FTF Internal Audit Service

Annual Internal Audit Report 2020/21

Report No. T06/22

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

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

Contents

Draft Report Issued	27 July 2021
Management Responses Received	10 August 2021
Target Audit & Risk Committee Date	17 August 2021
Final Report Issued	**11 August 2021**

INTRODUCTION AND CONCLUSION

1.   This annual report to the Audit & Risk Committee provides details on the outcomes of the 2020/21 internal audit and my opinion on the Board's internal control framework for the financial year 2020/21.

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

> • The Board has adequate and effective internal controls in place;
>
> • The 2020/21 internal audit plan has been delivered in line with Public Sector Internal Audit Standards.

3.   In addition, we have not advised management of any concerns around the following:

> • Consistency of the Governance Statement with information that we are aware of from our work;
>
> • The description of the processes adopted in reviewing the effectiveness of the system of internal control and how these are reflected;
>
> • The format and content of the Governance Statement in relation to the relevant guidance;
>
> • The disclosure of all relevant issues.

ACTION

4.   The Audit & Risk Committee is asked to **note** this report in evaluating the internal control environment and **report** accordingly to the Board.

AUDIT SCOPE & OBJECTIVES

5.   The Strategic and Annual Internal Audit Plans for 2020/21 incorporated the requirements of the NHSScotland Governance Statement and were based on a joint risk assessment by Internal Audit and the Director of Finance. The resultant audits range from risk based reviews of individual systems and controls through to the strategic governance and control environment.

6.   The authority, role and objectives for Internal Audit are set out in Section 15.3 of the Board's Standing Financial Instructions and are consistent with Public Sector Internal Audit Standards.

7.   Internal Audit is also required to provide the Audit & Risk Committee with an annual assurance statement on the adequacy and effectiveness of internal controls. The Audit & Assurance Committee Handbook states:

> *The Audit & Risk Committee should support the Accountable Officer and the Board by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of the financial statements and the annual report. The scope of the Committee's work should encompass all the assurance needs of the Accountable Officer and the Board. Within this the Committee should have particular engagement with the work of Internal Audit, risk management, the External Auditor, and financial management and reporting issues.*

INTERNAL CONTROL

8.   The Internal Control Evaluation (ICE), issued January 2021, was informed by detailed review of formal evidence sources including Board, Standing Committee, Executive Leadership Team (ELT), and other papers. The ICE noted actions to enhance governance and achieve transformation and concluded that NHS Tayside's assurance structures were adequate and effective but did make 7 recommendations for which Management agreed actions to progress.

9.   The status of previous recommendations is summarised in the table on page 12. In addition, 3 recommendations from the 2019/20 Internal Control Evaluation (ICE) remain in progress:

- 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. Throughout the year, our audits have provided assurance and made recommendations for improvements. Of these, the ICE was the most significant. We have undertaken detailed follow up of the agreed actions arising from that report as well as testing to identify any material changes to the control environment in the period from the issue of the ICE to the year-end. We have reflected on the impact of Covid19 and the governance arrangements in place during the year. Some areas for further development were identified and will be followed up in the 2021/22 ICE and, where applicable, our detailed findings have been included in the NHS Tayside 2020/21 Governance Statement.

11. Our assessment of the progress to address ICE recommendations is detailed in the table on page 12. NHS Tayside has demonstrated good progress with only minor slippage on the majority of actions, although clearly, the revision of the overall and supporting strategies will be a significant task and much work remains to be done. The 2021/22 ICE will provide an update on the remaining actions as well as providing an opinion on the efficacy of implementation of all agreed actions.

12. For 2020/21, the Governance Statement format and guidance were included within the NHSScotland Annual Accounts Manual. Whilst Health and Social Care Integration is not specifically referenced, the guidance does make clear that the Governance Statement applies to the consolidated financial statements as a whole, which would therefore include activities under the direction of IJBs.

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

'As the appointed Accountable Officer, I am able to conclude with the ongoing improvement work undertaken throughout the year, as evidenced above, the governance framework, the assurances and evidence received from the Board's committees, that corporate governance continues to be strengthened and was operating effectively throughout the financial year ended 31 March 2021'.

14. Our audit work has provided evidence of compliance with the requirements of the Accountable Officer Memorandum, and this combined with a sound corporate governance framework in place within the Board throughout 2020/21, provides assurance for the Chief Executive as Accountable Officer.

15. Therefore, **it is my opinion** that:

    - The Board has adequate and effective internal controls in place

    - The Accountable Officer has implemented a governance framework in line with required guidance sufficient to discharge the responsibilities of this role.

16. All Executive Directors and Senior Managers were required to provide a statement confirming that adequate and effective internal controls and risk management arrangements were in place throughout the year across all areas of responsibility and, in an enhancement to previous years, to complete the Internal Control Statement based on the Scottish Public Finance Manual. These assurances have been reviewed and no breaches of Standing Orders / Standing Financial Instructions were identified. Issues relating to Adult Protection Improvement Work in Angus IJB and three 'Limited assurance' internal audit reports relating to Dundee IJB were referenced in the Governance Statement.

17. The Governance Statement reflects the necessary changes to Board governance and operating arrangements due to Covid19. The Governance Statement includes details of the Board performance profile and risk management arrangements, and the future intention to revise organisational and supporting strategies. All elements of the Governance Statement have been considered by Internal Audit in previous internal audit annual reports and the ICE and have been followed up in detail in this report.

    Key Themes

18. 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 Covid19 and the need to ensure sustainable services, are detailed in the following paragraphs.

19. The Board continues to respond positively to the governance challenges posed by Covid19. The Board's approach to governance was revised to ensure NHS Tayside could effectively respond to Covid19 and discharge its governance responsibilities, maximising time available for staff to deal with Covid19.

20. While the Board recognises that all strategies will need to be updated, the key question of ensuring that reconfiguration, renewal and strategy development are taken forward remains. Central to the delivery of a revised Strategy is the need for a route map, covering key elements set out in the ICE, to be approved by the Board and reported through governance structures.

21. As previously reported in the ICE report, further work is needed to ensure that at both strategic and operational level the impact of Covid19 on the risk profile of the organisation is clearly articulated and all relevant controls are identified together with clear assurance lines. The Head of Strategic Risk and Resilience Planning is progressing this work.

22. This report contains a number of recommendations that reflect the changes to the risk environment in which the Board operates. There are opportunities now further to enhance governance through the application of assurance mapping principles. Our recommendations are aimed at ensuring coherence between Governance Structures, Performance Management, Risk Management and Assurance.

Key developments since the issue of the ICE included:

• NHS Tayside has demonstrated excellent operational performance during 2020/21. The significant progress and achievements made over the past two-and-a-half years were recognised as NHS Tayside moved from Stage 5 of the NHS Scotland Performance Escalation Framework in February 2019, to Stage 2 in relation to Financial Position, Governance and Leadership and to Stage 3 in relation to Mental Health Performance in early June 2021.

• As previously reported in the 2020/21 ICE report, during 2020/21 the necessary focus has been on the immediate priority of the response to Covid19 and on government mandated actions and performance. The challenge will be in 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, not all of which are known yet, but the Board is instigating the necessary preparatory work and a risk assessment to ensure the most urgent work is prioritised.

• The third iteration of the Remobilisation Plan covering the period April 2021 – March 2022 was presented to the Board in May, as soon as possible after the Scottish Elections. Tayside NHS Board will be provided with assurance of progress on implementation and delivery of key milestones and priorities twice annually. Scottish Government has indicated that there will be an opportunity to review and refresh Board Remobilisation Plans mid to late summer with a view to beginning the development of the Remobilisation Plan for 2022/23. Work is ongoing on responding to RMP 4 guidance, which contains a number of extremely challenging requirements.

• Improvements in staff governance arrangements have been evidenced through enhanced assurance arrangements for the Staff Governance Committee.

23. During 2020/21 we delivered thirty eight audit products with a further product issued in draft. These audits reviewed the systems of financial and management control operating within the Board.

24. Our 2020/21 audits of the various financial and business systems provided opinions on the adequacy of controls in these areas. Summarised findings or the full report for each review were presented to the Audit & Risk Committee throughout the year.

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

26. Board management continue to respond positively to our findings and action plans have been agreed to improve the systems of control. Internal audit have maintained a system for the follow-up of audit recommendations and reporting of results to the Audit & Risk Committee. As reported to the May 2021 Audit & Risk Committee, 8 audit actions were outstanding, with 1 risk assessed as Red – action imperative, 2 risk assessed as Amber – action required, and 5 risk assessed as Green – good progress.

ADDED VALUE

27. The Internal Audit Service has been responsive to the needs of the Board and has assisted the Board and added value by:

• Examining a wide range of controls in place across the organisation.

• In conjunction with Local Authority Internal Auditors, undertaking IJB internal audits and providing a Chief Internal Auditor Service.

- For Angus and Dundee Integrated Joint Boards (IJBs), updating and enhancing the IJB Governance Statement self assessment checklist.
- Facilitating assessment against the Covid19 Governance checklist for Angus IJB and development of an extended checklist for use in NHS Tayside.
- CIA liaison with the Chair, Chief Executive and Directors, on issues of governance, risk, control and assurance.
- Developing Committee assurance, reporting and risk assessment principles for adoption by Standing Committees and detailed discussions around their implementation, particularly in relation to diffuse Clinical and Care governance assurance arrangements.
- CIA attendance at the NHS Tayside Board Development Event for strategy and risk management.
- Liaison with Staff Governance colleagues regarding workforce planning.
- CIA presentations on clinical risk and assurance.
- Highlighting national governance developments with relevance to NHS Tayside.
- Continuing Internal Audit facilitation of Assurance Mapping and promulgation of the principles for assurance developed by that group in order to inform immediate and longer term governance thinking as well as liaison with the SGHSCD and others to ensure local developments are congruent with a range of ongoing national initiatives. In NHS Tayside the risk chosen as a pilot was Strategic Risk 934 – Mental Health and Learning Disabilities. Suggestions for improvement were made and will be followed up as part of the 2021/22 Annual Internal Audit Plan, which will also review a further risk.
- Continued development and use of the principles for HSCI governance and sustainability within the Board and its IJB partners.
- Detailed review of remobilisation and sustainability, 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.
- Providing opinion on and evidence in support of the Governance Statement at year-end and conducting an extensive Internal Control Evaluation which permitted remedial action to be taken in-year. This review made recommendations focused on enhancements to ensure NHS Tayside has in place appropriate and proportionate governance, which supports and monitors the delivery of objectives and is commensurate with the challenging environment within which it is operating.
- Contribution to the development of the NHS Tayside Risk Management Strategy and Tayside IJB Risk Management Framework.
- Provision of the Deputy Fraud Liaison Officer function for NHS Tayside.

28. Internal Audit have also used time made available by necessary senior management prioritisation of Covid19 duties to reflect on our working practices, both to build on action taken in response to previous External Quality Reviews and to adapt to a post Covid19 environment. This has included:

- Revision of the internal audit reporting protocol and flowchart.
- Development of a revised client quality questionnaire.
- Update and enhancement of the FTF Intelligence Library.
- Review of internal documentation and processes including analytical review and performance review, again to ensure we add value wherever possible.
- Review and update of our risk assessment categorisation
- Ongoing development of the FTF website
- Review and update of the FTF self assessment against the Public Sector Internal Audit Standards.

29. The 2020/21 Annual Internal Audit Plan included provision for delivering audit services, together with council colleagues, and providing the Chief Internal Auditor function to Angus and Dundee Integrated Joint Boards as well as contributing to the audit plan of Perth & Kinross IJB. Internal Audit Plans were agreed for each IJB. Internal Audit has continued to highlight governance and assurance aspects of integration and the need for clear lines of accountability and ownership of risk as well as the requirement for revised Strategic Commissioning Plans and working with partners to clear intractable and long-standing issues.

INTERNAL AUDIT COVERAGE

30. **Figure 1: Internal Audit Cover 2020/21**
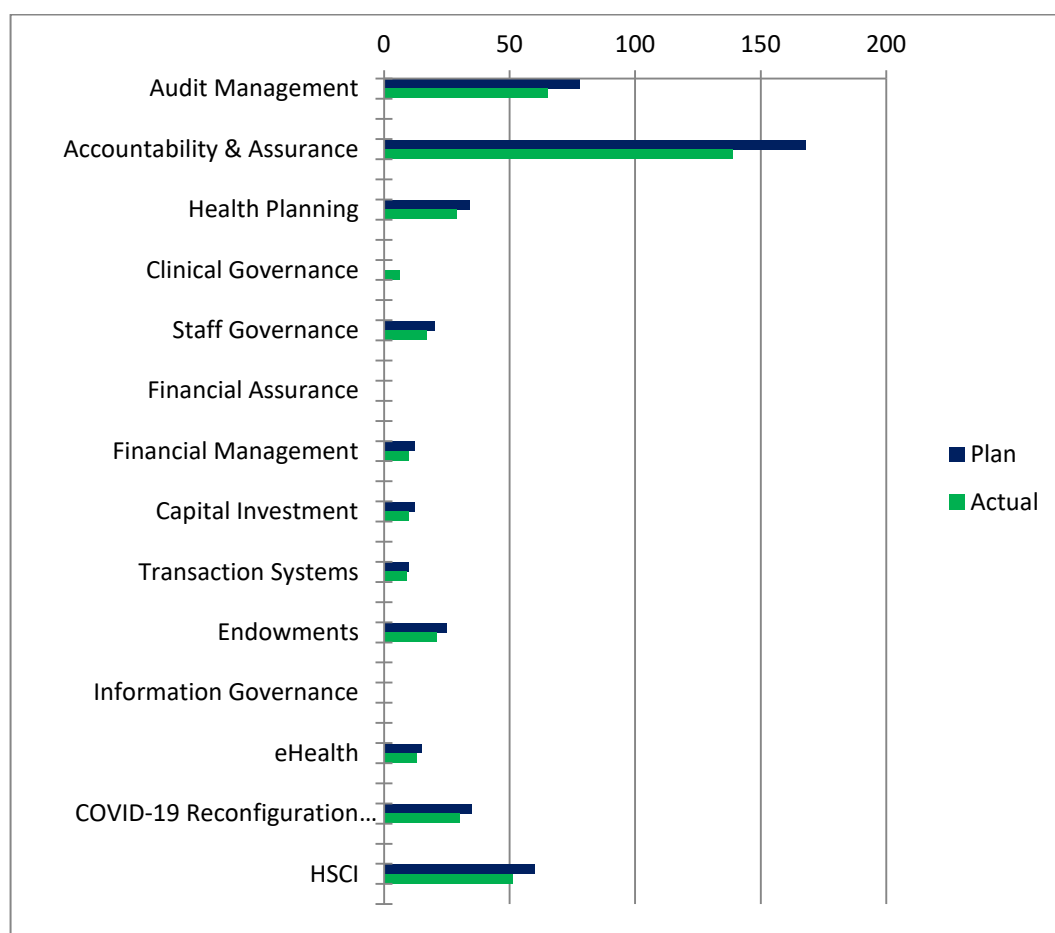
31. Figure 1 summarises the 2020/21 outturn position against the planned internal audit cover. The initial Annual Internal Audit Plan was approved by the Audit & Risk Committee at its meeting on 16 June 2020. It was agreed at that time that the plan would be revised as changes to the risk profile and other factors became better known, and the Audit & Risk Committee approved amendments in March 2021. We have delivered 400 days against the 469 planned days.

32. Following a recommendation from the External Quality Assessment (EQA) carried out on Internal Audit in 2018/19, we continue with the agreed process of risk assessing outstanding 2020/21 audits for inclusion in the 2021/22 plan.

33. A summary of 2020/21 performance is shown in Section 3.

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

34. Due to prioritisation of Covid19 duties, the FTF Partnership Board met only once in 2020/21. The Partnership Board is chaired by the NHS Tayside Director of Finance and the FTF client Directors of Finance are members. The FTF Management Team attends all meetings. During the year the Partnership Board reviewed the Internal Audit Shared Service Agreement 2018-2023 and the Internal Audit Service Specification, as well as approving the 2020/21 budget. The Partnership Board also approved revised risk assessment definitions for internal audit reporting.

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

36. Internal Audit is compliant with PSIAS, and has organisational independence as defined by PSIAS, except that, in common with many NHSScotland bodies, the Chief Internal Auditor reports through the Director of Finance rather than the Accountable Officer. There are no impairments to independence or objectivity.

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

38. Public Sector Internal Audit Standards (PSIAS) require an independent external assessment of internal audit functions once every five years. The most recent External Quality Assessment (EQA) of the NHS Tayside Internal Audit Service in 2018/19, concluded that *'it is my opinion that the FTF Internal Audit service for Fife and Tayside generally conforms with the PSIAS.'* FTF has updated its self assessment and this will be reported to the NHS Tayside Audit and Risk Committee in 2021/22.

39. A key measure of the quality and effectiveness of the audits is the Board responses to our client satisfaction surveys, which are sent to line managers following the issue of each audit report. Figure 2 shows that, overall, our audits have been perceived as good or very good by the report recipients.

40.   **Figure 2: Summary of Client Satisfaction Surveys**

Scoring: 1 = poor, 2 = fair, 3= good, 4 = very good.
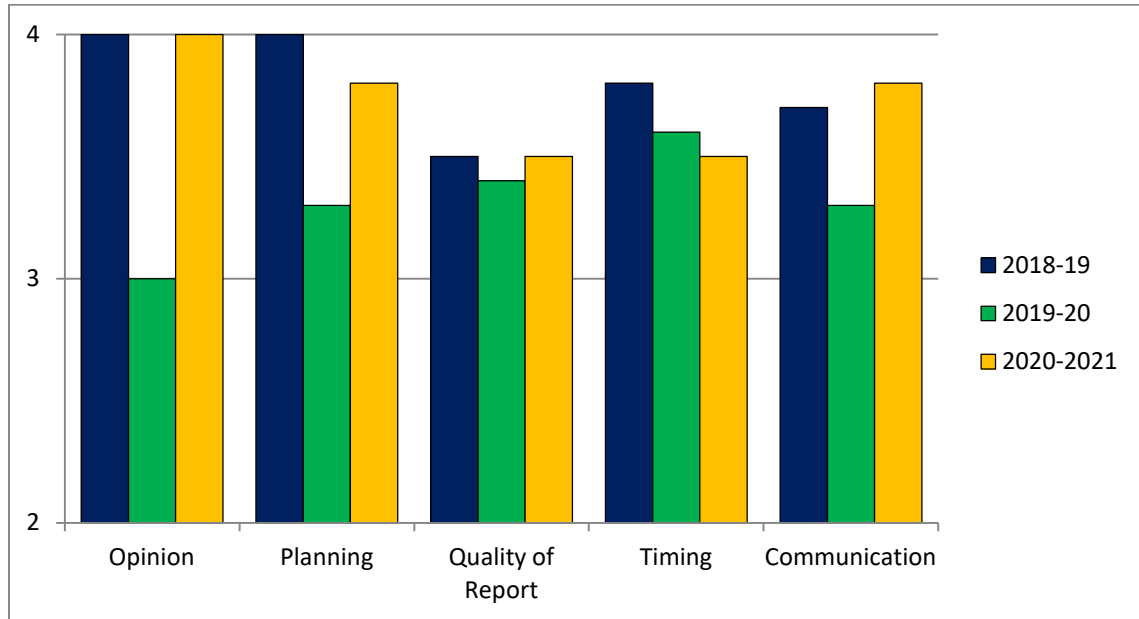
41.   Other detailed performance statistics are shown in Section 3.

STAFFING AND SKILL MIX

42.   Figure 3 below provides an analysis, by staff grade and qualification, of our time. In 2020/21 the audit was delivered with a skill mix of 86%, which substantially exceeds the minimum service specification requirement of 50% and reflects the complexities of the work undertaken during the year.

43.   **Figure 3: Audit Staff Skill Mix 2020/21**

Audit Staff Inputs in 2020/21 [days] Q= qualified input.
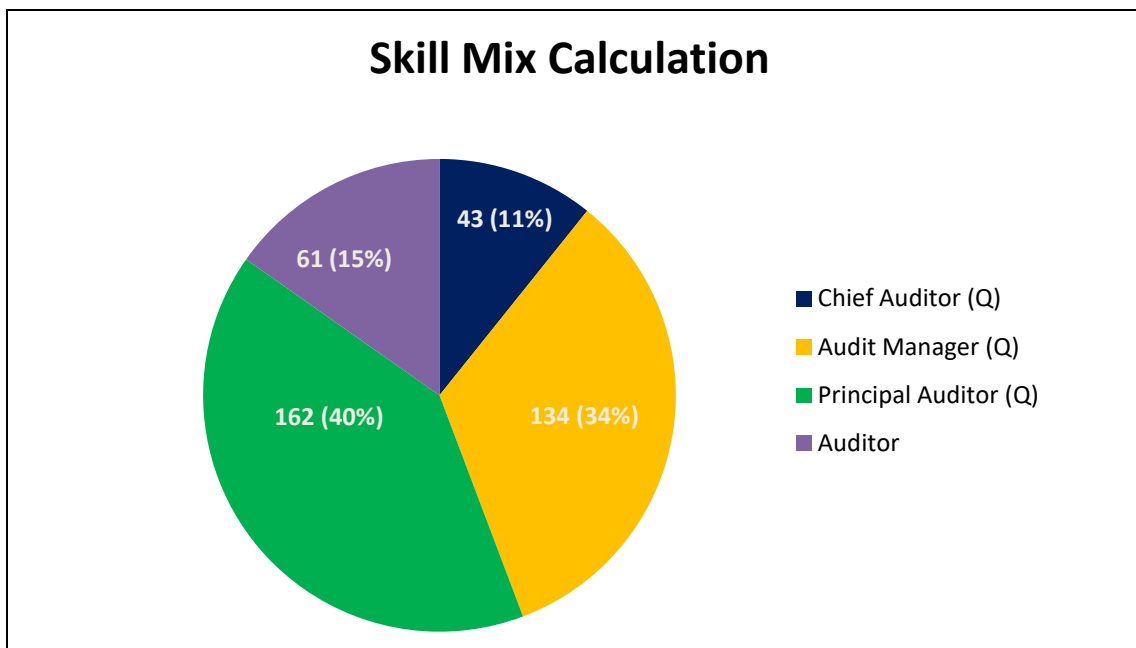
ACKNOWLEDGEMENT

44. On behalf of the Internal Audit Service I would like to take this opportunity to thank all members of staff within the Board for the help and co-operation extended to Internal Audit.

45. My team and I have greatly appreciated the positive support of the Chief Executive, Director of Finance, the Head of Finance – Capital and Resources and the Audit & Risk Committee.

A Gaskin, BSc. ACA
Chief Internal Auditor

ICE 2020/21 (T08/21) - Update of Progress Against Actions		
Agreed Management Actions with Dates	**Progress with agreed Management Actions**	**Assurance Against Progress**
1. Sustainability • Develop remobilisation plans into annual service plans, incorporating budgets and workforce planning discussions. • Introduce greater formality around the remobilization process. • Completion of a comprehensive evaluation exercise of the service changes made. • Completion of remobilisation plan template by all clinical groups and specialties, including unplanned care. • Develop monitoring of adverse events due to Covid19. ***Action Owner: Chief Executive & Director of Finance*** ***Date of expected completion for all of the above is the 31 March 2022.***	• The Board's Remobilisation Plan for 2021/22 was submitted to the SG on 26 February 2021. The Plan was presented to the Board in May 2021. • Scottish Government commended the Board on robust processes for monitoring and reporting of process against plan. • Performance reports routinely go to both Performance and Resource Committee and Tayside NHS Board. • Action tracker agreed by the Executive Leadership Team to provide assurance on progress bi annually with first report due at the October 2021 Board meeting. • Progress in implementation will be monitored throughout the year.	 **On track**
2. Strategy & Transformation • Identification of a 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. • Overt linkage to realistic medicine, transformative programs, efficiency savings and other	• Lead for strategic planning not yet identified. • Timetable not yet in place, due to uncertainties over when key information will be available and the need to be congruent with national strategy. Key preparatory work is starting shortly and a risk assessment is being undertaken to inform prioritisation of key tasks.	 **Significant Slippage** Failure to deliver a strategy in time would represent one of the most significant risks to NHS Tayside's long-term viability. Likelihood of achieving this will diminish rapidly unless the necessary

initiatives. • Assessment of the risks to achievement. • Board should be provided 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. *Action Owner: Chief Executive & Director of Finance* *Date of expected completion for all of the above is the 30 June 2021.*		background work is started very soon.
3. Corporate Governance – Covid19 • Clearly articulate the impact of Covid19 on the risk profile of the organisation at both the strategic and service level. • Identify all relevant controls mitigating the strategic and service level impacts of Covid19 and implement clear assurance lines. • Risks documented within the Covid19 risk register should be reviewed and escalated if necessary. *Action Owner: Director of Finance & Head of Strategic Risk and Resilience Planning/Interim Head of Clinical Governance and Risk Management.* *Date of expected completion for all of the above is the 30 April 2021.*	• Updated Strategic Risk Profile presented to Board in April and June 2021. • Service level risks are updated and reviewed locally. Several Covid19 service risks are recorded in Datix. • Strategic impact of Covid19 apparent for some but not all strategic risks. • Head of Strategic Risk and Resilience Planning will meet with each risk owner to update strategic risks for Covid19 aspects.	**Minor slippage on agreed timelines**
4. Corporate Governance – Standing Committees • 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 assurance at year end. *Action Owner: Board Secretary* *Date of expected completion for all of the above is the 17 August 2021.*	• Standing committees annual assurance reports presented to the 17 August 2021 Audit & Risk Committee.	Complete

5. Corporate Governance – Performance Reporting • Covid19 risks need to be fully articulated, measures chosen for reporting should focus on key risks and objectives and provide overt conclusions on those objectives and risk in line with the assurance principles. *Action Owner: Director of Performance and Systems Management, Business Unit Service Manager* *Date of expected completion: Framework development and consultation commenced (July 2021). Formal approval and implementation of Performance Management Framework (December 2021).*	• Key required reporting developments to be presented to the Performance & Resources Committee in August 2021. • Framework and implementation plan to be approved through governance structures.	 **On track**
6. Clinical Governance – Care Governance • Implement a plan for review of the Clinical Governance Strategy, revising timelines and an assessment of the impact of Covid19. • Indentify any new or significant amendments to clinical governance risks. • Consider the impact of Covid19 on the scope/quality of information and its ability to provide appropriate year-end assurances. • Fully articulate changes to controls resulting from Covid19 and any diminution in assurance provided. *Action Owner: Medical Director, Director of Nursing & Midwifery, Director of Public Health.* *Date of expected completion for all of the above is the 30 September 2021.*	• Revision of the Strategy, due by the end of 2021 delayed due to Covid19 priorities. • CGC development event planned for September 2021. • Covid19 related risks and issues are captured through risk logs, progressing through the governance structure to ensure risks are adequately described, along with appropriate action and mitigation. • Waiting Times risk to be updated to ensure impact of Covid19 is adequately reflected in the risk, quality and safety agenda in a dynamic way.	 **Minor slippage on agreed timelines**

7. Succession Planning		On track
• Remuneration Committee should perform succession planning for key strategic posts with NHS Tayside. *Action Owner:* **Director of Workforce** *Date of expected completion for the above is October 2021.*	• Staff Governance Committee approved the Talent Management Strategy in June 2021. • Ambition to present a Succession matrix to the Chief Executive and Remuneration Committee in September/October 2021.	

Corporate Governance

Strategy

The ICE report highlighted the opportunity to build on the strong foundation of existing reconfiguration and remobilisation processes, in order to produce an overarching strategy which allows effective prioritisation and creates sustainable services allowing for the changes to demand, resources and modes of operation created by Covid19.

Central to the delivery of a revised Strategy is the need for a route map, covering key elements set out in the ICE, to be approved by the Board and reported through governance structures.

NHS Tayside has performed very well in relation both to addressing pre-existing operational issues and responding to the immediate impact of Covid19. However, our ICE recognised the danger that in focusing on the most urgent issues, NHS Tayside could fail to address vital strategic risks, which could threaten the long-term sustainability of services. Whilst a detailed plan has not yet been produced, due to uncertainty around key factors, not least the duration of Covid and the direction of national policy, NHS Tayside will shortly commence work to understand the impact of Covid19 on population need, to identify health equity issues, and to define a clear process of engagement with the Board, its partners and the public on the prioritisation of services. A more detailed plan to develop strategic responses to the new paradigms arising from Covid19 will be produced when the required information is available; senior management are clear that no comprehensive timetable should be issued until there is certainty that it can and will be delivered.

The SGHSCD is due to issue direction before a Strategy is fully formulated but we would highlight the risk that such direction may not be available for some time, may not address all aspects of the Board's individual circumstances and indeed may not provide guidance in some of the most difficult and complex areas, especially those likely to generate public concern.

Our ICE welcomed NHS Tayside's intention to have an approved Strategy in place by end of March 2022. This date may now not be achievable and we know that the process will necessarily be complex, time-consuming and require considerable senior leadership time and focus, which may not be available if the pandemic continues to impact on operations. We are however encouraged by assurances that the necessary background work will be starting very soon and that a risk-assessment will be developed with Directors to ensure that any areas which require more immediate strategic direction will be identified and prioritised. We would still consider that there would be benefit in starting to identify resources and leadership for this work and formally nominating a Director to provide leadership and impetus, before the main body of work starts in earnest, as well as identifying areas where joint work can be undertaken with IJBs, who are also revising their strategic plans in response to Covid19.

The risk register does not currently include failure to deliver a timely and appropriate long-term strategy and therefore we recommend that it be considered for inclusion within the strategic risk register, taking into account known operational pressures on management, the need for key staff to recover from the prolonged pressures of dealing with Covid19 and the

outcome of any key risks identified as part of the exercise referred to above.

The NHScotland Recovery Plan, which will set out future direction in NHSScotland is due to be issued in early September.

We have also recommended within the Clinical Governance section the creation of a strategic risk for the short-medium term risk relating to unnecessary/additional harm caused by failure to prioritise patients or services effectively, for which controls are in place but not currently reported to the Care Governance Committee.

Covid19 & Governance

NHS Tayside has continued to monitor and adapt arrangements to maintain an appropriate level of governance, whilst taking account of the pressures on management and the need to free operational staff to deal with Covid19.

On 25 February 2021 the Board ratified revised governance arrangements to defer the Board's Standing Committees, with a review in March 2021.The reconvening of Standing Committees was approved by the Board on 29 April 2021. All NHS Tayside Standing Committees produced annual reports which were presented to the 17 August 2021 Audit & Risk Committee.

The Board has responded positively to the governance challenges posed by Covid19, however these challenges continue and the command structure which was stood down from 1 April 2021 was reinstated due to resurgence in Covid19 cases.

Covid19 reporting to Board has continued and covers: Test and Protect; Incident Management Teams; Covid19 vaccination programme; Public communications and advice; Roll out of lateral flow testing to staff.

Assurance Mapping

The Chief Internal Auditor, working with officers from NHS Tayside and other client Health Boards, developed a set of Committee Assurance principles, together with a series of questions which would help Standing Committees assess the assurances they receive on risks delegated to them. These were recommended for use by Standing Committees at the May 2021 Audit & Risk Committee.

Remobilisation

The draft NHS Tayside Remobilisation Plan - April 2021 to March 2022 (RMPv3) was submitted to Scottish Government (SG) on 26 February 2021. Positive SG feedback was received and the RMPv3 was presented to the Board for formal approval on 27 May 2021, at the earliest opportunity following the Scottish elections.

The ICE 2020/21 report recommended establishing greater formality of reporting of remobilisation progress through governance structures. An action tracker has been developed and agreed by the ELT to provide assurance on progress biannually. The first report is due at the October 2021 Board meeting, following initial consideration by the Performance and Resources Committee (P&RC).

RMPv4 guidance has recently been issued and contains a number of competing expectations which are likely to prove challenging across NHSScotland.

Risk Management

A new style Risk report for Board and Audit & Risk Committee sets out the strategic risk profile and explains the reasons for new, closed or emerging risks, and material changes to existing risks. A revised Strategic Risk Profile featuring 24 strategic risks was presented to the

April and June Board meetings.

The April 2021 Board was presented with the revised Risk Management Strategy & Framework and the Tayside Integration Joint Board Risk Management Framework was presented to the June 2021 Board.

Given operational exigencies, a Covid19 strategic risk was not included in NHS Tayside's strategic risk profile. Following our ICE report in January, strategic risk owners were asked that in review of their strategic risks, they ensured that any relevant impacts of Covid19 were clearly articulated. This can be seen in some risks in an operational context, but the fundamental review required to reflect the strategic impact of Covid19 on the paradigms under which the Board operated previously, is not yet apparent. The most striking example of this is in relation to waiting times where the risk relates to an unachievable national target rather than the much more significant clinical risk of harm caused by failure to treat within an appropriate timescale. The Head of Strategic Risk and Resilience Planning will meet with each risk owner to update strategic risks for Covid19 aspects.

The EU Exit and Finance Annual Plan 2020/21 risks will be archived and new risks added for the Covid19 Vaccination Programme and Finance Annual Plan 2021/22. The risk exposure rating for the strategic risk for Infection Prevention and Control has been increased, reflecting the Covid19 environment. The risk exposure rating for both the eHealth Technical Infrastructure and Modernisation Programme, and the Clinical Governance and Public Protection risks were reduced.

Performance

NHS Tayside has achieved financial breakeven position delivered one year earlier than planned and significantly improved performance across many areas, as well as maintaining the Board's position as the top performing Board in Scotland by consistently achieving 95% target for 4-hour Emergency Department waiting times.

The Chair and Vice Chair of the P&RC and the Director of Performance are working to identify key required reporting developments, with proposals to be presented to the P&RC in August 2021. The remobilisation plan action tracker will support this and ongoing work, aligned to the development of the 2021-22 remobilisation plans, includes development of measures in respect of: Public Health; Mental Health; Digital; Workforce; Integration and Quality of Care. Planned enhancements also include less routine reporting and more deep dives into specific areas of performance.

The 24 June 2021 Board was provided with a 2020/21 year end performance report. Highlights included:

- NHS Tayside maintained delivery of the key cancer, drug & alcohol, A&E and IVF waiting time standards in 2020-21;
- Waiting times for elective pathways (i.e. new outpatients, inpatient/daycase and diagnostics) were impacted by Covid19 with increasing volumes of patients waiting beyond the standards. However, benchmarking data demonstrated performance trends were in line with the rest of Scotland;
- While waiting time standards for Child and Adolescent Mental Health and Psychological Therapies were not achieved, both showed improvement compared to the position at the end of the 2019/20 financial year;
- NHS Tayside successfully delivered against the remobilisation plan for New Outpatient appointments, Inpatient / Daycase procedures (TTG) and Endoscopy tests.

Integration

In December 2019, it was agreed that progress with actions from the Ministerial Steering Group (MSG) for Health and Community Care – Self Evaluation were to be reported to Tayside NHS Board on a six monthly basis. However, this action was on hold, linked to the review of Integration Schemes. A draft Project Initiation Document (PID) for this review is now being developed to progress the revisions to Integration Schemes required across Tayside and is awaiting approval of the PID by the Partner Chief Executives.

The NHS Tayside Chief Executive advised the 24 June 2021 Board Meeting on work to be progressed with the Tayside Integration Schemes. The first meeting of the 'Revision of Integration Scheme group' was to be held on 22 July 2021. The Chief Executive noted that the review of the Tayside Integration Schemes needed to take account of the actions arising from the Feeley Report on Independent Review of Adult Social Care, and the new Scottish Government's Programme for Government.

Internal Audit has continued to highlight governance and assurance aspects of integration and the need for clear lines of accountability and ownership of risk as well as the requirement for revised Strategic Commissioning Plans and working with partners to clear intractable and long-standing issues. Engagement by NHS Tayside with the actions agreed as part of the MSG self evaluation as well as the revision of Integration Schemes is crucial in enabling these issues to be resolved.

Action Point Reference 1   Strategy

Finding:

In the Management response to the ICE, it was highlighted that development of strategy was impacted by the need for NHS Tayside to respond to the second wave of Covid19 and that future direction would be informed by clarity on the strategic direction of the NHS in Scotland, following the appointment of the new Cabinet Secretary for Health; clarity 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; the short term strategy provided by version 3 of the NHS Tayside Remobilisation Plan.

Due to the extended requirement to respond to Covid19 and uncertainties around NHSScotland direction of travel and resources (financial and workforce), the plan, process and responsibility for taking forward the refresh of the Board strategy have not yet been finalised and, although the Board received an update on these matters in a May Board Development Event, it has not yet been possible to provide a formal timetable to the Board along the lines originally envisaged.

However, the Board is instigating necessary preparatory action including a Directors' horizon scanning/risk assessment exercise to identify priority/urgent issues to be prioritised in strategy development, initiating a population needs assessment including a process for identifying health inequalities and preparing a strategy for meaningful engagement with stakeholders throughout the process.

Audit Recommendation:

A strategic risk relating to the development and implementation of overall strategy should be introduced, reflecting the fundamental importance of strategy to the organisation and the specific risk that the Board's vision, corporate objectives and key priorities may not reflect current realities or that services may not be sustainable in the long term.

The strategic risk should quantify all key risks and operational pressures and reflect planned controls including:

- A stock take of current strategy and external factors to inform direction of travel and the planned risk assessment/horizon scanning exercise;

- A project plan and timetable to progress strategy, including arrangements to review and monitor the implementation of the overarching and supporting strategies (Workforce, Finance, Property/Asset Management, Risk Management and Digital);

- Identification of a responsible officer and Lead Director;

- Link between strategy and ongoing service developments;

- Work to ensure alignment with partner plans and strategies;

- An engagement strategy with stakeholders throughout the process.

Appropriate officers should be identified to own and manage the risk and, as previously reported in the ICE, there should be effective governance and oversight of this key area so that the Board can formally scrutinise the arrangements and be engaged in all key decisions, and in setting the vision/ direction for the next iteration of the plan.

Assessment of Risk:		
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.**

Management Response/Action:
A strategic risk will be developed once the horizon scanning exercise referred to above has been undertaken and following consultation with our IJB colleagues. The timetable for a project plan is harder to establish, for the reasons identified above, but we will provide regular updates to the Board and will present a more detailed process to the Board at the appropriate time, which will be before year-end.

Action by:	Date of expected completion:
Director of Finance	**March 2022**

Action Point Reference 2   Integration

Finding:

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.

A draft Project Initiation Document (PID) for review of Integration Schemes is now being developed to progress the revisions required across Tayside with approval of the PID awaited from the Partner Chief Executives.

Internal Audit has continued to highlight governance and assurance aspects of integration and the need for clear lines of accountability and ownership of risk as well as the requirement for revised Strategic Commissioning Plans and working with partners to clear intractable and long-standing issues.

Audit Recommendation:

NHS Tayside should actively engage with the actions agreed as part of the MSG self evaluation, as well as the revision of Integration Schemes, as these aspects are crucial in enabling these issues to be resolved.

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 is engaged and actively participating in the review of Tayside Integration Schemes. NHS Tayside representatives attended the Integration Review Group meeting for the first time on 22 July. NHS Tayside representatives are the Director of Finance, Board Secretary, Chief Officer Acute Services, and a Senior Human Resources represenive.

Action by:	**Date of expected completion:**
Director of Finance	**March 2022**

Clinical Governance

Strategic risks:
- **14: Infection Prevention and Control**
- **16: Clinical Governance**
- **26: Waiting Times**
- **395: Mental Health Services**
- **637: Child and Adolescent Mental Health Services**
- **736: Public Protection**
- **798: Corporate Parenting**
- **880: Care Homes**
- **353: Sustainable Primary Care services (Angus IJB)**
- **934: Mental Health & Learning Disabilities**

Annual Report

The Care Governance Committee (CGC) annual report provided a reflective and nuanced conclusion that the committee had fulfilled its remit and that clinical governance arrangements are effective in highlighting risks and issues, and lead to detailed scrutiny through governance structures, that clinical and care governance arrangements continue to be developed across integrated health and social care partners and that more secure and robust governance and reporting arrangements for Mental Health Services are being put in place.

Strategy

Work on revision of the Clinical & Care Governance Strategy, due by the end of 2021, was delayed due to the competing priorities of Covid19. The intention is to align the strategy with the 'Getting it Right For Everyone' (GIFRE) Framework. The required governance and assurance mechanisms should be clearly articulated in this and a CGC development event to review these mechanisms is to be held. The Interim Head of Clinical Governance and Risk Management has informed us that an evaluation/ development event for the CGC will take place around September 2021 and, if possible, the event will be co-ordinated with the publication of the next Blueprint for Good Governance which is expected then. Given the importance of the issues, a date should be scheduled as a priority, to ensure maximum engagement from Executives and Non-Executives.

Assurance Reporting

Following the dissolution of the Clinical Quality Forum, assurance reports from the 3 Tayside Health and Social Care Partnerships (HSCPs) are now provided to the CGC, alongside the Acute Sector and Mental Health Quality & Performance Reviews (QPRs). While significant progress has been made, work is ongoing to further refine monitoring and assurance structures in the following areas:

Acute: Whilst a number of QPR meetings were stepped down due to Covid19, QPR reports continued to be provided to CGC. Draft Terms of Reference for a new Operational Clinical Governance Committee were discussed in June 2021 and QPR reporting will be reviewed once the new Committee has been established, to avoid duplication.

HSCPs: The first report following the framework outlined within the GIRFE Framework was reported to the April 2021 CGC. The reports are a considerable improvement to assurance reporting and provide a wide range of information; it is intended that future reports will provide specific and overt assurance against the Clinical Governance risk, with assurance that any other areas of concern will be monitored through the appropriate strategic risk or

through operational Risk Management processes. The Clinical Governance team and the lead officers of the CGC have continued to engage with Internal Audit on this area and we have set aside time in the draft Internal Audit Annual plan 2021-22 for more detailed consideration of the assurances on these key risks.

Mental Health: The new NHS Tayside Mental Health and Learning Disabilities Services Strategy 'Living Life Well' was launched in February 2021 and the Action Plan for implementation is to be brought to the Public Health Committee in December 2021. Dr David Strang has undertaken a progress review of the 51 recommendations made in the 'Trust and Respect' report and feedback will inform the delivery of the Mental Health Strategy.

During the year, the CIA provided advice and presented to Mental Health staff on assurance principles prior to a fundamental review of the Mental Health Strategic risk (risk 934). Following this process we reviewed the revised assurance provided on this risk and provided suggested areas for future improvement.

We did note with concern that the departure of key senior managers in Mental Health may impact on the organisation's ability to implement necessary improvements, although we recognise that recruitment processes continue for the Mental Health Director Team, including a Director of Mental Health Services. The senior leadership team had now been strengthened by the Nurse Director taking Executive Leadership for Mental Health, as well as new appointments of an Operational Medical Director, 2 General Managers and a Lead Nurse.

We have previously commented on the impact of workforce risks on many other strategic risks and would reiterate that the Staff Governance Committee should review the necessary controls and ensure it receives relevant assurances.

Risk

We noted above the improved clinical governance reporting from the HSCPs. The report from Dundee HSCP has highlighted significant operational risks in relation to drug services and drug related deaths, as a consequence of which, a new strategic risk was created by Dundee IJB. This also represents a considerable risk for NHS Tayside.

The Waiting Times risk, currently delegated to the P&RC, still focuses on performance targets, rather than on the potentially more significant risk of harm arising from a failure to prioritise services, and patients within those services, effectively. Whilst there are controls in place which appear to be operating effectively, these have not been reported to, nor monitored by the CGC.

We have recommended development of a specific risk, delegated to the CGC, to capture the clinical implications of Covid19 on waiting times and the associated impact on patient safety, clinical effectiveness and strategic prioritisation. This would allow the CGC to understand the nature of the risk and also to monitor the controls already in place to mitigate it, such as the clinical prioritisation and remobilisation framework.

Governance

We have previously reported on the requirement for enhanced governance and reporting to the Public Health Committee (PHC), linked to development of the Public Health Strategy. The PHC was informed that the Public Health priorities section of the Remobilisation Plan provides a sound foundation for the review of the Public Health Strategy during 2021, which will provide the longer term goals for population health in Tayside. Whilst we acknowledge that NHS Tayside is not yet able to clearly articulate and link Public Health Strategy, strategic risk management, performance reporting and assurance flow to the PHC, we would reiterate

our view that this constitutes a critical element of NHS Tayside's achievement of objectives. Further clarity will be required to determine which elements of Public Health are under the purview of the HSCPs and how they will report to the PHC.

Revised governance arrangements for the Area Clinical Forum (ACF) and Professional Advisory Committees (PACs) were approved by the June 2021 Board. The business structures of the ACF and PACs will be reviewed to ensure they meet governance standards and to align to the governance reporting framework.

Improvement Activities

There has been a range of improvement work during the year in relation to public protection, including adult and child protection and corporate parenting. A Public Protection Framework for NHS Tayside was approved by ELT in January 2021, alongside development of a Public Protection Executive Group. Although assurance against the Corporate Parenting risk remains limited, a Corporate Parenting Action Plan 2021-2024 has been drafted, with related governance and reporting arrangements still in development. Review of the Public Protection Risk including assurances, controls and scoring has been included in the draft annual internal audit plan 2021/22.

Covid19

The Healthcare Improvement Scotland (HIS) Covid19 inspection of Ninewells Hospital, presented to the April 2021 Board, reported that systems were in place to ensure that patients are assessed prior to admission, to ensure that they are managed within the appropriate pathways and to minimise the risk transmission of Covid19, and that nursing staff felt well supported from the infection control team. HIS recommended that personal protective equipment (gloves) should be appropriately worn by all staff and patient equipment and the environment should be maintained to allow for effective decontamination.

Following HSCP local teams second round of assurance visits to all care homes in Tayside during January/ February 2021 an improvement plan has been developed in order that learning can be shared.

While nosociomial Covid19 infection features in the Infection Prevention and Control Risk, there has not been any specific reporting on the associated risks or controls to the CGC.

Action Point Reference 3	Waiting Times risk

Finding:

The Waiting Times risk has changed significantly in nature and currently focuses on performance aspects. It has been scored as high (20) since June 2020, with a target risk score of 15. As a result of Covid19, the nature of this risk has changed significantly.

The impact of Covid19 on waiting times has implications for patient safety, clinical effectiveness and strategic prioritisation. The current Waiting Times Risk will need updated to reflect the impact of the Covid19 pandemic, specifically the previous cessation of treatment/diagnosis and the ongoing impact on waiting times.

Audit Recommendation:

The Waiting Times risk will require development to reflect the potential for patients to suffer serious harm if services are not prioritised effectively and waiting lists not addressed in the right order. Re-allocation to the CGC would be a logical extension of this change, as the most important risk and controls directly relate to patient welfare, rather than performance targets.

The risk should be reframed with clear controls and assurance sources looking at reducing avoidable harm caused by delays in diagnoses and treatment and should reflect:

- The key priorities and aims for 2021/22 within the current remobilisation plan, including, by end of quarter 1, completion of a clinical review of all patients waiting more than 52 weeks for outpatient and inpatient/daycase appointments, as well as several priorities relating to urgent and cancer care, and diagnostics.
- Other relevant controls, for example the 2-weekly waiting times huddles looking at opportunities for reducing current long waits.
- A description of controls to address the current pressure on scheduled care as a result of imbalance in demand and capacity; additional pressures due to Covid19; possible pent up demand due to reduction in referral rates.
- Identified requirements to redesign services.

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:

Post-Covid the current risk will be updated following an impact assessment of the pandemic which will in turn inform future treatment profiles and inform service prioritisation. This post-Covid risk update with any additional controls will be reported to the CGC.

Action by:	Date of expected completion:
Medical Director	**December 2021**

Staff Governance

Strategic risks:
- **734: Health & Safety**
- **844: Nursing Workforce**
- **845: Midwifery workforce**
- **863: Medical workforce**
- **58 : Workforce optimisation**

Workforce Planning and Risk Assurance

The Staff Governance Committee (SGC) considered the draft Interim Workforce Plan on 20 April 2021 prior to submission to Scottish Government by the deadline; with final endorsement by the Committee on 15 June 2021. The Interim Workforce Plan complied with the Scottish Governance guidance and template, and reflected workforce elements of the version 3 of the Remobilisation Plan. We welcome the enhanced focus on workforce planning as the main assurance against the workforce optimisation risk as evidenced by recent assurance reports; which address a number of previous internal audit recommendations.

Whist compliant with Scottish Government direction and timetables, workforce planning remains an area of high risk which is fundamental to the achievement of NHS Tayside's strategic objectives. The SGC continued to receive regular assurance reports on the strategic workforce risks and the SGC annual report noted that limited assurances were provided on the Medical, Nursing and Midwifery workforce risks. These risks remain rated at high (all with a score of 16), indicating that further controls are required to address workforce challenges to recruit, retain, train and educate.

In addition, noting that a number of the organisation's other strategic risks are linked to workforce issues, we welcome the approval of the refreshed Talent Management Strategy in June 2021, which outlines a proposed programme of work in relation to Attraction, Recruitment & On Boarding and Retention and Exit. The framework sets out a list of clear actions as well as timescales for reporting back to the SGC.

In addition, the June 2021 SGC received an update on progress against the Collective Leadership and Culture Strategic Framework 2018-2023, as well as refreshed implementation plans for the year ahead with many of the aspirations linking to those of the Talent Management Strategy.

Whilst we welcome the direction of travel, more work is required to identify future needs and to create a sustainable workforce able to meet the Board's revised Strategic requirements as well as those of the IJBs which are currently being revised, alongside their workforce plans. Noting the next milestone is submission of a three year Workforce Plan to Scottish Government in March 2022, this will need to continue to be a key focus for the SGC.

Staff Governance Assurances

The SGC annual report 2020/21 contained a positive statement of assurance from the Co-Chairs and confirmed that the Remuneration Committee had fulfilled its remit. It reflected that the Health & Safety annual report 2020-21 provided only 'limited assurance', although Board members expressed the view this could be amended to 'moderate'.

Health & Safety (H&S) and Training

H&S priorities for 2021/22 have been identified and the Director of Workforce requested

that Internal Audit undertake a review of H&S governance. This has been included in the draft 2021/22 internal audit plan.

Reporting of statutory and mandatory training was included as a recommendation in the 2019/20 Internal Control Evaluation. An 'Appropriately Trained and Developed' assurance report was last considered by the SGC in August 2020. A 2 year plan to achieve 100% mandatory and statutory training compliance by March 2023 is now in place. Training and development statistics are not available for inclusion in the Staff Governance Quarterly Reports, but full reporting functionality for statutory and mandatory training is being rolled out via LearnPro, and a Key Performance Indicator will be reported in future. This is a key area for oversight by the SGC and it is important that appropriate assurances are provided and action taken to address poor performance. For example, core mandatory Fire Safety training completion was reported as 57%.

Covid19

At the start of the pandemic, the NHS Tayside Covid staff brief issued on 25 March 2020 set out the position that all NHS Tayside staff were classed as key workers and as such expected to attend work as normal. DL (2021) 05 was issued in February 2021 and reflected that the Cabinet Secretary for Health and Sport had confirmed that for NHSScotland staff, anyone who is able to work from home, must do so. NHS Tayside issued a further communication to staff in January 2021, stating that '*where risks are identified then a range of alternative working arrangements can be considered to mitigate the risks. Having considered these alternatives and where it is still not possible to otherwise ensure a COVID safe working environment, then home working may be considered, with a home working group to consider any requests to ensure that there is a consistency of approach*'.

Staff wellbeing became even more crucial during the pandemic and although verbal updates were provided, the first written report to the SGC was in April 2021.This paper clearly and comprehensively set out the primary national and local staff wellbeing initiatives to ensure support for staff during Covid19 pandemic and beyond. The Board's wellbeing performance and delivery of key initiatives is overseen and considered by the Wellbeing Group which reports to the Health & Safety Committee but regularly provides assurance reporting to Staff Governance Committee. Minutes of the Wellbeing Group were reported to the SGC in June 2021.

We would have expected a strong element of the work of the SGC during the year to be focused on receiving clear assurance on additional staff safety measures required due to Covid, such as PPE/ facefitting, physical distancing/risk assessments and home working, as well as shielding and individual risk assessments. Although the SGC received verbal updates on Covid workforce issues during the year, and some information on this topic was available to the SGC through the minutes of the Health & Safety Management Committee (H&SMC), we cannot verify that the committee received comprehensive and overt assurance on the impact of Covid19. Staff safety was considered both at the Board's Health & Safety Committee and on an ongoing basis through the Covid19 Command structure. Some data in relation to physical distancing risk assessments was included in the H&SMC minutes from their meetings in August and December 2020, which were reported to the December 2020 and April 2021 SGC meetings respectively.

Actions to address Physical Distancing issues, identified in response to Covid19, have been noted in the Health and Safety Strategy 2020-2023 & Action Plan – End of Year Report March 2021, presented to the SGC in June 2021. It was also noted in the physical distancing action point within this year-end report that personal risk assessments have now been completed for all shielding and higher risk staff.

Roll out of the Smartsheets system is now underway, with the intention of enabling comprehensive data reporting on all aspects of Health & Safety. Pilot areas have been using the system to record Covid related data such as facefitting, physical distancing risk assessments etc.

Appraisals

The Valuing People, Staff Appraisal & Personal Development Planning update to the SGC in April 2021 noted that approximately 15% of Turas appraisals were complete as at February 2021 (most recent data available), with 33% of appraisals in progress. The Development and System Teams are working together to review the National data to consider and identify the services which may need additional support. Covid19 has clearly had an impact and the appraisal process was suspended by Scottish Government as a non-core activity.

Staff Governance Annual Monitoring Return

The 2020/21 Staff Governance Monitoring template needs to be returned to the Scottish Government by 31 August 2021 and they will only seek further information or assurance where gaps/concerns are identified through analysis. The staff monitoring template should be circulated to the SGC virtually ahead of the submission and any potential gaps / concerns highlighted.

Whistleblowing

The 2020/21 Whistleblowing Annual Report was presented to the April SGC. The Whistleblowing Group considers that satisfactory action was progressed to support successful introduction of the new National Whistleblowing Standards from 1 April 2021, with an action plan in place to support the implementation.

Action Point Reference 4: Workforce Planning
Finding:
The interim workforce plan contains narrative covering key themes across the Board, but does not yet feature measurable key workforce targets against which performance can be measured. The Integrated Workforce Plan 2022-2025 is now due to be submitted in March 2022 and more work is required, to identify future needs and to create a sustainable workforce able to meet the Board's revised Strategic requirements as well as those of the IJBs which are currently being revised, alongside their workforce plans. This will need to continue to be a key focus for the SGC.
Audit Recommendation:
There is now a requirement to put in place a project plan and timetable to progress this work. This project plan should include arrangements to ensure the Workforce Plan clearly supports delivery of the organisation's Clinical Strategy and links to revised service models.
There should be effective governance and oversight of this key area so that the SGC can formally scrutinise the arrangements and be provided with regular overviews of whether development of the Integrated Workforce Plan is on track.
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:
Agreed. A timetable has already been agreed covering 2021/22, with a series of detailed by service planning discussions in partnership, involving the key Board Executive Directors leading to submission of an integrated 3 year Workforce Plan for Staff Governance Committee scrutiny.

Action by:	**Date of expected completion:**
Director of Workforce	**March 2022**

Action Point Reference 5: Performance reporting
Finding:
The Staff Governance Quarterly Report has evolved throughout the year and in April 2021 the Committee asked that there should be a focus on areas of concern or those that require assurances, and streamlined reports were attached to the Q3 and Q4 report, highlighting key workforce domains which will be brought to the Committee's attention in future.
We noted that during 2020/21, the SGC did not receive overt, data based assurance in relation to Staff safety and wellbeing during the Covid19 pandemic.
Audit Recommendation:
Reporting of new measures as a result of Covid-19 should be included e.g. physical distancing risk assessments, with a particular focus on health and wellbeing, safety and mandatory and statutory training.
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:
Agreed, subject to the confirmation of national direction.

Action by:	Date of expected completion:
Director of Workforce	**To be confirmed following confirmation of national direction (August 2021)**

Financial Governance

Strategic Risks
- **723 Long Term Financial Sustainability**
- **849: Finance Annual Plan 2020/21**
- **636: Prioritisation and Management of Capital Funding**
- **312: NHS Tayside Estate infrastructure condition**
- **615: Effective Prescribing**
- **807: Strategic objective in relation to environmental management**

Financial Performance

The draft financial outturn position to 31 March 2021, subject to external audit review, was:

- A £0.2 million underspend on the core Revenue Resource Limit (RRL) of £1,027.9 million
- A break-even position against the core Capital Resources Limit (CRL) of £32.4 million
- 2020/21 savings delivered of £28.1 million, of which £15.4 million has been delivered as recurring, which is 55% of the total savings target

Brokerage Repayments

The 10 June 2021 P&RC was informed that £3.0 million of funding has been returned to the Scottish Government (SG) to repay a proportion of the 2019/20 brokerage received, and a further £7.0 million of funding has been returned to SG to be carried forward into 2021/22 for NHS Tayside. The ability to repay £3.0m and carry forward £7.0 million is the result of slippage on earmarked funding identified within the Financial Plan that would have occurred regardless of the Covid19 pandemic.

Overall, the Board achieved its ambition expressed in the 2020/21 financial plan to achieve financial balance one year earlier than previously planned, and no longer relies on additional funding support from SG; which still requires to be paid back. This has contributed to NHS Tayside being deescalated on the national NHS Board performance escalation framework to stage 2.

Covid Funding

Total additional Covid19 funding of £64.6m was received from SG in 2020/21. Board Directed Services accounted for £42.6 million of the Covid19 costs, and the balance of funding of £22.0 million was allocated to HSCPs. Financial reporting throughout the year to the P&RC and Board remained consistent and the position was clearly presented, along with the impact of Covid19.

Efficiency Savings

The full savings target of £28.1 million was delivered from core efficiencies in 2020/21, with no requirement for additional Covid19 funding. As mentioned above, 55% of the total savings target was from recurring sources, exceeding the financial planning assumption of 50% although this includes none of the £4.7 million savings allocated to transformation in the savings target, as this element of the plan could not be delivered in a Covid environment.

This is an excellent performance and particularly impressive in the circumstances.

However, significant financial challenges remain as NHS Tayside emerges from emergency footing. A continued focus on cost improvement and transformation plans aligned to service remobilisation plans and a new strategic direction will be critical in driving out improved

value and recurring efficiencies with a focus on building financial stability and sustainability.

Financial Planning 2021/22

The final Strategic financial plan 2021/22 was approved by the Board on 29 April 2021, with target savings of £27.0 million, £5m less than originally envisaged in the draft financial plan, partly due to the impact of the under spend in 2020/21 and the carry forward of £7.0 million funding as detailed above.

Capital Planning and Asset Management

The Five Year Capital Plan 2021/22 was also approved by the Board in April 2021 based on an assessment of current priorities. The draft Capital Plan is currently balanced in financial year 2021/22, albeit this forecast contains a contingency of circa £0.9 million for proposals that are expected to impact on the 2021/22 position but have not yet had formal approval. The draft Capital Plan also assumes that there will be no additional capital funding allocated from SG to support Covid19 capital expenditure.

Internal audit report T24/21 Property Management concluded that NHS Tayside's strategic property management requires fundamental review and made a number of recommendations aimed at ensuring that property & asset management supports the achievement of strategic objectives. We welcome the appointment of a new Director of Facilities to lead these changes.

HSCPs Year End Position

A breakeven position for each of the three HSCPs is reported, with operational underspend being transferred to IJB reserves. The level of reserves carried by each of the IJBs has increased as a result of operational underspends and additional allocations received from Scottish Government, both primarily as a result of Covid19.

Best Value

A report was provided to the P&RC on 8 April 2021 to provide assurance that throughout the financial year 2020/21 the Board has considered value for money and effective use of resources, in line with the Best Value Framework set out by Scottish Government. As the NHS emerges from its emergency footing and as the remobilisation plans develop on the road to recovery, the concepts of Best Value as they apply to NHS Tayside are also expected to develop and will be critical to ensuring long term financial sustainability. We would expect these to be incorporated into all aspects of Strategy and transformation/redesign.

Information Governance

Strategic Risks
- **679: eHealth Technical Infrastructure and Modernisation Program**
- **680: eHealth Cyber Security Attack**

Covid Response – Information Governance and Digital

The Information Governance (IG) department and Digital Directorates have continued to contribute to the NHS Tayside Covid response. The Digital Directorate is currently ensuring the vaccine programme is fully supported digitally and that the IT infrastructure is in place to ensure this essential activity can proceed smoothly. Work continues around the digital infrastructure for virtual patient appointments, virtual meetings and remote working, including upgrading of the infrastructure to accommodate higher capacity of remote access and increased capability at remote sites to ensure the network connections can handle demand.

At the onset of Covid19, the data protection risk assessment process was adapted to facilitate a rapid approval approach to allow essential work to move forward at pace. However, the majority of these 'protect' projects are now classified as business as usual and therefore will need to be revisited to ensure that proper data protection assessments and/or information/data sharing agreements are completed.

Digital

Updates to the P&RC during 2020/21 demonstrated positive progress in developing the draft Digital Strategy for NHS Tayside 2021-26, whilst maintaining the delivery of the eHealth Annual Operational Plan. The positive impact of key appointments has driven forward digital governance arrangements, readiness for future digital initiatives, maintenance of pace and progress with the infrastructure programmes identified in the Annual Operating Plan during a period of significant demand due to Covid19 remobilisation activity.

Digital Champions, who facilitate additional clinical engagement from a wide range of health care professions, including the health and social care system, together with the role of the Digital Transformation Board (DTB) has supported the development of the Digital Strategy. The draft Digital Strategy is currently out for consultation with NHS Tayside Executives and will then progress to public engagement. Internal audit have provided feedback on the draft document.

Supporting infrastructure and resource investment risks to delivery of the Digital Strategy are highlighted within risk assurance reports. The cover paper of the draft digital Strategy presented to the P&RC noted that the impact of Covid19, the digital parts of the Remobilisation Plans and the requirement to meet Scottish Government directives for digital have resulted in NHS Tayside accelerating the required strategic investment. However, the financial plan for 2021/22, approved by the Board in April 2021, includes a high risk with regard to the significant investment required in digital infrastructure to bring NHS Tayside into a position of having a solid digital platform to meet changing clinical requirements and remobilisation needs.

Positive progress against the eHealth Annual Operational Plan was reported to the P&RC, showing all Enablement projects on track. This is a positive achievement given the considerable additional demands on the digital team to support Covid19 remobilisation and the Covid19 Vaccination programme.

The DTB met 4 times during 2020/21 with minutes including updates on the development of

the Digital Strategy included in the minutes presented to the P&RC. Each meeting of the Information Governance & Cyber Assurance Committee (IGCAC) is also provided with a Digital Directorate update report for information purposes.

Risk Management Arrangements – Information Governance (IG)

Various IG assurance reports provide relevant and sufficient evidence to the IGCAC and Audit and Risk Committee. While we acknowledge that management of IG risks is being reported through different assurance reports and processes, a centralised IG risk register is still required. We previously reported in T09/20 - ICE, issued in January 2020, that the Head of Information Governance and Cyber Assurance was to create an IG risk register to be held by the IG team with regular reporting of the register to the IGCAC, but this has yet to be progressed.

Risk Management Arrangements – Digital

Following a rationalisation of the strategic risks for IG 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 'high') and the Cyber Security Attack Strategic Risks, (risk rating of 'high').

The risk score for the Technical Infrastructure and Modernisation Programme reduced from 'very high' to 'high' in the latter part of 2020/21 due to increased mitigation activities which have helped to reduce the likelihood of issues within the IT infrastructure.

The Cyber Security Attack Strategic risk score has remained static during 2020/21. Technical cyber security controls have been rolled out, but the pace of progress has been impacted by Covid19. Cyber security will always be a continuous cycle of risk management which will need to be constantly maintained, with mitigations reviewed and upgraded to ensure they are fit for purpose.

Cyber Essentials

The Cyber Essentials standard set out in the Cyber Resilience Public Sector Action Plan has been met for the NHS Tayside managed IT network and the General Practice network. An accreditation was undertaken in February 2020 for the Quarantine VLAN (QVLAN), which failed in some areas. The July 2020 IGCAC was informed that most devices within the QVLAN will never meet the requirement for Cyber Essentials accreditation and will rely on the compensating controls implemented by the Digital Directorate to minimise the risk. Controls are in progress to develop larger and improved firewalls for the QVLAN, however this work has been delayed due to Covid19.

A new Cyber Incident Response Plan (CIRP) has been drafted and is out for consultation across the Digital Directorate. This outlines the approach NHST would take in the event of various cyber-attacks and desk top rehearsals are planned over the coming months. The development of this CIRP will help the organisation detect, respond to, and recover from network security incidents.

External Reviews – Competent Authority (CA)

The Network and Information Security (NIS) audit recommendations workplan, presented to the Audit and Risk Committee on 20 May 2021, provided a progress update on action being taken and action planned to address the 108 recommendations made in the Competent Authority Audit Report published in November 2020. The update reported that 1 of 2 Critical (Black) Audit Recommendations was complete and 1 was in progress (due to be completed by 30 June 2021). Of the 15 Urgent (Red) recommendations, 3 were complete, 7 were in progress (due to be completed by 30 June 2021) and 5 had not yet started. Of 108

actions overall, 8% were complete, 86% were in progress and 6% not started. All of those in progress or not started have a target implementation timescale of 30 June 2021. The Competent Authority auditors are due to review progress against these actions in August 2021. Ultimately, the Audit & Risk Committee noted a limited level of assurance had been received but acknowledged the significant ongoing work.

The Competent Authority has advised that the ISPF will be replaced this year with the Public Sector Cyber Resilience Framework (CRF) which incorporates both the ISPF and the Scottish Public Sector Cyber Resilience Framework, created by the Scottish Government Cyber Resilience, with the aim of providing a common, effective way for Scottish public sector organisations to assess their cyber resilience and align with key wider cyber-related requirements under GDPR, NIS and other standards. The CRF will apply to all public sector organisations in Scotland.

External Reviews – Other

Following external reviews in 2018, the IGCAC received an update on the recommendations from the Information and Cyber Security Review by an external provider - Cyrisk. These actions have continued to be monitored by the IGCAC and the last update report to the IGCAC in May 2021 showed that progress was on track.

Year-end Reporting

The IGCAC was provided with an annual assurance report for 2020/21 that included assurance on:

- Cyber Resilience Public Sector Action Plan
- Network and Information Systems Regulations (NIS) Audit
- Workshops
- Reporting to the Audit and Risk Committee
- Cyber Resilience Governance Group
- Data Protection Act 2018 -   2018 GP Contract - Joint Data Controller Agreement
- Data Protection Officer Provision for GP Practices by NHS Tayside – MOU
- Data Breaches
- Freedom of Information (FOISA)
- Information Governance and Cyber Assurance Team
- Risk assurance and Reporting

Action Point Reference 6   Information Governance Risk
Finding:
Our review of IG assurance reports concluded that there is relevant and sufficient evidence being presented to both the IGCAC and then on to the Audit and Risk Committee. As previously reported, while IG risks are being managed through different assurance reports and processes, a centralised IG risk register is required with appropriate assurance reporting implemented.
Audit Recommendation:
An IG risk register should be produced with reporting of the register to each meeting of the IGCAC with overt linkage to IG aspects of the two digital strategic risks.
Assessment of Risk:

Merits attention	🟢	There are generally areas of good practice. **Action may be advised to enhance control or improve operational efficiency.**

Management Response/Action:
The Information Governance risks referred to are Information Governance risks at the organisation's operational / service level. The Datix system has been now been configured to send alerts to the Information Governance and Cyber Assurance Team when an Information Governance risk has been identified in Datix. This will now allow the Information Governance and Cyber Assurance Team to monitor all operational / service level risks that have an information governance and / or cyber assurance element to these. These risks will be monitored and reviewed by the Information Governance and Cyber Assurance Team and where appropriate, reported to the IGCAC.

In addition, the Head of Information Governance and Cyber Assurance and Head of Operations, Digital Directorate will review the Digital Directorate local risk register to identify any information governance and cyber assurance related risks and those will then be captured in Datix by the Digital Directorate. This will ensure that these information governance and cyber assurance related risks can also be monitored by the Information Governance and Cyber Assurance Team and where appropriate, reported to the IG&CA Committee. |

Action by:	**Date of expected completion:**
Head of Information Governance and Cyber Assurance, Head of Operations, Digital Directorate.	**31 October 2021**

Key Performance Indicators – Performance against Service Specification

	Planning	Target	2020/21	2019/20
1	Strategic/Annual Plan presented to Audit & Risk Committee by April 30th	No	Draft presented 17 August 2021	Draft presented 20 June 2019
2	Annual Internal Audit Report presented to Audit & Risk Committee by June	Yes	Presented to Annual Accounts Audit & Risk Committee - August 2021	Yes
3	Audit assignment plans for planned audits issued to the responsible Director at least 2 weeks before commencement of audit	75%	86%	95%
4	Draft reports issued by target date	75%	62%	67%
5	Responses received from client within timescale defined in reporting protocol	75%	73%	87%
6	Final reports presented to target Audit & Risk Committee	75%	83%	80%
7	Number of days delivered against plan	100% at year-end	85%	96%
8	Number of audits delivered to planned number of days (within 10%)	75%	75%	75%
9	Skill mix	50%	85%	68%
10	Staff provision by category	As per SSA/Spec	Pie chart	
	Effectiveness			
11	Client satisfaction surveys	Average score of 3.5	Bar chart	

Assessment of Risk

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

Fundamental		Non Compliance with key controls or evidence of material loss or error. **Action is imperative to ensure that the objectives for the area under review are met.**	One
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.**	Two
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.**	Two
Merits attention		There are generally areas of good practice. **Action may be advised to enhance control or improve operational efficiency.**	One