

NHS Fife

Annual report on the 2012/13 audit



Prepared for NHS Fife and the Auditor General for Scotland
July 2013

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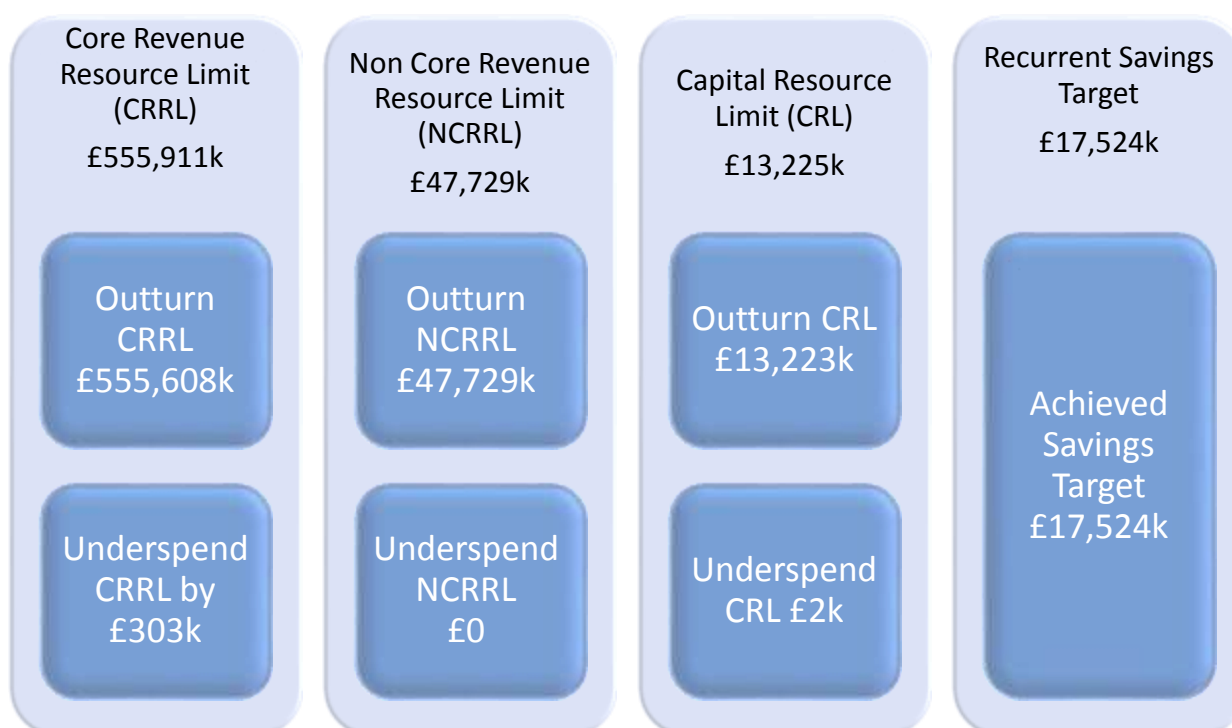
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Key Messages

2012/13 Key Facts

The Scottish public sector is experiencing significant financial challenges in providing expected levels of service within the agreed financial framework. In 2012/13 we assessed the key strategic and financial risks being faced by NHS Fife (the board). 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 findings. The key financial messages are summarised in Exhibit 1 below.

Exhibit 1: Financial performance 2012/13



Financial statements

We have given an unqualified audit report on the financial statements of NHS Fife for 2012/13. We also concluded that in all material respects, the expenditure and income shown in the financial statements were incurred or applied in accordance with applicable enactments and relevant guidance issued by Scottish Ministers.

Financial position and use of resources

The board achieved all of its financial targets in 2012/13 and returned a saving against its total Revenue Resource Limit of £0.3 million as at 31 March 2013. Total efficiency savings of £17.5 million have been delivered in line with planned efficiencies for 2012/13. However £8.3 million (47%) of these savings are of a non recurring nature.

The board plans to achieve £16.2 million of efficiency savings, in line with the Scottish Government's efficient government target and has identified £14.5 million (89%) of the savings on a recurring basis and £1.7 million (11%) on a non recurring basis. This represents a significant improvement in the level of recurring savings. The board has also identified that £5.4 million of the 2013/14 savings require to be cash releasing savings to enable the board to meet its break even target. It is important that the board achieves the savings target as carrying forward unachieved recurrent savings is unsustainable in the longer term.

The board received £1.40 million brokerage from the Scottish Government Health and Social Care Directorates (SGHSCD) in 2012/13. This follows the receipt of brokerage of £0.75 million in 2011/12. The board anticipates repaying the combined brokerage amount of £2.15 million in 2013/14 from the sale of assets, principally the St Andrews Memorial Hospital site.

Governance and accountability

In 2012/13, the board had sound governance arrangements which included a number of standing committees overseeing key aspects of governance. These included Clinical Governance, Audit, Staff Governance and Finance and Resources Committees. The board also had an effective internal audit function and sound anti-fraud arrangements.

Performance and best value

The board has a well developed framework in place for monitoring and reporting performance. The Board Executive Performance Report, which is presented at each meeting of the Board, provides members with assurance of the overall performance of NHS Fife.

In 2012/13 the board met or exceeded most of the performance targets set by the Scottish Government. However, the board did not achieve its performance targets in some areas, in particular those relating to Delayed Discharges, Staff Sickness Absence, the 12 week Treatment Time Guarantee and Accident and Emergency (A&E) Waiting Time.

Audit Scotland's report on the management of patients on NHS waiting lists did not identify any specific concerns regarding NHS Fife. A local review of waiting times carried out by internal audit identified some areas for improvement and the board provided written assurance to the Scottish Government that improvement actions identified by internal audit had either been implemented or were in progress.

Our review of the arrangements for achieving best value in 'People Management' showed that, overall, the board is meeting better practice in this area. Specific concerns were highlighted in relation to the high level of sickness absence and the low level of completed Knowledge and Skills Framework/Personal Development Plans. These matters have been brought to the attention of management who have agreed to draw up an action plan to make improvements in these areas.

Outlook

The position going forward is becoming even more challenging than previous years. Limited increases in funding, increasing cost pressures and challenging savings targets will make maintaining or improving on the performance targets set by the Scottish Government even more challenging.

In this context, the board faces a number of performance challenges including the maintenance of access targets. The new 12 week Treatment Time Guarantee, which is now a legal requirement (from October 2012), requires significant resources to achieve and sustain the target. Managers are fully aware of the legislative nature of this guarantee and additional capacity has been put in place to meet demand.

Introduction

1. This report is the summary of our findings arising from the 2012/13 audit of NHS Fife (the board). The purpose of the annual audit report is to set out concisely the scope, nature and extent of the audit, and to summarise the auditor's opinions (i.e. on the financial statements) and conclusions and any significant issues arising. The report is divided into sections which reflect the public sector audit model.
2. A number of reports have been issued in the course of the year in which we make recommendations for improvements (Appendix A). We do not repeat all of the findings in this report but, instead, we focus on the financial statements and any significant findings from our wider review of the board.
3. Appendix B is an action plan setting out the high level risks we have identified from the audit. Officers have considered the issues and agreed to take specific steps in the column headed "planned management action". We do not expect all risks to be eliminated or even minimised but we expect the board to understand its risks and have arrangements in place to manage these risks. The Board and Accountable Officer should ensure that they are satisfied with the proposed management action and have a mechanism in place to assess progress.
4. This report is addressed to the board and the Auditor General for Scotland and should form a key part of discussions with the Audit Committee, as soon as possible after the formal completion of the audit of the financial statements. Reports should be made available to stakeholders and the public, as audit is an essential element of accountability and the process of public reporting.
5. This report will be published on our website after consideration by the board. The information in this report may be used for the Auditor General's annual overview of the NHS in Scotland's financial performance later this year. The overview report is published and presented to the Public Audit Committee of the Scottish Parliament.
6. Management is responsible for preparing financial statements that show a true and fair view and for implementing appropriate internal control systems. Weaknesses or risks identified by auditors are only those which have come to our attention during our normal audit work, and may not be all that exist. Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Financial statements

7. Audited bodies' financial statements are an essential part of accounting for their stewardship of the resources made available to them and their performance in the use of those resources.
8. Auditors are required to audit financial statements in accordance with the timescales set by Audit Scotland, which may be shorter than statutory requirements, and give an opinion on:
 - whether they give a true and fair view of the financial position of audited bodies and their expenditure and income
 - 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.
9. Auditors review and report on, as appropriate, other information published with the financial statements, including the directors' report, governance statement and the remuneration report. This section summarises the results of our audit of the financial statements.

Audit opinion

10. We have given an unqualified opinion that the financial statements of NHS Fife for 2012/13 give a true and fair view of the state of the body's affairs and of its net operating cost for the year.
11. The board is required to follow the 2012/13 Government Financial Reporting Manual (the FReM) and we confirm that financial statements have been properly prepared in accordance with the FReM.
12. We have also reviewed the board's Governance Statement and concluded that it complies with Scottish Government guidance.

Regularity

13. 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 income shown in the accounts were incurred or applied in accordance with applicable enactments and guidance issued by Scottish Ministers. We have addressed this requirement 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.

Accounting issues

14. As required by auditing standards we reported to the Audit Committee on 21 June 2013 the main issues arising from our audit of the financial statements. The main issues reported to the Committee are noted at paragraphs 15 to 20 below.

Accounts Submission

15. The unaudited accounts were provided to us on 3 May 2013 supported by a working papers package. The supporting papers and the timely responses from finance staff allowed us to conclude our audit within the agreed timetable and provide our proposed opinion to the Audit Committee on 21 June 2013. We subsequently issued our formal audit opinion on 25 June 2013, in line with the target date outlined in our Annual Audit Plan.

Financial Mis-statements

16. A small number of accounting mis-statements were identified during the audit where, if adjustments were made, would have the net effect of increasing operating costs for the year shown in the statement of comprehensive net expenditure by £0.24 million. The net impact on the balance sheet would be a reduction in assets by £0.30 million and reserves decreasing by £0.06 million. Management has chosen not to correct these mis-statements on the grounds that any adjustments would not be material to the financial statements.

Equal Pay Claims

17. The National Health Service in Scotland has received in excess of 9,000 equal pay claims and by the end of March 2013 there remained 517 claims registered against NHS Fife. These have been referred for the attention of the NHS Scotland Central Legal Office (CLO) to co-ordinate the legal response to this issue.
18. For a number of years now, we have been reporting locally and nationally on the quantification and disclosure of equal pay liabilities. The Scottish Government Health & Social Care Directorates (SGHSCD), the CLO and Audit Scotland met in March 2013 to review the accounting treatment and disclosure requirements for the 2012/13 accounts. The CLO continues to advise that it is not possible to provide any financial quantification of equal pay claims at this stage because of the lack of information available. Given the CLO's advice, the SGHSCD have notified NHS boards that the appropriate accounting treatment continues to be to disclose the claims as a contingent liability, with an expanded disclosure recognising the developments over the last couple of years.
19. As with other boards, NHS Fife has not been able to quantify the extent of its liability for Equal Pay claims and has disclosed a contingent liability. There is a risk that as these claims progress they could have an impact on the board's financial position.

Risk Area 1

Pension costs

20. Following national guidance from the Scottish Government, Note 24 of the accounts: Pension Costs reflects a Scotland-wide net liability of £370 million for the NHS Superannuation Scheme arising from the most recent actuarial valuation for the year 31 March 2004. A more recent actuarial valuation was carried out at 31 March 2008, but the publication of this valuation has been placed on hold by HM Treasury pending the outcome of public sector pension reforms. Given that periodic actuarial valuations are key to determining the adequacy

of employer and employee contributions to the Scheme, publication of the latest actuarial valuation will bring clarity as to the adequacy of current contributions to meet the future costs.

Risk Area 2

Outlook

Endowments

21. As a result of an agreed derogation from the FReM NHS Scotland boards were not required to consolidate endowment funds within their 2012/13 financial statements in terms of IAS 27 Consolidated and Separate Financial Statements. HM Treasury and the Scottish Government have delayed the consolidation of NHS Endowment Funds until financial year 2013/14. At that point the board will be required to have endowment fund figures available for inclusion in the financial statements for both the current and prior years. The consolidation process will be reviewed as part of our audit of the 2013/14 financial statements.

Financial position

22. Audited bodies are responsible for conducting their affairs and for putting in place proper arrangements to ensure that their financial position is soundly based.
23. Auditors consider whether audited bodies have established adequate arrangements and examine:
- financial performance in the period under audit
 - compliance with any statutory financial requirements and financial targets
 - ability to meet known or contingent, statutory and other financial obligations
 - responses to developments which may have an impact on the financial position
 - financial plans for future periods.
24. These are key areas in the current economic circumstances. This section summarises the financial position and outlook for the organisation.

The board's financial position as at 31 March 2013

25. The board is required to work within the resource limits and cash requirement set by the Scottish Government Health and Social Care Directorates (SGHSCD) and to differentiate between core and non-core expenditure for both revenue and capital. The board achieved all its financial targets in 2012/13 as outlined in Exhibit 2 below:

Exhibit 2: 2012/13 Financial Targets Performance £'000s

Financial Target	Target	Actual	Variance
Revenue Resource			
Core	555,911	555,608	303
Non Core	47,729	47,729	0
Capital resource			
Core	13,225	13,223	2
Non Core	0	0	0
Cash position			
Cash requirement	630,000	629,739	261

26. The board achieved a cumulative surplus of £0.30 million in 2012/13. In its 2012/13 Local Delivery Plan (LDP), the board budgeted to break-even against its core Revenue Resource Limit. However by November 2012 the board anticipated a year end deficit of around £2.40 million as a result of unforeseen winter pressures and the need to deliver waiting time guarantees. This position was discussed with the Scottish Government Health and Social

Care Directorates (SGHSCD) and in December 2012, the board received £1.40 million brokerage from the SGHSCD to assist with the board's financial position.

27. The receipt of £1.40 million in 2012/13 follows the receipt of brokerage of £0.75 million in 2011/12. The board anticipates repaying the combined brokerage amount of £2.1 million in 2013/14 from the sale of assets, principally the St Andrews Memorial Hospital site. The proposed sale of St Andrews Memorial Hospital has been planned for a number of years and is dependent on a planning process which has an anticipated completion date in the autumn of 2013. There is a risk however, that the planning process is delayed and that income from the sale is lower than anticipated, therefore repayment of the brokerage may have to be met from other funds or delayed further. The board has anticipated that there is a low risk of this outcome.
28. Despite the small surplus of £0.30 million, in 2012/13 the board recorded an underlying deficit of £6.20 million (*source: March 2013 NHS Fife Monthly Monitoring Return*), which represented the excess of recurring expenditure commitments over recurring funding and savings, carried forward into 2013/14. Historically, boards have relied upon a measure of non-recurring funding to achieve financial targets. However, due to the one-off nature of this type of funding, the tighter financial settlement compared to the past and reduced flexibility within expenditure budgets, there is less scope for reliance on non-recurring income to achieve financial balance as NHS boards seek to rationalise their cost base.

Budgetary Control

29. The financial position was regularly monitored and reported to the board throughout the year. While overspends were reported during the year, a surplus of £0.30 million was achieved by the year end, with the aid of the receipt of brokerage from the Scottish Government referred to at paragraph 28 above.
30. The surplus of £0.30 million comprises significant overspends in the Operational Division (acute service delivery unit) of £5.30 million (mainly overspends on medical locum agency, nursing and clinical supplies) and Non-Fife and Other Providers of £2.30 million (mainly overspends on unplanned activities - UNPACs and Out of Area Treatments - OATs), which have been offset by significant underspends on Board administration and other services of £2.00 million (mainly underspends resulting from vacancy management and one off benefits) and an amount of £3.75 million which was unspent, largely due to slippage in the implementation of initiatives or funding allocations received late in the year.
31. At its June 2013 meeting, the Board was advised of the financial position to May 2013 which showed a revenue budget overspend of £0.82 million and included a large overspend of £1.58 million for the Operational Division. Some of the reasons noted for the Operational Division overspend related to the continued need for additional medical agency costs and nursing costs to cover surge capacity, maternity leave and sick leave.
32. As noted above, in 2012/13 the board reported an overspend of £5.30 million for the year in its Operational Division activities. In May of that year, the 'to date' overspend was reported at £0.44 million. The June 2013 report to the Board recognises that the May 2013 level of

overspend in the Operational Division is higher than that at the same time in the last financial year and urgent action is required to reduce this. Careful management of the Operational Division's budget will be required to avoid a re-occurrence of the previous year's overspend.

Risk Area 3

Capital Resource Limit

33. The board spent £13.223 million against its Capital Resource Limit (CRL) of £13.225 million in 2012/13 resulting in an underspend of £0.002 million. The final CRL reduced from the initial allocation due to a capital to revenue transfer of £1.39 million for backlog maintenance.
34. The largest item of capital expenditure in 2012/13, was £4.74 million incurred on the on-going General Hospitals and Maternity Services (GHMS) project at the Victoria Hospital and the Queen Margaret Hospital sites. Other significant spends included £3.67 million on new and replacement equipment, which included £0.88 million on radiology equipment and £0.71 million on information technology equipment. In the latter part of the year construction work commenced on the new Glenwood Health Centre, resulting in expenditure of £0.66 million as at the end of the year.
35. There is a significant increase in the capital allocation to the board in 2013/14. The CRL reported to the Board in June 2013 is £21.48 million, of which £7.51 million is budgeted for the GHMS project and £5.15 million for the Glenwood Health Centre project.

Financial planning to support priority setting and cost reductions

36. The board's Local Delivery Plan (LDP) for 2013/14 aligns the board's strategic priorities with its financial plans, workforce plans and asset plans. The board's financial planning arrangements include regular monitoring, reporting and updating of information to allow potential risks to be addressed properly. It is therefore important that the board continues to closely monitor costs in order to take any required remedial action through supplementary cost saving schemes.

Financial sustainability and the 2013/14 budget

37. Uplifts in financial settlements have been reducing in recent years as outlined in Exhibit 3 below:

Exhibit 3: General funding uplift 2009/10 to 2012/13

Financial Year	General Uplift
2009/10	3.15%
2010/11	2.15%
2011/12	1.10%
2012/13	1.00%

38. At the same time, the board has remained below its NHSScotland Resource Allocation Committee (NRAC) target allocation with a shortfall of £12.20 million reported to the Board as at 2013/14 (2012/13 £8 million).
39. Although the funding uplifts anticipated for 2013/14 has risen to 2.76 %, it is likely to fall again, to around 2% by 2015/16. Given the current economic conditions and the impact of national spending priorities, there is a risk that these pressures will have a significant impact on long term financial planning and the control of pay and non-pay costs. The cost challenges facing the board are significant and in some cases there is an element of uncertainty about further potential increases in costs. Despite this, the board plans to break even in 2013/14.
40. The board's ability to achieve financial balance is again largely dependent on it successfully developing and implementing a comprehensive cost savings plan. In 2012/13 the board's cost savings plan was pivotal to the board achieving financial balance and set a cost savings target of £17.52 million which was achieved, with £9.20 million (53%) achieved on a recurrent basis and the remaining £8.32 million (47%) achieved on a non-recurrent basis. The high reliance on savings of a non-recurring nature is not a sustainable position in the longer term.
41. For 2013/14, the board plans to achieve efficiency savings of £16.23 million, which is the equivalent of 3% of the board's baseline revenue allocation, as required by the Scottish Government's efficient government targets. The planned efficiency savings comprises £14.5 million (89%) on a recurring basis and £1.7 million (11%) on a non recurring basis, representing a significant improvement since 2012/13 in the level of recurring savings. The board has identified that £5.4 million of the 2013/14 savings require to be cash releasing savings to enable the board to meet its break even target.
42. The achievement of the savings target remains a challenge to the board and expenditure during the year will require to be closely monitored to identify and address any emerging budget pressures or projected overspends at an early stage.

Risk Area 4

43. The board continues to face significant cost and volume pressures relating to direct medical supplies; prescribing; and energy costs during 2013/14. There are also additional provisions in the 2013/14 financial plan to cover the cost of pension auto-enrolment for employees (£1.05 million), service level agreements for residents being treated outwith Fife (£2.38 million) and access target delivery (£1.00 million).

Outlook

44. Looking forward, there are early indications that the board may be required to achieve further efficiency savings of approximately £16.60 million and £17.06 million in 2014/15 and 2015/16. The majority of the savings in each year are expected to be generated from recurring sources. These levels of savings will be extremely challenging as much of the readily identifiable savings will have already been identified in previous years.

45. Furthermore, the financial plan assumes that future funding uplifts will be in the range of 2.69% for 2014/15, falling to 2.00% for the period 2015/16 to 2017/18. This, combined with growing cost pressures, will make the delivery of savings even more important.

Governance and accountability

46. The three fundamental principles of corporate governance – openness, integrity and accountability – apply to all audited bodies, whether their members are elected or appointed, or whether they comprise groups of people or an individual accountable officer.
47. Through its Chief Executive as accountable officer, each body is responsible for establishing arrangements for ensuring the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Audited bodies usually involve those charged with governance (including audit committees or similar groups) in monitoring these arrangements.
48. Consistent with the wider scope of public audit, auditors have a responsibility to review and report on audited bodies' corporate governance arrangements as they relate to:
 - corporate governance and systems of internal control
 - the prevention and detection of fraud and irregularity
 - standards of conduct and arrangements for the prevention and detection of corruption.
49. In this part of the report we comment on key areas of governance.

Corporate governance

Processes and committees

50. The corporate governance framework within NHS Fife is centred on the Board which is supported by a number of standing committees that are accountable to it. These standing committees include:
 - Audit Committee
 - Clinical Governance Committee
 - Staff Governance Committee
 - Finance and Resources Committee
 - Patient Focus and Public Involvement Committee.
51. The Board Chairman and the Chief Executive as Accountable Officer are key members of the Board. The appointment of the Board Chairman, Professor Jim McGoldrick, was extended by one year to April 2013 at which point Mr Allan Burns was appointed the new Chairman.
52. We have concluded that overall, the board's governance arrangements in 2012/13 were soundly based and operated effectively.

Patient safety and clinical governance

53. Patient safety is at the heart of clinical governance and risk management. In NHS Fife, clinical governance comes within the remit of the Clinical Governance Committee. The Committee provides assurance to the Board that the principles and standards of clinical governance are applied to health improvement and protection across NHS Fife.
54. The board continues to implement the Scottish Patient Safety Programme and reports on progress with the programme are presented to both the Clinical Governance Committee and the Board throughout the year. The latest update to the Board notes that phase 2 of the programme and the launch of a new Scottish Patient Safety Indicator will take place in August 2013.
55. NHS Healthcare Improvement Scotland (NHS HIS) has lead responsibility for reviewing boards' performance in relation to patient safety, and for working with boards to improve patient safety. The Healthcare Environment Inspectorate (HEI), which operates within NHS HIS, aims to reduce the risk of Health Acquired Infections (HAI) in acute hospitals through assessment, inspection and reporting of boards' performance against HAI standards.
56. The HEI carried out an unannounced visit to the Queen Margaret Hospital in November 2012. Overall, HEI found evidence that NHS Fife was complying with the majority of HAI standards to protect patients, staff and visitors from the risk of acquiring an infection. In particular staff were aware of their individual responsibilities for infection prevention and control in regards to meeting standards to protect patients, staff and visitors from the risk of acquiring an infection. Good compliance with uniform and dress code was also noted among the majority of staff disciplines. The report highlighted some scope for improvement, particularly in relation to ensuring HAI information was distributed to patients and visitors to make sure they receive appropriate information.
57. NHS HIS has also recently carried out an announced visit to Victoria Hospital during May 2013, which focussed on the care of older people. NHS HIS identified some areas where NHS Fife was performing well in relation to care provided to older people in the hospital. However, significant concerns were expressed about capacity and patient flow within the hospital and the impact on patient dignity, care and safety. These concerns were reported to the board's management and were escalated to the NHS HIS executive team and the Scottish Government. Other areas were also identified for improvement, including the level of information in care plans and the absence of routine screening for cognitive impairment or nutritional assessment.
58. Following both reviews, the board has developed an improvement action plan to address the areas for improvement (although we have been advised that management were aware of the capacity issues at Victoria Hospital at the time of the review and were actively addressing this at the time of the inspection).
59. The board is actively considering the public enquiry report on the patient safety failings at Mid Staffordshire NHS Foundation Trust (the Francis Report). Copies of the report were circulated to Board Members, following which officers were requested to review the recommendations

and produce an analysis to be submitted to the Clinical Governance Committee and thereafter to the Board. This work is currently ongoing.

Partnership Working

60. Partnership working is actively being promoted by the Scottish Government as a means of making service delivery more efficient and cost effective. The board has three well established Community Health Partnerships (CHPs) and further partnership working between NHS Fife and Fife Council has been in place for a number of years through the work of the Partnership Management Group and the Health and Social Care Partnership.
61. This current partnership has delegated authority from the Board and Fife Council for the overview of all Community Care Services (excluding Children's Services), including joint resourcing arrangements for the identified community care services. The partnership reports to both the Board and Fife Council.
62. In response to the Government's adult health and social care integration initiative, arrangements were put in place in 2012, including the introduction of a Joint Integration Programme Board underpinned by six work stream groups, with the intention of having appropriate structures in place to deliver on the initiative as soon as the legislation is in place. The partnership (and the NHS Fife Board) receives regular reports on progress on the on going work in Fife on Adult Health and Social Care Integration.
63. In April 2013, the joint Integration Programme Board made recommendations to the Board and the council's Executive Committee on the next stage of integration. Members of both organisations approved the establishment of a Shadow Health and Social Care Joint Board, comprising eight members of each of the Board and the Council, along with representatives from voluntary and independent sector care providers and user groups and carers. The aim of the Shadow Board is to lead the change process through to the establishment of a statutory partnership once the new legislation is enacted (expected from April 2014).
64. As part of this process Fife Council's Executive Director Social Work and Lead for Health was appointed as the Interim Director of Health and Social Care Partnership in April 2013, reporting to the Chief Executives of both organisations. An indicative integrated budget totalling £290.93 million (£137.38 million from the board and £153.85 million from the council) has been identified. This indicative budget is a starting point and will be subject to further review as service integration evolves.
65. The Board and Fife Council have recognised that they may have to revisit integration decisions, dependent on the outcome of the legislative process. They have also noted that when the new governance arrangements are put in place for integrated services, the current Health and Social Care Partnership will be replaced with a new body structured to support the integration model.
66. The stated focus of these new arrangements is to drive forward the adult health and social care integration agenda consistent with Scottish Government Policy and to lead the development of new models of care to deliver improved outcomes and more efficient and

effective services for the people of Fife. This is a very challenging agenda for public sector organisations.

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.
68. While auditors concentrate on significant systems and key controls in support of the opinion on the financial statements, their wider responsibilities require them to consider the financial systems and controls of audited bodies as a whole. The extent of this work is informed by their assessment of risk and the activities of internal audit.
69. In their annual report for 2012/13, the board's internal auditors (FTF Audit and Management Services) provided their opinion that, based on the internal audit work undertaken during the year, the board has adequate and effective internal controls in place and the Accountable Officer has implemented a governance framework in line with required guidance sufficient to discharge the responsibilities of this role.
70. As part of our audit we reviewed the high level controls in a number of the board's systems that impact on the financial statements. This audit work covered a number of areas including payroll, general ledger, capital accounting, cash income and banking and family health services. Our overall conclusion was that the board had adequate systems of internal control in place in 2012/13. There were no significant issues which required specific action by management, although we did report some areas where controls could be improved and agreed an improvement action plan with management.

Internal Audit

71. A key element of our work on internal controls is the extent of reliance that we can place on the work of internal audit in terms of International Standard on Auditing 610 (Considering the work of Internal Audit). The review of internal audit was carried out in December 2012 and concluded that the internal audit service operates in accordance with Government Internal Audit Standards and has sound documentation standards and reporting procedures in place.
72. We placed formal reliance on the work of internal audit on the payroll system for the purposes of our financial statements audit. This avoided duplication of effort and enabled us to focus on other areas of risk.

Governance Statement

73. The Governance Statement, provided by the board's Accountable Officer, reflects the main findings from both internal and external audit work, and highlights the process by which the accountable officer obtains assurances over the adequacy and effectiveness of the system of internal control. Additionally, the Governance Statement includes the requirement for an overt assurance that arrangements have been made to ensure best value.

74. Overall it was concluded by the board that no significant control weaknesses or issues have arisen, no significant failures have arisen in the expected standards for good governance, risk management and control and appropriate arrangements for Best Value are in place. Our audit has confirmed that we concur with this assessment.

Prevention and detection of fraud and irregularities

75. Audited bodies are responsible for establishing arrangements to prevent and detect fraud and other irregularity. Auditors review and report on these arrangements.
76. The board has a range of measures in place to prevent and detect fraud, including Standing Financial Instructions, Financial Operating Procedures (including an Anti-Fraud, Theft and Corruption Policy), a Management of Employee Conduct Policy and a Dealing with Employee Concerns Policy which incorporates arrangements for whistleblowing. These documents are available to staff via the intranet and board website. In line with national PIN Guidance, a separate policy on whistleblowing is being developed by the board. This new policy is to include reference to the new National Confidential Alert Line.
77. The board also has a formal partnership agreement with NHSScotland Counter Fraud Services (CFS) and a Fraud Liaison Officer is in place to ensure reports are circulated to appropriate managers and to the Audit Committee.
78. The board's internal audit function has a formal programme of work, which, although not designed to detect fraud, does provide assurance on the operation of the control systems which are designed to prevent fraud. In addition, the board has agreed a formal protocol covering a programme of payment verification checks within the Practitioner Services Division of NHS National Services Scotland.
79. We concluded that the board's arrangements were adequate in relation to the prevention and detection of fraud and irregularities, although it should be noted that no system can eliminate the risk of fraud entirely.

NFI in Scotland

80. NHS Fife participates in the National Fraud Initiative (NFI). The NFI uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify circumstances (matches) that might suggest the existence of fraud or error.
81. NFI allows public bodies to investigate these matches and, if fraud or error, has taken place, to stop payments and attempt to recover the amounts involved. It also allows auditors to assess the arrangements that the bodies have put in place to prevent and detect fraud, including how they approach the NFI exercise itself.
82. The most recent data matching exercise collected data from participants in October 2012 with matches identified for follow-up in February 2013. The board's investigation so far has identified matches in both the creditors and payroll systems. Internal Audit noted in their Annual Report that an initial review of the data matches provided for the NFI demonstrates

that all recommended matches and a sample of additional matches have been investigated for most categories of data matches. Work to finalise the work on a small number of HR related sections is ongoing.

83. As at the end of June 2013 the board had effectively completed the exercise with only a small number of matches remaining in progress. No instances of fraud or error have been identified from the work undertaken.

Standards of conduct and arrangements for the prevention and detection of corruption

84. Audited bodies are responsible for ensuring that their affairs are managed in accordance with proper standards of conduct and have proper arrangements in place for implementing and monitoring compliance with standards and codes of conduct, standing orders and financial instructions. Auditors consider whether bodies have adequate arrangements in place.
85. The board has a Standard of Business Conduct policy for Board Members and staff, as part of its Code of Corporate Governance. In our report on the Review of Governance Arrangements and Internal Controls 2012/13 we noted some weaknesses around full compliance with this part of the Code. Issues noted indicated that the specified processes for the acceptance, recording and approval of gifts and hospitality may not have been being fully adhered to. In addition we also noted that regarding the registering of interests, there were few interests registered and there was no formal mechanism in place to allow staff to demonstrate that they consider and report such interests. Corporate Services has issued reminders to the delivery units on the need to comply with this aspect of the Code.

Outlook

Partnership Working

86. Between 2011/12 and 2014/15 Scottish Government spending will fall by 5.5% (£1.5 billion) allowing for inflation. Reductions of this scale are a significant challenge for the Scottish public sector. The Christie Commission report on the future of public services (June 2011) highlighted the need for a new, more radical, collaborative culture throughout Scotland's public services with a much stronger emphasis on tackling deep-rooted and persistent social problems in communities.
87. There is now a renewed focus on partnership working focused on community planning. Audit Scotland's recent report on improving community planning in Scotland (March 2013) highlighted that community planning has had little influence over mainstream public sector budgets and other resources used to date. The Scottish Government has re-emphasised the central role that community planning should play in driving the reform of public services. Indeed, the 'Statement of Ambition' published by the Scottish Government and the Convention of Scottish Local Authorities sets out high expectations of community planning and puts the community planning process at the core of public service reform by providing the foundation for effective partnership working within which wider reform initiatives will happen.

88. The increasing importance of partnership working within a community planning framework is still evolving and we will monitor progress in this area.

Best Value, use of resources and performance

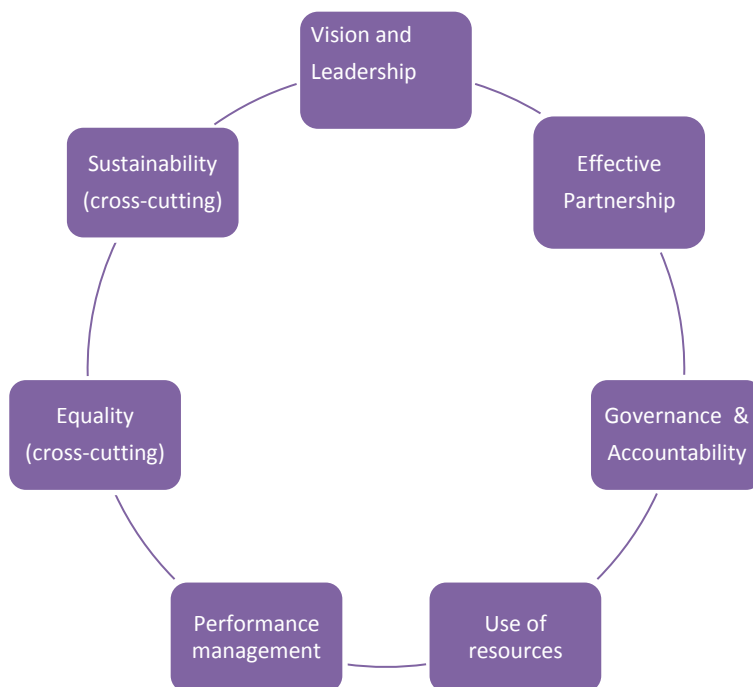
89. Accountable officers have a specific responsibility to ensure that arrangements have been made to secure Best Value.
90. The Auditor General may require that auditors consider whether accountable officers have put in place appropriate arrangements to satisfy their corresponding duty of Best Value. Where no requirements are specified for auditors in a period they may, in conjunction with their audited bodies, agree to undertake local work in this area.
91. As part of their statutory responsibilities, the Auditor General and the Accounts Commission may procure, through Audit Scotland, examinations of the use of resources by audited bodies and publish reports or guidance. Auditors may be requested from time to time to participate in:
 - a performance audit which may result in the publication of a national report
 - an examination of the implications of a particular topic or performance audit for an audited body at local level
 - a review of a body's response to national recommendations.
92. Auditors may also consider the use of resources in services or functions, where the need for this is identified through local audit risk assessments. Audit Scotland has prepared a series of Best Value toolkits to facilitate its reviews in these areas.
93. During the course of their audit appointment auditors should also consider and report on progress made by audited bodies in implementing the recommendations arising from reviews in earlier years.
94. This section includes a commentary on the Best Value / performance management arrangements within the board. We also note any headline performance outcomes / measures used by the board and any comment on any relevant national reports and the board's response to these.

Management arrangements

Best Value

95. In March 2011, the Scottish Government issued new guidance for accountable officers on Best Value in Public Services. It required public bodies to take a systematic approach to self-evaluation and continuous improvement. Furthermore, the guidance identifies the seven themes which an organisation needs to focus on in order to deliver the duty of Best Value. It also notes that implementation should be appropriate and proportionate to the priorities, operating environment, scale and nature of the body's business.

96. The five themes and two cross-cutting themes (some of which we have commented on earlier in this report) are:



97. The board is committed to the principles of Best Value and continuous improvement. In their 2012/13 annual report, internal audit assessed the board's best value arrangements as category A (which is considered to represent best practice). The report refers to the board's Best Value Framework, based on the model framework issued by the national Corporate Governance and Audit Group, which has been in place since September 2011.
98. The framework provides the basis for assurance on the seven themes of Best Value and includes a self assessment process where each standing committee of the board prepares an Annual Statement of Assurance on the achievement of best value during the year. These statements were considered by the Audit Committee prior to approving the 2012/13 financial statements.
99. We will continue to monitor the board's arrangements for demonstrating its commitment to Best Value and continuous improvement.

Service Redesign

100. A key element of NHS bodies' response to the need to deliver high quality services in a challenging financial environment is to focus on the design and sustainability of their services. There is evidence to demonstrate that the board is committed to a sustainable healthcare service that meets the needs of the community. The board manages service redesign through regular special meetings of the Strategic Management Team and the Service Redesign Committee, which in turn reports to the Board.
101. The board's vision and intended outcomes are described in '*Getting Better in Fife*' which is the board's improvement plan for the next 5 years. This plan was agreed by the Board in August

2012 and describes the priority areas for improvement in the delivery of clinical services and underpins the board's strategic objectives. The plan describes how the board, working in partnership, will respond to the challenges facing it and improve patient experience through reducing harm, waste and variation with a focus on five strategic priority areas.

102. The five strategic priority areas are: improving flow and emergency access; improving elective flow; reshaping older people's services; safe and accessible mental health services; and safe and effective medicines management. *'Getting Better in Fife'* represents a significant part of the board's service redesign activity and progress on the plan, together with other service redesign activity, is reported to the Strategic Management Team (Redesign) and to the Redesign Committee.
103. A key part of the board's redesign activities has been the redesign of service provision at the new Victoria Hospital and the Queen Margaret Hospital. This has seen significant investment since 2011/12 through the board's public private partnership (PPP) initiative.

Performance management

104. The board has a well-developed Performance Management Framework in place. A key component of the board's performance management and reporting framework is the Board Executive Performance Report (BEPR) which is presented at each board meeting. The purpose of the BEPR is to provide assurance to the board on overall performance against its key performance targets (set by the Scottish Government (HEAT targets and standards) and local targets) as detailed in the Local Delivery Plan. The BEPR focuses on key aspects of performance - financial position, balanced scorecard and performance summary - and includes narrative explaining trends in performance as well as actions being taken to improve performance.
105. In addition, prior to consideration by the Board, the Strategic Management Team receive reports showing performance against monthly LDP trajectories to enable progress to be monitored.

People Management

106. A key element of Audit Scotland's approach to the audit of best value is the use of audit toolkits which cover the fundamental principles of best value. As agreed with management, we applied a best value toolkit on people management as part of our planned audit work for 2012/13. The toolkit focussed on a series of questions based on identified best practice in four main areas:
 - Policies and structures
 - Workforce planning
 - Managing and developing the performance of staff
 - Communication with staff
107. Overall, we assessed that the board's people management arrangements are mostly being categorised as 'better practice'. However we also noted sickness absence and the uptake and

completion of the knowledge and skills framework reviews/personal development plans (KSF/PDPs) as areas with further scope for improvement.

108. A HEAT standard of 4% has been set nationally for sickness absence. Over the course of 2012/13, sickness absence rates have fluctuated. The board's performance against the target has reduced from a peak absence rate of 6.04% recorded as at January 2013 to a rate of 4.76% as of March 2013, before increasing to 4.93% as at April 2013 (the latest information available).
109. As with other health boards in Scotland, the board faces a major challenge in achieving the national sickness absence target of 4%. The board has a range of measures to help reduce absence levels, including review and improvement panels for management of attendance in 'hot spot' areas; attendance "myth busting" events for line managers; and OHSAS offering dedicated clinics for high referral areas. Action plans have also been developed for areas of specific concern.
110. Our report also noted that the number of eKSF/PDPs completed had fallen from 57% as at 31 December 2012, to 43% as at 1 March 2013. This coincides with the removal of the HEAT target in this area from April 2012. More recent information shows a further reduction in the completion rate to 41% as of May 2013 (the latest information available). A range of support arrangements are in place aimed at supporting managers and staff in ensuring that all relevant staff have an active Performance Development Plan in place and review meetings are undertaken timeously and are recorded on the e-KSF system.
111. We have recommended in our report that the board complete an action plan to seek improvements in these areas.

Equality Act 2010

112. In April 2011, the Equality Act 2010 introduced a new public sector 'General Duty' which encourages equality to be mainstreamed into public bodies' core work so that it is not a marginal activity but part of everyday business. Lead responsibility for mainstreaming equality and diversity rests with the General Manager of Dunfermline and West Fife CHP. The General Manager is responsible for embedding equalities on behalf of the whole of NHS Fife, supported by an Equality & Diversity Lead Officer.
113. The board's Equality Report and Plan for 2013 -2017, dated April 2013, stated purpose is to demonstrate how NHS Fife will deliver a long standing commitment to promote equality and eliminate discrimination. It explains that NHS Fife continues to build a constructive and engaging relationship with service users and the wider community. It also notes that service and employee outcomes have been developed with the involvement of people with one or more of the nine protected characteristics which make up equality and diversity.
114. In terms of equality legislation, the board is required to publish information about its equality outcomes, the actions taken by the board and the progress made to achieve them. This is to enable the public to assess the organisation's performance on equality. Consequently, the board must publish a report on the progress made no later than 30 April 2015.

115. A steering group chaired by a non-executive Board member, with members of the public and the Equalities and Diversity Strategy Group will monitor progress in achieving these outcomes on a regular basis. There will be an annual update to the Board and a final report produced in April 2017 in line with legislation.

Scotland's Public Finances – Addressing the challenges

116. In the current year, we carried out a focussed follow-up audit on Audit Scotland's previous report *Scotland's public finances: addressing the challenges*, originally published in August 2011. Follow-up audits are being carried out in all health boards and councils and at 20 central government bodies, including the Scottish Government, Scottish Enterprise and Scottish Water.
117. The original report set out a number of key issues and risks to be faced by the public sector in the period 2010/11 to 2014/15. The main aim of the follow-up audit is to look at what action has been taken since the publication of the original report in August 2011 and what difference this has made. In particular, auditors were asked to consider two key questions:
- Does the health board have sustainable financial plans which reflect a strategic approach to cost reduction?
 - Do senior officials and non-executives demonstrate ownership of financial plans and are they subject to scrutiny before approval?
118. A key consideration in the Audit Scotland report was the extent to which workforce reductions were being used to deliver financial savings. This was not covered by the follow-up audit because of a separate study being carried out by Audit Scotland on changes to the Scottish public sector workforce which will look in detail at workforce planning.
119. We have concluded from our work that the board continues to show a good understanding of the financial challenges it faces, and has been proactive in preparing financial plans to manage budget reductions. NHS Fife has a clear understanding of its costs and the impact of efficiency savings on service delivery. We have also concluded that senior officials and non-executives demonstrate ownership of financial plans which they scrutinise before approval.

Overview of performance targets in 2012/13

120. The BEPR showed that the board has achieved good performance by either exceeding or meeting its targets in a number of areas, including completion of alcohol brief interventions; reducing the incidence of Clostridium difficile infections for patients aged 65 and over; delivery of an 18-week patient pathway for referral-to-treatment for 90% of patients; reducing waiting times for the first IVF treatment; and the 31 day cancer decision-to-treat to treatment standard for at least 95% of patients.
121. Some targets were not fully achieved, including the 95% target rate for MMR1 immunisation for 2 year old children; delayed discharges (no patients waiting more than 4 weeks in delay when medically ready for discharge to a more appropriate care setting but is prevented from doing so); the staff sickness absence target; and the A&E Waiting Time target.

122. The Patients Rights (Scotland) Act 2012 introduced a statutory 12 week treatment time guarantee for eligible patients. This became effective from 1 October 2012. The board did not achieve this target in a number of cases despite making additional capacity available. As with performance generally, and similar to other boards, there remains the challenge to balance achievement of performance targets (particularly access targets) against reduced funding levels and other competing service priorities.

National performance reports

123. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. The findings and key messages of these studies are published in national reports.

124. The board has developed a framework for considering Audit Scotland's national reports. All national reports are considered and action plans prepared where considered appropriate. Progress against the action plans is reported periodically to the Strategic Management Team and reported to the Audit Committee, most recently in May 2013. Reports in the last year that may be of relevance to the board include:

Exhibit 4: A selection of National performance reports 2012/13

- | | |
|--|---|
| <ul style="list-style-type: none">• Management of patients on NHS waiting lists (February 2013)• Prescribing in general practice in Scotland (January 2013) | <ul style="list-style-type: none">• Health inequalities in Scotland (December 2012) |
|--|---|

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Management of patients on NHS waiting lists

125. Audit Scotland carried out a review of waiting times across the health service in Scotland following NHS Lothian's reported misuse of patient unavailability codes. The review recognised the need for independent assurance on the management of waiting times to restore public confidence in the system.

126. In addition, NHS boards' internal auditors were requested by the SGHSCD to carry out a review of waiting times as part of their 2012/13 internal audit plans and to report their findings by 17 December 2012. Shortly after this date, the Cabinet Secretary for Health and Well Being reported to Parliament the findings from internal audits carried out across the NHS in Scotland. The main findings were:

- there is no evidence of wide scale manipulation of waiting times across the National Health Service in Scotland
- overall, the waiting times published by boards are reliable and accurate
- the principal shortcomings relate mostly to the capability to record on some information technology systems, the consistent interpretation of guidance, and staff training

- there are specific, localised issues in board areas that need to be addressed.
127. The Cabinet Secretary also made clear that he expected NHS boards to have implemented all locally identified recommendations for improvement by March 2013.
128. The board's internal auditors reported their findings to a specially convened Audit Committee held on 27 November 2012 and their report was then considered by the Board at its meeting on 26 February 2013. Internal audit concluded that, overall, reporting within NHS Fife was in line with guidance and was consistent across different reports. Internal audit identified both areas of good practice and areas for improvement. An eight point action plan was agreed with management to address areas for improvement with implementation by 31 March 2013. A letter of assurance confirming that all action plans had been implemented on time was submitted to the Scottish Government by the Chair of the Audit Committee by the end of April 2013.
129. The SGHSCD have requested that all boards undertake a follow-up audit on the management of waiting times to ensure that planned improvements have been made and are working effectively. We will monitor the position at a future date.
130. Audit Scotland's report on the *Management of patients on NHS waiting lists* published in February 2013 highlighted similar issues to those outlined above:
- The systems used to manage waiting lists have inadequate controls and audit trails, and the information recorded in patient records is limited
 - Most patients' records that were examined did not include enough information to verify that unavailability codes had been applied properly
 - Audit Scotland identified a small number of instances in which unavailability codes were used inappropriately. The limitations of waiting list management systems and the lack of evidence in patient records mean that it is not possible to determine whether these instances were due to human error, inconsistent interpretation of the guidance, or deliberate manipulation of waiting lists
 - There was not enough scrutiny of the increasing number of patients recorded as unavailable.
131. The board considered the general recommendations in the Audit Scotland report and developed an action plan which was distributed to relevant staff members to consider. The national report did not highlight any particular issues for the board.

Prescribing in general practice in Scotland

132. The overall aim of this national report was to examine prescribing in General Practices (GP) across NHS Scotland and identify the potential to improve prescribing economy, efficiency and effectiveness

133. The report highlighted that the NHS in Scotland spends almost £1.4 billion per year on drugs, of which almost £1 billion (70 per cent) is spent in general practice. Territorial NHS boards spend about ten per cent of their budgets on GP prescriptions and boards continue to identify this as a significant cost pressure.
134. The report noted that NHS Scotland has improved its management of GP prescribing and family doctors are getting more support and guidance on their prescribing. The report, however, indicated that there was further scope for improvements and the potential to save up to £26 million per annum without affecting patient care. The savings could mostly be achieved through reducing waste and cutting the use of less suitable medicines.
135. The report highlighted that while spending on GP prescribing by NHS Fife was only just above the Scottish average, its spending per weighted head of population was the highest of all Boards (around 12.5% higher than the average), due to GPs prescribing more expensive drugs. Like other health boards, the board has introduced a number of initiatives to encourage more cost-effective prescribing. The report highlights that the board's spending on drugs has fallen from a 2011/12 level of £203 per weighted head of population to £195 as at August 2012.

Health inequalities in Scotland

136. Reducing health inequalities has been a priority for successive governments in Scotland with the introduction of major legislation supporting this aim, such as the ban on smoking in public places. The Scottish Government's spending review reiterated its commitment to addressing health inequalities, and allocated around £170 million to NHS boards to directly address health-related issues associated with inequalities.
137. The national performance report assessed how well public sector bodies are working together to target resources at health inequalities. The report indicated that it was unclear how much money NHS Boards and Councils spend in this area or what it is spent on. Furthermore, the report highlighted that the Scottish Government takes account of deprivation and other local needs in allocating funding to NHS Boards and Councils. However, it is not clear how these bodies target their resources at local areas with the greatest need. Within two of NHS Fife's three Community Health Partnership localities, funding allocated for health inequality is weighted below the Scottish average for rurality and deprivation.
138. At a local level GPs have been reluctant to focus work in deprived areas. Also, people in deprived areas have less access to IT and therefore, may not be aware of all the help available to them. The board has developed an action plan in response to this report which is in the process of being implemented.

Outlook

Performance

139. Over recent years the board has invested substantial resources, particularly in relation to access to services, to achieve challenging performance targets set by the Scottish

Government. The significant financial challenges that will be faced in 2013/14 and beyond make maintaining or improving performance even more challenging.

Risk Area 5

140. The Auditor General has been asked by the Public Audit Committee of the Scottish Parliament to provide an update on Audit Scotland's Management of patients on NHS waiting lists report later this year. The audit work will focus on progress made by the NHS in establishing clear information audit trails and on the management and monitoring of waiting lists. The fieldwork for the report will be carried out at NHS boards in September and October of 2013 with a report to the Public Audit Committee by the end of December 2013.

Appendix A: audit reports

External audit reports and audit opinions issued for 2012/13

Title of report or opinion	Date of issue	Date presented to Audit Committee
Overview of Internal Audit	12 December 2012	19 December 2012
Annual Audit Plan	12 December 2012	19 December 2012
Best Value use of resources - people management	8 May 2013	16 May 2013
Governance Arrangements and Internal Controls Management Letter	31 May 2013	21 June 2013
Report to Audit Committee in terms of ISA 260	14 June 2013	21 June 2013
Independent auditor's report on the financial statements	14 June 2013	21 June 2013
Annual Report on the 2012/13 Audit	29 July 2013	19 September 2013

Appendix B: action plan

Key Risk Areas and Planned Management Action

Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
1	19	<p>Equal Pay</p> <p>NHS Fife (and other boards) has not been able to quantify the extent of its liability for Equal Pay claims.</p> <p>There is a risk that these liabilities will have a significant impact on the board's financial position.</p>	NHS Fife will continue to work closely with SGHSCD and CLO to ensure that we comply with the agreed National position	Director of Finance	March 2014
2	20	<p>Pension Costs - Actuarial valuation</p> <p>Although a pension fund actuarial valuation was undertaken in 2008 the publication of the valuation has been placed on hold by HM Treasury. The latest available published valuation is from 2004.</p> <p>There is a risk that the current level of contributions from employers and employees are insufficient to meet the future commitments of the Scheme.</p>	This is a National position and NHS Fife continues to report as per the Annual Accounts guidance. Following receipt of any new information on the Pension Fund actuarial valuation, NHS Fife will account for the changes required.	Director of Finance	March 2014
3	32	<p>Budgetary Control</p> <p>The Board has noted that the 2013/14 Operational Division overspend as at May 2013 is higher than</p>	The current position in the Operational Division does not yet include all the new allocations for 2013/14 so the reported level of overspend is higher at this	Director of Finance	March 2014

Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
		<p>the overspend at the same point in 2012, prior to it escalating to £5.30 million by the end of the year. The Board has advised that urgent action is required to reduce this overspend.</p> <p>There is a risk that further pressure may be placed on the Board's 2013/14 financial position if expenditure is not effectively managed.</p>	<p>time. There are on-going discussions with senior managers within the Operational Division to ascertain how the costs can be brought into line.</p> <p>The overall financial position of the Board will be carefully managed to ensure an overall delivery of break even.</p>		
4	42	<p>Financial Sustainability and Savings Targets</p> <p>The board faces a wide range of financial challenges and there is a risk that it may not be able to make its savings targets in future years. The level of flexibility within expenditure budgets is considerably reduced by the release of cost savings in previous years.</p> <p>The longer term financial plan remains at risk of not being affordable and is a significant challenge to the board moving forward.</p>	<p>In future years the Savings Targets are required to meet the 3 % Efficient Government Targets and are not needed on a cash basis to deliver a break even position.</p> <p>The continued use of the Programme Management Office should assist in delivering and monitoring all savings schemes to help meet efficiency targets.</p>	Director of Finance	On-going
5	139	<p>Performance targets</p> <p>The board did not achieve all its performance targets in 2012/13.</p>	<p>The Board monitors performance targets through the Balanced Scorecard which helps identify as early as</p>	Chief Executive	On-going

Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
		There is a risk that in a climate of reducing funding and competing priorities, performance targets are not achieved and sustained.	possible where targets are at risk of not being met. Every effort is made to meet as many targets as possible where corrective actions by NHS Fife can impact on the outcomes.		