

NHS Tayside

Report on the 2008/09 Audit

July 2009



 AUDIT SCOTLAND

NHS Tayside

Report on the 2008/09 Audit

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Key Messages

Introduction

In 2008/09 we looked at the key strategic and financial risks being faced by NHS Tayside. We audited the financial statements and we also reviewed the use of resources and aspects of performance management and governance. This report sets out our key findings.

Financial statements

We have given an unqualified opinion on the financial statements of NHS Tayside for 2008/09. We have also concluded that in all material respects, the expenditure and receipts shown in the financial statements were incurred or applied in accordance with applicable enactments and relevant guidance, issued by Scottish Ministers. It should be noted however that, without qualifying the opinion, we have drawn attention to the current position on potential claims against the Board in respect of equal pay.

Financial position and use of resources

The Board carried forward a £1.8 million surplus from 2007/08 and planned to fully utilise this to fund non-recurring expenditure commitments in 2008/09. During 2008/09 the Board achieved a cumulative surplus of £310,000, after utilising the surplus which was carried forward from 2007/08.

The Board's financial statements include significant provisions, particularly in respect of Agenda for Change payments, and do not reflect any potential liability for Equal Pay claims. Accounting estimates and provisions, by their nature, include a degree of uncertainty and any under-estimate of costs in 2008/09 could have a significant impact in future years.

As outlined in the Board's Financial Plan there will be tighter financial settlements in 2009/10 and future years. This will have a significant impact on long term financial planning and the control of costs.

The reliance on non-recurring funding increased slightly during 2008/09, from £1.6 million to £2.7 million but reductions are planned for 2009/10. The plan forecasts reliance on non-recurring funding of £2.4 million for 2009/10 which equates to 0.35% of the forecast Revenue Resource Limit. Savings of £13.9 million have been identified in 2009/10 which exceeds the overall savings target of £13.6 million. The main focus of the savings programme will be reducing overheads and property costs.

Governance and accountability

Corporate Governance is concerned with the structures and process for decision making, accountability, control and behaviour at the upper levels of an organisation. Overall, the corporate governance and control arrangements for NHS Tayside operated satisfactorily during the year, as reflected in the Statement on Internal Control.



We examined the key financial systems underpinning the organisation's control environment. We concluded that financial systems and procedures operated sufficiently well to enable us to place reliance on them.

Performance

NHS Tayside has a strong performance management culture and has continued to use the Taystat process. Overall, during the year NHS Tayside has achieved its waiting times targets including inpatients, outpatients, accident and emergency and urgent cancer referrals.

During 2008/09 the Board demonstrated strong performance against a number of very challenging HEAT targets including the 80% dental registrations of 3-5 year olds target and the 62 day cancer waiting time target. It was noted however that performance against a number of other HEAT targets requires to be addressed to ensure that appropriate action is taken to facilitate the improvements required. These include the board's current performance against the sickness absence target, the reduction in the number of staphylococcus infections, the rate of antidepressant prescribing and the readmission rate for older people.

Looking forward

The final part of our report notes some key risk areas for NHS Tayside going forward. There are significant challenges around future funding and delivering on HEAT targets, delivering efficiencies and managing a very extensive capital programme, all in a period of expected lower uplifts in allocations. National issues around Equal Pay claims and changes to accounting procedures will continue to provide challenges in future years.

The assistance and co-operation given to us by Board members and staff during our audit is gratefully acknowledged.



Introduction

1. This report summarises the findings from our 2008/09 audit of NHS Tayside. The scope of the audit was set out in our Audit Plan presented to the Audit Committee on 5 February 2009. This plan set out our views on the key business risks facing the organisation and described the work we planned to carry out on financial statements, performance and governance.
2. We have issued a range of reports this year, and we briefly touch on the key issues we raised in this report. Each report set out our detailed findings and recommendations and the Board's agreed response. Appendix A of this report sets out the key risks highlighted in this report and the action planned by management to address them.
3. Best value duties apply across the public sector and, in the health service, best value is a formal duty on all accountable officers. Audit Scotland has adopted a generic framework for the audit of best value across the public sector and throughout this report we comment on aspects of NHS Tayside's arrangements.

Exhibit 1: Framework for a best value audit of a public body





4. Our comments are made on the basis of information made available in the course of the annual audit. We do not make an overall best value judgement because we do not have enough evidence to conclude on all relevant areas. Our intention is to build up the corporate assessment over time.
5. Another building block for our assessment of best value is the national study programme carried out by Audit Scotland on behalf of both the Auditor General for Scotland and the Accounts Commission. We mention the key findings from all relevant reports, and the implications for NHS Tayside, throughout this report. Full copies of the study reports can be obtained from Audit Scotland's website, www.audit-scotland.gov.uk.
6. We would like to take this opportunity to express our appreciation for the assistance and co-operation provided by officers and members of NHS Tayside during the course of our audit. This report will be submitted to the Auditor General for Scotland and will be published on our website.



Financial Statements

7. In this section we summarise key outcomes from our audit of NHS Tayside's financial statements for 2008/09 and the accounting issues faced. The financial statements are an essential means by which the organisation accounts for its stewardship of the resources available to it and its financial performance in the use of those resources.

Our responsibilities

8. We audit the financial statements and give an opinion on:
 - whether they give a true and fair view of the financial position of the Board and its expenditure and income for the period in question
 - whether they were prepared properly in accordance with relevant legislation, applicable accounting standards and other reporting requirements
 - the consistency of the information which comprises the management commentary with the financial statements
 - the regularity of the expenditure and receipts.
9. We also review the Statement on Internal Control by:
 - considering the adequacy of the process put in place by the Chief Executive as Accountable Officer to obtain assurances on systems of internal control
 - assessing whether disclosures in the Statement are consistent with our knowledge of the Board.

Overall conclusion

10. We have given an unqualified opinion on the financial statements of NHS Tayside for 2008/09. It should be noted however that, without qualifying the opinion, we have drawn attention to the current position on potential claims against the Board in respect of equal pay.
11. As agreed, the unaudited accounts were provided to us on 4 May 2009 supported by a comprehensive working papers package. The good standard of the supporting papers and the timely responses from NHS Tayside staff allowed us to conclude our audit within the agreed timetable and provide our opinion to the Audit Committee on 18 June 2009 as outlined in our Annual Audit Plan.



Issues arising from the audit

12. As required by auditing standards we reported to the audit committee on 18 June 2009 the main issues arising from our audit of the financial statements. The key issues reported included the following as detailed below.
13. **Equal Pay Claims** – NHS Trusts in England have settled pay claims for female employees and similar claims have been received by boards in Scotland. As at 31 March 2009, the CLO had recorded 186 Tayside cases within its overall national total of 13,000 claims. NHS Tayside have received approx 350 grievances in this regard. It is possible that these claims represent a current liability for NHS Boards generally. An unquantified contingent liability was included in the notes to the Board's accounts for equal pay and the audit opinion draws attention to this position without qualification.

Risk area 1

14. **Agenda for Change accrual** – As at 31 March 2009, £14.4 million was accrued in respect of Agenda for Change payments. This figure includes estimations based on NHS Tayside's assumptions and refers to a range of staff posts and grades. We received formal assurances from the Board, in a letter of representation, that the accrual, in their judgement, represents a prudent estimate of anticipated costs.
15. **Annually Managed Expenditure** – Annually Managed Expenditure consisting of £6.27 million of impairments and £603,000 of accelerated depreciation, totalling £6.873 million is disclosed within the Operating Cost Statement. The SGHD confirmed that funding of £6.262 million and £554,000 for accelerated depreciation would be provided, leaving a shortfall of £57,000. We received formal assurances from the Board, in a letter of representation, that the shortfall in funding is to be met from Health Directorate funds.
16. **Pension Provision**- Due to the fact that there are uncertainties over the amounts due for payments relating to early retirement costs notified by the SPPA, the accrual includes an estimation. NHS Tayside has estimated the accrual using the most recent data received as a base and a 0% uplift has been included. We received formal assurances from the Board, in a letter of representation, that the provision, in their judgement, represents a prudent estimate of anticipated costs.

Equal Pay Claims

17. Article 141 of the Treaty of Rome requires member states to ensure and maintain "the application of the principle that men and women should receive equal pay for equal work". This was taken forward by the Equal Pay Directive which made it clear that all such discrimination should be eliminated from all aspects of remuneration. In the UK the Equal Pay Act 1970 is seen as fulfilling Britain's obligations in relation to equal pay. The National Health Service in Scotland has received a number of claims for



equal pay in which additional back pay is sought, arising from the requirement for equal pay. The NHS Central Legal Office (CLO) is instructed by the Management Steering Group of NHSScotland and coordinates the legal response of NHSScotland to this issue.

18. There have been some developments in this area over the past year. Some cases are being pursued that also comprise a challenge to the Agenda for Change pay evaluation system on the basis that it perpetuates discrimination. This has slowed the progress of claims. The challenge to Agenda for Change was recently heard at an Employment Tribunal in England. The challenge was unsuccessful and the Tribunal rejected the contention that the Agenda for Change job evaluation scheme was discriminatory. This ruling severely curtails the possibility of claims for any period after 1 October 2004. In relation to claims for the period prior to 1 October 2004, claimants will still have to establish that their jobs at that time were of equal value to the comparator jobs. The CLO have stated that claims currently submitted do not provide sufficient detail about the comparator jobs to allow an estimate to be made of the likelihood of the success of the claims or of any financial impact that they may have. The NHS Scotland Central Legal Office and Equal Pay Unit are monitoring the progress of all equal pay claims in NHS Scotland as well as developments relating to NHS equal pay claims elsewhere that may further inform the position.
19. Discussions have been held between Audit Scotland, their partner firms, the Scottish Government, the CLO and Board representatives to ascertain the appropriate accounting treatment of equal pay claims in 2008/09. Given the CLO's advice that, although some liability is probable, it is not possible to estimate the impact of the claims, it has been agreed that disclosure as an unquantified contingent liability remains appropriate for the 2008/09 financial statements of affected NHS Boards. The position has also been disclosed in the Statement on Internal Control. It should be noted however that, given the potential significance of the issue, and without qualifying the opinion, we have drawn attention in the audit report to the current position on potential claims against the Board in respect of equal pay.
20. We continue to strongly encourage NHS Tayside management, working with the Scottish Government Health Directorates, the CLO and other NHS Boards to form a view of the potential liabilities as soon as possible taking into account the progress of cases in Scotland and England.

Regularity

21. The Public Finance and Accountability (Scotland) Act 2000 imposes a responsibility on auditors that requires us to certify that, in all material respects, the expenditure and receipts shown in the accounts were incurred or applied in accordance with applicable enactments and guidance issued by the Scottish Ministers. We have been able to address the requirements of the regularity assertion through a range of procedures, including written assurances from the Accountable Officer as to his view on adherence to enactments and guidance. No significant issues were identified for disclosure.



International financial reporting standards (IFRS)

22. As announced by the Chancellor in the 2008 Budget report on 12 March 2008 (Budget report paragraph C103), Government departments and other public sector bodies will report using International Financial Reporting Standards (IFRS) from 2009/10. The Scottish Government announced on 25 April 2008 that all Scottish Government Departments, Executive Agencies, Health Bodies and Non-Departmental Public Bodies would be required to produce shadow IFRS based accounts for financial year 2008/09. This was to include a restated balance sheet as at 1 April 2008.
23. In terms of the audit of the IFRS opening balance sheet at 1 April 2008, there were two key dates to achieve as outlined below:
- **28 November 2008** – opening 2008 IFRS-based balance sheet were to be presented to auditors for dry-run audit
 - **28 February 2009** – dry-run audit of opening balances was to be completed, resulting in a letter to management highlighting the work done, auditors' findings and areas for further work.
24. The opening balance sheet and supporting documentation were submitted by NHS Tayside for audit for review by the deadline date of 28 November 2008.
25. Our audit work confirmed that the board had examined the following areas and restated them in terms of IFRS:
- the majority of leases had been reviewed to identify those leases to be classified as finance leases under IFRS
 - PFI projects had been re-examined to establish whether they should be accounted for on-balance sheet, and in compliance with IFRIC 12
 - a review of intangible assets was performed to determine compliance with IFRSs
 - an accrual was created to reflect the liability for untaken annual leave at 31 March 2008.
26. In addition, we also made some specific recommendations for the delivery of the next stage of IFRS reporting – the production of the shadow accounts for 2008/09, and will consider progress on these when we review the shadow accounts later in 2009. These included:
- completion of the review of all leases held by the board
 - identification and disclosure of assets classified as being held for sale
 - investigation into contracts containing embedded derivatives
 - reviewing the component elements of assets.



27. For the preparation of the restated balance sheet no notes to the main financial statements or associated accounting policies were required but these will have to be prepared for the full set of shadow accounts. The disclosure requirements under IFRS are more onerous than for accounts prepared under UK GAAP. In particular, segmental reporting will impose a significant additional workload on finance staff in identifying appropriate segments and allocating asset values. Continued progress will be required to prepare the shadow IFRS accounts for 2008/09. NHS Tayside should ensure that sufficient resources and support are available to produce the required information in accordance with the prescribed timetable.

Risk area 2



Use of Resources

28. Sound management and use of resources (people, money and assets) to deliver strategic objectives is a key feature of best value. This section sets out our main findings from a review of NHS Tayside's:

- financial position
- financial management
- management of people
- management and use of information and communications technology (ICT).

The Board's financial position

Outturn 2008/09

29. NHS Tayside is required to work within the resource limits and cash requirement set by the Scottish Government. The board's performance against these targets is shown in Table 1.

Table 1

2008/09 Financial Targets Performance £ million

Financial Target	Target	Actual	Variance
Revenue Resource Limit	656.114	655.804	0.310
Capital Resource Limit	33.329	33.320	0.009
Cash Requirement	708.000	707.947	0.053

30. The board has achieved a cumulative surplus of £0.310 million. The board carried forward a £1.801 million surplus from the previous year which it utilised during 2008/09 to fund a number of non-recurring expenditure commitments.

31. Table 2 below, shows how the surplus of £0.310 million was achieved through a combination of recurring and non-recurring funding. Historically, boards have relied upon a measure of non recurring funding to achieve financial targets. However, with the tightening financial settlement in future years and the option of capital to revenue transfers no longer available to boards, there is less scope for reliance on non recurring income to achieve financial balance as boards seek to rationalise their cost base.



Table 2

Funding Position 2008/09

	£ Million	£ Million
Recurring income	768.900	
Recurring expenditure	784.241	
Recurring savings	12.673	
Underlying recurring surplus/(deficit)		(2.668)
Non-recurring income	17.239	
Non-recurring expenditure	18.161	
Non recurring savings	3.9	
Non-recurring surplus/(deficit)		2.978
Financial surplus/(deficit)		0.310
Underlying recurring surplus/(deficit) as a percentage of recurring income		(0.35%)

Financial sustainability and the 2009/10 budget

32. There were tighter financial settlements in 2008/09 with NHS Tayside receiving an uplift of 3.15% compared to around 6% in previous years. This trend has continued in 2009/10 where the uplift was again set at 3.15%. This will have a significant impact on long term financial planning and the control of non pay costs. In addition, in common with other public sector organisations, boards have been set an efficiency savings target of 2% in 2009/10. Given the current economic situation and the impact of any review of national spending priorities, there is also risk that funding uplifts will continue to be very challenging in future years.
33. NHS Tayside's Strategic Financial Plan for 2009/10 sets out the board's long term financial plan covering the period 2009/10-2013/14. In preparing the plan, the board made assumptions about the uplift rates required in relation to the following key cost drivers: pay, agenda for change, medicines and other non-pay costs. As these uplift rates represent best estimates of future cost trajectories there is clearly a risk to the board that the actual growth rate in these costs will be greater than assumed. Monitoring and managing the actual increase in these costs will therefore present a significant challenge to the board's Financial Plan in 2009/10 and going forward.
34. Increased prescribing costs during 2008/09 presented a significant cost pressure for the board and this is likely to continue in future years. The high sensitivity of these costs to small variations in inflation rates means they will require to be monitored closely during the coming year. NHS Tayside's Delivery Unit Medicines Management Group continue to identify cost pressures, estimate volume growth, price increases and the costs associated with the introduction of new medicines to be approved by the Scottish Medicines Consortium in the coming year. Continual monitoring of these costs throughout the year will be required to ensure prescribing costs are met within the 6% growth increase contained within the financial plan.



35. The 2009/10 Financial Plan includes the final year of a three year Efficient Government target. The savings target is based on 2% of the general allocation. During 2008/09 the Efficient Government target for NHS Tayside was £11.328 million. The total savings achieved in year exceed this target and a reduction on the reliance on non-recurring funding was realised. The 2009/10 savings target is £13.6 million. The plan forecasts £2.4 million of reliance on non-recurring funding which equates to 0.35% of the forecast Revenue Resource Limit. The continued achievement of future targets will be challenging and will require a strategic approach to be adopted when identifying savings.

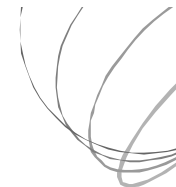
Risk area 3

Financial management

36. Audit Scotland is developing a range of audit toolkits to cover key best value principles. These are being developed for use by auditors although they may also be used by NHS bodies themselves for self-assessment purposes. The first of the toolkits, which covered financial management, was piloted in NHS Tayside during 2007/08.
37. Our detailed report was issued in November 2008 and drew upon examples of good practice across the NHS in Scotland. Our report concluded that the board's arrangements in this area are soundly based and in 2009/10 we plan to monitor the board's progress in developing an action plan to address the areas where performance could be improved.

People management

38. On 21 January 2009 the Cabinet Secretary for Health and Wellbeing launched '*A Force for Improvement – the Workforce Response to Better Health Better Care*'. This national workforce framework sets out the vision for the NHSScotland workforce and focuses on five key drivers for change or workforce challenges that impact on every aspect of the workforce:
- Tackling health inequalities
 - Shifting the balance of care
 - Ensuring a quality workforce
 - Delivering best value across the workforce
 - Moving towards an integrated workforce.



39. It is the Health Directorates' expectation that boards will review relevant policies and procedures to ensure that the key aspects of '*A Force for Improvement*' are implemented at a local level. The March 2009 Staff Governance committee agreed to the establishment of a Workforce Board within NHS Tayside which will have responsibility for overseeing the implementation of the Workforce Strategy to deliver '*A Force for Improvement*'. The Workforce Board will report to the Staff Governance committee.
40. During 2008/09 we carried out a brief review of NHS Tayside's process for the completion of its staff governance action plan. The work was carried out in response to a request from the Scottish Government to Audit Scotland for external auditors to review boards' procedures in relation to staff governance. In the case of Tayside, we reviewed the procedures followed for the production of the 2009/10 staff governance action plan. The main purpose of our review was to ensure that the staff governance action plan addresses issues arising from:
- staff survey results
 - mandatory statistics on people management
 - any outstanding issues from the previous year's action plan.
41. Our review also included checking that the staff governance action plan includes clear timescales, identifies responsible officers and sets out measurable actions. Overall, we noted that NHS Tayside has a robust process in place for the production of its staff governance action plan.
42. As with other health boards in Scotland, NHS Tayside faced a major challenge in achieving the sickness absence target set by the SGHD of 4% by March 2009. The overall 2008/09 sickness absence rate was 4.54%, with the three month period to March 2009 recording an absence rate of 4.39%. The board continues to take action to address sickness absence and improve performance against the target set for 2009/10.

Risk area 4

43. The Board, like many others in Scotland, did not achieve the original national Agenda for Change target for assimilating staff and paying outstanding back pay by the end of December 2006. The majority of employees have now been assimilated and received payment of the arrears owed to them but a significant number of cases still require to be revisited after staff requested their cases to be reviewed. NHS Tayside's main focus remains ensuring all staff are assimilated on the new Agenda for Change pay scales and that any grading reviews are concluded. Revised implementation timetables were agreed with the SGHD to take account of the implementation approach across NHSScotland.



44. NHS Tayside had a target to ensure that all employees covered by Agenda for Change had an agreed Knowledge and Skills Framework (KSF) personal development plan in place by March 2009. Progress has been made during the year in respect of producing KSF outlines for these staff. This focused on achieving implementation in partnership and on minimising the risk of equal pay consequences. On a national basis, the SGHD extended the completion date for implementation of KSF to 31 May 2009, and this was achieved by NHS Tayside. Management is now required to take forward the emerging themes in partnership with staff.

Management and use of ICT

45. As part of the 2008/09 audit we have reviewed several aspects of the Board's management and use of ICT:
- Information Management
 - Financial Management System (FMS) Computer Service.

Information Management

46. Audit Scotland is continuing to develop a range of audit toolkits to cover key best value principles. The second of the toolkits, which covers information management, was piloted in NHS Tayside during 2008/09. The review sought to establish the board's position in relation to:
- information governance and leadership
 - information for decision making
 - service delivery
 - compliance and control
 - knowledge management.
47. Our review established that the board's arrangements in this area are generally soundly based, with a number of areas of good practice. However some areas have been identified where the board's arrangements are at the 'basic' level in our categorisation system. We plan to submit our detailed report in August, drawing upon examples of good practice across the NHS in Scotland and, in particular, drawing attention to good practice from other board areas where we believe this could be of benefit to NHS Tayside.

Financial Management System (FMS) Computer Service

48. During 2008/09 Audit Scotland undertook a review of NHS Tayside's Financial Management System (FMS) Computer Service. This is based upon the CedAR 'eFinancials' system and is provided to a group of NHSScotland organisations known as the Tayside Shared Financial Services Consortium.



Our review identified no significant issues that would impact upon the operation of the FMS computer service. Our report was shared with the external auditors of the Consortium member boards.

49. The key findings from the review included that an upgrade to version 3.4 of 'eFinancials' proceeded successfully with regard to data migration, and detailed disaster recovery plans were developed during the year. Staffing within Maryfield Financial Services Centre (MFSC) eFinancials team has remained at a level that ensures appropriate system administration skills are deployed for the consortium.
50. The review highlighted a number of areas of good practice including the strengthening of the MFSC eFinancials team through the appointment of an interim service delivery manager on a secondment basis from the NHS Tayside ICT department.

National Studies

Asset management in the NHS

51. This study examined how the NHS is strategically managing its assets to support effective service delivery. The study's objectives included assessing the extent to which the Scottish Government provides strategic direction to NHS bodies on asset management in general and the assurance that the NHS estate is being used in the most economic and effective way. It also evaluated how well NHS bodies strategically manage all of their assets to ensure effective service delivery.
52. The report recommended that NHS bodies should:
 - develop strategies for each type of asset and then develop a corporate asset management strategy and plan, which links with their clinical strategies
 - ensure they assess estate condition, statutory compliance, functional stability and space utilisation on a regular basis
 - ensure all information on assets is held electronically
 - review their performance management arrangements and, where required, develop performance measures and targets for assets.



Managing the use of medicines in hospitals: follow-up review

53. This review followed up the key recommendations from Audit Scotland 2005 report on '*Managing the use of medicines in hospitals.*' It also provided an overview of national developments since 2005. The report recommended that NHS boards should ensure that pharmacy workforce plans are based on an assessment of need, which considers the appropriate numbers, skill mix and other resources such as automation, to meet future needs for dispensary, clinical and other work.

54. Within the national follow up report, one of the case study examples detailed, relates to the 'Implementation of the Scottish Patient Safety Programme (SPSP) medicines, management workstream in NHS Tayside'. The case study describes how the SPSP has been applied in Ninewells Hospital and the benefits to patient safety achieved.



Governance and Accountability

55. High standards of governance and accountability, with effective structures and processes to govern decision-making and balanced reporting of performance to the public, are fundamental features of best value. This section sets out our main findings arising from our review of NHS Tayside's arrangements.
56. Increasingly, services are being delivered across the public sector through partnership working, sometimes involving complex governance and accountability arrangements. Best value characteristics also include effective partnership working to deliver sustained improvements in outcomes.

Overview of arrangements

57. This year we reviewed:
- patient safety and clinical governance
 - partnership working arrangements
 - key systems of internal control
 - internal audit
 - arrangements for the prevention and detection of fraud and irregularity, including standards of conduct.
58. Our overall conclusion is that arrangements within NHS Tayside are sound and have operated throughout 2008/09.

Patient safety and clinical governance

59. The Scottish Patient Safety Alliance (SPSA) was set up by the SGHD in 2007 bringing together the Scottish Government, NHS Quality Improvement Scotland (NHS QIS), health boards and special boards, professional bodies, patient safety experts and other groups. The SPSA launched the Scottish Patient Safety Programme (SPSP) in 2007 and this has now been introduced at NHS Tayside. The aim of the programme is to make healthcare in Scotland safer by using relevant evidence.



60. NHS Tayside has completed a two year pilot of Patient Safety in General Practices in collaboration with NHS Forth Valley and NHS Quality Improvement Scotland. The pilot explored ways of developing and implementing patient safety and risk management in primary care and involved the participation of thirteen practices across the board area.
61. One of the priorities for the Scottish Government as highlighted in Better Health, Better Care is the improvement of patient safety. The board has implemented a Healthcare Associated Infection (HAI) Strategy, which targets high impact areas and contributes to meeting the associated HEAT target: *to reduced all staphylococcus aureus bacteraemia (including MRSA/MSSA) by 30% by 2010*. The board also has an Infection Control Team in place which strengthens leadership of the HAI agenda and facilitates the development of an integrated and coherent work programme across NHS Tayside. An Antimicrobials Management Team is in place to address and prevent any overuse of antibiotics which can make patients more susceptible to HAIs such as MRSA and C-difficile.
62. Despite the measures put in place by the board to tackle the prevalence of healthcare associated infections, it will remain a challenge for all boards to meet the Scottish Government target by 2010. The board has made good progress in reducing MRSA bacteraemias with further actions now being taken, including the use of central venous catheter insertion and maintenance bundles and emphasis on hand hygiene.

Risk area 4

Partnership Working

63. Partnership working in the NHS covers a number of areas, including partnerships with staff groups, local authorities, the voluntary sector, private healthcare providers and regional planning with other NHS boards.
64. The NHS routinely works in partnership with other organisations to deliver health services and to meet its aims and objectives. The need to work collaboratively is set out in both the Partnership Agreement and in Partnership for Care, which states that improvements in the health of the people of Scotland cannot be achieved by the SGHD or NHS boards alone.
65. The board has established Community Health Partnerships (CHPs) to provide care and public health services in a local setting to meet the needs of the local population. It is also the intention that CHPs will contribute to one of the key principles set out in the Scottish Government's Better Health Better Care publication which emphasises the need for 'ensuring better, local and faster access to health care'.



66. NHS Tayside's three CHPs continue to develop and face a significant challenge to demonstrate to stakeholders that they are effectively shifting the balance of care from acute settings to community based settings while delivering improved services within the set budget and timeframes. Each CHP is held to account through its own governance committee, the Delivery Unit and the Board which seeks assurance that they are operating effectively and consequently improving the patient experience. Progress in this area will continue to be monitored.

Systems of internal control

67. Key controls within systems should operate effectively and efficiently to accurately record financial transactions and prevent and detect fraud or error. This supports a robust internal control environment and the effective production of financial statements. In their annual report for 2008/09 the internal audit consortium FTF (Fife, Tayside and Forth Valley) Audit and Management Services provided their opinion that, based on the internal audit work undertaken during the year, there was reasonable assurance on the adequacy and effectiveness of the system of internal control.
68. As part of our audit we reviewed the high level controls in a number of NHS Tayside systems that impact on the financial statements. This audit work covered a number of areas including cash and bank, payroll, accounts payable, accounts receivable, fixed assets, general ledger and Family Health Services.
69. The auditor evaluates the significant financial systems and the associated internal controls, both for the purpose of giving an opinion on the statement of accounts, and to report to the health board on the adequacy of such system of internal control in place. Our overall conclusion was that NHS Tayside has adequate systems of internal control in place. We identified a number of areas where controls could be strengthened and agreed an action plan of improvements with management. This will be followed-up at a future date to confirm that improvements have been made.
70. In addition we placed formal reliance on aspects of internal audit's systems work in terms of International Standard on Auditing 610 (*Considering the Work of Internal Audit*) to avoid duplication of effort. This work provided us with additional assurances on the adequacy of the internal control environment within NHS Tayside.

Statement on internal control

71. The Statement on Internal Control (SIC) provided by NHS Tayside's Accountable Officer reflected the main findings from both external and internal audit work. This recorded management's responsibility for maintaining a sound system of internal control and set out NHS Tayside's approach to this. The SIC included details of the board's accountability arrangements, risk and control framework and approach to Best Value and complied with the guidance issued by the SGHD on 25 March 2009.



Internal Audit

72. The establishment and operation of an effective internal audit function forms a key element of effective governance and stewardship. We therefore seek to rely on the work of internal audit wherever possible and as part of our risk assessment and planning process for the 2008/09 audit we assessed whether we could place reliance on FTF (Fife, Tayside and Forth Valley) Audit and Management Services, NHS Tayside's internal audit function. We concluded that the internal audit service operates in accordance with the Government Internal Audit Manual and therefore placed reliance on their work in a number of areas during 2008/09, as we had anticipated in our annual audit plan.

Prevention and detection of fraud and irregularities

73. NHS Tayside has in place a number of measures to prevent and detect fraud, including Standing Financial Instructions, Standing Orders and supporting policies and procedures. The board has a formal programme of internal audit work, which, although not designed to detect fraud, does provide assurance on the operation of the control systems which are designed to prevent fraud. The Board has also agreed a formal protocol covering a programme of Payment Verification checks with the Practitioner Services Division of NHS National Services Scotland. In 2008/09 these checks included verification against patient records, requesting patients to confirm treatment by letter, visits to practices and examination of patients.

NFI in Scotland

74. In 2008/09 NHS Tayside took part in the National Fraud Initiative (NFI) in Scotland. The SGHD and NHS Counter Fraud Services has strongly supported the involvement of health bodies in the exercise, which is undertaken as part of the audits of the participating bodies. NFI brings together data from health bodies, councils, police and fire and rescue boards, and other agencies, to help identify and prevent a wide range of frauds against the public sector. These include housing benefit fraud, occupational pension fraud and payroll fraud. Health bodies provided payroll data for the exercise. The NFI has generated significant savings for Scottish public bodies (£40 million to date) but, if fraud or overpayments are not identified, assurances may be taken from internal arrangements for preventing and detecting fraud.

75. The NFI 2008/09 results (data matches) were made available to health bodies on 11 February 2009 via a secure web-based application. Participating bodies follow up the matches, as appropriate, and record the outcomes of their investigations in the application. We monitored the board's involvement in NFI 2008/09 during the course of the audit.



76. The current NFI process is underway and the Board requires to ensure that sufficient time and resources are made available to fully investigate the data matches relating to NHS Tayside employees in accordance with the prescribed timescales. Following the data matching exercise an action plan was developed by the Board's Associate Director of Finance, which allocated specific responsibilities to review and investigate the matches.

Risk area 5

National Studies – Review of the new General Medical Services contract

77. This report considered how the new General Medical Services (GMS) contract, which is UK wide, was implemented in Scotland. The review focused upon the approach taken by the Scottish Government and NHS Boards to plan and implement the contract, the cost and effect of the contract on patients and GPs and the wider NHS arrangements for monitoring and managing the contract.

78. The report recommended that the Scottish Government and NHS boards should:

- monitor the investment by NHS boards in enhanced services to make sure that they achieve value for money as well as meeting local needs
- collect comprehensive data on local GP and GP practice staff numbers to support workforce planning at a national and local level.



Performance

79. Public audit is more wide-ranging than in the private sector and covers the examination of, and reporting on, performance and value for money issues. Key features of best value include:
- setting a clear vision of what the organisation wants to achieve, backed up by plans and strategies to secure improvement, with resources aligned to support their delivery
 - a performance management culture which is embedded throughout the organisation and a performance management framework which is comprehensive and supports the delivery of improved outcomes for citizens.
80. In this section we comment on:
- the Board's corporate plan and risks to its achievement
 - performance against targets
 - performance management arrangements.

Vision and strategic direction

81. The board's vision is summarised by the strap line:

"NHS Tayside working with you for better health better care."

82. To achieve this, the board has agreed four specific aims:
- To improve healthy life expectancy by supporting people to look after themselves
 - To contribute to closing the health inequalities gap within a generation
 - To ensure services meet minimum quality standards, especially patient experience
 - To be cost effective in all decisions, actions and services

The above strategic aims are closely aligned, though with a different perspective, to the three NHS Tayside values of:

- Valuing people
- Valuing health
- Valuing quality.



83. To enable NHS Tayside to achieve these aims and the delivery of the targets set out in their Local Delivery Plan, the board has set 11 corporate objectives which are divided between:
- outcome focussed objectives: those objectives leading to direct improvements in health
 - supporting or enabling objectives: those objectives that ensure the organisational mechanisms are in place to enable direct improvements in health.

Managing risk

84. There are a number of key challenges and risks for the board in delivering its plan. The board has put in place robust systems for the identification and management of risk. NHS Tayside has an integrated approach which combines both clinical and non-clinical risks. Risks are divided into strategic and operational level and key risks are recorded within the organisation's strategic risk register.
85. The main risk areas facing the board, as identified in our annual audit plan include:
- **Financial management and affordability** – As has been noted earlier in this report, one of the significant challenges that the Board faces relates to its ability to fund a sustainable level of service and implement major service developments while continuing to achieve the required savings targets.
 - **Effective partnership working** – The ability of the board to work in partnership with local authorities, central government agencies and the voluntary / private sectors has been demonstrated in the various partnership structures established by the Board. For example: CHPs, North of Scotland Planning Group and South East and Tayside Regional Planning Group etc. Partnership working will play an increasingly important role in proposed service developments, in particular the Mental Health Development at Murray Royal Hospital, and in enabling the board to demonstrate the shift in the balance of care and improving access to services.
 - **Performance management** – The importance of having robust systems of relevant, accurate and understandable information has been recognised by the board. NHS Tayside is continuing to use Taystat for assessing and improving performance and the Community Health Partnerships (CHPs) are each developing their own performance management frameworks. The Taystat monthly meetings help to review ongoing progress and to progress corporate objectives.
86. These risk areas are complex and comprise multiple issues which will require careful management to resolve. We have continued to monitor the Board's progress in each of these areas over the course of the year.



Service Development

87. Our audit plan highlighted that within NHS Tayside's Strategic Financial Plan for 2008/09 details of the services and projects the board consider necessary to continue providing a sustainable healthcare system were outlined.
88. During 2008/09 a number of developments were implemented, including the:
- **Dundee Intermediate Care Facility** – this facility aims to rehabilitate and return patients to their home environment through effective delivery of therapeutic and functional intervention.
 - **High Dependency Unit, Ninewells** – The refurbishment and extension of 4 High Dependency Unit beds were completed and now provides increased capacity.
 - **Joint Renal Haematology/Oncology Unit** – The new unit at Perth Royal Infirmary offers improved access to day case chemotherapy and supportive therapies.
 - **Angus Emergency See and Treat Initiative** – through partnership working with Scottish Ambulance Service, Out of Hours and NHS 24, there has been a positive shift in the balance of care and a reduction in the number of attendees to Accident and Emergency.
89. In addition to the above developments, the board also have a number of significant ongoing service developments including:
- **Perth Teach and Treat Dental Facility** – This project is to provide a 20 chair facility within Perth and Kinross in order to meet forecast demand. The project will also provide training facilities for dental professionals at all stages of their career.
 - **Perth Palliative Care Facility** – This project is being undertaken in partnership with MacMillan Cancer Relief.
90. One of the main projects of service redesign is the redevelopment of the Murray Royal Hospital to build new facilities for Secure Care, General Adult Psychiatry and Psychiatry of Old Age. The funding for this project is to be achieved through the use of a Non Profit Distributing Organisation (NPDO). This will be the first time that an NDPO will have been utilised as a funding vehicle for a health sector project and this will therefore attract considerable wider interest. Although the development will be located in the Tayside area, the project will have input from other NHS boards. Additionally there is evidence to show that consultation on this project has already taken place with users, carers and the local authority. It is important that NHS Tayside continues to involve partner organisations and local groups throughout the development process to help ensure that the desired outcomes of the redevelopment are achieved. We will continue to monitor developments in this area as this project progresses.

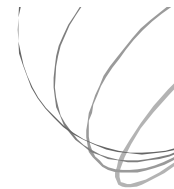
Risk area 6



Performance Overview

91. NHS Tayside has a strong performance management culture and has continued to use the Citistat methodology for assessing and improving performance. The comprehensive performance reports detail performance against national and local targets, including the required actions resulting from Better Health Better Care.
92. During 2008/09 the board demonstrated strong performance against a number of challenging HEAT targets:
- 83.7% of 3-5 year olds registered with a dentist. The national HEAT target was 80% by 2010/11.
 - NHS Tayside achieved the 15 week inpatient and outpatient waiting time targets by December 2008, three months earlier than required.
 - NHS Tayside has maintained at least 98% compliance with the HEAT target of a maximum of 4 hour wait from arrival to discharge or transfer from accident and emergency.
 - The number of occupied beds following emergency readmissions for people over the age of 65 has decreased steadily over recent years. NHS Tayside is currently performing at slightly over the 2010/11 target.
 - The vast majority of practices within NHS Tayside have achieved maximum QOF points for the provision of 48 hour access by a health professional.
93. It was noted however that performance against a number of other HEAT targets requires to be addressed to ensure that appropriate action is taken to facilitate the improvements required. These include:
- Performance in relation to the achievement of the sickness absence target.
 - The readmission rate for older people is largely stable but is not showing the reduction required to meet the national HEAT target.
 - The rate of increase of antidepressant prescribing shows little sign of decreasing to achieve the HEAT target of zero by 2010.
 - It remains a challenge for the board to meet a reduction in the number of staphylococcus infections (including MRSA) in line with the required HEAT target deadlines.

Risk Area 4



Performance Management

94. NHS Tayside is continuing to use Taystat for assessing and improving performance and the Community Health Partnerships (CHPs) are each developing their own performance management frameworks. The Taystat monthly meetings help to review ongoing progress and to progress corporate objectives.
95. During 2008/09 NHS Tayside continued its partnership with the SGHD to hold a number of Rapid Improvement Events (RIEs). A number of events have been reported on and all have made significant improvements for patients, staff and the Board. Throughout the year the board has had the opportunity to train its own members of staff in the RIE methodology to allow the organisation to facilitate future events independently.

Efficiency

96. In 2008/09 the board had a cost savings target of £11.328m. It met this through a range of savings initiatives which resulted in the total savings achieved in year exceeding the target and reliance on non-recurring funding reducing.
97. NHS Tayside has identified that during 2009/10 the overall savings target will be £13.6 million of which £9.5 million has already been identified. The financial plan forecast reliance on non-recurring funding of £2.4 million which equates to 0.35% of the expected Revenue Resource Limit. To achieve recurring balance, the board will need to monitor the achievement of the identified efficiency savings very closely and take appropriate action to address any potential shortfalls.
98. Moving forward, the Board continues to derive cost efficiencies through a programme of service reviews and budget monitoring. The cost savings plan includes projects designed to produce recurring and non – recurring savings which are incorporated into the financial plan. A corporate approach is adopted for the identification of suitable cost reduction programmes and savings targets are devolved to operational budgets where appropriate.
99. There is a continuing challenge for the Board to identify additional efficiencies in the service within a tightening financial settlement. It is important that the Board has access to accurate cost base information required to inform investment choices and continues to encourage innovation and creativity in the future provision of services from all stakeholders both internal and external to the organisation. In the complexities of the financial planning process where internal savings are being generated to support service developments, as well as to meet efficiency targets, it is essential that sufficient attention to the recording and classification of financial savings is embedded in the main accounting functions.



Efficiency – Best Value use of Resources Toolkit

100. In June 2004, the Scottish Executive launched the Efficient Government Initiative. The initiative aspired to achieve £1.5 billion of efficiency savings by 2007/08 and reported efficiency savings of £1.7 billion. In November 2007 the Scottish Government announced the Efficient Government Programme 2008/09- 2010/11, setting out its target to deliver cash-releasing efficiency savings amounting to £1.6 billion in 2010/11.
101. To achieve this level of savings the Scottish Government set portfolios a target of two per cent cash-releasing savings – producing the same outputs with fewer inputs – for each of the three financial years. Public bodies will therefore need to be able to deliver year on year efficiency savings and contribute to the achievement of these portfolio savings targets.
102. As part of Audit Scotland's performance audit programme a national study on the delivery of efficiencies within the Scottish public sector is being undertaken. The study will provide an overview of the Scottish Government's Efficient Government Initiative 2005/06 – 2007/08 and consider the extent to which public bodies are set up to deliver year on year efficiency savings.
103. To assess the readiness and ability of public sector bodies to deliver year on year efficiency savings Audit Scotland undertook fieldwork across central government, the NHS and councils, with five bodies being selected from each. NHS Tayside agreed to participate in the study.
104. The fieldwork was carried out during March and April, including interviews with senior officers and analysis of supporting documentation. The fieldwork used Audit Scotland's Best Value Efficiency Toolkit. The toolkit is a document specifically created to enable auditors or public sector bodies to assess the efficiency arrangements in place within an organisation. The fieldwork assessed the arrangements for monitoring and measuring efficiencies and how public bodies seek to ensure that reported savings have are delivered without affecting service delivery. Audit Scotland's national report will be published in late 2009.



National Studies

A review of palliative care services

105. The study examined a number of issues including access to, and quality of, services in relation to care for adults with long term conditions and for palliative care. The report recommended that NHS boards should:

- have an up-to-date strategy for delivering palliative care based on an assessment of the current and future needs of their local populations
- work with the voluntary sector to develop and agree protocols for primary care staff and non-specialist hospital staff to refer patients to specialist palliative care services
- apply service improvements such as the Gold Standards Framework Scotland, Liverpool Care Pathway and Do Not Attempt Resuscitation policies in all care settings and ensure these are used appropriately.

Day surgery in Scotland – reviewing progress

106. This study highlighted that ten years after the first review of day surgery in Scotland, Audit Scotland has found that the rate of day surgery continues to rise but there remains wide variation in performance among health boards. Performing more operations as day cases, which involve no overnight stay in hospital, could potentially free up about £8 million a year.

107. The report included some important recommendations:

- there is urgent need for the Scottish Government Health Directorate, NHS boards and Information Services Division (ISD) to agree how best to ensure accurate and complete recording of surgical procedures undertaken in an outpatient setting
- all NHS boards should adopt and make effective use of the British Association of Day Surgery (BADS) Information System.

Review of NHS diagnostic services

108. This review examined the efficiency and effectiveness of radiology, endoscopy and laboratory services. It focused mainly on the eight key diagnostic tests covered by the national waiting times target and examined the four main disciplines within laboratory services. The new 'referral to treatment' waiting times target states that, by the end of 2011, the time between any referral and a patient starting treatment should be no more than 18 weeks. This target covers all stages of a patient's care including diagnostic tests and will, in effect replace existing targets relating to different parts of NHS services, such as outpatient, inpatient and diagnostic services.



109. The report made a number of significant recommendations for the Scottish Government, NHS boards and ISD Scotland. In particular, it recommended that the Scottish Government work with NHS boards and ISD Scotland to improve data collection systems for all diagnostic services as a matter of priority and also ensure that robust benchmarking data are available to allow NHS boards to compare efficiency. Further, the report recommended that ISD Scotland work with the Scottish Government and NHS boards to improve the quality and consistency of national data sets that include diagnostic services, particularly the Cost Book.

Drug and alcohol services in Scotland

110. The aim of this study was to identify how much of the public sector spends on 'labeled' drug and alcohol services as well as the impact the money has had. The report recommended that public sector bodies should:

- ensure that all drug and alcohol services are based on an assessment of local need and that they are regularly evaluated to ensure value for money
- ensure that service specifications are in place for all drug and alcohol services and set out requirements relating to service activity and quality
- set clear criteria of effectiveness and expected outcomes for the different services that they provide and undertake regular audits to ensure services adhere to expected standards.

Overview of mental health services in Scotland

111. This report provides an overview of mental health services and its main aim was to highlight areas for improvement and identify priorities for future audit work. The study covered mental health services provided by the NHS, councils, prisons, the police and the voluntary sector and examined the accessibility, availability and cost of services. The report recommended that the Scottish Government and local partners should, amongst other things:

- ensure that they work together to deliver services for people with mental health problems which are joined up and that appropriate services are provided on the basis of need
- collect information about services in the community to enable better planning and development of services
- work together to identify and address any gaps in services, including services for children and adolescents and the availability of psychological therapies
- ensure that data on waiting times for mental health services are collected and reported routinely. Action should be taken to address services with long waiting times.



Looking Forward

112. NHS Tayside faces a number of challenges in 2009/10, which include:

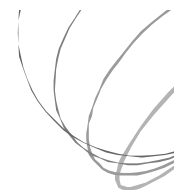
- **Service redesign and sustainability** – NHS Tayside's Strategic Financial Plan 2009/10 to 2013/14 shows the planned capital programme for the board. The planned investments include the introduction of PET/CT scanning and reconfiguration of nuclear medicine facilities in Ninewells, continued redevelopment of Perth Royal Infirmary and further development of the Stracathro Site. The most significant project is the continuing work on the Mental Health Development Project at the Murray Royal Hospital Site. The funding of this project is to be achieved through the use of a Non Profit Distributing Organisation (NPDO). This will be the first time that an NPDO will have been utilised as a funding vehicle for a health sector project. Although the development will be located in the Tayside area, this project will also have input from four other NHS Boards – Grampian, Highland, Shetland and Orkney. Work is currently progressing so that financial close on this project is achieved during 2009/10. There are specific challenges to the board to ensure that the planned investments are subject to the appropriate rigour and that the required levels of consultation take place with partners to ensure that the objectives of the Mental Health Development are achieved. The Board also needs to continue to review the operation of the Regional Treatment Centre at Stracathro to ensure that it continues to provide a value for money service.
- **Financial management and affordability** – The financial settlement in 2009/10 provides an uplift of 3.15% which may be at least equally challenging in 2010/11 given the current economic situation and the impact of the UK Government budget in April 2009. This will have a significant impact on long term financial planning and the control of non pay costs. NHS Tayside have identified that during 2009/10 £13.6 million of efficiency savings are required and the financial plan estimates reliance of £2.4 million on non-recurring funding. Delivering these efficiency savings without impacting on services presents a significant challenge for the board.
- **International Financial Reporting Standards (IFRS)** – Officers are required to prepare shadow accounts under IFRS for 2008/09 by September 2009. The move to full compliance in 2009/10 will require significant resource and it will be important that these issues are addressed early in 2009/10.
- **Scotland Performs** – The Scottish Government is continuing to develop its approach to performance management based on a National Performance Framework and outcome agreements. The National Performance Framework is based on the outcome based 'Virginia-style' model of performance measurement and reporting. In support of this the Scottish Government has developed a new electronic tool and website to communicate to the public on Scotland's progress. This will include progress on overall delivery of the administration's purpose for Government, the five strategic objectives for Scotland and other aspects of the



outcomes based National Performance Framework. We will consider how NHS Tayside addressing this developing area as part of the 2009/10 audit.

- **Efficiency, future funding and economic developments** – Budgets for 2009/10 and the immediate future will need to be managed within a tighter funding regime. This includes significantly less scope for the application of end of year flexibility for the Government with HM Treasury until the next Spending Review and the impact of the introduction of International Financial Reporting Standards (IFRS), particularly on PFI, leases and infrastructure accounting. The challenge for NHS Tayside is to prioritise spending, identify efficiencies and review future commitments to ensure delivery of key targets and objectives. This will be even more challenging in the context of the current economic downturn which may impact on a number of elements of the board's operations including both its resources and the demand for its services.
- **Equal Pay** - The Equal Pay Directive has made it clear that pay discrimination should be eliminated from all aspects of remuneration. As at 31 March 2009, the CLO had recorded 186 Tayside cases within its overall national total of 13,000 claims. Significant ongoing uncertainties have been identified by the CLO resulting in an unquantified contingent liability disclosure in 2008/09. However, board management, working with the Scottish Government Health Directorates and other NHS boards, will be required to form a view of the potential liabilities as soon as practicable, taking into account the progress of cases in Scotland and in England.
- **Best Value** - The concept of Best Value is seen as a key driver of modernisation and improvement in public services. Audit Scotland is committed to extending the Best Value audit regime across the whole public sector and significant development work has taken place over the last year, particularly in the area of Use of Resources. NHS Tayside will wish to respond to this important initiative as it develops.
- **Swine Flu (H1N1 Influenza)** – In terms of clinical activity a key risk going forward is the potential impact of H1N1 Influenza. Although the full extent of the swine flu situation is still emerging, all boards require to ensure that plans are in place to deal with the local impact of the developing situation.

113. The Board recognises these challenges and is taking steps through its planning processes to address them. We will continue to monitor the progress that the Board is making on these key issues.



Appendix A: Action Plan

Key Risk Areas and Planned Management Action

Action Point	Risk Identified	Planned Action	Responsible Officer	Target Date
1	NHS Tayside as with other Boards has not been able to quantify the extent of its liability for Equal Pay claims. There is a risk that these liabilities will have a significant impact on the Board's financial position.	NHS Tayside recognises the currently unquantifiable risk, and will continue to liaise closely with the NHSScotland Central Legal Office and Scottish Government Health Directorates on this matter.	Director for workforce and Director of Finance.	Immediate
2	Continued progress is required to prepare the shadow IFRS accounts for 2008/09 in accordance with the prescribed timetables. There is a risk that NHS Tayside will be unable to commit sufficient resources to produce the shadow accounts by the deadline.	NHS Tayside is devoting a considerable amount of senior Finance staff time to ensuring that the deadline for production of shadow IFRS compliant Accounts is achieved.	Director of Finance	In accordance with SGHD timetable.
3	During 2009/10 £13.6 million of efficiency savings are required to reduce reliance on non recurring funding and to achieve recurring balance. Achievement and delivery of these efficiency savings may present a risk to the quality of current services.	NHS Tayside is closely monitoring both delivery and impact of the savings required to operate within available resources.	Chief Executive, supported by Executive Team	Immediate
4	<p>The board may fail to meet the following targets:</p> <ul style="list-style-type: none"> ▪ Achieve a sickness absence rate of 4%. ▪ Reduce cases of staphylococcus aureus bacteraemia (including MRSA/MSSA) infection by 30%. 	<p>NHS Tayside achieved an average sickness/absence level of 4.54% in 2008/09, a reduction of 0.54% from the level pertaining in 2007/08. Sickness absence is monitored both through the Promoting Attendance at Work Sub-Group, which is responsible for the development of supporting interventions, and through the Taystat process.</p> <p>HAI and SPSP will continue to be high profile items on agendas fro meetings of clinical boards and management teams, supported by a programme of Executive Walkarounds and performance scrutiny by TaySTAT.</p>	<p>Director for Workforce</p> <p>Chief Operating Officer</p>	<p>Immediate</p> <p>Immediate</p>



Action Point	Risk Identified	Planned Action	Responsible Officer	Target Date
	<ul style="list-style-type: none"> Achieve the national HEAT target for the Older People's Emergency Admission target. 	<p>The Tayside Older People's framework was agreed in Nov 08 including four priority action areas: dementia services, acute hospital care, new approaches to discharge and models for rehabilitation. A number of key redesign actions within these priorities will contribute to this target's achievement e.g. intensive case management in dementia care, full multi-disciplinary geriatric assessment for those with complex needs, community based rehabilitation, home based needs assessment for further support. Implementation will be monitored by the Tayside Older People's Service High Level review Group which is at multi-agency Chief Exec level.</p>	Director of Health Strategy	Immediate
	<ul style="list-style-type: none"> A zero rate of increase by 2010 in antidepressant prescribing. 	<ol style="list-style-type: none"> The rollout of stepped psychological care (increasing the range and availability of non pharmacological options for patients presenting in psychological distress) will be carefully managed, monitored and evaluated. Prescribing rates will be regularly and systematically monitored via local and national data collection and reporting. The systematic use of validated assessment tools in primary care will continue to be monitored via the QOF arrangements. 	Medical Director	Immediate
5	There is a risk that potential occurrence of fraud highlighted in the NFI data matches are not fully investigated by the board.	The Associate Director of Finance has developed an Action Plan to ensure that issues identified in the NFI data matches are satisfactorily resolved.	Director of Finance	Immediate
6	There is a risk that if the board does not work effectively with partner organisations to deliver the medium secure unit at the Murray Royal Hospital the desired outcomes are not achieved.	Tayside NHS Board received a report on final tenders on 25 June 2009. The same report was submitted to all partner Boards. Taycare has now been appointed as the preferred bidder, and it is expected that financial close will be achieved early in 2010. NHS Tayside, through the existing executive Project Board will continue to work in partnership with all partner Boards to ensure that the objectives of this development are delivered.	Director of Health Strategy	Immediate.