

FTF Internal Audit Service

Annual Internal Audit Report 2021/22

Report No. T06/23

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Draft Report Issued	15 June 2022
Management Responses Received	29 August 2022
Target Audit & Risk Committee Date	23 June 2022
Final Report Issued	29 August 2022

INTRODUCTION AND CONCLUSION

1. This annual report to the Audit & Risk Committee provides details on the outcomes of the 2021/22 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 2021/22 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 2021/22 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 20 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

Previous recommendations

8. The Internal Control Evaluation (ICE), issued March 2022, 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 agree recommendations for implementation by management.
9. Themes identified in previous ICE and Annual Reports are set out in the table below, together with a summary of progress. Internal audit monitor progress with outstanding recommendations through the Audit Follow Up system and all management responses are validated. Progress with annual report and ICE recommendations is now reported to the ELT on a quarterly basis. As a development, this information will be provided to the Audit & Risk Committee (A&RC) in 2022/23 through the Audit Follow Up reports.
10. NHS Tayside has demonstrated steady progress towards completion of most of our previous recommendations, with some not yet due. There has however been slippage on some key actions and clearly the revision of the overall and supporting strategies will be a significant task and much work remains to be done. As NHS Tayside remobilises, there is an opportunity to reflect and shift thinking to strategic decision making.
11. The 2022/23 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. As well as following up previously agreed actions, we have completed testing to identify any material changes to the control environment in the period from the issue of the ICE to the year-end. Areas for further development were identified and will be followed up in the 2022/23 ICE. The main themes identified from our previous ICE and Annual Report recommendations, along with progress in each area were:

Strategy	
Aim	Progress
To ensure NHS Tayside has a strategic plan to ensure effective delivery of services in the longer term, as well as maintaining shorter term delivery through remobilisation work and the Annual Delivery Plan.	<p>While there has been some slippage due to immediate Covid19 pressures, progress has been made and NHS Tayside has started to forge important linkages between remobilisation, strategy development, Public Health priorities and partners' strategic plans, with a focus on data.</p> <p>A Director level lead for strategy has been identified and a group has been established to ensure collaborative planning across Tayside. The importance of a strong governance structure is acknowledged.</p> <p>The Board will be provided with a timetable for the strategy project plan. We would emphasise the requirement to shift thinking from recovery and remobilisation to longer term strategic planning. Strategy risks have not yet been formalised as</p>

	<p>previously recommended, but following discussion at the May 2022 Board Development event this will be progressed.</p> <p>There has been significant development and formalisation of remobilisation planning and reporting, in line with Scottish Government requirements.</p>
Governance, Risk Management and Performance Reporting	
Aim	Progress
<p>To continue the good work to enhance assurance mechanisms, with a focus on key risks and through the embedding of assurance principles, and to ensure triangulation of resources, performance and risk.</p>	<p>To assist Standing Committees in focussing on key risks, we recommended that the risk section of Board and Committee papers should be given a higher priority. Sessions have commenced with Committee Chairs, Lead Officers and Committee Support Officers to explore improvements and to discuss the implications of implementation of risk appetite and links with assurance.</p> <p>Our review of Board and Committees evidenced some improvement in the risk assessment section of papers and increased Standing Committee focus on linkages to strategic risks, although there is more work to be done to embed a culture which has an overt focus on key risks.</p> <p>A fundamental review of the strategic risk register is nearing completion and the revised strategic risk profile will be presented to the 30 June 2022 Board. Some key risks, including the Waiting Times and RTT risk still require review and update.</p> <p>Performance reporting continues to evolve and we welcome the development of the integrated performance assurance report.</p> <p>Actions are due for completion by the end of August 2022.</p>
Policies	
Aim	Progress
<p>To improve the process for Policy Development, Review and Control.</p>	<p>Work has progressed well and a revised system has been put in place. The 'Policy on Policies' is currently undergoing review.</p> <p>Actions are due for completion by the end of June 2022.</p>

Integration	
Aim	Progress
For all partners to effectively collaborate to deliver strategic plans. Key to this is ensuring Integration Schemes clearly set out responsibilities in relation to strategic planning and operational management, and actively engaging with actions agreed in the MSG self evaluation to resolve key issues.	Integration Schemes have been reviewed in partnership and the consultation process is drawing to a close. It is important that the Board is assured that the Integration Schemes address long standing, known issues as articulated by MSG and by previous internal and external audit reports. Actions are due for completion by the end of August 2022.
Clinical Governance improvements	
Aim	Progress
To ensure escalation of whole system clinical risks, and to identify any gaps in assurance. Previous recommendations specifically focussed on arrangements to ensure that the Care Governance Committee (CGC) is adequately informed of the clinical risks associated with deferred treatment and the need for prioritisation.	The CGC work plan and membership have been reviewed for 2022/23. The review of care governance arrangements and support functions required to improve care and clinical governance reporting structure from operational line to Board is ongoing. A Clinical Governance development event, including input from Internal Audit, scheduled for 7 July 2022 will focus on recommendations from the 2021/22 ICE. The Waiting Times and RTT risk, which should capture risks associated with deferred treatment and the need for prioritisation has been aligned to CGC, but has not yet been fully reviewed nor reported to the CGC. Review of the risk is being supported by the Head of Strategic Risk and Resilience Planning and learning from other Health Boards has been sought. Actions are due for completion by the end of October 2022
Staff Governance	
Aim	Progress
To ensure the Staff Governance Committee (SGC) has a focus on key risks and receives appropriate assurances on workforce planning to ensure service delivery. A review of assurance reporting to confirm compliance with Staff Governance Standards was recommended. The importance of a robust system for Executive and Senior Management	NHS Tayside is on track to submit the Workforce Plan 2022-25 by the end of July 2022, although it cannot effectively mitigate the four known major Workforce risks until NHS Tayside has more detailed information on the workforce requirements. As a consequence, actions to achieve the required workforce are not yet close to articulation. Succession planning remains a key

<p>appraisal and objective setting was emphasised.</p>	<p>consideration for all NHS Boards.</p> <p>The format of assurance reports has not been discussed by the SGC and the Assurance Plan and Workplan 2022/23 remain unchanged from the previous year, meaning that recommendations have not been implemented. Outcomes of Executive and Senior Management appraisals were reported to the June 2022 Remuneration Committee. A presentation by the Chair of NES on objectives and the role of the Remuneration Committee was planned for the June 2022 meeting but will now take place in August or October.</p> <p>Actions are due for completion by the end of June 2022.</p>
<p>Property and Asset Management Strategy (PAMS)</p>	
<p>Aim</p>	<p>Progress</p>
<p>To ensure the overall asset management strategy for NHS Tayside aligns to and enables its strategic objectives and coordinates with all parts of the organisation, to help ensure optimum service delivery.</p> <p>Previous recommendations focussed on assurances to the Performance & Resources Committee (P&RC) on preparatory work on the PAMS and a timetable for delivery.</p>	<p>The May 2022 Audit & Risk Committee agreed that a lack of management response on recommendations from both historical and recent Property Management reports merited inclusion in the Governance Statement. The Director of Facilities Assurance Statement also highlighted risks with regard to Estates department capacity and capability.</p> <p>The PAMS is being co-ordinated through the CEL 35 group which reports to the Asset Management Group, and onwards to the P&RC. Data to inform the PAMS and the Regional Asset Management Programme is being collated. The Terms of Reference of the CEL 35 group still require review and attendance during 2021/22 was impacted by Covid.</p> <p>There has already been considerable slippage in achievement of agreed actions in this high risk area. Close monitoring of progress toward development of a PAMS is required and the organisation must be assured that governance structures and risk management processes are adequate, and that NHS Tayside has the planning, project management, capacity and capability to deliver the PAMS.</p> <p>Actions due for completion by the end of June 2022 have been extended to July 2022. In our view this date is unlikely to be achievable.</p>

Digital Strategy	
Aim	Progress
To ensure NHS Tayside has an appropriate and affordable Digital Strategy as a key enabler to delivering objectives.	The 2022-27 Digital Strategy was approved by P&RC on 14 April 2022, before the due date of June 2022. However, the Digital Strategy is not fully costed or funded; assurances on risks associated with delivery should be overtly reported to the P&RC including monitoring of delivery of programmes and intended benefits.
Information Governance Arrangements (IG)	
Aim	Progress
To ensure there is a comprehensive approach to the management and reporting of all Information Governance (IG) and digital risks and ensure there is no duplication or gaps in reporting.	Management concluded that reporting to a single Standing Committee was not appropriate and responsibility for IG and Digital and cyber should remain with the Audit & Risk Committee and P&RC respectively.

Governance Statement

13. Throughout the year, our audits have provided assurance and made recommendations for improvements. Where applicable, our detailed findings have been included in the NHS Tayside 2021/22 Governance Statement.
14. For 2021/22, 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.
15. The Board has produced a Governance Statement which states that:

'As the appointed Accountable Officer, and noting the disclosure in relation to the missing case records and the ongoing work in this area, I am able to conclude with the ongoing improvement work undertaken throughout the year, as evidenced above; the governance framework and the assurances and evidence received from the Board's committees, that corporate governance continues to be strengthened and internal controls were operating adequately and effectively throughout the financial year ended 31 March, 2022'.
16. 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 2021/22, provides assurance for the Chief Executive as Accountable Officer.
17. 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.
18. 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, with each completing an 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. The following matters are specifically highlighted in the Governance Statement:
- Adult Protection Improvement Work in Angus IJB
 - Inability to verify Estates Statutory compliance with associated statutory guidance
 - Gaps in Technical/Project Management resource presenting risks to standards of built environment and Project Management controls
 - Reduced Senior Management and Estates workforce capacity throughout 21/22 to be able to ensure an adequate level of management challenge and monitoring of controls
 - Missing Clinical Psychology Records
 - 246 data breaches and 12 reported to Information Commissioners Office (ICO). No action was taken against NHS Tayside, but the ICO made recommendations.
19. The Governance Statement reflects the necessary changes to Board governance and operating arrangements due to Covid19. It 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

20. 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.
21. The NHS in Scotland remained on an emergency footing throughout 2021/22. 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. Since issue of the ICE report, all Standing Committees have continued to meet as planned.
22. We commented positively on performance in the ICE. While performance remains ahead of RMPv4 for the majority of measures, there has been a diminution in some metrics since our ICE report was issued. All metrics are proactively monitored to ensure alerts and triggers are reported to services who can then adapt to ensure any threat to performance is mitigated. Measures established to address any deviation from trajectories will continue to be reported to the P&RC.
23. NHS Tayside recognises that all strategies will need to be updated to reflect changing demands, backlog of need and scarcity of staff, all of which will require service redesign

to create sustainable services. A lead for Strategy development has now been identified.

24. NHS Tayside also recognises the need to utilise existing governance structures to establish a governance process to oversee development and delivery of the strategic plan. The plan will be shared in draft form with ELT and Organisational Leadership Team before approval by the P&RC and Board. The timeline for production of the strategy will also be reported to the Board.
25. Our ICE report noted that further work was needed at both strategic and operational level to ensure that 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 strategic risk profile has undergone a fundamental review and will be presented to the 30 June 2022 Board for approval. The Head of Strategic Risk and Resilience Planning's programme of meetings with risk managers to update all strategic risks is nearing completion. However, fundamental review of the Effective Prescribing, Child and Adult Mental Health Services, Waiting Times and RTT targets and Care Home Oversight risks remains in progress.
26. Although NHS Tayside, in common with all NHS Boards, is facing very significant financial pressures, given the volatile nature of the labour market, existing shortages and increased demand for staff, it is our view that successful mitigation of workforce risks will be the biggest determinant of whether NHS Tayside can achieve its strategic objectives and be sustainable in the long term. Funding, prioritisation and delivery of the Digital Strategy will also be key.

Key developments since the issue of the ICE included:

27. As previously reported in the 2021/22 ICE report, during the year 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 fully understood as yet, but the Board is instigating the necessary preparatory work and a risk assessment to ensure the most urgent work is prioritised.
28. A 'Planning Interface Group' has been established. Members include Senior Planning Officers from the three IJBs, the NHS Tayside Business Unit Service Manger and the NHS Tayside Director of Performance and Activity. The aim of this group is to ensure all plans dovetail, priorities are identified and recognised collectively and duplication avoided.
29. NHS Tayside Remobilisation Plan (RMPv4) was signed off by Scottish Government in November 2021 and the Quarter 4 Progress Update was submitted to the Scottish Government on 29 April 2022, in line with the reporting timescale. The Annual Delivery Plan 2022/23 is being developed for submission to Scottish Government by the end of July 2022. A quarterly reporting mechanism through P&RC continues.
30. An integrated performance assurance report has been developed and was presented to the 9 June 2022 P&RC.
31. Following a light touch review, the updated Clinical Governance Strategy was approved by the June 2022 Care Governance Committee.
32. The April 2022 Public Health Committee received a paper on the Director of Public Health annual report and the ongoing development of the Public Health Strategy.

33. Implementation of the new Public Protection Framework for NHS Tayside is ongoing.
34. The NHS Tayside Adverse Event Management Policy has been revised, bringing NHS Tayside in line with '*Learning from adverse events through reporting and review: a national framework for Scotland (Healthcare Improvement Scotland (HIS), December 2019)*'.

Audit Output

35. During 2021/22 we delivered 31 audit products. These audits reviewed the systems of financial and management control operating within the Board and the IJBs.
36. Our 2021/22 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.
37. A number of our reports, including the ICE, have been wide ranging and complex audits and have relevance to a wide range of areas within NHS 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.
38. Board management continue to respond positively to our findings and action plans have been agreed to improve the systems of control. However, as noted above, some long standing action points within the Property Department are not progressing at the pace required. 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 2022 Audit & Risk Committee, 12 audit actions were outstanding, with 3 risk assessed as Red – action imperative, 7 risk assessed as Amber – action required, and 2 risk assessed as Green – good progress.

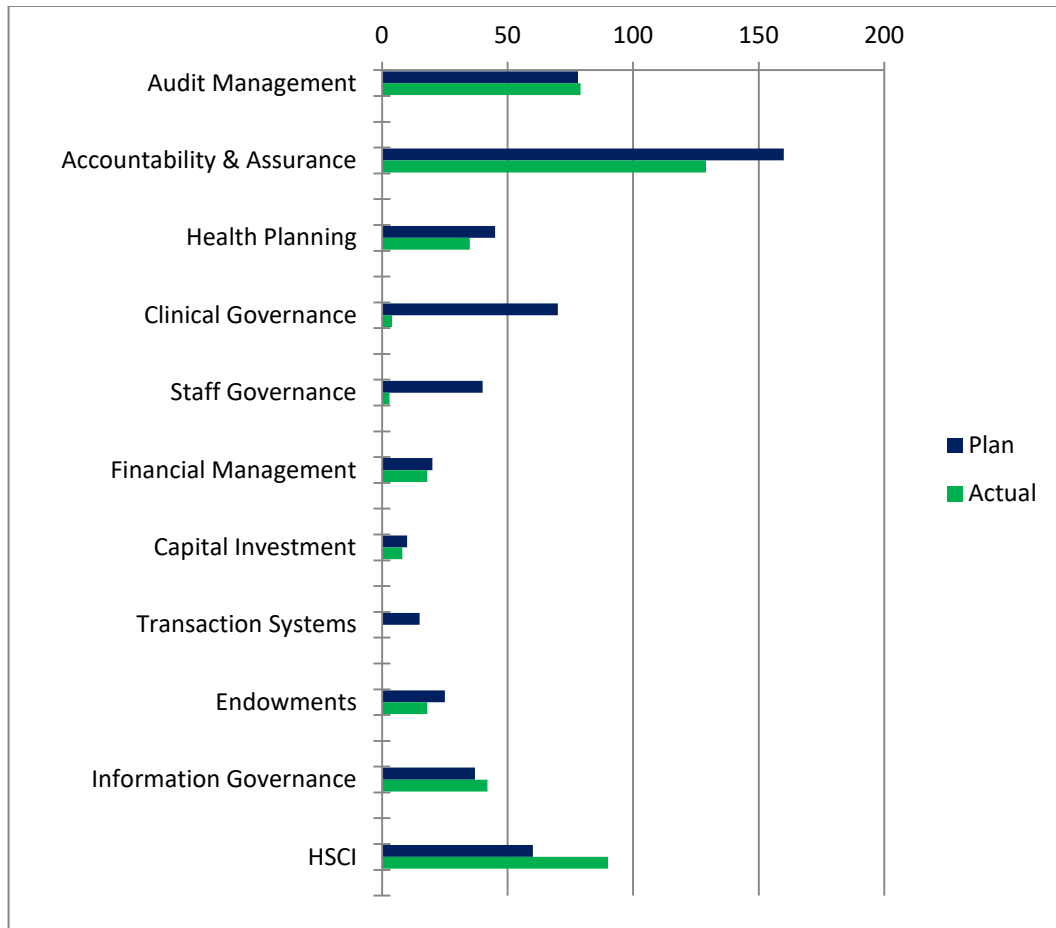
ADDED VALUE

39. 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 Dundee and Angus IJBs, updating and enhancing the IJB Governance Statement self assessment checklist.
 - Providing initial comment on a draft version of the Integration Scheme.
 - CIA liaison with the Director of Finance and other Directors, on issues of governance, risk, control and assurance.
 - Facilitating the work of the Assurance Mapping group and liaising with the Board Secretary to consider how the agreed principles can be adapted to the specific needs of 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.
 - Developing and updating Committee assurance, reporting and risk assessment principles for adoption by Standing Committees and detailed discussions around their implementation.
 - Consultation on the emerging Best Value arrangements.

- Regular liaison with Clinical and Care Governance colleagues and CIA presentations on clinical risk and assurance and contribution to development events.
 - Highlighting national governance developments with relevance to NHS Tayside.
 - Continued development and use of the principles for HSCI governance and sustainability within the Board and its IJB partners.
 - 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.
 - Provision of the Deputy Fraud Liaison Officer function for NHS Tayside.
 - Provision of ad hoc advice, for example, on operational issues within Directorates and controls within the ePayroll system.
 - Attendance and input to the Governance Review Group.
 - Attendance at the Missing Psychology Records Oversight Group.
40. 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:
- Update of the Committee Assurance Principles.
 - Development of a good practice template for the process of developing new Strategic Plans in IJBs and Health Boards.
 - Development of the FTF website.
 - Review and update of the FTF self assessment against the Public Sector Internal Audit Standards.
 - Reviewed our recommendation priorities to include an additional category 'Moderate' and updated the assurance definitions.
 - Updated the Property Transaction Monitoring Checklist for FTF clients.
41. The 2021/22 Annual Internal Audit Plan included provision for delivering audit services, together with council colleagues, and providing the Chief Internal Auditor function to Dundee and Angus Integrated Joint Boards as well as contributing to the audit plan of Perth and Kinross IJB. Internal Audit Plans were agreed for each IJB. Internal audit has continued to highlight the importance of maintaining momentum to clear intractable and long-standing issues with all partners, the requirement for coherence between governance structures, performance management, risk management and, in particular, assurance to improve IJBs' ability to monitor the achievement of operational and strategic objectives. We also reiterated the need for revised Strategic Commissioning plans to meet changes to population need and ensure sustainable services.

INTERNAL AUDIT COVERAGE

42. Figure 1: Internal Audit Cover 2021/22



43. Figure 1 summarises the 2021/22 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 17 August 2021. 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 2022. As at end of April 2022 we had delivered 425 days against the 526 revised planned days. We have eight reviews ongoing which will be completed over the summer months. This includes two clinical governance audits (Mortality & Morbidity, Infection Control), Workforce Planning and a review of Financial Management, approved by the Audit & Risk Committee for risk assessment to the 2022/23 plan.

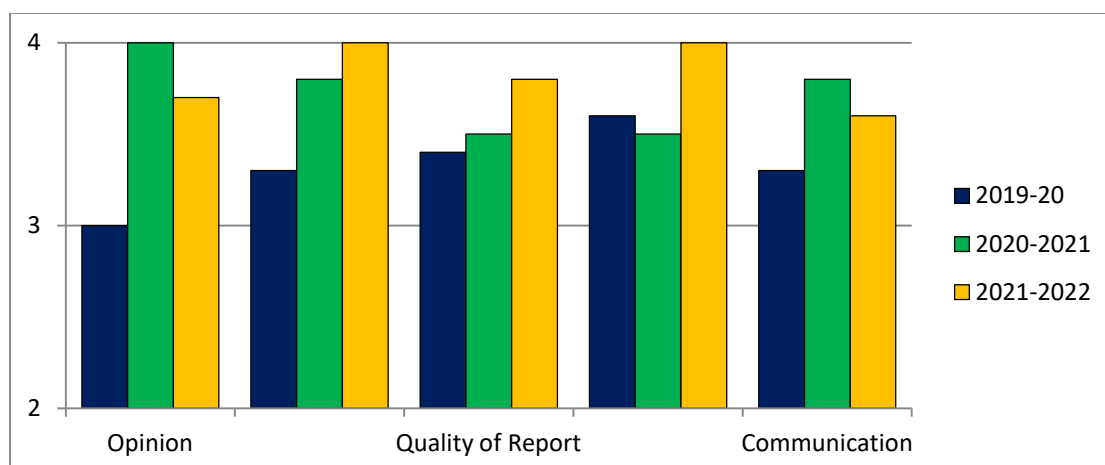
44. A summary of 2021/22 performance is shown in Section 3.

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

45. Due to prioritisation of Covid19 duties, the FTF Partnership Board did not meet in 2021/22. 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 are attendees. During the year the Partnership Board virtually reviewed the Internal Audit Framework and the Internal audit self assessment, as well as approving the 2021/22 budget.
46. 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).
47. 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.
48. 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.
49. 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 updated its self assessment during 2021/22.
50. 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.

51. Figure 2: Summary of Client Satisfaction Surveys

Scoring: 1 = poor, 2 = fair, 3 = good, 4 = very good.



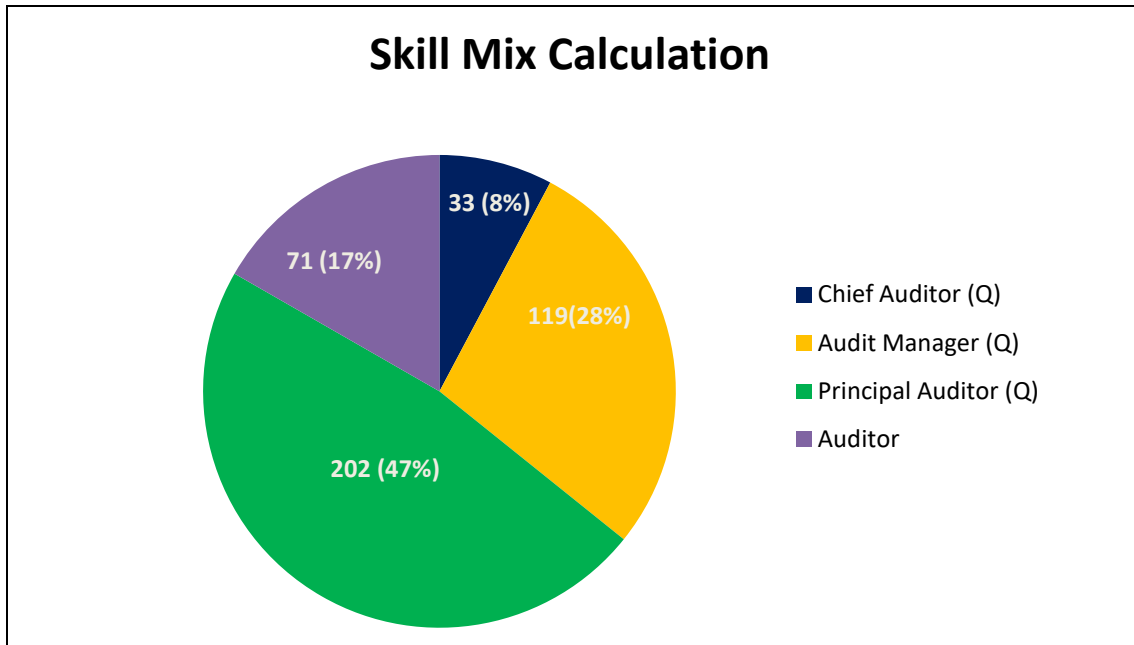
52. Other detailed performance statistics are shown in Section 3.

STAFFING AND SKILL MIX

53. Figure 3 below provides an analysis, by staff grade and qualification, of our time. In 2021/22 the audit was delivered with a skill mix of 83%, which substantially exceeds the minimum service specification requirement of 50% and reflects the complexities of the work undertaken during the year.

54. **Figure 3: Audit Staff Skill Mix 2021/22**

Audit Staff Inputs in 2021/22[days] Q= qualified input.



ACKNOWLEDGEMENT

55. 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.

56. My team and I have greatly appreciated the positive support of the Chief Executive, Director of Finance, the Assistant Director of Finance – Infrastructure and the Audit & Risk Committee.

A Gaskin, BSc. ACA
Chief Internal Auditor

Corporate Governance

Strategic risk: 807 – Statutory obligations in relation to environmental management

Strategy

Since the publication of the ICE much of the focus has been on dealing with the move from an emergency footing to a more sustainable approach. This emergency situation which remained in place until the end of April 2022 delayed the delivery of a coherent, overarching strategy and enabling strategies to support this more sustainable approach. Internal audit T14/22 – Strategic Planning is ongoing and will conclude on progress in this area.

The 2020/21 Annual Internal Audit Report recommended creation of a strategic risk relating to the development and implementation of overall strategy. While this was not done by March 2022 as originally planned, the May 2022 Board Development Event agreed to the creation of this risk. The risk should feature all elements previously recommended in T06/22, action point 1.

The ICE report highlighted the importance of producing the Public Health Strategy as a necessary precursor to development of the overall Clinical Strategy. The Public Health Committee Annual Report confirmed that the Directorate of Public Health will work closely to inform development of the organisational strategy, thereby impacting and influencing the overall strategic direction of the Health Board for greatest population health benefit. The end of year RMPv4 progress report acknowledged that the target to deliver Public Health Strategy by the end of March 2022 would not be delivered. This work is a very clear focus for the Public Health Committee.

The SGHSCD issued the NHS Recovery plan on 25 August 2021. The recent Audit Scotland report “NHS in Scotland 2021” stated that *‘The ambitions in the plan will be stretching and difficult to deliver against the competing demands of the pandemic and an increasing number of other policy initiatives. The recovery plan will involve new ways of delivering services and these will take a lot of work. There is not enough detail in the plan to determine whether ambitions can be achieved in the timescales set out.’* The SGHSCD have subsequently issued further guidance reiterating its intention for NHS Boards to deliver the objectives within the NHS Recovery Plan. However, it is clear that the workforce and financial assumptions underlying both the NHS Recovery Plan and the Health and social care: national workforce strategy would require very careful risk assessment before they could be relied upon in local planning.

Whilst the Board will need to be cognisant of SGHSCD ambitions, its priority must be the production of a realistic, achievable strategy which addresses the needs of the local population post-Covid within the parameters of available resources, most particularly financial, digital and workforce. This will almost inevitably involve extremely difficult decisions, which may not fully align with public or SGHSCD expectations.

During our preparatory work for our Strategic Planning audit, we were been informed that the strategic plan will build upon the existing RMPv4 and that contributor authors have been asked at each submission to review their current plan and revise to reflect changes to objectives and priorities before any subsequent submission. Each Directorate will work with their workforce adviser, staff side representative and management accountant before submission of their sections to ensure their plans interlink with workforce and finance strategic plans. A May Board Development event agreed the creation of a risk covering failure to deliver a timely and appropriate long-term strategy.

Operational Planning & Remobilisation

The final priority and activity plans for Planned Care Planning & Funding 2022/23 were submitted to the Scottish Government on 18 March 2022.

Boards are requested to submit by the end of July 2022 an Annual Delivery Plan for 2022/23, rather

than a multi-year medium-term Strategic Plan.

Governance

The Board approved an update to the Code of Corporate Governance on 24 February 2022. The most recent reporting to Board on the Governance Blueprint was in April 2021. The Board's next self-assessment and a Corporate Governance Action Plan will be provided when the revised Governance Blueprint is issued. As noted in the ICE, this will be an opportune time to provide assurance on progress with outstanding actions from the original Governance Blueprint.

NHS Tayside Board approved their Code of Conduct on 26 May 2022, ahead of publication on their website by 10 June 2022.

On 28 April 2022 the Board approved Non Executive member appointments. Three Non Executive members left NHS Tayside during the year and two were reappointed for a further four year period. In April 2022 NHS Tayside advertised for a further two Non Executives.

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.

Covid19 updates to the Board continued until February 2022 and provided information on the vaccination programme, contact tracing, the work of the Specialist Health Protection function, public communications and advice and workforce support. Assurance reporting is now to the Public Health Committee as the programmes transition to "business as usual".

Policies

The Policy Development, Review and Control Policy is being updated to reflect changes to the principal policy areas and Executive Leads, and route maps for policy development.

In 2022/23 Standing Committees will receive midyear and annual reports from relevant policy groups, providing assurance that appropriate governance and approval routes have been followed.

As at 30 April 2022, 21 of 139 policies were in breach of their review date. Several Information Governance policies have had review dates extended to 31 August 2022 and a substantial review of the Equality Impact Assessment Policy is ongoing.

Assurance Mapping

The Chief Internal Auditor continues to facilitate the work of the Assurance Mapping Group and to liaise with the Board Secretary to consider how the agreed principles can be adapted to the specific needs of NHS Tayside. Additionally, Internal Audit assisted in the review and update of the Mental Health Strategic Risk; looking at how assurance mapping can be used to enhance the robustness of assurances provided by Directors in accordance with the Scottish Public Finance Manual, as well as ensuring that all work is congruent with national governance initiatives.

Risk Management

The new style risk report for the 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. The latest Strategic Risk Profile at end of April featured 23 strategic risks.

The waiting times and RTT risk has been transferred to the Care Governance Committee (CGC), but still does not reflect the potentially significant clinical risk of harm caused by failure to treat within an appropriate timescale and has not yet been reported to the CGC. A fundamental review of this risk has commenced, supported by the Head of Strategic Risk and Resilience Planning.

During the year new risks for Adult Screening Programmes, the Finance Annual Plan 2022-23 and Covid19 Vaccination Programme were added and several risks were archived with the move to a “business as usual” environment.

Following the Board Development Session held on 23 September 2021, a risk appetite statement was approved by the Audit & Risk Committee in January 2022 and by the Board in February 2022. At that time, 11 risks were outwith risk appetite. Risk appetite was discussed at the May 2022 Board Development Event and meetings are being progressed with Standing Committee Chairs, Lead Officers and Committee Support Officers to raise awareness of the addition of risk appetite, and its links to Committee Assurance Principles. Internal Audit have commented on the need for future development of risk appetite to include greater detail on how the risk appetite will affect Strategy, decision-making prioritisation and budget setting and organisational focus, the ‘so what’ question, which will be fundamental to making risk appetite real.

The proposed Strategic Risk Profile for 2022/23 was considered by the Strategic Risk Management Group (SRMG) on 27 April 2022 before review at the 26 May 2022 Board Development Session. The updated strategic risk register was brought back to the SRMG on 9 June 2022 ahead of planned presentation to the 30 June meeting of Tayside NHS Board for approval. Review of the extant strategic risk profile shows that:

- There are 20 strategic risks.
- Risks for Covid19 Vaccination Programmes, Infection Prevention and Control and Public Protection Strategic Risks have been agreed for archiving.
- The Care Home oversight risk exposure rating has decreased from 16 (Amber/High) to 4 (Yellow/Medium).
- The Long Term Financial Sustainability risk has increased from 20 (Red/Very High) to 25 (Red/Very High).
- The number of very high/red risks has stayed the same at six.
- High/amber risks has decreased from 14 to 13, due to the Infection Prevention and Control Risk being archived, Care Home Oversight being downgraded, but also Screening Programmes now being included.

Fundamental reviews of the Effective Prescribing and Child and Adult Mental Health Services strategic risks remain in progress, and review of the Waiting Times and RTT targets and Care Home Oversight strategic risks have commenced, supported by the Head of Strategic Risk and Resilience Planning. Planning work remains ongoing for the review of the Sustainable Primary Care Services Strategic Risk.

The IJB Strategic Risk Registers are considered as a Standing agenda item at each meeting of the SRMG, but our review of the SRMG minutes evidenced that key risks that were clearly worthy of consideration for inclusion on the NHS Tayside strategic risk register were not always discussed. As at June 2022 the SRMG standing agenda item ‘Horizon Scanning, new risks and emerging themes’ has been split in to three sections to cover potential risks raised by NHS Tayside Directors, IJB items for NHS Tayside consideration and NHS Tayside items for IJB consideration.

The Tayside Risk Management Group continues to meet under the Chairmanship of the Chief Finance Officer from Dundee IJB to streamline arrangements and ensure continuity of practice where possible. While this group does not review the risk registers of the partner organisations, where a risk relates to an area hosted by an IJB e.g. Mental Health, a process has been introduced to ensure the risk features in partner bodies risk registers, and updates are led by the host IJB.

Best Value

The Best Value Review 2021/22 report was considered by the P&RC on 14 April 2022 and provided a substantial level of assurance. The Finance department has undertaken a wider review to support the development of a Best Value Framework, to be presented to the 23 June 2022 Audit & Risk

Committee.

Performance

A proposed new format for the integrated performance assurance report was presented to the 9 June 2022 P&RC. As well as reporting on national and local priorities and standards, it provides an integrated report across the health and care system and provides data on additional areas including mental health, primary care and public health performance. It will also reference Best Value, and include new national priorities being developed by Scottish Government.

Metrics are supported by a 'what the data tells us' section and explanatory narrative. The first fully populated integrated report will be presented at the August 2022 P&RC.

The 2021/22 quarter four performance report to the 9 June 2022 P&RC showed that:

- As at end of March 2022 the 31 day cancer target was being achieved. While the 62 day cancer target performance in March 2022 was 85.9%, below the 95% trajectory, NHS Tayside ranked as the second highest performer for mainland Boards.
- At the end of March 2022, 7,163 day cases / in patients were waiting longer than the 84 day TTG target and 10,136 out patients were waiting longer than 12 weeks, ahead of RMPv4 trajectory.
- 79% of CAMHS patients were seen within the 90% target at end of March 2022.
- Psychology Therapies performance at end of March 2022 was better than target.
- A&E performance was 92.2%, below the 95% target. NHS Tayside continued to be the highest performer of the mainland Boards.
- 18 week Referral to Treatment (RTT) data has not been available since an update to Trakcare.
- In respect of remobilisation measures, TTG and radiology diagnostic measures were on track.
- Endoscopy activity remained above planned levels. Over 2021/22 9,861 patients received a key endoscopic procedure against a plan of 8,547.
- New Outpatient activity remains above planned levels. Over the full year 2021/22, 100,182 patients were seen against a plan of 81,447 (18,735 extra).
- Delayed discharges continue to run at a high rate due to complex social care challenges (133 against the local target of 50).

Remobilisation

The Action Tracker has been monitored by the ELT and P&RC during the year. The Quarter 4 Remobilisation Plan 2021/22 Action Tracker, with HSCP action trackers appended, was presented to the June 2022 P&RC and provided Moderate Assurance on the end of year position.

63% of the 124 'priorities' set out in RMPv4 were reported as complete or on track to be completed. 34% were behind schedule / ongoing and 3% had not been met. The report summarised and described risks and issues, including reallocation of workforce to maintain critical/protected services as a result of staff absence, lack of successful recruitment to existing vacancies and capacity to meet demand as a result of the emergence of Omicron variant.

Measures not achieved in year related to improving theatre capacity and to reducing the number of patients waiting longer than the 12 week TTG, as well as delivery of CAMHS waiting times targets. Recruitment and retention continued to be key factors, thus highlighting the need for a robust Workforce Strategy.

The Annual Review took place on 21 November 2021 and the Cabinet Secretary for Health and Social Care highlighted various positives, which at that time included NHS Tayside's position as the best performing mainland Board in Scotland for the 4-hour emergency access standard and consistently strong performance against the 31-Day and 62-Day cancer delivery standards, as well as improvements in CAMHS and Psychological Therapies waiting times. Support for staff to promote

wellbeing and resilience and progress in financial management and leadership also featured.

Follow up of internal audit recommendations

Internal Audit manages the Audit Follow Up (AFU) system and regular progress reports have been presented to the A&RC. Enhanced AFU reports are now presented to the ELT, including actions from ICE and annual reports.

While engagement from managers has been generally positive, the May 2022 A&RC concluded that a lack of management response on recommendations from both historical and recent Property Management reports merited inclusion in the Governance Statement. The Responsible Director's Assurance Statement highlighted risks with regard to workforce capacity and capability. In response to these known issues, Internal Audit will complete a Facilities departmental review in 2022/23, with a focus on property.

Resilience Planning

The SRMG annual report 2021/22 presented to the May 2022 Audit & Risk Committee confirmed that resilience and business continuity functions comply with the appropriate legislation. This was informed by assurances from the Resilience Planning Governance Group Annual Report, minutes and updates provided to the SRMG.

Climate emergency & Sustainable Development

Strategic risk 807 – Statutory obligations in relation to environmental management, focuses on the Climate Change (Scotland) Act 2009. The SRMG on 22 April 2022 agreed that the risk description would be revised to integrate the new Scottish Government strategy. We would therefore expect this risk to reference to DL (2021) 38 – Policy for NHS Scotland on the Climate Emergency & Sustainable Development.

Integration

The ICE 2021-22 reported that no updates had been provided to the Board in relation to progress with MSG actions since December 2019. Formal consultation for Angus and Dundee Integration Schemes was extended to 24 April 2022 and the Perth & Kinross Integration Scheme is currently out for consultation.

Management previously informed us that the changes to the three revised Integration Schemes had taken account of the actions and recommendations contained within the MSG report. We recommend that when the Integration Schemes are submitted to Board for approval, the paper provides assurance on how MSG actions and actions from previous external and internal audit reports have been incorporated to address long standing known issues.

Action Point Reference 1 - Sustainability

Finding:

As evidenced by the de-escalation of NHS Tayside from Stage 4 to Stage 2 on the Performance Framework in March 2021, the organisation has demonstrated strong financial control and clearly understood the importance of financial sustainability, without which it will be unable to achieve its Strategic objectives in the long term.

During the Covid pandemic, there was a necessary shift of focus towards operational priorities, which reflected the extreme risks in those areas as well as an influx of Covid related funding which lessened the immediate financial risk. In future, the risks related to financial sustainability are likely to rise sharply and rapidly, with the acute sector in particular facing very significant financial challenges.

However, whilst the longer term financial risks have increased, across NHS Scotland, the culture and conditions which provided financial stability may well have dissipated in the face of overwhelming operational pressures, the prioritisation of operational activity and ease of access to funding. Whilst NHS Tayside has made remarkable progress in improving financial control the organisation will not be immune to these national factors.

Maintaining the culture and processes which allows strong financial grip and strategic prioritisation of financial balance will require constant vigilance and refocusing of the Board's intent and will.

Audit Recommendation:

The Board and ELT should ensure that financial sustainability is given appropriate priority in all decisions, recognising that money spent now will not be available for future needs. The Strategic planning process must give suitable priority to financial (and indeed workforce) sustainability.

There may be benefit in a future Board Seminar giving overt consideration as to how such a culture can be reinforced in all future decisions, at Board, Standing Committee, ELT and operational levels.

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:

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


In addition, a series of Performance Review meetings with Executive Directors for each division (ie Acute, Mental Health, Facilities, each IJB) is being implemented in 2022/23, where there will be an in-depth focus on financial and service performance. These review meetings will be held weekly on a cyclical basis.

Board Development Events will continue as in previous years.

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

Three year Financial Plan 2022/23 to 2024/25, updated Annual Delivery Plan, and Workforce Plan submitted to SG at end of July 2022.

Action by:	Date of expected completion:
Director of Finance	Completed – August 2022

Action Point Reference 2 - Integration	
Finding:	
Management informed us that the changes to the three revised Integration Schemes have taken account of the actions and recommendations contained within the MSG report, and that Tayside NHS Board would be provided with an update on progress with the review of the Integration Schemes on 24 February 2022. The Integration Schemes are to be submitted to Tayside NHS Board for approval following the consultation process.	
Audit Recommendation:	
We recommend that when the Integration Schemes are submitted to Board for approval, the cover paper provides assurances that all MSG actions have been appropriately incorporated and that known issues from previous internal and external audit reports have been resolved.	
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:	
Completed - Board Report BOARD55/2022 Revision of Tayside Integration Schemes approved by Tayside NHS Board on 30 June 2022.	
Action by:	Date of expected completion:
Director of Finance/Board Secretary	Completed – 30 June 2022

Clinical Governance

Strategic risks:

- 26: Waiting Times and RTT Targets
- 16: Clinical Governance (*now archived*)
- 934: Mental Health and Learning Disabilities
- 14: Infection Prevention and Control (*archived since year end*)
- 637: Child and Adolescent Mental Health Services (CAMHS)
- 736: Public Protection (*archived since year end*)
- 798: Corporate Parenting
- 880: Care Home Oversight (*proposal to archive*)
- 353: Sustainable Primary Care Services
- 1069: Covid19 Vaccination Programme (*archived since year end*)
- 1125: Screening Programmes

Clinical Governance Framework

The Clinical & Care Governance Strategy review was due by December 2021, but was delayed due to Covid19 as well as ongoing governance developments including review of the Integration Schemes. A light touch review was completed with a more comprehensive review incorporating the GIRFE framework and the revised Blueprint planned for 2024.

The updated Strategy reflects changes to organisational structures and governance arrangements and references the 'Three Lines of Assurance' model as a guide to division of responsibilities and to provide further clarity between the first and second lines.

Given this new timescale, we would reiterate our previous recommendation that a project plan for development of the Strategy be agreed and monitored.

Assurance reporting from the Health & Social Care Partnerships (HSCPs), Acute Services, and Mental Health & Learning Disability Services were supplemented from February 2022 with a report from Midwifery and Maternity Services. The report template has been expanded to include learning from SPSO reports. Given the volume of reporting, from 2022/23 these assurance reports will be provided to alternate meetings of the Care Governance Committee in line with the reporting frequency for risk assurance reports.

Care Governance Committee (CGC)

The CGC annual report provided a reflective and nuanced conclusion that the Committee had fulfilled its remit and that adequate and effective clinical, care and professional governance and clinical risk management systems and processes were in place, and had been demonstrated to the Committee.

The CGC Annual Report also highlighted actions to address internal audit recommendations which remain outstanding, particularly the requirement to report the impact of Covid19 on service delivery and on clinical governance arrangements.

The CGC Terms of Reference, assurance plan and annual workplan have been comprehensively reviewed for 2022/23 to ensure that membership is aligned to representation from clinical services and the CGC has a more focused purpose and remit. The newly established Clinical Policy Governance group will in future provide biannual assurance reports to the CGC.

A CGC workshop on 7 July will use the 2021/22 ICE report as the basis for discussion on a refreshed way forward for the committee. The workshop agenda will also include the Clinical Governance Strategy, Active Governance and the Blueprint for Good Governance; and to gain maximum benefit a focus will be on reports and reporting. The new Chair has indicated this will be the first of a series of

events which will help the Committee develop a greater focus on the effectiveness of care in future.

Covid19

We have previously stressed the importance of reviewing the Waiting Times strategic risk to reflect potential for patients to suffer serious harm if services are not prioritised effectively. Whilst discussions amongst officers are ongoing, and the risk has been transferred to the CGC as agreed, the risk itself has not yet been reconfigured; other Health Boards have been contacted to ascertain their approach.

Minutes of the CGC demonstrate an awareness of the risk posed by the impact of Covid on the quality and safety of care and the CGC requested an update which was provided to the June 2022 meeting. This paper on Planned Care Waiting Times described the issues and provided data on the size of outpatient, TTG and diagnostic waiting lists. The paper also provided some details of controls to manage waiting lists including clinical vetting of referrals, administrative and clinical validation of waiting lists and clinical prioritisation (in relation to Surgery). However, this is a precursor to and not a replacement for the positive and overt assurance recommended in previous internal audit reports.

Risk Management

Movement in risk aligned to the CGC:

	Year end 2021/22	ICE 2021/22	Trend
• 26: Waiting Times and RTT Targets	20	20	→
• 16: Clinical Governance	N/A- Archived	9	↓
• 934: Mental Health and Learning Disabilities	16	16	→
• 14: Infection Prevention and Control	N/A- Archived	20	↓
• 637: Child and Adolescent Mental Health Services (CAMHS)	16	16	→
• 736: Public Protection	N/A- Archived	16	↓
• 798: Corporate Parenting	12	12	→
• 880: Care Home Oversight	4 (Proposal to archive)	16	↓
• 353: Sustainable Primary Care Services	25	25	→
• 1069: Covid19 Vaccination Programme	N/A- Archived	8	↓
• 1125: Screening Programmes	16	Was yet to be added to Datix	↑

The CGC continued to receive delegated strategic risk assurance reports to at least every second meeting, with detailed and mature risk discussions taking place. A number of strategic risks related to clinical governance have been or are proposed to be archived, based on improved controls now achieving target risk scores. Archiving of risks is approved by the SRMG.

We previously reported that the infection prevention and control risk did not reference information on Covid infection, in particular nosocomial infections, and this was not referenced in reports on infection control and prevention. An audit of Infection control is included in the 2022/23 Annual Internal Audit Plan.

Strategic Risk 353- Sustainable Primary Care Services remains the highest rated risk but has no direct reporting line to NHS Tayside. Internal audit T15/22 – Sustainability of Primary Care Services is in draft with Management. We concluded that a Tayside wide discussion is needed to review the operational, support and strategic risk management responsibilities in relation to sustainable primary care services, which then need to be articulated clearly within the risk, with clear allocation of each organisation's role in managing the risk and providing mutual assurance.

External Review

The CGC must be assured that actions from external inspection reports are being progressed, as well as using these reports to assess the quality of internal assurances. Action to strengthen internal controls in this area has been required for a number of years and the Standard Operating Procedure for external inspection visits is still not fully completed. At present there is no clear process to inform the CGC of inspections that have taken place, when a report has been issued, whether and how an action plan has been developed and who is responsible for monitoring implementation, with responsibility often diffuse and inconsistent. We previously reported that learning from external reviews will feature in the Patient Safety, Clinical Governance & Risk Management team's workplan which we have been informed is currently being developed for 2022/23. An annual report from the team will also then come to the CGC.

Duty of Candour

The 2020/21 Duty of Candour Annual Report was approved for publication by the CGC in August 2021. The 2021/22 report is planned to be presented to the August 2022 CGC.

Mental Health

The Tayside Mental Health & Wellbeing Strategy was launched by the Chief Executive at the February 2021 Board. A planning session to deliver the Implementation Plan for year one priorities took place in November 2021 but no further formal updates on implementation of the Strategy have been provided.

We previously reported a potential dilution of assurance in that the Mental Health Risk is reviewed by the CGC but updates on the Mental Health Strategy, which is a key control, and Mental Welfare Commission visits, are presented to the Board. The April CGC 2022 agreed the need for further review of the Mental Health risk to ensure that there is a clear focus on delivery of the Mental Health Strategy, with proposals to come to the August 2022 CGC. Consideration should be given to how implementation of the Mental Health Strategy, as a key control, will be monitored.

The Independent Oversight and Assurance Group on Tayside's Mental Health Services provides advice and support to the Tayside Executive Partnership as they lead the change that is required for Tayside's mental health services. The group's first quarterly report was discussed at the February 2022 Board meeting. It was noted that the Oversight Group felt there was a gap in outputs versus outcomes associated with the 51 recommendations of the Independent Inquiry into Mental Health Services in Tayside Trust & Respect (the Strang report), and that the required change had not yet been delivered. This reinforces the need for focus on implementation of the Mental Health Strategy.

As set out in the Corporate Governance section above, Integration Schemes were subject to review during the year. Issues of accountability and responsibility were a focus of the Strang report and the revisions of the Integration Schemes in Tayside have therefore been subject to significant and ongoing scrutiny by the Mental Health Oversight Team, which includes an Integration expert. Changes have been made in the draft schemes to clarify operational management arrangements for inpatient mental health services as required by the Scottish Government. The most recent Mental Health Oversight Team quarterly report stated that *'there is clearly continuing work that will be required following the conclusion of the revision of the Integration Schemes'*.

In a memorandum issued in March 2022, the Chief Internal Auditor recommended that the Dundee HSCP 'Drug and Alcohol Recovery Service' strategic risk be considered as a strategic risk for NHS Tayside. The June 2021 Public Health Committee (PHC) received a report by the Royal College of Physicians on drugs deaths in Scotland. Whilst this report is mostly aimed at the political arena, any actions which the Health Board can take to support people with problem substance use should be taken and noted as controls on this risk to be established.

Public Health (PH)

Our ICE noted that the remit, assurance plan and workplan of the PHC are evolving but do not yet capture the full breadth of relevant public health activity. This has been acknowledged by the committee in their annual report, which states that it will iteratively review its priorities. During the year, the PHC received a number of high quality in-depth papers setting out the workings of the range of functions within the directorate. The PHC now receives assurance reports on the Corporate Parenting and Adult Screening strategic risks

Future developments should link strategic objectives, performance management arrangements and risk assurance.

The April 2022 meeting of the PHC received an update on production of the Director of Public Health's Annual report as well as preparatory work for development of the new Public Health Strategy, both of which have been delayed due to the pandemic. The Director of Public Health's Annual report is planned to come to the August 2022 PHC and will include key summary statistics and an overview of the work of the department, which is an improvement on the previous format, albeit too late to inform the PHC's annual report. Although the update reflected on the strategic direction of the department including objectives achieved and priorities for the year ahead, it did not set out a timetable for the production of a PH Strategy.

A review of PH governance arrangements will be undertaken in the 2022/23 internal audit annual plan.

Action Point Reference 3 – Clinical governance improvements

Finding:

Internal audit previously made recommendations which are not yet fully complete, such as assurance to the CGC on the update of the deferred treatment risk and a structured approach to the monitoring of external reviews. We have also identified other areas of consideration, including the potential risk relating to Drug deaths and the potential bifurcation of assurance and risk monitoring in relation to the Mental Health Risk.

There is a development event for CGC members in July to consider governance and outstanding ICE recommendations.

Audit Recommendation:

CGC members should discuss these additional issues as part of their consideration of governance at the July development event, as a precursor to more formal consideration and resolution at the CGC to include the following:

- External inspections: How to formally collate and report to CGC on findings and improvement actions arising from external visits and inspections, as well as the implication for internal systems
- Mental Health risk: How implementation of the Mental Health Strategy, as a key control, will be monitored.

Assessment of Risk:

Significant



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

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

Management Response/Action:

The deferred treatment risk (Strategic Risk 26) was presented as a paper 'Planned Care Waiting Times' to the 02 June CGC meeting following its realignment to CGC. The paper prompted discussion as contained within the minute. Review of the risk is being supported by the Head of Strategic Risk and Resilience Planning. Actions are due for completion by the end of October 2022.

The CGC workshop rescheduled for 25 Oct 2022 and subsequent series of events will consider how findings and improvements arising from external visits and inspections relevant to CGC will be formally collated to CGC. The workshop will also consider the plan for review of the CG Strategy (due 2024) and governance.

The Dundee Alcohol and Drug Partnership (ADP), working with the Dundee HSCP, has begun the process of preparing a replacement strategic framework for drug and alcohol recovery. This will replace the ADP's previous strategic plan (2018-2021) and the Action Plan for Change developed in response to the original report from the Commission. The framework is being developed and it is intended that the framework and supporting delivery plan, investment plan and workforce plan will be finalised by the end of Nov 2022. A full update report setting out the approach to the development of the plan and initial draft commitments was considered and approved by the Dundee HSCP on 22 Jun 2022 and was provided in a report to CGC on 04 Aug 2022.

A meeting is scheduled for 18 August with all stakeholders to agree a plan for the mental health risk which will be lead by the CO for Perth IJB as the lead partner described in integration scheme.


Action by:

Date of expected completion:

Dr Pamela Johnston, Medical Director

October / November 2022

Mrs Claire Pearce, Executive Director of Nursing

Action Point Reference 4 – Public Health	
Finding:	
<p>It is acknowledged that the remit and workplan of the PHC needs to continue to evolve. Whilst the PHC received a number of high quality in-depth papers setting out the workings of the range of functions within the directorate, there is not yet a clear focus on using the work of the committee to monitor achievements of strategic objectives, through performance and risk assurance arrangements.</p> <p>A Public Health Strategy, which will be the centrepiece of the work of the committee, remains outstanding.</p>	
Audit Recommendation:	
<p>A project plan for development of the Public Health Strategy should be put in place.</p> <p>Further work is now needed to link strategic objectives, performance management arrangements and risk assurance to optimise the value of the work of the committee.</p>	
Assessment of Risk:	
Merits attention	 <p>There are generally areas of good practice.</p> <p>Action may be advised to enhance control or improve operational efficiency.</p>
Management Response/Action:	
<p>The past two years have focussed on the strategic development of the Directorate of Public Health. This is reflected in the improved workplan of the Public Health Committee, which now captures the full breadth of the activity of the Directorate of Public Health, and the reporting of pertinent strategic risks to the Public Health Committee.</p> <p>The Public Health Committee has also been provided with regular updates on the strategic development of the Directorate, including the direction of travel and aims for the next year.</p> <p>With regard to supporting the overall strategic direction of NHS Tayside, the activity of Public Health is outlined in the Annual Delivery Plan and the Directorate will be integral to the development of the next strategic plan for NHS Tayside, ensuring the focus on a public health approach is embedded throughout the operational and strategic activity of NHS Tayside.</p> <p>Therefore, given the regular reports to the Public Health Committee about Directorate strategic developments and aims, and the planned contribution to the overall NHS Tayside strategic plan, a separate stand alone strategy has not been produced. The integration with the wider NHS Tayside strategic plans will confer greater whole system impact for maximal benefit.</p>	
Action by:	Date of expected completion:
Director of Public Health	March 2023

Staff Governance

Strategic risks:

- 734: Health and Safety
- 844: Nursing Workforce
- 845: Midwifery Workforce
- 863: Medical Workforce
- 58: Workforce Optimisation

Workforce Planning and Risk Assurance

The Staff Governance Committee (SGC) considered a draft Interim Workforce Plan at its June 2021 meeting, prior to submission to Scottish Government (SG).

Whilst NHS Tayside is compliant with SG 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 receives assurance reports on each of the strategic workforce risks and places reliance on the workforce optimisation risk when assessing workforce planning arrangements. During 2021/22, the SGC reduced the reporting cycle of each risk to allow greater consideration to be given to each individual risk, and consequently reduced the number of times workforce planning arrangements were considered.

The National Workforce Strategy for Health and Social Care in Scotland was published in March 2022 and on 1 April 2022, the SG issued associated guidance which required Boards to submit three year integrated health and social care Workforce Plans by 31 July 2022. The risk profile of the national strategy is not available, but our assessment would be that a number of assumptions within the document are very high risk.

The draft Workforce Strategy/Plan 2022-25, for initial submission to the Scottish Government, will be presented to the 16 June 2022 SGC meeting for consideration and approval. An Internal audit review of the Workforce Strategy/Plan is included in the 2022/23 Annual Internal Audit Plan and as part of that, consideration will be given to whether the Strategy aligns with the Board's overall strategy and the developing IJB Strategic Plans, how the associated risks will be identified and consolidated within the new risk register and how assurance will be provided to the SGC on progress in implementing it.

Our initial review of the draft Workforce Plan 2022-25, shows that more work needs to be done to obtain detailed information on workforce requirements as well as in-depth consideration of the actions needed to create a sustainable workforce able to meet the Board's strategic requirements, as well as those of the IJBs which are currently being revised. The action plan which supports implementation of the draft Workforce Plan 2022-25 is a list of actions that will support implementation of the plan, but they have not been specified in a SMART (Specific, Measurable, Achievable, Realistic, Timely) basis. This will be considered further when completing our forthcoming audit review of the draft Workforce Plan 2022-25.

As a consequence of the above, actions to mitigate workforce risks effectively are not yet close to articulation and considerably more work will be required before the SGC will be able to state with confidence that these risks are, and will remain, under control.

Risk

The workforce optimisation risk was most recently reviewed by the SGC in February 2022 and is to be reviewed again at its 16 June 2022 meeting. The identified controls focus on implementation of the Workforce Plan 2022-25, which is currently being drafted, with no reference to implementation of the 2021/22 Workforce Plan. Whilst the Interim Workforce Plan was not necessarily at a stage where it could be considered a key element in mitigating overall risks, it is important that the SGC does

monitor the implementation as well as the development of workforce plans and strategies.

The SGC annual report noted that it obtained only moderate/limited assurance throughout the year on the four key workforce risks. Workforce risks remain graded as high, but the April 2022 SGC meeting only received verbal updates rather than formal assurance that appropriate controls are in place as required by the Risk Management Strategy. This is especially important given the importance of these risks to short term performance and longer term sustainability.

Given the volatile nature of the labour market, existing shortages and increased demand for staff, successful mitigation of workforce risks will be the biggest determinant of whether NHS Tayside can achieve its strategic objectives and remain viable.

Staff Governance Assurances

As previously highlighted in our 2021/22 ICE report, assurances on compliance with the Staff Governance Standard (SGS) is provided to the SGC through a variety of reports as detailed in the its work plan, rather than by specific reports on each strand of the SGS. To ensure that SGC members can conclude on the level of assurance received on each strand and on whether all areas had been covered, management agreed a recommendation that assurances within the regular monitoring reports should be presented in a way that allows members to be able to understand how they contribute to the totality of assurance on Staff Governance, but also allow identification of any gaps. There has however been no change in the style of reporting to the February 2022 and April 2022 SGC meetings and this recommendation remains outstanding.

Although reference is made to aspects of the SGS within the 2021/22 SGC annual report, it does not overtly conclude on whether NHS Tayside is fulfilling its staff governance obligations.

Remuneration Committee (RC)

The RC completed an annual assessment of its performance for 2021/22 at its October 2021 meeting. Due to Covid19, appraisal of the Executive and Senior Manager cohort was suspended by the Scottish Government, as was objective setting and mid-year reviews. The RC was therefore unable to provide assurance on this area in its Annual Report, which noted that those aspects were either not met or only partially met for 2020/21. It also noted at its February 2022 meeting that only limited assurance had been provided on Executive Objective setting for 2021/22. Performance Assessment outcomes for the Executive and Senior Manager cohort were subsequently reported to the 7 June 2022 RC.

The latest ICE Report recommended that the processes for objective setting and performance management for 2021/22 should be clarified and agreed, and Executive objectives agreed. This recommendation remains outstanding (due 30 June 2022) with no further papers presented to the RC on Executive objectives. Internal Audit will continue to monitor the performance management arrangements completed for 2021/22 and the action taken to re-introduce standard Executive Objective setting procedures for 2022/23. The RC 2022/23 work plan includes Executive and Senior Management Cohort objectives as an item for the 7 June 2022 meeting. A presentation from the Chair of NHS Education for Scotland on the role of the RC in this has been requested.

Three of the senior Workforce team, including the Director of Human Resources will retire in 2022/23. We understand that a paper will be presented to the Remuneration Committee, setting out the steps to ensure that these key posts are filled and that the Workforce team is suitably skilled to take forward the challenging workforce planning agenda. The Deputy and Associate Directors roles have been advertised and are currently at the short listing stage, with a view to progressing to interview for both in late June.

Health & Safety (H&S), including Training and Covid19

Although no Covid19 specific reports were tabled to the SGC meetings during 2021/22, the information included in the other reports on staff wellbeing provided assurance that Covid19 related

measures for staff safety were introduced. Those reviewed by Internal Audit covered PPE, social distancing, home working and communication to staff. In addition, the SGC was presented with Annual Reports and minutes of meetings relating to the work of the Area Partnership Forum, H&S Committee and Wellbeing Committee, all of which included details of staff wellbeing initiatives being introduced in response to Covid19 and staff wellbeing in general.

The H&S Committee Annual Report detailed that as at 16 February 2022, compliance scores for the seven modules of statutory and mandatory training ranged from 69 - 84%, with two of the seven modules having scores in excess of 80%. This is below the target minimum compliance figure of 90% and although it is an organisational priority to achieve 100% compliance over a three year period, limited progress is currently being made to achieve the 90% figure.

The March 2022 sickness absence statistic for NHS Tayside was 5.28%, which is comparable with the Scotland wide figure of 5.47%.

Appraisals

TURAS appraisal completion continues to be impacted by the Covid19 pandemic, with an approximate 23% completion rate at the end of March 2022, with 21% of appraisals in progress. In April 2022 the SGC was updated on arrangements being put in place as part of the recovery and remobilisation plan to reinstate staff appraisal arrangements, which are currently well short of the 95% target for completed and in progress appraisals.

As at 31 March 2022, Medical Appraisal and Revalidation data shows that 95% of Primary Care doctors were appraised and 85% of Secondary Care consultants were appraised with a further 7.5% of consultant appraisals in progress. An update on the appraisal process has recently been issued by the SG, confirming that the more flexible approach to appraisal recommended over the previous two years should be continued at present including flexibility regarding the amount of supporting information required.

Staff Governance Annual Monitoring Return

The Scottish Government monitoring return response was received on 27 April 2022. Internal Audit have been advised that this will be considered initially by the Area Partnership Forum under its delegated responsibilities, before being presented to the SGC along with a recommended action plan to deal with any issues raised. The Scottish Government advised Health Boards that a more streamlined and less detailed approach was taken to the review of the 2020/21 monitoring return, in recognition of the continuing pressures faced by Boards. For this year, all NHS Boards were given recommended content for inclusion in their 2022/23 staff governance plans and 2021/22 monitoring returns.

Whistleblowing

The 2021/22 Whistleblowing Annual Report was presented to the April 2022 SGC. It concluded that action had been taken by NHS Tayside to support successful embedding of the new National Whistleblowing Standards and that the committee had received regular update reports on whistleblowing incidents throughout 2021/22, and on the action taken to identify any learning opportunities and changes or improvements to services or procedures as a result of consideration of these concerns. No governance issues in relation to whistleblowing arrangements were reported.

Financial Governance

Strategic Risks

- 723 – Long Term Financial Sustainability
- 626 – Prioritisation and Management of Capital Funding
- 312 – NHS Tayside Estate Infrastructure condition
- 615 – Effective Prescribing
- 1033 – Finance Annual Plan 2021/22
- 807 – Statutory Obligations in Relation to Environmental Management

Financial Performance

The draft financial outturn position to 31 March 2022, subject to external audit review, was:

- A £0.3 million under spend on the core Revenue Resource Limit (RRL) of £1,089.1 million
- A break-even position against the core Capital Resources Limit (CRL) of £30.089 million
- 2021/22 savings of the target of £27.0 million were delivered, of which £5.94 million (22%) was recurring, less than the Financial Plan recurring savings figure of 30%.

The Board repaid the £4.0m balance of outstanding brokerage from 2019-20, in line with Scottish Government's three year financial planning cycle.

Total additional Covid19 funding of £63m was received from Scottish Government in 2021/22. Board Directed Services accounted for £43.9m of the Covid19 costs and the balance of £19.1m was allocated to the HSCPs.

The draft year-end figures were breakeven for each of the three HSCPs with all under spends transferred to the IJB reserves.

Financial reporting to the P&RC and Board remained consistent and the position was clearly presented, along with the impact of Covid19. Financial forecasts during the year provided an accurate outcome of the year-end position.

Financial Planning 2022-23 and Covid Funding

The draft Strategic plan for 2022/23 was approved at the Board meeting on 28 April 2022. A one year revenue financial plan was required by Scottish Government, recognising that this is a transitional year. Following a full resource spending review in May 2022, a 3 year financial plan will be submitted to Scottish Government in July 2022, aligned to the Board's operational plans.

The financial plan was well written and clearly set out relevant key factors and associated risks as well as the steps being taken to address the financial gap and potential consequences if the gap widened.

Significant financial challenges remain as NHS Tayside emerges from emergency footing. The financial plan identified a financial gap of £51.2 million, with a recurring deficit brought forward of £30m, reflecting the extent to which the Board relied on non-recurring efficiency measures to meet financial targets in prior years. Loss of efficiency and productivity opportunities as a result of the Covid19 pandemic will need to be addressed as part of NHS Tayside's remobilisation.

The Strategic Financial Plan 2022/23 highlighted the assumption that Covid19 costs would be met from additional SG funding allocation, and the potential consequences should funding not be available, whilst also stating that *"the UK Government has indicated that in 2022-23 there will be no further specific consequential to meet the ongoing cost pressures with managing Covid19."* This is obviously a volatile area of extreme financial risk for this and other health boards.

As clarity emerges on final funding from the Scottish Government for Covid related expenditure, the financial impact on NHS Tayside budgets for 2022/23 will require to be fully quantified, including its

impact on the year-end position and the level of required savings in future years. NHS Tayside should consider what level of risk crystallisation would lead to a requirement to revisit the financial plan fully.

Efficiency Savings

Audit Scotland's "NHS in Scotland 2021" published in February 2022 stated that "The NHS was not financially sustainable before the pandemic and responding to Covid19 has increased those pressures". Without transformation in the way health and social care services are delivered, financial sustainability will not be achieved.

The 2021-22 overall savings target was £27m, was achieved, although recurring savings, at 22%, were below the anticipated level of 30%, demonstrating reliance on non recurring funding sources. We also note that savings achieved included an underspend on earmarks; whilst understandable during a pandemic, this is not a sustainable source of savings and should be monitored by the P&RC.

Capital Planning and Asset Management

The Five Year Capital Plan 2022/22 to 2026/27 was approved by the Board in April 2022. The Plan recognised the complexity of decisions and choices regarding the prioritisation of available funding, and the requirement to keep this under review on at least an annual basis.

The NHST CEL35 Group, which reports to the Asset Management Group, has responsibility for collating SAFR pro formas based on clinical and service development plans. These pro-formas inform the draft Property and Asset Management Strategy (PAMS) and will also be submitted to the North of Scotland Regional Group (NoSRG) to inform the Regional Asset Management Plan Production Plan. We would expect the pro-formas to be scrutinised and approved by the Asset Management Group prior to submission.

Capital Reporting to the June 2022 P&RC provided a reasonable level of assurance, on the basis that a breakeven position was achieved at year end, following discussion with Scottish Government around the management of unexpected late slippage at financial year end.

Work is ongoing to review strategic risks 312 – Estate Infrastructure Condition and 636 – Capital funding. This risk review was recommended in T24/21 and is due for completion by June 2022.

Risk 636: Prioritisation and Management of Capital Funding (score 20) highlights capacity issues within the Property Team, including the availability of project management and technical staff to support the development and implementation of capital projects. This continues to be a major risk to the delivery of the capital programme, with discussions continuing at a senior level and with the support of the ELT to resolve the issue. Whilst the risk score has remained static during 2021/22, the time remaining to resolve the key issue has diminished and the risks associated with those areas has likely increased.

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 management of assets, including property, supports the achievement of strategic objectives. Limited assurance that timely action had been taken to address identified control weaknesses in relation to recommendations from internal property management strategy audits was reported to the May 2022 A&RC. As already highlighted in this report, this features in the 2021/22 Governance Statement

Risk 312 - Estate Infrastructure Condition is scored at 16 and has also, perhaps surprisingly, remained static throughout 2021/22. The level of assurance is currently limited with no change envisaged until the relevant programmes of activity have been adequately planned and resourced. The challenge is to address a significant level of high risk backlog investment within reasonable timescales against a backdrop of numerous major clinical projects.

The new build National Treatment Centre – Tayside is moving towards the development of an Outline

Business Case, with funding included in the Capital Plan for 2022/23 and onwards. A redesign of the project due to sustainability policy and guidance will impact the project timeline and has increased costs by £4.872m. A paper detailing the required extra funding will be presented to the Board in June 2022, and then on to the Scottish Government Capital Investment Group for final approval.

Risk Management

Financial risks are aligned to the P&RC, with the Revenue Financial Report (RFR) reporting the assessment against Risk 723: Long Term Financial Sustainability and Risk 1033: Finance Annual Plan 2021/22.

The RFR to 31 March 2022 reported Risk 723 with a current exposure of 25 and a target score of 12. Risk 1033 has a current exposure of 12 with a target score of 12.

The most recent report to the June P&RC highlighted that the Long Term Financial Sustainability risk rating has increased from 20 to 25 to reflect the increased uncertainty around future years local financial outturn and national position and which has changed the environmental inherent risks nationally and therefore locally.

The Finance Annual Plan 2021/22 current risk exposure rating remained in line with the planned risk exposure of 12, reflecting the clarity of funding allocations for 2021/22 and the reported outturn of break-even in line with financial plan. This risk will now be closed, and a new strategic risk created for 2022/23.

Best Value

A verbal Best Value update was provided at the P&RC February 2022 meeting and the Best Value Review 2021/22 provided to the P&RC on 14 April 2022 provided assurance that Best Value characteristics relevant to the theme of effective Use of Resources had been considered throughout the year.

To further enhance NHS Tayside's commitment to Best Value the Finance Directorate has developed a Best Value Framework that will demonstrate throughout the organisation all Best Value characteristics are met, to be presented to the 23 June A&RC.

Environmental Management

The February 2022 the P&RC noted a new policy for NHS Scotland on the Climate Emergency and Sustainable Development. A significant change in the new policy was to ensure that NHS Scotland becomes a net-zero greenhouse gas emissions health service by 2040. The Committee noted the increasing and significant workload associated with the new policy, in particular the need to allocate resources to maintain and improve environmental management performance and support the development of new governance arrangements. Reflecting the new requirements, the risk exposure rating for the Environmental Management Strategic risk 807 was increased from 9 to 20 with a limited assurance.

Significant improvement at pace will be needed for to achieve Scottish Government directions and mitigate this risk.

Action Point Reference 5 – Covid 19 funding

Finding:

The Strategic Financial Plan 2022/23 highlighted the assumption that Covid19 costs would be met from additional Scottish Government funding allocation, and the potential consequences should funding not be available, whilst also stating that *“the UK Government has indicated that in 2022-23 there will be no further specific consequential to meet the ongoing cost pressures with managing Covid19.”* This is obviously a volatile area of extreme financial risk for NHS Tayside and other health boards.

Audit Recommendation:

As clarity emerges on final funding from the Scottish Government for Covid related expenditure the financial impact on NHS Tayside budgets for 2022/23 will require to be fully quantified, including its impact on the year-end position and the level of required savings in future years. NHS Tayside should consider what level of risk crystallisation would lead to a requirement to revisit the financial plan fully.

Assessment of Risk:

Significant



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

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

Management Response/Action:

The Three Year Financial Plan 2022/23 to 2024/25 submitted to Scottish Government on 29 July, 2022, and took account of a number of revised planning assumptions. Actions continue to be taken forward to address the financial gap. Overall the Board continues to plan to deliver £23.4 million of savings in 2022/23, in line with the original financial planning assumptions.

The Board plans to manage non-delegated Covid19 costs within the funding envelope advised by SG, this assumes that Integrated Joint Board (IJB) Covid19 reserves are available to support the delegated costs.

Action by:

Date of expected completion:

Director of Finance

March 2023

Information Governance

Strategic Risks

- 679: eHealth Technical Infrastructure and Modernisation Programme
- 680: eHealth Cyber Security Attack

Covid Response – Information Governance (IG) and Digital

The Digital Directorate and IG have played a key role in the NHS Tayside Covid19 response, in particular supporting the vaccination programme, virtual patients' appointments, virtual meetings and remote working.

Governance arrangements and Assurance Reporting

Reporting to the IG and Cyber Assurance Committee (IGCAC) has been consistent throughout the year and the IGCAC has provided update reports to the Audit & Risk Committee (ARC) and Annual Assurance Reports/Statements at year-end.

A Digital Annual Report is considered by the P&RC but was presented after the P&RC considered its own Annual Report. It is important that committees/sub-groups provide their Annual Report at before or at the same time as the P&RC consider their own Annual Report.

Digital Strategy

NHS Tayside's Digital Health and Social Care Strategy (2022 – 2027) was formally approved by the P&RC in April 2022. The Strategy emphasised that digital technology will be central to NHS Tayside's ability to undertake the transformation necessary to meet the challenges of rising demand, costs and expectations.

However, whilst the importance of Digital is recognised and the Digital Directorate has received funding for increased staffing, the programs of work to deliver the Digital Strategy have not been fully costed and the funding for Digital, included in both the Financial Revenue Plan for 2022-23 and the Capital Plan for 2022-2027, does not cover the totality of the Digital Strategy. The Draft Strategic Revenue Financial Plan 2022/23 highlighted the potential risk to digital projects and therefore overall transformation, if the funding gap is greater than expected. Currently the role of the P&RC in understanding financial risks to the delivery of the strategy, prioritising developments and monitoring delivery are not fully developed.

Details of Digital activity to February 2022 were reported April P&RC. We have previously reported in the ICE report that a year-by-year operational delivery plan, detailing individual work streams/programmes, should be presented to the P&RC with regular updates on progress to allow formal monitoring of delivery. Whilst this has not yet been done, the 2022/23 Terms of Reference for the P&RC do now include a Digital Transformation update to every second meeting.

Risk Management Arrangements – Digital

Both the eHealth Cyber Security Attack Strategic Risk and the eHealth Technical Infrastructure and Modernisation Programme Strategic Risk are monitored by the P&RC.

During 2021/22 the Cyber Security Attack Strategic risk score has reduced to 'medium' with a major milestone reached in NHS Tayside cyber security defences. The installation and implementation of the Quarantined Virtual Local Area Network (QVLAN) Firewalls at Ninewells, PRI and Stracathro now actively protect the medical devices network from cyber-attack. This is recognised as a significant development, however continued work and investment is required to maintain and enhance protection levels.

The eHealth Technical Infrastructure and Modernisation Programme Strategic Risk score has remained

at 'high' during 2021/22. Progress has been made with the mitigation of this risk but funding remains an issue. Improvements to the IT infrastructure and the Application Estate will be reflected in upcoming annual operating plans for the Digital.

Information Governance

As at 31 March 2022, there were 137 information assets registered with risk ratings applied. The IG team strives to engage with identified Information Asset Owners and their nominated Information Asset Administrators. However, there remains a lack of engagement with a number of areas, as highlighted in IGCAC Assurance reports. Members of the IGCAC have been encouraged to improve engagement in their respective areas.

We note the positive compliance rate of 81% of staff undertaking the Safe Information Handling Module, which is a mandatory IG training course.

Cyber Resilience Public Sector Action Plan – QVLAN

The QVLAN firewalls are now in place and this has moved to business as usual, with the QVLAN undergoing monthly vulnerability scans. The Cyber Essentials for Domain Joined and GP Surgeries has now been recertified for another 12-month period.

NHS Tayside is still not in a position to have certification for the QVLAN and this will not be possible until the QVLAN project is completed. This work is continuing and is monitored through the Cyber Resilience Governance Group (CRGG).

Risk Management Arrangements – IG

The Datix system has been now been configured to send alerts to the Information Governance and Cyber Assurance Team when an IG risk has been identified in Datix. The Head of IG is to produce a paper for the next IGCAC meeting to discuss the identified risks.

Competent Authority (CA)

The Information Security Policy Framework has now been superseded by the Scottish Public Sector Action Plan: Cyber Resilience Framework. The Framework is intended for all Scottish public sector organisations, to support them to improve their cyber resilience and to comply with a range of legislative, regulatory, policy and audit requirements in respect of cyber security. All public sector organisations in Scotland must now report against the Public Sector Cyber Resilience Framework (CRF) and is the set of controls against which NISR compliance is reported.

The IGCAC and A&RC received detailed updates on the Network & Information Systems Regulations (NISR) Audit throughout the year, with the latest reported position at March 2022 reporting compliance of 55%. A revised action plan for the remaining 89 recommendations has been developed with monitoring and assurances to be provided to the IGCAC. Reporting to the ARC will now focus on the critical (1) and urgent (11) recommendations only.

Controls to mitigate the strategic risk for eHealth Cyber Security Attack, are assessed as inadequate and NISR requirements are one of the key controls. Overall this risk and its constituent controls are appropriately reflected.

IG incidents

Throughout the year, 12 incidents were reported to the ICO, an increase of nine on the previous year. To date no breaches have required an specific action by the ICO, however one incident relating to missing clinical psychology records was initially reported to the ICO, but needed to be resubmitted when a large increase in the number of missing records was identified. Details of the incident has been

reflected in both the IGAC and the A&RC Annual Reports, and disclosed within the Board's annual Governance Statement.

When the ICO make recommendations in relation to an incident NHS Tayside develops action plans to progress recommendations with respective services; however no reporting is required to the ICO to confirm these have been completed. Internally, if the incident is high profile, for example the missing records, an update is provided as part of the IGAC Assurance report. For other incidents, the IGAC do not monitor these action plans to ensure completion.

External Reviews – Other

The ICO will be auditing Boards in NHS Scotland against the ICO accountability framework; the NHS Tayside is scheduled for late summer 2022.

Year-end Reporting

The IGAC was provided with an annual assurance report for 2021/22 that included assurance on:

- Cyber Resilience Public Sector Action Plan - QVLAN
- Network and Information Systems Regulations (NIS) Audit
- Reporting to the Audit & Risk Committee
- Cyber Resilience Governance Group
- Data Protection Act 2018 - update on UK Adequacy Decision
- Data Protection – ICO Audits
- Data Breaches
- Missing Health Records
- Freedom of Information (FOISA) - 92% of the requests received in the reporting period were responded to within the 20 working day deadline
- Corporate Records Management
- Information Governance and Cyber Assurance Team
- Risk assurance and Reporting

The report concluded that there were adequate and effective information governance arrangements were in place, however it did highlight the missing clinical psychology records as a Disclosure within the NHS Tayside Governance Statement.

Action Point Reference 6 - Digital Annual Report

Finding:

The P&RC does not currently have an understanding of the totality of costs required to fully fund the Digital Strategy and does not influence the prioritisation of individual projects or receive reports on their implementation against an agreed operational plan. Given the importance of the Digital Strategy to transformation and therefore the long-term viability of NHS Tayside services, the P&RC should be in a position to understand, influence and monitor the prioritisation and delivery of individual components.

The Digital Annual Report is considered by the P&RC but was presented after the P&RC considered its own Annual Report.

Audit Recommendation:

The role of the P&RC in influencing and monitoring the delivery of the Digital Strategy should be fully explored, allied to the delivery and reporting of the Digital operational plans we recommended previously.

The Digital Annual Report should reflect this new role and provide overall assurance on the Digital Risk and be provided to the P&RC in time to be reflected the P&RC Annual Report.

Assessment of Risk:

Significant



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

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

Management Response/Action:

The Digital Directorate note the recommendations contained within the audit and can provide an update on work already progressing, along with future plans to help address this.


The PRC were involved in the final stages of approval for the Digital Strategy 2022-27 and will play a key role as a stakeholder in the delivery of items contained. Digital operating plans are represented to the PRC based on the timelines supplied by the committee to the Directorate, with the next update due for August 2022. Within that update, the annual operating plan deliverables are contained, which will allow the committee an opportunity to understand individual components. It is the intention of the Directorate to provide an updated position as per P&RC submission timelines throughout the year – within these updates, the Directorate are happy to provide high level finances as per audit recommendation, noting that the financial position for Digital strategic delivery items is reported via other committees, such as the Asset Management Group (AMG) for capital spend items and via regular discussion/monitoring to both our local Finance colleagues and to the Scottish Government via their approved financial template and reporting timelines.

Action by:

Date of expected completion:

Director of Digital Technology

Completed – August 2022





Action Point Reference 7 - ICO Action Plans	
Finding:	
When the ICO make recommendations in relation to an incident, NHS Tayside develops action plans to progress recommendations with respective services; however no reporting is required to the ICO to confirm these have been completed.	
Audit Recommendation:	
For all ICO recommendations that will result in an action plan to be taken forward by NHS Tayside, assurance that the actions have been completed should be provided to the IGCAC and included within its remit.	
Assessment of Risk:	
Merits attention	 <p>There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.</p>
Management Response/Action:	
It is agreed and has been actioned that any recommendations received from the ICO will be presented in an action plan and reported to the Information and Cyber Assurance Committee. The minutes of the Information and Cyber Assurance Committee are submitted to the Audit and Risk Committee.	
Action by:	Date of expected completion:
Board Secretary/Head of Information Governance and Cyber Assurance	September 2022

Key Performance Indicators – Performance against Service Specification

	Planning	Target	2021/22	2020/21
1	Strategic/Annual Plan presented to Audit & Risk Committee by June.		Draft presented 17 August 2021	Draft presented
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%	85%	95%
4	Draft reports issued by target date	75%	50%	67%
5	Responses received from client within timescale defined in reporting protocol	75%	67%	87%
6	Final reports presented to target Audit & Risk Committee	75%	80%	80%
7	Number of days delivered against plan	100% at year-end	81%	96%
8	Number of audits delivered to planned number of days (within 10%)	75%	88%	75%
9	Skill mix	50%	83%	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.	None
Significant		Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores. Requires action to avoid exposure to significant risks to achieving the objectives for area under review.	Four
Moderate		Weaknesses in design or implementation of controls which contribute to risk mitigation. Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.	One
Merits attention		There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.	Two