

# NHS Lanarkshire

2018/19 Annual Audit Report



 AUDIT SCOTLAND

Prepared for the Board of NHS Lanarkshire and the Auditor General for Scotland

26 June 2019

## Who we are

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

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



## About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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# Contents

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Key messages	4
Introduction	6
Part 1 Audit of 2018/19 annual report and accounts	9
Part 2 Financial management	14
Part 3 Financial sustainability	18
Part 4 Governance and transparency	25
Part 5 Value for money	32
Appendix 1 Action plan 2018/19	41
Appendix 2 Significant audit risks identified during planning	45
Appendix 3 Summary of national performance reports 2018/19	49

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# Key messages

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## 2018/19 annual report and accounts

- 1 NHS Lanarkshire's financial statements give a true and fair view of the board's financial transactions and financial position. They were properly prepared in accordance with accounting regulations.
- 2 Expenditure and income were in accordance with applicable enactments and guidance. The board's income agrees to the Scottish Government funding allocation letters.
- 3 The audited part of the remuneration and staff report, performance report and governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant legislation and directions made by Scottish Ministers.

## Financial management

- 4 NHS Lanarkshire has appropriate and effective financial management arrangements in place. NHS Lanarkshire met all of its financial targets for 2018/19 and achieved an underspend of £0.288 million against its Revenue Resource Limit (RRL).
- 5 NHS Lanarkshire did well to exceed its savings target of £25.821 million during the year. It exceeded its target, making £28.762 million of efficiency savings. This allowed the board to put in place additional winter capacity and fund community IT implementation costs, whilst meeting its revenue target.
- 6 Effective internal control systems operated throughout the year.

## Financial sustainability

- 7 NHS Lanarkshire has effective financial planning arrangements in place. While the board achieved financial balance in 2018/19 it is facing an extremely challenging position in the future. For 2019/20 alone the financial plan is projecting a funding gap of £17.974 million.
- 8 Efficiency savings will be crucial to maintaining financial balance over the medium term. Savings required in 2019/20 currently stand at £17.974 million or 1.5% of RRL. Some of the efficiency savings required to deliver a balanced financial position in 2019/20 have yet to be identified and the board continues to place reliance on non-recurring savings which is not sustainable in the future.
- 9 In the medium to longer term there is considerable uncertainty on the board's financial position due to EU withdrawal and the impact of New Financial Powers on budgets. The board should consider scenario planning as part of a detailed medium term financial plan.
- 10 NHS Lanarkshire is finding it difficult to recruit staff and relies on temporary or agency staff to fill gaps. The rising costs of temporary staff are adding to the financial pressures facing the board. Our review of the board's use of temporary staff identified that the board has mechanisms in place to monitor and challenge the use of temporary staff at all levels. The board has had some success in reducing the number of agency staff

used in one of its acute sites. Improvement actions are ongoing to make reductions across the board.

- 11** The findings of an independent review into the board's public consultation on its plans to either replace or refurbish University Monklands Hospital (MRRP), which was commissioned by the Cabinet Secretary for Health and Sport, have yet to be published. Estimates provided to the board show that delays to the delivery of MRRP will add between £1.5 million and £3 million per month to the overall project cost. This may have a significant impact upon the board's future plans for its property estate given the level of backlog maintenance.

## Governance and transparency

- 12** In May 2018 the Board approved NHS Lanarkshire's Quality Strategy 2018-2023: The Quality Approach to Achieving Excellence, to support achievement of the board's healthcare strategy.
- 13** NHS Lanarkshire has effective governance arrangements in place that support good governance and accountability. Arrangements are being strengthened further following a self assessment against the NHS Scotland Corporate Governance Blueprint.
- 14** The board's executive and non-executive members demonstrate effective leadership, challenge and scrutiny of the board's activity and performance.
- 15** In 2017 NHS Lanarkshire experienced two cyber attacks which caused disruption to services. In response IT security has been strengthened. The board achieved Cyber Essentials accreditation in September 2018 to provide reassurance over the security arrangements and has an action plan in place to work towards achieving Cyber Essentials Plus accreditation.
- 16** Both North Lanarkshire and South Lanarkshire IJBs completed national self-evaluation submissions which were sent to the Scottish Government by the required deadline and approved by the Board in May 2019.

## Value for money

- 17** NHS Lanarkshire has an effective performance management framework in place which supports continuous improvement. However, the board continues to struggle to meet some key national performance targets.
- 18** The board continues to be proactive in seeking ways to balance the achievement of its financial targets with other national performance targets. The board has reviewed its Integrated Corporate Performance Framework and revised arrangements are in place from April 2019.
- 19** NHS Lanarkshire is making progress in reducing delayed discharge days, particularly in the South Lanarkshire IJB. The board and its IJB partners continue to proactively take forward the recommendations in our 2016/17 review of delayed discharges report.

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# Introduction

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1. This report summarises the findings from our 2018/19 audit of Lanarkshire Health Board, commonly known as NHS Lanarkshire.

2. The scope of our audit was set out in our Annual Audit Plan presented to the March 2019 meeting of the Audit Committee. This report comprises the findings from:

- an audit of the board's annual report and accounts
- consideration of the wider dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) as illustrated in [Exhibit 1](#).

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## Exhibit 1 Audit dimensions



Source: Code of Audit Practice 2016

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3. The main elements of our audit work in 2018/19 have been:

- a review the board's main financial systems
- an audit of the board's 2018/19 annual report and accounts including the issue of an independent auditor's report setting out my opinions
- consideration of the board's arrangements relating to the four audit dimensions above
- following up our recommendations from our previous local performance reports on the use of temporary staff and delayed discharges.

## Adding value through the audit

4. We add value to NHS Lanarkshire through the audit by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations for improvements that have been accepted by management
- reporting our findings and conclusions in public
- sharing intelligence and good practice through our national reports ([Appendix 4](#)) and good practice guides
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

5. In so doing, we aim to help NHS Lanarkshire promote improved standards of governance, better management and decision making and more effective use of resources.

## Responsibilities and reporting

6. NHS Lanarkshire has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual report and accounts that are in accordance with the accounts direction from the Scottish Ministers. The board's annual report and accounts includes the following:

- Performance Report
- Accountability Report (which includes the Corporate Governance Report, Remuneration and Staff Report and, Parliamentary and Accountability Report)
- Financial statements and supporting notes.

7. The board is also responsible for establishing appropriate and effective arrangements for governance, propriety and regularity that enable it to successfully deliver its objectives.

8. Our responsibilities as independent auditor are established by the Public Finance and Accountability (Scotland) Act 2000 and the [Code of Audit Practice 2016](#) and supplementary guidance and International Standards on Auditing in the UK.

9. As public sector auditors we give independent opinions on the annual report and accounts. Additionally, we conclude on:

- the appropriateness and effectiveness of the performance management arrangements,
- the suitability and effectiveness of corporate governance arrangements,
- the financial position and arrangements for securing financial sustainability.

10. In doing this we aim to support improvement and accountability. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#) and supplementary guidance.

11. This report raises matters from the audit of the annual report and accounts and consideration of the audit dimensions. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not

be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

**12.** Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes any outstanding actions from last year and progress against these.

**13.** We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2018/19 audit fee of £191,520 as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

**14.** This report is addressed to the board and the Auditor General for Scotland and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) in due course.

**15.** We would like to thank the management and staff who have been involved in our work for their cooperation and assistance during the audit.



# Part 1

## Audit of 2018/19 annual report and accounts



### Main judgements

**NHS Lanarkshire's financial statements give a true and fair view of the board's financial transactions and financial position. They were properly prepared in accordance with accounting regulations.**

**Expenditure and income were in accordance with applicable enactments and guidance. The board's income agrees to the Scottish Government funding allocation letters.**

**The audited part of the remuneration and staff report, performance report and governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant legislation and directions made by Scottish Ministers.**

The annual report and accounts are the principal means of accounting for the stewardship of resources and performance in the use of those resources.

### Audit opinions on the annual report and accounts

**16.** The annual report and accounts for the year ended 31 March 2019 were approved by the Board on 26 June 2019. We reported, within our independent auditor's report:

- an unqualified opinion on the financial statements
- an unqualified opinion on regularity of expenditure and income
- the audited part of the remuneration and staff report, performance report and governance statement were all consistent with the financial statements and properly prepared in accordance with the accounts direction
- we have nothing to report in respect of those matters which we are required by the Auditor General to report by exception.

### Submission of annual report and accounts for audit

**17.** We received the unaudited annual report and accounts on 13 May 2019, in line with our agreed audit timetable. The board's group accounts included the financial results of the Endowment Fund and Integration Joint Boards (IJB) within its area.

**18.** The working papers provided were of a good standard and finance staff provided good support to the audit team which helped ensure the final accounts audit process ran smoothly.

### Performance report

**19.** In addition to our opinion on the performance report in paragraph 16, we also consider the qualitative aspects of the performance report. The purpose of a

performance report is to provide information on a body, its main objectives and strategies, and the principal risks that it faces. It is required to provide a fair, balanced and understandable analysis of a body's performance and, is essential in helping stakeholders understand the financial statements.

**20.** There are a number of characteristics of financial reporting which make for a high quality performance report. We reviewed the draft performance report provided to us as part of the unaudited 2018/19 annual report and accounts taking into account good practice notes issued by Audit Scotland in recent years in relation to the content of performance reports in the NHS and Central Government. We made a number of suggestions for improvement to the board's draft performance report which were accepted by officers and incorporated into the updated performance report. As a result, we have concluded that the board's 2018/19 performance report complies with good practice.

## Risks of material misstatement

**21.** [Appendix 2](#) provides a description of the risk areas for material misstatement in the annual report and accounts and any wider audit dimension risks, that were reflected in our 2018/19 Annual Audit Plan. It also summarises the work we have done to gain assurance over the outcome of these risks. No issues were identified in these risk areas to be reported further.

## Materiality

**22.** Misstatements are considered to be material if they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The assessment of what is material is a matter of professional judgement. It involves considering both the amount and nature of the misstatement.

**23.** Our initial assessment of materiality for the annual report and accounts was carried out during the planning phase of the audit and is summarised in [Exhibit 2](#). With regards to the annual report and accounts, we assess the materiality of uncorrected misstatements both individually and collectively.

**24.** On receipt of the unaudited annual report and accounts we reviewed our planning materiality calculations and concluded that they remained appropriate.

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## Exhibit 2 Materiality values

Materiality level	Amount
Overall materiality	£14.3 million
Performance materiality	£8.6 million
Reporting threshold	£143 thousand

Source: NHS Lanarkshire Annual Audit Plan 2018/19

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## Significant findings from the audit in accordance with ISA 260


**25.** International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices covering accounting policies, accounting estimates and financial statements disclosures.


26. The significant findings are summarised in [Exhibit 3](#). Where a finding has resulted in a recommendation to management, a cross reference to the Action Plan in [Appendix 1](#) has been included.

### Qualitative aspects of the audit

27. We have no significant findings to report around the qualitative aspects of the 2018/19 accounting practices.

## Exhibit 3 Significant findings from the audit of the financial statements

Issue	Resolution
<p><b>1. Health and Social Care Integration</b></p> <p>The integration joint boards (IJBs) activities have been reflected in the board's accounts. £777.905 million has been included in the board's clinical services expenditure relating to the board's payments to the two IJBs. Income of £772.393 million for services commissioned by the two IJBs has also been included.</p> <p>The IJBs have been consolidated into the group accounts as joint ventures, £0.264 million has been shown in reserves, representing the board's share of the IJBs' financial outturns in 2018/19.</p> <p>The IJB figures are based on the unaudited accounts for each IJB and the deadline for these accounts to be audited is 30 September 2019. We do not anticipate any material changes to the draft figures used in consolidation.</p>	<p>For information only.</p>
<p><b>2. Endowment Funds</b></p> <p>The Endowment Funds figures included in the 2018/19 group accounts were based on the unaudited financial statements. The Endowment Funds financial statements will be approved by the trustees and external auditor of the Endowment Funds on 26 June 2019. We do not anticipate any material changes to the unaudited figures used in consolidation and the external auditor of the Endowment Funds has raised no significant issues in relation to their audit.</p>	<p>For information only.</p>
<p><b>3. Clinical Medical Claims and CNORIS provision</b></p> <p>The board has calculated the structured settlement element of the provision for future medical negligence payments on a future cash basis that does not include any projected increase as a result of the difference between RPI rate and the general discount rate. As a result, the CNORIS provision understated by £1.498 million and debtors are understated by £1.469 million. The net impact of this would be to increase the board's 2018/19 reported net expenditure by £0.029 million.</p> <p>Several health boards in Scotland have applied the same approach as NHS Lanarkshire when calculating their provision for medical negligence claims. As a result, the overall CNORIS scheme liability for Scotland is understated. This has resulted in a redistribution of the overall liability to NHS boards in Scotland which, in turn, has resulted in an increase of £0.812 million to the board's share of the CNORIS liability of NHS Scotland. As any movements in the board's share of CNORIS funding is covered by Annually</p>	<p>Given that the impact on net expenditure is not material, the board has decided not to adjust the 2018/19 accounts but apply adjustments for inflation and discounting to these provisions from 2019/20. We have included this as an unadjusted error in the accounts, at paragraph 28.</p> <p> <a href="#">Recommendation 1</a> (refer appendix 1, action plan)</p> <p>Given that there is no impact on net expenditure, the board has decided not to adjust the 2018/19 accounts. We have included this as an unadjusted error in the accounts, at paragraph 28.</p>

Issue	Resolution
<p>Managed Expenditure (AME) funding from the Scottish Government, this does not have any impact on the net expenditure reported for the year.</p>	
<p><b>4. Deferred Income – Research and Development Contracts</b></p> <p>The board's 2018/19 trade payables balance includes an amount for deferred income, which is defined in the health board accounts manual as an obligation where a future service is required to be performed before the income can be recognised.</p> <p>Included within the board's deferred income is an amount for £1.865 million which relates to income from almost 90 research and development contracts. Through discussion with finance officers we identified that this amount does not meet the accounting definition of deferred income and, as a result, should be disclosed in the board's 2018/19 accounts as operating income.</p>	<p>The board have advised that a detailed review of all research and development contracts will be carried out in 2019/20 to ensure that all income received from these contracts is correctly accounted for in line with each contract. The board has decided not to adjust the 2018/19 accounts and to await the outcome of this detailed review of research and development contracts in 2019/20. The net impact of adjusting the 2018/19 accounts to remove the £1.865 million of research and development income from deferred income and disclose this as income would be to decrease the board's 2018/19 reported net expenditure by £1.865 million. We have included this as an unadjusted error in the accounts, at paragraph 28.</p> <p> <a href="#">Recommendation 2</a> (refer appendix 1, action plan)</p>
<p><b>5. Large hospital services and set aside budgets</b></p> <p>In March 2019, the Scottish Government wrote to NHS Scotland Chief Executives advising of its expectations for the 2018/19 annual accounts that Health Boards and IJBs agree a figure for the sum set aside to be included in their respective annual accounts. In the absence of bespoke local arrangements, data from NSS ISD may be used to enable the preparation of accounting estimates for this sum.</p> <p>The agreement in place for 2018/19 between NHS Lanarkshire and North Lanarkshire and South Lanarkshire IJBs is similar to a block contract Service Level Agreement (SLA). This means that board provides services covered within the set aside arrangements for an agreed sum which can be varied to reflect planned service changes agreed by the IJBs. The board and the IJBs worked through all agreed changes by the end of May 2019 to ensure final agreed values for inclusion within respective annual accounts.</p> <p>The risk of the cost of the directed services exceeding the agreed sum is borne by the board in year. As data becomes available (currently 17 months in arrears) the IJBs will be provided with an assessment of the actual costs (based on cost allocation methodology) to inform their understanding of how its use of resources will change and aid future planning.</p>	<p>For information only.</p>

Source: Audit Scotland

## How we evaluate misstatements

**28.** There were a number of adjustments to the unaudited financial statements arising from our audit which were above our reporting threshold. Adjusting errors mainly related to classification errors within the notes to the accounts and the

impact of these adjustments was a increase in net assets of £0.264 million. Three other misstatements, as detailed in [Exhibit 3](#), were identified which were not processed through the financial statements and these have been classified as unadjusted errors. If corrected, these would have decreased net expenditure by £1.836 million and increase the net assets in the consolidated statement of financial position by the same amount.

**29.** It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected although the final decision on making the correction this lies with those charged with governance considering advice from senior officers and materiality. Management do not propose to adjust for the item(s) above as the amounts are not considered material in the context of the financial statements.

### **Follow up of prior year audit recommendations**

**30.** The board has implemented in full three of our six prior year audit recommendations. Two actions are ongoing relating to the development of a medium term financial plan and temporary staffing improvements. Revised responses and timescales have been agreed with management, and are set out in [Appendix 1](#). The board has decided not to implement our recommendation to hold more committee meetings in public, see paragraph 101.

# Part 2

## Financial management



### Main judgements

NHS Lanarkshire has effective financial management arrangements in place. NHS Lanarkshire met all its financial targets for 2018/19 and achieved an underspend of £0.288 million against its revenue resource limit.

NHS Lanarkshire did well to exceed its savings target of £25.821 million during the year. It exceeded its target, making £28.762 million of efficiency savings. This allowed the board to put in place additional winter capacity and fund community IT implementation costs, whilst meeting its revenue target.

Effective internal control systems operated throughout the year.

Financial management is about, sound budgetary processes, delivery of financial plans, and operating effective internal controls over financial systems.

### Financial performance in 2018/19

31. NHS Lanarkshire, as required by statute, has to work within the resource limits and cash requirements set by the Scottish Government Health and Social Care Directorates (SGHSCD) annually. As illustrated in [Exhibit 4](#), the board operated within all limits during 2018/19.

### Exhibit 4

#### Performance against resource limits in 2018/19

Performance against resource limits set by SGHSCD	Resource Limit £m	Actual £m	Underspend £m
Core revenue resource limit	1,272.215	1,271.927	0.288
Non-core revenue resource limit	24.370	24.370	0
<b>Total revenue resource limit</b>	<b>1,296.585</b>	<b>1,296.297</b>	<b>0.288</b>
Core capital resource limit	20.440	20.440	0
Non-core capital resource limit	0	0	0
<b>Total capital resource limit</b>	<b>20.440</b>	<b>20.440</b>	<b>0</b>
<b>Cash requirement</b>	<b>1,381.868</b>	<b>1,381.868</b>	<b>0</b>

Source: NHS Lanarkshire Annual Report and Accounts 2018/19

## Capital Resource Limit (CRL)

**32.** NHS Lanarkshire's initial 2018/19 capital formula allocation of £12.392 million was supplemented by £2.661 million of central funding for theatres and the Monklands business case, £0.109 million of funding received from other boards who use the board's laundry, some minor capital receipts and a £5.278 million transfer from the board's revenue allocation. The board delivered a £20.897 million capital programme covering general business continuity and the theatres/ICU programme at University Monklands Hospital, acute property works, PSSD equipment and medical equipment. The final allocation letter was received on 15 May 2019 and this shows the final adjustment to the board's core capital allocation was made in March 2019. The final spending on the capital programme was reported to the Board in May 2019.

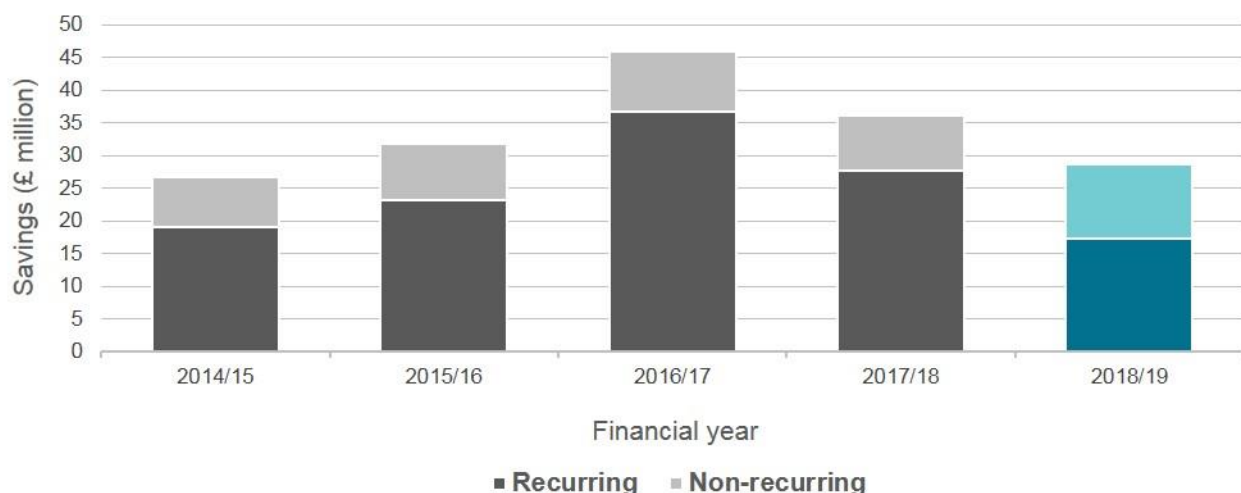
## Efficiency savings

**33.** From 2018/19 boards produced Annual Operational Plans (AOPs) which replaced Local Delivery Plans (LDPs). NHS Lanarkshire's target for total efficiency savings in 2018/19, based on what was needed to stay within RRL and deliver AOP performance trajectories, was £25.821 million (2.2% of baseline RRL). These savings are significant and the board did well to exceed its target, making £28.762 million of efficiency savings. £1.464 million of this excess achievement related to prescribing in the North Lanarkshire IJB. The remainder, together with higher in year income than expected and shallower cost growth in new drugs than initially forecast, allowed the board to put in place additional winter capacity and fund community IT implementation costs and deliver a small surplus.

**34.** £17.250 million (60%) of the total efficiency savings achieved were on a recurring basis, with the remainder (£11.512 million) achieved on a non-recurring (one off) basis. Therefore, 40% of the total efficiency savings achieved in 2018/19 were non-recurring (23% in 2017/18). The board's recurring efficiency savings target in 2018/19 was £19.236 million, which means that £1.986 million of unachieved recurring efficiency savings were carried forward into 2019/20 which increases the board's recurring funding gap.

**35.** As illustrated in [Exhibit 5](#), NHS Lanarkshire has been increasingly reliant on non-recurrent savings in recent years. In our opinion, this situation is not sustainable for the board in the longer term because this increases the board's recurring funding gap putting further pressure on finances.

## Exhibit 5 Savings – recurring and non-recurring



## Funding allocations

**36.** NHS Lanarkshire's financial plan for 2018/19 was approved at a meeting of the Board in March 2018. The 2018/19 financial plan estimated that the board would start 2018/19 with an estimated £7.247 million recurring funding gap. Historically, the board received less than its target share of funding under the NRAC formula and a parity adjustment in the 2018/19 allocation would reduce this gap to £3.580 million. The 2018/19 financial plan highlighted that costs of existing services were forecast to rise by £47.551 million during the year.

**37.** The 2018/19 financial plan made reference to the fact that the ending of the public sector pay cap would make it more challenging for the board to maintain financial balance. Specifically, it highlighted that, in line with Scottish Government guidance, a planning assumption had been used that additional funding will be received later in the year to cover all but the first 1% of the Agenda for Change (AFC) pay deal once agreed. The board expected to receive £25.310 million of additional income through a 1.5% funding allocation uplift and central funding towards the AFC pay deal.

**38.** NHS bodies receive allocation letters throughout the year with funding often ring-fenced for specific purposes. Our audit work confirmed that the funding the board received from the Scottish Government throughout 2018/19 has been accounted for in the correct year. The finance report presented to each meeting of the NHS Lanarkshire Board includes an analysis of the movements in the board's RRL between the prior month end and the current month end. However, we highlighted in our 2018/19 Management Report (April 2019) that due to the fact that the Board meets every two months rather than monthly, there are movements in the RRL in the month after the last finance report that are not highlighted to the Board. The board agreed to amend the finance report to include all movements in the RRL since the previous finance report. This provides Board members with sufficient detail on the nature of changes to the board's funding allocation as a description is provided for each change to the funding allocation along with the monetary values.

## Budgetary processes

**39.** We reviewed NHS Lanarkshire's budgetary processes and budget monitoring arrangements. From our review of budget monitoring reports, review of committee papers and attendance at committees we confirmed that senior management and Board members receive regular, timely and up to date financial information on the board's financial position. The budget monitoring reports presented to each Board meeting clearly show the extent of the board's reliance on non-recurring savings and the content and format of the reports allow members to perform their scrutiny role.

**40.** The 2018/19 Internal Audit Annual Report presented to the Audit Committee meeting on 4 June 2019, highlights that the board's financial governance arrangements were assessed as 'Good' which is the highest assurance rating given by internal audit. This means that there is an adequate and effective system of risk management, control and governance to address risks to the achievement of objectives.

**41.** We concluded that NHS Lanarkshire has effective budgetary monitoring and control arrangements that allow both members and officers to carry out effective scrutiny of the board's finances.

## Systems of internal control

**42.** As part of our audit we identify and inspect the key internal controls in those accounting systems which we regard as significant to produce the financial



statements. Our objective is to gain assurance that NHS Lanarkshire has sound systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

**43.** Our findings were included in a management report presented to the Audit Committee on 4 June 2019. We identified no significant control weaknesses from our 2018/19 interim audit work. We reported that a small number of control weakness reported by us in previous years remain, and as a result we carried out additional audit testing in two specific areas to gain the necessary audit assurances on aspects of the financial statements. We selected a sample of employees to verify that they were valid employees of the board and we substantively tested a sample of journals to ensure they were raised for a valid reason in the normal course of business for NHS Lanarkshire. No issues were identified from this additional testing. As a result, we concluded that these weaknesses have not had an impact on the financial statements.

## Shared systems

**44.** The NHS in Scotland procures a number of service audits each year for shared systems: NHS National Services Scotland (NSS) procures service audits covering primary care payments and the national IT contract; and NHS Ayrshire & Arran procures a service audit of the National Single Instance eFinancials service.

**45.** As your external auditor we have considered the content of these service auditor assurance reports. There are no significant findings to draw to your attention.

## Information security controls

**46.** The board experienced an incident, where it had been alleged that patient data had been inappropriately accessed by a former employee. An internal review, published in February 2019 in the form of a Significant Adverse Event Report (SAER), noted that the details of a small cohort of patients had been inappropriately accessed through the board's Radiology Information System (RIS). A number of recommendations were included in the SAER.

**47.** The board's Director of Information and Digital Technology explained that, in common with all Scottish territorial NHS boards, NHS Lanarkshire has deployed the Fairwarning system that is designed to safeguard patient data by identifying occasions when employees are accessing patient records without a legitimate clinical requirement. The current licencing limitations of Fairwarning mean that local decisions must be made about which systems and potential "breach scenarios" are monitored in each board. The initial implementation in NHS Lanarkshire concentrated on introducing these information protection controls to the three systems with the widest deployment throughout the board (TrakCare, the Clinical Portal, and the Emergency Care Summary). To date only the detection of the three simplest breach scenarios have been implemented (self checking, family checking, and potential neighbour snooping). Management report that the procedures in place to monitor and act on the potential breaches identified by this configuration operate effectively, within current resource limitations.

**48.** It is clear that neither the system nor the specific breach scenario at the centre of this incident are covered by NHS Lanarkshire's current configuration of Fairwarning. While considering this incident, the board has recognised that it is now necessary to increase the level of information assurance provided by Fairwarning. The task of identifying which additional systems and breach scenarios should be included, and identify any supporting process improvements, has been delegated to the recently formed Fairwarning Project Group (February 2019), chaired by the Director of Information and Digital Technology. It is too early to comment on the effectiveness of this new group, or the operation of any control improvements that it introduces.

# Part 3

## Financial sustainability



### Main judgements

**NHS Lanarkshire has effective financial planning arrangements in place.**

**NHS Lanarkshire exceeded its savings target in 2018/19 but to achieve financial balance in 2019/20 savings required currently stand at £17.974 million or 1.5% of RRL. Some of these efficiency savings have yet to be identified. The board's reliance on non-recurring savings is not sustainable in the future.**

**In the medium to longer term there is considerable uncertainty on the board's financial position due to EU withdrawal and the impact of New Financial Powers on budgets. In the absence of scenario planning or modelling the board will find it difficult to manage its finances effectively.**

**NHS Lanarkshire is finding it difficult to recruit staff and relies on temporary or agency staff to fill gaps. The rising costs of temporary staff are adding to the financial pressures facing the board. Our review of the board's use of temporary staff identified that the board has mechanisms in place to monitor and challenge the use of temporary staff at all levels. The board has had some success in reducing the number of agency staff used in one of its acute sites. Improvement actions are ongoing to make reductions across the board.**

**The findings of an independent review into the board's public consultation on its plans to either replace or refurbish University Monklands Hospital (MRRP), which was commissioned by the Cabinet Secretary for Health and Sport, have yet to be published. Estimates provided to the board show that delays to the delivery of MRRP will add between £1.5 million and £3 million per month to the overall project cost. This may have a significant impact upon the board's future plans for its property estate given the level of backlog maintenance.**

Financial sustainability looks forward to the medium and long term to consider whether the board is planning effectively to meet its services demands.

### Financial planning

**49.** The pressures facing the NHS continue to intensify. NHS Lanarkshire's financial plan for 2019/20 was approved at a meeting of the Board in March 2019. The financial plan estimated that the board would start 2019/20 with an estimated £7.389 million recurring funding gap. Historically, the board received less than its target share of funding under the NRAC formula and a parity adjustment in the 2019/20 allocation will reduce this gap to £5.189 million.

**50.** Although the 2019/20 financial plan notes that the board's baseline recurring revenue allocation will receive an uplift of £29.750 million, it also highlights that funding unavoidable pay, price and drug increases on a recurring basis will take a minimum of £22.214 million more than the recurring budget available and will have to be covered from efficiencies.

**51.** Efficiency savings play a crucial part in filling funding gaps. NHS Lanarkshire needs to achieve efficiency savings of 1.5% of baseline RRL (£1,169.5 million) in

2019/20. This is equivalent to a saving of £17.974 million, of which £13.659 million of savings need to be found from non-IJB (rest of health) budgets. Savings required from the North Lanarkshire IJB budget are £2.475 million and from the South Lanarkshire IJB budget are £1.840 million. The 2019/20 financial plan highlights that savings schemes totalling £15.592 million have been identified with £9.265 million (59%) planned to be on a recurring basis and £6.327 million being achieved on a non-recurring basis. The remaining £2.382 million of the total efficiency savings required have yet to be identified for 2019/20.

**52.** The financial plan also highlights that, based on previous performance in achieving efficiency savings, there is confidence that the remaining £2.382 million savings gap will be closed. However, delivering a further £12.718 million of savings on a recurring basis from the start of 2020/21 is an extremely challenging financial position.



### Recommendation 3

**The board should ensure that savings plans are developed identifying how the remaining £2.382 million of savings in 2019/20 will be made.**

**53.** Following confirmation of its 2019/20 funding allocation, the board's draft 2019/20 AOP was presented to the Planning, Performance and Resources Committee (PPRC) in April 2019. Discussions took place between officers and representatives at the Scottish Government throughout May 2019 to review the AOP content and agree where further action was required. The final draft AOP was approved at the Board meeting on 29 May 2019 and reflects the Scottish Government's assurance to provide the board £10.3 million of funding to support delivery of the waiting times targets, with the potential of an additional £2.2 million of funding following a review of board performance in September 2019.

## Changing landscape for public financial management and medium to long term financial planning

**54.** Scottish public finances are fundamentally changing, with significant tax-raising powers, new powers over borrowing and reserves, and responsibility for some social security benefits. A new Scottish budget process has been introduced, which is based on a year-round continuous cycle of budget setting, scrutiny and evaluation. As part of the new budget process, the Scottish Government published an initial five-year Medium-Term Financial Strategy (MTFS) in May 2018. The five-year outlook for the Scottish budget, set out in the MTFS, provides useful context for bodies' financial planning.

**55.** In October 2018, the Cabinet Secretary for Health and Sport announced that from 2019/20, all territorial boards will be able to exercise flexibility up to 1% of the board's core revenue resource funding, with a requirement to break even every three years.. Three year health service budgets represent a significant step forward, to enable the board to think beyond a single year towards its longer term challenges. The Scottish Government issued guidance on three year financial planning and performance for 2019/20 onwards to health boards in February 2019.

**56.** We reviewed the financial planning arrangements of NHS Lanarkshire and assessed the extent to which they identify and address the risks to financial sustainability across the medium and long term.

**57.** The board's 2019/20 financial plan includes a forecast of the financial position for a further 2 years, i.e. 2020/21 and 2021/22. This shows a "reasoned estimate" of uplifts to existing budgets in future years based on 2019/20 RRL allocations of 2.5% but also includes scenario planning for the budget gap if the uplift differs to that used in the modelling. On current estimates, the budget gaps for 2020/21 and 2021/22 are £31.689 million and £65.154 million respectively on a 2.5% allocation

increase. Scenario planning shows that the budget gaps for 2020/21 and 2021/22 would increase to £43.682 million and £101.613 million respectively with a 1.5% allocation increase, and would reduce to £29.290 million and £57.833 million respectively with a 2.7% allocation increase. The savings required in 2020/21 and beyond have yet to be identified by the board to demonstrate how the three year breakeven target is to be achieved.

**58.** In recent years the board has had a good track record in achieving its savings targets. Many of the 'easier' savings opportunities have already been realised by the board and the achievement of future savings targets will involve difficult decisions and a fundamental reassessment of the organisation's operating model. It is unlikely that the board will be able to deliver savings of this scale in isolation and will need to work with partners and stakeholders to take these challenges forward.

**59.** The board's view is that it will wait until the national and regional financial frameworks are published, before developing a detailed medium to long term financial plan. When the Scottish Government's funding plans are clearer, it will progress a plan which will include scenario planning and modelling (e.g. impact of EU withdrawal).



#### Recommendation 4

**The board should develop a more detailed medium to long term financial plan from 2020/21, to include scenario planning of key financial assumptions.**

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**60.** The 2019/20 capital plan was due to be considered by the Board in March 2019 but was deferred to the May 2019 meeting of the Board. This was to allow a more in depth consideration of the University Hospital Monklands (Monklands) business continuity risks arising from the delay of the Monklands Replacement Refurbishment Project (MRRP). See paragraph 64. The 2019/20 financial plan update report presented to and approved by the Board in May 2019 included the capital plan for 2019/20 to 2021/22 which had been produced following a review by the board's Capital Investment Group and had been discussed with the SGHSCD finance department.

**61.** As highlighted in paragraph 39, the finance report presented to each meeting of the Board includes an analysis of the movements in the board's RRL between the prior month end and the current month end. However, we highlighted in our 2018/19 Management Report (April 2019) that due to the fact that the Board meets every two months rather than monthly, there are movements in the RRL in the month after the last finance report that are not highlighted to the Board. The board agreed to amend the finance report to include all movements in the RRL since the previous finance report. This provides Board members with sufficient detail on the nature of changes to the board's funding allocation as a description is provided for each change to the funding allocation along with the monetary values.

### Asset management

**62.** NHS Lanarkshire is required to manage its hospitals, community buildings and other assets, (e.g. medical equipment) effectively to ensure patients receive high quality care.

**63.** NHS Lanarkshire's Property and Asset Management Strategy 2017-2022 (PAMS) provides information on the condition of the board's estate (i.e. buildings). The 2018/19 PAMS Annual Update Statement highlights that:

- The investment needed to bring the estate back to an acceptable condition (backlog maintenance costs) is £44.8 million (£42.8 million in 2017/18). The

majority of these costs (£32.6 million) are attributable to University Hospital Monklands.

- There is a comprehensive risk-based Monklands Business Continuity (MKBC) programme aimed at ensuring critical building services are renewed or repaired to ensure continuity of clinical services, pending completion of the outline business case for a refurbished or replaced University Hospital Monklands (MRRP).

**64.** Our 2018/19 Annual Audit Plan highlighted that, in November 2018, the Cabinet Secretary for Health and Sport announced that an independent review of the public consultation process on the MRRP would be undertaken. We noted that there was a risk that the independent review of the MRRP consultation process may delay the board's investment plans and lead to increased backlog maintenance and impact on the quality of the board's property estate. As a result, we planned to review any PAMS related reports and also consider outcome of the independent review of MRRP consultation exercise which was due to be reported to the Cabinet Secretary by the end of May 2019. The findings have yet to be published.

**65.** We noted that an update report on the MRRP was presented to the meeting of the Board in March 2019 which highlighted that the MRR Project Board met in March 2019 to consider the impact on programme and cost associated with the independent review. In addition, the report stated that the Outline Business Case cannot now be completed in 2019 and that this delay meant that future inflation would now add some £1.5 million per month to the overall project cost. In early March 2019, the asset management and construction consultants employed by the board in relation to the project provided a more detailed assessment of the estimated costs which will be incurred as a result of the delay. This highlighted that the delay will add between £1.5 million (best case scenario) and £3 million (worst case scenario) per month to the overall project cost. This may have a significant impact upon the board's future plans for its property estate given the level of backlog maintenance.

**66.** We will report on the outcome of the independent review of the MRRP consultation process as part of our 2019/20 audit.

## Workforce planning

**67.** The board depends on having the appropriate number of staff, in the right place, with the appropriate skills. The NHS Lanarkshire Workforce Plan 2017-2020 (approved in August 2017) recognises that the board's future workforce must be based on a robust availability, adaptability and affordability model. In order to address these workforce challenges, the board continues to develop and implement an annual Everyone Matters: 2020 Workforce Vision Implementation Plan. The board's updated Workforce Plan is due to be presented to the Board in August 2019.

**68.** NHS Lanarkshire is facing significant challenges in recruiting and retaining staff with turnover rates increasing (6.3% at March 2013 to 8.2% at March 2018). The NHS Lanarkshire Workforce Plan 2017-2020 Progress Report was presented to the Board in August 2018 and highlighted that, as at 31 March 2018, the board's workforce had increased by 145.8 WTE to a total of 10,791.9 WTE staff in post. Although most staff groups did show an increase in workforce, the main increases were in nursing and midwifery and other therapeutic job families.

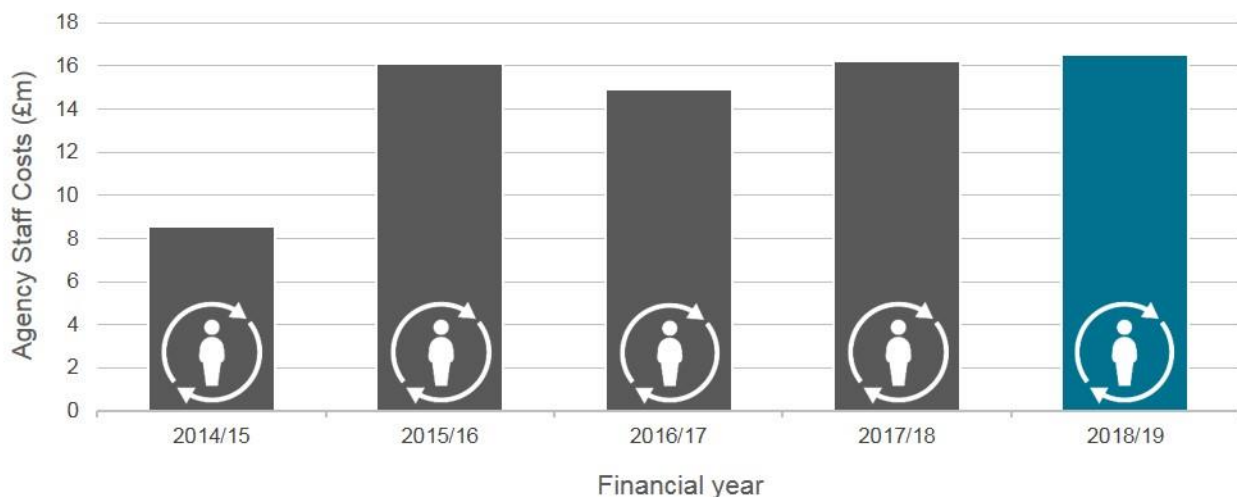
**69.** Specific workforce challenges include an ageing workforce. At 31 March 2017 almost 39% of the workforce was aged 50 or over and this is set to rise by 2025 when the board will have an older workforce and a higher volume of retirements year on year. The Workforce Update Report presented to the PPRC in April 2019 highlights that, as at 31 December 2018, the board had 11,059.3 WTE staff in post and the total WTE staff vacancy rate was 4.3%, which is within the board's vacancy tolerance rate of 6%. However, the report notes that were two staff groups within the board that exceeded the vacancy tolerance rate at December 2018, namely medical (10.3%) and support services (17.1%).

**70.** The Workforce Update Report at 31 December 2018 also highlights that medical staffing continues to present a challenge for recruitment. The board has been successful in recruiting for consultant vacancies in emergency medicine and child & adolescent psychiatry. However, the board has been unsuccessful in consultant vacancies in urology and general adult psychiatry.

**71.** Although there are also some recruitment challenges within nursing (specifically the North Lanarkshire IJB), in 2018 the board recruited a high volume of newly qualified nursing staff from University of the West of Scotland (circa 130 WTE). The board has initiated a number of proactive measures to extend and enhance advertising through joint working with New College Lanarkshire to introduce access to nursing employment as an integral component of their health and care related course.

**72.** As a result of workforce pressures whilst the board strives to meet waiting time targets, expenditure on agency staff has increased over the last five years (with the exception of a slight reduction in 2016/17) as illustrated in [Exhibit 6](#). Although temporary staff provide flexibility in the short term it comes at a cost with spending on temporary staff increasing from 1.8% in 2014/15 to 3.1% in 2018/19.

## Exhibit 6 Agency staff costs



Source: NHS Lanarkshire Annual Report & Accounts 2014/15 to 2018/19

**73.** Although the board has taken measures to reduce its reliance on agency staff, agency staff costs increased slightly from £16.219 million in 2017/18 to £16.530 million in 2018/19. The board is continuing to look at ways of reducing its reliance on agency staff.

**74.** As part of our 2017/18 audit we undertook a review of the board's arrangements for using temporary staff in its three acute hospitals. We identified areas of good practice in the use of temporary staff as well as a number of areas where improvements could be made. Overall we concluded that the board has appropriate mechanisms in place to monitor and challenge the use of temporary staff at ward level, site level and senior management level. However, our review also found that there is limited evidence that good practice in the management of temporary staff is being identified at a high level and shared across the three acute sites. We included a number of improvement actions in our report.

**75.** Our findings were reported to the Audit Committee in September 2018 and the board developed an action plan to address the recommendations to improve current practices. In March 2019 the Audit Committee received an update which

demonstrated all improvement actions had been considered and addressed as considered appropriate in the board.

**76.** NHS Lanarkshire like most NHS boards is continuing to find it difficult to achieve the national performance standard of 4% for sickness absence despite measures to maximise attendance at work. As at March 2019 the sickness absence rate was 5.87% compared to 5.65% at March 2018. As part of our review of temporary staffing in 2017/18, we identified that action is being taken by the board to address this issue, including return to work interviews being held by a senior member of staff to ensure a higher profile of sickness absence monitoring and managers are being encouraged to challenge frequent absences.

## EU Withdrawal

**77.** There remains significant uncertainty surrounding the terms of the UK's withdrawal from the European Union (EU). EU withdrawal will inevitably have implications for devolved government in Scotland and for audited bodies. It is critical that public sector bodies are working to understand, assess and prepare for the impact on their business in three broad areas:

- Workforce – the extent to which potential changes to migration are likely to affect the availability of the people and skills needed to deliver services.
- Funding – the extent to which potential changes to existing EU funding programmes are likely to affect the finances of public bodies and the activity that such funding supports.
- Regulation – the extent to which potential changes to EU regulations are likely to affect the activities of some public bodies.

**78.** We noted that the board has carried out the following work to prepare for and address EU withdrawal:

- Risk register - the risk of the board not being in full operational readiness for EU withdrawal and the impact that may have on the board's ability to continue to deliver healthcare services, is included in the board's corporate risk register. The risk register is reviewed by the Corporate Management Team (CMT) on a monthly basis, approved at each PPRC meeting and then discussed at each Audit Committee meeting, most recently the June 2019 Audit Committee meeting. The risk level is currently set at "High" and the board has a number of mitigating controls in place. These mitigating controls range from implementation of Scottish Government guidance and completion of checklists, communication and implementation of the "settled scheme" for staff who are EU citizens, communication plan through Human Resources on supporting and communicating with EU staff, establishing a short life working group and taking a collaborative approach with other West of Scotland NHS Boards to work together to address the risks/impact of EU withdrawal.
- Board awareness – the most recent EU withdrawal preparations update reports were presented to Board meetings held on 30 January and 27 March 2019. The March 2019 update report provided Board members with details of the work being undertaken by officers at both an operational level and a corporate level. The report highlights that:
  - The CMT endorsed a move from a preparation posture to full response mode, through the activation of a live incident and putting in place command structures to manage this.
  - A decision to move to a live incident was discussed at the CMT meeting on 4 March 2019, and it was decided to await the outcome of the various Parliamentary votes before making a decision to move to a live command structure. This is kept under review on a weekly basis.

- Two workshops have been held, the first to share known risks, and the second workshop held on 4 March 2019 was a full afternoon exercise to replicate the command structure and test the communication flow between operational, tactical and strategic command structures.
- Contingency planning – at the March 2019 meeting of Audit Committee, the Director of Finance advised non-executive members that key staff from the board had attended a Scottish Government run session which sought to introduce procedures for managing EU withdrawal issues. Staff were given roles that were colour coded and helped staff gain a greater understanding of the mechanism in place should any eventualities arise that need to be addressed.

**79.** It is evident that the board is liaising with the Scottish Government and is taking action on the advice provided on the planning and preparation required for EU withdrawal. The corporate risk register is reviewed by the CMT on a monthly basis and was most recently reviewed in May 2019, demonstrating that the board is reviewing the situation regularly to ensure it is prepared for EU withdrawal. The number of mitigating controls the board has in place in relation to this risk indicates that the board has considered the possible impact of the EU withdrawal on its ability to deliver healthcare services. Board members are also updated regularly on the preparation work being undertaken by officers.

**80.** The board, in common with all other Scottish health boards, has not been holding increased stocks of drugs or medical equipment as a consequence of EU withdrawal. Drugs and medical equipment stock levels are being managed nationally.

### Dependency on key suppliers

**81.** The impact of a failure or collapse of a key supplier can be significant to an organisation and can result in either delays or non-completion of major contracts or, disruptions in the continued provision of vital services. This has brought into focus the risk of key supplier failure and the risk of underperformance in suppliers that are experiencing difficult trading conditions.

**82.** The board has undertaken an exercise to identify key suppliers, both in relation to EU withdrawal and more generally. In November 2018 the board developed and implemented an enhanced healthcare waste resilience plan as a result of an emerging threat to the NHS in England and which crystallised in Scotland when the healthcare waste management company used by the board ceased to trade in December 2018. The board's contingency arrangements were invoked to ensure there was no significant impact on the board's service delivery and clinical waste interim arrangements and instructions were sent to all NHS Lanarkshire staff.

**83.** The board's Head of Procurement is working closely with colleagues in NHS National Procurement and the Scottish Government to ensure that it identifies key suppliers at a local level. Although the main focus is related to the impact of EU withdrawal, the board also has arrangements in place to manage issues arising from non-EU withdrawal related circumstances. We have concluded that the board has good arrangements in place for responding to emerging risks in relation to reliance on key suppliers.



# Part 4

## Governance and transparency



### Main judgements

**In May 2018 the Board approved NHS Lanarkshire's Quality Strategy 2018-2023: The Quality Approach to Achieving Excellence, to support achievement of the board's healthcare strategy.**

**NHS Lanarkshire has effective governance arrangements in place that support good governance and accountability. Governance arrangements are being strengthened further through an action plan developed through a self assessment against the NHS Scotland Corporate Governance Blueprint.**

**The board's executive and non-executive members demonstrate effective leadership, challenge and scrutiny of the board's activity and performance.**

**In 2017 NHS Lanarkshire experienced two cyber attacks which caused disruption to services. In response IT security has been strengthened. The board achieved Cyber Essentials accreditation in September 2018 to provide reassurance over the security arrangements and has an action plan in place to work towards achieving Cyber Essentials Plus accreditation.**

**Both North Lanarkshire and South Lanarkshire IJBs completed national self-evaluation submissions which were sent to the Scottish Government by the required deadline and approved by the Board in May 2019.**

Governance and transparency is concerned with the effectiveness of leadership and decision-making scrutiny and governance arrangements, and transparent reporting of financial and service performance.

### 2020 Vision

**84.** NHS Lanarkshire developed a strategic health planning framework to gain a shared understanding of the actions required to achieve the Scottish Government's 2020 Vision. The vision for health and social care is that by 2020 everyone is able to live longer, healthier lives at home or in a homely setting. The board has identified four strategic aims to achieve this vision, which are set in the context of delivering a healthier future for all and establishing a quality driven organisation that delivers these aims. 'A Healthier Future 2012-2020' sets out how the board will achieve a quality driven organisation. The board's healthcare strategy, 'Achieving Excellence' builds on this and was approved by the Cabinet Secretary in April 2017.

**85.** The board's Transforming Patient Safety and Quality of Care Strategy Implementation Plan for 2017/18 was approved by the Healthcare Quality Assurance and Improvement Committee in July 2017 and supports the on-going implementation of A Healthier Future 2012-2020. The progress of this implementation plan is monitored regularly by the Healthcare Quality Assurance and Improvement Committee, the minutes of which are taken to meetings of the Board. In addition, Quality Assurance and Improvement Progress Reports are regularly presented to Board meetings. In May 2018 the Board approved NHS Lanarkshire's Quality Strategy 2018-2023: The Quality Approach to Achieving Excellence and regular reports are presented to Board meetings to update

members on progress with the implementation of the Achieving Excellence programme.

## Leadership in the board

**86.** NHS board chief executives and senior teams are responsible for the delivery of critical day-to-day services as well as leading the changes to how services are accessed and delivered in their boards. This places significant demands on senior leadership teams.

**87.** We noted that the board has had a stable senior officer structure in place in recent years and although some senior officers retired in 2018, These posts were all recruited to promptly. In addition, there have been no significant changes to non-executive Board membership, with only two new non-executive members being appointed in 2018/19 to replace scheduled non-executive member departures. We have reviewed the skills and capacity in the board's finance function and we have no concerns to highlight.

**88.** Feedback from NHS Education for Scotland to the Sharing Intelligence for Health and Care Group in December 2018 highlighted that NHS Lanarkshire's senior leadership team has established a culture that prioritises patient safety and that values postgraduate medical education and training as an integral component of clinical governance.

**89.** We have concluded that the board's executive and non-executive members demonstrate effective leadership and scrutiny of the board's activity and performance.

## Governance arrangements

**90.** The Board of NHS Lanarkshire is supported by a number of committees and a sub-committee (including Planning, Performance & Resource Committee, Healthcare Quality Assurance and Improvement Committee, Audit Committee, Staff Governance Committee, Reference Committee (Discipline), Remuneration Sub-Committee, Acute Governance Committee and the Population Health, Primary Care & Community Services Governance Committee). The minutes of committee and sub-committee meetings are presented to each meeting of the Board as and when available. In addition, minutes from meetings of North Lanarkshire IJB and South Lanarkshire IJB are presented to Board meetings as appropriate. Non-executive Board members are also members of selected committees and are represented at both IJBs.

**91.** We concluded that the board's arrangements are appropriate and adequate in that they support good governance and accountability. Board members provide adequate scrutiny and challenge at regular bi-monthly meetings to ensure the Board's performance is effectively reviewed.

**92.** In addition, through our attendance at Audit Committee meetings we concluded that committee papers were well prepared (and in sufficient time of advance of meeting for review), adequate time was allowed to discuss the issues on the agenda and committee members were well-prepared and asked appropriate questions. This enables the Audit Committee to exercise effective scrutiny.

**93.** At the January 2019 meeting of the Board a report was presented which provided an update on the work being undertaken by officers in response to the NHS Scotland Corporate Governance Blueprint which was published in October 2018. The NHS Scotland Corporate Governance Blueprint advocated that NHS boards should annually assess the effectiveness of the corporate governance system, conducting a self-assessment to review progress, and develop an action plan, identifying any new and emerging issues or concerns.

**94.** NHS Lanarkshire piloted a self-assessment survey, which was completed by executive and non-executive Board members in January 2019 and the responses

were collated and used to shape discussion at the Board Development Day held in early March 2019. Non-executive Board members were also invited to complete the checklist for NHS non-executive members, contained within Audit Scotland's [NHS in Scotland 2018](#) report, to inform this process.

**95.** A Corporate Governance Improvement Plan was developed and presented to the Board on 27 March 2019, and identified areas for improvement discussed at the Board Development Day. The areas for improvement include streamlining the overall mission, purpose and objectives of the board onto a strategy map and reviewing the key strategic planning processes of the board and the IJBs. The corporate governance report and associated improvement plan were submitted to the Scottish Government by the end of April 2019 and an update on the progress of the improvement plan will be provided to each meeting of the Board.

### Non-executive Board member support

**96.** We were advised that officers at the board are currently reviewing the induction process for new Board members to ensure it reflects current practice. However we noted that, for the two new non-executive Board members appointed in September 2018, the board followed the Scottish Government guidance (Induction Approach - April 2018) in planning and delivering the induction programme. This involved providing source material in a pack or by way of website links covering legislation, key performance material (Integrated Performance Report templates), the Local Delivery Plan, corporate objectives, codes of conduct, the board's code of corporate governance and register of interests). In addition, appointments were made for the new non-executives to meet with executive officers and have now been inducted into the patient safety walk round programme (with mentoring). The new non-executives were also encouraged to attend a wide range of Governance Committee meetings before discussing and agreeing with the Board Chair the final configuration of non-executive member portfolios.

**97.** In terms of non-executive member training, the Board chair meets non-executive members regularly to assess performance, check on training needs and discuss their personal development needs. Recent training has been provided to non-executive members in relation to on hand hygiene and officers organise use short Board development sessions every second month to address specific issues. Non-executive members are also encouraged to attend regular networking events organised by the Scottish Government, and were invited to attend a Non-Executive Directors Forum meeting in March 2019 which was facilitated by the Head of Audit and Assurance at Scott-Moncrieff.

**98.** The board has arrangements in place for ensuring the induction of new members. The induction of new members focused attention on ensuring that there was a process to be followed which ensured up to date information was available to the inductee. The board also has a training and development process in place to ensure non-executive Board members are kept up to date on current issues to allow them to scrutinise effectively.

### Openness and transparency

**99.** There is an increasing focus on how public money is used and what is achieved. In that regard, openness and transparency supports understanding and scrutiny. Transparency means that the public have access to understandable, relevant and timely information about how the board is taking decisions and how it is using resources such as money, people and assets.

**100.** There is evidence from a number of sources which demonstrates NHS Lanarkshire's commitment to transparency including the annual accountability review (where members of the public can attend. In addition, Board meetings are open to the public.

**101.** While committee meetings are held in private, the minutes of these meetings are publicly available on the board's website. We acknowledge that there is

external stakeholder representation on some committees, e.g. public representatives at Acute Governance Committee; Area Partnership Forum and Area Clinical Forum representation at committees; and external stakeholders on the Healthcare Quality Assurance and Improvement Committee. However, we recommended in our 2017/18 Annual Audit Report that more committee meetings are held in public with sensitive or confidential items held in private session. Whilst we remain of the view that the board can increase openness and transparency by holding more committee meetings in public, the board is not yet convinced of this approach though will reflect further on whether what is placed in the public domain needs expanding. Overall, we concluded that the board conducts its business in an open and transparent manner but we believe that there is an area where the board could improve current arrangements (i.e. holding more committee meetings in public).

## Internal audit

**102.** The internal audit function is provided as part of a managed service, overseen by Fife, Tayside and Forth Valley Audit and Management Services (FTF). We reviewed the board's internal audit arrangements in accordance International Standard on Auditing (UK) 610 (Using the Work of Internal Auditors), to determine the extent we could use the work of internal audit. Overall, we concluded that it operates in accordance with the Public Sector Internal Audit Standards (PSIAS) and has sound documentation standards and reporting procedures in place.

**103.** An external quality review of the board's internal audit function was carried out in 2018/19 by the Chief Internal Auditor of Midlothian Council and Scottish Borders Council. The external review was undertaken to ensure compliance with the PSIAS which require an external quality assessment of internal audit's compliance with the PSIAS at least once every five years. The review concluded that the the internal audit team fully conforms to 10 of the 13 standards and generally conforms to the remaining standards (Independence and Objectivity; Proficiency and Due Professional Care; and Quality Assurance and Improvement Programme). As a result, four actions were proposed by the external assessor, including asking for minor changes to the Internal Audit Charter, reporting of internal audit staff skills mix and introducing an annual declaration of interest by internal audit staff. These actions have been accepted by the Chief Internal Auditor with target dates ranging from the end of May to early September 2019.

**104.** To avoid duplication of effort we place reliance on the work of internal audit wherever possible. In 2018/19 we placed formal reliance on internal audit's review of key controls through their work on financial process compliance and payroll/eESS. We also considered internal audit report findings as part of our wider dimension work. The internal audit plan for 2018/19 was substantially complete at the year end, with only one draft audit report to be finalised in June 2019.

## Standards of conduct for prevention and detection of fraud and error

**105.** Audited bodies are responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption and to ensure that their affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.

**106.** The board has a range of established procedures in place designed to maintain standards of conduct, prevent and detect bribery and corruption and prevent and detect of fraud and error. These include codes of conduct for members and officers, a whistleblowing policy, a fraud, theft, bribery and corruption policy and response plan. We assessed these to ensure that they were appropriate, readily available to staff and are regularly reviewed to ensure they remain relevant and current.

**107.** We have concluded that the board has appropriate arrangements in place for the prevention and detection of fraud, error and irregularities, bribery and

corruption. We are not aware of any specific issues that we need to bring to your attention.

## National Fraud Initiative

**108.** The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise coordinated by Audit Scotland. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify 'matches' that might suggest the existence of fraud or irregularity.

**109.** NFI activity is summarised in [Exhibit 7](#) and highlights that the board has made steady progress in investigating those payroll matches issued to the board in January 2019 that were recommended for investigation. It should be noted that NHS creditors data was not included in the matches released to participating bodies in January 2019 and were only released to relevant bodies in early May 2019. As a result, NHS payroll matches are not included in [Exhibit 7](#). There is an expectation that match investigation work should be largely completed by 30 September 2019 and the results recorded on the NFI system, although it is recognised that some investigations may continue beyond this date.

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### Exhibit 7 NFI activity



**253**  
Matches



**21 high risk, 57 medium risk,  
87 low risk and 88 nil risk**  
Risk levels of matches



**44**  
Completed/closed  
investigations

Source: NFI secure website: [www.nfi.gov.uk](http://www.nfi.gov.uk) and NHS Lanarkshire Internal Audit Service

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**110.** The results of NFI activity are reported regularly to the Audit Committee by the Head of Internal Audit. We concluded that the board is proactive in investigating matches and reporting the outcomes of NFI activity.

## Cyber security

**111.** In 2017 NHS Lanarkshire experienced two high profile cyber attacks which caused disruption to services. In response to this, in 2017/18 reviewed the action taken to strengthen IT and cyber security arrangements within the board. We found that the board had strengthened its arrangements around IT security through a number of measures. These include:

- Service restructure to better align skills and expertise with business need
- Establishing risk committees in respect of Infrastructure, Information and IT Security
- Inclusion of the risk of a cyber attack on the corporate risk register along with mitigating actions
- Developing a Cyber Security Plan and Disaster Recovery pack
- Improved arrangements for applying software patches

- Increased staffing levels within the service.

**112.** The Scottish Government issued a Public Sector Action Plan (PSAP) on Cyber Resilience in November 2017 which requires all public sector bodies to carry out a review to ensure their cyber security arrangements are appropriate.

**113.** As part of the PSAP public bodies were encouraged to achieve Cyber Essentials or Cyber Essential Plus accreditation by 31 October 2018. Following a pre-assessment undertaken in early 2018, NHS Lanarkshire took the decision that it would seek Cyber Essentials accreditation. Cyber Essentials is a set of cyber security standards covering the management and operation of IT systems and services. Accreditation is obtained by performing a self-assessment against the critical criteria which is then independently reviewed by an external certifying body. The board achieved this accreditation at the end of September 2019, in advance of the required deadline. The board are now seeking Cyber Essentials Plus accreditation and the board's eHealth team has recently completed the pre-assessment exercise for this accreditation. Officers are in the process of developing a detailed action plan based on the highlighted outcomes identified in the pre-assessment exercise.

## Health and social care

**114.** There are two Integration Joint Boards (IJBs) within NHS Lanarkshire's catchment area which have now been operational for two years. These IJBs are commonly known as South Lanarkshire Health & Social Care Partnership and Health & Social Care North Lanarkshire.

**115.** The board received the relevant financial information it needed for its financial statements from both IJBs in late May 2019. As the board's draft 2018/19 financial statements had already been passed to audit, the board had to update the draft financial statements to incorporate the IJBs financial results to allow the consolidated financial statements to be audited.

**116.** Each IJB has its own performance management framework to ensure that progress against key plans, strategies and budgets are monitored routinely in order that timely action can be taken to address any performance issues. Progress is monitored by senior management, appropriate scrutiny committees, the IJB and all partners.

**117.** In 2016/17 and 2017/18, health boards and IJBs were required, as a minimum, to agree a figure for the sum set aside in respect of large hospital services to be included in their respective annual accounts. Where the required arrangements were not fully in place, IJBs were to use the budget made available as agreed by their health board partners. The Scottish Government expected that for 2018/19 annual accounts that health boards and IJBs agree a figure for the sum set aside to be included in their respective annual accounts. Data from National Services Scotland (NSS) is available to all partnerships and in the absence of a bespoke local arrangement, this information can be used to enable the preparation of accounting estimates.

**118.** The agreement in place for 2018/19 between NHS Lanarkshire and North Lanarkshire and South Lanarkshire IJBs is similar to a block contract Service Level Agreement (SLA). This means that board provides services covered within the set aside arrangements for an agreed sum which can be varied to reflect planned service changes agreed by the IJBs. The board and the IJBs worked through all agreed changes by the end of May 2019 to ensure final agreed values for inclusion within respective annual accounts. The risk of the cost of the directed services exceeding the agreed sum is borne by the board in year. As data becomes available (currently 17 months in arrears) the IJBs will be provided with an assessment of the actual costs (based on cost allocation methodology) to inform their understanding of how its use of resources will change and aid future planning.

**119.** The IJBs face financial challenges in the future as well as service delivery challenges from the new landscape. In November 2018 Audit Scotland published

[Health and Social Care Integration: Update on Progress](#), which identified that, while some improvements have been made to the delivery of health and social care services, IJBs, councils and health boards need to show a stronger commitment to collaborative working to achieve the real long term benefits of an integrated system. The report was briefly discussed at the Audit Committee meeting on 4 December 2018. The Director of Finance highlighted that, given the fact that the report had only recently been issued, there had not yet been an opportunity to meet with the Chief Officers of the IJBs to discuss how the recommendations would be taken forward on an integrated basis.

**120.** A report was presented to the Board meeting in March 2019 which provided an update on both the Audit Scotland Health and Social Care Integration report and the Scottish Government's Ministerial Strategic Group (MSG) for Health and Community Care review of integration of health and social care to highlight the local process that will be undertaken to address the findings from these reviews.

**121.** In response to the MSG direction both North Lanarkshire and South Lanarkshire IJBs completed national self-evaluation submissions and sent them to the Scottish Government by the required deadline of 15 May 2019. Both submissions were presented to the Board meeting in May 2019 for approval and the Board were requested to note that detailed action plans would be completed and submitted to the next cycle of the Population Health and Community and Primary Care Committee for oversight.

## Clinical governance

**122.** Clinical governance is the system through which the NHS works to monitor and improve the quality of the care and services they deliver. Health Improvement Scotland works to ensure that NHS boards have a clear and consistent approach to clinical governance in healthcare across Scotland. Audit Scotland's audit role is restricted to reporting on whether the board has governance arrangements that are appropriate and operating effectively, which includes the clinical governance arrangements.

**123.** Following allegations that a surgeon in another health board harmed patients for years with no systems in place to pick up his mistakes, the Cabinet Secretary for Health and Sport wrote to all chairs and chief executives of health boards in Scotland to

- seek assurance on the mechanisms in place for reviewing complaints of professional practice
- ask how they are assured of the safety and quality of the surgical practices of its employees

**124.** The responses from each health board have been published. The NHS Lanarkshire response does not identify any significant weaknesses in the current arrangements.

**125.** The Sharing Intelligence for Health & Care Group is a partnership involving Healthcare Improvement Scotland, NHS Education for Scotland, the Care Inspectorate, the Scottish Public Services Ombudsman, the Mental Welfare Commission for Scotland, Public Health and Intelligence and Audit Scotland. This group discussed NHS Lanarkshire's performance in December 2018. No significant concerns were identified in relation to the board's performance.

# Part 5

## Value for money



### Main judgements

**NHS Lanarkshire has an effective performance management framework in place which supports continuous improvement. However, the board continues to struggle to meet some key national performance targets.**

**The board continues to be proactive in seeking ways to balance the achievement of its financial targets with other national performance targets. The board has reviewed its Integrated Corporate Performance Framework and revised arrangements are in place from April 2019.**

**NHS Lanarkshire is making progress in reducing delayed discharge days, particularly in the South Lanarkshire IJB. The board and its IJB partners continue to proactively take forward the recommendations in our 2016/17 review of delayed discharges report.**

Value for money is concerned with making the best use of scarce resources. Changes to how services are delivered are required to meet future demand pressures from limited resources.

### Performance management

**126.** From 2018/19 boards were required to produce Annual Operational Plans (AOPs) which replaced Local Delivery Plans (LDPs). AOPs contain the eight key performance targets identified by the Scottish Government. LDPs contained 21 standards, while the 2018/19 AOP contains only 8 targets (7 of which were LDP standards). These targets include waiting times for accessing treatment such as the proportion of patients that were seen within 12 weeks, otherwise known as the Treatment Time Guarantee. There has been no indication from the Scottish Government that those previous LDP standards that are not continued into AOPs are diminished in importance, nor that they should no longer be reported to NHS Boards.

**127.** The Board is kept well informed of performance across all areas. The detailed review and scrutiny of performance has been delegated to the Planning, Performance and Resources Committee (PPRC) which meets quarterly. We regularly review papers received by members to find out how well the committee is scrutinising performance.

**128.** Each meeting of the PPRC receives an Integrated Corporate Performance Report (ICPR). Performance is reported on a traffic light system using an electronic dashboard of around 100 key performance indicators (including the 8 AOP performance targets for 2018/19 and 14 former LDP standards) mapped to the Scottish Government's three quality ambitions. ICPRs contain detailed information for each performance target including trend analysis, specific performance issues and actions being taken to improve performance. Board members can view the online electronic dashboard at any time.

**129.** In addition, committee members receive supplementary reports on specific aspects of performance namely waiting times and the financial position. These



enable members to focus on key risks relating to access to treatments and financial sustainability.

**130.** In September 2018 the PPRC agreed to review the Integrated Corporate Performance Framework (ICPF) with the objectives to ensure:

- ICPF remained fit for purpose and aligned to the revised Governance Committee structure to enhance the board's assurance framework
- no unnecessary reports were produced which could dilute governance arrangements and lead to an overload of paperwork, potential confusion of responsibility and possible inefficient use of scarce resources.

**131.** Subsequently, the Director of Planning, Property & Performance worked with the Board Secretary and the Strategy & Performance Manager to review the ICPF. A Board development session took place in April 2019 (after a meeting of the PPRC) during which a report was presented to Board members which provided an update on progress of the review of the ICPF. The report contained a number of revisions to the board's ICPF and recommended that a paper be considered at the Board meeting in May 2019 to shape the respective responsibilities, accountability and reporting arrangements at the board from April 2019 onwards for performance management.

**132.** We concluded that the NHS Lanarkshire has an adequate performance management framework in place helping the board achieve value for money and continually improve how it delivers services.

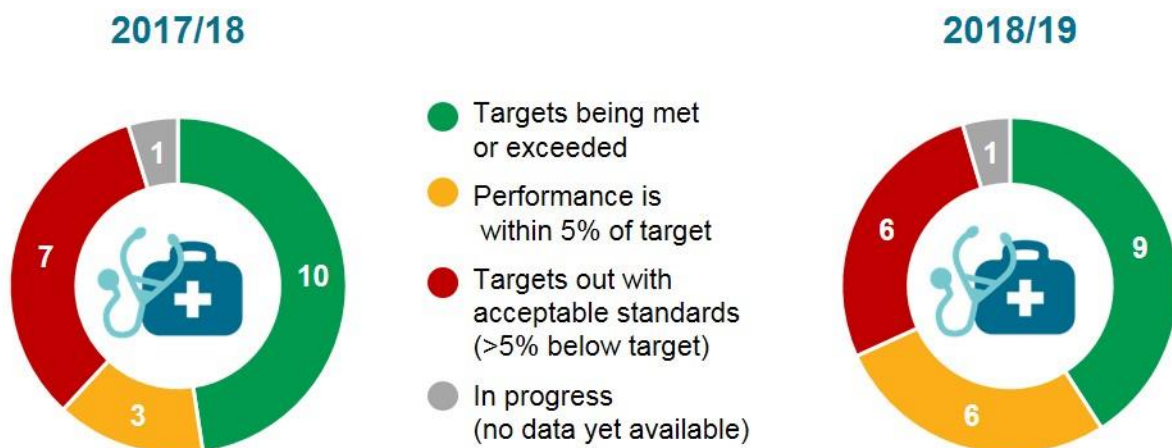
### Overview of service performance

**133.** The Audit Scotland report, [NHS in Scotland 2018](#), says that as pressure on the NHS is increasing, national performance against the eight key national performance targets declined against all eight key national targets between 2016/17 and 2017/18. NHS Lanarkshire met three national performance standards in both 2016/17 and 2017/18.

**134.** The board's own reporting of performance in 2018/19 against its 8 AOP targets and the 14 former LDP standards as reported in the annual report and accounts (where data available) is summarised in [Exhibit 8](#).

## Exhibit 8

### Overall performance against AOP targets and former LDP standards



Source: NHS Lanarkshire Annual Report & Accounts 2018/19

**135.** This shows that the majority of its targets are being met or are within 5% of target, categorised as green or amber. However, there are six targets that are outwith its acceptable standards and more details on these are provided in [Exhibit 9](#). The number of targets categorised as red has fluctuated over time from five indicators in 2016/17 it increased to seven in 2017/18 but improving performance in 2018/19 saw it fall to six indicators.

## Exhibit 9 Performance against AOP targets and former LDP standards

Target/standard		Performance at March 2019 <sup>1</sup>	Action being taken by Board
<p><b>Treatment Time Guarantee (TTG)</b></p> <p>Proportion of patients that were seen within 12 weeks TTG</p>	100%	<p>● 62.1%</p> <p>(decline from 62.6% at 31 March 2018)</p>	<p>Orthopaedics and ophthalmology remain the areas of greatest challenge for the board. Clinical urgency remains the board's priority at all times and there is a robust administrative and clinical review process in place for patients who are experiencing waits over 26 weeks. Additional capacity has been accessed as part of the board's capacity plan for 2018/19, both through internal additionality and external independent sector activity. Work is underway to provide a 24 month capacity plan.</p>
<p><b>Primary Care – Advance Booking</b></p> <p>Proportion of patients able to book an appointment with a GP three or more working days in advance.</p>	90%	<p>● 59% at March 2018</p> <p>Data is only provided biennially by national survey.</p>	<p>The biennial survey for 2017/18 was published in May 2018. While previous performance was 69.3% in 2016, demand for services has been steadily increasing at the same time as GP numbers have been falling. In seeking to manage demand, more practices have introduced same day triage requiring patients to phone up on the day they want an appointment. While this approach offers same day appointments for patients, there is limited scope for advance booking and the board cannot stop GP practices operating in this way.</p>
<p><b>Unscheduled Care – 4 Hour Compliance (A&amp;E)</b></p> <p>Percentage of patients attending A&amp;E departments to wait less than 4 hours from arrival to admission,</p>	95%	<p>● 91.7%</p> <p>(increase from 90% at 31 March 2018)</p>	<p>A number of specific actions have been progressed to improve performance including workforce redesign solutions and improvements in flow across the acute care</p>

Target/standard	Performance at March 2019 <sup>1</sup>	Action being taken by Board
discharge or transfer for accident and emergency treatment.		delivery system to health and social care. Each acute site has a detailed plan against the 6 essential actions for unscheduled care which has resulted in sustained improvement over the last 3 years. A&E services are one of the hospital services delegated to IJBs so planning for avoiding unnecessary attendances or ensuring once in hospital people are able to return to the community as soon as possible is a joint effort. An unscheduled care Board has been established encompassing the Acute Division Director and the Chief Officers of the IJB with agreed action plans for initiatives that could help to reduce this pressure. A&E attendances increased by 2.81% in 2018/19, with a cumulative rise since 2015/16 of 10.52% (19,974 additional attendances).
<p><b>Early Detection of Cancer</b></p> <p>Achieve a 25% increase in the percentage of breast, colorectal and lung cancer cases that were diagnosed at stage 1 between 2010/11 and 2014/15.</p>	<p>29.9% by Dec 2015</p> <p>● 24.9% at Dec 2017 (decline from 25.5% at Dec 2016)</p>	<p>At December 2017 the board was achieving 24.9%, a reduction on the previous year's 25.5%. The performance data relates to combined calendar years 2016 and 2017. While the target has made a very positive contribution in driving down the proportion of non-staged cancers locally and nationally, the board is of the view that the target as it is currently worded is unhelpful due to the problems with identifying progress. The board's focus around detecting cancer early and increasing stage 1 disease is on increasing informed participation in all cancer screening programmes, including cervical cancers that are not included in this national target.</p>
<p><b>18 weeks Referral to Treatment (RTT) –CAMHS</b></p>	<p>90%</p> <p>● 76.6% (increase from 71.4% at 31 March 2018)</p>	<p>This is an area where rising referrals combined with continued difficulties with staff turnover means</p>

Target/standard	Performance at March 2019 <sup>1</sup>	Action being taken by Board
Percentage of patients seen and treated within 18 weeks from initial referral.		<p>Lanarkshire has struggled to maintain performance.</p> <p>These issues are not unique to Lanarkshire and a national task force has been established to direct a programme of investment in services to support the mental health and well being for children and young people The North Lanarkshire Health and Social Care services has reviewed local services in depth and developed a longer term action plan. This includes a hub where a multidisciplinary team look at the neurodevelopmental pathway to help early intervention, improved premises, standardising on best practice in terms of return appointments for specialised treatment as well as continued initiatives to improve recruitment and retention.</p>

<p><b>Smoking Cessation</b></p> <p>Number of successful 12 weeks quits in 40% most deprived datazones.</p>	<p>965 quits by Dec 2018</p> <p>● 672 quits at Dec 2018 (in 2017/18 1,274 quits achieved against a target of 1,411)</p>	<p>A review, by the Scottish Government, of the methodology used to calculate targets at board level is currently underway. It is anticipated that the results of this review are likely to lead to a reduction in the Lanarkshire smoking cessation target for 2019/20. Meanwhile, the board is about to undertake a review to examine and consider the most appropriate models of service delivery available in the future.</p>
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Note: 1. Figures still to be validated by NHS Information Services Division. Where March 2019 data is not yet available, the most recent data is used.

Source: NHS Lanarkshire Quarterly AOP Progress Report – Quarter 4 2018/19 and NHS Lanarkshire Annual Report & Accounts 2018/19.

**136.** Based on available evidence, we concluded that the board's plans for addressing the underlying causes of poor performance are reasonable. However, the board should continue to be proactive in seeking ways to balance the achievement of its financial targets with other national performance targets.

## Best value

**137.** *Ministerial guidance to Accountable Officers* for public bodies and the *Scottish Public Finance Manual* (SPFM) sets out the accountable officer's duty to ensure that arrangements are in place to secure best value. During 2017/18 the board carried out a review of its arrangements to secure Best Value across the seven characteristics set out in guidance issued to Accountable Officers by the Scottish Government. The primary focus of the review was to look at the strategy, policy or assurance mechanism that the Board or its committees have in place to ensure the expected feature of Best Value is delivered.

**138.** On 1 April 2016 the IJBs became operational and this has been reflected in the review presented to the Audit Committee in June 2018. The 2018 review ensured that the latest position in relation to board policies, legislative changes and governance arrangements has been considered. The board now intends to formally review its arrangements for securing Best Value every three years with annual update reviews (where required) to reflect any changes to board arrangements in the interim. There were no significant changes to these arrangements that required an annual update review by officers in 2019.

## Local performance studies

### Overview of delayed discharges

**139.** In 2016/17 we undertook a review of the board's arrangements in place for managing delayed discharges and identified a number of areas where improvements could be made. With the introduction of integrated health and social care, we highlighted that the board could only reduce delayed discharges by working closely with North and South Lanarkshire IJBs. Our final report was issued to the board in September 2017 with an action plan that had been agreed by the board and its' IJB partners.

**140.** Delayed discharges is a complex area which is influenced by a number of factors including:

- The level of hospital admissions and resulting priority care needs assessments
- Availability of home care services and the speed of response where a service demand is identified
- Availability of care home placements where required
- Legal issues around discharging adults with incapacity
- Availability of other services to avoid hospital admissions or facilitate early discharge

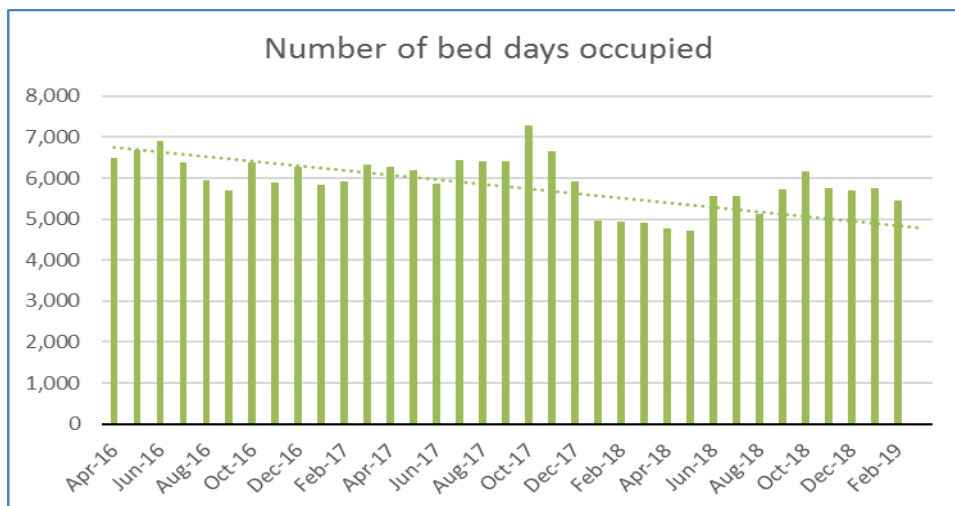
**141.** During 2018/19 we followed up our delayed discharges report to assess the progress made by the board and its IJB partners in taking forward our recommendations. Overall we found that there is a clear focus on trying to reduce delayed discharges across the three partners. Officers are acutely aware of the detrimental impact delayed discharges can have on patients both in terms of their wellbeing and future service needs.

**142.** All recommendations have been taken forward with some being completed and some revised to reflect emerging issues. The action plan is monitored by the Unscheduled Care and Delayed Discharges Programme Board. In addition, delayed discharge performance is routinely reported to the North and South IJBs and respective performance committees. Examples of actions taken to reduce delayed discharges include the introduction of discharge lounges in the 3 acute hospital sites which allows patients to vacate their beds while waiting on transport, medication, etc. required for discharge that day, dynamic daily discharge which

allows patients to be discharged without needing to see a consultant, the introduction of Acute Care of the Elderly nurses (ACE) in accident and emergency departments to provide tailored solutions for elderly patients when they present at hospital and the introduction of the frailty unit in University Hospital Monklands to manage the needs of patients considered to be frail. Generally these initiatives are in their infancy however we are advised that early indications are that they seem to be working well.

**143.** Overall, the delayed discharge statistics show that NHS Lanarkshire has made progress in reducing delayed discharges since the original review, albeit there has been varying levels of improvement. This is shown in [Exhibit 10](#) below which includes a linear trend line to show that there is a downward trend. There is a notable fall in the number of bed days occupied by delayed discharges in early 2018. This coincides with the challenging winter in 2018 which saw public appeals to avoid attendance at accident and emergency unless essential and higher mortality rates. This was considered to be a unique set of circumstances so an equivalent reduction did not occur in 2019.

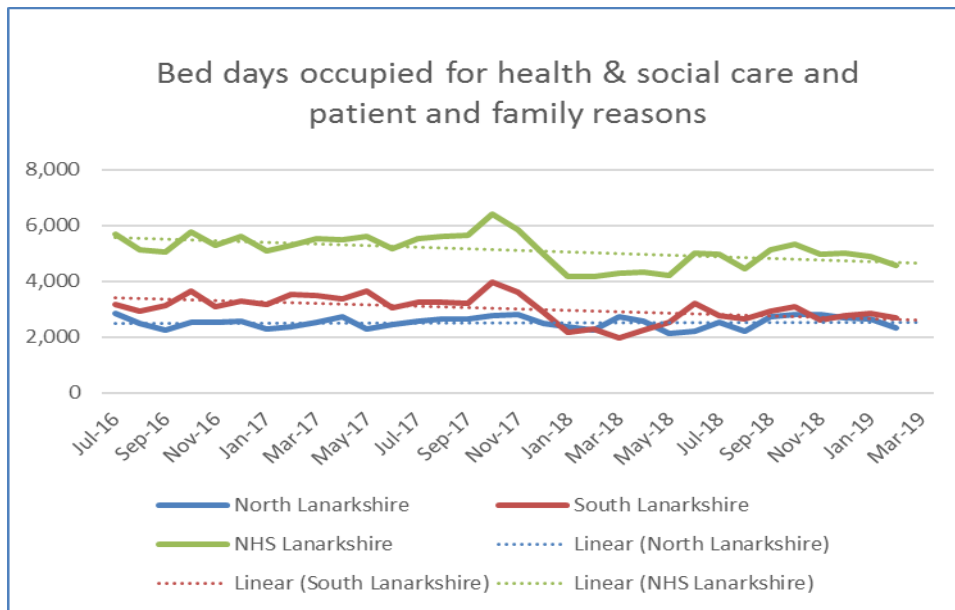
## Exhibit 10



Source: Audit Scotland using ISD data

**144.** The majority of delays are attributed to patients waiting for homecare assessments or services. This is an area that both IJBs have focussed on to reduce delays. Both North and South Lanarkshire IJBs have moved to locality-based models which sees teams within each locality in the IJB boundary being responsible for facilitating the discharge of patients and supporting patients to remain at home. This approach improves accountability for delays. South Lanarkshire IJB was the first to make this change and the impact is therefore more evident in the delays statistics for South Lanarkshire, as shown in [Exhibit 11](#) overleaf. North Lanarkshire IJB has implemented a “discharge to assess model” which sees patients discharged with a high level safety net care package in place which is subsequently followed up with a priority based full assessment at home. We are advised that the early indications are that this approach is working well. South Lanarkshire IJB started using the “discharge to assess model” in University Hospital Hairmyres six months ago covering the Rutherglen and Cambuslang localities initially. Homecare availability is currently holding up the roll-out of the model to other localities, but we are advised that this will be resolved in the near future.

## Exhibit 11

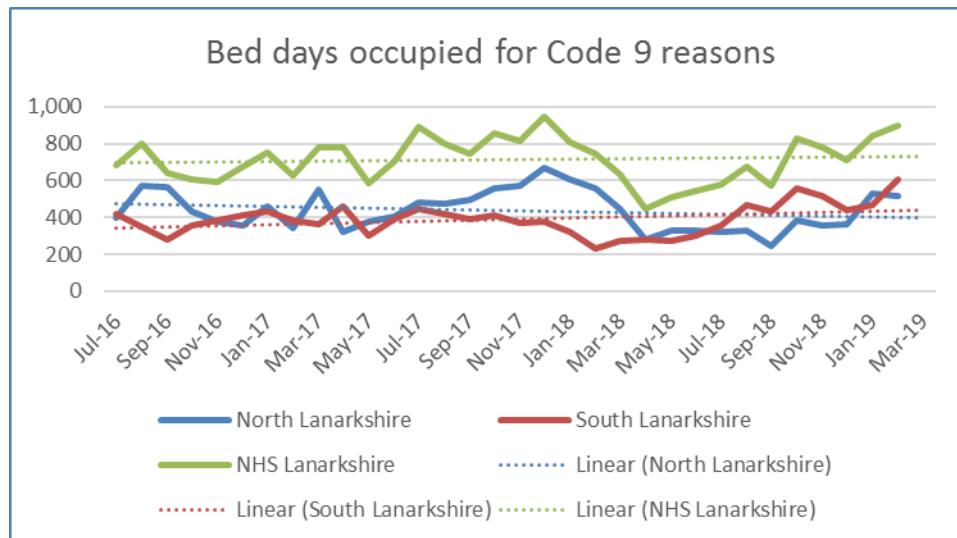


Source: Audit Scotland using ISD data

**145.** 7-day working is an ongoing challenge for health and social care services due to the complexities around employee contracts and differing service models, not least because employees are employed by one of three separate bodies. However, the implementation of true 7-day working is essential to facilitate weekend discharges and ensure that patients are not delayed purely on the basis of the day they are considered fit for discharge. Both IJBs advised that there have been instances where 7-day working has been in place but this has generally been during periods of peak demand in the winter. Notwithstanding the known challenges, this is an area where the board and its partners should work together to identify opportunities for improving 7-day working.

**146.** While there is an overall reduction in delays, the board and its IJB partners continue to face challenges around reducing the number of patients delayed who fall under the Adults with Incapacity (Scotland) Act 2000 legislation (referred to as Code 9). [Exhibit 12](#) overleaf shows that this is an area where limited progress has been made since our original review and more recent data shows that delays are increasing. South Lanarkshire IJB advised that there is a national campaign expected which they will engage with to promote the need for residents to appoint a Power of Attorney (POA) or guardian. North Lanarkshire IJB currently use the “Making Life Easier” platform to engage with those who interact with social care and there are plans to utilise this to spread the message on the importance of appointing a POA or guardian in advance of need. This should be an area of focus for the board and its IJB partners.

## Exhibit 12



Source: Audit Scotland using ISD data

**147.** Overall, the board and its partners have made some good progress in reducing delayed discharges and have implemented measures to support them in this. Both IJBs advised that the discharge of adults with incapacity continues to present challenges and there are plans for a renewed focus in this area.

### National performance audit reports

**148.** Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. In 2018/19 a number of reports were published which are of direct interest to the board and are highlighted in [Appendix 4](#).

**149.** NHS Lanarkshire has processes in place to ensure that all national performance reports and their impact on the board are considered by the Audit Committee and other governance committees, as appropriate.

**150.** During 2018/19 Audit Scotland undertook, on behalf of the Auditor General and Accounts Commission, a national performance audit in relation to the use of revenue financed capital investment (using the Non-Profit Distributing (NPD) and Hub models). As part of this audit, 9 case study projects were selected from a range of central government, health and council projects. Audit Scotland selected the NHS Lanarkshire Bundle (Wishaw, East Kilbride and Kilsyth Health Centres) project (delivered via Hub South West) as one of these case studies. The audit work took place during November and December 2018 and was undertaken by Performance Audit and Best Value (PABV) staff from Audit Scotland.

**151.** The work included a review of project documentation and meeting senior members of staff to discuss aspects of the project, including the role of the Scottish Government, Scottish Futures Trust and Hub in supporting and advising on the project. The focus of the audit was on the decision-making process to use NPD/revenue financing for the project, the implications of this and the monitoring of the project itself and the wider benefits resulting from it. The planned publication date for this national performance report is Summer 2019 and the findings from the review of the 9 case study projects will be used throughout the final report to support and illustrate Audit Scotland's findings about the national use of these schemes.



# Appendix 1

## Action plan 2018/19



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p><b>Clinical Medical Claims and CNORIS provision</b></p> <p>The board does not currently apply adjustments for inflation and discounting when calculating the structured settlement element of the provision for inclusion in the Scottish Government's national CNORIS liability.</p> <p><b>Risk</b></p> <p>The debtor position and the CNORIS provision within the financial statements is misstated.</p>	<p>The board should ensure that its 2019/20 structured settlement element of the provision is adjusted for inflation and discounting before sending to the Scottish Government for inclusion in the national CNORIS liability.</p> <p><a href="#">Exhibit 3</a></p>	<p>Agreed.</p> <p>Head of Finance – Corporate Services</p> <p>March 2020</p>
2	<p><b>Deferred Income – Research and Development Contracts</b></p> <p>Income received from research and development contracts has been incorrectly disclosed as deferred income in the financial statements instead of being disclosed as operating income.</p> <p><b>Risk</b></p> <p>The creditor position and the underspend against RRL provision within the financial statements is misstated.</p>	<p>The board should ensure that research and development contract income is correctly disclosed in the 2019/20 financial statements.</p> <p><a href="#">Exhibit 3</a></p>	<p>The board is reviewing the mechanisms for recording research and development expenditure to ensure that income is recorded in the correct financial year.</p> <p>Head of Finance - Acute</p> <p>Immediate</p>
3	<p><b>Efficiency savings</b></p> <p>For 2019/20 the board is required to deliver 1.5% (£17.974 million) savings. The board has yet to identify £2.382 million of the savings required for next year.</p> <p><b>Risk</b></p> <p>The board may not be able to deliver the targeted savings in 2019/20.</p>	<p>The board should ensure that saving plans are developed identifying how the £2.382 million of savings in 2019/20 will be made.</p> <p><a href="#">Paragraph 52</a></p>	<p>The focus and time spent on identifying future savings is being increased, starting in June 2019 with a monthly CMT dedicated to financial sustainability. In line with previous years we would aim to have identified how to resolve the residual 2019/20 gap by October 2019.</p> <p>Director of Finance</p> <p>October 2019</p>



No.	Issue/risk	Recommendation	Agreed management action/timing
4	<p><b>Medium to long term financial plans</b></p> <p>The board has yet to develop a detailed medium to long term financial plan which identifies potential risks and ensures spending decisions are affordable. Such a plan should include a range of scenarios to ensure the board is prepared for different levels of funding and income.</p> <p><b>Risk</b></p> <p>The board is not planning adequately over the medium to long term to manage or respond to significant financial risks.</p>	<p>The board should develop a more detailed medium to long term financial plan from 2021/21 as soon as the Scottish Government's funding plans are clearer and ensure that this plan includes scenario planning or modelling (e.g. impact of EU withdrawal).</p> <p><a href="#">Paragraph 59</a></p>	<p>The Board will develop its medium term plan in more detail in 2019/20, with December 2019 being a key date in understanding future funding scenarios. The Board also expects to be working on a longer term financial strategy in conjunction with developing the Monklands OBC.</p> <p>Director of Finance March 2020</p>
<b>Follow up of prior year recommendations</b>			
5	<p><b>Submission of annual report and accounts for audit</b></p> <p>The delays in receiving key sections of the 2017/18 annual report and accounts impacted on the flow of the audit and resulted in a bottleneck of audit work at the completion stage.</p> <p><b>Risk</b></p> <p>The 2018/19 annual report and accounts are not audited by the statutory deadline of 30 June 2019.</p>	<p>The board should review its process for the submission of the 2018/19 annual report and accounts for audit.</p>	<p>Achieved.</p> <p>The board identified areas where it could pull back the timetable for producing the information and the unaudited annual report and accounts were provided to the audit team by the agreed date, along with the associated working papers.</p> <p>See update at paragraph 17.</p>
6	<p><b>RTA debtor</b></p> <p>The board does not currently calculate its RTA income accrual in line with guidance issued by the Department of Health in relation to the NHS Injury Cost Recovery Scheme.</p> <p><b>Risk</b></p> <p>The debtor position and bad debt provision within the financial statements is misstated.</p>	<p>The board should ensure that the RTA income accrual is calculated and disclosed in the 2018/19 financial statements in accordance with the relevant guidance.</p>	<p>Implemented.</p> <p>The 2018/19 RTA income accrual was calculated in line with the relevant guidance.</p>



No.	Issue/risk	Recommendation	Agreed management action/timing
7	<p><b>Efficiency savings</b></p> <p>For 2018/19 the board is required to deliver 2.2% (£25.821 million) savings. The board has yet to identify £5.385 million of the savings required for next year. Of those savings identified to date, £1.344 million are considered high risk and may not materialise.</p> <p><b>Risk</b></p> <p>The board may not be able to deliver the targeted savings in 2018/19.</p>	<p>The board should ensure that saving plans are developed identifying how the £5.385 million of savings in 2018/19 will be made.</p>	<p>Achieved.</p> <p>£17.250 million (60%) of the total efficiency savings achieved in 2018/19 of £28.762 million were on a recurring basis, with the remainder (£11.512 million) achieved on a non-recurring basis. The board has reported an underspend of £0.288 million against the total RRL in 2018/19.</p> <p>Updated position reflected in action plan point 3 above.</p>
8	<p><b>Medium to long term financial plans</b></p> <p>The board has yet to develop a medium to long term financial plan which identifies potential risks and ensures spending decisions are affordable. Such a plan should include a range of scenarios to ensure the board is prepared for different levels of funding and income.</p> <p><b>Risk</b></p> <p>The board is not planning adequately over the medium to long term to manage or respond to significant financial risks.</p>	<p>The board should develop a medium to long term financial plan from 2019/20 as soon as the Scottish Government's funding plans are clearer and ensure that this plan includes scenario planning or modelling (e.g. impact of EU withdrawal).</p>	<p>Ongoing.</p> <p>The board's 2019/20 financial plan includes a forecast of the financial position for a further 2 years, i.e. 2020/21 and 2021/22. This shows a "reasoned estimate" of uplifts to existing budgets in future years based on 2019/20 RRL allocations of 2.5% but also includes scenario planning for the budget gap if the uplift differs to that used in the modelling. The board will therefore develop a detailed medium to long term financial plan from 2020/21 as soon as the Scottish Government's funding plans are clearer.</p> <p>See updated position reflected in action plan point 4 above.</p>
9	<p><b>Openness and transparency</b></p> <p>At present, committee meetings are not held in public.</p> <p><b>Risk</b></p> <p>There may be a public perception of a lack of transparency.</p>	<p>The board should consider holding more committee meetings in public in order to increase openness and transparency.</p>	<p>Not implemented.</p> <p>Minutes of committee meetings continue to be reported publicly as part of Board meeting papers. Although there is external stakeholder representation at some committee meetings, these meetings are not held in public.</p> <p>See paragraph 101.</p>



No.	Issue/risk	Recommendation	Agreed management action/timing
10	<p data-bbox="256 412 624 607"><b>Review of temporary staffing</b></p> <p data-bbox="256 461 624 607">The Review of Temporary Staffing report made a number of recommendations for improvement for the board to take forward.</p> <p data-bbox="256 629 624 763"><b>Risk</b></p> <p data-bbox="256 678 624 763">Temporary staff costs increase creating further cost pressures on the board's budget.</p>	<p data-bbox="659 412 1018 562">The board should ensure action is taken to address the recommendations made in the Review of Temporary Staffing report.</p>	<p data-bbox="1054 412 1430 441">Ongoing.</p> <p data-bbox="1054 461 1430 763">The board developed an action plan to address the recommendations to improve current practices. In March 2019 the Audit Committee received an update which demonstrated all improvement actions had been considered and addressed as considered appropriate in the board.</p>

# Appendix 2

## Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual report and accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
<b>Risks of material misstatement in the financial statements</b>		
<p><b>1 Risk of management override of controls</b></p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<p>Detailed testing of journal entries.</p> <p>Reviewed significant management estimates and evaluated the impact of any variability in key assumptions.</p> <p>Focused testing of accruals and prepayments.</p> <p>Evaluated significant transactions that were outside the normal course of business.</p>	<p>Audit testing of journal entries, accruals and prepayments was completed. We also reviewed accounting estimates and transactions for appropriateness.</p> <p>We did not identify any incidents of management override of controls.</p>
<p><b>2 Risk of fraud over income</b></p> <p>NHS Lanarkshire receives a significant amount of income from several sources other than Scottish Government funding. The extent and complexity of income means that, in accordance with ISA240, there is an inherent risk of fraud.</p>	<p>Performed analytical procedures on income streams.</p> <p>Detailed testing of revenue transactions focusing on the areas of greatest risk.</p>	<p>We undertook detailed testing of income streams.</p> <p>No frauds were identified.</p>
<p><b>3 Risk of fraud over expenditure</b></p> <p>Most public sector bodies are net expenditure bodies and therefore the risk of fraud is more likely to occur in expenditure. NHS Lanarkshire incurs significant expenditure on family health services which require audit coverage.</p>	<p>Performed walk-through testing of controls over family health service expenditure.</p> <p>Reviewed work on the follow up of National Fraud Initiative (NFI) matches.</p> <p>Obtained assurances from the Counter Fraud Service (CFS).</p>	<p>No issues were identified from our testing of the family health services expenditure disclosed in the financial statements.</p> <p>We concluded that the board is proactive in following up NFI matches.</p> <p>The Head of Internal Audit provides an update to each Audit Committee meeting in relation to the work of CFS in relation to the board and no significant issues have been highlighted.</p>

Audit risk	Assurance procedure	Results and conclusions
<p><b>4 Estimation and judgements</b></p> <p>There is a significant degree of subjectivity in the measurement and valuation of the material account areas of non-current assets and provisions. This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<p>Completed a 'review of the work of an expert' for the professional valuer.</p> <p>Reviewed information provided by the Central Legal Office (CLO).</p> <p>Focused substantive testing of provisions and non-current asset valuations.</p>	<p>We reviewed the professional valuer in accordance with ISA 500 and undertook detailed testing of key valuations within the accounts.</p> <p>We reviewed the CLO information and performed testing of provisions.</p> <p>No issues were identified with the competency of the expert advisers and no material misstatements were identified.</p>
<p><b>5 Submission of annual report and accounts for audit</b></p> <p>There were delays in receiving key sections of the 2017/18 annual report and accounts impacted on the flow of the audit and resulted in a bottleneck of audit work at the completion stage. This present into the accounts of NHS Lanarkshire in 2017/18. It is a risk that the 2018/19 annual report and accounts may not be audited by the statutory deadline of 30 June 2019 if there are delays in providing a complete set of accounts and working papers to audit.</p>	<p>The audit team met with finance officers throughout the year to agree the timetable for receipt of unaudited annual report and accounts and working papers to ensure statutory audit deadline was met.</p>	<p>The board identified areas where it could pull back the timetable for producing the information and the unaudited annual report and accounts were provided to the audit team by the agreed date, along with the associated working papers.</p> <p>See paragraph 17, we received the annual report and accounts in line with our agreed audit timetable.</p>
<p><b>6 Consolidation of health and social care costs: North Lanarkshire and South Lanarkshire Integration Joint Boards (IJBs)</b></p> <p>There was a delay in the board receiving the results of the IJBs for consolidation into the accounts of NHS Lanarkshire in 2017/18.</p> <p>There is a risk that the board is unable to meet its 2018/19 reporting timetable if similar delays are experienced this year. There is also an increased risk of errors in accuracy and disclosure.</p>	<p>Considered the timetable and process for consolidation of the group accounts.</p> <p>Considered the assurances obtained by the board's Director of Finance for the group governance disclosures.</p> <p>Agreed the consolidation adjustment was accurate and correctly disclosed.</p> <p>Confirmed that any balances relating to IJBs had been agreed by the partner bodies.</p>	<p>The 2018/19 financial results of the North Lanarkshire and South Lanarkshire IJBs were received timeously to allow them to be consolidated into the accounts of NHS Lanarkshire in 2018/19.</p> <p>We did not identify any issues in relation to the consolidation adjustment in respect of IJB balances.</p>
<p><b>7 eESS – HR/Payroll System</b></p> <p>In 2018/19 the board implemented an integrated human resources and payroll system (eESS). Changes to key systems always present an audit risk and our planning work has indicated that there</p>	<p>Reviewed and where possible, placed reliance on the internal audit work on eESS.</p> <p>Performed controls and substantive testing in relation to new starts and leavers.</p>	<p>We reviewed the internal audit work on eESS and we expanded our audit testing of employee existence to take account of the issues identified by internal audit in relation to overpayments.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>have been issues with overpayments to staff who have left the organisation or changed post due to the correct data not being input to the system timeously. As the board does not currently perform regular verification checks to confirm the existence of employees, there is a risk that overpayments to current and former employees may occur.</p>		<p>We relied on the work of internal audit in relation to testing of new starts and leavers.</p> <p>No significant issues were identified that have a material impact on the 2018/19 accounts.</p>
<p><b>Risks identified from the auditor's wider responsibility under the Code of Audit Practice</b></p>		
<p><b>8 Impact of EU withdrawal</b></p> <p>The board faces uncertainty around its funding and capacity for service delivery beyond the 29 March 2019 when the United Kingdom leaves the European Union. Work is ongoing with the Scottish Government to ensure that the board is adequately prepared but there is still significant uncertainty around the impact of EU withdrawal.</p> <p>There is a risk that the board is unable to deliver services efficiently following EU withdrawal.</p>	<p>We reviewed board's assessment of impact of EU withdrawal on its operations and the mitigating controls in relation to this risk as set out in the board's corporate risk register.</p>	<p>See paragraph 79, we concluded that the board has appropriately considered the possible impact of the EU withdrawal on its ability to deliver healthcare services. Board members are also updated regularly on the preparation work being undertaken by officers.</p>
<p><b>9 Medium to long term financial plans</b></p> <p>The board has yet to develop a medium to long term financial plan which identifies potential risks and ensures spending decisions are affordable. Such a plan should include a range of scenarios to ensure the board is prepared for different levels of funding and income.</p> <p>There is a risk that the board is not planning adequately over the medium to long term to manage or respond to significant financial risks.</p>	<p>Reviewed board's progress in developing medium to long term financial plans through discussion with officers and review of Board meeting papers.</p>	<p>The board's 2019/20 financial plan also includes a forecast of the financial position for a further 2 years, i.e. 2020/21 and 2021/22. This shows a "reasoned estimate" of uplifts to existing budgets in future years based on 2019/20 RRL allocations of 2.5% but also includes scenario planning for the budget gap if the uplift differs to that used in the modelling. The board will therefore develop a detailed medium to long term financial plan from 2020/21 as soon as the Scottish Government's funding plans are clearer.</p> <p>See updated position reflected in action plan point 4 in Appendix 1.</p>
<p><b>10 Alleged breach of patient data</b></p> <p>The board is currently investigating allegations of</p>	<p>Reviewed the findings of the board's investigation into this matter, giving specific consideration to any required</p>	<p>See paragraph 48, the board has recognised that it is now necessary to increase the level of information assurance provided by Fairwarning. The task of identifying which additional</p>

Audit risk	Assurance procedure	Results and conclusions
<p>breaches of patient data by a former employee.</p> <p>There is a risk that the board does not have appropriate arrangements in place to safeguard patient data.</p>	<p>improvements to the board's practices.</p> <p>Carried out an overview of ICT arrangements to establish whether the board has appropriate arrangements in place to safeguard patient data.</p>	<p>systems and breach scenarios should be included, and identify any supporting process improvements, has been delegated to the recently formed Fairwarning Project Group (February 2019), chaired by the Director of Information and Digital Technology. It is too early to comment on the effectiveness of this new group, or the operation of any control improvements that it introduces.</p>
<p><b>11 Maintenance of board's asset base</b></p> <p>NHS Lanarkshire's Property and Asset Management Strategy 2017-2022 (PAMS) provides information on the condition of the board's estate (i.e. buildings). The 2017/18 PAMS Annual Update Statement highlights that:</p> <ul style="list-style-type: none"> <li>• The investment needed to bring the estate back to an acceptable condition (backlog maintenance costs) is £42.8 million (£37.6 million in 2016/17).</li> <li>• There is a comprehensive risk-based Monklands Business Continuity (MKBC) programme aimed at ensuring critical building services are renewed or repaired to ensure continuity of clinical services, pending completion of the outline business case for a refurbished or replaced Monklands Hospital (MRRP).</li> </ul> <p>In November 2018, the Scottish Health Secretary announced that an independent review of the public consultation process on the MRRP would be undertaken. There is a risk that the independent review of the MRRP consultation process may delay the board's investment plans and lead to increased backlog maintenance and impact on the quality of the board's property estate.</p>	<p>We reviewed the PAMS and associated reports to the Board.</p> <p>We considered the outcome of independent review of MRRP consultation exercise.</p>	<p>An update report on the MRRP was presented to the meeting of the Board in March 2019. The MRRP Board met in March 2019 to consider the impact on programme and cost associated with the independent review. The report stated that the Outline Business Case cannot now be completed in 2019 and the delay will add between £1.5- £3 million per month to the overall project cost. This may have a significant impact upon the board's future plans for its property estate given the level of backlog maintenance.</p> <p>See paragraph 66, we will report on the outcome of the independent review of the MRRP consultation process in our 2019/20 audit.</p>



# Appendix 3

## Summary of national performance reports 2018/19

		 <b>2018/19 Reports</b>	
Local government in Scotland: Challenges and performance 2018		<b>Apr</b>	
Councils' use of arm's-length organisations		<b>May</b>	 Scottish Fire and Rescue Service: an update
Scotland's colleges 2018		<b>Jun</b>	
		<b>Jul</b>	 The National Fraud Initiative in Scotland 2016/17
Forth Replacement Crossing		<b>Aug</b>	 Major project and procurement lessons
Children and young people's mental health		<b>Sept</b>	 Superfast broadband for Scotland: further progress update
NHS in Scotland 2018		<b>Oct</b>	
Health and social care integration: update on progress		<b>Nov</b>	 Local government in Scotland: Financial overview 2017/18
		Dec	
		Jan	
		Feb	
		<b>Mar</b>	 Local government in Scotland: Challenges and performance 2019

### NHS relevant reports

[Children and young people's mental health](#) – September 2018

[NHS in Scotland 2018](#) – October 2018

[Health and social care integration: update on progress](#) – November 2018

# NHS Lanarkshire

## 2018/19 Annual Audit Report

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