

Audit & Risk Committee

Thu 18 March 2021, 10:00 - 12:30

Via MS Teams

Agenda

10:00 - 10:00 **1. Apologies for Absence**
0 min

10:00 - 10:00 **2. Declaration of Members' Interests**
0 min

10:00 - 10:00 **3. Minutes of Previous Meeting held on 19 January 2021**
0 min

Martin Black

 Item 3 Audit & Risk Minutes 19 January 2021 FINAL.pdf (8 pages)

10:00 - 10:00 **4. Action List**
0 min

Martin Black

 Item 4 - A&R Action List 1803.pdf (1 pages)

10:00 - 10:00 **5. GOVERNANCE - GENERAL**
0 min

5.1. Annual Review of Committee's Terms of Reference

Gillian MacIntosh

 Item 5.1 - SBAR Committee ToR.pdf (2 pages)

 Item 5.1 - Committee ToR A&R.pdf (8 pages)

5.2. Draft Annual Accounts Timetable

Margo Mcgurk

 Item 5.2 AA Timetable.pdf (3 pages)

10:00 - 10:00 **6. GOVERNANCE - INTERNAL AUDIT**
0 min

6.1. Internal Audit - Progress Report

Barry Hudson

 Item 6.1 - Progress Cover and audit plan amendment.pdf (3 pages)

 Item 6.1 - App A NHSF March 2021 Progress Report.pdf (4 pages)

 Item 6.1 - App B Annual Plan Update.pdf (10 pages)

6.2. Internal Audit - Follow-Up Report Recommendations

Barry Hudson

📄 Item 6.2 Audit Follow Up Report ARC 18 March 2021 FINAL.pdf (37 pages)

6.3. Interim Evaluation of Internal Control Framework

Tony Gaskin

📄 Item 6.3 B08-21 Draft Final Internal Control Evaluation FINAL for ARC.pdf (33 pages)

10:00 - 10:00 **7. GOVERNANCE - EXTERNAL AUDIT** 0 min

7.1. Audit Scotland Annual Audit Plan

Patricia Fraser

📄 Item 7.1 20-21 NHS Fife Annual Audit Plan.pdf (15 pages)

7.2. Annual Accounts – Progress Update on Audit Recommendations

Margo Mcgurk

📄 Item 7.2 Annual Accounts – Progress Update on Audit Recommendations - A&Rmm.pdf (6 pages)

7.3. Audit Scotland Report - NHS Scotland in 2020

Patricia Fraser

📄 Item 7.3 Audit Scotland Report - NHS Scotland 2020.pdf (40 pages)

10:00 - 10:00 **8. OTHER** 0 min

8.1. Issues for escalation to NHS Board

Martin Black

10:00 - 10:00 **9. Any Other Competent Business** 0 min

**MINUTE OF THE AUDIT & RISK COMMITTEE MEETING HELD ON 19 JANUARY 2021
AT 10AM VIA MS TEAMS**

Present:

Mr M Black, Chair

Cllr D Graham, Non- Executive Member

Ms S Braiden, Non-Executive Member

In Attendance:

Mrs C Potter, Chief Executive

Mrs H Buchanan, Director of Nursing

Mrs M McGurk, Director of Finance

Ms J Owens, Incoming Director of Nursing

Mr T Gaskin, Chief Internal Auditor (part)

Ms P Fraser, Audit Scotland

Mr B Hudson, Regional Audit Manager

Ms S Slayford, Principal Auditor

Dr G MacIntosh, Head of Corporate
Governance & Board Secretary

G Young, Head of Counter Fraud Services,
NHS NSS (for Item 6)

Ms F McLeary, minutes

1. Welcome / Apologies for Absence

The Chair welcomed Gordon Young, Head of Counter Fraud Services at NHS NSS, and Shona Slayford, Principal Auditor, who were each attending the meeting to speak to various agenda items. He also took a moment to reflect on the amazing work that the NHS Fife and Health and Social Care staff continue to deliver during the current pandemic, and he gratefully thanked staff for their efforts.

There were no apologies for absence.

2. Declaration of Members' Interests

There were no declarations of interest made by members.

3. Minute of the last Meeting held on 19 November 2020

The minute of the last meeting was **agreed** as an accurate record.

4. Action List

The Committee noted the verbal update on the two outstanding actions on the list and agreed a further update will be brought to the March Audit & Risk Committee meeting to close both off.

5. Matters Arising

There were no matters arising that were not otherwise covered in the meeting agenda.

6. COUNTER FRAUD TRAINING SESSION FOR MEMBERS

Mr Gordon Young, the Head of the Counter Fraud Service (CFS), was thanked for attending the meeting to speak to members. Mr Young gave a presentation (slides on file) outlining the work that is done on behalf of NHS Fife by Counter Fraud Services, highlighting especially the increased risks of fraud related to the current Covid situation. CFS's purpose is to protect Scotland's Health and Care Services from financial crime, which includes fraud, theft, bribery, corruption and embezzlement. A number of examples were provided, and the process of how CFS prevent, detect and investigate issues of concern was described. How the Board can reduce the risk of fraud was highlighted and discussed. The presentation was followed by a question and answer session, where Mr Young addressed members' queries.

In answer to a question raised by Mr Black around making intelligence alerts available widely to staff (such as those outwith Procurement and Financial Services), Mrs McGurk agreed to raise this with the Head of Communications, to see if there is a suitable area to put these notifications on Staff Link. She will feed back to the next Committee.

Action: MM

The Audit & Risk Committee thanked Mr Young for his insightful presentation. Mr Young left the meeting.

7. ANNUAL REPORT PATIENT EXEMPTION CHECKING (PECS) 2019/20

Mrs McGurk explained that this annual report is being presented later than planned to the Audit & Risk Committee due to changes in the workplan caused by the current Covid-19 pandemic. The paper linked well to the previous agenda item. The report outlines the work of Counter Fraud Services for 2019/20 on patient exemption charges for dentist and ophthalmic services. The report does not indicate any new or material issues for NHS Fife to address.

The background section of the SBAR highlighted the checking process and showed the important changes that CFS will be taking forward. Section 2.3 of the report highlighted the value of recoveries and right-offs for 2019/20. The recovery level is relatively small and in line with previous years' figures.

The Audit & Risk Committee **noted** the findings of the Annual Report Patient Exemption Checking report.

8. GOVERNANCE - INTERNAL AUDIT

8.1 Internal Audit Progress Report

Ms Slayford reported that this paper provided assurance to the Committee on the progress of the 2020/21 Internal Audit Plan and detailed the completion of the two remaining reviews from the 2019/20 plan. Section 2.3 of the SBAR provided details on how Covid-19 has impacted on the internal audit work. Most notably, the focus on Covid-19 priorities has impacted on client and staff availability and the timely provision

of required information, as well as audits where fieldwork restrictions have made onsite visits inappropriate.

Internal Audit have previously reported the need to revise the Board's strategy, Corporate Objectives and Strategic Risks in light of Covid-19 and the paper provided an updated assessment of this within the context of the internal control evaluation. Internal Audit will continue to monitor the Strategic Risk Register throughout 2020/21, to ensure the audit plan is covering the right areas. This will inevitably require further revision and flexibility within the audit plan and such responsiveness to change might not fit with the normal Audit & Risk Committee cycle. Ms Slayford would therefore ask the Committee to delegate responsibility to the Audit & Risk Committee Chair to approve any immediate changes, prior to homologation by the next meeting of the Audit & Risk Committee.

A key audit during this year is B16/21 Sustainable Services, which will evaluate the principles and methodology used to inform the NHS Fife Remobilisation Plan and its links to strategy, sustainability and service redesign.

Internal Audit have provided advice and assistance to Officers and Board members on a range of areas, which are listed in Section 2.3 of the SBAR. In addition, the Chief Internal Auditor has provided input on the draft Integration Scheme and the new Strategic Planning and Resource Allocation Process. Appendix A provides detail around the internal audit progress and shows those reports which are at the stages of finalised draft and work in progress.

The Audit & Risk Committee **noted** the progress on the delivery of the Internal Audit Plan and **approved** the proposed changes to the 2020/21 Internal Audit Plan as set out in Appendix A.

8.2 Interim Evaluation of Internal Control Framework

Mr Gaskin gave a presentation on Internal Audit's interim evaluation of the Internal Control Framework, highlighting that it is important to remember that NHS Fife are still in unprecedented times due to the current pressures of responding to the Covid-19 pandemic.

The audit has been done slightly differently this year and has encompassed some follow-up work from previous reports and recommendations. Ms Slayford has produced a very detailed sustainable services review, looking at the organisation's responses to the pandemic. Some of these findings relate to long-standing issues and the need for transformation of services. How to generate recurring savings, be able to deliver services and achieve the Board's strategic aims remain critical. These were highlighted in Internal Audit's Annual Report that was presented to the Committee at its last meeting.

Mr Gaskin noted that NHS Fife is in a more positive position now compared to September 2020. An enormous amount of work has been done by the organisation to address the challenges of the pandemic and remobilisation remains one of the key focus areas.

It was recognised that the Scottish Government is currently directing Health Boards and have mandated that the NHS must focus on: Covid vaccination; testing; winter planning; and remobilisation. Mr Gaskin reported that NHS Fife had already looked at its own governance arrangements and had revised objectives and performance reporting to align with these priorities. There has been very good communication across the organisation and, in particular, the communication and support to staff had been excellent.

The Strategic Prioritisation & Resource Allocation process (SPRA) is a key process that is being worked on and Internal Audit were helpfully asked to comment on this in the early stages of its development. It was noted that the Risk Management Framework has been updated, which is welcomed. In terms of transformation, this is reported via the Clinical Governance Committee and through the Board Assurance Framework (BAF). The Committee was told that the work around transformation had largely stopped due to the pandemic. However, the way that this had been recorded in the BAF was not satisfactory, as the risk score did not change. This raised questions as to why the risk rating had not been changed and thus escalated the Board.

There has, however, been a lot of work done on Covid risk assessment, including a standalone Covid Risk Register being produced. It will be appropriate for Audit & Risk to consider when these risks will be mainstreamed. It was noted a Board Development Session will be held in February, which will give an opportunity for the Board to consider these issues.

The interim evaluation work noted that there has been a positive response in terms of governance arrangements during the pandemic period and the Board has engaged well with this. Internal Audit are aware that the Board has had to accommodate delivering business-as-usual governance processes and, where appropriate and agreed by the Board, "light governance" arrangements. As a consequence of this, the Audit & Risk Committee need to receive certain assurances by year-end and each of the Standing Committees will need to work on their workplans to look at what they have done so far and what is feasible in the next six months.

The operation of the Clinical Governance Committee was discussed at the last meeting of Audit & Risk and whilst progress is being made, there are still issues which need to be resolved, especially around the assurances relating to Information Governance. Internal Audit have reviewed the draft revised Integration Scheme, noting that the financial risk-share area remains under discussion. The overall assurance mechanisms need to be slightly more developed and advice has been given on this. Mr Gaskin added that, though there remains work to be done, the Board as a whole is moving in the right direction and good progress is being seen.

Mrs McGurk noted there are specific areas of the report that she would like to discuss further with Mr Gaskin, on behalf of the Executive Team. She noted that the draft SPRA process was being developed with the input of the full cohort of Executive Directors and is a corporate effort to establish a new approach to the design and prioritisation of strategic planning arrangements.

Members discussed the suggestion made in Mr Gaskin's report that transformation activities had stopped due to Covid. Mrs McGurk noted that this time last year EDG

had built the governance arrangements to support the transformation programme. Those plans were disrupted due to the impact of the pandemic. Nevertheless, there were clear areas of transformation that have been identified and delivered. Examples could be found in relation to digital enhancements, Mental Health services, vaccination delivery, Health Centre re-provision and the great progress made with the Elective Orthopaedic Centre.

Mr Black noted that a more correct term would be 'paused' rather than stopped. As a member of the Clinical Governance Committee, he stated he had been made fully aware that transformation plans and processes had paused for obvious reasons given the impact of Covid. Mr Gaskin reiterated his point that, regardless, this should have impacted the risk score and have been escalated to the Board as a result. In his view, the risk was therefore not properly described.

The Audit & Risk Committee **noted** the content of Mr Gaskin's presentation and that a written report would follow to the next meeting.

8.3 Internal Audit - Follow-Up Report Recommendations

Ms Slayford reported that the agenda paper is a standard follow-up report provided by Internal Audit and she highlighted a significant improvement in progress on implementation of outstanding audit recommendations. The follow-up report is considered and discussed at the Executive Directors Group, who help facilitate the process, and this continued focus will drive forward the completion of the remaining outstanding recommendations.

The Audit & Risk Committee **noted** the current status of the Internal Audit recommendations recorded with the AFU system, welcoming the improvements in completion of outstanding recommendations.

8.4 Internal Audit Framework

Mr Hudson advised that this is a formal document that is required to be presented to the Audit & Risk Committee for approval on an annual basis. The report was last presented to the Committee in September 2019. Some changes have been made to the Service Specification and these have been summarised within the SBAR. The detail is included as tracked changes provided within the documentation.

The framework contains the Internal Audit Charter, which requires approval by the Audit & Risk committee. Mr Hudson highlighted that both the Service Specification, the Internal Audit Reporting Protocol and the Follow-Up Protocol have been updated and require approval by the Committee. The Internal Audit Reporting Protocol is broadly in line with previous versions and has been updated with timelines, targets and the addition of a new flow chart. The Audit Follow-Up Protocol has been updated to reflect the current practice around internal audit undertaking this work.

The Audit & Risk Committee;

- **noted** the NHS Five Specification for Internal Audit Services;
- **approved** the Internal Audit Charter;

- **approved** the updated NHS Fife Internal Audit Reporting Protocol (Appendix 2 within Specification) and;
- **approved** the updated NHS Fife Audit Follow Up Protocol (Appendix 3 with Specification).

9. GOVERNANCE - EXTERNAL AUDIT

9.1 Audit Scotland Annual Audit Plan

Ms Fraser advised that, due to the pressures of the Covid-19 pandemic, Audit Scotland had not yet started the planning work for the 2020/21 audit. Audit Scotland hoped to start this work within the next 10 days and will therefore bring the written plan to the March meeting of the Committee. Ms Fraser also highlighted that Audit Scotland hoped to bring forward the planned completion deadline by a month, to the end of September, for signing off the annual accounts.

Mrs McGurk gave assurance that the Finance team capacity and capability was in an improved position to last year and that these deadlines would be realistic and achievable.

The Audit and Risk Committee **noted** the update.

10. RISK

10.1 Board Assurance Framework (BAF)

Mrs Buchanan reported that, since the last report to the Audit & Risk Committee, Internal Audit had reviewed the BAF and provided some positive feedback, along with identifying some areas for improvement. The BAF has seven components, that are each listed within the paper.

The key points highlighted within Financial Sustainability are the uncertainties associated with the current Covid-19 pandemic. This was the same for Environmental and Workforce Sustainability. There have been a few changes to the BAF eHealth - Delivering on Digital and Information Governance Security - that have been listed within the report.

In regard to the BAF related to the Integration Joint Board, we were working closely with the Director of Health & Social Care and Chief Officer to look at the delegations of functions to the IJB. Work is underway on the review of the Integration Scheme. She added that colleagues within the Partnership had looked at the BAF and made it more contemporary. She highlighted that the risk mapping had restarted, after pausing due to the pandemic, and this work was being taken forward by the Risk Manager and Internal Audit colleagues.

In response to a question raised by Ms Braiden around the number of risks, Mrs Buchanan stated that all the risks rated above 15 went onto the BAF. The risks associated with Covid are reported through the Silver Command Groups and up through Gold Command. This has been the structure that has been kept in place as Covid is ongoing. The number of risks is about the same but these do fluctuate. She

explained that the Covid risks that are taken to EDG sit separately at present from the BAF, with the Directors having oversight of these.

The Audit and Risk Committee **noted** the report.

10.2 Risk Management Key Performance Indicators (KPIs)

Mrs Buchanan advised that the KPIs were developed pre-Covid. These are in place and are used to measure if we are on track to meet our goals and objectives. They also aid reports on the performance of the NHS Fife Risk Management function. There are currently seven indicators within this dashboard.

A new system was put in place that looked at all the red risks within the organisation, to ensure that each of these were assigned appropriately. This was about strengthening the process and working with Directors to make sure if we had a red risk in the organisation, it was linked to that Director, they knew about it and had processes in place to manage and mitigate it. If there was an instance where a risk could not be managed within a single directorate, it would be escalated to EDG to be reviewed by all the directors. They could then reach a decision as to whether it should be moved onto the BAF or if this is something that can be managed corporately. There were a few risks remaining that still needed to be allocated to a Director.

The Audit and Risk Committee **noted** the report and the update provided.

10.3 Corporate Risk Register Update

Mrs Buchanan reported that she and the Risk Manger had recently undertaken an exercise to review all of the high risks and see how they fit with each of the Directorates. The Risk Manager has also met with all Directors to look at all the processes that are in place within each of the Directorates. This work is ongoing and an update will go back to EDG and a session will be held at a future Board Development session.

In response to a question raised by Mr Black around risks that are linked to IJB directives, Mrs Buchan noted that the directive would be looked at to see if NHS Fife could deliver it on time and within the financial envelope. This would be the same as with all instructions, and these would need to be considered as part of the overall operational context. Mrs McGurk added that it would depend if the risk was at a strategic level or an operational level. She gave an example that the IJB is responsible for Mental Health services but these are delivered by NHS Fife. If this service was not delivered, then the strategic risk would sit with the IJB and the operational risk sit with NHS Fife. She stated that it would be useful to have further discussions on this, as it is a complex area to manage.

The Audit and Risk Committee **noted** the update.

11. ISSUES FOR ESCALATION TO NHS BOARD

There were no issues of escalation to be highlighted from the current meeting.

12. ANY OTHER BUSINESS

None.

Date of Next Meeting: 18 March 2021 at 10am within The Boardroom, Staff Club, Victoria Hospital (location TBC)

ACTION LIST FROM AUDIT & RISK COMMITTEE – 2020-21

	Title	Action	Lead	Outcome
1	Patients' Private Funds – Annual Accounts 2019/20	There were a number of minor items listed where there was non-compliance with the financial operating procedures. However, none of these were significant and will be addressed by management.	MM	All wards in receipt of Patients Funds have been contacted to remind staff of the operating procedures and to advise on the need to ensure compliance in this area. COMPLETE
2	Service Auditor Reports on Third Party Services	Mrs McGurk suggested that an update should be provided to the NHS Fife Audit & Risk Committee in March 2021, to give assurance that the plan is progressing. It was agreed that this request should be made by the Director of Finance for the March 2021 meeting.	MM	NSS DOF advised that Practitioner Services has been working to redesign the control framework for these areas to ensure all recommendations and actions from the 2019-20 report have been incorporated and delivered. The 2020/21 audit report will confirm the level of progress in-year.



Completed



Updated

Meeting:	Audit & Risk Committee
Meeting date:	18 March 2021
Title:	Review of Committee's Terms of Reference
Responsible Executive:	Margo McGurk, Director of Finance
Report Author:	Gillian MacIntosh, Board Secretary

1 Purpose

This is presented to the Board for:

- Decision

This report relates to a:

- Local policy

This aligns to the following NHSScotland quality ambition:

- Effective

2 Report summary

2.1 Situation

All Committees are required to regularly review their Terms of Reference, and this is normally done in March of each year. Any changes are then reflected in the annual update to the NHS Fife Code of Corporate Governance, which is reviewed in full by the Audit & Risk Committee and then formally approved by the Board thereafter.

2.2 Background

The current Terms of Reference for the Committee were last reviewed in March 2020, as per the above cycle.

2.3 Assessment

An updated draft of the Committee's Terms of Reference is attached for members' consideration, with suggested changes tracked for ease. The proposed amendment relate to changes to Executive Director portfolios.

Following review and approval by each Committee, an amended draft will be considered by the Audit & Risk Committee as part of a wider review of all Terms of Reference by each standing Committee and other aspects of the Code. Thereafter, the final version of the Code of Corporate Governance will be presented to the NHS Board for approval.

2.3.1 Quality / Patient Care

N/A

2.3.2 Workforce

N/A

2.3.3 Financial

N/A

2.3.4 Risk Assessment/Management

The regular review and update of Committee Terms of Reference will ensure appropriate governance across all areas and that effective assurances are provided to the Board.

2.3.5 Equality and Diversity, including health inequalities

This paper does not relate to the planning and development of specific health services, nor any decisions that would significantly affect groups of people. Consequently, an EQIA is not required.

2.3.6 Other impact

N/A

2.3.7 Communication, involvement, engagement and consultation

N/A

2.3.8 Route to the Meeting

This paper has been considered initially by the Committee Chair and Lead Executive Director.

2.4 Recommendation

This paper is provided for

- **Decision** – consider the attached remit, advise of any proposed changes and approve a final version for further consideration by the Board.

3 List of appendices

The following appendices are included with this report:

- Appendix 1 – Committee's Terms of Reference

Report Contact

Dr Gillian MacIntosh

Head of Corporate Governance & Board Secretary

gillian.macintosh@nhs.scot

AUDIT AND RISK COMMITTEE CONSTITUTION AND TERMS OF REFERENCE

Date of Board Approval: ***

1. PURPOSE

- 1.1 To provide the Board with the assurance that the activities of Fife NHS Board are within the law and regulations governing the NHS in Scotland and that an effective system of internal control is maintained. The duties of the Audit and Risk Committee shall be in accordance with the [Scottish Government Audit & Assurance Handbook](#), dated April 2018.

2. COMPOSITION

- 2.1 The membership of the Audit and Risk Committee will be:
- Five Non-Executive or Stakeholder members of Fife NHS Board (one of whom will be the Chair). (A Stakeholder member is appointed to the Board from Fife Council or by virtue of holding the Chair of the Area Partnership Forum or the Area Clinical Forum).
- 2.2 The Chair of Fife NHS Board cannot be a member of the Committee.
- 2.3 In order to avoid any potential conflict of interest, the Chair of the Audit and Risk Committee shall not be the Chair of any other governance Committee of the Board.
- 2.4 Officers of the Board will be expected to attend meetings of the Committee when issues within their responsibility are being considered by the Committee. In addition, the Committee Chair will agree with the Lead Officer to the Committee which Directors and other Senior Staff should attend meetings, routinely or otherwise. The following will normally be routinely invited to attend Committee meetings:
- Chief Executive
 - Director of Finance ([who is also Executive Lead for Risk Management](#))
 - Chief Internal Auditor or representative
 - ~~Executive Lead for Risk Management~~
 - Statutory External Auditor
 - [Head of Financial Services & Procurement](#)
 - Board Secretary
- 2.5 The Director of Finance shall serve as the Lead [Executive](#) Officer to the Committee.
- 2.6 The Board shall ensure that the Committee's membership has an adequate range of skills and experience that will allow it to effectively discharge its responsibilities. With regard to the Committee's responsibilities for financial reporting, the Board shall ensure that at least one member can engage

competently with financial management and reporting in the organisation, and associated assurances.

3. QUORUM

- 3.1 No business shall be transacted at a meeting of the Committee unless at least three Non-Executive or Stakeholder members are present. There may be occasions when, due to the unavailability of the above Non-Executive members, the Chair will ask other Non-Executive members to act as members of the committee so that quorum is achieved. This will be drawn to the attention of the Board.

4. MEETINGS

- 4.1 The Committee shall meet as necessary to fulfil its remit but not less than four times a year.
- 4.2 The Chair of Fife NHS Board shall appoint a Chair who shall preside at meetings of the Committee. If the Chair is absent from any meeting of the Committee, members shall elect from amongst themselves one of the other Committee members to chair the meeting.
- 4.3 The agenda and supporting papers will be sent out at least five clear days before the meeting.
- 4.4 If necessary, meetings of the Committee shall be convened and attended exclusively by members of the Committee and, if relevant, the External Auditor and/or Chief Internal Auditor.
- 4.5 If required, the Chairperson of the Audit and Risk Committee may meet individually with the Chief Internal Auditor, the External Auditor and the Accountable Officer.

5. REMIT

- 5.1 The main objective of the Audit and Risk Committee is to support the Accountable Officer and Fife NHS Board in meeting their assurance needs. This includes:
- Helping the Accountable Officer and Fife NHS Board formulate their assurance needs, via the creation and operation of a well-designed assurance framework, with regard to risk management, governance and internal control;
 - Reviewing and challenging constructively the assurances that have been provided as to whether their scope meets the needs of the Accountable Officer and Fife Health Board;

- Reviewing the reliability and integrity of those assurances, i.e. considering whether they are founded on reliable evidence, and that the conclusions are reasonable in the context of that evidence;
- Drawing attention to weaknesses in systems of risk management, governance and internal control, and making suggestions as to how those weaknesses can be addressed;
- Commissioning future assurance work for areas that are not being subjected to significant review
- Seeking assurance that previously identified areas of weakness are being remedied.

The Committee has no executive authority, and is not charged with making or endorsing any decisions. The only exception to this principle is the approval of the Board's accounting policies and audit plans. The Committee exists to advise the Board or Accountable Officer who, in turn, makes the decision.

- 5.2 The Committee will keep under review and report to Fife NHS Board on the following:

Internal Control and Corporate Governance

- 5.3 To evaluate the framework of internal control and corporate governance comprising the following components, as recommended by the Turnbull Report:
- control environment;
 - risk management;
 - information and communication;
 - control procedures;
 - monitoring and corrective action.
- 5.4 To review the system of internal financial control, which includes:
- the safeguarding of assets against unauthorised use and disposition;
 - the maintenance of proper accounting records and the reliability of financial information used within the organisation or for publication.
- 5.5 To ensure that the activities of Fife NHS Board are within the law and regulations governing the NHS.
- 5.6 To monitor performance and best value by reviewing the economy, efficiency and effectiveness of operations.
- 5.7 To review the disclosures included in the Governance Statement on behalf of the Board. In considering the disclosures, the Committee will review as

necessary and seek confirmation on the information provided to the Chief Executive in support of the Governance Statement including the following:

- Annual Statements of Assurance from the main Governance Committees and the conclusions of the other sub-Committees, confirming whether they have fulfilled their remit and that there are adequate and effective internal controls operating within their particular area of operation;
- Annual Statement of Assurance from the Integration Joint Board, confirming all aspects of clinical, financial and staff governance have been fulfilled, with appropriate and adequate controls and risk management in place;
- Details from the Chief Executive on the operation of the framework in place to ensure that they discharge their responsibilities as Accountable Officer as set out in the Accountable Officer Memorandum;
- Confirmation from Executive Directors that there are no known control issues nor breaches of Standing Orders/Standing Financial Instructions other than any disclosed within the Governance Statement;
- Summaries of any relevant significant reports by Healthcare Improvement Scotland (HIS) or other external review bodies.

5.8 To present an annual statement of assurance on the above to the Board, to support the NHS Fife Chief Executive's Governance Statement.

Internal Audit

5.9 To review and approve the Internal Audit Strategic and Annual Plans having assessed the appropriateness to give reasonable assurance on the whole of risk control and governance.

5.10 To monitor audit progress and review audit reports.

5.11 To monitor the management action taken in response to the audit recommendations through an appropriate follow-up mechanism.

5.12 To consider the Chief Internal Auditor's annual report and assurance statement.

5.13 To approve the Fife Integration Joint Board Internal Audit Output Sharing Protocol.

5.14 To review the operational effectiveness of Internal Audit by considering the audit standards, resources, staffing, technical competency and performance measures.

5.15 To ensure that there is direct contact between the Audit and Risk Committee and Internal Audit and that the opportunity is given for discussions with the

Chief Internal Auditor at least once per year (scheduled within the timetable of business) and, as required, without the presence of the Executive Directors.

- 5.16 To review the terms of reference and appointment of the Internal Auditors and to examine any reason for the resignation of the Auditors or early termination of contract/service level agreement.

External Audit

- 5.16 To note the appointment of the Statutory Auditor and to approve the appointment and remuneration of the External Auditors for Patients' Funds and Endowment Funds.
- 5.17 To review the Audit Strategy and Plan, including the Best Value and Performance Audits programme.
- 5.18 To consider all statutory audit material, in particular:
- Audit Reports;
 - Annual Reports;
 - Management Letters

relating to the certification of Fife NHS Boards Annual Accounts and Annual Patients' Funds Accounts.

- 5.19 To monitor management action taken in response to all External Audit recommendations, including Best Value and Performance Audit Reports.
- 5.20 To hold meetings with the Statutory Auditor at least once per year and as required, without the presence of the Executive Directors.
- 5.21 To review the extent of co-operation between External and Internal Audit.
- 5.22 To appraise annually the performance of the Statutory and External Auditors and to examine any reason for the resignation or dismissal of the External Auditors.

Risk Management

- 5.23 The Committee has no executive authority, and has no role in the executive decision-making in relation to the management of risk. The Committee is charged with ensuring that there is an appropriate publicised Risk Management Framework with all roles identified and fulfilled. However the Committee shall seek assurance that:
- There is a comprehensive risk management system in place to identify, assess, manage and monitor risks at all levels of the organisation;
 - There is appropriate ownership of risk in the organisation, and that there is an effective culture of risk management;

- The Board has clearly defined its risk appetite (i.e. the level of risk that the Board is prepared to accept, tolerate, or be exposed to at any time), and that the executive's approach to risk management is consistent with that appetite;
- A robust and effective Board Assurance Framework is in place.

5.24 In order to discharge its advisory role to the Board and Accountable Officer, and to inform its assessment on the state of corporate governance, internal control and risk management, the Committee shall:

- Receive and review a quarterly report summarising any significant changes to the Board's Corporate Risk Register, and what plans are in place to manage them;
- Assess whether the Corporate Risk Register is an appropriate reflection of the key risks to the Board, so as to advise the Board;
- Consider the impact of changes to the risk register on the assurance needs of the Board and the Accountable Officer, and communicate any issues when required;
- Receive and review a quarterly update on the Board Assurance Framework;
- Assess whether the linkages between the Corporate Risk Register and the Board Assurance Framework are robust and enable the Board to identify gaps in control and assurance;
- Reflect on the assurances that have been received to date, and identify whether entries on the Board's risk management system requires to be updated;
- Receive an annual report on risk management, confirming whether or not there have been adequate and effective risk management arrangements throughout the year, and highlighting any material areas of risk;
- The Committee shall seek assurance on the overall system of risk management for all risks and risks pertinent to its core functions.
- The Committee may also elect to request information on risks held on any risk registers within the organisation.

Standing Orders and Standing Financial Instructions

5.25 To review annually the Standing Orders and associated appendices of Fife NHS Board and advise the Board of any amendments required.

- 5.26 To examine the circumstances associated with any occasion when Standing Orders of Fife NHS Board have been waived or suspended.

Annual Accounts

- 5.27 To review and recommend approval of draft Fife NHS Board Annual Accounts and Patient Funds Accounts to the Board.
- 5.28 To review the draft Annual Report and Financial Review of Fife NHS Board as found within the Directors Report incorporated within the Annual Accounts.
- 5.29 To review annually (and approve any changes in) the accounting policies of Fife NHS Board.
- 5.30 To review schedules of losses and compensation payments where the amounts exceed the delegated authority of the Board prior to being referred to the Scottish Government for approval.

Other Matters

- 5.31 The Committee has a duty to review its own performance, effectiveness, including its running costs, and terms of reference on an annual basis.
- 5.32 The Committee has a duty to keep up-to-date by having mechanisms to ensure topical legal and regulatory requirements are brought to Members' attention.
- 5.33 The Committee shall review the arrangements for employees raising concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.
- 5.34 The Committee shall review regular reports on Fraud and potential Frauds.
- 5.35 The Chairperson of the Committee will submit an Annual Report of the work of the Committee to the Board following consideration by the Audit and Risk Committee in June.
- 5.36 The Chairperson of the Committee should be available at Fife NHS Board meetings to answer questions about its work.
- 5.37 The Committee shall draw up and approve, before the start of each financial year, an Annual Workplan for the Committee's planned work during the forthcoming year.
- 5.38 The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements".

- 5.39 The Committee shall seek assurance that the Board has systems of control to ensure that it discharges its responsibilities under the Freedom of Information (Scotland) Act 2002.
- 5.40 The Committee shall review the Board's arrangements to prevent bribery and corruption within its activities. This includes the systems to support Board members' compliance with the NHS Fife Board Code of Conduct (Ethical Standards in Public Life Act 2000), the systems to promote the required standards of business conduct for all employees and the Board's procedure to prevent Bribery (Bribery Act 2000).

6. AUTHORITY

- 6.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference, and in doing so, is authorised to seek any information it requires from any employee or external experts.
- 6.2 In order to fulfil its remit, the Audit and Risk Committee may obtain whatever professional advice it requires, and may require Directors or other officers of the Board to attend meetings.
- 6.3 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- 6.4 The Committee's authority is included in the Board's Scheme of Delegation and is set out in the Purpose and Remit of the Committee.

7. REPORTING ARRANGEMENTS

- 7.1 The Audit and Risk Committee reports directly to the Fife NHS Board on its work. Minutes of the Committee are presented to the Board by the Committee Chairperson, who provides a report, on an exception basis, on any particular issues which the Committee wishes to draw to the Board's attention.
- 7.2 The Audit and Risk Committee will advise the Scottish Parliament Public Audit Committee of any matters of significant interest as required by the Scottish Public Finance Manual.

Meeting:	NHS Fife Audit and Risk Committee
Meeting date:	18 March 2021
Title:	Draft Annual Accounts Timetable
Responsible Executive:	Margo McGurk, Director of Finance
Report Author:	Rose Robertson, Deputy Director of Finance

1 Purpose

This paper is presented to the Board for:

- Awareness

This report relates to a:

- Government policy/directive
- Legal requirement

This aligns to the following NHSScotland quality ambition(s):

- Safe
- Effective
- Person Centred

2 Report summary

2.1 Situation

The purpose of this paper is to provide an overview of the draft Annual Accounts 2020/21 timetable for information and noting.

2.2 Background

The annual accounts and audit timetable has been prepared following detailed internal planning work, and in conjunction with our external auditors, Audit Scotland. The timetable has been framed reflecting on lessons learned from last year's annual accounts process; and is informed and supported by an agreed level of NHS Fife finance resource to ensure its delivery.

2.3 Assessment

The annual accounts timetable is attached at Appendix 1. NHS Fife will prepare our unaudited 2020/21 accounts by 30 June 2021 and will submit audited accounts by 28 September 2021. The legislative deadline for laying accounts in the Scottish Parliament is (TBC).

2.3.1 Quality/ Patient Care

N/A

2.3.2 Workforce

NHS Fife has appointed to the Head of Financial Services and Procurement post with effect from 10 March. In addition the key NHS Fife resource which delivered the annual accounts process last year will lead and support this process to ensure a level of continuity, consistency and corporate memory.

2.3.3 Financial

N/A

2.3.4 Risk Assessment/Management

NHS Fife are working collaboratively with Audit Scotland to ensure the audit of the 2020/21 financial statements is delivered within the agreed accelerated timeframe.

2.3.5 Equality and Diversity, including health inequalities

An impact assessment is not required. The annual accounts process is an annual statutory requirement.

2.3.6 Other impact

N/A

2.3.7 Communication, involvement, engagement and consultation

The NHS Fife Board will be advised of the draft annual accounts timetable at its next meeting on 31 March.

2.3.8 Route to the Meeting

This is the first presentation of this report.

2.4 Recommendation

- **Awareness** – For Members' information only.

3 List of appendices

The following appendices are included with this report:

- Appendix No 1: Annual Accounts Timetable

Report Contact

Rose Robertson

Deputy Director of Finance

Email rose.robertson1@nhs.scot

Appendix 1 – NHS Fife Annual Accounts Timetable

Latest submission date of unaudited Annual Report and Consolidated Accounts with complete working papers package	1 June 2021
Latest date for receipt of assurances from Group's Component Auditors	30 June 2021
Consideration by management of Service Auditors reports	16 September 2021
Latest date for final clearance meeting with Director of Finance and other relevant officers	12 August 2021
Issue of Letter of Representation, proposed independent auditor's report, draft Annual Audit Report, and audited unsigned Annual Report and Consolidated Accounts to NHS Fife Audit and Risk Committee	6 September 2021
Issue of Annual Audit Report to those charged with governance (the Board)	17 September 2021
Approval of audited unsigned Annual Report and Consolidated Accounts	28 September 2021
Independent auditor's report signed	28 September 2021

Meeting: Audit and Risk Committee
Meeting date: 18 March 2021
Title: Internal Audit Progress Report and Annual Plan Amendments
Responsible Executive/Non-Executive: M McGurk, Director of Finance
Report Author: B Hudson – Regional Audit Manager

1 Purpose

This is presented to the Audit and Risk Committee for:

- Assurance
- Discussion

This report relates to a:

- Local policy

This aligns to the following NHSScotland quality ambition(s):

- Safe
- Effective
- Person Centred

2 Report summary

2.1 Situation

This paper provides the Audit and Risk Committee with comprehensive assurance on the progress of the 2020/21 Internal Audit Plan and amendments to the 2020/21 Plan which require Audit and Risk Committee approval.

2.2 Background

The Internal Audit year runs from May to April. The Internal Audit team continues to deliver the 2020/21 plan under the supervision of the Chief Internal Auditor. Audit work completed allows the Chief Internal Auditor to provide the necessary assurances prior to the signing of the accounts.

The work of Internal Audit and the assurances provided by the Chief Internal Auditor in relation to internal control are key assurance sources taken into account when the Chief Executive undertakes the annual review of internal controls and forms part of the consideration of the Audit and Risk Committee and the Board prior to finalising the Governance Statement which is included and published in the Board's Annual Accounts.

2.3 Assessment

Each audit report includes an action plan that contains prioritised actions, associated lead officers and timescales. Progress on implementation of agreed actions is monitored through the Audit Follow-up System, which is maintained and reported to the Audit and Risk Committee by Internal Audit.

Due to IT difficulties, we are unable to provide detailed KPIs to this meeting.

Appendix A shows:

- Final Internal Audit Reports Issued Since the last Audit and Risk Committee
- Internal Audit Reports issued in draft at the time of submission of papers for the Audit and Risk Committee
- Internal Audit Work in Progress and Planned
- Summary of Internal Audit Findings in Final Internal Audit Reports issued since the last Audit and Risk Committee
- Internal Audit Performance against Service Specification Key Performance Indicators.

Appendix B shows:

- The previously agreed Audit Plan for 2020/21 with all the amendments which require Audit and Risk Committee approval.

Impact of and response to COVID-19 – Annual Plan 2020/21

As with many aspects of NHS Fife's operations, COVID-19 has impacted on progress with the Internal Audit Plan for 2020/21. We adapted our plan to provide an early review of Sustainable Services, however COVID -19 has impacted on client staff availability and on the timely provision of required information by officers, as well as on those audits ordinarily requiring on-site presence. However, we have adapted and developed workarounds where restrictions have made an on-site presence inappropriate.

The Internal Audit Plan for 2020/21 approved at the July meeting of the Audit and Risk Committee, , made it clear it would need to be a fluid document and would change in response to known changes in the risk environment. Accordingly, a revised audit plan for 2020/21 is attached at Appendix 2, for Audit and Risk Committee approval.

Advice and input

In addition to formal audit reviews which result in a report to the Audit and Risk Committee, Internal Audit have continued to provide advice and assistance to officers and Board members on the following areas since the last Audit and Risk Committee meeting, including:

- Assurance mapping and risk advice, in particular Digital and Information risks
- Advice on the revised Terms of Reference for the Digital Information Board, Information Governance and Security Steering and Operational Groups and attendance at their meetings.
- Suggested amendments to the draft Integration Scheme

Improvement Activities

As noted above, understandably, the pressures of COVID-19 have impacted on the availability of senior management which in turn allowed us some time 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. Further work since the January 2021 Audit and Risk Committee meeting includes:

- Ongoing development of the FTF website
- FTF self assessment against the Public Sector Internal Audit Standards

2.3.1 Quality/ Patient Care

The Triple Aim is a core consideration in planning all internal audit reviews.

2.3.2 Workforce

Management responsibilities, skill sets and structures are a core consideration in planning all internal audit reviews.

2.3.3 Financial

Financial Governance is a key pillar of the Annual Internal Audit Plan and value for money is a core consideration in planning all internal audit reviews.

2.3.4 Risk Assessment/Management

The internal audit planning process which produces the Annual Internal Audit Plan takes into account inherent and control risk for all aspects of the Audit Universe. Individual internal audit assignments identify the key risks at the planning stage and our work is designed to evaluate whether appropriate systems are in place and operating effectively to mitigate the risks identified. Legal requirements are a core consideration in planning all internal audit reviews.

2.3.5 Equality and Diversity, including health inequalities

All internal audit reviews which involve review of policies and procedures examine the way in which equality and diversity is incorporated in Board documentation.

2.3.6 Other impacts

N/A

2.3.7 Communication, involvement, engagement and consultation

All papers have been produced by Internal Audit and shared with the Director of Finance.

2.3.8 Route to the Meeting

This paper has been produced by the Regional Audit Manager and reviewed by the Chief Internal Auditor.

2.4 Recommendation

The Audit and Risk Committee is asked to:

- **DISCUSS** and note the progress on the delivery of the Internal Audit Plans.
- **APPROVE** the changes to the 2020/21 Internal Audit Plan set out in Appendix B

3 List of appendices

The following appendices are included with this report:

- Appendix A – Internal Audit Progress Report
- Appendix B – Updated Internal Audit Plan 2020/21



Internal Audit Progress Report

Introduction

This report presents the progress of internal audit activity up to 5 March 2021.

Internal Audit Activity

NHS Fife Completed Audit Work

The following audit products, with the audit opinion shown, have been issued since the last Audit and Risk Committee meeting on 19 January 2021. Each review completed has been categorised within one of the five strands of corporate governance. A summary of each report is included for information within the 'Summary of Audit findings' section.

Audit 2020/21	Opinion on Assurance	Recommendations	Draft issued	Finalised
Corporate Governance				
B08/21 – Internal Control Evaluation (ICE)	N/A	Two 'fundamental' Two 'significant' Two 'merits attention'	27 January 2021	5 March 2020
B09/21 – Audit Follow Up	N/A	N/A	N/A	Report provided to each Audit and Risk Committee

NHS Fife Draft Reports Issued

Audit 2020/21	Draft issued
B20/21 – Adverse Event Management	24 February 2021

NHS Fife Work in Progress and Planned:

Audit 2020/21		Status	Target Audit Committee
B10/21	Code of Corporate Governance – COVID Checklist	Fieldwork	May 2021
B11/21	Attendance at meetings/ Ad-hoc Advice provided by Chief Internal Auditor, Audit Manager and Principal Auditors	Fieldwork	Yearend report to May 2021 meeting
B12/21	Assurance Mapping ¹	Fieldwork	Yearend report to May 2021 meeting
B13/21	Risk Management	Fieldwork	May 2021
B15/21	NHS Resilience ²	Planning	May 2021
B18/21	Health and Social Care Integration	Fieldwork	Yearend report to May 2021 meeting
B19/21	Clinical Governance Strategy and Assurance including Scottish Patient Safety Programme	Fieldwork	May 2021
B21/21	Medical Equipment and Devices	Fieldwork	May 2021
B22/21	Workforce - Review of Manual Handling Arrangements	Fieldwork	May 2021
B23/21	Information Technology Infrastructure Library (ITIL) Processes	Fieldwork	May 2021
B26/21	Financial Process Compliance	Fieldwork	May 2021
B28/21	Digital and Information Governance Arrangements	Fieldwork	May 2021

¹ B12/21 – Further meetings with the newly appointed Associate Director Digital and Information to help evolve the assurance reporting around Digital and Information Governance.

² B15/21 – NHS Resilience – FTF wide review of resilience arrangements being undertaken.

Summary of Audit Findings

This section provides a summary of the findings of internal audit reviews concluded since the previous Audit and Risk Committee meeting of January 2021 where a progress report was considered.

1. B08/21 Internal Control Evaluation (ICE)

Full report included on the agenda for the March 2021 Audit and Risk Committee.

2. B09/21 Audit Follow Up (AFU)

Full report included on the agenda for the March 2021 Audit and Risk Committee.



NHS Fife Internal Audit Plan - Update

Introduction

This appendix represents changes to the 2020-21 Internal Audit Plan, which require Audit and Risk Committee approval.

We have provided an update on the plan overall and the expected completion.

Specifically the Audit and Risk Committee are required to approve the changes, as documented below, for:

- B17/21 Improvement, Innovation and Operational Planning
- B19/21 Patient Safety Programme
- B22/21 Workforce Planning including Capable and Effective Workforce
- B27/21 Endowment Funds/Patient Funds
- B28/21 Information Assurance/Information Security Framework

Internal Audit Plan

Audit 2020/21	Original Scope	Days	Revised Scope	Current Status	Further Audit and Risk Committee Approval Required for the Stated Change – Y/N/For Information
B01/21 Audit Risk Assessment & Planning	Audit Risk & Operational Planning	10	N/A	Plan approved at the July 2020 Audit and Risk Committee meeting.	N
B02/21 Audit Management & Liaison with Directors	Audit Management, liaison with Director of Finance and other officers	18	N/A	Year End Report to May 2021.	N
B03/21 Liaison with	Liaison and co-	4	N/A	Year End Report to May 2021.	N

Audit 2020/21	Original Scope	Days	Revised Scope	Current Status	Further Audit and Risk Committee Approval Required for the Stated Change – Y/N/For Information
External Auditors	ordination with External Audit				
B04/21 Audit & Risk Committee	Briefing, preparation of papers, attendance and action points	16	N/A	Year End Report to May 2021.	N
B05/21 Clearance of Prior Year	Provision for clearance and reporting of 2019/20 audit reports	10	N/A	Year End Report to May 2021.	N
B06/21 Annual Internal Audit Report	CIA annual assurance to Audit Committee	10	N/A	Completed	N
B07/21 Governance Statement	Preparation of portfolio of evidence to support Annual Report	15	N/A	Completed	N
B08/21 Internal Control Evaluation (ICE)	Mid-year assurance for Audit & Risk Committee on	32	N/A	Completed	N

Audit 2020/21	Original Scope	Days	Revised Scope	Current Status	Further Audit and Risk Committee Approval Required for the Stated Change – Y/N/For Information
	specific agreed governance areas				
B09/21 Audit Follow Up	Provide the Audit Follow Up service and report to Audit & Risk Committee	40	N/A	Completed (Report provided to each Audit and Risk Committee meeting)	N
B10/21 Code of Corporate Governance	Provide assistance and review progress for “Once for Scotland” documents	15	Populated the Audit Scotland Covid-19 checklist and provided initial results to management for consideration for yearend reporting purposes.	Completed (agreed for work to be undertaken as part of B08/21 ICE).	N
B11/21 Board, Operational Committees and Accountable Officer	Attendance at Standing Committees, Board, EDG and other Operational Committees (IG and eHealth) as requested	10	N/A	Year End Report to May 2021.	N
B12/21 Assurance Framework	Assurance structures, including Audit &	10	N/A	Ongoing work with Associate Director Digital and Information to further develop BAF risk, associated	N

Audit 2020/21	Original Scope	Days	Revised Scope	Current Status	Further Audit and Risk Committee Approval Required for the Stated Change – Y/N/For Information
	Risk Committee; relevance, reliability, timeliness and quality of evidence			wording and assurances. Year End Report to May 2021.	
B13/21 Risk Management Strategy, Standards and Operations	Yearly review of strategy and supporting structures in order to conclude on risk maturity	15	N/A	Two phased review to be undertaken with phase one in 2020/21 to ascertain progress in delivering and, where necessary, update previous audit recommendations over the last 5 years and providing comment on ongoing risk activities. Phase two, a full risk maturity review will be undertaken in 2021/22 once all ongoing recommendations and actions have been implemented.. Phase one report to May 2021 Audit and Risk Committee.	N
B14/21 Staff and Patient Environment	Sharps Management Review – actions following a HSE Improvement Notice within	15	N/A	Completed	N

Audit 2020/21	Original Scope	Days	Revised Scope	Current Status	Further Audit and Risk Committee Approval Required for the Stated Change – Y/N/For Information
	Maternity Department				
B15/21 NHS Resilience; Business Continuity and Emergency Planning	Compliance with NHS Scotland Resilience: Preparing for Emergencies Guidance and COVID-19 impact	20	N/A	Review is at planning stage. Aim is to report to May 2020/21 Audit and Risk Committee.	N
B16/21 Strategic Planning	Business and clinical strategies and priorities supporting the delivery of SGHSCD targets	15	Previously reported to the Audit and Risk Committee that a review of Sustainable Services will be undertaken and reported as part of B08/21.	Completed.	N
B17/21 Improvement, Innovation and Operational Planning	Delivering effective and efficient person-centred services including service redesign	15	The second phase of B16/21, commencing later on in the year, will assess the extent to which the agreed approach to strategy and remobilisation is being implemented successfully, monitored appropriately and to which identified risks to its success	Audit to be deferred and included within the 2021/22 Internal Audit Plan.	Y – Approval to defer required

Audit 2020/21	Original Scope	Days	Revised Scope	Current Status	Further Audit and Risk Committee Approval Required for the Stated Change – Y/N/For Information
			have been identified and mitigated.		
B18/21 Health & Social Care Integration	Working with Fife Council to deliver IJB Internal Audit Plan and ongoing review of Health Board BAF risk and associated controls	25	N/A	For 2020/21 the input from Internal Audit has been largely advisory, with most input being provided by the Fife Council IA team. For 2021/22 onwards; Internal audit will provide and lead on the Fife IJB audit plan and discussions on the development of that plan are ongoing.	For Information
B19/21 Patient Safety Programme	Accurately reporting and using SPSP and SPSI data to improve patient safety	15	Review of clinical governance and assurance which will include patient safety programme.	Further work on Clinical Governance and Assurance was highlighted within the Internal Annual Audit Report for 2019/20.	Y - Approval required around change of scope.
B20/21 Adverse Event Management	Specific review requested by Medical Director around recording of DATIX incidents	12	N/A	Draft report issued. Will be reported to either March/May 2021 Audit and Risk Committee.	N
B21/21 Medical Equipment and Devices	Maintenance, control and	12	N/A	Work is at fieldwork stage. Will be reported to the May 2021	N

Audit 2020/21	Original Scope	Days	Revised Scope	Current Status	Further Audit and Risk Committee Approval Required for the Stated Change – Y/N/For Information
	acquisition of medical devices			Audit and Risk Committee.	
B22/21 Workforce Planning including Capable and Effective Workforce	Review to be agreed with Director of Workforce	15	Head of Estates requested an independent review of delivery of manual handling courses.	Internal audit will engage with the Director of workforce around audit planning for Workforce reviews in 2021/22. Review of manual Handling will be reported to the May 2021 Audit and Risk Committee.	Y - Approval required around change of scope.
B23/21 Savings Programme	Identification, delivery and reporting of savings	12	Digital and Information review of its ITIL processes (best practice in IT Service Management) to confirm whether the best practice continues to be documented and followed.	This change was approved at the January 2021 Audit and Risk Committee. Will be reported to the May 2021 Audit and Risk Committee.	N
B24/21 Financial Planning	Strategic financial planning and prioritisation to support Corporate strategies and priorities	12			
B25/21 Property Transaction Monitoring	Post transaction monitoring	15	N/A	Completed.	N
B26/21 Financial Process Compliance	To be selected from: central	10	N/A	Fieldwork ongoing. Will be reported to the May 2021	N

Audit 2020/21	Original Scope	Days	Revised Scope	Current Status	Further Audit and Risk Committee Approval Required for the Stated Change – Y/N/For Information
	payroll, travel, accounts payable, accounts receivable, banking arrangements			Audit and Risk Committee.	
B27/21 Endowment Funds/Patient Funds	Operation of Endowment Committee and compliance with national endowment guidance/operation of patient fund processes	15	N/A	Audit to be deferred and included within the 2021/22 Internal Audit Plan.	Y – Approval to defer required
B28/21 Information Assurance/Information Security Framework	Review of the outcomes from NIS external review	20	Review of previous IG/eHealth recommendations with Annual reports and ICE, and reflection on current governance improvements.	Will be reported to the May 2021 Audit and Risk Committee.	Y - Approval required around change of scope.
B29/21 COVID-19 Reconfiguration and Recovery	Time set aside for reviews in year which may have COVID-19 implications	40	N/A	N/A	N

NHS Fife

Meeting:	Audit and Risk Committee
Meeting date:	18 March 2021
Title:	Audit follow up position at 28 February 2021
Responsible Executive:	Margo McGurk, Director of Finance
Report Author:	Barry Hudson, Regional Audit Manager

1 Purpose

This is presented to the Audit & Risk Committee for:

- Assurance
- Discussion

This report relates to the:

- Audit Follow up Protocol

This aligns to the following NHSScotland quality ambition:

- Effective

2 Report summary

2.1 Situation

Good practice guidance, as laid out in the Audit Committee Handbook, emphasises the importance of effective follow up processes to ensure that the actions agreed by management to address control weaknesses identified by the work of Internal and External Audit are actually implemented.

2.2 Background

At the 16 May 2019 Audit and Risk Committee, Internal Audit agreed to take responsibility for NHS Fife Audit Follow Up and an exercise was undertaken to identify outstanding actions. Notifications were raised and sent to relevant responding officers for all recommendations for which we were unable to identify that actions had been completed/implemented for final reports issued in 2017/18 and 2018/19. These items continue to be followed up and reported to the Audit and Risk Committee. If any further delays are experienced, we will continue to highlight the consequences in terms of risk and control to the Audit and Risk Committee in full.

The EDG now consider the progress on internal audit actions quarterly with Directors being reminded of the need to ensure good progress is made in clearing outstanding issues.

A revised Audit Follow Up Protocol, as part of the Internal Audit Framework, was approved at the January 2021 Audit and Risk Committee. External Audit recommendations will continue to be followed up through NHS Fife Finance Directorate and Internal Audit will continue to review progress against external audit recommendations where relevant to internal audit fieldwork.

Internal Audit will validate the evidence supplied by responding officers for actions they are declaring as completed to confirm that those actions address the recommendations made.

2.3 Assessment

The appendices to this report detailed in paragraph 4 below show the status of all internal audit recommendations as at 28 February 2021, with comparable figures from the last AFU report in January 2021.

	January 2021	February 2021
Total Recommendations from 2017/18, 2018/19 2019/20, and 2020/21	191	209
Total Completed	102	106
Number validated responses from total completed	92	98
Remaining Recommendations:		
Extended with revised dates (agreed by Responding Officer)	40	39
Outstanding	15	24
Not yet due	7	12
Superseded	27	28

Responding officers have reported a number of delays in progressing actions due to prioritisation of COVID-19 duties. Where COVID-19 has impacted on progress, this is highlighted in appendix 3 to this report. Despite the impact of COVID-19, the number of actions outstanding from prior year audit reports has reduced and we would expect further and accelerated progress when staff return to their substantive duties.

The Responsible Director for the remaining 3 extended actions from 2017/18 has now left NHS Fife. We have now identified responsible officers for these actions and they are currently working towards completion of them with a due date of 31 March 2021.

Where we have issues around progress for outstanding recommendations, in particular, where no response is received from the responsible officer, we will liaise with the Director of Finance and the Board Secretary to escalate.

A further 5 recommendations from 2018/19 were escalated to the Director of Finance, with new responsible officers identified to take forward to completion with a due date of 31 March 2021.

2.3.1 Quality/ Patient Care

There are no direct implications for Quality/Patient Care as a result of this report.

2.3.2 Workforce

There are no workforce implications arising from this report.

2.3.2 Financial

There are no direct financial implications arising from this report.

2.3.3 Risk Assessment/Management

The internal audit planning process which produces the Annual Internal Audit Plan takes into account inherent and control risk for all aspects of the Audit Universe. Individual internal audit assignments identify the key risks at the planning stage and our work is designed to evaluate whether appropriate systems are in place and operating effectively to mitigate the risks identified. Legal requirements are a core consideration in planning all internal audit reviews.

2.3.4 Equality and Diversity, including health inequalities

An impact assessment has not been completed because it is not applicable for this report.

2.3.5 Other impacts

Not applicable

2.3.6 Communication, involvement, engagement and consultation

The content of the report was discussed with the Chief Internal Auditor, Director of Finance and Head of Corporate services/Board Secretary, ahead of submission to the Audit and Risk Committee.

2.3.7 Route to the Meeting

Not applicable

2.4 Recommendation

The Audit and Risk Committee is asked to:-

- **note** and consider the current status of Internal Audit recommendations recorded within the AFU system.

3. List of appendices

The following appendices are included with this report:

Appendix A:	Status and Priority Definitions	Page 1
Appendix B:	Summary of Progress	Page 2
Appendix C:	Detailed Action Status by Report	Page 3
Appendix D:	Reasons for Extensions Granted	Page 7
Appendix E:	Outstanding recommendations at 28 Feb	Page 15
Appendix F:	Internal Audit Validation	Page 27

Report Contact

Barry Hudson, Regional Audit Manager, Email: barry.hudson@nhs.scot

Definitions

Action Status	
Term	Definition
Complete	Client has informed Internal Audit that the action has been implemented
Extended	Client has requested further time to implement the action (see Appendix D)
Outstanding	The original, or extended, due date has passed and the client has not provided an update or requested an extension to the due date (see Appendix E)
Not Yet Due	Original action by date has not yet occurred
Superseded	Action has been updated within a further audit report
Not Validated	Client has informed Internal Audit that the action has been implemented but our validation process found that further evidence is required to support this conclusion (see Appendix F)

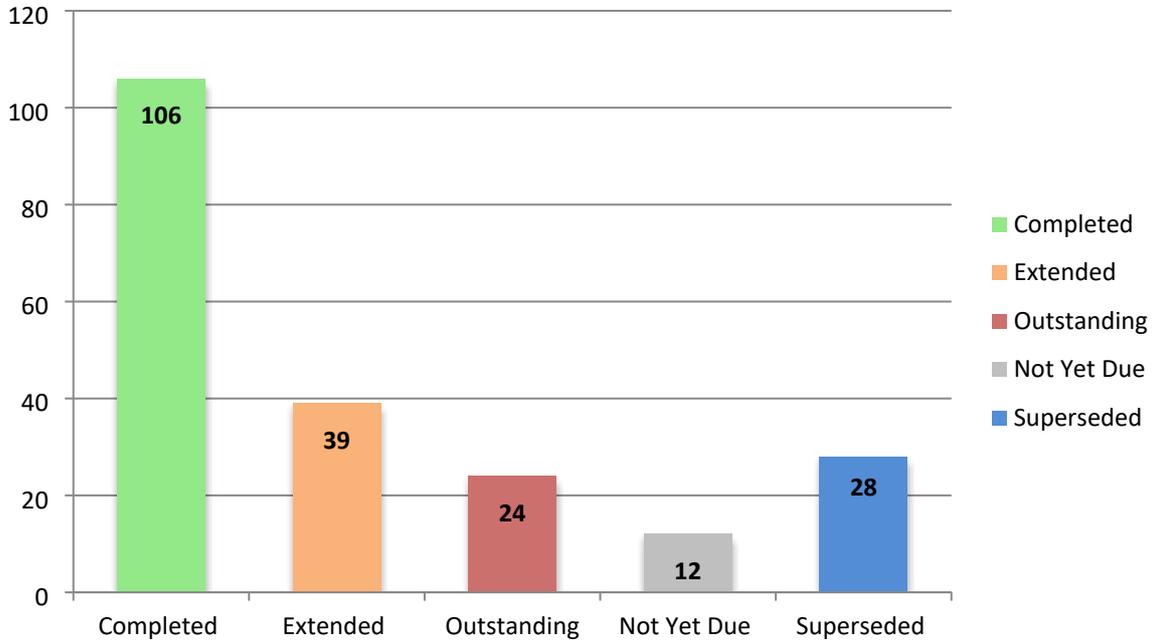
As our report format, including categorisation of audit opinion and report recommendations, changed in audit year 2018/19 the priority of the recommendations referred to in this report are quoted using two different systems. These are included in the table below:

Recommendation Priority	
Term	Definition
More Recent Reports	
Fundamental (F)	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.
Significant (S)	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.
Merits Attention (MA)	There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.
Older Reports	
Priority 1	Relate to critical issues, which will feature in our evaluation of the Governance Statement. These are significant matters relating to factors critical to the success of the organisation. The weakness may also give rise to material loss or error or seriously impact on the reputation of the organisation and require urgent attention by a Director.
Priority 2	Relate to important issues that require the attention of senior management and may also give rise to material financial loss or error.
Priority 3	Are usually matters that can be corrected through line management action or improvements to the efficiency and effectiveness of controls.
Priority 4	Are recommendations that improve the efficiency and effectiveness of controls operated mainly at supervisory level. The weaknesses highlighted do not affect the ability of the controls to meet their objectives in any significant way.

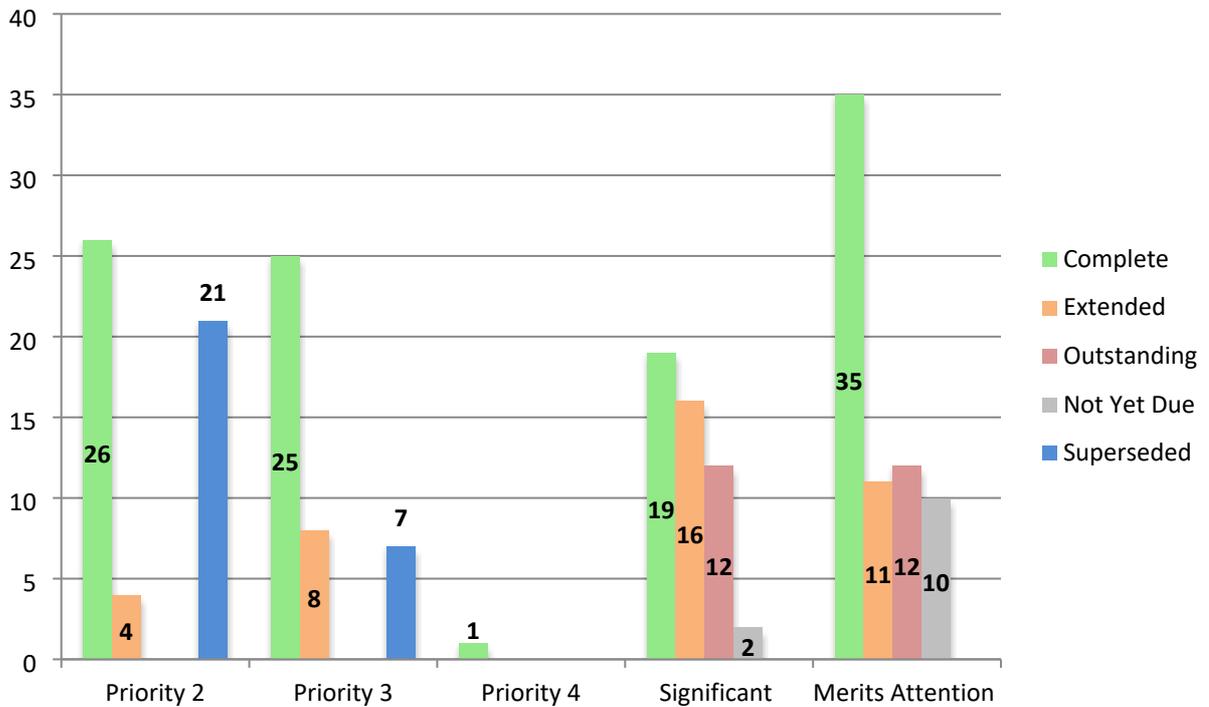
Summary of Audit Follow Up Progress for 2017/18, 2018/19, 2019/20 and 2020/21 Audits

Status of Internal Audit actions at 28 February 2021

Status of Recomendations



Status of recomendation by Priority



2017/18	Date of Issue	Total Recs.		Complete	Extended	Outstanding	Not Yet Due	Superseded		Not Validated
Appendix					D	E				F
B10/18 Transformation Programme	<i>Follow Up Review undertaken under B15/20</i>							4		-
B18/18 Clinical Governance Strategy	Dec-17	17		4	0	0	0	13		1
B19/18 Patient Safety Programme	Jan-18	2		2	0	0	0	0		-
B21B/18 Remuneration Sub-Committee	May-18	2		2	0	0	0	0		-
B24/18 Property Transaction Monitoring (PTM)	<i>All actions from B24/18 will be considered in B25/21 PTM</i>							3		-
B26/18 Brookson Locum Invoice Approval Process	Feb-18	6		3	3	0	0	0		-
B27B/18 Service Contract Expenditure	Jul-18	4		4	0	0	0	0		-
B28/18 Service Contract Income	Oct-17	2		2	0	0	0	0		1
B31A/18 Departmental Review: Podiatry	Mar-19	7		7	0	0	0	0		-
B31B/18 Departmental Review: Muirview	Nov-18	11		11	0	0	0	0		-
2017/18 Totals		58		35	3	0	0	20		2

2018/19	Date of Issue	Total Recs.		Complete	Extended	Outstanding	Not Yet Due	Superseded		Not Validated
Appendix					D	E				F
B10/19 Safety Alerts	Follow Up Review underway B12/20							7		-
B11/19 Mandatory Training	Aug-19	3		0	3	0	0	0		-
B16/19 Adverse Event Management	Mar-19	1		1	0	0	0	0		-
B18/19 Medical Equipment & Devices	Mar-19	1		1	0	0	0	0		-
B22/19 Losses & Comps	Apr-19	8		3	5	0	0	0		-
B23&24/19 Savings & Financial Planning	Sep-19	2		1	1	0	0	0		-
B25/19 Financial Management	Mar-20	2		0	2	0	0	0		-
B27/19 Post Transaction Monitoring	Aug-18	2		2	0	0	0	0		-
B29/19 Service Contract Expenditure	Aug-19	4		4	0	0	0	0		-
B31& B32/19 IS Assurance & eHealth Strategic Planning	Aug-19	6		5	0	0	0	1		1
B33/19 Endowment Funds	Jun-19	4		4	0	0	0	0		-
2018/19 Totals		40		21	11	0	0	8		1

2019/20	Date of Issue	Total Recs.	Complete	Extended	Outstanding	Not Yet Due	Superseded		Not Validated
Appendix				D	E				F
B08/20 Internal Control Evaluation	Jan-20	15	6	9	0	0	0		-
B10/20 Governance Blueprint	Jun-20	1	1	0	0	0	0		-
B13/20 Risk Management Staging	Jun-20	3	0	3	0	0	0		-
B14/20 Staff & Patient Environment	Dec-19	3	0	3	0	0	0		-
B15/20 Follow-up of Transformation Programme Governance (B10/18)	Jun-20	7	1	0	6	0	0		-
B17/20 Organisational Performance Management	Oct-20	6	0	1	0	5	0		-
B19/20 Adverse Events Management	Mar-20	4	2	2	0	0	0		1
B21/20 Medicines Management	Dec-19	23	19	1	3	0	0		3
B22A/20 Review of Workforce Strategy Implementation	Jun-20	2	2	0	0	0	0		-
B22b/20 Staff Lottery Follow up	Aug – 19	3	3	0	0	0	0		-
B23a/20 Workforce Planning – Attendance Management	Jan -20	4	2	2	0	0	0		-
B26/20 Property Transaction Monitoring	July-19	1	1	0	0	0	0		-
B27/20 Financial Process Compliance	Jan-20	2	1	1	0	0	0		-
B31/20 eHealth Strategic Planning & Governance	Jun- 20	6	0	0	5	1	0		-
B32/20 NHS Scotland Waiting Times Methodology	Mar-20	13	10	0	2	1	0		1
2019/20 Totals		93	48	25	13	7	0		5

2020/21	Date of Issue	Total Recs.	Complete	Extended	Outstanding	Not Yet Due	Superseded		Not Validated
<i>Appendix</i>				<i>D</i>	<i>E</i>				<i>F</i>
B14/21 Sharps Management	Dec-21	14	0	0	11	3	0		-
B26/21 Property Transaction Monitoring	Sept-20	4	2	0	0	2	0		
2020/21 Totals		18	2	0	11	5	0		0
Overall Totals		209	106	39	24	12	28		8

Recommendations at 28 February 2021 where due date has been extended

Audit Follow Up Report – March 2021

	Rec Number	Priority	Brief Description	Responsible Officer	Original Due Date	Extended Due Date	Reason for Extension from Responsible Officer
B26/18 Brookson Locum Invoice Approval Process	2b	2	There are no documented procedures or FOPs detailing the formal procedures that should be followed for the different stages involved in booking locum staff through Brookson's.	Previous Deputy Director of Finance	30-Jun-18	31-Mar-21	The previous Deputy Director of Finance has now left NHS Fife and following escalation to the Director of Finance, new responsible officers have been identified to take this action forward to completion.
	4	2	Arrangements are to be made to have timesheet approval introduced as intended under the Brookson process. Efforts to be made to renegotiate timescale for invoice payments to a more realistic one.	Previous Director of Finance	30-Jun-18	31-Mar-21	The previous Director of Finance is now Chief Executive and a new responsible officer has been identified to take this action forward to completion.
	5	2	Arrangements for authorisation of invoice payment should be transferred to the clinical service employing the locums. It would seem most appropriate that this is a shared responsibility of clinical leads and service managers.	Previous Director of Finance	30-Jun-18	31-Mar-21	The previous Director of Finance is now Chief Executive and a new responsible officer has been identified to take this action forward to completion.
17/18 Sub Total	3						
B11/19 Mandatory Training	1	3	A central record of course updates and reviews should be maintained. This information should be provided to the SGC at least annually to provide assurance that courses are being kept up to date with any changes to legislation or working practices.	Director of Workforce/ Head of Workforce Development	31-Mar-20	01-Mar-21	The Director of Workforce will undertake a project with the following criteria: <ul style="list-style-type: none"> Identify the best resource to manage this, Consider how we best communicate it out to all training services and, Consider how this will be facilitated on an on-going basis (and by whom).

Recommendations at 28 February 2021 where due date has been extended

	Rec Number	Priority	Brief Description	Responsible Officer	Original Due Date	Extended Due Date	Reason for Extension from Responsible Officer
	2	3	A policy on mandatory training requirements to be followed by staff should be introduced.	Director of Workforce	31-Mar-20	01-Mar-21	The needs are different across the organisation so writing a policy on mandatory training requirements would be challenging e.g. not all core topics including in mandatory skills is applicable to all roles
	3	3	Information should be provided to the SGC to ensure that they are informed and have up to date information regarding the actions in place to ensure that NHS Fife meets its mandatory training obligations	Director of Workforce/ Head of Workforce Development	31-Mar-20	01-Mar-21	NHS Fife e are working on a more sustainable format for producing these reports more regularly in future that does not have such a big impact on time/ resources until the reporting function is available.
B22/19 Losses & Comps	1a, 3	3	Managers responsible for recording incidents should be reminded of the requirement to follow FOP16a for all cases where property is lost, damaged or written off.	Previous Assistant Director of Finance	31-Jul-19	31-Mar-21	The previous responsible officer has now left and a new responsible officer has been identified to take this action forward to completion.
	2b	3	The losses and compensation form included in FOP16a should be amended to include provision for a cross reference to the related Datix incident.	Ledger Control and Treasury Manager	31-Jul-19	31-Mar-21	FOP Update on going
	5	3	The losses and compensation form included in FOP16a should be updated to include a section regarding the prevention of recurrence of losses.	Assistant Director of Finance	31-Jul-19	31-Mar-21	The previous responsible officer has now left and a new responsible officer has been identified to take this action forward to completion.
	6	3	As per action point 1 part a	Previous Assistant Director of Finance	31-Jul-19	31-Mar-21	The previous responsible officer has now left and a new responsible officer has been identified to take this action forward to completion.
B23&24/19 Savings & Financial Planning	2	2	The process for reviewing efficiency saving opportunities should include consideration of the interdependencies in, and between, the Health Board and the IJB both in respect of additional savings opportunities to mitigate risks of adverse consequences up or down stream from where an efficiency project is being implemented.	Director of Finance	31-Mar-20	31-Mar-21	Work on this has commenced, however has been delayed due to the mobilisation of the local response to COVID 19.

Recommendations at 28 February 2021 where due date has been extended

	Rec Number	Priority	Brief Description	Responsible Officer	Original Due Date	Extended Due Date	Reason for Extension from Responsible Officer
B25/19 Financial Management	1	S	Virements between £20-50K are reported to the Chief Executive, Chief Operating Officer or Director of Health and Social Care in line with the FOP Appendix A delegated authority. We recommend that section 5 of the FOP Appendix A is reviewed and revised to include appropriate designations within the FOP for virements to ensure it clearly sets out the procedures to be followed e.g. the reporting method to be used for virements which are not fully delegated and includes the appropriate designations and authorisation levels.	Deputy Director of Finance	31-Jul-20	30-Apr-21	Due to capacity issues within the Finance Directorate and the requirement for the Financial Management Team to lead on the Annual Accounts process the responses to the audit recommendations remain a work in progress.
	2	M A	Recommend that approval is obtained for these virements from the relevant Executive Director or the Deputy Director of Finance. In line with Section 5 of the FOP 9.2 and 9.3, the process of approval must be actioned by use of the Vacancy Management Form. Due consideration should be given to any extant control processes in place with immediate effect to realign these budgets.	Deputy Director of Finance	31-Mar-20	30-Apr-21	Due to capacity issues within the Finance Directorate and the requirement for the Financial Management Team to lead on the Annual Accounts process the responses to the audit recommendations remain a work in progress.
18/19 Sub Total	11						
B08/20 Internal Control Evaluation	1	S	Work has commenced to review the integration scheme which is line with the actions outlined in the MSG report. This will be done in line with legislation, the model Integration scheme and best practice principles.	Director of Health & Social Care	31-Apr-20	31- Mar- 21	As of 23 December 2020, with the exception of the finance section, the revised integration scheme for Fife is now approaching a version that is fit for circulation, Internal Audit have been asked to comment on the updated document by 13 January 2021 so that a revised version can go through the January committees.
	3	S	The recommendations made in B15/17 & B18/18 Clinical Governance Strategy and Assurance should be presented to the Clinical Governance Committee with an update on the status of actions to address them. The recommendations made in B15/17 & B18/18 Clinical Governance Strategy and Assurance should be considered and should inform the review of the Clinical & Care Governance Strategy.	Medical Director	31-Mar-20	31- Mar- 21	Covid-19 Responsibilities. Indication that work will be ongoing. Extended date is for an update on these actions.

Recommendations at 28 February 2021 where due date has been extended

	Rec Number	Priority	Brief Description	Responsible Officer	Original Due Date	Extended Due Date	Reason for Extension from Responsible Officer
	4	S	<p>The change in approach regarding responsibilities for considering the Activity Tracker Report outlined in the SBAR to 6 Sep 2019 CGC should be reflected in the Terms of References of the NHS Fife CGC and ASD CGC and the H&SCP's C&CGC and C&CGGs.</p> <p>A year-end summary of NHS Fife responses to External and Internal reports should be included in the CGC Annual Statement of Assurance and should include an indication of whether any of the matters reported will require to be included as a disclosure in the Board's Governance Statement which forms part of the annual accounts.</p> <p>As a development, consideration should be given to triangulating significant findings from external inspections with the issues identified by internal control systems and we recommended that, in addition to responding to the substantive points within the external report(s), NHS Fife undertake a holistic review to understand why internal systems did not identify these issues.</p>	Medical Director	31-Mar-20	31- Mar- 21	Covid-19 Responsibilities. Indication that work will be ongoing. Extended date is for an update on these actions.
	7	M A	An action plan to address the recommendation made in Audit Scotland's report on workforce Planning should be agreed by the NHS Fife SGC.	Director of H&SCP / Director of Workforce	30-Jun-20	31- Mar- 21	Due to the focus on COVID we have been unable to arrange for the Chair of the GMS Implementation Group to present to the Staff Governance Committee in line with the recommendation above. This will be arranged in due course, as part of the normal business agenda of the SGC.
	10	S	Fife NHS Board should consider establishing a standing committee for Information Governance or ensure the current structure is fit for purpose to provide adequate assurance on its legislative requirements.	Director of Finance	31-Mar-20	31- Mar- 21	Placed on hold during the COVID19 pandemic Work has progressed to review governance with SBAR and revised terms of reference to be submitted to the Clinical Governance Committee on reinstatement
	11	S	The risk management arrangements for information governance risks should be improved.	Director of Finance	31-Mar-20	31- Mar- 21	Placed on hold during the COVID19 pandemic All risks have been reviewed and updated to follow the 'there is a risk that ... because off ... resulting in ...' format and follow GP/R7 Risk Register and Risk Assessment policy. Discussions still to take place with the NHS Fife Risk team in relation to DATIX and policy

Recommendations at 28 February 2021 where due date has been extended

	Rec Number	Priority	Brief Description	Responsible Officer	Original Due Date	Extended Due Date	Reason for Extension from Responsible Officer
	12	S	The following should be considered for inclusion to reporting in the IPQR (alongside the existing reporting on compliance with the Freedom of Information (Scotland) Act 2002): <ol style="list-style-type: none"> i. NHS Scotland's Information Security Policy Framework (incorporating ISO27001:2013, legal requirements of the NIS Regulations and GDPR & Data Protection Act 2018 and the Public Sector Cyber Resilience Action Plan and the Cyber Assurance Framework) ii. GDPR/Data Protection Act 2018 iii. Public Sector Cyber Resilience Action Plan and the Cyber Assurance Framework 	Director of Finance	31-Mar-20	31- Mar- 21	Placed on hold during the COVID19 pandemic
	14	M A	The NHS Fife Information Security Policy should be reviewed as a matter of urgency.	Director of Finance	28-Feb-20	31- Mar- 21	Placed on hold during the COVID19 pandemic
	15	S	Regular reporting of the implementation of the eHealth Delivery Plan to a standing committee should be initiated and this should include overtly linking the projects to relevant national and local strategies (NHS Scotland Digital Health and Care Strategy, NHS Fife Clinical Strategy and IJB Strategic Plan).	Medical Director	31-Mar-20	31- Mar- 21	Covid-19 Responsibilities. Indication that work will be ongoing. Extended date is for an update on these actions.
B13/20 Risk Management Staging	1	S	Risk Management Framework is mostly still in progress and we recommend that a project plan is developed and produced with any remaining actions required, realistic key dates and milestones to enable the monitoring of the plan and ensure a timely completion.	Risk Manager	31-Jul-20	30-Jun21	Work on this has commenced. The new Head of Quality & Clinical Governance took up post in late February 2021. Undertaking this work will be a key priority for Q1 2021.
	2	S	There is further scope to enhance the strategic aspects of Risk Management within NHS Fife, within the context of the risk appetite consulted and agreed by the Board and the implementation of DL(2019) 02 Blueprint for Good Governance.	Risk Manager	31-Jul-20	30-Jun21	Work on this has commenced. The new Head of Quality & Clinical Governance took up post in late February 2021. Undertaking this work will be a key priority for Q1 2021.
	3	S	We recommend that the IJB risk management arrangements are clarified between the Fife Integration Joint Board and NHS Fife with particular reference to the treatment of residual risk and escalation process with the Fife IJB, the Health and Social Care Partnership and NHS Fife Board. We further recommend that the governance arrangements regarding risk management with the Fife IJB, and the Fife Health Care Partnership are recorded in the Risk Register and Risk Assessment policy GP/R7.	Risk Manager	31-Jul-20	30-Jun21	Work on this has commenced. The new Head of Quality & Clinical Governance took up post in late February 2021. Undertaking this work will be a key priority for Q1 2021.

Recommendations at 28 February 2021 where due date has been extended

	Rec Number	Priority	Brief Description	Responsible Officer	Original Due Date	Extended Due Date	Reason for Extension from Responsible Officer
B14/20 Staff & Patient Environment	1a	M A	When available the 'Non-Compliance' report from the eESS system should be used to identify areas/departments/wards with low levels of attendance at Fire Safety Training so that these areas/departments/wards can be supported to improve attendance.	Learning & Development Officer	31-Mar-20	31-May-21	Work has not progressed with the eESS National team despite numerous attempts over the last few months. A report has been developed to identify compliance however, despite requesting a non-compliance report the team have yet to develop this.
	1b	M A	The report should be developed to confirm that all staff who require more specialist training (eg Responsible Persons, Fire Wardens) receive this type of training.	Estates Compliance Manager	On-going	31-May-21	On a more local level within NHS Fife, work will begin in 2021 to roll out the Learner functions within eESS which will give an employee and their manager access to individual learning histories in order to support local awareness of compliance. In addition to this, a Core Skills report will be issued to every manager over the next few months detailing compliance for each member of their team – this will further raise non-compliance awareness on a local level.
	2	M A	Further Standard Operating Procedures should be developed for components of the operational system for fire safety in NHS Fife and the sections for these processes should be summarised in the NHS Fife Fire Safety Procedure and cross references to the appropriate SOPs added.	Estates Compliance Manager	31-Mar-20	31-May-21	A memo has been developed on interim training arrangements, whilst it is not a full SOP it is still an introduction which pulls together the requirements from our Policies & Procedures. This will be used as a baseline to develop into a full SOP as time progresses. This has been shared with a group of 60 staff/managers and has been uploaded to Stafflink.
B17/20 Organisation Performance Management	2	M A	NHS Fife should confirm, within the P&ARF, that all corporate objectives are appropriately mapped to a responsible Director within the appraisal/TURAS system.	Chief Executive	30 Oct 20 (due to impact of Covid-19, the corporate objectives will only be	28-Feb-21	This action is partly completed with the Board approving the corporate objectives on 30 September. Executive Directors are working to update their objectives on Turas and an exercise will be required thereafter to map these across to the corporate objectives.

Recommendations at 28 February 2021 where due date has been extended

	Rec Number	Priority	Brief Description	Responsible Officer	Original Due Date	Extended Due Date	Reason for Extension from Responsible Officer
					considered by the NHS Board in September)		This to be completed in parallel with the review and sign off of the Director's objectives
B19/20 Adverse Events Management	2	S	A review of actions still open for 2018 and 2019 revealed there to be 70 SAER actions and 95 LAER actions still open and overdue completion. An action plan should be drawn up to enable steps to be taken to finalise the backlog of actions currently outstanding and ensure greater effort is made to have actions completed by the respective due date.	Head of Quality & Clinical Governance	30-Jun-20	28-Feb-21	December update: Discussions about establishing processes for reporting of action status through local governance routes has begun. This is now included in the reports which are presented by Directorates to the ASD CGC. The HSCP are improving reporting which is to be extended to include the reporting of outstanding actions. Reports with data and information relating to actions are now part of KPIs which are now reviewed and monitored through the Adverse Events and Duty of Candour Group. This is a standard agenda item. Reports are now created in Datix and are accessible by Directorates.
	3	S	A review of the actions within the SAER and LAER samples selected for all stages of audit testing indicated that sufficient explanation is not being provided within DATIX on the steps taken to implement the actions. Staff should be reminded to fully note on DATIX what steps have been taken to implement actions; including what shared learning has actually taken place. Additionally, a review of the fields on DATIX for recording details of the steps taken to implement actions should be completed, so that staff can be more readily directed to note the final outcome.	Head of Quality & Clinical Governance	30-Jun-20	31-Mar-21	December update: The Adverse Events and Duty of Candour Group did not meet from March until August due to Covid-19 pandemic. The regular meeting schedule resumed in August 2020. This will be an item on the agenda to be discussed at the December 2020 meeting.
B21/20 Medicines Management	4 a-c	M A	Training of Pharmacy, Transport and clinical staff to be reviewed.	Senior Pharmacy Technician	31-Mar-20	31-May-21	Responsible office has is now currently a Covid Vaccinator

Recommendations at 28 February 2021 where due date has been extended

	Rec Number	Priority	Brief Description	Responsible Officer	Original Due Date	Extended Due Date	Reason for Extension from Responsible Officer
	8	M A	Medicines Uplift and Delivery Form must be redesigned and this must include consideration of the issues identified by Internal Audit. Ultimately an electronic alternative solution must be explored.	Lead Pharmacy Technician	31-Mar-20	31-Mar-21	Work is ongoing.
B23a/20 Workforce Planning - Attendance Management	2	M A	A communication to be disseminated to all Managers to raise awareness of the importance of the timeliness of the return to work discussion.	Head of HR	31-Dec-19	31- May- 21	Covid-19 responsibilities – this will tie in with services moving out of an emergency footing and back to normal.
	4	M A	A review is to be undertaken to identify any gaps or duplication with the Attendance Management groups and ensure that there is a clear framework of all the groups, their purpose (strategic or operational) and how they interrelate to ensure that themes, reporting and escalation are defined and reported.	Director of workforce	31-Mar-20	31-May-21	Covid-19 responsibilities – this will tie in with services moving out of an emergency footing and back to normal
B27/20 Financial Process Compliance	2	M A	Financial Operating Procedures to be updated.	Assistant Director of Finance	31-Jul-20	31-Mar-21	The previous responsible officer has now left and a new responsible officer has been identified to take this action forward to completion.
19/20 Sub Total	25						
Total	39						

Update on Outstanding Recommendations at 28 February 2021

Report	Issue Date	Rec Ref.	Audit Finding & Recommendation	Responsible Officer	Original Management Response	Priority	Original Due Date	Revisions to Due Date
2019/20								
B15/20 Strategic Planning	22-Jun-20	1	<p>a. The CGC should receive assurance that the revised governance framework for Transformation Programmes will provide sufficient capacity to accelerate transformational change.</p> <p>b. The CGC should be provided with an evidence based report regarding the impact the revised Transformation Programme Governance arrangements have had on the pace of change and whether other changes are required to further accelerate change.</p> <p>The CGC should also receive assurance that the responsibilities at each level of governance are clearly delineated. This should include the responsibilities of Fife NHS Board, Fife Council, the Integration Joint Board, the NHS Fife CGC, Fife Council’s Scrutiny Committee and the H&SCP Clinical and Care Governance Committee, the Integrated Transformation Board, the Acute Services Division Transformation Committee and the HSCP Transformation Board.</p>	Associate Director - Planning and Performance	<p>The Covid 19 pandemic has resulted to disruption to NHS Fife and Fife Health and Social Care Partnership services and administration. The Transformation Programme has not been exempt from this disruption but lessons learned regarding both the changes made as a result of Covid 19 and the speed at which these changes have been implemented will be useful when resuming the Transformation Programme.</p> <p>The following action will be taken to address the recommendations made:</p> <p>a. A paper will be presented to the NHS Fife CGC including:</p> <ul style="list-style-type: none"> i. An assessment of the impact of Covid 19 on the Transformation Programme including any changes to programmes, priorities and targets ii. Lessons learned regarding the speed of change and agile decision making that were necessary in relation to Covid 19 iii. How the remobilisation programme will impact upon the Transformation Programme going forward. <p>b. As per a above</p> <p>The paper described in ‘a’ above will</p>	Significant	31-Aug-20	

Update on Outstanding Recommendations at 28 February 2021

Report	Issue Date	Rec Ref.	Audit Finding & Recommendation	Responsible Officer	Original Management Response	Priority	Original Due Date	Revisions to Due Date
					include reference to the responsibilities of each committee and the Terms of Reference of the Integrated Transformation Board will be reviewed in light of the changes the pandemic has necessitated. The governance structure of the Integrated Transformation Board was agreed by the co-chairs – the Chief Executives of NHS Fife and Fife Council with the chairs of the NHS Fife’s Clinical Governance Committee and IJB’s Clinical and Care Governance Committee as well as the Council lead of Health and Social Care. The governance structure reflects the complex organisations involved in the Integrated Transformation Board although the governance role for the Clinical Governance Committee remains unchanged.			
		2	<p>a. The NHS Fife Clinical Governance Committee should be provided with written, rather than verbal, reports on the Transformation Programme and these should include the stage they have reached (on the stage and gate process), assurance regarding whether the achievement of their objectives, an estimated contribution to the overall efficiency savings target for the Board are on track and how risks threatening programme delivery are being mitigated.</p> <p>The total anticipated contribution of Transformation Programmes to the efficiency savings target of NHS Fife should agree to a figure outlined in the NHS Fife Annual Operational Plan for 2020/21 for the contribution of Transformation Programmes to efficiency savings.</p>	Associate Director - Planning and Performance	a. At the time of the audit, the Integrated Transformation Board had just been formed and the request for written reports had been issued and only one meeting has met where the written reports from Transformation Programme had been presented to the Clinical Governance Committee. There have been no meetings since the start of COVID-19 so this has not been embedded across the organisations. In line with formal programme management methodology, the highlight reports including items for escalation should be adequate reporting for the Clinical Governance Committee	Significant	<p>a. 31 Aug 2020</p> <p>b. 30 Sept2020</p>	

Update on Outstanding Recommendations at 28 February 2021

Report	Issue Date	Rec Ref.	Audit Finding & Recommendation	Responsible Officer	Original Management Response	Priority	Original Due Date	Revisions to Due Date
					<p>and these will be presented to it.</p> <p>Most of the Transformation work is value related rather than cash releasing efficiency savings but there are instances of this (eg the Medicines Efficiencies Transformation Programme). Work will be undertaken with the Director of Finance to reconcile the efficiency savings in the Transformation Programme to the Annual Operational Plan.</p>			
		3	<p>a. The Risk Management process for the Transformation Programme should be revised so that it completely aligns to the NHS Fife Risk Management Framework and to include an escalation process.</p> <p>b. Mitigations should be added to the Integration Programme Risk Register along with an indication of whether these will be sufficient to reduce the risk to the target level within an acceptable timescale.</p> <p>c. The reporting of key risks included in Programme Update Reports should state the risk ratings for the risks, mitigating actions identified and an indication of whether these will be sufficient to reduce the risks to their target levels within an acceptable timescale.</p> <p>BAF current risk scores should be formally reconsidered following the publication of relevant internal and external audit reports.</p>	Associate Director - Planning and Performance	<p>a. The risks paper at the last meeting of the Integrated Transformation Board were not presented as a fully formed risk register and were for discussion and should not be regarded as such. These risks were in development at the time of the meeting and will be scoped out using the NHS Fife Risk Management Framework process including mitigations for future meetings.</p> <p>The Programme Highlight Reports includes risks and will state the risk ratings for the risks, mitigating actions identified and state whether these will be sufficient to reduce the risks to their target levels within an acceptable timescale (if they can't they will be escalated).</p> <p>b. This will be covered in (a) for the next meeting of the Integrated Transformation Board as part of the Risk Management Framework</p>	Significant	<p>a. 30 Sept 2020</p> <p>b. 30 Sept 2020</p> <p>c. 30 Sept 2020</p>	

Update on Outstanding Recommendations at 28 February 2021

Report	Issue Date	Rec Ref.	Audit Finding & Recommendation	Responsible Officer	Original Management Response	Priority	Original Due Date	Revisions to Due Date
					c. This will be covered in (a) as above The BAF narrative has changed over the period referred to reflect the review of the transformation programmes and the risk score is reviewed every 2 months prior to submission to the Clinical Governance Committee albeit that it didn't change.			
B23a/20 Workforce Planning – Attendance Management	16-Jan-20	2	Communication to be disseminated to all Managers to raise awareness of the importance of the timeliness of the return to work discussion.	Head of Human Resources	This recommendation is supported and further communication will be disseminated to all Managers to raise awareness of the importance of the timeliness of the return to work discussion. This will also be re-iterated within all of the relevant groups involved in progressing work in respect of promoting Attendance Management within the Board.	Merits attention	31-Dec-19	30-Sep-20
B23a/20 Workforce Planning – Attendance Management	16-Jan-20	4	A governance review to be undertaken to identify any gaps or duplication with the Attendance Management groups and ensure that there is a clear framework of all the groups, their purpose (strategic or operational) and how they interrelate to ensure that themes, reporting and escalation are defined and reported.	Director of Workforce	This recommendation is accepted. Attendance management is such a significant area for improvement in terms of the health and wellbeing of the workforce and also in terms of the impact upon supplementary spend that the ability to review the current arrangements and remits is timely.	Merits attention	31-Mar-20	30-Sep-20
B31/20 eHealth Strategic Planning & Governance	03-June-20	1	The NHS Fife Digital and Information Strategy should be updated to include: <ul style="list-style-type: none"> a. The need for developments to follow the Digital First Service Standard as the minimum standard for development of systems (references to compliance with PRINCE 2, ITIL and ISO 27001 are 	General Manager eHealth and IM&T	The NHS Fife Digital and Information Strategy will be amended to address the issues highlighted in the recommendation above. The associated Delivery Plan published will remain as a 'baseline' and the operational delivery plan will be updated and include the governance framework and	Merits attention	30-Sept-2020	

Update on Outstanding Recommendations at 28 February 2021

Report	Issue Date	Rec Ref.	Audit Finding & Recommendation	Responsible Officer	Original Management Response	Priority	Original Due Date	Revisions to Due Date
			<p>included which are reflected in this Standard)</p> <p>b. Strengthening the training requirements to include the need for staff training on Information Governance, basic digital skills staff training and reference to the Digital Participation Charter and the Digital Champions Development Programme, which are advocated in Scotland’s Digital Health and Social Care Strategy.</p> <p>The revised strategy should be presented to Fife NHS Board for approval.</p> <p>Whilst a high level of delivery plan was published as an appendix to the strategy as a baseline and it was noted that it was subject to change, the operational delivery plan should explain:</p> <p>c. The criteria used for project prioritisation</p> <p>The NHS Fife governance framework for approving business cases and monitoring strategy implementation (groups/committees and responsibilities).</p>		<p>prioritisation criteria.</p> <p>It was always the intention to submit the NHS Fife Digital and Information Strategy to Fife NHS Board for approval but recent focus on Covid 19 activities has prevented this. A request will be made for this to be added to the agenda of a future meeting of the Board.</p>			
B31/20 eHealth Strategic Planning & Governance	03-June-20	2	<p>A separate risk register should be developed to record, assess and manage the risks threatening the delivery of the NHS Fife Digital and Information Strategy. This should be subject to regular review to confirm that all risks have been identified and to update the status of mitigations and reassess the current and target risk scores.</p> <p>An analysis of the risks should be presented to each eHealth Board meeting including a conclusion regarding whether mitigating</p>	General Manager eHealth and IM&T	<p>Whilst recognising that the BAF and linked risks require to be reviewed and potentially restated to account for the existence of the NHS Fife Digital and Information Strategy preparing a separate risk register is not required and would lead to duplication of effort.</p> <p>The BAF and linked risks will be reviewed and revised to reflect the risks recorded in the NHS Fife Digital and Information Strategy. The presentation</p>	Significant	31-Aug-20	

Update on Outstanding Recommendations at 28 February 2021

Report	Issue Date	Rec Ref.	Audit Finding & Recommendation	Responsible Officer	Original Management Response	Priority	Original Due Date	Revisions to Due Date
			<p>actions in place, and planned, will be sufficient to reduce the risk to a tolerable level in an acceptable timescale.</p> <p>Assurance should be provided throughout the year to a standing committee of the Board regarding the management of risks threatening the delivery/implementation of the NHS Fife Digital and Information Strategy 2019-24.</p> <p>Consideration should be given to revising the BAF Risk to be focussed on the Delivery/Implementation of the NHS Fife Digital and Information Strategy.</p>		<p>of the revised BAF to the Clinical Governance and Fife NHS Board on an ongoing basis will provide assurance that these risks are being managed. This work will be informed by the current assurance mapping exercise being undertaken in conjunction with Internal Audit (B11-20) which is using the eHealth BAF as a trial of assurance mapping processes.</p>			
B31/20 eHealth Strategic Planning & Governance	03-June-20	4	<p>Reporting on the implementation of the Delivery Plan for the NHS Fife Digital and Information Strategy to the eHealth Board and a standing committee of the Board should be improved so that:</p> <p>it includes an executive summary clearly highlighting:</p> <p>Any changes to the prioritisation of projects within the plan along with reasons for the change in prioritisation</p> <p>Any slippage from planned delivery, the reasons for this and action being taken to address it</p> <p>Any projects completed along with a high level assurance regarding whether benefits anticipated at the outset of the project have been achieved and if not the reasons for this.</p> <p>The link between individual projects and the Transformation Programme is clearly stated.</p>	General Manager eHealth and IM&T	<p>The reporting to the eHealth Board will be revised to include ‘project on a page’ information for larger scale projects and more summarised information for smaller projects.</p> <p>An executive summary report on the implementation of the delivery plan associated with the NHS Fife Digital and Information Strategy will be developed and presented to a standing committee of the Board on a regular basis. This will explain changes to prioritisation, any slippage from plans and, for completed projects, whether anticipated benefits have been achieved.</p>	Significant	30-Sept-20	

Update on Outstanding Recommendations at 28 February 2021

Report	Issue Date	Rec Ref.	Audit Finding & Recommendation	Responsible Officer	Original Management Response	Priority	Original Due Date	Revisions to Due Date
B31/20 eHealth Strategic Planning & Governance	03-June-20	5	<p>Sections for cross reference to the NHS Fife Digital and Information Strategy and the Transformation Programme should be added to the Business Case Template as a prompt for this information to be included. Consideration should be given to utilising the SCIM template, amended to reflect size of project, when developing a specific Digital and Information business case.</p> <p>eHealth Board and Finance, Performance and Resources Committee members should be advised that alignment with the NHS Fife Digital and Information Strategy and the Transformation Programme are requirements for Business Cases to be considered for approval.</p>	General Manager eHealth and IM&T	<p>A specific business case template will be developed for Digital and Information projects that do not require to be completed using the SCIM compliant template. This will include prompts for the required information including relevant SCIM requirements and cross references to relevant strategies and programmes (eg NHS Fife Digital and Information Strategy and the Transformation Programme).</p> <p>eHealth Board and Finance, Performance and Resources Committee members will be asked to approve the new template.</p>	Merits attention	30-Sept-20	
B31/20 eHealth Strategic Planning & Governance	03-June-20	6	<p>The impact of the acceleration of some elements of the NHS Fife Digital and Information Strategy Delivery Plan on other elements of the Delivery Plan should be specifically reported to the eHealth Board and a standing committee of the Board. This should include consideration of the transformational nature of the work undertaken and whether this would warrant acceleration in further areas of NHS Fife and the Health and Social Care Partnership based on the results experienced.</p>	General Manager eHealth and IM&T	<p>The acceleration of some aspects of the NHS Fife Digital and Information Strategy Delivery Plan due to Covid 19 meant that the normal requirements for Business Case approval were not undertaken (eg for the NearMe implementation). This is now being revisited so that the recurring resource requirements of these implementations and the impact on future plans can be fully understood and a Business Case presented regarding the resources required to sustain the implementations going forward.</p> <p>An analysis of the work that had to be deferred as a result of Covid 19 reprioritisation will also be undertaken to understand the impact this has had on risk mitigation and delivery plan prioritisation.</p> <p>Reacting swiftly to changes related to</p>	Merits attention	30-Sept-20	

Update on Outstanding Recommendations at 28 February 2021

Report	Issue Date	Rec Ref.	Audit Finding & Recommendation	Responsible Officer	Original Management Response	Priority	Original Due Date	Revisions to Due Date
					<p>Covid 19 required more agile decision making and, whilst appreciating governance requirements, this speed of decision making was refreshing. A review of approval processes will therefore be undertaken to increase the speed of decision making on a business as usual basis.</p> <p>A paper on the above will be prepared for the eHealth Board to consider.</p>			
B32/20 NHS Scotland Waiting Times Methodology	09-Mar-20	5	<p>Finding 5 from Internal Audit Report B29/18 – NHS Scotland Waiting Times Methodology has not been addressed. This related to the impact of exceptions on the patient journey (in terms of extra time waiting) not being calculated and recorded. The NHS Scotland Waiting Times Monthly Audit Methodology requires that the impact on the patient journey should be calculated for any exceptions identified.</p> <p>The impact on the patient journey in terms of extra time waiting should be calculated for exceptions identified and be recorded on the spreadsheet used to collate the results so that this can be included in reporting.</p>	Secretarial Services & Waiting Times Team Manager	The impact on the patient journey in terms of extra time waiting will be calculated for exceptions identified and be recorded on the spreadsheet used to collate the results so that this can be included in reporting.	Merits attention	30-Apr-20	-
		8	<p>Finding 8 from Internal Audit Report B29/18 – NHS Scotland Waiting Times Methodology has not been addressed. This related to referring to the main contact(s) for resolving issues identified from the monthly audit in the Patient Access Policy.</p> <p>Appendix 1 of the Patient Access Policy should be updated to include details of the main contact(s) for resolving issues identified from the monthly audit.</p>	Secretarial Services & Waiting Times Team Manager	Appendix 1 of the Patient Access Policy will be updated to include details of the main contact for resolving issues identified from the monthly audit.	Merits attention	30-Apr-20	-
19/20 Sub Total		13						

Update on Outstanding Recommendations at 28 February 2021

Report	Issue Date	Rec Ref.	Audit Finding & Recommendation	Responsible Officer	Original Management Response	Priority	Original Due Date	Revisions to Due Date
B14/21 Sharps Management	22-Dec-20	1a-c	<p>A corporate risk should be recorded regarding non-compliance with the Health & Safety (Sharp Instruments in Healthcare) Regulations 2013 and the mitigating actions should be evaluated to determine whether they will be sufficient to reduce the risk to a tolerable level in all wards and departments within an acceptable timescale.</p> <p>We also recommend that risks should be recorded for all HSE reports/improvement notices that require roll out of improvements across the organisation so that the risks can be managed effectively.</p>	H&S Manager	<p>Agree with this recommendation.</p> <p>With respect of Sharps issues, suggest owner as H&S Manager and Handler as Medical Director (as policy signatory). Position on risk register - Clinical Governance Committee.</p> <p>a) H&S Manager to discuss 'sharps risk' on risk register with Medical Director and Director of Estates, Facilities and Capital Planning</p> <p>b) Corporate risk to be entered on risk register on basis of discussions above.</p> <p>With respect to other HSE reports/improvement notices, owner, handler and position will be dictated by nature of issue(s) raised. In event that risks of this nature need to be opened, these will be discussed by H&S Manager, Director of Estates, Facilities & Capital Planning and relevant Stakeholders.</p> <p>Requirement/necessity for current COVID Notice of Contravention to be entered on risk register to be discussed by H&S Manager and Director of Estates.</p>	Merits attention	<p>a. 29-Jan-21</p> <p>b. 12-Feb-21</p> <p>c. 31-Dec-20</p>	
		2a,b,c,g	<p>The NHS Fife Safe Use of Medical Sharps: Management and Use Policy (SUMS 01), the Adverse Events Policy (GP/19) and the Sharps Strategy Group's Terms of Reference should be reviewed and updated to address the issues identified in section 3 (Control 1) of this report.</p> <p>An update from 'Intranet' to 'Stafflink' and to 'nhs.scot' email addresses is also required.</p>	H&S Manager	<p>Section 3 - Control 1, items 1, 2, 4, 5, 7 & 8: Items noted and require addition to or refresh of parts of SUMS Policy and procedures.</p> <p>a) H&S Manager has carried out initial review of policy & procedures. This to be formalised.</p> <p>b) Revised documents to Sharps Strategy Group Members for review/ agreement.</p>	Merits attention	<p>a. 31-Dec-20</p> <p>b. 22-Jan-21</p> <p>c. 12-Feb21</p> <p>g. 29-Jan-21</p>	

Update on Outstanding Recommendations at 28 February 2021

Report	Issue Date	Rec Ref.	Audit Finding & Recommendation	Responsible Officer	Original Management Response	Priority	Original Due Date	Revisions to Due Date
					<p>c) Updated documents to H&S Committees and Local Partnership Forums for consultation.</p> <p>Section 3 - Control 1, item 9: Noted, believed actioned. This issue was addressed through prescription and discharge processes through pharmacy. No explicit requirement for this in SUMS Policy.</p> <p>g) H&S Manager to follow up with Pharmacy management to ensure that patients being discharged with injectable medicines are also prescribed sharps bin.</p>			
		3a-d	<p>An action plan should be developed to address the issues raised in section 3 (Control 2) and appendix 1 of this report. The action plan should be agreed by the Sharps Strategy Group who should also monitor its implementation and report this to the Health and Safety Sub-Committee. Priority should be given to:</p> <p>Wards and Departments</p> <ul style="list-style-type: none"> The need for risk assessments to be undertaken and documented for all 'non-safe' sharps in use. This includes the documenting of safe working procedures for the use of non safe sharps and monitoring of this use to confirm that it is in line with these, to be documented, safe working procedures Monitoring of training regarding sharps use and management to 	H&S Manager	<p>Some progress was being made through Sharps Strategy Group by end of 2019. However, group attendance was not always good. Process has been significantly impacted due to COVID pandemic.</p> <p>Next meeting of Strategy Group scheduled for February 2021.</p> <p>a) H&S Manager (as Strategy Group chair) to review Terms of Reference for next meeting</p> <p>b) Draft workplan based on findings in Section 3 - Control 2 to be presented to Strategy Group for discussion at next meeting</p> <p>c) Strategy group to review and approve ToR and Workplan</p> <p>d) The Health and Safety Committee to be reminded of their responsibility, as</p>	Significant	<p>a. 3-Feb-21</p> <p>b. 3-Feb-21</p> <p>c. 10-Feb-21</p> <p>d. 30-Dec-20</p>	

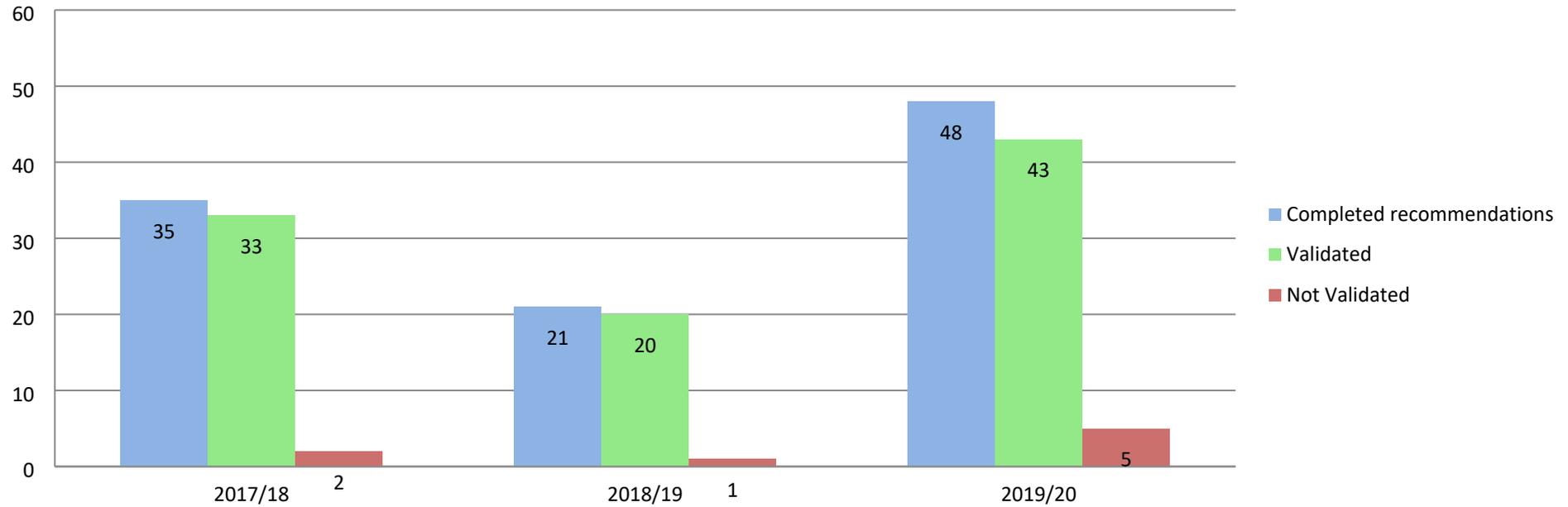
Update on Outstanding Recommendations at 28 February 2021

Report	Issue Date	Rec Ref.	Audit Finding & Recommendation	Responsible Officer	Original Management Response	Priority	Original Due Date	Revisions to Due Date
			<p>confirm it remains effective. Also need to ensure that role appropriate training is provided to staff in NHS Fife at risk of injury at work from medical sharps. This should include the modules developed following the HSE Improvement notices and local specific training regarding sharps used in wards/departments.</p> <ul style="list-style-type: none"> • Providing appropriate training for Porter staff so that they are aware of their responsibilities should they come across an inappropriately disposed of medical sharp. <p>Organisation Wide Controls</p> <ul style="list-style-type: none"> • The Sharps Strategy Group’s Terms of Reference needs to be reviewed and updated and a strategic plan developed to direct the further work necessary to ensure that the issues and actions identified by HSE are addressed throughout NHS Fife • Systems for communicating the following back to the Sharps Strategy Group from wards & departments need to be instigated: <ul style="list-style-type: none"> ○ Collated data on the number of non safe sharps risk assessments requiring to be undertaken and reviewed ○ Issues with safety devices 		per section 7.1 of its ToR, to escalate any issues requiring to be escalated to the Clinical Governance Committee.			

Update on Outstanding Recommendations at 28 February 2021

Report	Issue Date	Rec Ref.	Audit Finding & Recommendation	Responsible Officer	Original Management Response	Priority	Original Due Date	Revisions to Due Date
			<ul style="list-style-type: none"> ○ Reasoning for the use of non safe sharps in preference to safe sharps. ● Implementation of the process for substituting non-safe sharps with safer sharps and introduction of reporting on this to the Sharps Strategy Group. <p>A process also needs to be established for providing assurance to the Health and Safety Sub-Committee that all of NHS Fife’s wards and departments are addressing the issues raised by HSE in their improvement notices.</p> <p>The need for the Health and Safety Sub-Committee to escalate any issues requiring to be escalated to the Clinical Governance Committee as per its Terms of Reference.</p>					
20/21 Sub Total		11						
Total		24						

Internal Audit Validation



Definitions	
Complete	Evidence has been received from the Client that action has been implemented
Validated	Internal Audit has confirmed management responses, by considering evidence, to assure the Audit and Risk Committee that recommendations reported as complete have been appropriately completed and, where possible, that action has been effective
Not Validated	Further evidence is required to assure the Audit and Risk Committee that recommendations reported as complete have been appropriately completed and, where possible, that action has been effective

Audit Year/Report	Rec. Ref.	Finding & Recommendation	Priority	Responsible Officer & Action by Date	Follow-up Response	Internal Audit Opinion on Further Evidence Required to Allow Action to be Recorded as Complete <i>[This further evidence will be requested from the Responsible Officers through the Follow-up Process]</i>
2017/18						
B18/18 – Clinical Governance Strategy	13	<p>Finding</p> <p>There is no specific reporting currently to assure the Board and IJB that the C&CGS is being implemented as intended, although the delivery of the CGC and C&CGC workplans, does provide tangential assurance that the C&CGS is being implemented. The QSGG has responsibility for ensuring implementation of the C&CGS.</p> <p>Recommendation</p> <p>The QSGG workplan should include specific consideration of the implementation of the C&CGS to be used as the basis of assurance to both the CGC and C&CGC.</p>	2	Chief Executive 31-Mar-2018	The Quality Safety Governance Group name was changed to Clinical Governance Oversight Group and since July 2019 is now known as NHS Fife Clinical Governance Oversight Group. A review of the group’s terms of reference and workplan was undertaken during 2018-2019. (see Terms of Reference and Workplan)	<p>Neither the Workplan nor the Terms of Reference of the Clinical Governance Oversight Group contain any responsibilities related to the Clinical & Care Governance Strategy and providing assurance regarding this to the Clinical Governance Committee and the Clinical and Care Governance Committee.</p> <p>This means that the finding in our report remains unaddressed as neither the Clinical Governance Committee nor the Clinical and Care Governance Committee have been provided with assurance regarding the implementation of the Clinical and Care Governance Strategy.</p> <p>As part of the review and revision of the Clinical and Care Governance Strategy assurance should be provided to the CGC and C&CGC regarding its implementation to date and how they will be provided with this assurance on a regular basis going forward.</p>
B28/18 Service Contract Income	2	<p>Finding</p> <p>As no agreement documentation could be located for the Crown Office Procurator Fiscal contract, we were unable to confirm that arrangements are in place to review charges on an annual basis.</p> <p>Recommendation</p> <p>It should be ensured that once the contract is located or a new one is prepared, that arrangements are in place to review charges on an annual basis and it should be confirmed that this exercise is being completed.</p>	3	Head of Management Accounting & Performance 31-Oct-2018	Due to the time that has passed we are unable to provide evidence for this action point. However going forward a register of Service Contract Income will be created to monitor the renewal and termination of such contracts.	A copy of the register of Service Contract Income referred to in the follow-up response is required to evidence completion.

Audit Year/Report	Rec. Ref.	Finding & Recommendation	Priority	Responsible Officer & Action by Date	Follow-up Response	Internal Audit Opinion on Further Evidence Required to Allow Action to be Recorded as Complete <i>[This further evidence will be requested from the Responsible Officers through the Follow-up Process]</i>
2017/18 Sub Total	2					
2018/19						
B31&32/19 Information Governance and eHealth	2	<p>Finding</p> <p>Under the NIS Regulations, Healthcare is identified as an essential service therefore NHS Fife will be subject to audits commissioned by the competent authority for healthcare in Scotland (The Scottish Government). It is therefore important that NHS Fife has the required controls in place prior to the audit and that assurance on this is provided to Fife NHS Board.</p> <p>The competent authority published a revised Information Security Policy Framework (ISPF) in March 2019 which integrates the controls of ISO27001:2013 alongside the legal compliance requirements of NIS:2018 and GDPR:2018 and addresses the features of the Public Sector Action Plan and Cyber Essentials which Boards need to comply with.</p> <p>Recommendation</p> <p>Regular assurance reports should be provided to the IG&SG and CGC regarding NHS Fife’s status against the controls included in the revised ISPF.</p>	2	IT Operations Manager 31-Jan-2020	<p>Item 5.9 - Information Security Policy Framework NIS Assessment with RAG Status v0.11 Fife, was submitted to the Information Governance & Security Group.</p> <p>This document will be updated for each quarterly meeting, the FTF Auditor was provided a copy of this document.</p>	<p>Although Reporting on NHS Fife’s status against Status NHS Scotland’s Information Security Policy Framework and Network Information Systems Regulations was reported to the IG&SG on 16 Jan 20 there has not been any reporting of this to the NHS Fife Clinical Governance Committee. The action is therefore only partly complete.</p> <p>Evidence needed to confirm that the action is fully complete is reporting to the NHS Fife Clinical Governance Committee regarding NHS Fife’s status against the controls included in NHS Scotland’s Information Security Policy Framework and Network Information Systems Regulations. This could be achieved by presenting the recently published Competent Authority audit report on this subject together with the action plan to address areas of non-compliance.</p>
2018/19 Sub Total	1					
2019/20						

Audit Year/Report	Rec. Ref.	Finding & Recommendation	Priority	Responsible Officer & Action by Date	Follow-up Response	Internal Audit Opinion on Further Evidence Required to Allow Action to be Recorded as Complete <i>[This further evidence will be requested from the Responsible Officers through the Follow-up Process]</i>
B19/20 Adverse Event Management	1	<p>Finding</p> <p>Responsibility for completing actions arising from SAERs and LAERs lies with service management and, although there previously was, there is currently no regular reporting to relevant committees on the SAER and LAER actions implemented and those still outstanding. This prevents follow-up of overdue actions and because there is no reporting on such, it prevents the standing committees from fully discharging their responsibilities as outlined in GP/19 – Adverse Events Policy to ensure action plans have been completed and contribute to organisational learning by sharing and adopting key learning points.</p> <p>Arrangements are now being progressed to re-introduce meaningful KPIs to strengthen governance and give additional assurance on risk management activity. This includes reporting on the percentage of SAER and LAER actions completed by target date. The intention is to report this to the EDG, NHS Fife Adverse Events & Duty of Candour Group and the NHS Fife Clinical Governance Group on a bi-monthly basis.</p> <p>We were advised that DATIX is not currently configured to send out reminders to staff/management, advising of actions which are overdue completion. Outstanding actions now appear on the</p>	MA	Head of Quality and Clinical Governance 30-Jun-2020	<p>The audit report was discussed on 27 February 2020 with focus on overdue actions and the need for operational oversight and management of these actions.</p> <p>A report was provided to HSCP on 29/04/20 and ASD on 14/05/20 which included the status of all actions associated with SAER or LAER 2017- to date of report.</p> <p>A “My Report” has been configured which identifies overdue actions for divisions and directorates to use.</p> <p>Discussions are yet to take place in reference to reporting of status of actions through local governance committee and groups.</p>	<p>The follow-up response does not include reporting to standing committees (ie NHS Fife Clinical Governance Committee and HSCP Clinical and Care Governance Committee).</p> <p>In order to record this action as completed evidence regarding the reporting of KPIs, for completing actions arising from SAERs and LAERs, to the NHS Fife Clinical Governance Committee and the HSCP Clinical and Care Governance Committee is required.</p>

Audit Year/Report	Rec. Ref.	Finding & Recommendation	Priority	Responsible Officer & Action by Date	Follow-up Response	Internal Audit Opinion on Further Evidence Required to Allow Action to be Recorded as Complete <i>[This further evidence will be requested from the Responsible Officers through the Follow-up Process]</i>
		<p>user front page of Datix in the 'To Do list' and work is underway to introduce a standardised functionality within 'My Reports' in Datix to enable the services to run off their own reports. These actions should enable easier identification of outstanding and overdue actions.</p> <p>Recommendation</p> <p>As part of the intended KPIs and additional standardised reporting templates, consideration should be given to including the number of actions overdue completion, so that the committees and groups receiving such reports have full details on the numbers still to be finalised and so that management action can be taken as necessary to minimise and prevent any back log arising.</p> <p>Once the KPIs and standardised reporting templates are introduced, the revised reporting arrangements functioning centrally and within the services should be reported to the NHS Fife Adverse Events & Duty of Candour Group for approval. The reporting arrangements introduced should be sufficient to enable the standing committees to ensure actions contained within action plans are being implemented as outlined in GP/19.</p>				
B21/20 Medicines Management	3b	<p>Finding</p> <p>The system in place for Medicines Uplift and Delivery Forms is that the top white</p>	S	Pharmacy Technician 30-Nov-2019	Memos to Transport and Clinical Teams reminding them to return the completed Medicines Uplift and	<p>The follow-up response only partly addresses the recommendation.</p> <p>In order to record this action as complete evidence is required of communication to Pharmacy staff reminding them to chase white</p>

Audit Year/Report	Rec. Ref.	Finding & Recommendation	Priority	Responsible Officer & Action by Date	Follow-up Response	Internal Audit Opinion on Further Evidence Required to Allow Action to be Recorded as Complete <i>[This further evidence will be requested from the Responsible Officers through the Follow-up Process]</i>
		<p>copy of the form is completed and sent with the medicines with a blue carbon copy retained by the Pharmacy Store. The white copy is expected to be completed by the receiving hospital, indicating that the medicines have been received, and then returned to the Pharmacy Store. We found that the white copy had not been received from the community hospital by the Pharmacy Store for a significant proportion of the Medicines Uplift and Delivery Forms filed in the Pharmacy Store (blue copies are retained for these).</p> <p>Recommendation</p> <p>Pharmacy staff must request the white copies of the Medicines Uplift and Delivery Forms back from wards when these have not been returned within a reasonable time.</p>			<p>Delivery Form to pharmacy.</p>	<p>copies of the Medicines Uplift and Delivery Forms when these have not been returned within a reasonable time.</p>
<p>B21/20 Medicines Management</p>	<p>6a&b</p>	<p>Finding</p> <p>SECURITY/HEALTH AND SAFETY</p> <p>Issues identified from Questionnaires:</p> <p>In relation to section 5.1.7 of the SSUMPP, four of the Taxi Drivers indicated that the communication of health and safety risks and the need for special storage conditions when medicine requiring this is passed over for delivery was ‘not applicable’ when section 5.1.7 of the SSUMPP demands that these risks be communicated by pharmacy staff to those transporting medicines</p> <p>In relation to section 5.1.7 of the SSUMPP,</p>	<p>Merits Attention</p>	<p>Lead Pharmacy Technician</p> <p>31-Mar-2020</p>	<p>At SSUMPP group it was agreed that we had sufficient evidence that there was a risk and that the only way to eradicate the risk was direct delivery to wards.</p> <p>There was a transport run at 1630 every day with direct delivery to wards in April. From Monday 14th December a second run will be introduced again with direct delivery to wards.</p>	<p>Can only be considered complete if the SSUMPP has been updated to include an explicit instruction that medicines must never be left unattended at their destination point and to provide guidance for staff delivering medicines on the steps to be taken if no-one is available to receive the medicines at the destination point. No evidence of this has been provided.</p>

Audit Year/Report	Rec. Ref.	Finding & Recommendation	Priority	Responsible Officer & Action by Date	Follow-up Response	Internal Audit Opinion on Further Evidence Required to Allow Action to be Recorded as Complete <i>[This further evidence will be requested from the Responsible Officers through the Follow-up Process]</i>
		<p>11% of clinical staff indicated that the health and safety risks and the need for special storage conditions are not communicated when medicine requiring this is passed over to them</p> <p>In relation to section 5.1.8 of the SSUMPP, 23% of clinical staff indicated that medicines are left for them without them being present to sign the Medicines Uplift and Delivery Form</p> <p>In relation to section 5.1.9 of the SSUMPP regarding training staff to undertake their duties in line with the SSUMPP, the responding manager indicated that there was a an issue in North East Fife with signing on receiving medicines.</p> <p>Although sections 5.1.3 and 5.1.8 infer that medicines must not be left unattended at their destination following delivery there is not an explicit instruction to this effect nor guidance for staff delivering medicines on the steps to be taken if no-one is available to receive the medicines at the destination point.</p> <p>Recommendation</p> <p>The methods for communicating Health and Safety risks and the need for special storage conditions to taxi drivers when passing medicines over for collection, and to clinical staff when handing medicines over at their final destination, must be examined to confirm that they are effective and address the weaknesses identified above.</p>				

Audit Year/Report	Rec. Ref.	Finding & Recommendation	Priority	Responsible Officer & Action by Date	Follow-up Response	Internal Audit Opinion on Further Evidence Required to Allow Action to be Recorded as Complete <i>[This further evidence will be requested from the Responsible Officers through the Follow-up Process]</i>
		The SSUMPP must be updated to include an explicit instruction that medicines must never be left unattended at their destination point and to provide guidance for staff delivering medicines on the steps to be taken if no-one is available to receive the medicines at the destination point.				
B32/20 NHSScotland Waiting Times Methodology	7	<p>Finding</p> <p>Finding 7 from Internal Audit Report B29/18 – NHS Scotland Waiting Times Methodology has not been addressed. This related to Appendix 1 of Patient Access Policy which does not specifically refer to the NHS Scotland Waiting Times Monthly Audit Methodology.</p> <p>Recommendation</p> <p>Appendix 1 of Patient Access Policy should be updated to specifically refer to the NHS Scotland Waiting Times Monthly Audit Methodology and to include this as a further appendix.</p>	Merits Attention	Head of Information Management	This minor alteration has been implemented in the Patient Access Policy.	The methodology is referred to in section 3.3.6 but is not included as an appendix as is required to address the recommendation
2019/20 Sub Total	5					
Total	8					

FTF Internal Audit Service

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

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

G MacIntosh, Head of Corporate Governance/Board Secretary
Executive Directors Group

Audit Follow-Up Co-ordinator

Audit and Risk Committee
External Audit

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Draft Report Issued	17 January 2021
Management Responses Received	11 March 2021
Target Audit & Risk Committee Date	18 March 2021
Final Report Issued	16 March 2021

EXECUTIVE SUMMARY

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

OBJECTIVE

3. The principal objective of this review is to provide assurance to the Chief Executive, as Accountable Officer, that there is a sound system of internal control that supports the achievement of the Board's objectives.
4. This year the Internal Control Evaluation was carried out in parallel with the Sustainable Services review, which evaluated the processes, procedures and principles informing the design of the NHS Fife Remobilisation Plan and its underlying methodologies, to provide assurance on the adequacy of the reconfiguration process.
5. This audit specifically considered how NHS Fife has:
 - Identified emerging risks and key actions to manage high priority risks;
 - Identified the key risks and challenges to achievement of strategic objectives and ensured that progress is monitored at governance level;
 - Identified opportunities for change and improvement to develop and implement the organisation's strategic agenda;
 - Implemented revised arrangements to ensure NHS Fife can effectively respond to COVID-19 and discharge its governance responsibilities.

RISK

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

AUDIT OPINION

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

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

KEY THEMES

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

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

COVID-19/Sustainability

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

ACTION

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

ACKNOWLEDGEMENT

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

A Gaskin, Bsc. ACA
Chief Internal Auditor

CORPORATE GOVERNANCE

Sustainability & Transformation

Annual report 2019/20, Action point 1

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

Status: Substantial progress but some risks remain

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

Governance and Assurance

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

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

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

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

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

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

Strategy and Transformation

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

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

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

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

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

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

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

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

Transformation

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

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

Risk Management

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

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

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

Action Point Reference 1: Sustainability & Transformation

Finding:

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

Audit Recommendation:

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

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

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

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

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

Assessment of Risk:

Significant



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

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

Management Response/Action:

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

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

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



Governance Arrangements

Annual report 2019/20

Action point 2

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

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

Annual report 2019/20

Assurances for Governance Statement 2019/20

Action point 3

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

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

Fife IJB monitoring of arrangements and BAF

Action point 4

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

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

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

Winter Plan

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

Strategic Objectives

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

Code of Corporate Governance

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

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

Governance Blueprint

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

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

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

Fife IJB

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

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

Risk Management

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

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

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

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

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

Performance Management

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

Communication

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

Policies

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

Action Point Reference 2 – Corporate Governance: Governance Arrangements

Finding:

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

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

Audit Recommendation:

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

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

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

Assessment of Risk:

Merits
Attention



There are generally areas of good practice.

Action may be advised to enhance control or improve operational efficiency.

Management Response/Action:

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

Action by:

Director of Finance and Strategy

Date of expected completion:

June 2021

CLINICAL GOVERNANCE

Clinical Governance Framework

Annual Report 2019/20

Action Point 5

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

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

Status: Ongoing/Incomplete

Action Point 6

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

Status: Incomplete. See section on External Review below.

Clinical Governance Framework

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

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

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

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

Clinical Governance Committee

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

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

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

Risk Management

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

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

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

Clinical Performance Reporting

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

External Review

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

Significant Adverse Events

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

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

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

Duty of Candour

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

Action Point Reference 3 – Clinical Governance Framework

Finding:

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

Audit Recommendation:

The impending review of the Clinical Governance Framework should include:

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

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

Assessment of Risk:

Fundamental



Non Compliance with key controls or evidence of material loss or error.

Action is imperative to ensure that the objectives for the area under review are met.

Management Response/Action:

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

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

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

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

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

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

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

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

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

STAFF GOVERNANCE

Staff Governance

Annual Report 2019/20

No actions relating to Staff Governance

ICE Report 2019/20:

Action Point 5

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

Status: Complete

Action Point 6

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

Status: Complete

Action Point 7

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

Progress: Extended to February 2021 due to COVID-19

Action Point 8

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

Status: Complete

Governance Arrangements

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

COVID-19

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

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

SGC Workplan

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

Workforce Strategy/Planning

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

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

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

Risk Management

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

Staff Governance Action Plan (SGAP)

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

Staff Experience

The Scottish Government wrote to all Chief Executives, HR Directors, Employee Directors and Chief Officers – HSCPs on 3 August 2020, informing them of the decision to run the PULSE Survey as the Staff Experience Measure for 2020 and we have been informed that the results of the survey will be presented to the SGC before year-end. **Post Audit Note: A presentation on survey results is planned for the Staff Governance Committee meeting on 4 March 2021.**

Whistle Blowing

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

Remuneration Committee

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

Appraisals

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

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

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

Core Skills Training

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

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

Sickness Reporting

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

Action Point Reference 4 – Staff Governance: Whistleblowing

Finding:

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

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

Audit Recommendation:

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

Assessment of Risk:

Merits
attention



There are generally areas of good practice.

Action may be advised to enhance control or improve operational efficiency.

Management Response/Action:

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

Action by:

Date of expected completion:

Director of HR

31 March 2021

FINANCIAL GOVERNANCE

Financial Governance

Annual Report 2019/20

Action Point 7

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

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

Structures of Finance Department

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

Financial Governance

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

Financial Planning

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

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

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

Financial Reporting

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

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

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

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

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

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

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

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

Risk Management

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

Efficiency Savings

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

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

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

Capital Plan and Property Strategy

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

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

BREXIT

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

Project Management Framework

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

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

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

Best Value Framework

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

Action Point Reference 5 – Financial Governance: Property Management Strategy

Finding:

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

Audit Recommendation:

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

Assessment of Risk:

Significant



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

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

Management Response/Action:

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

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

Action by:

Date of expected completion:

Director of Property & Asset Management

August 2021

INFORMATION GOVERNANCE

Information Governance

Annual Report 2019/20

Action Point 8

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

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

Governance

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

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

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

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

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

Risk Management

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

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

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

Digital and Information Strategy

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

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

Information Governance Responsibilities

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

Information Governance Policies and Procedures

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

Information Governance Incidents and Reporting

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

Action Point Reference 6 – Information Governance: IG Assurance

Finding:

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

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

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

Audit Recommendation:

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

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

Assessment of Risk:

Fundamental



Non Compliance with key controls or evidence of material loss or error.

Action is imperative to ensure that the objectives for the area under review are met.

Management Response/Action:

Information Governance & Security

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

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

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

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

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

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

Digital & Information Strategy

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

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

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

Assessment of Risk

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

Risk Assessment		Definition	Total
Fundamental		Non Compliance with key controls or evidence of material loss or error. Action is imperative to ensure that the objectives for the area under review are met.	Two
Significant		Weaknesses in control or design in some areas of established controls. Requires action to avoid exposure to significant risks in achieving the objectives for area under review.	Two
Merits attention		There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.	Two

NHS Fife

Annual Audit Plan 2020/21



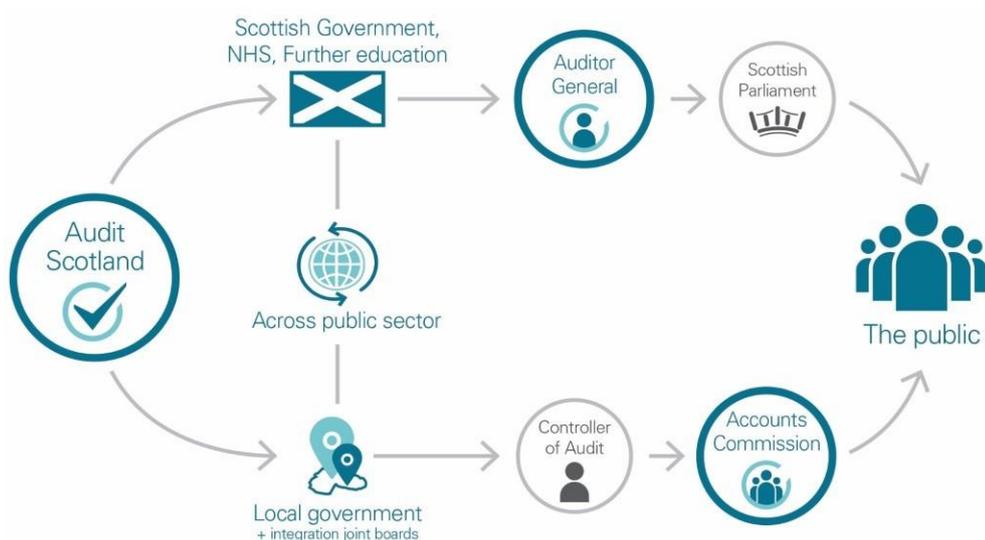
 AUDIT SCOTLAND

Prepared for NHS Fife
March 2021

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The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
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- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit which is carried out in accordance with International Standards on Auditing (ISAs), the Code of Audit Practice, and guidance on planning the audit. This plan sets out the work necessary to allow us to provide an independent auditor's report on the annual accounts and meet the wider scope requirements of public sector audit.

2. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.

3. The public health crisis caused by the coronavirus disease 2019 (COVID-19) pandemic has had a significant and profound effect on every aspect of Scottish society. Public services have been drastically affected, requiring immediate changes to the way they are provided. The impact on public finances has been unprecedented, which has necessitated both the Scottish and UK governments providing substantial additional funding for public services as well as support for individuals, businesses and the economy. It is likely that further financial measures will be needed and that the effects will be felt well into the future.

4. Public audit has an important contribution to the recovery and renewal of public services. The Auditor General, the Accounts Commission and Audit Scotland are responding to the risks to public services and finances from COVID-19 across the full range of audit work including annual audits and the programme of performance audits. The well-being of audit teams and the delivery of high-quality audits remain paramount. Maintaining a pragmatic and flexible approach will enable change at short notice as new issues emerge, or current risks change in significance. Where this impacts on annual audits, an addendum to this annual audit plan may be necessary.

Adding value

5. We aim to add value to NHS Fife through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we intend to help NHS Fife promote improved standards of governance, better management and decision making and more effective use of resources.

Audit risks

6. Based on our discussions with staff, attendance at committee meetings and a review of supporting information we have identified the following significant risks for NHS Fife. We have categorised these risks into financial statements risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).

Exhibit 1

2020/21 Significant audit risks

	Risk	Source of assurance	Planned audit work
Financial statements risks			
1	<p>Risk of material misstatement due to fraud caused by the management override of controls</p> <p>International Auditing Standards require that audits are planned to consider the risk of material misstatement in the financial statements caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of fraud due to the management override of controls.</p>	<ul style="list-style-type: none"> Owing to the nature of this risk, assurances from management are not applicable in this instance. 	<ul style="list-style-type: none"> Review of accounting estimates. Focused testing of accruals and prepayments including the holiday pay accrual. Evaluation of significant transactions that are outside the normal course of business. Data analytics risk assessment of ledger transactions (including journals) and testing of these. Testing of transactions at the year end.
2	<p>Risk of material misstatement caused by estimation and judgements</p> <p>There is a significant degree of subjectivity in the measurement and valuation of the material account areas of non-current assets, provisions and the holiday pay accrual. This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<ul style="list-style-type: none"> Valuations of all land and building assets are reassessed under a five-year programme of professional valuations by the District Valuer and adjusted in intervening years to take account of movements in prices since the latest valuation. All legal claims notified to NHS Fife are processed by the Scottish NHS Central Legal Office (CLO) who decide upon the risk liability and likely outcome of each case. Settled claims are reimbursed by the scheme less a £25k "excess" fee. A contribution rate is agreed with the CLO for the cost of NHS Fife's participation in CNORIS. 	<ul style="list-style-type: none"> Review of reports from the District Valuer to confirm asset valuations. Walk through and review of the valuation process including engagement with the District Valuer. Sample testing of indexation calculations. Sample testing of CNORIS claims and associated reimbursements. Verification of the CNORIS process. Detailed review of holiday pay accrual.

 Risk	Source of assurance	Planned audit work
Wider dimension risks		
<p>3 Financial sustainability</p> <p>Medium term financial plans</p> <p>Throughout 2020/21, NHS Fife has continued to rely on non-recurring savings to balance its budget.</p> <p>In January 2021 NHS Fife reported unmet savings totalling £20million and that NHS Fife were anticipating this figure would reduce to £9million by the end of the financial year. In February 2021 Scottish Government confirmed that all unachieved saving would be centrally funded for the current year. However, there has been no commitment from Scottish Government to fund unachieved savings in future years.</p> <p>NHS Fife has been planning to meet its efficiency savings targets through delivery of its transformation programme, but this programme has been paused for the last year as priorities have been redefined by the Scottish Government in responding to the pandemic.</p> <p>Our 2019/20 Annual Audit Report commented that NHS Fife does not currently have a medium-term financial plan and the development of a new Strategic Planning and Resource Allocation process is in its early stages.</p> <p>There is a risk that financial plans are not in place to ensure financial, balance over the medium term.</p>	<ul style="list-style-type: none"> The Executive Management Team have considered and supported a new Strategic Planning and Resource Allocation Process. Information gathering from Directorates and Programmes has commenced and will inform the new medium-term financial and organisational strategy. This will include a full assessment of the impact of COVID-19. 	<ul style="list-style-type: none"> We will monitor implementation of the new Strategic Planning and Resource Allocation Process, providing comment in our Annual Audit Report.
<p>4. Financial management</p> <p>In addition to the challenges in delivering efficiency savings, the impact of COVID-19 on financial performance has been a key issue during 2020/21. NHS Fife is facing uncertainties surrounding the availability of COVID-19 funding to match net additional costs and costs associated with remobilisation plans.</p> <p>The impact of covid-19 has created additional uncertainty in the current years financial position.</p>	<ul style="list-style-type: none"> Scottish Government confirmed an initial allocation of COVID funding in October 2020 and then a second allocation in January 2021. Forecast costs have been projected at different points in the year in line with the status and impact of the pandemic. NHS Fife anticipate a break-even position will be achieved in 2020/21 however legacy undelivered savings in 2020/21 present a 	<ul style="list-style-type: none"> Monitor the development of the budget projection for the remainder of the financial year. Assess the accounting treatment and reporting of costs, funding and balances associated with COVID 19.

	Risk	Source of assurance	Planned audit work
	NHS Fife and Fife Council are also to agree the IJB risk share agreement for 2020/21.	significant opening financial challenge for 2021/22.	<ul style="list-style-type: none"> Review and agree IJB risk share arrangement.
5	Financial Services –capacity and capability Our 2019/20 Annual Audit Report commented that financial capacity issues led to a delay in the submission of the unaudited accounts. NHS Fife is continuing to have capacity and capability issues within Financial Services. There is ongoing restructuring and recruitment of the Finance Directorate but it is not yet operating at full capacity. There is a risk that the financial statements audit timetable may be delayed in 2021 and overall financial governance of NHS Fife affected.	<ul style="list-style-type: none"> NHS Fife has recruited to a new Head of Financial Services post with the individual commencing in post on 10 March 2021. The plans are in place for the 2020/21 financial statements audit with clear timetabling and responsibilities agreed across the financial services and financial management teams. The finance directorate restructuring is nearing completion with recruitment to the full Deputy Post planned for Q4 2020/21. 	<ul style="list-style-type: none"> Agreement of a financial statements timetable setting out clear expectations and deadlines. Preparation of a working papers checklist to facilitate the audit process. Regular liaison with the client to discuss the agreed timetable for submission of the unaudited accounts.

Source: Audit Scotland

7. We have considered the risk of fraud in ISA 240, including income recognition, and expenditure in accordance with Practice Note 10. We have rebutted the presumption that a material risk exists, with the exception of management override above. This is on the basis of the extent of income and expenditure which is received and issued to other parts of the public sector (including Scottish Government Funding and expenditure on the IJB, other NHS boards and councils). For the areas that are subject to some risk, we have considered the incidence of fraud using National Fraud Initiative and Counter Fraud Service outcomes. We have assessed that the volume of transactions, that would need to be fraudulent to prove a material risk, is implausible. Our audit testing is directed towards testing significant and unusual transactions and towards assessing accounting estimates to address any residual risk, as part of our standard fraud procedures. We will review any additional controls required due to Covid-19 additional funding and expenditure.

Reporting arrangements

8. Audit reporting is the visible output for the annual audit. All annual audit plans and the outputs as detailed in Exhibit 2, and any other outputs on matters of public interest will be published on our website: www.audit-scotland.gov.uk.

9. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officer(s) to confirm factual accuracy.

10. We will provide an independent auditor's report to NHS Fife, Scottish Parliament and the Auditor General for Scotland setting out our opinions on the annual accounts. We will provide the Accountable Officer and Auditor General for Scotland with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

11. Under the Public Finance and Accountability (Scotland) Act 2000 there is a requirement for the resource account of the Scottish Government to be presented to Parliament within nine months of the financial year-end, i.e. 31 December. Management are required to submit their audited financial statements by 30 June to meet the consolidation timetable.

12. The management of the unique and continuing challenges presented by Covid-19 means that we need to continue to take into consideration that audits are taking longer, and we are starting the current year's audit later. This has an impact on the proposed reporting timescales, based on resources available and prioritisation decisions. This is reflected in the timetables below, which we will endeavour to meet, whilst recognising that greater uncertainty exists during the Covid-19 pandemic.

Exhibit 2

2020/21 Audit outputs

Output	Target date	Committee date
Annual Audit Plan	4 March 2021	18 March 2021
Management Report	7 June 2021	17 June 2021
Independent Auditor's Report	28 September 2021	28 September 2021
Annual Audit Report	28 September 2021	28 September 2021

Source: Audit Scotland

Audit fee

13. The proposed audit fee for the 2020/21 audit of NHS Fife is £160,970 [2019/20: £157,600]. In determining the audit fee we have taken account of the risk exposure of NHS Fife, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited Annual Report and Consolidated accounts, with a complete working papers package on 1 June 2021.

14. Where our audit cannot proceed as planned through, for example, late receipt of the unaudited Annual Report and Consolidated accounts or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises out with our planned audit activity.

Responsibilities

Audit and Risk Committee and Accountable Officer

15. Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

16. The audit of the annual accounts does not relieve management or the Audit and Risk Committee as those charged with governance, of their responsibilities.

Appointed auditor

17. Our responsibilities as independent auditors are established by the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice (including supplementary guidance) and guided by the Financial Reporting Council's Ethical Standard.

18. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts. We also review and report on the arrangements within the audited body to manage its performance, regularity and use of resources. In doing this, we aim to support improvement and accountability.

Audit scope and timing

Annual accounts

19. The annual accounts, which include the financial statements, will be the foundation and source for most of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:

- understanding the business of NHS Fife and the associated risks which could impact on the financial statements
- assessing the key systems of internal control, and establishing how weaknesses in these systems could impact on the financial statements
- identifying major transaction streams, balances and areas of estimation and understanding how NHS Fife will include these in the financial statements
- assessing the risks of material misstatement in the financial statements
- determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.

20. We will give an opinion on the financial statements as to:

- whether they give a true and fair view of the state of affairs of NHS Fife and its group at the year end and net expenditure for the year
- whether they have been properly prepared in accordance with relevant legislation, the applicable accounting framework and other reporting requirements
- the regularity of the expenditure and income.

Statutory other information in the annual accounts

21. We also review and report on statutory other information published within the annual accounts including the management commentary, annual governance statement and the remuneration report. We give an opinion on whether these have been compiled in accordance with the appropriate regulations and frameworks in our independent auditor's report.

22. We also review the content of the annual report for consistency with the financial statements and with our knowledge. We report any uncorrected material misstatements in statutory other information.

Materiality

23. We apply the concept of materiality in planning and performing the audit. It is used in evaluating the effect of identified misstatements on the audit, and of any uncorrected misstatements, on the financial statements and in forming our opinions in the independent auditor's report.

24. We calculate materiality at different levels as described below. The calculated materiality values for NHS Fife are set out in Exhibit 3.



Exhibit 3

Materiality values

Planning materiality – This is the figure we calculate to assess the overall impact of audit adjustments on the financial statements. It has been set at 1% of estimated gross expenditure for the year ended 31 March 2021.	£14 million
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 60% of planning materiality.	£8 million
Reporting threshold (i.e., clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been calculated at 1% of planning materiality.	£200,000

Source: Audit Scotland

Timetable

25. To support the efficient use of resources it is critical that the annual accounts timetable is agreed with us to produce the unaudited accounts. We have included an agreed timetable at [Exhibit 4](#)

Exhibit 4

Annual accounts timetable

Latest submission date of unaudited Annual Report and Consolidated Accounts with complete working papers package	1 June 2021
Latest date for receipt of assurances from Group's Component Auditors	30 June 2021
Consideration by management of Service Auditors reports	16 September 2021
Latest date for final clearance meeting with Director of Finance and other relevant officers	12 August 2021
Issue of Letter of Representation, proposed independent auditor's report, draft Annual Audit Report, and audited unsigned Annual Report and Consolidated Accounts to NHS Fife Audit and Risk Committee	6 September 2021
Issue of Annual Audit Report to those charged with governance (the Board)	17 September 2021
Approval of audited unsigned Annual Report and Consolidated Accounts	28 September 2021
Independent auditor's report signed	28 September 2021

Internal audit

Using the work of internal audit

26. International Auditing Standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit, provided by FTF Audit and Management Services (FTF) wherever possible and as part of our planning process we carry out an annual assessment of the internal audit function. We concluded that FTF operates in accordance with the PSIAS.

27. From our initial review of internal audit plans we do not plan to place formal reliance on internal audit work.

Audit dimensions

28. Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 5](#).

Exhibit 5 Audit dimensions



Source: Code of Audit Practice

29. Our standard audits are based on four audit dimensions that frame the wider scope of public sector audit requirements. These are: financial sustainability, financial management, governance and accountability and value for money.

Financial sustainability

30. As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on financial sustainability in the medium term (two to five years). We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, and medium term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps.

Financial management

31. Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review, conclude and report on:

- whether arrangements are in place to ensure systems of internal control are operating effectively
- the effectiveness of budgetary control systems in communicating accurate and timely financial performance can be demonstrated
- how NHS Fife has assured itself that its financial capacity and skills are appropriate
- whether there are appropriate and effective arrangements in place for the prevention and detection of fraud and corruption.

Governance and transparency

32. Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision – making and transparent reporting of financial and performance information. We will review, conclude and report on:

- whether NHS Fife can demonstrate that the governance arrangements in place are appropriate and operating effectively.
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports.
- the quality and timeliness of financial and performance reporting.

Value for money

33. Value for money refers to using resources effectively and continually improving services. We will review, conclude and report on whether NHS Fife can provide evidence that it is demonstrating value for money in its achievement of performance targets.

Strategic plan for the six year appointment

34. As part of our responsibility to report on the audit dimensions over the current audit appointment we have identified the areas of proposed audit work listed in Exhibit 6 (this will be subject to annual review).

Exhibit 6 Strategic plan

Dimension	2020/21	2021/22
Financial sustainability	Financial planning	Financial planning
Financial management	Financial reporting and budgeting Management of COVID-19 funding	Financial reporting and budgeting
Governance and transparency	-	
Value for money	Follow up prior year action points	Equalities and diversity

Best Value

35. The Accountable Officer of NHS Fife has a duty to ensure arrangements are in place to secure best value. We will review and report on these arrangements.

Independence and objectivity

36. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual “fit and proper” declaration for all members of staff. The arrangements are overseen by the Director of Audit Services, who serves as Audit Scotland’s Ethics Partner.

37. The engagement lead (i.e. appointed auditor) for NHS Fife is Brian Howarth, Audit Director. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of NHS Fife.

Quality control

38. International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor’s report or opinion is appropriate in the circumstances.

39. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice (and supporting guidance) issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) have been commissioned to carry out external quality reviews.

40. As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.

NHS Fife

Annual Audit Plan 2020/21

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Meeting: Audit and Risk Committee
Meeting date: 18 March 2021
Title: Annual Accounts 2019/20– Progress Update on External Audit Annual Report Recommendations
Responsible Executive: Margo McGurk, Director of Finance
Report Author: Margo McGurk, Director of Finance

1 Purpose

This is presented to the Board for:

- Awareness

This report relates to a:

- Government policy/directive
- Legal requirement
- Local policy

This aligns to the following NHSScotland quality ambition(s):

- Effective

2 Report summary

2.1 Situation

This paper provides an update on progress against the recommendations from the External Audit Annual Report on the 2019/20 Accounts.

2.2 Background

The table below sets out the recommendations and the latest position in terms of progress.



No. Issue/risk



Recommendation



Agreed management action/timing

1 Financial capacity and working papers

Due to capacity issues in the finance team, we did not receive a full set of accounts and working papers until 17 August 2020. The delay resulted in the postponement of the audit and the revised 30 September deadline was not met.

Risk – NHS Fife may be unable to demonstrate financial governance through its accounts to stakeholders including the Scottish Government.

Financial capacity issues should be addressed as a priority. Going forward, NHS Fife should ensure that the agreed timetable for presenting the unaudited annual report and accounts for audit is met, and that working papers are available and provided as required.

[Paragraph 18](#)

NHS Fife accept that capacity issues did result in the delay to the 2019/20 process. The onset of the pandemic added to this given the difficulties in recruiting to key posts at that time. NHS Fife has now appointed a new Head of Financial Services who took up post on 10 March 2021. The internal team and NHS Lothian colleagues who latterly supported the audit process for 2019/20 prepared a lessons learned report which we have used to fully assess requirements for 2020/21. NHS Fife now has the correct capacity and capability in place to ensure the 2020/21 annual accounts process progresses well.

(updated as at 10 March 2021)

Responsible officer:

Director of Finance

31 January 2021

2 Holiday pay accrual

The holiday pay accrual, included in the financial statements, is £1.5 million and medical and dental staff account for £0.7 million of this. NHS Fife's systems still do not identify and collate outstanding holiday leave centrally for individual medical and dental staff.

We recommend that a process is put in place to assist management in determining this estimate, which would make it less susceptible to bias.

[Paragraph 21](#)

NHS Fife will put in place the process required.

Work is underway to identify and collate holiday leave centrally for medical and dental staff. It is unlikely that given the impact of the pandemic that this will be resolved by 31 March 2021. The Medical Director has however given his full support to this and a small group has been established across finance and workforce to focus on the changes required.

(updated as at 10 March 2021)

Responsible officer:

Director of Finance

Agreed date:

31 March 2021

Risk – The estimate is not prepared on a consistent basis and there is a risk of bias in the estimate.

3 Savings for 2020/210 still need to be identified

NHS Fife should ensure that detailed savings plans are

Plans are now in place to deliver the remaining £4.3



No.	Issue/risk	Recommendation	Agreed management action/timing
	<p>At 30 September 2020, NHS Fife have identified and achieved £3.4 million (30%) of recurring savings and £3.4 million (30%) of non-recurring savings. The remaining £4.3 million (40%) of required savings are unidentified</p> <p>Risk – unidentified savings are less likely to be achieved and could result in non-achievement of financial targets.</p>	<p>developed identifying how the remaining £4.3 million of savings in 2019/20 will be made on a recurring basis.</p> <p>Paragraph 43</p>	<p>million and progress will be monitored closely to the end of the financial year. This reduced in-year target is on track to be delivered with the remaining c£9m savings target now funded through the COVID allocation. The focus has progressed to the 2021/22 financial plan and the need to ensure clearer plans for delivery and certainty on the level of recurring savings which can be achieved.</p> <p>(updated as at 10 March 2021)</p> <p>Responsible officer: Director of Finance</p> <p>Agreed date: 31 March 2021</p>
4	<p>Medium term financial plans</p> <p>NHS Fife does not currently have a medium-term financial plan and the development of a new Strategic Planning and Resource Allocation process is in its early stages.</p> <p>Risk - there is a risk that financial plans are not in place to ensure financial, balance over the medium term.</p>	<p>The new medium-term financial plan will need to consider the impact of COVID-19, which as well as affecting services, has had a significant impact on finances in 2019/20 and into 2020/21.</p> <p>Paragraph 48</p>	<p>The Executive Management Team have considered and supported a new Strategic Planning and Resource Allocation Process. Information gathering from Directorates and Programmes has commenced and will inform the new medium-term financial and organisational strategy. This will include a full assessment of the impact of COVID-19.</p> <p>The outputs from the SPRA are reflected in the RMP3 and associated financial plan which will be considered for approval at the March Board meeting. The plan adopts the principles from the Scottish Government Medium-Term Financial Framework for Health and Social Care.</p> <p>(updated as at 10 March 2021)</p> <p>Responsible officer: Director of Finance</p> <p>Agreed date:</p>

Follow up of prior year recommendations

4	Timetable for unaudited accounts	NHS Fife should ensure that the agreed timetable for presenting the unaudited annual report and accounts for audit is met and a more complete set of working papers should be readily accessible. Consideration should also be given to addressing key person dependencies	Outstanding See point 1 above. This is addressed as set out in point 1.
5	Holiday pay accrual	A method of collecting and collating a significant sample of individual balances should be introduced for medical and dental staff.	Outstanding See point 2 above This is addressed as set out in point 2.

No.	Issue/risk	Recommendation	Agreed management action/timing
6	Efficiency savings	Detailed savings plans should be developed to ensure that NHS Fife can deliver the required savings.	In progress. This is being progressed through the new Strategic Planning and Resource Allocation process.

2.3 Assessment

Good progress has been made in-year however a number of recommendations may require to be carried forward to 2021/22 to ensure completeness and that improvements are embedded.

2.3.1 Quality/ Patient Care

N/A

2.3.2 Workforce

N/A

2.3.3 Financial

Financial risks are covered in the responses in relation to recommendations 3,4 and 6.

2.3.4 Risk Assessment/Management

It is important to ensure that all audit recommendations receive appropriate attention to ensure risks associated with them can be managed timeously.

2.3.5 Equality and Diversity, including health inequalities

A separate EDA has not been completed in relation to this report however the financial planning and financial governance arrangements in place across the organisation include the appropriate assessments.

2.3.6 Other impact

N/A

2.3.7 Communication, involvement, engagement and consultation

- Follow up on audit recommendations is considered quarterly by EDG.

2.3.8 Route to the Meeting

- N/A

2.4 Recommendation

The Committee is asked to note the progress made in this area.

3 List of appendices

N/A

Report Contact

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NHS in Scotland 2020



AUDITOR GENERAL 

Prepared by Audit Scotland
February 2021

Auditor General for Scotland

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Audit team

The core audit team consisted of Leigh Johnston, Fiona Watson, Eva Thomas-Tudo and John Kirkwood, with support from other colleagues and under the direction of Angela Canning.

Links

-  PDF download
-  Web link

Summary



Key messages

- The challenges presented by Covid-19 are significant and unprecedented. Staff across the NHS and Scottish Government have worked hard, in challenging circumstances, to respond quickly to the pandemic. NHS frontline staff have put themselves at risk to meet the demands presented by Covid-19, reflecting their extraordinary commitment to public service. The NHS implemented several actions during the first wave of Covid-19 that prevented it from becoming overwhelmed, such as increasing intensive care capacity and stopping non-urgent planned care. The Scottish Government's Test and Protect strategy is crucial to suppressing the virus and will continue to be until Covid-19 vaccinations are fully rolled out.
- Some people have been more adversely affected by Covid-19 than others. For instance, those from the most deprived areas are twice as likely to die from Covid-19 than those in the least deprived areas. Covid-19 has so far caused or contributed to the deaths of almost 9,000 people across Scotland, and deaths from other causes were also higher than average at the start of the pandemic. The NHS workforce has been under considerable pressure during the pandemic, with high levels of work-related stress reported.
- The Scottish Government could have been better prepared to respond to the Covid-19 pandemic. It based its initial response on the 2011 UK Influenza Pandemic Preparedness Strategy but did not fully implement improvements identified during subsequent pandemic preparedness exercises. It also did not include an influenza pandemic as a standalone risk in its corporate or health and social care directorate risk registers, despite assessing it as high risk.
- Remobilising the full range of NHS services is challenging and maintaining innovation and learning from the pandemic will be essential. Covid-19 has led to a substantial backlog of patients waiting for treatment. NHS boards are prioritising those in most urgent need; those who are of lower clinical priority will have to wait longer. NHS leaders need to work collaboratively, in partnership across public services, to deal with the ongoing challenges caused by Covid-19 and to remobilise services.

- Covid-19 has exacerbated the existing financial and operational challenges in the NHS and is predicted to cost £1.67 billion in 2020/21. Most NHS boards achieved their savings targets in 2019/20, but four NHS boards needed additional financial support from the Scottish Government to break even. Responding to the pandemic has resulted in significant additional expenditure across health and social care and there is uncertainty about the longer-term financial position.

Recommendations

The Scottish Government should:

- ensure that NHS National Services Scotland returns to procuring personal protective equipment (PPE) through a competitive tender process as soon as practicable, considering options that reduce the environmental impact where possible, while demonstrating good value for money and robust quality assurance ([paragraph 17, page 12](#))
- update and publish national pandemic guidance for health and social care as a priority. The scope of this guidance should not be limited to covering only an influenza pandemic and it should include lessons learned from the Covid-19 pandemic and the previous pandemic preparedness exercises ([paragraph 46, page 21](#))
- ensure that the work undertaken as part of the re-mobilise, recover, re-design programme of work has clear priorities that align with the remobilisation framework. Work should be monitored and reported to ensure sufficient progress is being made ([paragraph 56, page 25](#))
- work with its partners to update the integrated workforce plan. This should consider how services will be delivered differently in the future, and how this will affect the shape of the health and social care workforce in the longer term ([paragraph 57, page 25](#))
- ensure that all NHS leaders, particularly those newly appointed, have the support they need to balance the ongoing challenges presented by Covid-19 with the need to remobilise health and social care services ([paragraph 60, page 26](#)).

The Scottish Government and NHS boards should:

- monitor and report on the effectiveness of the measures introduced to support the health and wellbeing of staff, to assess whether sufficient progress is being made ([paragraph 23, page 14](#))
 - take action to meet the needs of those whose access to healthcare has been reduced as a result of the pandemic and monitor the long-term impact of this on health outcomes ([paragraph 27, page 16](#)) ([paragraph 49, page 22](#))
 - publish data on performance against the clinical prioritisation categories to enable transparency about how NHS boards are managing their waiting lists ([paragraph 48, page 22](#)).
-

Introduction



1. The Covid-19 pandemic has created a unique and challenging set of circumstances for the NHS in Scotland. This report outlines the response to the pandemic by the NHS in Scotland and presents an overview of its financial and operational performance for 2019/20 ([Appendix 1, page 37](#)).

2. The Scottish Government and NHS in Scotland's response to Covid-19 continues to develop as the pandemic progresses. Policy and guidance are being updated frequently and our findings reflect the situation at January 2021, using information available prior to publication. We plan to consider the longer-term impact of Covid-19 in our *NHS in Scotland 2021* report.

3. We would like to acknowledge the support and assistance provided by the Scottish Government and NHS boards that has enabled us to prepare this report.

The response to Covid-19



The challenges presented by Covid-19 are significant and unprecedented The Scottish Government and NHS in Scotland responded quickly to the rapidly developing pandemic

4. The response to the Covid-19 pandemic by the Scottish Government and NHS Scotland began soon after the emergence of the outbreak in China, before any cases had been confirmed in Scotland. In January 2020, the Scottish Government started to implement its emergency response plans. This included attending the UK Government's COBRA meetings and activating the Scottish Government Resilience Room (SGoRR). The SGoRR is the main point of contact between the UK Government and Scotland's resilience partnerships in the event that UK-level action is initiated.¹ The four nations of the UK coordinated their initial response to the pandemic, publishing a joint Covid-19 action plan on 3 March 2020.² This action plan is based on the 2011 UK Influenza Pandemic Preparedness Strategy.³ Military liaison officers were deployed to NHS boards to assist with logistics and planning.

5. The Scottish Government established a Covid-19 directorate, with a workforce of staff redeployed from other departments across the government. There was good oversight and regular communication across the NHS and Integration Authorities (IAs) from the Scottish Government.⁴ NHS boards revised their governance arrangements during the pandemic. Some reduced in size or suspended subcommittees, while maintaining close contact with the Scottish Government and their local partners.

The NHS implemented a number of actions that prevented it from becoming overwhelmed

6. The Scottish Government had difficult decisions to make about how to prevent the NHS from becoming overwhelmed during the first wave of the Covid-19 pandemic. There are longer-term risks associated with some of these decisions, but the Scottish Government needed to prioritise creating additional capacity for Covid-19 patients. From March 2020, the Scottish Government instructed NHS boards to implement several key actions at pace, that enabled them to treat Covid-19 patients while maintaining vital emergency, maternity and urgent care. For instance:

- All non-urgent surgery, treatment and appointments were suspended, and national screening programmes for some types of cancer were paused. This enabled existing facilities and equipment to be repurposed and staff to be retrained and redeployed to support the response to Covid-19.
- The number of intensive care beds was increased from 173 to 585.⁵ This meant that the NHS had sufficient intensive care capacity throughout the first wave of the pandemic. The number of patients in intensive care beds

(including non-Covid-19 patients) exceeded the original capacity between 31 March and 24 April, peaking at 250 on 9 April. The number of Covid-19 patients in intensive care beds peaked at 221 on 12 April.

- A rapid discharge strategy was introduced with the aim of reducing delayed discharges from hospital. This resulted in a reduction of 64 per cent, from 1,612 on 4 March to 580 on 27 April. The impact of this strategy on outbreaks of Covid-19 in care homes is discussed in [paragraph 29, page 17](#).
- NHS workforce capacity was increased, which enhanced NHS resilience. During the first wave of Covid-19, 4,880 nursing students were deployed, registration dates for 575 junior doctors were brought forward and recently retired NHS staff were invited to return to work. An accelerated recruitment portal was also launched, which received 16,000 expressions of interest.
- Digital improvements were rolled out across the NHS including software to facilitate working from home, and the use of virtual appointments such as Near Me increased.⁶ Video consultations increased from about 300 per week in March 2020 to more than 18,000 per week in November 2020. By December, more than 600,000 video consultations had taken place.
- The NHS Louisa Jordan, a temporary hospital at the Scottish Event Campus in Glasgow, was established. It was set up in under three weeks and was operational by 20 April, with an initial capacity of 300 beds, and the ability to expand to 1,036 beds if needed – including 90 intensive care unit (ICU) beds. The hospital has not yet been needed to treat Covid-19 patients. It has been used for outpatient appointments and for diagnostic services such as X-ray and ultrasound. By January 2021, the facilities had also been used to train more than 5,000 healthcare staff and students and vaccinate nearly 10,000 NHS staff.⁷ The hospital remains on standby to receive Covid-19 patients if needed.
- Covid-19 community hubs and assessment centres were established. These hubs assess patients presenting with Covid-19 symptoms in the community, relieving pressure on GP surgeries. Between March 2020 and January 2021, over 250,000 consultations for advice or assessment were conducted through these hubs and centres.⁸

7. Cases of Covid-19 in Scotland decreased significantly over summer 2020 but started to increase again throughout autumn and winter.⁹ The NHS already faces more demand and pressure over winter months and increasing cases of Covid-19 exacerbated these existing challenges. The Scottish Government published its *Winter Preparedness Plan* in October 2020, which outlined several strategies during the second wave to prevent the NHS from becoming overwhelmed. Strategies included the ability to expand ICU capacity again if needed, while maintaining access to essential healthcare services, including mental health support. Some of the strategies for suppressing Covid-19 during the second wave differed from the response during the first wave.¹⁰ For instance:

- An extensive vaccination programme has been implemented. Three Covid-19 vaccines have been approved by the UK Medicines and Healthcare Products Regulatory Agency. The Scottish Government committed that by 5 February 2021, care home staff and residents, frontline health workers and people aged over 80 years in the community will have received their first dose. By 1 February 2021, more than 500,000 people had received

their first vaccination. The Scottish Government also increased eligibility criteria for the flu vaccine, to help prevent additional pressure being placed on the NHS.

- The Test and Protect programme is being expanded to help suppress the virus. The Scottish Government increased testing capacity, widened eligibility criteria, and improved contact tracing processes to quickly isolate potential cases.
- New clinical triage arrangements for urgent care have been introduced through NHS 24. This aims to optimise access to care by offering virtual appointments or a face-to-face appointment, if required, at the nearest Accident and Emergency (A&E). This aims to reduce demand on healthcare services under pressure and avoid unnecessary travel and waiting in crowded areas.

The Test and Protect strategy is crucial to suppressing the virus and will remain so until Covid-19 vaccinations are fully rolled out

8. Testing, tracing and isolating all cases of Covid-19, and quarantining their contacts is essential to control transmission of the virus.¹¹ The Scottish Government published its Test and Protect strategy on 4 May 2020. The strategy aims to control the spread of Covid-19 by identifying local outbreaks in the community and tracing contacts to prevent further transmission. The Scottish Government set up a new directorate to lead the strategy and launched the Test and Protect programme on 28 May.

9. The Scottish Government recognised that having enough capacity to test all possible cases of Covid-19 would be essential for the Test and Protect strategy to be effective. The Scottish Government planned to increase testing capacity in Scotland to 65,000 per day by December 2020. This target was achieved, with a maximum capacity for more than 68,000 tests per day created by the end of December. By the end of January 2021, Scotland had a maximum capacity for more than 77,000 tests per day. The majority of testing capacity was provided by the UK Government testing programme (64 per cent) and the remainder by NHS Scotland laboratories (36 per cent).

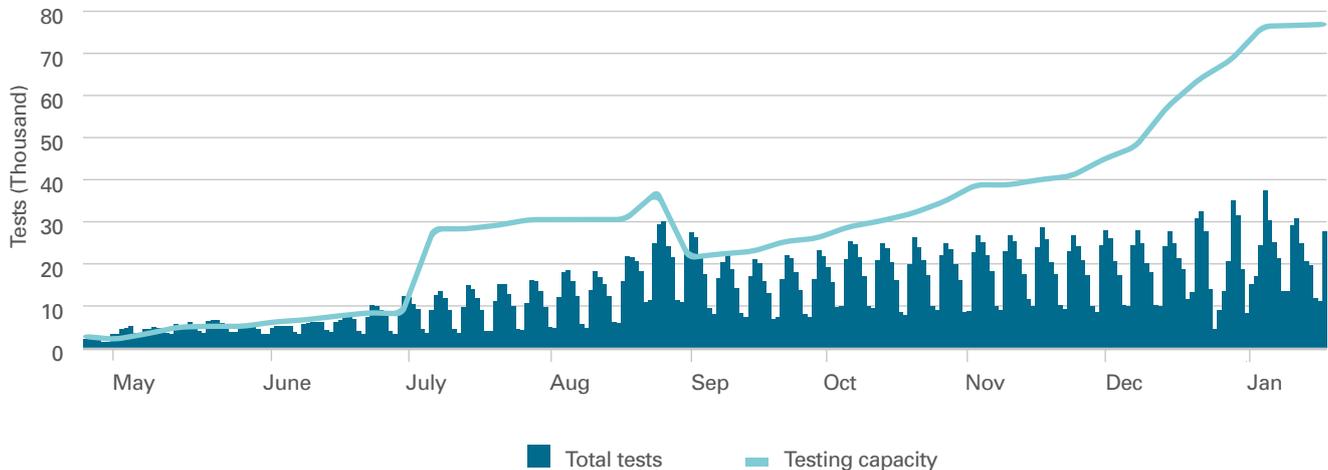
10. The number of tests carried out has not yet increased in line with this additional capacity. In October 2020, the Scottish Government estimated that demand for tests based on eligible groups at the time would be about 54,000 per day by winter. In January 2021, an average of just over 21,000 tests were carried out per day ([Exhibit 1, page 10](#)). The Scottish Government intends to use the additional capacity to expand eligibility for testing to certain people without symptoms. This includes expanding asymptomatic community testing, and introducing routine testing for:

- workplaces providing essential services where the risk of transmission is high, such as food processing and distribution, and emergency service control rooms
- additional health and care staff such as GPs, pharmacists and community nurses
- close contacts of confirmed cases
- supporting the return to schools.

Exhibit 1

Covid-19 testing capacity and total tests carried out from April 2020 to January 2021

The Scottish Government achieved its target to have capacity for 65,000 tests per day by the end of December 2020. The number of tests carried out has not yet increased in line with the additional capacity.



Notes:

1. In June 2020, Public Health Scotland and the Scottish Government began reporting total capacity as 'NHS Scotland capacity plus full capacity of the Glasgow Lighthouse lab'.
2. In August 2020, total capacity was calculated as NHS Scotland capacity plus a population share of the total UK lighthouse lab network.
3. Capacity data from 21 April to 11 October 2020 was reported by Public Health Scotland. Capacity data from 12 October was reported by NHS NSS and NHS England. Scotland's share of UK Government testing capacity is included from 30 June.

Source: Scottish Government and Public Health Scotland

Between November 2020 and January 2021, enough contacts of people testing positive with Covid-19 have been traced for the system to work effectively

11. Contact tracing is an essential part of the Test and Protect strategy. This is carried out by health protection teams within territorial NHS boards and by the National Contact Tracing Centre (NCTC) managed by NHS National Services Scotland (NHS NSS). The Scottish Government also launched the Protect Scotland app in September 2020, which alerts users if they have been in contact with another app user who has tested positive for the virus. It complements existing contact tracing processes and has more than 1.8 million users.

12. The Scottish Government asked NHS boards to make 2,000 staff from within existing resources available for contact tracing activity ahead of the launch of Test and Protect in May 2020. This was achieved, with 2,002 staff being made available for deployment across NHS boards and the NCTC if required. As prevalence of the virus decreased and NHS services started to resume over summer 2020, some staff returned to their substantive positions. This meant that contact tracing capacity was reduced, with 717 staff being available on 26 August 2020. As cases started to rise again, more staff were rostered to keep up with demand. At 23 December 2020, 2,707 staff had been fully trained in contact tracing.

13. The Scientific Advisory Group for Emergencies (SAGE) agreed that at least 80 per cent of contacts need to be reached for the system to be effective. It also found that contacts that were not isolated within 48-72 hours led to significantly increased spread of the virus.¹² In Scotland, enough cases have had their contacts

traced for the system to work well (95 per cent between 26 October and 24 January). On average, over the same timeframe 84 per cent of contacts of positive cases were traced within 72 hours.¹³ The Test and Protect strategy will remain central to suppressing Covid-19 until the Covid-19 vaccinations are fully rolled out.

Demand for PPE has been unprecedented with shortages early in the pandemic, but the situation has since improved

14. There has been huge global demand for personal protective equipment (PPE) since the start of the pandemic.¹⁴ The Scottish Government had a pandemic PPE stockpile in place, as part of a UK-wide approach, but the PPE requirements during the Covid-19 pandemic were unprecedented. For example, in early February 2020, NHS NSS shipped 96,911 items of PPE weekly, however by 6 April this figure was 24,496,200 weekly. Therefore, the pandemic PPE stockpile was not enough to fully meet the demands of the NHS. For example:

- Some NHS boards reported shortages of certain items of PPE early in the pandemic. NHS boards set up PPE groups to monitor and manage PPE availability. Local supply chains were disrupted during the pandemic, so the National Distribution Centre supplied the majority of PPE.¹⁵ In some instances, however, NHS boards had to procure some items directly.
- In a survey of Scottish members carried out in late April 2020, the British Medical Association (BMA) reported that some doctors did not have access to correct and sufficient PPE. This was highlighted as the most concerning issue for 16 per cent of respondents.¹⁶ Those working in higher-risk areas reported shortages of a number of items of PPE, including full-face visors (29 per cent) and long-sleeved disposable gowns (16 per cent).
- The Royal College of Nursing (RCN) surveyed its members in Scotland in April 2020.¹⁷ It found that, of those respondents working in high-risk environments, 25 per cent had not had their mask fit tested and 47 per cent were asked to reuse single-use equipment.

NHS National Services Scotland has played a vital role in securing and distributing Scotland's PPE supply throughout the pandemic

15. Initial difficulties in supplying and distributing sufficient PPE across the NHS in Scotland have since been resolved and supply is now meeting demand. The central coordination by NHS NSS has been vital in supplying the health and social care sector with PPE throughout the pandemic. Its remit was extended to include distributing PPE directly to General Medical Services, such as GP surgeries and community pharmacies, and social care settings, including private providers. From April 2020, NHS NSS established 48 regional hubs, where PPE has been stored and distributed to social care providers and unpaid carers. Councils and IAs manage the hubs. Between 1 March 2020 and 27 January 2021, NHS NSS had distributed more than 800 million items of PPE to health and social care services throughout Scotland.¹⁸

16. Because of the unprecedented need for PPE and how quickly it was required, NHS NSS procured PPE under emergency regulations, rather than through a competitive tender process as normal. The cost of PPE increased globally because of increased demand. In March 2020, the World Health Organization called on industry and governments to increase PPE manufacturing by 40 per cent to meet demand. In response, NHS NSS worked with a multi-agency team, including Scottish Enterprise and the Scottish Government, to establish new

supply chains with a number of Scotland-based companies. Agreements included providing 40,000 non-sterile gowns per week and a contract to supply high-protection, medical-grade face masks and visors until summer 2021.¹⁹

17. In October 2020, the Scottish Government published its PPE action plan, which outlined its plans for maintaining sufficient supply of PPE to health and social care over the winter.²⁰ The action plan sets out the intention to significantly increase the amount of PPE that is manufactured in Scotland. The Scottish Government aims for over 90 per cent of Scotland's demand for PPE (excluding gloves) to be supplied from Scottish manufacturers by March 2021. This would support its aim to develop a robust and resilient supply chain of many critical items of PPE for any potential future outbreak. The Scottish Government should ensure that NHS NSS returns to procuring PPE through a competitive tender process as soon as practicable. It should consider options that are more environmentally friendly, such as reusable gowns, where possible, while demonstrating value for money and robust quality assurance. We will cover PPE arrangements during the pandemic in more detail in our forthcoming work on this topic.

18. The Scottish Government has been providing PPE across health and social care, free of charge during the pandemic. It has committed to continue this support until the end of June 2021. It is not clear what support, if any, will be available beyond this date for those who were previously responsible for their own PPE supplies.

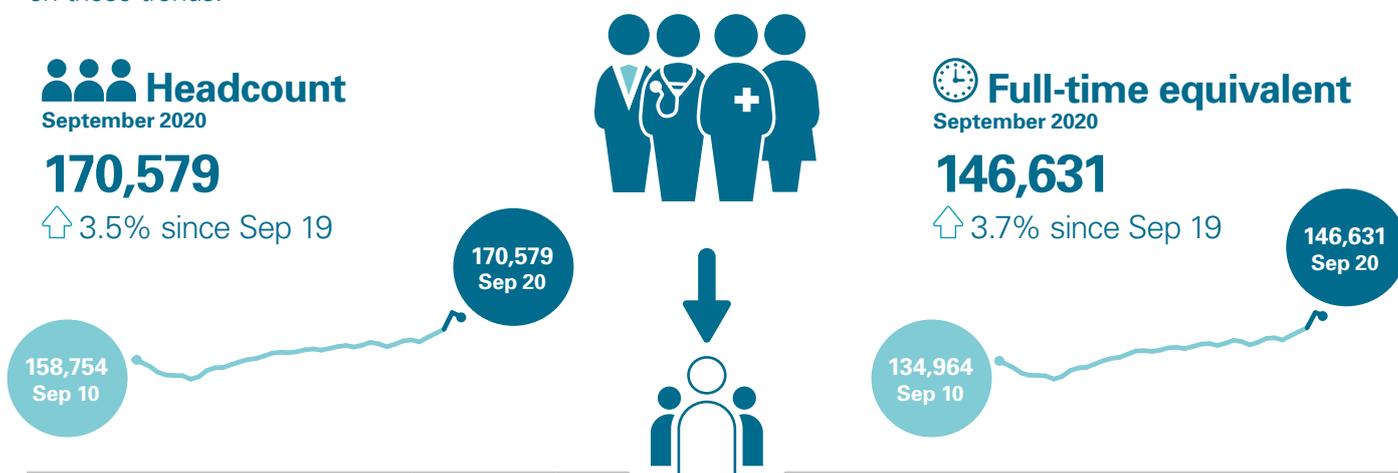
The NHS workforce has been under considerable pressure during the pandemic

19. We have highlighted in previous reports that the NHS workforce has been under pressure for several years.²¹ It has been increasingly difficult to recruit enough people with the necessary skills and using temporary staff has become commonplace ([Exhibit 2, page 13](#)). During the pandemic, staff across the Scottish Government and NHS in Scotland worked hard to maintain essential services. Some staff have been redeployed and retrained, and new staff have been appointed, to support the response to the pandemic. It is too soon to tell what impact this additional recruitment during the pandemic will have on the NHS workforce in the longer term.

Exhibit 2

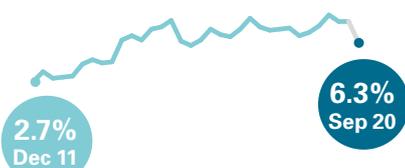
NHS workforce update

The number of people working for the NHS continues to increase, but the NHS continues to struggle to recruit people with the necessary skills. It is too soon to tell what the longer-term impact of the Covid-19 pandemic will be on these trends.



Vacancy rates (September 2020)

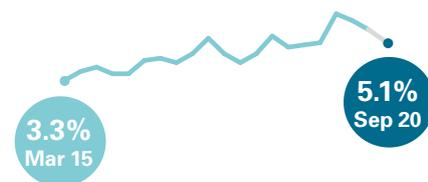
Consultant



55%

vacancies open for at least six months
↑ from 52% in Sep 19

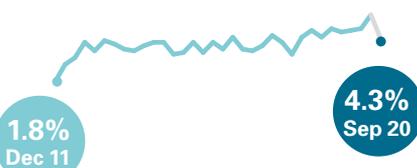
Nursing and midwifery



29%

vacancies open for at least three months
↑ from 28% in Sep 19

Allied health professional



32%

vacancies open for at least three months
↓ from 33% in Sep 19

Temporary staffing costs (2019/20) in real terms

Medical locum

£102.9m
2018/19 - £99.9m
2015/16 - £106.6m

Nursing agency

Data not available for 2019/20
2018/19 - £26.7m
2015/16 - £25.5m

Nursing bank

£180m
2018/19 - £165m
2015/16 - £145.9m

Sickness absence

5.3%

↓ down from 5.4% in 2018/19

Staff turnover

6.4%

↔ no change from 2018/19

20. To better understand the experiences of staff working in health and social care during the pandemic, the Scottish Government and unions have conducted a series of surveys:

- BMA Scotland surveyed Scottish doctors in April 2020.²² The survey showed nearly 40 per cent of 1,171 respondents reported problems with depression, anxiety, stress, burnout, emotional distress or other mental health conditions relating to their work. This had worsened for 25 per cent of respondents during the pandemic.
- The RCN conducted a UK-wide survey in May 2020.²³ It received almost 42,000 responses and reported that nurses feel undervalued and under pressure. Thirty-five per cent of respondents were considering leaving the profession (more than 14,000). Of the 3,800 respondents in Scotland, 77 per cent reported an increase in stress levels and 90 per cent were concerned about the wellbeing of those in the nursing profession. In addition, 34 per cent reported that staffing levels had worsened during the pandemic, with the same percentage reporting that they were working longer hours.
- The Scottish Government conducted a short survey for all NHS, community health and social care staff in September 2020.²⁴ This replaced the annual iMatter staff experience survey and received 83,656 responses, a response rate of 43 per cent. It found that 41 per cent of respondents were worried about the threat of a second wave of Covid-19. Thirty-five per cent were worried about catching Covid-19 themselves and passing it on to colleagues, friends and family.

21. The Scottish Government worked to improve the support available for the health and social care workforce during the pandemic. It established a workforce senior leadership group, bringing together partners, staff and regulators from across health and social care, to respond to issues quickly. The group has met frequently throughout the pandemic and provides strategic guidance and oversight on areas such as staff wellbeing, Covid-19-related absences and guidance for staff needing to shield.

22. Demand for the Scottish Government's National Wellbeing Hub website has been high. By December 2020, there had been over 50,000 visits to the website.²⁵ It was developed by NHS Greater Glasgow and Clyde's Anchor Service and NHS Lothian's Rivers Centre and was launched in May 2020. It gives staff, carers, volunteers and their families access to a range of resources to help them look after their physical and mental health. A helpline and a wellbeing champions network were also launched. In addition, practical staff support was put in place including assistance with accommodation and transport, and the creation of rest areas within NHS hospitals for staff to use.

23. The Scottish Government and NHS boards should monitor and report publicly on the effectiveness of the measures introduced to improve staff health and wellbeing, to assess whether sufficient progress is being made.

Health impact of Covid-19



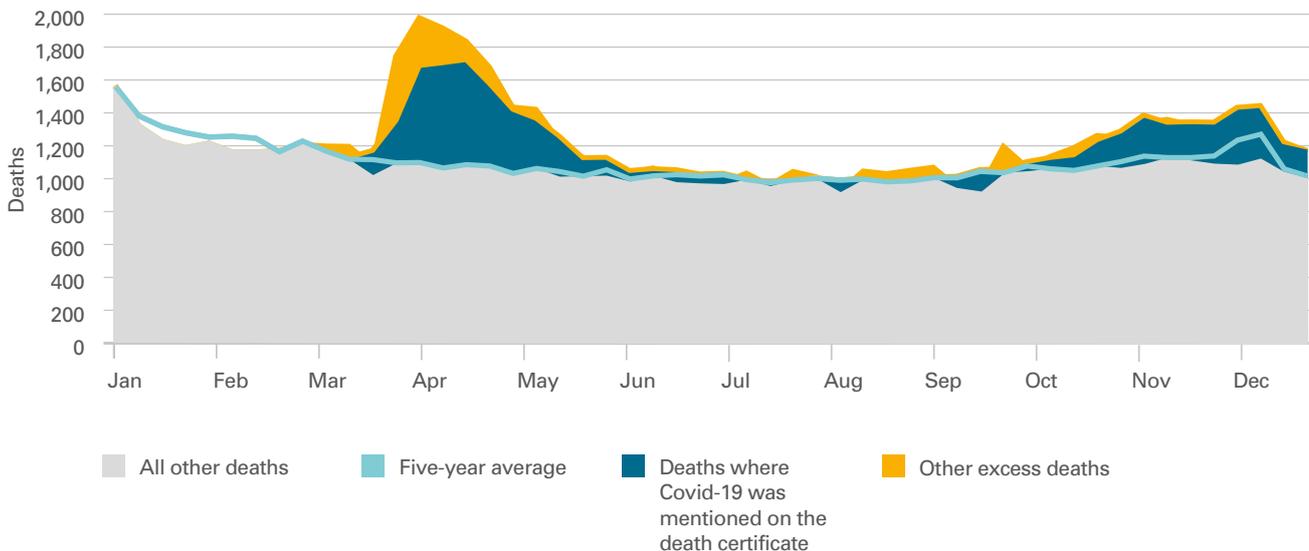
Covid-19 is causing a substantial number of deaths

24. In April and May 2020, deaths from all causes were considerably higher than the five-year average ([Exhibit 3](#)). Most of this increase can be attributed to Covid-19-related deaths. By February 2021, there had been almost 9,000 deaths in Scotland where Covid-19 was mentioned on the death certificate. Between 30 March 2020 and 17 May 2020 however, the number of deaths where Covid-19 was not mentioned on the death certificate was also considerably higher than the five-year average. For example, deaths attributed to heart disease, stroke, cancer and dementia increased significantly in the week beginning 30 March 2020.²⁶

Exhibit 3

Excess deaths January to December 2020

Deaths in April and May 2020 were considerably higher than the five-year average and increased again from September.



Source: National Records of Scotland

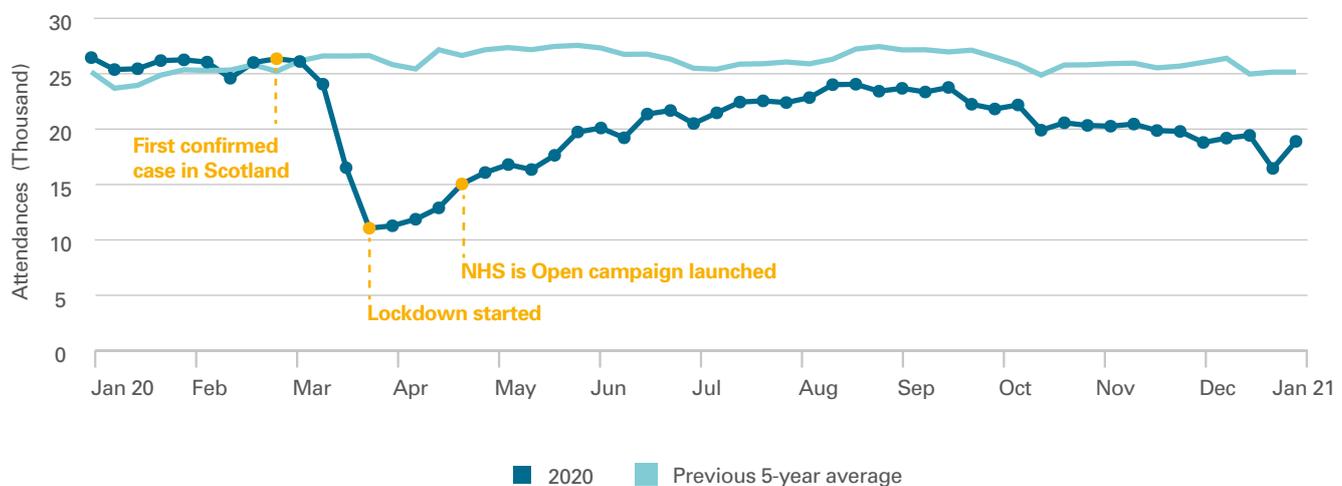
25. During the first few months of the pandemic, the number of people attending A&E fell dramatically ([Exhibit 4, page 16](#)). In April 2020, a survey found that up to 45 per cent of people said they would avoid going to GPs or hospitals for

immediate non-Covid-19-related health concerns.²⁷ The Scottish Government and senior medical officials were concerned that people with symptoms requiring urgent attention, such as those associated with strokes and heart attacks, were not seeking help. There were also concerns that pauses in national screening programmes would cause delayed or missed diagnosis among people with serious medical conditions such as cancer.

Exhibit 4

A&E attendances in Scotland from January 2020 to January 2021

A&E attendances fell sharply during March. Attendances increased steadily between April and September but decreased again throughout winter 2020.



Source: Public Health Scotland

26. The BMA surveyed 1,351 doctors in Scotland in April 2020, as part of regular monitoring of the impact of Covid-19.²⁸ It found that 55 per cent of respondents felt that prioritising patients with Covid-19 was having a detrimental impact on care for people with other healthcare needs.

27. The Scottish Government set up the NHS is Open campaign to encourage people with urgent symptoms to continue to seek help. There were regular reminders that hospitals were open and urgent care was still available. A&E attendances increased between April and August 2020 but started to decrease again from September as Covid-19 cases started to rise. The percentage of people who said they would avoid going to GPs or hospitals decreased from 45 per cent in April to 27 per cent in October.²⁹ There were significantly fewer referrals for outpatient appointments and mental health services between April and June 2020. The longer-term impact of delayed or missed diagnoses or treatment is yet to be determined. The Scottish Government and NHS boards should monitor this and take action to mitigate any adverse impacts as a result.

Some people have been more adversely affected by the pandemic than others

28. Issues emerged across social care during the pandemic that need to be addressed. By July 2020, 65 per cent of all adult care homes reported having at

least one suspected case of Covid-19. By January 2021, 39 per cent of all Covid-19-related deaths were in care homes, 55 per cent were in acute hospitals and six per cent were at home or non-institutional settings.³⁰

29. Public Health Scotland (PHS) reviewed hospital discharges to care homes between 1 March and 31 May 2020 because of the significant number of Covid-19 cases and deaths in care homes.³¹ PHS found that hospital discharge was associated with an increased risk of an outbreak of Covid-19 when considered in isolation. However, the risk of an outbreak was much more strongly associated with the size of care homes. Of the care homes with more than 90 places, 90 per cent had an outbreak, compared to less than four per cent of care homes with fewer than 20 places. After accounting for this and other care home characteristics, PHS considered that the risk associated with hospital discharges decreased and was not statistically significant. Public Health Wales conducted similar analysis and had similar findings. PHS highlighted that there were significant issues with the availability of data about care home residents and made recommendations for improvement.

30. The Scottish Government acknowledged there was a lack of oversight of the care home sector and stepped in to provide an enhanced system of assurance during the pandemic. In April 2020, the Scottish Government announced that NHS directors of public health in NHS territorial boards would provide oversight and clinical support to care homes across Scotland. The Care Inspectorate had stopped on-site inspections early in the pandemic to reduce the risk of spreading Covid-19. From May, the Care Inspectorate resumed on-site inspections of care homes that were deemed to be high risk. The findings of these inspections are currently reported to the Scottish Parliament every two weeks. From 4 May to 31 July, 134 visits had been carried out. These visits resulted in 16 letters of serious concern, one improvement notice and one application for cancellation of registration.³²

31. In May 2020, the Care Inspectorate carried out an unannounced inspection of the 37-bed, privately-run Home Farm Care Home on Skye following the deaths of ten residents from Covid-19. It identified failings in the quality of care provided and made an application for emergency cancellation of Home Farm's registration. NHS Highland became the registered provider and operator of the care home in November 2020, with the Scottish Government providing £0.9 million to fund the purchase.³³

32. Legal experts, human rights groups and others had concerns that people who lacked capacity may have been discharged from hospital or moved without due legal process and without their consent. This may have been a breach of their human rights.³⁴ In addition, the Scottish Human Rights Commission (SHRC) highlighted concerns about the care-at-home provision being reduced or removed during the pandemic.³⁵ It reported that in many cases decisions to change care-at-home provision happened quickly, without adequate assessment of the impact and were poorly communicated. The SHRC made 24 recommendations including to urgently restore care and support; improve assessments and communication; and incorporate the United Nations Convention on the Rights of Persons with Disabilities into Scots law.

33. As part of the Programme for Government 2020/21, the Scottish Government commissioned an independent review of adult social care. This considered options for improvement, including the establishment of a national care service. A report was published in February 2021. The findings of the report will be discussed in our forthcoming work on social care sustainability.

Systemic issues, such as socio-economic and health inequality, were exacerbated during the pandemic, leading to a disproportionate impact on certain groups

34. Certain groups have been disproportionately affected by Covid-19. For example:

- the death rate from Covid-19 is more than twice as high in the most deprived areas (183 per 100,000 population) than in the least deprived areas (79 per 100,000 population)³⁶
- there is around a twofold increase in risk of admission to critical care or death from Covid-19 among people of South Asian origin. There is also evidence of an increased risk of hospitalisation arising from Covid-19 among those of Caribbean or black ethnicity.³⁷

35. In April 2020, the Scottish Government published its framework for decision-making in relation to the use of restrictions to manage the pandemic. This outlined four main categories of harm that the Scottish Government would consider in making decisions on whether to ease or tighten restrictions. These categories were the direct health impact of Covid-19, non-Covid-19-related health harms, societal impact and economic impact. In July, the Scottish Government published an impact assessment of the measures it planned to take to manage the pandemic.³⁸ This outlined how some people with certain protected characteristics and socio-economic disadvantages were more adversely affected by the pandemic and by the measures taken to suppress it.³⁹

36. The Scottish Government established an expert group to study the effects of Covid-19 on minority ethnic communities. In September 2020, the group published two reports with initial advice and recommendations for the Scottish Government.⁴⁰ One report called for improvements in data and evidence on ethnic inequalities and health. The other report recommended improving systemic issues such as socio-economic and health inequality.

37. Health inequalities are wide and have worsened over the last ten years.⁴¹ We have previously reported on the impact of factors such as deprivation and ethnicity on health inequalities.⁴² These long-standing systemic issues were exacerbated during the pandemic, leading to the disproportionate impact experienced by these groups.

The Scottish Government updated its ethical decision-making framework to improve clarity on equality and human rights obligations

38. If the pandemic causes an increase in demand for healthcare that exceeds capacity, complex and challenging decisions may need to be made about the delivery of healthcare. In April 2020, the Scottish Government published an ethical advice and support framework (EASF).⁴³ The EASF outlines the structures and principles for supporting an ethical approach to decision-making during the pandemic if needed.

39. The Scottish Government conducted an equalities impact assessment (EIA) to ensure that the EASF complied with equality and human rights legislation.⁴⁴ As a result, the EASF was updated in July 2020 to improve clarity on equality and

human rights obligations. The language was revised throughout. In addition, a new section on equality and human rights was added to:

- outline how the EASF relates to the Human Rights Act (1998) and the Equality Act (2010)
- emphasise the national commitment to ensure that every patient has the right to the highest possible standard of physical and mental health.

40. As part of the EASF, NHS boards were required to establish ethical advice and support groups. These groups were designed to help clinicians to make difficult ethical decisions and enable theoretical discussions to support planning during the pandemic. A national group was also available to provide advice to local groups and to consider national ethical issues, although this had not been used as of February 2021.

Pandemic preparedness



Not all actions from previous pandemic preparedness exercises were fully implemented

The Scottish Government based its initial response to Covid-19 on the 2011 UK Influenza Pandemic Preparedness Strategy

41. In its consideration and assessments of risks to Scotland, the Scottish Government rated the risk of an influenza pandemic as highly likely to occur with a potentially severe impact.⁴⁵ This aligns with the risk classification of an influenza pandemic in the UK National Risk Register of Civil Emergencies, 2017.⁴⁶ However, the Scottish Government did not include an influenza pandemic as a standalone risk in its corporate or health and social care risk registers. This meant that there was not adequate corporate oversight of this risk, and it is therefore unclear how it was being managed and monitored.

42. The Covid-19 pandemic was caused by a new virus with unknown characteristics. Initially, there was insufficient evidence internationally to show how the virus behaved and was transmitted, who was at risk and what the incubation period was. The Scottish Government had no plan in place to manage this specific kind of outbreak, so its response was informed by the 2011 UK Influenza Pandemic Preparedness Strategy. This was developed jointly by the four governments of the UK. The Scottish Government's response was also informed by the 2017 Management of Public Health Incidents: Guidance on the roles and responsibilities of Incident Management Teams. The Scottish Government's response to Covid-19 had to be adapted frequently as new information emerged.

43. In the five years prior to the Covid-19 pandemic, Scotland was involved in three pandemic preparedness exercises:

- **Exercise Silver Swan** was conducted across Scotland in late 2015 and sponsored by the Scottish Government.⁴⁷ It involved a range of partners, including the Scottish Government, NHS boards, councils and Health and Social Care Partnerships (HSCPs), and consisted of a series of four separate desk-based exercises. The exercises focused on health and social care, excess deaths, business continuity and overall coordination nationally. Seventeen recommendations for further action were identified. A review exercise was conducted in November 2016.
- **Exercise Cygnus** was held in October 2016.⁴⁸ It was a three-day, UK-wide simulation of a severe pandemic and involved the Scottish Government. The exercise identified 22 ways in which the 2011 UK Influenza Pandemic Preparedness Strategy could be improved.

- **Exercise Iris** was delivered by the Scottish Government in March 2018.⁴⁹ It involved territorial NHS boards, NHS 24, Health Protection Scotland and the Scottish Ambulance Service. It assessed the readiness of the NHS in Scotland to respond to suspected outbreaks of a Middle East respiratory syndrome coronavirus (MERS-CoV). Thirteen actions were identified.

44. Each of these exercises highlighted a number of areas that required improvement. They defined specific actions to be implemented, with some common themes, including the need to:

- clarify roles and responsibilities in the event of a pandemic
- increase the capacity and capability of social care to cope during an outbreak
- ensure the availability and correct use of PPE, including through fit testing and procurement processes.

Progress in addressing recommendations from pandemic preparedness exercises has been slow

45. Progress in implementing the actions identified during these pandemic planning exercises has been slow. The Scottish Government set up the Flu Short Life Working Group (FSLWG) in early 2017. In November 2017, the group set out priority actions following the recommendations from the Silver Swan and Cygnus exercises. While the exercises conducted were not in preparation for the specific type of pandemic that arose, some of the areas that were identified for improvement became areas of significant challenge during the Covid-19 pandemic. For instance:

- Concerns about the capacity and capability of social care to cope during a pandemic. Flu pandemic guidance published in 2012, designed for health and social care in England, was issued to health and social care in Scotland.⁵⁰ One of the priorities of the FSLWG was to develop a Scottish version of this guidance for consultation by March 2018. This guidance was drafted and issued for consultation between July and September 2019. The draft guidance was not updated following consultation and has not been published. The Scottish Government is now reviewing this guidance to incorporate lessons learned from the Covid-19 pandemic.
- Access to, and training in, the use of PPE were identified as areas requiring improvement. The FSLWG identified a priority action in relation to clarifying access to the PPE stockpile. This was required to be completed by March 2018. The Scottish Government planned to include this in the flu pandemic guidance that was being developed for health and social care. The FSLWG also identified raising awareness of the type of PPE required and fit testing for staff as priorities. In March 2018, however, findings from Exercise Iris again highlighted the need for substantive progress in the area of PPE availability and use across Scotland.

46. As a priority, the Scottish Government should update and publish national pandemic guidance for health and social care. The scope of this guidance should not be limited to covering only an influenza pandemic. It should include lessons learned from the Covid-19 pandemic and the previous pandemic exercises.

NHS remobilisation



Remobilising health services is challenging, and maintaining innovation and learning from the pandemic will be essential

The pandemic led to a substantial backlog of patients waiting to be seen, with NHS boards prioritising those in most urgent need

47. As highlighted in our previous NHS in Scotland reports, NHS boards have found meeting national waiting times targets very challenging ([Exhibit 8, page 33](#)).⁵¹ The Scottish Government acknowledged that Covid-19 has severely affected NHS boards' ability to meet these targets and that a new approach was needed to manage the substantial backlog of patients ([Exhibit 5, page 23](#)). The Waiting Times Improvement Plan (WTIP), announced in October 2018, was paused at the beginning of the Covid-19 outbreak. The Scottish Government had planned to invest more than £850 million to sustainably improve waiting times by spring 2021, but the WTIP will now not restart. The Scottish Government published a new framework outlining the approach that should be taken during the Covid-19 pandemic.⁵² This new approach is based on clinical prioritisation, which means that patients most in need will be seen first and those of lower clinical priority will have to wait longer. Patients are categorised in priority levels as follows:

- Level 1a emergency - operation needed within 24 hours
- Level 1b urgent - operation needed within 72 hours
- Level 2 surgery - scheduled within four weeks
- Level 3 surgery - scheduled within 12 weeks
- Level 4 surgery - may be safely scheduled after 12 weeks.

48. These timescales are ambitious, considering that NHS boards already found it challenging to meet waiting times targets ([Exhibit 8, page 33](#)). NHS boards are under more pressure during the Covid-19 pandemic, along with having a significant backlog of patients waiting to be seen ([Exhibit 5, page 23](#)). Data on waiting times for each category should be published, to enable transparency about how NHS boards are managing their waiting lists.

49. The framework is clear that patients waiting a long time – determined by their priority level – should be offered a review consultation to ensure their clinical priority categorisation is up to date. Clinical risks associated with patients waiting longer for treatment need to be assessed and mitigated. The Scottish Government and NHS boards should monitor the longer-term impact on health outcomes.

Exhibit 5

National trends in demand and activity for acute services

Services being paused during the first wave of the pandemic led to increasing numbers waiting longer for tests and treatment.

Demand		% change
Monthly April 2019 to September 2020		
Number waiting for diagnostic tests	<p>92,239 102,716</p>	↑ 11.4%
Quarters ending June 2019 to September 2020		
Number of patients waiting for an inpatient or day case admission	<p>75,630 85,869</p>	↑ 13.5%
Quarters ending June 2019 to September 2020		
Number of patients waiting for a new outpatient appointment	<p>322,746 324,810</p>	↑ 0.6%
Activity		
Monthly April 2019 to November 2020		
Number of scheduled elective operations in theatre system	<p>27,204 17,916</p>	↓ -34.1%
Quarters ending June 2019 to September 2020		
Number of inpatient and day case admissions	<p>70,696 37,926</p>	↓ -46.4%
Quarters ending June 2019 to September 2020		
Number of new outpatient appointments	<p>361,825 192,528</p>	↓ -46.8%
Length of waits		
Monthly April 2019 to September 2020		
Number waiting longer than 6 weeks for diagnostic tests	<p>16,446 47,968</p>	↑ 191.7%
Quarters ending June 2019 to September 2020		
Number of patients waiting longer than 12 weeks for an inpatient or day case admission	<p>23,928 60,074</p>	↑ 151.1%
Quarters ending June 2019 to September 2020		
Number of patients waiting longer than 12 weeks for a new outpatient appointment	<p>85,791 173,663</p>	↑ 102.4%

Source: Audit Scotland using Public Health Scotland data

Managing cases of Covid-19 has taken priority over resuming the full range of NHS services

50. Over summer 2020, NHS boards began resuming some services that had been paused during the first wave of Covid-19. Services providing the most urgent care were prioritised. There are a number of challenges related to resuming the full range of health services and bringing capacity back to pre-Covid-19 levels. The need to physically distance means that operating theatres, clinics and waiting rooms cannot be used to their full capacity. More time is needed between appointments and procedures for replacing PPE and cleaning. Managing ongoing cases of Covid-19 is also very resource intensive. This has taken priority over resuming non-urgent health services.

51. In October 2020, the Scottish Government published its Winter Preparedness Plan for the NHS in Scotland. It plans to maximise the use of NHS Golden Jubilee, NHS Louisa Jordan and the private sector to help maintain access to some services over the winter. Since July 2020, NHS Louisa Jordan has been used to help reduce the backlog of people waiting for diagnostic services and outpatient appointments. By January 2021, approximately 18,000 outpatients from four NHS boards had attended NHS Louisa Jordan. The elective centres currently being built will help deal with some of the backlog of patients and the longer-term strategy for planned care.⁵³

52. The paused national screening programmes also started to resume in stages over the summer of 2020, and have now resumed routine screening. NHS boards are working to catch up on delayed appointments.

The Scottish Government is committed to rebuilding the NHS differently

53. The Scottish Government published its Re-mobilise, Recover, Re-design Framework in May 2020. This sets out the priorities for resuming services while maintaining capacity for Covid-19 patients. The framework is clear about rebuilding the NHS differently, which will be essential for it to be sustainable. Some of the key ambitions described in the framework include:

- developing new priorities for the NHS based on engagement with staff and the public
- achieving greater integration, recognising the interdependencies between health and social care services
- providing more care closer to home, minimising unnecessary travel
- reducing inequality and improving health and wellbeing outcomes.

54. Achieving these ambitions will require a considerable amount of work and resources, at both Scottish Government and NHS board levels. The Scottish Government is working with external consultants to look at the nature of the work and structures required to support the delivery of the ambitions in the remobilisation framework. NHS boards have developed remobilisation plans that align with these ambitions and include details of how they plan to resume healthcare services. These plans also describe how positive changes introduced during the pandemic will be maintained. Some of this innovation that would normally have taken years to develop and implement, happened within weeks. For instance, the roll out of digital improvements such as Near Me and establishing community hubs and assessment centres.

Maintaining new ways of working and learning from the pandemic will be an essential part of rebuilding the NHS

55. Maintaining new ways of working and learning from the pandemic will be essential. As part of this, it will be important to evaluate how effective and appropriate these changes have been and establish which of these should be maintained in the longer term. The Scottish Government is developing a Re-mobilise, Recover, Re-design programme of work, which focuses on recovery and renewal across health and social care. The detailed scope and objectives of this are under development. However, work on this has been paused until there is more capacity for further discussions on strategic priorities.

56. The Scottish Government should ensure that the work undertaken as part of this programme has clear priorities that align with the remobilisation framework. This should include achievable and realistic objectives and timescales for completion. Progress should be monitored and reported to ensure sufficient progress is being made. In addition, the Scottish Government:

- committed to review and develop the role of the Covid-19 community assessment hubs and virtual appointments, with the aim of providing more care closer to home ⁵⁴
- developed a recovery plan to redesign cancer services, to ensure that all patients have timely access to diagnostic services and the best possible treatments. ⁵⁵

The shape of the health and social care workforce will need to change

57. In December 2019, the Scottish Government published a national health and social care integrated workforce plan. ⁵⁶ This contains plans and assumptions about the shape of the health and social care workforce in the future, aligned with the medium-term financial framework. Ways of working and roles in the NHS and social care will need to be different after the Covid-19 pandemic. When the immediate pressures on NHS workforce planning during the Covid-19 pandemic subside, the Scottish Government should work with its partners to update the integrated workforce plan. This should consider how services will be delivered differently in the future, and how this will affect the shape of the health and social care workforce in the longer term.

There continues to be a lack of stable senior leadership, with high turnover and short-term tenure

58. We have previously reported on the lack of stable senior leadership in the NHS and that tenure should ideally be at least five years. This gives organisations the stability they need for effective strategic planning and reform, and development of effective working relationships. ⁵⁷ High turnover and short-term tenure has continued. Since April 2019, there have been 32 new senior appointments of Board Chairs, Chief Executives and Directors of Finance across 21 NHS boards in Scotland (excluding the newly established Public Health Scotland). These included ten Board Chairs, 14 Chief Executives and eight Directors of Finance. Two NHS boards, NHS Grampian and NHS Highland, had more than one change in Chief Executive in that period.

59. There are also a number of newly filled posts in place at the Scottish Government senior leadership team. These include the Chief Executive of NHS Scotland and Director-General of the Health and Social Care Directorates, the Chief Medical Officer and the Chief Nursing Officer.

60. The NHS requires stable and collaborative leadership, working in partnership across public services to balance the ongoing challenges caused by Covid-19 and to remobilise health and social care. The Scottish Government must ensure that all NHS leaders, particularly those who are newly appointed, have the support they need.

NHS finances and performance



Covid-19 has exacerbated existing financial and operational challenges

Responding to Covid-19 has resulted in significant additional expenditure across health and social care, and there is uncertainty about the longer-term financial position

61. Responding to Covid-19 has resulted in significant additional costs. NHS boards and HSCPs submitted monthly integrated financial returns to the Scottish Government, which included predicted costs for 2020/21 and actual costs where available. These submissions were scrutinised through peer review by NHS directors of finance and the Scottish Government.

62. At December 2020, NHS boards and HSCPs predicted an additional £1.67 billion in costs associated with Covid-19 for 2020/21. This consisted of £1.56 billion in revenue costs and £112.2 million in capital costs. Predicted revenue costs are made up of £1.13 billion for NHS boards and £0.43 billion for HSCPs. The highest predicted revenue costs for NHS boards relate to:

- PPE, at £324.5 million
- testing for Covid-19, at £89.7 million
- additional hospital bed capacity, at £70.1 million.

63. Covid-19-related costs to the NHS for 2020/21 will be covered by funds allocated to Scotland from the UK Government through Barnett consequentials.⁵⁸ At September 2020, the Scottish Government confirmed that £2.5 billion received in consequentials will be passed on for health and social care. There is uncertainty in the longer term about costs associated with Covid-19 and the funding that will be available from the UK government.

64. The Scottish Government needed to revise NHS boards' budgets for 2020/21 to take into account the additional costs as a result of the pandemic. It agreed the approach to doing this with the NHS directors of finance. The Scottish Government reviewed the actual costs submitted for the first three months of the 2020/21 financial year and confirmed an additional £1.1 billion in allocations in September 2020 for NHS boards and IAs. In February 2021, it announced a further £491 million in allocations. The Scottish Government recognised that the pandemic has significantly affected NHS boards' ability to deliver their financial recovery plans, and confirmed that NHS boards and IAs would be fully funded to deliver a financial balance for 2020/21. It will review this in 2021/22, to consider any ongoing impact of the pandemic.

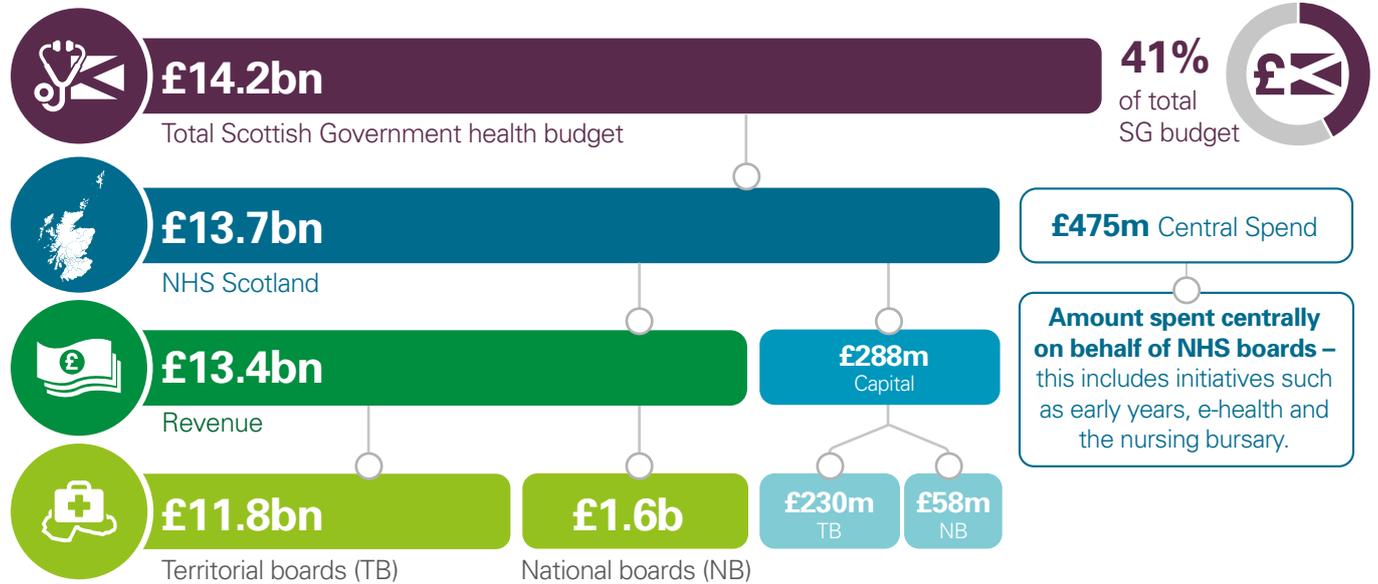
65. The usual financial planning arrangements were paused for 2020/21. This means that, for 2020/21, NHS boards do not have three-year plans approved by the Scottish Government in place. It is not yet clear:

- what long-term impact Covid-19 will have on the financial position of the NHS
- how the pandemic will develop over time and what level of spending will be required to respond
- what additional funding will be made available through Barnett consequentialia beyond 2020/21.⁵⁹

66. The Scottish Government's health and social care medium-term financial framework (MTFF) identified the need to save £1.7 billion between 2016/17 and 2023/24. Covid-19 has had an impact on the ability of the health and social care sector to meet the trajectory set out in the MTFF. The Scottish Government has committed to reviewing the MTFF in 2021/22 to consider the impact of the Covid-19 pandemic.

Exhibit 6

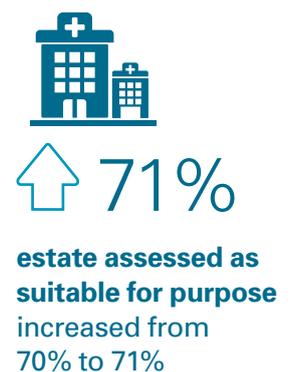
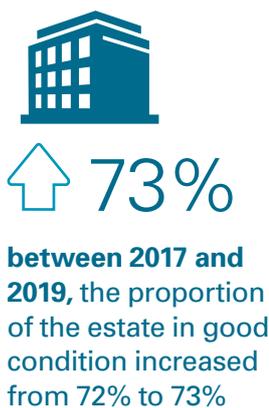
A breakdown of NHS funding for 2019/20, key areas of spend and state of the estate update
 NHS funding increased by 5.2 per cent in 2019/20. More than half of the NHS budget was spent on workforce.
 The level of backlog maintenance in 2019 was £1.03 billion.



KEY AREAS OF SPEND



NHS ESTATE



Source: Scottish Government

Financial and operational performance for 2019/20

Some NHS boards were unable to break even without additional financial support from the Scottish Government

67. In 2019/20, four NHS boards required additional financial support from the Scottish Government to break even, totalling £41 million. This was less than the £65.7 million needed in 2018/19 by the same four NHS boards. These NHS boards will be expected to repay this funding in the future once they achieve a break-even position after the pandemic. The four NHS boards that required additional financial support in 2019/20 were (2018/19 figure in brackets):

- NHS Ayrshire and Arran - £14.7 million (£20 million).
- NHS Borders - £8.3 million (£10.1 million).
- NHS Highland - £11 million (£18 million).
- NHS Tayside - £7 million (£17.6 million).

68. Before the Scottish Government announced that NHS boards would be fully funded for 2020/21, three of the four NHS boards also predicted that they would have needed £30.2 million in additional financial support during the 2020/21 financial year. This would have been a further improvement. NHS Tayside forecasted that it would break even. The following case studies outline the challenges facing three of the NHS boards that were unable to break even in 2019/20 without this support. We published a report outlining the challenges in [NHS Tayside](#)  in December 2020.⁶⁰

Case study 1

NHS Ayrshire and Arran still requires significant transformational change, particularly in acute services



In 2019/20, NHS Ayrshire and Arran needed £14.7 million in additional financial support, known as brokerage, from the Scottish Government to break even. This was in line with what the board predicted at the start of the financial year. The board's 2019/20 budget included a savings target of £23.2 million and it achieved £16.8 million. The shortfall is largely attributable to unachieved savings of £8.4 million in acute services, which were partly offset by additional savings in other areas.

NHS Ayrshire and Arran continues to face an extremely challenging financial position in the medium to longer term. The board projected that it would have needed £13.5 million in brokerage for 2020/21. It did not expect to achieve financial balance until 2022/23, a year later than was projected in 2019/20. Achieving financial balance in 2020/21 would have required a number of challenges to be overcome, such as the delivery of £8.5 million of savings in acute services and medicine cost pressures of £8.5 million.

The board has continued with its Transformational Change Improvement Programme, but significant transformational change is still required. The board should prioritise developing detailed improvement programmes incorporating medium to longer-term initiatives, clear action plans, milestones, and the capacity and resources needed. The additional pressures and challenges associated with responding to Covid-19 should be considered and included in these plans. During 2019/20, the board started its Caring for Ayrshire programme, a ten-year vision for the whole-system redesign of health and social care services. This programme is a positive step towards financial sustainability but is still in the early stages of development.

Source: NHS Ayrshire and Arran 2019/20 Annual Audit Report

Case study 2



NHS Borders needs to restart its Financial Turnaround programme

In 2019/20, NHS Borders required £8.3 million in brokerage from the Scottish Government to break even. The board needed to make efficiency savings of £21.7 million in 2019/20. The board achieved £10 million in savings, of which £7.1 million was recurring. While the total savings achieved were less than the £15.2 million in 2018/19, the board managed to increase its recurring savings by around £0.4 million.

NHS Borders continues to face a challenging financial position, with particular cost pressures in acute services and delegated IJB services. The board reported that a £13.1 million deficit would be carried forward in to 2020/21 because of unachieved savings and continued financial pressures, and forecasted that it would have continued to need brokerage over the next two years.

In 2018/19, NHS Borders created its Financial Turnaround programme. This made some progress with increasing the level of recurring savings achieved but this progress is unlikely to be sustained. Covid-19 is expected to have a significant impact on 2020/21 and beyond. NHS Borders reported that no savings were made in the first five months of 2020/21 and had forecast achieving £1.6 million in recurring savings in 2020/21, from a target of £9 million. The board must re-start the Financial Turnaround programme and assess the financial impact of Covid-19.

Source: NHS Borders 2019/20 Annual Audit Report

Case study 3



NHS Highland would benefit greatly from stability in its leadership team

In November 2019, the Auditor General reported that NHS Highland needed a clear plan to redesign services to achieve a sustainable model of care.⁶⁹ It also needed stable senior leadership, to strengthen its governance arrangements and to respond to the recommendations of the Sturrock Report on cultural issues related to allegations of bullying and harrassment.

In 2019/20, NHS Highland needed £11 million in brokerage from the Scottish Government to break even. This was £0.4 million less than predicted at the start of the year. The board achieved its target of £28 million in savings. NHS Highland still faces financial challenges, and forecasted that it would have needed £8.8 million in brokerage to break even in 2020/21. It continues to rely on agency and locum staff and increasing spending in the last three years has led to a consistent overspend on medical pay. The board needs to address this to achieve long-term financial sustainability.

NHS Highland made substantial progress in establishing the Programme Management Office (PMO) and Financial Recovery Board during 2019/20. The PMO has played an essential role in helping deliver the board's Financial Recovery Programme. The board is committed to implementing the recommendations in the Sturrock Report. It has developed a plan, Culture Fit for the Future, and included this as one of its three strategic priorities. Progress has been made, but this is a long-term programme and considerable work has still to take place.

There were several departures from the senior leadership team during 2019/20 and a number of new appointments to senior management positions. Changes to the senior management team will continue for at least the short term. NHS Highland would benefit greatly from stability in its leadership as the board develops a financially sustainable operating model and balances the ongoing demands of Covid-19.

Source: NHS Highland 2019/20 Annual Audit Report

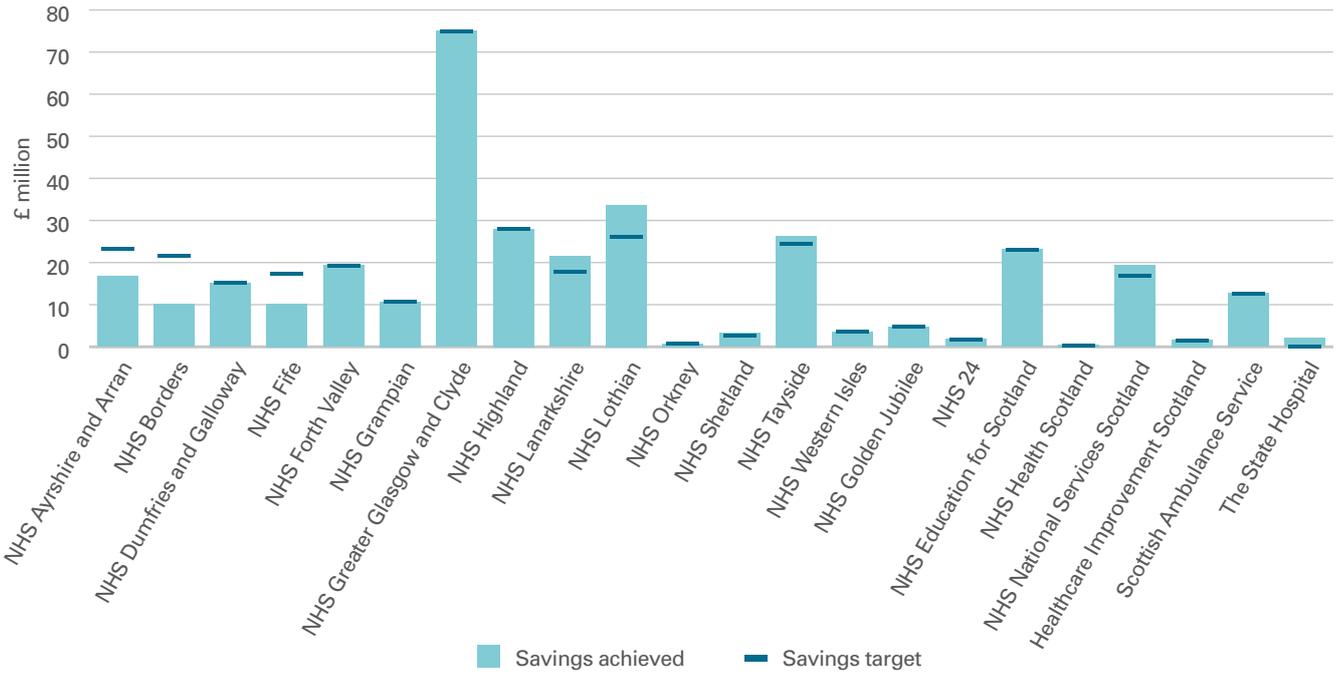
⁶⁹. Most NHS boards achieved their savings targets in 2019/20 ([Exhibit 7, page 32](#)). Three NHS boards did not achieve their savings target in 2019/20. These were NHS Ayrshire and Arran ([Case study 1, page 30](#)), NHS Borders

(Case study 2, page 31) and NHS Fife. Most of the shortfall in NHS Fife is attributable to unachieved savings in acute services.

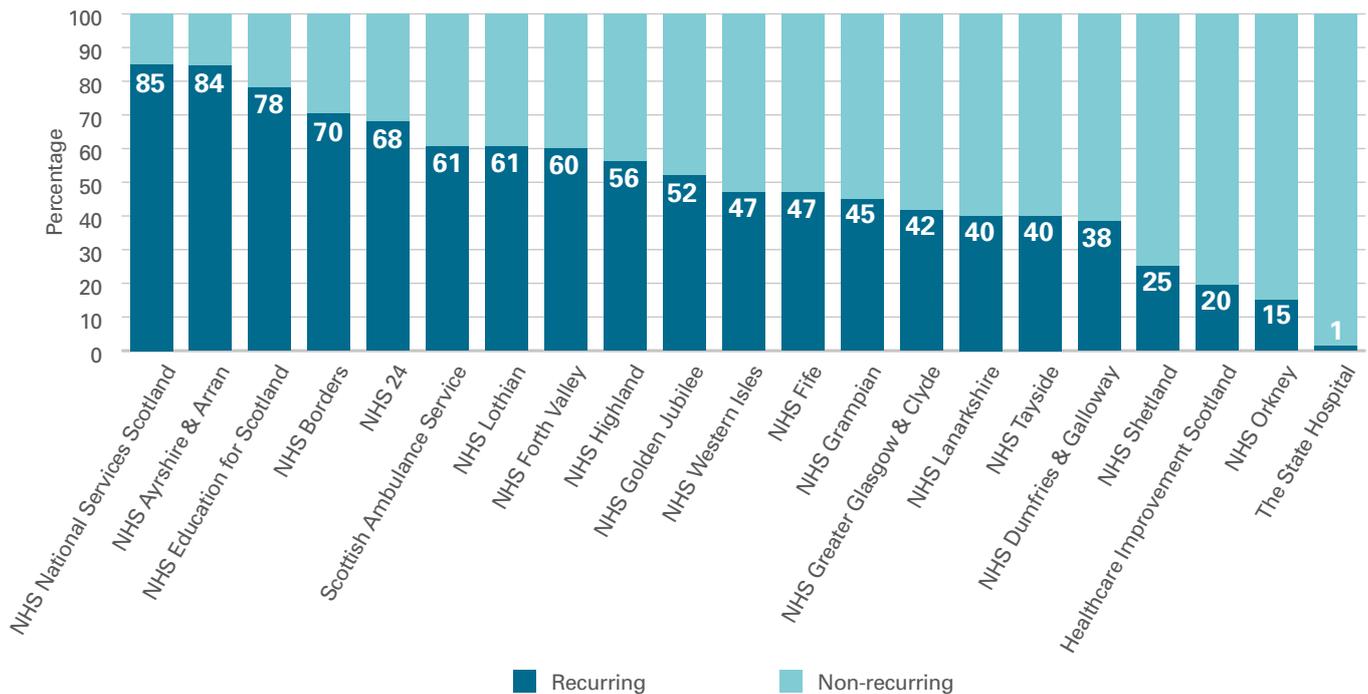
Exhibit 7

Savings achieved 2019/20

Most NHS boards achieved their savings targets in 2019/20.



NHS boards varied significantly in their reliance on non-recurring savings



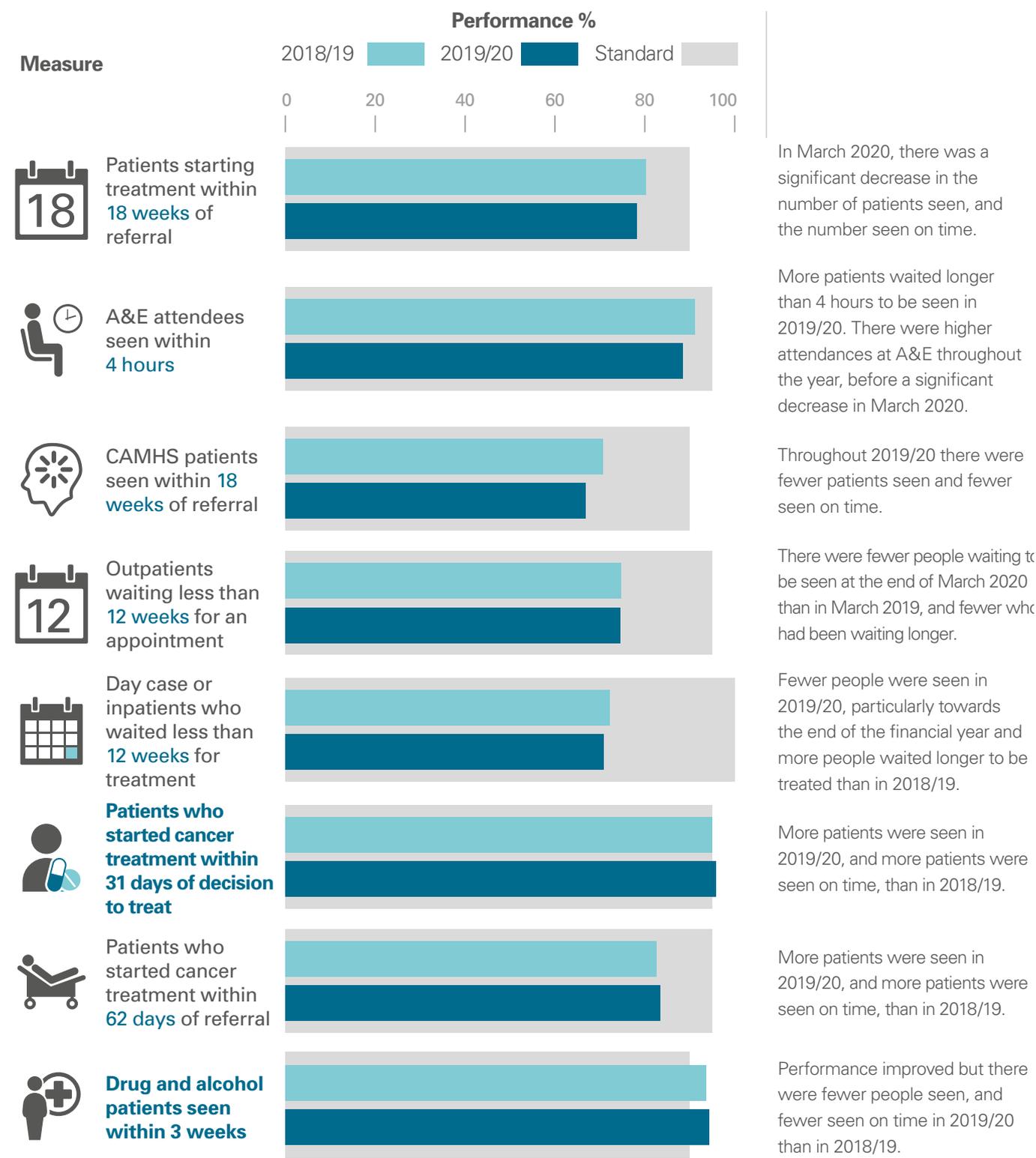
Note: NHS Health Scotland ceased to exist on 31 March 2020. It has been excluded from the graph showing proportion of recurring and non-recurring savings as there was no breakdown available for 2019/20.

Source: Annual Audit Reports 2019/20 and auditor returns to Audit Scotland

Exhibit 8

NHS performance against eight key waiting times standards, 2018/19 and 2019/20

NHS in Scotland met two waiting times standards in 2019/20. Performance improved for three waiting times standards and worsened for five.



Note: Performance towards the end of 2019/20 was affected by the Covid-19 pandemic. On 17 March 2020, NHS Scotland was placed in emergency measures and NHS boards were asked to suspend non-urgent treatment.

Source: Audit Scotland using Public Health Scotland data

Work needs to continue to reduce hospital associated infections

70. Efforts continue to try and reduce healthcare associated infections (HAI). Some serious infections caused by Gram-negative bacteria are resistant to most available antibiotics and are a major threat to public health and patient safety.

71. Escherichia coli (E. coli) is the most common cause of Gram-negative bloodstream infections, and numbers are increasing.⁶¹ The healthcare associated incidence rate of E. coli blood stream infection increased by 11.7 per cent between 2017 and 2019. As part of national efforts to tackle anti-microbial resistance, the UK government has published a 2019-2024 action plan for the four nations of the UK. This sets a target of reducing healthcare associated gram-negative bloodstream infections by 25 per cent in 2021/22 and by 50 per cent in 2023/24.

72. Positive progress has been made in reducing the incidence rates of healthcare associated Clostridium difficile. Between 2015 and 2019, there was a decrease from 18.7 to 13.3 per 100,000 bed days in patients aged 15 years and older. The incidence of Staphylococcus aureus bacteraemia remained stable.⁶²

Investigations continue into infection control risks in major capital projects

73. During 2018/19, an unusual cluster of cases of a specific type of infection at the Royal Hospital for Children and the Queen Elizabeth University Hospital (QEUH) in NHS Greater Glasgow and Clyde prompted a series of investigations. The Scottish Government commissioned an independent review to determine whether the design, build, commissioning and maintenance of the QEUH had increased the risk of HAI. The report was published in June 2020.

74. The Scottish Government also commissioned a public inquiry into the construction of the QEUH and the newly built Royal Hospital for Children and Young People (RHCYP) in Edinburgh because of similar issues. This began in August 2020.

75. More broadly, the Scottish Government is planning to set up a National Centre for Reducing Risk in the Healthcare Built Environment. This intends to focus knowledge and expertise to ensure that lessons are learned and provide greater confidence in the delivery of future capital projects. In addition, an Oversight Board, led by Scotland's Chief Nursing Officer, will report on infection prevention and control practices at the QEUH.

Endnotes



- 1 Resilience partnerships in Scotland support local and regional emergency preparedness and link with national resilience structures. Members include NHS boards, police, fire, ambulance and councils.
- 2 Coronavirus: action plan, *A guide to what you can expect across the UK*, UK Government, March 2020.
- 3 UK Influenza Pandemic Preparedness Strategy, UK Department of Health, November 2011.
- 4 Integration Authorities (IAs) are partnerships between NHS boards and councils in Scotland. They are responsible for the planning, resourcing and operational oversight of a wide range of health and social care services delivered by Health and Social Care Partnerships (HSCPs).
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- 7 NHS Louisa Jordan continues to support NHS Scotland, <https://nhslouisajordan-newsroom.prgloo.com/news/nhs-louisa-jordan-continues-to-support-nhsscotland>, January 2021.
- 8 Weekly Covid-19 statistical report, Public Health Scotland, January 2021.
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- 10 Winter Preparedness Plan for NHS Scotland - 2020/21, Scottish Government, October 2020.
- 11 Covid-19 Strategy Update, World Health Organization, April 2020.
- 12 Thirty-second SAGE meeting on Covid-19, on UK Government website, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/888807/S0402_Thirty-second_SAGE_meeting_on_Covid-19_.pdf.
- 13 To calculate these figures we have used the sum of cases created and closed within 72 hours in the contact tracing, contact management system and compared these numbers to the total complete cases for that week as published by **Public Health Scotland** <https://beta.isdscotland.org/find-publications-and-data/population-health/covid-19/covid-19-statistical-report/>.
- 14 PPE is equipment that will protect the user against health or safety risks such as splash or droplet exposure. It can include items such as gloves, masks, gowns and eye protection.
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- 18 Coronavirus (Covid-19): PPE distribution statistics, Scottish Government website, <https://www.gov.scot/publications/coronavirus-covid-19-ppe-distribution-statistics/>.
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- 21 *NHS in Scotland 2018 and NHS in Scotland 2019*, Audit Scotland, October 2018 and October 2019.
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- 25 More mental health support for health and social care staff, Scottish Government, <https://www.gov.scot/news/more-mental-health-support-for-health-and-social-care-staff/>.

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- 38 Equality and Fairer Scotland Impact Assessment: Evidence gathered for Scotland's Route Map through and out of the Crisis, Scottish Government, July 2020.
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- 41 A Scotland where everybody thrives: Strategic Plan, Public Health Scotland, September 2020.
- 42 [Health inequalities in Scotland](#), Audit Scotland, December 2012.
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- 46 UK National Risk Register of Civil Emergencies, UK Government, 2017.
- 47 Exercise Silver Swan: Overall Exercise Report, Scottish Government, April 2016.
- 48 Exercise Cygnus report, Public Health England, 2017.
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- 50 Health and social care influenza pandemic preparedness and response, Department of Health, April 2012.
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- 52 Coronavirus (Covid-19): supporting elective care - clinical prioritisation framework, Scottish Government, November 2020.
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- 58 The UK Government uses the Barnett formula to allocate funds to Scotland, Wales and Northern Ireland when additional money is spent in areas that are devolved to the relevant administrations, such as health.
- 59 [Covid-19: Implications for public finances in Scotland](#), Audit Scotland, August 2020.
- 60 [The 2019/20 audit of NHS Tayside](#), Auditor General for Scotland, December 2020.
- 61 Healthcare Associated Infection Annual Report 2019, ARHAI Scotland, 2019.
- 62 HAI Quarterly Commentary Q2 2020 - supplementary data, Public Health Scotland, October 2020.
- 63 [The 2018/19 audit of NHS Highland](#), Audit Scotland, 2019.

Appendix 1

Audit methodology



This is our annual report on the NHS in Scotland. Given the unprecedented challenges of the Covid-19 pandemic in 2020, the report focuses on:

- how well the NHS and Scottish Government responded to the Covid-19 pandemic
- the health impact of the Covid-19 pandemic on the population of Scotland
- how prepared the Scottish Government and NHS were for a pandemic
- how well the NHS and Scottish Government are working to resume the full range of NHS services
- the financial impact of the Covid-19 pandemic on the NHS in Scotland
- a brief overview of how well the NHS managed its finances and operational performance in 2019/20.

Because of the Covid-19 pandemic, this audit was carried out remotely. Our findings are based on evidence from sources that include:

- strategies, frameworks and plans for responding to Covid-19
- the audited annual accounts and auditors' reports on the 2019/20 audits of NHS boards
- activity and performance data published by Public Health Scotland
- publicly available data and information including results from staff surveys
- Audit Scotland's national performance audits
- interviews with senior officials in the Scottish Government and a sample of NHS boards.

We reviewed service performance information at a national level. Our aim was to present the national picture. We focused on a sample of key targets and standards, covering some of the main activities of the NHS. Where we have used trend information, we have selected a time period where information is most comparable.

Appendix 2

Financial performance 2019/20 by NHS board



NHS board	Escalation framework level	Core revenue outturn (£m)	Total savings achieved (£m)	Recurring savings (%)	NRAC: distance from parity (%)
NHS Ayrshire and Arran	3	841.7	16.8	85	-0.8
NHS Borders	4	247.0	10.1	70	0.7
NHS Dumfries and Galloway		353.4	15.1	38	2.8
NHS Fife		752.3	10.2	47	-0.8
NHS Forth Valley		605.2	19.3	60	-0.8
NHS Grampian		1,099.8	10.7	45	-0.8
NHS Greater Glasgow and Clyde	4	2,543.3	75.0	42	1.9
NHS Highland	4	751.4	28.0	56	-0.8
NHS Lanarkshire		1,345.6	21.5	40	-0.8
NHS Lothian	3/4	1,684.3	33.7	61	-0.8
NHS Orkney		64.2	0.8	15	-0.3
NHS Shetland		63.0	3.3	25	-0.2
NHS Tayside	4	883.0	26.3	40	-0.8
NHS Western Isles		89.0	3.5	47	13.1
NHS Golden Jubilee		84.7	4.8	52	
NHS 24		70.4	1.8	68	
NHS Education for Scotland		500.3	23.1	78	
NHS Health Scotland		21.1	0.5	-	
NHS National Services Scotland		502.4	19.3	85	
Healthcare Improvement Scotland		32.1	1.7	20	
Scottish Ambulance Service		281.3	12.7	61	
The State Hospital		34.7	2.1	1	

Notes:

1. There are five stages of the Scottish Government's performance escalation framework for NHS boards:

Stage 1 Steady state "on-plan" and normal reporting

Stage 2 Some variation from plan; possible delivery risk if no action

Stage 3 Significant variation from plan; risks materialising; tailored support required

Stage 4 Significant risks to delivery, quality, financial performance or safety; senior level external support required.

Stage 5 Organisational structure / configuration unable to deliver effective care.

2. NHS Lothian is at Stage 4 for specific issues relating to the Royal Hospital for Children and Young People, and at Stage 3 for specific issues relating to performance.
3. The Scottish Government uses the NHS Scotland Resource Allocation Committee (NRAC) formula to assess how much funding each board should be allocated. The formula considers the demographics of each board area including population size, deprivation levels, unavoidable geographical variations in the cost of providing services.

Source: Scottish Government

NHS in Scotland 2020

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