when taking forward MSG Improvement Plans and when updating Integration Schemes.**

**Progress: Extended**

Progress with actions from the MSG for Health and Community Care – Self Evaluation were to be reported to Tayside NHS Board on a six monthly basis, but this has not been the case. However, IJB minutes are now presented to Board and Chief Officers provide update briefings to each Board meeting, including COVID-19 response activity.

The review of Integration Schemes was originally being led by Angus HSCP via a Tayside-wide working group. However, following discussions with NHS Tayside, it was decided not to progress the detailed review of the IJB Integration Schemes this financial year.

**CLINICAL GOVERNANCE**

**ICE Report 2019/20: Action Point 4 - Development of Standard Operating Procedure (SOP) for external inspection visits**

**Progress: SOP has been developed but due to COVID-19 pressures the appendix detailing the lead for each type of external visit has still to be developed.**

**ICE Report 2019/20: Action Point 5 - Enhanced Public Health performance reporting**

**Progress: Substantial progress as described below. Work on assurance reporting remains ongoing and revision of the Public Health Strategy has been delayed pending the national Public Health Strategy.**

While work to review the Clinical Governance Strategy (due by end of 2021) was suspended because of COVID-19, the Clinical Governance & Risk Management team continued to support staff using virtual ways of working. The Nurse and Medical Directors vision for Clinical Governance in NHS Tayside was presented to the Clinical Governance Chairs via an MS Teams session in September 2020.

The new Associate Medical Director for Patient Safety, Clinical Governance and Risk Management started in October 2020, with a focus on developing a single document for Clinical and Care Governance, aligning the Clinical Strategy and Getting it Right Framework.

To avoid duplication and to streamline Clinical Governance arrangements, the Clinical Quality Forum, which last met on 2 November 2020, has now been disbanded. The reporting arrangements from the CQF to the Care Governance Committee (CGC) were reviewed as outlined in the CG Risk 16 paper that went to the December CGC meeting. The minutes of the final CQF meeting reflect that the membership of the CGC will remain the same and representatives of the three Health and Social Care Partnerships (HSCPs), Acute Services Division, Mental Health & Learning Disability, and Strategic Risk Owners/Managers will present regular assurance reports. Outstanding CQF reports for the remainder of the year have been transferred to the work plan of the CGC.

While the CGC work plan was not adjusted to reflect the impact of COVID-19 in the initial wave, Management informed us that agendas were reordered to limit clinician attendance. The February 2021 CGC meeting was stood down due to the continuing COVID-19 pandemic and an 'Interim assurance arrangements for Care Governance Committee during COVID-19' document was prepared, setting out the essential items that would continue to be produced for distribution to the CGC until June 2021. It was subsequently agreed that this paper was unnecessary. A post COVID-19 CGC evaluation and review session will be held to ensure learning around governance and assurance during this period, and to consider how future meetings can continue to be streamlined. This demonstrates that consideration has been given to maintaining appropriate governance within the context of a pandemic, and will aid year end assurances.

COVID-19 and its effect on service delivery has impacted on existing risks and introduced a range of new risks to the organisation. Our audit work showed that whilst risk assurance reports continue to be provided to the CGC, the risks themselves have not been substantially mitigated. Not all controls had been fully articulated and assurance mechanisms agreed. However, our work showed that at operational level a number of controls have been introduced.

Risk assurance reports to the December 2020 CGC demonstrated that while COVID-19 factors have been reflected in the controls section, overall controls are not being consistently applied to mitigate risk and the assurance reports provided moderate or limited assurance.

Overall, we would have expected the risk and controls to have been amended for factors such as the cessation and reconfiguration of services and for the CGC to have concluded on any additional assurances it required as a consequence. Whilst the impact of COVID-19 on some controls/actions has been noted, there has not been a fundamental reassessment proportionate to the impact of COVID-19 on all areas.

The Patient Safety, Clinical Governance and Risk Management Update, previously reported to each CQF will not be reported to the CGC. The Clinical Governance Risk report presented to the April 2021 Care Governance Committee stated that important elements of these papers relating to adverse event management and risk management are now contained within the separate reports from the three HSCPs, the Operational Unit and Mental Health Services, so a collated summary is no longer required.

As agreed in internal audit T21/20 – Complaints and as discussed at the September 2020 CQF, the Medical Director will progress a review of the provision and content of the Complaints reports to the CGC.

The requirement for enhanced governance and reporting to the Public Health Committee was highlighted in the 2019/20 ICE report and internal audit T11/21. Development of the governance structure and performance framework for the Public Health Committee (PHC) will continue, subject to COVID-19 priorities. Internal audit has agreed principles for development of the Public Health Strategy, strategic risk management, performance reporting and assurance flow with the recently appointed Director of Public Health and the Chair of the PHC. We would encourage the PHC to be clear at this interim point in 2020/21 on the level and focus of assurance it expects to be able to provide to the Board at year end.

The June 2020 CGC Chair's Assurance report to Board escalated the risk in respect of responsibilities for Care Homes, and the lack of assurance in this area. The remit of the CGC was updated to include responsibilities for Care Homes and the Care Home Oversight strategic risk was first presented to the CGC in December 2020 (the current risk exposure is 20 and the planned exposure is 6). NHS Tayside has established a Care Home Clinical and Care Professional Oversight Team.

## Action Point Reference 6 Care Governance

### Finding:

We welcome the development of the 'Interim assurance arrangements for the Care Governance Committee during COVID-19' document and we have recommended that the provision of year end assurances through the CGC annual report should be a key feature of arrangements.

A post COVID-19 CGC evaluation and review session will be held to ensure learning around governance and assurance during this period, and to consider how future meetings can continue to be streamlined.

Overall, COVID-19 and its impact on service delivery has created new risks and has substantially amended existing risks. These will require careful articulation and the creation of appropriate assurance mechanisms and possibly new controls and actions. Neither the assurance plan, nor the remit/workplan, of the CGC was updated for these additional risks.

The Care Governance Committee remit and work plan were updated in line with the CQF disbanding. The CGC will use the planned evaluation and review session to ensure the committee receives all required assurances, including essential assurances previously reported to CQF, and to reflect on changes following COVID-19.

### Audit Recommendation:

The CGC annual report will need to be rigorously focussed on key risks and assurances, and signpost any areas where the usual assurances cannot be provided as a result of changes in governance arrangements. Assurances provided by sub-committees, including the PHC, will need to be carefully scheduled and the specific assurances sought, carefully designed.

In the absence of the Committee and in preparation for its eventual return, Lead officers should consider carefully:

- the plan for the review of the Clinical Governance Strategy, including revised timelines and an assessment of the impact of COVID-19
- consideration of the impact of COVID-19 on service delivery and on clinical quality and safety, including clinical governance implications and the impact of pauses and changes as well as the care of COVID-19 + patients
- identification of any new or significantly amended clinical governance risks
- consideration of the impact of COVID-19 on the scope/quality of information provided to the Committee and its ability to provide appropriate year-end assurances
- required changes to existing controls resulting from COVID-19 and any diminution in assurances provided
- The amount of business that can be meaningfully considered at any one meeting

### Assessment of Risk:

Significant



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

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



**Management Response/Action:**

NHS Tayside accepts there is further work required to develop processes that fully articulate the key risks and assurances in all aspects of care governance, in particular in relation to the impact and risks as a result of the current COVID-19 pandemic.

COVID-19 related risks and issues are captured through risk logs held within the command structure, however the need for an organisational risk in relation to COVID-19 has been recognised. It has been under development and progressing through the governance structure to ensure the risk adequately describes the risks, along with appropriate action and mitigation.

It remains a priority to finalise the revised care governance structure and embed within the operational divisions. NHS Tayside CGC will provide clear direction and seek assurances from the operational divisions through the local clinical and care governance committees to ensure the impact of COVID-19 is adequately assessed and described in regard to any existing or newly emergent risks to service, quality and safety.

The NHS Tayside CGC will review the agenda with the membership on conclusion of their meetings to ensure the membership is satisfied that all areas of governance have been considered in a meaningful way, to receive appropriate assurances or escalation of risk.

To demonstrate reliability within the processes described it will require full year reporting to provide adequate assurances that the impact of COVID-19 is adequately reflected in risk, quality and safety agenda in a dynamic way, however structures to enable the delivery of this action will be completed by 30 September 2021.

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

Medical Director, Director of Nursing & Midwifery, Director of Public Health

30 September 2021

## STAFF GOVERNANCE

### Robust assurances through Staff Governance Committee

#### Annual Report 2019/20: Action point 3 –

- Assurance that capacity and capability are sufficient to drive strategy, transformation and deliver required savings
- Review of the four workforce risks
- rigorous focus on workforce planning effectively supports the achievement of the Board's strategic objectives, taking account of the post COVID-19 recovery and reconfiguration and associated service redesign
- robust monitoring and challenge of the effectiveness of actions taken to improve recruitment processes and management of vacancies.

The Annual Internal Audit Report 2019/20 was considered by both the Staff Governance Committee (SGC) and the Remuneration Committee. The December 2020 SGC was informed that the Remuneration Committee had sought assurances throughout the year on the leadership structure for NHS Tayside due to the risk to NHS Tayside with vacancies in the Executive Team.

The SGC has not yet received overt assurances on capacity and capability. The most recent assurance report on the Nursing & Midwifery risk reflected that mitigating actions continue to contain the planned risk exposure and the workforce challenges to recruit, retain, train and educate for nursing has become more challenging since the previous report in August 2020. Similarly, the most recent Medical Workforce Strategic risk assurance report acknowledges that workforce will remain a major challenge this winter.

The Co-Chairs of the SGC have started work to reprofile and refresh the work plan of the Committee for 2020/21. Reporting on workforce strategic risks is being considered in conjunction with the development of the Corporate Workforce Plan 2021 – 2024. This is to be submitted to the Scottish Government by 31 March 2021. Vacancies are analysed in the new workforce Information report, as presented to the December 2020 Staff Governance Committee.

**Progress: Ongoing.**

#### ICE Report 2019/20: Action Point 2 – Development of a measurement system to ensure that officers are held to account and that there is a supportive performance management culture which is cascaded through the organisation.

A formal project resource has been agreed and work was due to commence at the start of the financial year but was deferred due to COVID-19. This has led to the redeployment of staff involved, and whilst the project has not formally progressed, background research by the University of Dundee is ongoing in preparation for re-engagement of the project.

**Progress: Ongoing**

**ICE Report 2019/20: Action Point 7 – Requirement for development and monitoring of improvement actions for: iMatter action plans; appraisal rates; attendance at corporate induction; completion of statutory and mandatory training.**

**Progress: Complete**

The scheduled meeting of the April 2020 SGC was cancelled under the revised governance arrangements implemented due to COVID-19. As an alternative, a SGC meeting was held in June 2020, at which a staff wellbeing and workforce update was discussed. It outlined the implications of COVID-19 and the planned arrangements for the remobilisation of the NHS Tayside workforce. Further meetings have since been held in August, October and December 2020.

The Director of Workforce has provided the SGC with verbal updates on the impact of COVID-19 on the workforce at each of its meetings. These updates have covered the impact of COVID-19 upon absence management, DL letter updates, staff testing, a healthy working environment, communication to staff, the PULSE survey, remobilisation, APF meetings recommencing remotely and physical distancing arrangements at work.

COVID-19 reporting is also being incorporated into specific reports relating to areas within the SGC remit. Examples of this include the individual risks reviewed by the SGC e.g. Nursing Workforce Strategic Risk; Equality & Diversity and Health & Safety, all of which refer to the implications of COVID-19 on the respective areas being reported upon.

As detailed in its annual work plan, each SGC is provided with details of what assurances it will receive with regard to each of the five strands and the date each will be submitted.

The Scottish Government wrote to all Chief Executives, HR Directors, Employee Directors and Chief Officers – HSCPs on 3 August 2020, informing them of the decision as a result of COVID-19 to run a PULSE Survey as the Staff Experience Measure for 2020. It was reported to the SGC in August 2020 that the survey would be taking place. The results of the survey have been shared and will be formally reported to the SGC at its meeting in April 2021.

A Non-Executive Director has been appointed as the whistle blowing champion for NHS Tayside. As detailed in its annual work plan, the SGC gets an update at each of its meetings on whistleblowing incidents being overseen by the Whistleblowing Group, along with details of any developments to national standards.

Internal Audit previously advised in the 2019/20 Annual Internal Audit Report that NHS Tayside does not have an integrated Workforce Strategy and Plan, and recommended that there should be a rigorous focus on demonstrating that workforce planning effectively supports the achievement of the Board's strategic objectives. The SGC has acknowledged the importance of having an overarching Corporate Workforce Plan. Management has advised that a Corporate Workforce Plan is being developed in line with the revised national framework, outlined in the Scottish Government guidance, "An Integrated Health and Social Care Workforce Plan for Scotland". The draft is to be submitted to the Scottish Government by 31 March 2021 and will cover the three year period between 2021 and 2024. The impact of COVID-19 is being incorporated into this planning process.

In response to the recommendation made in the 2019/20 ICE in respect of more robust workforce planning reporting framework, a new style Workforce update report was presented to the December 2020 SGC meeting. It provided a statistical workforce update, giving an analysis of the workforce, absence trends, staff turnover and age profile. Its purpose is to work towards ensuring future update reports and the level of information and metrics therein provide high levels of workforce governance. This will only be achieved if there is linkage and comparison with the objectives and targets contained in the forthcoming Corporate Workforce Plan, but is an important initial development towards ensuring that overall, workforce planning arrangements and risks are being adequately monitored for control purposes. Members were asked to consider and examine the wide range of metrics and determine the level of assurance and governance the reporting provides along with the appropriate associated narrative.

Until the Corporate Workforce Plan is finalised the SGC continues to receive assurance reports on the current strategic workforce risks facing NHS Tayside, including workforce optimisation, the

medical workforce, the nursing workforce, the midwifery workforce and health & safety. The implications of COVID-19 are being considered as part of these individual risks. The ongoing manner of reporting on such workforce strategic risks is being considered in conjunction with the development of the Corporate Workforce Plan.

The Remuneration Committee reviewed its terms of reference at its August 2020 meeting. Further guidance is awaited on the Scottish Government's "Once for Scotland" approach to provide a more standardised template for terms of reference for NHS Boards governance committees, which will require the Remuneration Committee's terms of reference to be updated.

The Remuneration Committee completed its 2019/20 self assessment at its August 2020 meeting. The action points from Audit Report T24/20 were incorporated into that self assessment.

Although NHS Tayside has had difficulties in recruiting to certain key strategic posts in recent years, we could find no reference to succession planning within papers presented to the Remuneration Committee. The need for a succession framework was however proposed by the Director of Workforce to, and agreed by, the SGC at its meeting in August 2019. Work on this planned for 2020/21 was subsequently impacted by Covid-19, and is currently under review.

The Remuneration Committee reviewed Executive and Senior Manager appraisal outcomes for 2019/20 but this did not include the Chief Executive's 2019/20 appraisal outcome, which is still outstanding and as yet has not been reviewed by the Remuneration Committee.

Completion of the Executive and Senior Manager objectives for 2020/21 was delayed due to the COVID-19, in line with the Scottish Government direction on step down of appraisal as a non-core activity during the pandemic. The Committee was advised at its October 2020 meeting that objectives had been uploaded to the TURAS system and a verbal update was provided to the January 2021 meeting.

As reported to the SGC meeting in August 2020 the current completion of Agenda for Change staff KSF/PDP appraisals was, on a rolling annual basis, standing at 15% completed, with a further 32% being in progress at July 2020, against the overall target of 95%. Target compliance was set aside reflecting the Scottish Government direction on appraisal as referenced above. The SGC has been advised that a working group has been established to consider ways in which the uptake of effective appraisals can be increased.


NHS Tayside has previously had difficulty in successfully completing medical consultant and senior clinical staff revalidation appraisals. A paper to the October 2020 SGC demonstrated considerable progress for 2018/19 appraisals (91.5% completed on time). However, this progress was interrupted by COVID-19, with a number being exempted from appraisal during the remainder of 2020/21.

An annual GP Appraisal Report scheduled for presentation to the December SGC meeting was deferred to the February meeting which did not take place under lighter governance arrangements. All 2020/21 appraisals due between 17 March 2020 and 30 September 2020 were exempted from completion during the remainder of 2020/21. Appraisers have now restarted appraisals and it is anticipated all the remaining appraisals due to be completed during the remainder of 2020/21 will be fulfilled.

The August 2020 SGC was informed that as at 16 July 2020 there was an achievement rate of between 57% and 86% on the annual training target for the 8 for NHS Tayside's mandatory training core skill areas.

The most recent report on the NHS Tayside sickness absence rate was to the December 2020 SGC meeting as part of the quarterly Workforce Report. It reported a 5.08% absence rate (rolling 12 month period) as at 30 September 2020, compared with the Scottish average of 4.96%. Absence due to the symptoms of COVID-19 is not included in these figures, with such absence being recorded against special leave in accordance with Scottish Government guidance. Efforts to support staff and

reduce absence are currently being focused on the impact of COVID-19, with additional measures being introduced to provide a healthy working environment for staff as part of staff wellbeing arrangements.

| Action Point Reference 7 Succession Planning  |  |
|---|--|
| <b>Finding:</b>   |  |
| NHS Tayside has had difficulties in recruiting to certain key strategic posts in recent years and we could find no reference or consideration to succession planning within papers presented to the Remuneration Committee.   |  |
| <b>Audit Recommendation:</b>  |  |
| The Remuneration Committee should consider succession planning for key strategic posts within NHS Tayside to manage the risks associated with recruiting to these key positions.  |  |
| <b>Assessment of Risk:</b>  |  |
| Merits<br>attention   |  <p>There are generally areas of good practice.</p> <p><b>Action may be advised to enhance control or improve operational efficiency.</b></p> |
| <b>Management Response/Action:</b>  |  |
| Agreed. The development of a succession planning framework was agreed by the Staff Governance Committee at its meeting in August 2019, as part of its agreed recommendations under the Talent Management proposals. The Committee will receive final proposals on a succession management alongside the final Talent Management framework at its meeting in June 2021. Thereafter a succession matrix will be prepared and presented to the Chief Executive for his agreement, and then shared with the Remuneration Committee at its September/October 2021 meeting. |  |
| <b>Action by:</b>   | <b>Date of expected completion:</b>  |
| George Doherty  | October 2021   |

**FINANCIAL GOVERNANCE****Financial Governance****No findings or recommendations within the Annual Report & ICE 2019/20**

Tayside NHS Board approved the Financial Plan 2020/21 – 2022/23 on 30 April 2020. The plan demonstrates the Board's ambition to achieve financial balance one year earlier than previously reported in the Annual Operational Plan in February 2020, and the savings requirement over the next 3 years. It was noted that delivering savings plans carried a high level of risk in regard to the escalating impact of COVID-19 and, while the financial impact of COVID-19 was not included within the Financial Plan, a separate detailed submission was made to the Scottish Government as part of the NHS Board's Mobilisation Plan.

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

COVID-19 costs are closely monitored and regular reports are provided to Scottish Government.

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

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

As reported to the 10 December 2020 P&RC, the financial outturn position to 31 October 2020 was revenue under spend of £0.7m. The operational forecast outturn for 2020/21 is breakeven, in line with the financial plan presented to the Board in April 2020.

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

On 30 April 2020 the NHS Board approved a 3 Year Financial Plan, with a financial gap before savings of £28.1m to break even in 2020/21, £30.8m in 2021/22 and £26.3m 2022/23. The Board has adopted a tiered approach to the development of savings plans to address the financial gap. As at October, £20.0 million of initiatives have been delivered, resulting in a shortfall in savings of £8.1 million. Due to COVID-19 the majority of actions to support savings had to be paused as at end October 2020 and the annual savings gap was assessed at approximately £8.1m.

As reported to Tayside NHS Board in March 2021, the Board's £28.1 million efficiency savings plan will be met in full by year end. The profile of the savings plan has changed through necessity due to the current pandemic, but will be met within overall Board resources following review of financial planning assumptions and the operational position. There is no reliance on additional SGHFCGVD funding support from Covid-19 monies to meet this target.

Work has started on financial planning for future years and the Scottish Budget, expected to be announced on 28 January 2021, covers a one year period which will inform NHS Boards baseline funding uplift. A verbal update on financial planning was provided to the December 2020 P&RC. Service planning and efficiency meetings were paused due to COVID-19. The Finance team continue to work with the Clinical Care Groups to review plans which were being developed prior to COVID-19, with a view to discussing the relevance of these initiatives and to assess their deliverability and alignment to a "Living with Covid" acute healthcare system.



In the first seven months of the year, there has been considerable effort made with both clinical and non-clinical services to identify and deliver savings, despite the pandemic. Initiatives of £20.0 million have been identified, leaving the current projected shortfall of £8.1 million. Of the £20.0 million identified, £10.6 million has been delivered on a recurring basis, which is 38% of the total savings target. Whilst COVID-19 has undoubtedly had an impact on the delivery of savings programmes, it is clear that there will need to be substantive change in the way services are delivered if long-term financial sustainability is to be achieved. This will need to be incorporated into the redesign and renewal process and within the Board's revised strategy, to ensure that all of the current savings initiatives are coherent, co-ordinated and underpinned by common principles.

As reported to the December 2020 P&RC, the capital programme forecasts a breakeven position. Opportunities to mitigate the risk of an unbalanced position against the Capital Resource Limit in 2020/21 continue to be explored with the capital finance team will liaise closely with budget managers to achieve a breakeven position.

The Asset Management Group is progressing the update of the next iteration of the North of Scotland Regional Asset Management Plan with regular updates provided to the P&RC. Internal Audit T24/21 – Property Management Strategy, currently at fieldwork stage, will review this area.

Internal audit previously reported that while the Good Governance Blueprint self-assessment provided sufficient evidence of Best Value in 2019/20, the P&RC would need to provide an opinion on whether value for money was achieved. This requirement was not fulfilled by the 2019/20 P&RC annual report. In the current circumstances, a full report for 2020/21 may not be the best use of officers' time and a reflection on any significant changes due to COVID-19 should be sufficient for assurance purposes.



## INFORMATION GOVERNANCE

### Information Governance

#### No findings or recommendations within the Annual Report & ICE 2019/20

The positive impact of key appointments during 2019/20 has now revitalised the Digital agenda during the last 6 months of 2020, in particular the Digital Strategy, governance arrangements, budget implications and the acceleration of projects to meet the changing needs of staff and patients due to the pandemic.

The Digital Transformation Partnership (DTP) had its first meeting in August 2020, with its minutes now presented to the P&RC. The DTP is “responsible for the creation, review and implementation of our digital strategy and underpinning digital and information technology (IT) change programmes”. Early achievements of the DTP include the recruitment of 10 digital champions, which will provide additional clinical engagement from a wide range of health care professions, and sectors of the health and social care system. In addition, the production of an Investment Framework has identified the level of investment that is required for the delivery of digital services to meet the needs of a changing infrastructure for clinical services.

Updates on Digital Strategy development are provided to the P&RC every 2 months. The Director of Digital Technology highlighted at the October 2020 P&RC that the draft Digital Strategy would be ready for consultation and socialisation in December 2020 with further socialisation to continue into early 2021 before launch.

The eHealth Annual Operational Plan was reported to the October P&RC with all the Digital Enablement projects on track.

Following a rationalisation of the strategic risks for Information Governance and eHealth in 2019/20, the P&RC now receives assurance reports every 2 months for both the Technical Infrastructure and Modernisation Programme (risk rating of ‘very high’) and the Cyber Security Attack Strategic Risks, (risk rating of ‘high’).

NHS Tayside has met the standard required for Cyber Essentials, a requirement of the Cyber Resilience Public Sector Action Plan, for the NHS Tayside managed IT network and the General Practice network. An accreditation was undertaken in February 2020 for the Quarantine VLAN which failed in some areas. The July 2020 Information Governance and Cyber Assurance Committee (IGCAC) was informed that most devices within the QVLAN will never meet the requirement for Cyber essentials accreditation and will rely on the controls implemented by the Digital Directorate to minimise the risk.

Each meeting of the IGCAC receives an update report from the Digital Directorate, which provides the IGCAC with relevant information of Digital activity. Other added value reporting to the IGCAC, includes the development of a Cyber Incident Response Plan which is set of instructions to help the organisation detect, respond to, and recover from network security incidents. Also, we commend the report from Angus IJB providing awareness of information governance within the IJB.

Following external reviews in 2018, the IGCAC received an update on the recommendations from the Information and Cyber Security Review. These actions will continue to be monitored by the IGCAC, in particular compliance with a number of requirements from the Information Security Policy Framework (ISPF).




Various IG assurance reports are provided and from these we conclude that there is sufficient, reliable and relevant evidence being presented to both the IGCAC and then to the Audit and Risk Committee. We acknowledge IG risks are being managed through different assurance reports and processes, but a centralised IG risk register is required. We have been informed by the Head of

Information Governance and Cyber Assurance that an IG risk register is to be created and held by the IG team with reporting of the register to the IGCAC.

Reporting of the NHS Scotland ISPF to both the IGCAC and the Audit and Risk Committee continues, with recent compliance rated at 52.9%. The formal audit by the Competent Authority has now concluded with the report to be considered by the Audit and Risk Committee early in 2021. An action plan to progress the recommendations will be created and managed by the IGCAC with regular reporting to the Audit and Risk Committee.

**Assessment of Risk**

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

| Risk Assessment  | Definition   | Total |
|------------------|--|-------|
| Fundamental      |  <p>Non Compliance with key controls or evidence of material loss or error.<br/><b>Action is imperative to ensure that the objectives for the area under review are met.</b></p>                    | None  |
| Significant      |  <p>Weaknesses in control or design in some areas of established controls.<br/><b>Requires action to avoid exposure to significant risks in achieving the objectives for area under review.</b></p> | Six   |
| Merits attention |  <p>There are generally areas of good practice.<br/><b>Action may be advised to enhance control or improve operational efficiency.</b></p>  | One   |