

FTF Internal Audit Service

Internal Control Evaluation 2020/21 Report No. B08/21

Issued To: C Potter, Chief Executive
M McGurk, Director of Finance and Strategy

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Executive Directors Group

Audit Follow-Up Co-ordinator

Audit and Risk Committee
External Audit

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Management Responses Received	11 March 2021
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Final Report Issued	16 March 2021

EXECUTIVE SUMMARY

1. As Accountable Officers, Chief Executives are responsible for maintaining a sound system of internal control and to manage and control all the available resources used in the organisation. This review aims to provide early warning of any significant issues that may affect the Governance Statement.
2. Following the issue of the first draft of this report in January 2021, management have provided updated information on events, outcomes and intentions. These post audit changes are highlighted in blue text within the report.

OBJECTIVE

3. 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.
4. 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 Fife Remobilisation Plan and its underlying methodologies, to provide assurance on the adequacy of the reconfiguration process.
5. This audit specifically considered how NHS Fife 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 Fife can effectively respond to COVID-19 and discharge its governance responsibilities.

RISK

6. 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

7. Ongoing and required developments and recommended actions are included at Section 2.
8. The Internal Audit Annual Report issued 10 November 2020, was informed by detailed review of formal evidence sources including Board, Standing Committee, Executive Leadership Group (ELG), and other papers. 9 of 15 recommendations from the 2019/20 Internal Control Evaluation (ICE) remained outstanding at that point, albeit with some progress and whilst COVID-19 had a substantial impact, delays were mostly due to their intrinsic difficulty.
9. As well as identifying key themes, the Annual Internal Audit Report made 8 specific recommendations on:
 - Capacity, capability, structures, resources and priorities (Sustainability)
 - Implementation of Internal Audit recommendations
 - Annual governance assurance
 - IJB governance and risk

- Clinical & Care Governance Strategy
 - External Inspection action monitoring
 - Efficiency savings
 - Digital and Information (eHealth) governance
10. Action to address the Sustainability recommendation was reviewed in internal audit B16/21, the findings of which are incorporated within this report.
11. Of the original 15 ICE 2019/20 recommendations, 6 are now complete and a further 3 recommendations relating to the information governance and the revision of the integration scheme are in progress. Recommendations relating to Clinical Governance and Care Strategy, reporting of external reports, workforce planning and information governance/eHealth are not yet due, although some may not be delivered in full by 31 March as originally agreed. The usual follow up report on year-end actions was not presented as planned; there would be merit in reassessment of the priority and timing of these recommendations in the light of the revised risk profile, reduced officer availability and changed circumstances since many were issued.
12. In this report, we have provided an update on progress to date and, where appropriate, built on and consolidated previous recommendations to allow refreshed action and completion dates to be agreed. This has culminated in 6 recommendations for which management have agreed actions to progress by year end.
13. 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

14. 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:
- The Board has responded positively to the governance challenges posed by COVID-19. All Committees will now need to consider overtly how they will ensure that they will be able to provide a reliable opinion on the adequacy and effectiveness of governance arrangements within their remit by year-end, given the impact of COVID-19 on their operations during the year.
 - We identified a number of common issues relating to the work of the Committees, particularly their review of risk. There are opportunities to enhance governance through the application of assurance mapping principles, which, as well as assisting developments in Risk Management and the role of Standing Committees, may also help the Board develop flexible, proportionate and agile arrangements in the short-term. Whilst it is understandable that much of the focus has been on Covid, there have been no formal changes to the Board's Risk Management arrangements in the last year and the BAFs are presented without caveat.
 - Our Annual Report noted particular concerns around the operation of the Clinical Governance Committee. These concerns have not yet been fully addressed and work will be required to ensure that this Committee will be able to provide assurance at year-end over the key risks under its purview: Transformation, Clinical Governance and Information Governance/eHealth.

- Improvements to assurance arrangements for Information Governance and eHealth have been taken forward but considerable work remains to provide appropriate assurance by year-end and that assurance may identify weaknesses in control.
- A draft Integration Scheme has now been produced but the BAF has not yet been updated.
- An enormous amount of reconfiguration and remobilisation work has been undertaken, allowing services to resume in exceptionally challenging circumstances. Our audit identified considerable good practice as well as some potential enhancements to structures and processes. The Board should be assured that both will integrate into the next phase of remobilisation.
- We were pleased to note the new Strategic Planning and Resource Allocation process, which brings together the planning of services, financial and workforce implications of service delivery and change, and we note the intention to adapt these further.
- A fundamental issue now will be to ensure that reconfiguration, renewal and strategy development is being taken forward whilst most senior officers and Directors are necessarily dealing with complex, challenging and demanding operational issues of the utmost urgency and importance.
- A Director of Finance and Strategy has been appointed and a Board Development Event planned for February 2020. This provides an opportunity to build on excellent work already undertaken and ensure that all the strands of transformation and innovation are formally integrated, to enhance governance and reporting, ensure that development continues with appropriate resources and prioritisation, learning from the experience of reconfiguration and capturing and using existing data to create sustainable services and a clinical strategy which reflects the new circumstances faced by NHS Fife.

COVID-19/Sustainability

15. On 17 March 2020 NHS Scotland was placed on an emergency footing until at least 31 March 2021. The April 2020 Board meeting considered a paper outlining the Board's planned approach to governance whilst managing the COVID-19 pandemic, using the principles included in the submission to Scottish Government to respond effectively to COVID-19 whilst discharging its governance responsibilities allowing management to focus on the safety of patients and staff.
16. The latest iteration of the Remobilisation plan, to March 2021, was submitted to the Scottish Government on 31 July 2020 in line with the requirements of the Scottish Government. All COVID-19 Mobilisation Plans have been submitted to Scottish Government as required. The principles and approach for remobilisation were considered through the Gold Command structure and assurance updates have been provided to the May and July 2020 NHS Fife Board meetings.
17. The findings of internal audit B16-21 Strategic Planning - Remobilisation Services have been incorporated into this report in the context of the original recommendation from our Annual Report. Overall progress has been good, but this is clearly a very difficult area which will require continued efforts to ensure that the Board is best placed to deliver the required outcomes as we enter the next phase of renewal and reconfiguration.

ACTION

18. 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

19. 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 1

This action point focussed on the requirement to understand capacity, developing the forward strategy and priorities for the organisation, learning from the service redesign delivered in the initial and ongoing response to the pandemic and building the process to support a full review of strategy underpinned by a formal strategic planning and resource allocation process.

Status: Substantial progress but some risks remain

This area was reviewed in internal audit B16-21 Strategic Planning - Remobilisation which specifically considered implementation of internal audit recommendations relating to the organisation's response to COVID-19 and the associated need to improve transformation arrangements and revise strategy.

Governance and Assurance

At the April 2020 Board meeting, NHS Fife Board members considered a paper outlining the Board's planned approach to governance whilst NHS Fife continued to deal with the COVID-19 pandemic, based on the principles contained in the submission made to the Scottish Government.

Since the outbreak of the pandemic in mid-March, the Board has held (on 8 April and 27 May) two full meetings remotely, utilising video-conferencing, with a prioritised agenda in place for each Board meeting. The revised arrangements included:

- Use of Microsoft Teams to allow virtual meetings
- A weekly meeting of the Chair, Vice-Chair and members of the Executive Team since mid-March, with a full minute circulated to Board members for their information
- The Chair and Vice-Chair have regular contact with the Chief Executive and other key members of the Executive Team on priority items as and when required
- Regular meetings with local elected representatives (MPs/MSPs)

The scheduled meetings for the May 2020 Board Standing Committees were stood down, with a series of briefing sessions held for each Committee in June, prior to the resumption of Board committees in July. An organisational command structure was implemented to provide direction, decision-making, escalation and communication functions during the pandemic period. Gold Command meetings were initially scheduled daily and subsequently reduced to a weekly basis. The weekly meeting of the Executive Team, and a formal, monthly Executive Directors' Group (EDG), were resumed in June.

The Chief Executive and the Director of Public Health have provided a 'COVID-19 Update' to each Board meeting in 2020/21. These updates provided information in relation to the current status of the pandemic, the local response, and Test and Protect. The Integrated Performance & Quality Report (IPQR) has been enhanced with an appendix around the Mobilisation Plan and the related activity across a range of current activity, with projected activity stated until end of March 2021 for each category.

The Board received reports on Test and Protect Programme, Flu Vaccination Programme, remobilisation of planned care, work to reform Urgent Care, Winter Plan and COVID-19 Vaccination.

Strategy and Transformation

B16/21 Strategic Planning confirmed that the latest iteration of the NHS Fife Joint Remobilisation Plan (covering the period to March 2021) was properly prepared in accordance with Scottish Government guidance. The NHS Fife Board considered iterations of the Remobilisation Plan in May

and July as well as at a Board Development Session in 26 August 2020. The principles and approach for remobilisation were considered through the Gold Command structure and a broad outline provided to the 27 May 2020 Board.

A Remobilisation Oversight Group (ROG) was established with a wide representation of clinical leaders to oversee the restart of health and care services in a safe, measured and COVID-19 sensitive manner. This was to oversee the whole system restart to improve integrated pathways from primary care, community, social care and secondary care, adhering to governance arrangements with learning from the COVID-19 response.

We found many examples of good practice with comprehensive templates which encouraged consideration of a restart checklist, proposed plan and risk assessment. An Integrated Capacity and Patient Flow (IC&PF) Group, chaired by the Director of Pharmacy & Medicines, is a part of the Remobilisation Oversight Group. Its primary purpose is to understand pre and post COVID-19 changes, supporting an integrated approach to prioritise system wide changes and to direct use of the Capacity Management Tool within the wider partnership using small working groups to undertake priority work as determined by the IC&PF Workstream.

Both of these groups have now been disbanded, to be replaced by the Gold Command sub group, the Clinical Priority Group, whose work we have not reviewed.

Before we enter the next phase of remobilisation, there is time to establish greater formality around process, to consider how to improve formal reporting of progress to the EDG and through Governance structures, as well as ensuring that the data gathered during remobilisation is used to best effect to inform future strategy developments and transformation.

NHS Fife 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 Renewal and Strategy 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.

We are pleased to note that a Director of Finance and Strategy has been appointed with priorities are emerging from the first cut of the new Strategic Planning and Resource Allocation (SPRA) process. Consideration is also being given to addressing known resource constraints, particularly within Project Management, Public Health and eHealth, all of which will be integral to producing and delivering a post-covid overall Strategy. [Post Audit Note: A staged approach will be considered and discussed at the May 2021 Standing committee meetings, with the immediate current priority being the vaccination programme.](#)

Transformation

Nine transformation priorities were identified and discussed at a Transformation Workshop held in September 2020, with a view to agree which of these would be taken forward once the Transformation Board was re-established. There was no agreement at the workshop and with the second wave of COVID-19, it was agreed to stand down the IC&PF group and pause transformation until 31 March 2021. The Capacity Management Tool had been developed within the IC&PF Group by the Transformation & Change Team and was being used. It was agreed the Capacity Tool would now sit with the Director of Nursing, under Winter Planning Silver Command group and the Clinical Governance Committee was informed of this decision via the BAF report.

However, as noted above, remobilisation plans contained significant elements of transformation.

Risk Management

COVID-19 risks were identified by management and collated into a Covid Risk Register through the command structure and presented to EDG.

Whilst a number of BAFs have been updated for COVID-19, the Board has not received an overall COVID-19 risk, nor have they been informed of how and when COVID-19 risks will be incorporated into the BAF.

We have identified concerns around the way in which the pausing of transformation was reflected in the Strategic Planning BAF and oversight of that risk by the Clinical Governance Committee. Whilst the pausing of formal transformation activity during covid was not unexpected, there were clear inconsistencies in the information provided which should have been challenged.

Action Point Reference 1: Sustainability & Transformation

Finding:

We identified a number of areas of good practice in the remobilisation process. The Board has signalled its intention to revise strategies and tasked the Director of Finance and Strategy with presenting on a new process to facilitate this to a Board Development event in February. Before we enter the next phase of remobilisation, there is time to establish greater formality around process, to consider how to improve formal reporting of progress to the EDG and through Governance structures, as well as ensuring that the data gathered during remobilisation is used to best effect to inform future strategy developments and transformation.

Audit Recommendation:

The EDG should jointly agree how the various strands of work to inform and deliver the long term strategy for NHS Fife will be analysed and translated into a co-ordinated programme, building on the progress already made through the SPRA as well as remobilisation planning, considering how best use can be made of existing expertise and data and understanding constraints on resources.

This review should also consider how best to ensure effective governance and oversight of this key area in advance of the Board Development Event (BDE) to inform discussion at the BDE. The following areas would be relevant:

- Products – The NHS Board should clearly understand which decisions will come to them, when and in what format and which decisions it is delegating to management
- Processes - The NHS Board should understand how it will be kept informed of progress, of changes to the risk profile and of the impact of changes including appropriate post-project monitoring
- Priorities - The NHS Board should agree how it will set its priorities and how these will be communicated and implemented, understanding as above, that their implementation may not come to the NHS Board
- Parameters - The NHS Board should outline which areas are sacrosanct to avoid wasting officers' time.

A timetable for development of the new Strategy and supporting strategies should be reported to the NHS Board. (Post audit note: this timetable was presented to the February 2021 NHS Fife Board meeting)

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

Assessment of Risk:

Significant



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

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

Management Response/Action:

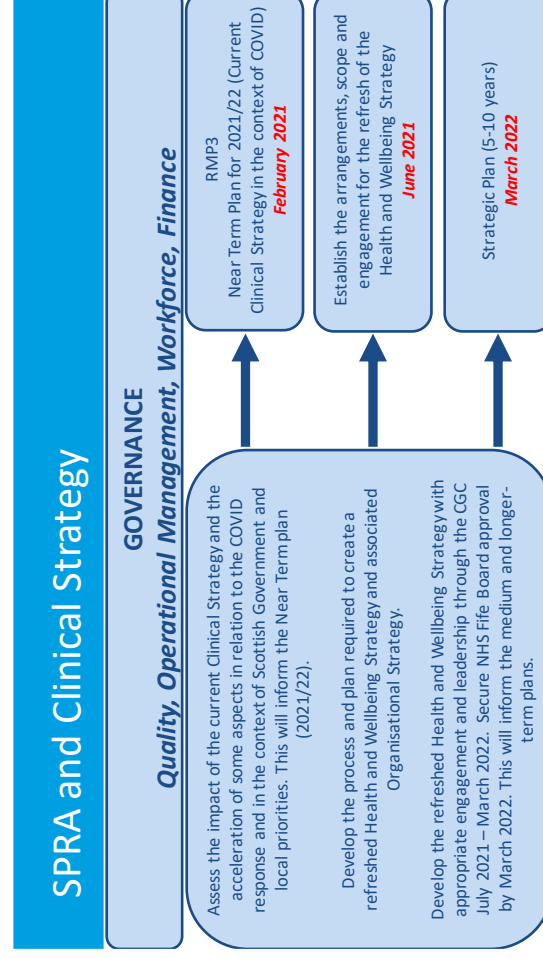
Section 2

Ongoing and Required Developments

Due to immediate priorities nationally - in relation to the mobilisation of the vaccination of the entire Fife population, the February session rightly focussed on the RMP3 and the associated financial plan, the strategic planning session is now planned for May.

A timetable for development of the new Strategy and supporting strategies has been reported to the NHS Fife Board in February 2021.

Whilst we accept that transformation planning and delivery required to be paused, management would propose that this was an appropriate response to a global pandemic and a national re-prioritisation of not only transforming plans but also Business as Usual. Arguably we would question the value of measuring success against pre-covid plans when it is clear that Boards were operating under Scottish Government direction and a number of nationally agreed priorities. In parallel and where capacity and capability was available we did continue to build the new approach to strategic planning. Timeline for delivery of the latter is detailed below.



Action by:	Date of expected completion:
Chief Executive	31 March 2022

Governance Arrangements

Annual report 2019/20

Action point 2

B08/20 issued in December 2019 had included 15 Action Plan points which had not been addressed. We recommended that the EDG should consider the reasons why this had happened and produce a prioritised action plan, taking into account the current context of the pandemic and available capacity and capability.

Status: Substantial progress, 6 are complete, 3 in progress and 5 are not yet due (see paragraph 10).

Annual report 2019/20

Assurances for Governance Statement 2019/20

Action point 3

This action point focussed on the clear identification of potential areas for inclusion in the Governance Statement within Executive Directors, Senior Management and Standing Committee annual assurance statements.

Status: In Progress, due date 31 May 2021. Achievement likely to be challenging by that date due to standing down of Committees and pressures on officers. Supplemented by recommendation 2.

Fife IJB monitoring of arrangements and BAF

Action point 4

This recommendation focussed on the monitoring of arrangements for HSCI, including the recommendations of the MSG report and the articulation of risk within the BAF.

Status: a) In Progress, a draft revised integration scheme has been developed albeit financial risk share is unresolved

b) the IJB BAF has not been updated, due date 31 March 2021.

Winter Plan

NHS Fife's Winter Plan for 2020/21 was presented to the Board at the November 2020 meeting. The plan describes the arrangements in place to cope with increased demand on services over the winter period and possible subsequent COVID-19 waves. The SBAR presented to the Board stated that the following additions were made due to a COVID-19 sensitive environment. *'Additional work has taken place on Surge capacity, COVID-19 subsequent waves, development of a care capacity tool, revision of escalation plan and participation in the nationally led, locally delivered redesign of urgent care'*.

Strategic Objectives

The revised Strategic Objectives were approved by the Board at the September 2020 meeting. These objectives were considered by the Chief Executive on 31 August 2020 and at the September 2020 meetings of the Executive Directors Group, the Staff Governance Committee, the Clinical Governance Committee and the Finance, Resource and Performance Committee. The review of the corporate objectives for 2019/20 provides assurance to the Board that the objectives for the organisation are still relevant and appropriate. The SBAR stated that the 2020/21 objectives are now set out against NHS Scotland's values and are aligned to the extant Clinical Strategy.

Code of Corporate Governance

To comply with the Scottish Government requirements, the April 2020 Board meeting approved changes to the Board Model Standing Orders which have been incorporated in the revised Code of Corporate Governance approved at the September 2020 Board meeting. Further changes to the Code will be required in future to reflect the ongoing work on the Governance Blueprint. The May

2020 Board meeting approved an addendum to Standing Orders in relation to the implementation of the Financial Decision Tracker for the duration of the Pandemic.

Governance Blueprint

An update on the implementation of the Governance Blueprint and associated action plan was presented to the September 2020 Board meeting: of 10 agreed actions, 4 had been completed and 6 were ongoing of which 4 had deferred dates of implementation.

The Board Secretary has advised a review of the effectiveness of the governance arrangements in place over the pandemic is being considered and that the note to members of the weekly meeting with the Chair & Vice-Chair has been very well received. Assurance principles developed by the Assurance Mapping Group would be particularly relevant to this exercise and would allow Standing Committees to focus on the most important issues whilst reducing the need for officers to lose precious time on extraneous reports or detail.

We are aware that national work on active governance has been delayed but we have liaised with the national working group and have been assured that their work will be congruent with the assurance mapping principles developed by staff in NHS Fife and other FTF clients.

Fife IJB

The Director of Health and Social Care informed the November 2020 Clinical Governance Committee (CGC) that the review of the IJB Integration Scheme had been delayed due to the impact of the pandemic. Internal Audit have reviewed the draft Integration Scheme and noted areas for further development in assurance and particularly Clinical and Care Governance. Financial risk share arrangements are still under discussion. We also note the Chief Executive's comments on the complexity of Strategy development under these arrangements, which are not fully reflected in the Integration Scheme.

Once the parties have reached agreement, the revised Integration Scheme will require to be submitted to both Fife Council and NHS Fife for approval prior to being sent Scottish Government for final sign off by the end of March 2021. As noted below, the BAF in relation to Integration is not fit for purpose.

Risk Management

The revised Risk Management Framework was approved at the September 2020 Board meeting. However, the arrangements for risks shared with the IJB are still under development. The Annual Risk Management (ARM) Report was presented to the September 2020 Audit & Risk Committee for assurance. The ARM advised that further work is progressing to further develop its assurance processes in accordance with the requirements in the revised Scottish Public Finance Manual (SPFM) Audit Committee Handbook.

The Board Assurance Framework is regularly presented to the Board for assurance. We note the good practice of the addition of operational linked risks presented with the BAFs to the Standing Committees, which provides additional information and further clarity on the risks and how they are being managed. There has been direct reporting of Covid issues and controls through the revised arrangements put in place throughout the pandemic, although, as noted above, the Covid risk register has not been presented to the Board and not all BAFs or their scores have been adjusted for Covid..

The IJB BAF has not yet been revised, awaiting agreement of the revised Integration Scheme, although it continues to be presented to the Board. This risk is very much out of date, does not provide information on the risks, controls or assurances currently associated with HSCI and is no longer fit for purpose.

Our review of the papers to the Standing Committees have highlighted a common theme on the SBAR format, where the Risk Assessment section did not adequately outline the risks and consequences of the issues highlighted in the paper presented. Whilst there is some evidence of linkages between risk, governance and accountability performance and assurance reporting, there is considerable work required to develop this aspect using the principles developed by the Assurance Mapping Group.

Assurance mapping work has continued with Internal Audit providing detailed comments on the Digital and Information risk process and discussing these with management, as well as facilitating the work of a wider Assurance Mapping Group, at which four mainland Health Boards are represented. This group has developed a set of assurance principles which would be of particular help to the governance challenges facing NHS Fife in the short term as well as some of the wider issues highlighted throughout this report.

Performance Management

The Board receives the Executive Summary IPQR (ESIPQR) Report to provide assurance on NHS Fife's performance relating to National LDP Standards and local Key Performance Indicators; although the impact of COVID-19 and the resultant suspension of services mean that the Annual Operational Plan (AOP) cannot be reflected in the IPQR. The baseline for the ESIPQR is the previous month's IPQR, which is considered and scrutinised at the most recent meetings of Standing Committees. The report provides detailed narrative on performance, based on Standing Committee scrutiny, and notes any issues requiring escalation to the Board. In line with assurance mapping principles, there is scope to enhance these reports yet further by overt linkage to BAFs and positive assurance on risk scores, controls and actions.

Communication

The Chief Executive has provided a weekly update to staff with useful updates on the organisation, the pandemic and other important issues. The early introduction of the digital workplace, Stafflink by Blink has enhanced and facilitated the communication of important news and provided enhanced staff engagement. The Chief Executive has provided regular updates on Blink to support staff throughout the pandemic.

Policies

We noted that 55% of general policies are now out of date. Whilst we understand the impact of the pandemic on completion of routine activity, it is vital that these policies are risk assessed so that policies for services or functions areas where COVID-19 has created additional risk are considered, updated and issued as necessary. However, we are pleased to note that 97% of clinical policies are in date.

Action Point Reference 2 Corporate Governance: Governance Arrangements

Finding:

There is the need to consider how best to continue effective governance as reflected in recent SGHSCD guidance and a subsequent paper to the January 2021 Board, allows for the suspension or deferral of Standing Committee meetings, particularly those scheduled for March 2021 as the current phase of the pandemic impacts on the ability of officers to support Standing Committees. Whilst not all Committees formally monitor the delivery of their workplans, this is done during agenda setting. There is therefore a need for arrangements to ensure that Standing Committees will be in a position to provide the appropriate assurances at year-end.

In addition, our review of Standing Committees papers highlighted that many SBARs did not adequately outline risks and consequences and did not overtly link to the risk register or BAFs. We also noted some risks where Standing Committees did not appear to have identified issues requiring more detailed scrutiny.

Audit Recommendation:

The Board should review its immediate Standing Committee workplans, agenda and assurance arrangements to ensure that they are proportionate and focused on the areas of highest risk and designed to ensure that appropriate assurances can be delivered at year-end, whenever that may be. The Board should also review its underlying assurance and Standing Committee arrangements, taking account of the issues raised in this report. *Post audit note: However we note that March Standing Committee agendas are focusing on the areas of higher risk.*

Assurance principles developed by the Assurance Mapping Group, as well as the output from Assurance Mapping work within NHS Fife may well be helpful in informing both reviews. In the short term, risk should inform decisions about which assurance items are included on agenda and the level and type of reporting provided.

The assurance mapping process will pick up on the problems in relation to BAFs issues but in the meantime, Standing Committees which do meet should provide greater rigour in their review of the BAFs under their purview, with papers and reports being much better focused on providing the requisite level of assurance around risk.

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:

Coordination of the year-end governance reports and statements of assurance is well underway. We expect to conclude this in the normal timeframes.

Action by:

Director of Finance and Strategy

Date of expected completion:

June 2021

CLINICAL GOVERNANCE

Clinical Governance Framework

Annual Report 2019/20

Action Point 5

The Clinical and Care Governance Strategy should have been updated in line with actions agreed in two previous internal audit reports (Clinical Governance Strategy and Assurance B15/17 & B18/18). The agreed implementation dates were not met, nor was the official Strategy review date of April 2020. The NHS Fife Clinical Governance Committee (CGC) has not been updated regarding the status of the strategy review or provided with a revised date for its production and approval.

Management agreed a revised date for production of March 2021 and to commission an update review from Internal Audit to assist in this process.

Status: Ongoing/Incomplete

Action Point 6

The CGC should actively monitor and reflect on actions arising from all HIS and external inspections in the preparation of their annual assurance statement.

Status: Incomplete. See section on External Review below.

Clinical Governance Framework

A number of internal audit reports on Clinical Governance Strategy and Assurance dating back to 2017 reported that the Clinical and Care Governance Strategy was not fully consistent, did not create a coherent and clear vision of responsibility for clinical governance and that there was no effective oversight that the strategy is being delivered as expected.

The Clinical Governance Oversight Group were informed in July 2020 that the Clinical and Care Governance Strategy was being updated and that a revision would be brought to its next meeting (September 2020) but this did not happen.

The Clinical Governance Committee has not been updated on development of the Strategy and it does not feature in the CGC workplan for 2020/21.

The internal audit review, referred to above in relation to action plan point 5 from our annual report for 2019/20, has not yet taken place. Given the time pressures on officers and Directors, and the need for swift review, it may be better to focus on what arrangements should become, rather than focusing in detail on their current status. This would allow the application of existing assurance mapping, HSCI governance and Clinical and Care Governance principles to be embedded in any future strategy, with Internal Audit facilitating and assessing detailed arrangements as they develop.

Clinical Governance Committee

Minimal changes to job titles and names of linked groups were made to the CGC Terms of Reference as part of the annual revision of the Code of Corporate Governance.

At a special meeting in June 2020 the CGC was informed of the aims for Clinical Governance during the pandemic and of the organisational command structure to provide direction, decision making, escalation and communication during the pandemic period. The paper to 15 June 2020 CGC and the revised workplan presented to 8 July 2020 CGC provide high level explanations on the impact of the pandemic on Clinical Governance. Amendments were also made in July 2020 to the workplan to include additional sections on COVID-19 updates and Remobilisation of Clinical Service.

The agenda for each meeting of the CGC is prepared based on the annual work plan, but there is no direct reporting to each meeting of the CGC to confirm that the work plan is being achieved and the Committee has not assessed its ability to provide assurance to Fife NHS Board at year end that adequate and effective Clinical Governance arrangements have been in place for 2020-21, which will have been impacted by the changes referred to above. Without such review, there is a risk the CGC will not be in a position to provide reliable assurances on Clinical Governance, Transformation and Information Governance.

Risk Management

Our assessment of Risk Management (above) noted a number of concerns in relation to BAFs, which will be addressed through the assurance mapping process. These issues were discernible in the three risks under the auspices of the CGC: Quality and Safety, Strategic Planning and Digital & Information.

Our review of minutes did not always evidence detailed discussion around key elements of these risks and we identified areas of concern which, in our view, should have been highlighted by the Committee and escalated to the Board. For example, the pausing of all transformation work, without any change to the risk score or narrative, did not appear to create any discussion and the CGC did not highlight this as an issue of concern in its assurance report to the Board. The Committee has a wide remit and large workload and there needs to be considerably greater emphasis on the review of strategic risks, both in the structure of agenda and in reporting to the Board.

The Quality and Safety BAF presented to the July and November 2020 meeting of the CGC has been adjusted to reflect changes due to the pandemic and additional controls established in relation to COVID-19 and remobilisation, although, as noted above, there has been no assurance around the refresh of the Clinical and Care Governance Strategy which is listed as a key action.

Clinical Performance Reporting

The IPQR was presented to the CGC's July, September and November 2020 meetings. The latest report indicated that NHS Fife was not meeting its targets for HSMR, Falls, Pressure Ulcers, ECB, Complaints and Caesarean Section Surgical Site Infection. However the Medical Director advised the CGC that *'there were no significant red flags from a quality perspective to raise. Complaints performance is improving. In relation to SABs, there were no concerns. Regarding CDiff, the previous issue highlighted has settled down'*. The CGC has also received reports on COVID-19 Testing, Remobilisation and the seasonal flu vaccination programme.

External Review

In September 2019 the CGC agreed that activity tracker monitoring of external reviews applicable to NHS Fife & Fife H&SCP would no longer be presented to the CGC but was instead to be presented to the *'most appropriate division, and reported through local governance arrangements'*. However, no assurance on the operation of this system has been presented to the CGC which does not receive regular formal assurance that actions to address External Reports are being implemented timeously, nor any assessment of whether the issues raised cast doubt on the adequacy and effectiveness of monitoring systems.

Significant Adverse Events

The NHS Fife Adverse Events Policy (GP/I9) is published on Stafflink.

Our internal audit report on Adverse Event Management (B19/20) issued March 2020 specifically provided Limited Assurance; of the 4 action plan points, all due June 2020, only 1 has been implemented.

Internal audit B20/21 Adverse Event Management is currently ongoing.

Duty of Candour

The Duty of Candour Annual Report for 2019/20 was presented to CGC on 7 September 2020 and to Fife NHS Board 30 September 2020 and indicated that between 1 April 2019 and 31 March 2020 there were 28 adverse events where the duty of candour applied with the most common related outcome being an increase to the person's treatment.

Action Point Reference 3 Clinical Governance Framework**Finding:**

There are a number of areas where Clinical Governance arrangements and the assurance provided by the Committee could improve.

Audit Recommendation:

The impending review of the Clinical Governance Framework should include:

- a) A comprehensive and fundamental review of the workload and operations of the Clinical Governance Committee
- b) Issues raised within this and previous internal audit reports
- c) A rigorous focus on risk, informed by Assurance Mapping and HSCI/Clinical and Care Governance principles.

In the meantime, the Committee should undertake an urgent assessment of how it will ensure that it will be able to provide the necessary year-end assurances.

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:

During the previous 12 months NHS Fife Has been focussed on the delivery of the safest possible care to patients affected by the Covid-19 pandemic. The Clinical Governance Committee Activity has centred around this paying the required amount of scrutiny and attention to this delivery, whether this be the safe remobilisation of services or the delivery of the flu and Covid-19 vaccination programmes. At times it has been deemed necessary to prioritise these issues over the 'usual' work plan. Any decisions with regard to this have been on a risk based approach between the Medical Director and the Chair of the CGC- choosing at times to carry forward items.

This last 12 months has placed a significant burden of work on clinical service and corporate teams, it is perhaps understandable that while the focus has been on pandemic related issues the development of the strategy has required to be delayed. The CGC has had a vital role and achieving perspective in terms of usual reporting and function and the oversight of the pandemic response.

The development of the Clinical Governance Strategy is a priority for 2021/22 and will reflect the impact and consequences of the pandemic.

There may be potential risk but I strongly disagree with presumption stated that the NHS Fife Clinical Governance Committee will not be able to provide assurance that adequate and effective Clinical Governance arrangements have been in place for 20/21. Through rigorous agenda planning and setting with the Medical Director, Chair of the CGC and Head of Clinical Governance, aligned to the annual work plan- assurance can be assumed. However, further

assurance can be offered to the committee at future meeting by direct reporting.

The pausing of strategic work during the pandemic is elementary and the Clinical Governance Committee fully appreciated that pursuing the narrative on transformation in the face of gross uncertainty offered by the pandemic would be unreasonable, hence the reason it was neither debated compressively or escalated to the Board. Moving into 2021/22 the transformation agenda in a post pandemic Covid sensitive era will take on new importance and the CGC will lead in the governance oversight including risk.

The committee is confident in its abilities to provide assurance to the Board and feel that the narrative in this report lacks perspective and fails to appreciate the context in which the CGC committee has been operating in over the last year.

Work ongoing to set milestones however the overarching plan is to have a revised Clinical and Organisational Strategy developed and approved by March 2022.

Action by:	Date of expected completion:
Medical Director	March 2022

STAFF GOVERNANCE

Staff Governance

Annual Report 2019/20

No actions relating to Staff Governance

ICE Report 2019/20:

Action Point 5

Executive Directors should be asked to leave Remuneration Committee meetings when any discussion takes place with regard to any individual Directors performance.

Status: Complete

Action Point 6

An update on the status of the implementation/action plan for the NHS Fife Workforce Strategy 2019-2022 should be scheduled to the NHS Fife SGC in its 2020/21 workplan.

Status: Complete

Action Point 7

An action plan to address the recommendations made in Audit Scotland's report on Workforce Planning should be agreed by the NHS Fife SGC who should be updated on its implementation.

Progress: Extended to February 2021 due to COVID-19

Action Point 8

The NHS Fife SGC Terms of Reference should be updated to remove its historical responsibilities in relation to the Remuneration Sub-Committee. Appendix 4 of the Code of Corporate Governance, page 79, also needs to be updated as it lists the Remuneration Committee as a Sub-Committee of the Staff Governance Committee when this is no longer the case.

Status: Complete

Governance Arrangements

The March 2020 meeting of the Staff Governance Committee (SGC) approved a revised Terms of Reference and the changes therein have been formally reflected in the Code of Corporate Governance annual update, which was approved by the Board at its September 2020 meeting.

COVID-19

The impact of COVID-19 on NHS Fife's governance arrangements and its workforce were discussed at SGC briefing sessions held during the initial lockdown. The latter was designed to give assurance to the SGC on the measures being taken to ensure NHS Fife's workforce was maintained at the necessary capacity. Thereafter other COVID-19 reporting was incorporated into specific reports relating to areas within the SGCs remit. Examples of this include core training and appraisal updates plus a report on staff health & wellbeing (including attendance management), all of which refer to the implications of COVID-19.

The scheduled meeting of the SGC in May 2020 was cancelled under the revised governance arrangements implemented due to COVID-19. As an alternative, a special SGC meeting was held in June 2020 to discuss the revised governance arrangements and provide a workforce update, outlining the implications of COVID-19 and the planned arrangements for the remobilisation of the NHS Fife workforce. Further meetings have since been held in July, September and October 2020.

SGC Workplan

COVID-19 has impacted on the completion of the SGC annual workplan, which in turn could affect its ability to conclude on the adequacy and effectiveness of staff governance arrangements at year-end. Although agenda for each meeting of the SGC are prepared based on the annual work plan, there is no process to assure the Committee that its work plan is being achieved or information on the implications for assurance of any non-compliance. **Post Audit Note: We have been informed this will be incorporated within the Work Plan for 2021/2022.**

Workforce Strategy/Planning

NHS Fife published its Workforce Strategy in 2019, covering a three year period between 2019 and 2022. As part of an update, at the July 2020 SGC meeting on the strategy, a paper was presented detailing Internal Audit's B22A/20 review of implementation of the strategy.

As a result of COVID-19, national formal Workforce Planning arrangements have been paused. NHS Boards and Integrated Authorities are being asked by the Scottish Government to consider how best to re-introduce and remobilise services in a post COVID-19 setting, with a revised 3 yearly workforce planning cycle across NHS Scotland to be introduced in 2021.

The Board has acknowledged that there have been significant changes since the Workforce Strategy and associated action plans were prepared and these will need to be refined to take account of any changes in models of service delivery. However, the SGC has received no information on how local workforce plans are being updated to take account of COVID-19 and when and how this will be presented to the SGC, although we are aware that such work is taking place. **Post Audit Note: The minutes of the NHS Fife Strategic Workforce Planning Group are provided to the Staff Governance Committee to provide an overview on workforce planning activity. In addition, a review of the Strategic and Operational Workforce Planning Groups will be undertaken in line with the development of the national H&SC workforce planning guidance for 2021/22.**

Risk Management

The SGC is presented with an update on the BAF Workforce Sustainability risk at each of its meetings. Consideration has been given to COVID-19 when assessing this risk, although as noted above, the specific arrangements for workforce planning in the short-term have not been updated and therefore the specified controls have not been assured by the Committee.

Staff Governance Action Plan (SGAP)

The 2020/21 SGAP was initially approved in March 2020 with agreed amendments to be presented to the (rescheduled) July 2020 SGC meeting. However, this was delayed as a consequence of COVID-19, but, as yet, the revised plan has not been presented to the SGC for approval. In addition, although updates on all five strands of the Staff Governance Standard were scheduled, so far only two have been provided: Well Informed and Appropriately Trained. We have been informed that management will update the action plan and present an overview of progress to the March 2021 SGC meeting. Consideration is also being given to how best to present updates on the five strands of the SGS and the output will be incorporated into the 2021/22 SGC work plan. **Post Audit Note: national guidance is awaited on SGAP reporting during COVID. The SGAP will be an item on the May 2021 APF and SGC will then be updated thereafter.**

Staff Experience

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 to run the PULSE Survey as the Staff Experience Measure for 2020 and we have been informed that the results of the survey will be presented to the SGC before year-end. **Post Audit Note: A presentation on survey results is planned for the Staff Governance Committee meeting on 4 March 2021.**

Whistle Blowing

A Non-Executive Director has been appointed as the whistle blowing champion for NHS Fife. A paper was presented to the October 2020 SGC meeting giving an update on a revision to national whistleblowing standards. However, there has been no report from the Whistleblowing Champion providing an opinion on the adequacy and effectiveness of arrangements or detailing the nature and outcomes of whistleblowing incidents occurring within NHS Fife, to confirm that they are being dealt with appropriately. **Post Audit Note: The Non Executive Director for Whistleblowing resigned and Scottish Government are actively recruiting to replace this appointment. Standards will go live on 1st April 2021, with NHS Fife currently in a soft launch period of standards and training modules. A report is also planned for the March 2021 NHS Fife Board meeting which will offer evidence relating to the availability of process and the numbers in year.**

Remuneration Committee

The Remuneration Committee (RC) is a now a full standing committee of the NHS Fife Board, with its own terms of reference being approved as part of the revised Code of Corporate Governance. This is in accordance with the 'Once for Scotland' approach. The RC completed a self assessment of its activities in March 2020 and although the Audit Scotland checklist was not used, the questions asked enabled the aims of its assessment to be achieved.

Appraisals

The SGC was advised at its September 2020 meeting that the requirement to undertake staff and Executive/Senior Manager appraisals was paused due to the ongoing COVID-19 pandemic. However, Internal Audit has been advised that all Executive/Senior Managers under Executive and Senior Management conditions at the commencement of this year's cycle have completed their requirements to date.

As at the end of September 2020 KSF/PDP appraisals stood at a 41% completion rate.

A copy of the Annual Report Medical Consultant and GP appraisals for 2019/20 has recently been approved by the Medical Director (Chair of Medical Revalidation & Appraiser Group) for presentation to the Clinical Governance Committee and SGC in early 2021. It shows that although COVID-19 did have some impact, the vast majority of appraisals were completed (88% Medical Consultants and 100% General Practitioners). Appraisals during 2020/21 will be impacted to a greater extent, with appraisals being rescheduled to be completed at a later date. **Post Audit Note: the Annual Report for Medical Consultant and GP appraisals 2019/20 was presented to January 2021 Staff Governance Committee meeting.**

Core Skills Training

The term Core Skills refers to those common training subject areas which organisations are required to deliver to their workforce, in order to meet either legal training requirements or to comply with key quality standards in accordance with organisational policy and regulatory requirements.

It was reported to the September 2020 SGC that as at 31 May 2020 there was a 76% achievement (on a rolling basis) of the annual training target for the 9 core skill areas.

Sickness Reporting

The most recent report on the sickness absence rate was to the 29 October 2020 SGC meeting as part of the Staff Health & Wellbeing update. It reported a 4.58% absence rate as at 31 August 2020. Included in that report were details of the measures being taken to reduce absence, including setting up a short-term working group to consider the implications of COVID-19 for managers to compassionately and effectively support their teams. **Post Audit Note: Sickness rate at January 2021 -5.04%.**

Action Point Reference 4 Staff Governance: Whistleblowing**Finding:**

There has been no report from the Whistleblowing Champion providing an opinion on the adequacy and effectiveness of arrangements or detailing the nature and outcomes of whistleblowing incidents occurring within NHS Fife, to confirm that they are being dealt with appropriately.

Post Audit Note: As a consequence of the resignation of the Whistleblowing Champion (WBC) there has been no report from the WBC providing an opinion on the adequacy and effectiveness of arrangements or detailing the nature and outcomes of whistleblowing incidents occurring within NHS Fife, to confirm that they are being dealt with appropriately.

Audit Recommendation:

There should be an annual report from the Whistleblowing Champion, providing sufficient details to confirm that such incidents are being dealt with in accordance with National guidance and providing an overall opinion on the adequacy and effectiveness of whistle-blowing arrangements. This could include overall data on the number of incidents, their classification and speed of resolution etc. There may also be benefit in providing assurance that no issues raised have identified serious concerns over the adequacy and effectiveness of clinical, staff, financial or information governance assurance systems or any serious control weaknesses.

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:

It is noted that an annual report from the WBC cannot be provided until a WBC is appointed to NHS Fife. In the absence of a WBC a report is being presented to the Board which includes whistleblowing data. The SGC action plan 2021/22 will include the reporting requirement from the Whistleblowing Champion.

Action by:

Date of expected completion:

Director of HR

31 March 2021

FINANCIAL GOVERNANCE

Financial Governance

Annual Report 2019/20

Action Point 7

The Finance, Performance and Resources Committee workplan should include a series of focused deep-dives to understand the root cause of failures to achieve recurrent savings, particularly within Acute Services and there should be congruence with the work of the CGC in assessing progress with Transformation.

Status: Not yet due. Action superseded by new Strategic Planning and Resource Allocation process.

Structures of Finance Department

The permanent appointment of the Director of Finance and Strategy, along with the recent recruitment process for a Head of Financial Services, will help to alleviate the capacity and capability issues which were highlighted by both Internal and External Audit during 2019/20. Once the structure and reorganisation of the Finance Department is concluded, we would expect that the Finance, Performance & Resources Committee (FP&RC) will be provided with assurances that capacity and capability are sufficient to provide appropriate financial support for strategy, sustainability and business as usual.

Financial Governance

Under the emergency status the FP&RC was suspended in March 2020 and reconvened to meet on 7 July 2020. There has been one change to the Standing Financial Instructions with the Scottish Government Financial Decision Tracker process included as an Addendum to the existing NHS Fife Standing Financial Instructions for the duration of the pandemic. This was approved at the May 2020 Reserved meeting of the NHS Fife Board.

Financial Planning

NHS Fife considered the Financial Plan as part of its draft Annual Operational Plan for 2020/21 – 2022/23 at the March 2020 meeting of the FP&RC. The Plan set out a position to deliver financial balance, and the savings requirements, over the next 3 year period. It was noted that delivering savings plans carried a high level of risk in regard to the escalating impact of COVID-19, although it was not possible to include detailed assessment of the financial impact of COVID-19 within the Financial Plan at that point. Future investment in a Project Management Framework was highlighted as was the need to build on any transformational change identified during the COVID-19 pandemic.

The May 2020 NHS Fife Board meeting considered the COVID-19 Mobilisation Financial Plan in reserved business. Further updates have been provided to the FP&RC in June and July 2020 around on the process and timeline for the Financial Plan COVID-19 and the broader AOP Financial Plan.

NHS Fife has assessed the financial impact of COVID-19 and throughout the year the Director of Finance has highlighted to Board and FP&RC the significant and wide ranging financial impact of COVID-19 across services including direct additional costs and delays in the planned delivery of savings programmes.

Financial Reporting

A set of Financial Reporting Guiding Principles were presented to the July 2020 reserved meeting of the FP&RC. Whilst the process for monthly reporting of the usual business position is well established, there has been a further reporting requirement of COVID-19 additional spend. A Local

Mobilisation Plan (LMP) financial return template is now completed and submitted to Scottish Government.

The November 2020 FP&RC was told that NHS Fife is currently £1.859m overspent but anticipating a financial year end break even position. Challenges to achieving breakeven were:

- The Scottish Government (SG) COVID-19 funding allocation uncertainty
- Unmet savings due to COVID-19 and transformation progress
- Impact of COVID-19 remobilisation, Test and Protect positions, Winter Flu and Redesign of Urgent care around informing a reliable and robust forecast position
- Ongoing discussions on potential IJB risk share options with SG and respective partners.

The FP&RC was informed that there is very limited assurance that NHS Fife can remain within the overall revenue resource limit if it is required to cover the impact of the IJB risk share position of £7.2m. The risk share arrangements are still under discussion.

Post audit note: The following information was received from the month 10 financial report:

- *“Following Scottish Government funding of unachieved savings, the position to month 10 is an underspend of £3.987m*

Finance reporting to Board and FP&RC has been transparent and the Director of Finance has consistently and clearly articulated financial challenges, including the need for confirmation of allocations to cover COVID-19 costs and the delay in delivering anticipated savings in 2020/21.

Risk Management

The position at 31 October 2020 of the Financial Sustainability BAF, as reported to the November FP&RC, recognised the ongoing financial challenges facing Acute Services in particular, as well as the pressures within Health & Social Care Partnership, specifically in relation to social care budgets and the ongoing work to review the risk share arrangement. It also reflected the level of challenge in delivering the Board efficiency savings target as a consequence of the impact of COVID-19. The BAF current score is high, with a target score of moderate. *Post audit note: The BAF was updated recently to reflect the Covid funding allocation and the improving financial position for 2020/21.*

Efficiency Savings

For 2020/21 NHS Fife required to make £20.015m of cash efficiency savings. The expected year end achievement is £11.2m, with a £8.8m underachievement of savings. The impact of non achievement of efficiency savings is being considered by the Scottish Government as part of its January COVID-19 allocation. *Post Audit Note: Scottish Government have now fully funded the £8.3m unachieved savings as part of Covid-19 funding.*

Of the identified and achieved savings identified in the November IPQR, the split of recurring and non-recurring was 50:50. Internal and External Audit have previously reported the over reliance on non recurring savings to achieve financial balance in previous years.

The Audit Scotland Annual Report for 2019/20 highlighted the need for detailed savings plans to be developed to ensure that NHS Fife can deliver the required savings. Moving forward, this will be addressed through the new Strategic Planning and Resource Allocation process. *Post Audit Note: We note the utilisation of the SG medium term financial framework to set out the financial recovery plan, with a first draft reported to the Board development event in February 2021.*

Capital Plan and Property Strategy

As reported to the November 2020 FP&RC, the capital programme remains broadly on track across the main planned spend categories for 2020/21.

The Property Management Strategy was previously considered by the NHS Fife Board in July 2019. There have been no updates since and the next iteration will need to be in line and linked to the required update of all strategies and future sustainability, in particular the impact of COVID-19 around the property infrastructure going forward.

BREXIT

A risk for European Union exit preparedness (Brexit) has been linked to the strategic risk BAF for Financial Sustainability. The Executive Directors Group (EDG) has been well sighted on preparation for Brexit through updates on preparedness, particularly around procurement and staff risks. An update report on Brexit workforce implications was also presented to the SGC in October 2020.

Project Management Framework

At the March 2020 reserved meeting of the FP&RC, it was highlighted that investment would be required to develop the Project Management Framework. The Strategic Planning Resource Allocation process for 2021/22 does have a proposed level of investment to be agreed through the prioritisation process. [Post Audit Note: the investment in a project management framework was agreed by the EDG and supported by the Board at its Development Event in February 2021.](#)

The internal audit review of the project management arrangements for the NHS Fife Elective Orthopaedic Project B25/20 concluded that *'The Scottish Capital Investment Manual (SCIM) methodology has been used for the project which is based on best practice from across the UK and globally and mandated through NHS CEL 19 (2009) Scottish Capital Investment Manual for NHSScotland. SCIM is required for all infrastructure and investment programmes and projects by NHS Scotland bodies and therefore is an appropriate methodology for this project.'*

However a post project evaluation of the Flu Vaccination programme highlighted *'that the Board should consider whether the internal Project Management resource, which is small, remains fit for purpose, given the level of transformational change underway, both in new work streams and, with the impact of COVID-19, in the often radically changed delivery of 'business-as usual' programmes. The prioritisation of technical IT support, expertise and advice to programmes should be considered.'* The Clinical Governance Committee will receive updates to the action plan which includes an appropriate recommendation for improving project management arrangements in NHS Fife.

Best Value Framework

Internal Audit have previously recommended application of the Audit Scotland Best Value Tool Kit. However, given the pressures on officers due to COVID-19 response, we do not consider this a priority for the Board at this time, especially as best value and effective allocation of resources are a key element of the new SPRA process.

Action Point Reference 5 Financial Governance: Property Management Strategy

Finding:

The Property Management Strategy was previously considered by the NHS Fife Board in July 2019. There have been no updates since and the next iteration will need to link to the required update of all strategies and future sustainability. We would anticipate that COVID-19 and associated changes to working practices will have a significant impact on the property infrastructure requirements.

Audit Recommendation:

The Property Management Strategy should be reviewed and revised to align it to updated NHS Fife Strategies and future sustainability and should specifically consider the impact of COVID-19 around the property infrastructure going forward.

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:

Due to reprioritisation during the pandemic and a corresponding relaxation of Scottish Government requirements, the Property and Asset Management Strategy (PAMS) is on the Agenda for the NHS Board in March 2021. This document provides an update to NHS Fife Board on the 2020 Property & Asset Management Strategy (PAMS) as required by the State of the NHS Scotland Assets and Facilities Report (SAFR) Programme. The Boards' PAMS submissions to Scottish Government are now every two years with an interim PAMS update report required every other year. The 2019 document was a full PAMS and this is an interim update. We anticipate that there will be a requirement for an East Regional PAMS report in the near future. The data in this document represents NHS Fife position as at 1st April 2020.

As the 2020 PAMS document is largely retrospective and represents the pre- COVID landscape, the Impact of COVID-19 will be further considered as part of the 2021 full PAMS which will be compiled between April and July 2021 by NHS Fife and likely submitted as part of an East Regional PAMS report.

Action by:

Date of expected completion:

Director of Property & Asset Management

August 2021

INFORMATION GOVERNANCE

Information Governance

Annual Report 2019/20

Action Point 8

Our Annual Internal Audit Report (B06/21) highlighted that unless the issues we raised in relation to provision of assurance regarding Information Governance were addressed this could well lead to a disclosure in 2021-22.

Status: Not yet due. Improvements to assurance arrangements for Information Governance and eHealth have been progressed but considerable work remains to provide appropriate assurance by year-end and that assurance may well be limited.

Governance

Annual Internal Audit Report (B06/21) reported that *'Action has not yet been taken to address the findings and recommendations included in internal audit report B08/20 Evaluation of Internal Control. A review of eHealth and Information Governance arrangements was reported to the CGC in July. We were advised by management that the implementation of new governance arrangements is expected to raise the profile of Information Governance at the Clinical Governance Committee and will address the issues raised by Internal Audit, although not all details of how this would be achieved were fully apparent in the July paper'*.

These recommendations have begun to be addressed and we can see evidence of movement in the right direction. IG&S Steering Group Terms of Reference and Workplan were agreed at its January 2021 meeting as were Terms of Reference and workplan for the newly formed Operational Group which has not yet met. The next Steering Group meeting has been moved forward to March to facilitate year-end assurance and it has been agreed to prioritise establishment of the operational group.

Although the above changes are positive and there has been consideration of how IG&S Assurance information could be provided, at this point, the level of assurances to the IG&S Steering Group in 2020/21 has been minimal and there has been no assurance provided to the CGC. A paper on risk was also presented to this meeting *'for information'* but this did not indicate whether the mitigations in place and planned would be sufficient to reduce the risks to a tolerable level and the minutes do not include any discussion regarding this.

Development of an Assurance Dashboard is still in progress. . [Post Audit Note: Dashboard was presented to the IG&S in February 2021; however it was only partially completed.](#)

Although some progress has been made, assurances will need to be provided urgently to the next Clinical Governance Committee meeting, on whether and how they will be able to conclude on the adequacy and effectiveness of information governance and eHealth arrangements at year end.

Risk Management

The Digital & Information BAF is regularly presented to the CGC, however minutes of its September and November 2020 meetings do not record any discussion or assurance regarding whether mitigations, in place and planned, would be sufficient to reduce the risk to a tolerable level within an acceptable timescale.

Internal Audit have provided detailed comment on the Digital & Information BAF, which is being used as a pilot risk to improve the assurance mapping process. Our work identified a significant

number of areas requiring change which are currently being taken forward. The CGC has been informed that the risk will be amended but not yet the nature and extent of the changes required.

Digital and Information Strategy

The eHealth Board has become the Digital and Information Board and agreed a revised Terms of Reference at its 6 October 2020 meeting and has met twice in 2020/21 to date.

The NHS Fife Digital and Information Strategy 2019-2024 was approved by Fife NHS Board on 30 September 2020, following review by the eHealth Board and the Clinical Governance Committee in January and March 2020 respectively. The CGC has received an update on the impact of COVID-19, both positive and negative, on the implementation of the Digital and Information Strategy and an updated delivery plan supporting the strategy. However, the approval process for the Strategy did not consider whether it could be delivered within the resource available to the Board: this risk should be added to the relevant BAF urgently.

Information Governance Responsibilities

An NHS Fife Senior Information Risk Owner (SIRO) and Data Protection Officer (DPO) are in place and the SIRO is an Executive member of the Board.

Information Governance Policies and Procedures

The Board has policies in place covering Information Security, Data Protection and Confidentiality. The NHS Fife Information Security Policy published on Stafflink has a lapsed review date of 01 November 2017 (this was reported in B08/20 but has not yet been addressed).

Information Governance Incidents and Reporting

No assurance has yet been provided in 2020/21. It is important that assurances regarding breaches of Information Governance & Security legislation are provided to the IG&SSG at their meeting in March 2021.

Action Point Reference 6 Information Governance: IG Assurance

Finding:

Up to January 2020 there has been minimal assurance to the IG&S Group/Steering Group regarding compliance with Information Governance legislation and Scottish Government Directives and none to the Clinical Governance Committee. *Post Audit Note: Improvements were noted at the February 2021 IG&S Group/Steering Group.*

Much work has been undertaken and we have evidence that assurance is moving in the right direction. However, there is still considerable work to be done and it is possible that any assurance that is produced may not be entirely positive.

It is not clear that the Board's Digital and Information Strategy can be delivered within current resources and this risk has not been highlighted.

Audit Recommendation:

There should be an urgent assessment of whether assurance on the adequacy of Information Governance and eHealth will be or can be provided by year end.

The risk that the Board's Digital and Information Strategy may not be able to be delivered within current resources should be recorded and managed.

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:

Information Governance & Security

The Information Governance & Security (IG&S) arrangements have received considerable attention during the period. This has resulted in the establishment of an IG&S Operational Group and IG&S Steering Group, both with Term of Reference (ToR). In addition to the IG&S governance arrangement, the Digital and Information (D&I) Board has also, through its ToR, agreed it appropriate to provide additional support and assurance to IG&S and its alignment to strategy and operational performance. All groups understand a level of duplicate reporting will be necessary to allow the groups to fulfil their responsibilities.

In addition to the establishment of the groups, an IG&S Assurance report, for 2020/21, will be provided to the March IG&S Steering Group (on 23 March 2021). This assurance report will provide some context and background, as detailed in previous audit reports, along with a framework that will describe for each area the:-

- Scope
- How evidence of measurement or compliance is obtained
- Current baseline of measurement or compliance
- Action Plan (if in existence)
- Risk profile, identifying any high-risk areas and mitigations

This framework will be used across the agreed areas of the IG&S work plan that include the following sections, many of which have multiple subsections:-

- 1) Data Protection & GDPR
- 2) Freedom of Information Requests
- 3) Public Records (Scotland Act 2011)
- 4) NHS Scotland Information Security Policy Framework 2018
- 5) NHS Fife IG&S Policies
- 6) Information Governance and Security Incident Reports

It is recognised by the Associate Director of Digital & Information and the SIRO, that this will provide a baseline report of assurance, that will evidence progress in some areas and inform the action plan for IG&S for 2021/22. This assurance report will be made available for consideration at the next Clinical Governance Meeting, following the IG&S Steering Group meeting on 23 March 2021.

Digital & Information Strategy




The Digital and Information Strategy provided a clear vision of the opportunity and clinical requirements for the future delivery of services, supported through our corporate departments, who will also benefit from the digital enablement opportunities described in the strategy. Throughout the strategy, there is a consistent reference to the requirement for Business Cases to be developed to deliver on the opportunity contained in the strategy.

The risk associated with this will be committed to the BAF.

Action by:	Date of expected completion:
Associate Director of Digital	30 April 2021

Assessment of Risk

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

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