

AGENDA FOR THE ONE HUNDRED AND FORTY-FIRST BOARD MEETING

Date: Thursday 28th June 2018

Time: 10.15 a.m.

(N.B. Please note that this meeting is programmed as a Board Development Session, but a short formal meeting is required to approve the Annual Report and Accounts)

Venue: Meeting Rooms 1 and 2, Westport 102, Edinburgh

1. Chair's introductory remarks

2. Apologies for absence

3. Declarations of interest

4. Minutes of the One Hundred and Fortieth Board Meeting NES/18/48
To approve the minutes of the meeting held on 28th May 2018. (Enclosed)

5. Actions from previous Board Meetings NES/18/49
For review. (Enclosed)

6. Matters arising from the Minutes

a. Item 9a: Digital Development Entity (DDE) (C. Lamb) NES/18/49(a)
To receive an update paper. (Enclosed)

7. Governance and Performance Items

a. Audit Committee: 14th June (D. Steele) NES/18/51
To receive and endorse. (Enclosed)

b. Annual Report of the Board (C. Lamb) NES/18/52
For approval. (Enclosed)

c. Annual Accounts 2017-18
(i) External Audit Report on 2017-18 Accounts and Letter of Representation (A. McColl) NES/18/56
To receive and note. (Enclosed)

- (ii) Annual Report from Audit Committee and Governance Statement (*D. Steele*) NES/18/53(a)
(Enclosed)
- (iii) Notification from Sponsored Body Audit Committee (*A. McColl*) NES/18/53(b)
(Enclosed)
- (iv) Annual Report and Accounts for year ended 31st March 2018 (*A. McColl*) (Circulated in advance)
- d. Finance and Performance Management Committee: 23rd May (*D. Garbutt*) NES/18/54
To receive a report and the minutes. (Enclosed)
- e. Organisational Performance Report (*D. Cameron*) NES/18/55
To receive and endorse a summary report. (Enclosed)

8. Items for Noting

None

9. Any Other Business

10. Date and Time of Next Meeting

Thursday 26th July 2018 at 10.15 a.m.

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June 2018
DF/cl

NHS Education for Scotland

MINUTES OF THE ONE HUNDRED AND FORTIETH BOARD MEETING HELD ON MONDAY 28th MAY 2018 AT WESTPORT 102, EDINBURGH

Present: Mr David Garbutt (Chair)
Ms Susan Douglas-Scott, Non-executive member
Professor Stewart Irvine, Director of Medicine
Mr Douglas Hutchens, Non-executive member
Ms Caroline Lamb, Chief Executive
Mrs Audrey McColl, Director of Finance
Dr Doreen Steele, Non-executive member
Ms Susan Stewart, Non-executive member
Dr Andrew Tannahill, Non-executive member
Ms Carole Wilkinson, Non-executive member
Mrs Karen Wilson, Director of NMAHP

In attendance: Mr David Ferguson, Board Services Manager (Board Secretary)
Dr David Felix, Postgraduate Dental Dean
Ms Dorothy Wright, Director of Workforce
Mr Donald Cameron, Director of Planning and Corporate Resources
Mr Christopher Wroath, Director of Digital
Ms Judy Thomson, Director of Training for Psychology Services
(primarily for agenda item 9c)
Mrs Susan Key, Associate Director, NMAHP (agenda item 9c only)
Mrs Kirsteen McColl, Manager, Executive Office

1. CHAIR'S INTRODUCTORY REMARKS

The Chair welcomed everyone to the meeting, extending a particular welcome to Susan Douglas-Scott and Carole Wilkinson, who were attending their last Board meeting before leaving the Board at the end of May. On behalf of the Board, the Chair thanked Carole and Susan for their significant contributions to the work of the Board and its committees since 2010 and wished them well for the future. There would be an opportunity to say farewell to Susan and Carole at an informal Board dinner on 30th May.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Liz Ford, Employee Director.

3. DECLARATIONS OF INTEREST

The following declarations of interest were made and noted:

- David Garbutt will remain as Chair of the Scottish Ambulance Service Board until 31st May 2018.
- Susan Douglas-Scott is the Chair of the Golden Jubilee Foundation Board.

4. MINUTES OF THE ONE HUNDRED AND THIRTY-NINTH BOARD MEETING (NES/18/37)

Subject to a small number of agreed amendments, the minutes of the Board meeting held on 19th April 2018 were approved. **Action: DJF**

5. ACTIONS FROM PREVIOUS BOARD MEETINGS (NES/18/38)

It was noted that these actions were completed or in hand.

Audrey McColl reported that the revised Risk Management Strategy is scheduled to be submitted to the Audit Committee for consideration.

It was agreed that two action points, relating to items 8c and 9a of the 19th April minutes, should be added to the actions list for updating as and when appropriate.

Action: DJF

6. MATTERS ARISING FROM THE MINUTES

There were no matters arising which did not feature elsewhere on the agenda.

7. CHAIR AND CHIEF EXECUTIVE UPDATES

a. Chair's Report

The Chair provided a verbal update on his recent meetings and activities, as follows:

- Useful introductory meetings with the Executive Team members and a number of other NES staff in the Edinburgh and Glasgow offices.
- A meeting at Scottish Government to discuss the creation of a leadership board to take forward the results of Project LIFT.
- A meeting of the NHS 70th Anniversary Group. There will be a national celebration on 5th July at The Royal Museum of Scotland and NHS Boards will be invited to nominate staff to attend.
- Attendance at the recent Scottish Medical Education Conference.
- Attention was drawn to the QI Connect programme of online seminars.
- Discussions on how NES can support the new regional model in the west of Scotland.

- A meeting at Scottish Government to discuss the new model of governance at senior levels in Scottish Government.
- Chaired a meeting to discuss a new approach to Board governance.
- Attended a discussion on how to embed QI at Board level in NHSScotland.
- A meeting with HIS to discuss a forthcoming QI event for non-executives in September 2018.
- A meeting with the Commissioner for Public Appointments to discuss appointments and values-based recruitment.
- A meeting with the Project LIFT team to discuss progress in developing a Talent Management Tool.
- Attended a presentation from Paul Gray on a new model of Board governance and a new escalation process. It was noted that NES has been rated as Level 1, indicating that no action is required in Board governance terms.
- The Minister for Health addressed the NHS Board Chairs Group.
- Attended the 20th anniversary of the Simulation Centre in NHS Forth Valley.
- Extensive discussions with the Chief Executive on the Scottish Government's invitation to NES to host the proposed new Digital Development Entity (agenda item 9a refers).

b. Chief Executive's Report

(NES/18/40)

Caroline Lamb introduced her report, highlighting the following items in particular:

- The presentation of the National and Regional Board Delivery Plans to the Cabinet Secretary and the First Minister. Formal feedback is awaited. It will be necessary to engage with stakeholders and the public in due course.
- The holding of regional 'tea parties' in NES during the week beginning 2nd July to mark the 70th anniversary of the NHS in Scotland. The dates will be notified in due course and non-executive members were encouraged to attend these events.
- The departures from the Board of Susan Douglas-Scott and Carole Wilkinson at the end of May. Their replacements as non-executive members, Linda Dunion and Sandra Walker, will join the Board from 1st June.
- The formal launch of Scotland's Digital Health & Care Strategy on 25th April (agenda item 9a refers).
- The new General Data Protection Regulation (GDPR) became law on 25th May. It was noted that the Finance & Performance Management Committee was assured of NES's state of readiness for the implementation of GDPR.
- The successful launch of Turas Appraisal in early April.
- The roll-out to prisons in Scotland of the new SCQF Level 5 Unit in Oral Health Improvement Mentoring. This unit was developed by NES Dental's Dental care Professions (DCP) workstream.
- The publication of the final visit report of the General Medical Council National Review of Scotland, which paints a very positive picture of the state of medical education and training in Scotland, with a number of areas of good practice highlighted. This report was considered by the Educational & Research Governance Committee at its meeting earlier in the day.
- NES's work with partners across the UK and in Scotland to ensure that higher specialty medical trainees affected by a recent error on the part of the Royal College of Physicians are appropriately supported. Tailored support will be

offered to trainees whose offers of training places have changed as a result of this error.

- Attention was drawn to the recent refresh of the wording of risks in the Corporate Risk Register, the updating of the associated control measures and the assignment of risk owners/lead Directors. The updated register was appended to the Chief Executive's Report.

Arising from discussion at the recent meeting of the Finance & Performance management Committee, it was noted that a GDPR overview and briefing will be provided at a forthcoming Board development session.

8. GOVERNANCE AND PERFORMANCE ITEMS

a. Finance Report (NES/18/41)

Audrey McColl introduced a paper presenting the draft financial results for the year ending 31st March 2018, which were still subject to final confirmation as part of the external audit process. The following points were highlighted:

- The draft accounts reflect an underspend of £300,000 for the 2017-18 financial year, which is less than 0.07% of the overall revenue budget.
- A final update on the year-end outturn will be presented to the Board in the annual accounts for 2017-18.
- The Finance & Performance Management Committee are content with the year-end position as outlined in this paper and there are no significant issues to highlight.

The Board commended Audrey McColl and her team on this excellent result and thanked them for their hard work in achieving it.

b. Audit Committee: 12th April 2018 (NES/18/42)

The Board received and noted the draft minutes and a summary, which were introduced by Doreen Steele.

c. Staff Governance Committee: 26th April 2018 (NES/18/43)

The Board received and noted the unconfirmed minutes and a summary, which were introduced by Susan Stewart.

It was noted that other NHS Boards are taking an interest in NES's developing People & OD Dashboard and that it is hoped to feature a demonstration featuring live data at the committee's next meeting in August.

9. STRATEGIC ITEMS

a. Digital Development Entity (DDE)

(NES/18/44)

The Chair drew attention to the confidential pre-meeting briefing session, for Board members only, which had taken place earlier in the day to provide an opportunity for informal discussion of the issues and concerns in relation to the DDE proposition in advance of formal consideration at the Board meeting proper. This meeting had been arranged at very short notice, in recognition of the complexity and scale of the matter.

The Chief Executive summarised the main points raised at the pre-meeting briefing session (N.B. the notes of this meeting are included as an Appendix to these minutes).

It was emphasised that the Board members had been generally very supportive of NES accepting the Scottish Government's invitation to host the Digital Development Entity (DDE), recognising, however, that it would be necessary to seek further clarity from Scottish Government on certain governance aspects of the proposal and to cover the extent to which NES was being asked to take on arrangements that had already been agreed, and the point at which NES would become responsible for applying its own processes with regard to further development of the DDE.

The Chief Executive then introduced the paper, which advised the Board of the recent publication of the Digital Health and Care Strategy for Scotland and the main domains for action contained therein; sought the Board's approval of the Scottish Government's request that NES should host the Digital Development Entity (DDE) tasked with the responsibility of delivering the national digital platform for health and social care in Scotland; and sought the Board's approval to NES's contribution to the overall objectives of the strategy, in particular taking forward work with others in respect of workforce development and service transformation.

The Board discussed the paper and the following main points emerged:

- The Board was very supportive in principle that NES should host the DDE. It was acknowledged that the development of the DDE is the right thing to do for the health of the people of Scotland and that NES is well-placed to host it.
- A member suggested that, rather than establishing a sub-committee of the Board (as proposed in the paper), oversight of the DDE might be undertaken by an officer-led group, reporting to the Board through the Finance & Performance Management Committee. The Chair, however, wished to discuss this further with the DDE team to better understand their proposals in this regard.
- It was agreed that there is a need for further engagement with Scottish Government to address the governance issues and set out explicitly what is being handed over to NES as part of the arrangements already established within government, and what is for NES to determine and to exercise appropriate governance over going forward.

Following discussion, the Board recognised that hosting the DDE represents an excellent opportunity for NES and agreed that NES should accept the Scottish Government's invitation to host it, subject to the third bullet point above being addressed satisfactorily. In doing so, the Board delegated authority to the Chair and

Chief Executive to negotiate with Scottish Government over the detailed governance and control arrangements. **Action: DG and CL**

The Board will be kept informed of developments and a report will be brought back to the Board as soon as possible.

b. Strategic Review 2019-24 **(NES/18/45)**

Donald Cameron introduced a paper setting out a proposed approach to developing the NES Strategy for 2019 to 2024.

The following points were highlighted:

- The paper outlined the plan for developing the NES strategic framework for 2019 to 2024 to ensure that NES's activities align with national policy and service priorities.
- The intention is to review NES's vision and mission and consider which existing themes and outcomes need to be continued/developed and what needs to be added.

The Board commended the helpful paper, supported the proposed approach to developing the NES strategy for 2019 to 2024 and approved the paper, subject to some minor agreed amendments. **Action: DC**

It was anticipated that the new strategic framework will be presented to the Board by March 2019.

c. Children and Young People **(NES/18/46)**

Judy Thomson and Susan Key were welcomed to the meeting for this item. Judy introduced a paper providing an update on the contribution NES is making to Children and Young People's health and wellbeing in Scotland and outlining future directions. The following points were highlighted:

- The Children and Young People agenda extends beyond health into the social care and education sectors.
- The paper incorporates inputs from a number of NES Directorates.
- It is anticipated that the Scottish Government's Children and Young People Wellbeing Action Plan will be published by Autumn 2018.
- A draft code of practice in relation to information-sharing is currently under consideration and should be published later in the year. This will have implications for child protection and associated education and training.
- A 'once for NES' improvement programme is being developed to strengthen internal collaboration and external engagement.

Discussion of the paper generated the following main points:

- Some discussion took place on impact and outcomes and it was noted that the performance measures include training attrition rates; recruitment and retention of staff; levels of compliance with the standards of professional bodies and

regulators; feedback from trainees; service impact; and clinical intervention impact.

- The views of children, young people and their families are obtained through focus group activity and direct contact.
- In line with its corporate parenting role, NES has developed a range of educational materials, including videos featuring care-experienced children and young people talking about their experiences.
- The forthcoming 'once for NES' improvement programme was welcomed as a means of maximising the benefits from the NES contribution to children and young people's health and wellbeing in Scotland.
- It was agreed that the paper would benefit from highlighting the context of reducing health inequalities, including socio-economic, as a key driver for action; and from linking relevant activities to that driver more explicitly.
- It was suggested that it would be useful to carry out equality impact assessments in relation to children and young people from a range of vulnerable minority groups. In a related vein, it was agreed that the wording in paragraph 2 of section 3.3.1 of the paper should be amended.
- It was confirmed that sexual abuse is classified under the general heading of child protection.
- It was advised that adverse childhood experiences are referred to in training programmes for all areas of the public sector workforce.
- It was noted that 'health conditions' in section 3.11 should read 'physical health conditions'.

Following discussion, the Board noted the information in the paper and the range of actions which will be taken forward (as set out in section 13 of the cover paper).

10. ITEMS FOR NOTING

- a. National Health & Social Care Workforce Plan: Part 3 – Improving workforce planning for primary care in Scotland

The Board noted this paper, which had been published in April 2018.

- b. Training and development opportunities for Board members (NES/18/47)

The Board noted a paper providing information on upcoming training and development opportunities for Board members.

The Chair advised that the On Board training has recently been refreshed.

11. ANY OTHER BUSINESS

- a. Digital Development Entity (DDE): Advice from Central Legal Office (CLO)

The Chief Executive confirmed the advice given to the Board members at the pre-meeting briefing session to the effect that the CLO has advised that NES would not be acting ultra vires in hosting the proposed DDE.

b. Visits by non-executive members

The Chair advised that some proposals in this regard are in preparation.

c. Issuing Board and committee papers electronically

The Chair advised that the Chief Executive has undertaken to assess the relative merits of SharePoint and Admin Control in this regard and provide advice in due course.

12. DATE AND TIME OF NEXT MEETING

The next Board meeting will take place on Thursday 28th June 2018 at 10.15 a.m.

This will be a short business meeting, primarily to approve the Annual Accounts, and will be followed by a Board development session.

NES
May 2018
DJF/cl/dg/at

Appendix to minutes of Board meeting held on 28th May 2018

IN CONFIDENCE

NHS Education for Scotland

NOTES OF A CONFIDENTIAL PRE-MEETING BOARD BRIEFING SESSION HELD ON MONDAY 28th MAY 2018 AT WESTPORT 102, EDINBURGH

Present: Mr David Garbutt (Chair)
Ms Susan Douglas-Scott, Non-executive member
Professor Stewart Irvine, Director of Medicine
Mr Douglas Hutchens, Non-executive member
Ms Caroline Lamb, Chief Executive
Mrs Audrey McColl, Director of Finance
Dr Doreen Steele, Non-executive member
Ms Susan Stewart, Non-executive member
Dr Andrew Tannahill, Non-executive member
Ms Carole Wilkinson, Non-executive member
Mrs Karen Wilson, Director of NMAHP

In attendance: Mr David Ferguson, Board Services Manager (Board Secretary)

Apologies for absence: Ms Liz Ford, Employee Director

Digital Development Entity (DDE) proposition

a. Introduction

The Chair welcomed everyone to this confidential pre-meeting briefing, for Board members only, which had been arranged at short notice to provide an opportunity for informal discussion of a range of issues and concerns in relation to the Digital Development Entity (DDE) paper before the formal Board meeting later in the day.

b. Presentation

To set the scene, the Chief Executive gave a brief presentation, focussing on the following main areas:

- Background: context and development
- The view from Scottish Government
- The NES perspective
- Developments in April to May
- The challenges
- Mitigating the challenges and exploiting opportunities

The following points were highlighted during the presentation:

- Digital is seen by Scottish Government as a key opportunity in a sea of challenges around the sustainability of health and care services.
- The pace of developments has been accelerating since January and has picked up particular speed during April and May.
- In recognition of its track record on digital developments, the Scottish Government has now formally invited NES to host the new Digital Development Entity (DDE).
- The Central Legal Office (CLO) has confirmed that NES would not be acting ultra vires in hosting the DDE.
- It has been agreed to pause the Community Health Index (CHI) development while an alternative option is worked up.
- Recent discussions between the Chair and Chief Executive have identified a number of challenges in terms of: Governance and control; Leadership and engagement; Capability and capacity; Personalities; High profile; and Sustainability.
- Mitigation of these challenges, while exploiting the opportunities, will involve: the right representation on the proposed sub-committee of the NES Board; a robust delivery plan; joined-up activity across the DDE and NES Digital; an effective communications strategy; and moving NES Digital firmly into the arena of workforce-facing systems (with secure funding streams).

c. Supplementary comments by Chair

Before opening up the discussion, the Chair indicated that the following issues had already been flagged up to Scottish Government and that the Scottish Government's willingness to accommodate these issues was key to taking matters forward:

- Concerns around a proposed sub-committee of the NES Board chaired by a non-Board member and populated with a number of external members. Any such sub-committee should be populated with primarily NES non-executives, with external expertise brought in, as required.
- The need for a proper Board governance structure.
- The need for an assurance that any future recruitment is carried out openly and transparently, with robust appointments processes.
- Evidence is required of due diligence in relation to the acquisition of property to house the DDE.

The Chair emphasised that the hosting of the DDE represents an exciting opportunity for NES. There would be risks to mitigate and a specific DDE risk register would be required.

d. Discussion

Informed by the Chief Executive's helpful presentation and the Chair's supplementary comments, the Board held an informal discussion on the DDE proposition paper due to be considered formally at the Board meeting later in the day.

It was clear that the Board very much supported the principle of NES hosting the DDE and leading on the development of a potentially very important 'once for Scotland'

NHS product. A number of key issues and concerns were, however, discussed and the following main points arose:

- There was concern that a number of aspects of the DDE proposition, particularly in terms of governance, staffing and accommodation, appeared to already be at an advanced stage of development.
- There is a need for clarity regarding the apparent links to the University of Edinburgh.
- As an alternative to establishing a sub-committee of the NES Board, it was suggested that consideration might be given to an officer-led group, reporting to the Board through the Finance & Performance Management Committee.
- In accepting the responsibility for hosting the DDE, NES would require to be given the authority to govern and control this development in accordance with its own governance structures and Standing Orders.
- The risks require to be teased out and subjected to a formal risk assessment.
- The relationship between the DDE and NES Digital requires clarification.
- The importance of effective leadership of the DDE was underlined. In this context, it was confirmed that the director of the DDE (who would be seconded to NES from Scottish Government) would report to the NES Chief Executive.
- It was confirmed that NES has insufficient space to accommodate the DDE in its current estate. Any property acquisition would require to be carried out with due diligence and would be subject to approval by the NES Board and Scottish Ministers.
- It was acknowledged that the establishment of the DDE is the right thing to do for NHSScotland and that NES is well-placed to host it.
- It was noted that the Cabinet Secretary is aware of, and content with, the intention to establish the DDE.
- It was highlighted that, in hosting the DDE, NES would hold PII for the first time, which would have implications for compliance with the Caldicott principles.

Following discussion, the Board was generally very supportive in principle of NES hosting the DDE, recognising that it would be necessary for the Chair and Chief Executive to negotiate with Scottish Government in relation to the issues of governance and control identified in discussion.

The Chair thanked members for attending this confidential pre-meeting briefing at such short notice.

NES
May 2018
DJF/at

Actions arising from Board meetings: Rolling list

Minute	Title	Action	Responsibility	Date required	Status and date of completion
Actions agreed at Board meeting on 28th May 2018					
9a	Digital Development Entity (DDE) proposition	Following the Board's agreement in principle that NEs should host the DDE, enter into negotiations with Scottish Government over the detailed governance and control arrangements.	David Garbutt and Caroline Lamb	June 2018	Ongoing
9b	Strategic Review 2019-24	Proceed with the approach to the review set out in the discussion paper.	Donald Cameron	Ongoing	Ongoing
Actions agreed at Board meeting on 19th April 2018					
8c	E&RGC minutes: 22 nd February 2018	Arrange for the Board to receive, at an appropriate time, an update on the corporate position regarding NES's communication with the IJBs and the community planning partnerships.	Stewart Irvine	Ongoing	Ongoing
9a	NES Medical Directorate Research & Innovation Report	Arrange for this report to be shared with NHS Board Chairs and Chief Executives.	Stewart Irvine	Ongoing	Report shared in May 2018.
Actions agreed at Board meeting on 8th March 2018					
10d	Medical Revalidation	(i) Raise the possibility of diverting funding from HIS for the purposes of producing the Scottish annual overview report in future.	Stewart Irvine	Ongoing	The issue of resources for the production of the Scottish annual overview report has been referred to the next meeting of the Scottish Government-led Responsible Officer Network.
		(ii) Consider the suggestion that it may be useful for the Board to consider, at some point, the suggested questions	Stewart Irvine	Ongoing	The GMC has advised that, following the Pearson Review, and in relation to the

Minute	Title	Action	Responsibility	Date required	Status and date of completion
		for boards and other governing bodies set out on pages 46-47 of the Pearson review report.			questions of governance, they are amending and updating the Governance Handbook and expecting to re-issue this in the Autumn.
Actions agreed at Board meeting on 24th January 2018					
8ci	Revised Risk Management Strategy	Take account of the discussion points in finalising the revised strategy	Audrey McColl	Ongoing	The revised Risk Management Strategy has been scheduled for submission to the Audit Committee for consideration.
8d	Revised Audit Committee Remit	Take account of the discussion points when the Audit Committee next reviews its remit.	Audrey McColl	January 2019	Ongoing

NHS Education for Scotland

Board Paper Summary

1. Title of Paper

Matter Arising – The Digital Development Entity (DDE).

2. Author(s) of Paper

Caroline Lamb, Chief Executive

3. Purpose of Paper

The purpose of this paper is to provide an update to the Board on the matters which the Board requested to be followed up with Scottish Government after its meeting on 28th May 2018.

4. Key Issues

At its meeting on 28th May 2018, the Board approved a request from Scottish Government that NES should host a new entity to be established to take forward work to implement the Digital Health and Care Strategy. The Board requested that further information be sought from Scottish Government in relation to:

- a) Those staff who have been working on the development of the proposals who will come with the work;
- b) The progress and approach to securing accommodation for the DDE; and
- c) How relations with the academic community have been developed.

These points have been discussed with Scottish Government and have been confirmed through an exchange of letters which are attached to this paper at Appendices 1 and 2.

The key points are:

- a) There is a core group of three staff who will be employed by or seconded to NES. All additional appointments will be progressed through normal NES process.
- b) Accommodation will be secured through the normal process of developing an options appraisal and a full business case. In the short-term accommodation will be made available for the core team in NES offices in Westport or EDEC.

- c) The new entity will be expected to collaborate fully with the academic community, and in particular with Health Data Research UK. More information on Health Data Research UK is contained at Appendix 3.

We have also progressed discussions with Scottish Government about the governance of this work within NES. We will establish a sub-committee of the NES Board which will report to the NES Board. The membership of the sub-committee will be made up of up to 3 Non-Executive members of the NES Board with 2 external Non-Executives (including the Chair). It will also include a number of NES Executive staff and externally appointed advisors. The external members and advisor appointments will be used to ensure engagement from NHS Territorial Boards. Professor Andrew Morris who is UK Director of Health Data Research UK will chair the Board as part of his continuing part time appointment with Scottish Government. This reflects his role as Chair of the Digital Health and Care Strategy Oversight Group.

5. Recommendation

The Board is recommended to note the update set out above.

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Date: 13 June 2018
Our Ref: CL_CMcl_DDE_AS
Direct Line: 0131 656 3295
Email: Caroline.Lamb@nes.scot.nhs.uk

Dear Christine

Digital Development Entity

Thank you for your letter of 24 May requesting that NES host a Digital Development Entity (DDE) to take forward actions under the Digital Health and Care Strategy. Your request was considered by the NES Board at its meeting on 28th May 2018.

The NES Board is committed to the direction of travel as set out in the Digital Health and Care Strategy. It welcomes the acknowledgement from Scottish Government of the considerable expertise and track record that NES has developed in digital transformation and in building digital applications. The Board agreed to your request and looks forward to working with you in this respect.

The Board is aware that work has already commenced to develop the DDE and its work programme. As part of the process of good governance the Board has asked for clarification in respect of progress to date on three matters:

- Those staff who have been working on the development of the proposals who will come with the work;
- The progress and approach to securing accommodation for the DDE; and
- How relations with the academic community have been developed.

The NES Board will further consider the arrangements by which it can best assure itself that it has appropriate governance in place in relation to the work of the DDE whilst also being able to ensure that this includes mechanisms by which the DDE can be supported to engage with key



Chair: David Garbutt
Chief Executive: Caroline Lamb

stakeholders across digital health and care and to benefit from external expert advice. We welcome the willingness of Professor Andrew Morris to chair the DDE sub-committee particularly given his leadership of the development of the Digital Health and Care Strategy, and his role as UK Director of Health Data Research UK.

I look forward to working with you to ensure that we can move quickly to implementation of the actions set out in the Digital Health and Care Strategy.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Caroline Lamb', followed by a comma.

Caroline Lamb
Chief Executive, NES

Health Finance Directorate

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Caroline Lamb
Chief Executive
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102 West Port
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Letter issued via email: Caroline.Lamb@nes.scot.nhs.uk

Our ref:
Your Ref: CL_CMcl_DDE_AS

14 June 2018

Dear Caroline

Thank you for your letter of 13 June setting out the agreement of the NES Board to host the DDE.

You asked for clarification in respect of matters to do with staffing, property and connections with the academic community.

Geoff Huggins, Liz Elliot and Alistair Hann have undertaken the initial development of the DDE and will accompany the work as it transfers to NES. I would expect that all future appointments will be advertised and made in accordance with your normal practice.

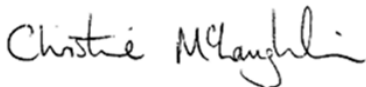
The work to identify and secure property is being taken forward by the initial DDE team named above working with Scottish Government property advisers. This work will be delivered in accordance with the various requirements in respect of finance and property, including a property search and options appraisal against appropriate criteria. Proposals will need to be agreed by your Board and final agreement of any decision will sit with the Scottish Government, including Scottish Ministers should the decision sit within the range of decisions that require their approval.

The academic community in Scotland will be a key partner in the development of the DDE. Health Data Research UK has created and funded a network of inter-disciplinary research expertise across six collaborative sites in the UK. In Scotland, the consortium consists of five universities (Dundee, Aberdeen, St Andrews, Glasgow and Edinburgh). Professor Andrew Morris is the UK Director of HDR UK, and I am pleased that he has agreed to chair the DDE sub-committee.

The University of Edinburgh and Herriot Watt University are also participating in the City of Edinburgh City Deal which is focused on realising the benefits of world class data science. The DDE have connected to both of these initiatives and I would ask that the DDE continue to develop arrangements across academia to support their work and ensure the benefits of the platform are shared.

I look forward to working with you as this initiative develops.

Yours sincerely

A handwritten signature in cursive script that reads "Christine McLaughlin".

CHRISTINE MCLAUGHLIN

Director of Health Finance and Infrastructure

Appendix 3

Health Data Research UK (HDRUK) is a joint investment body led by the Medical Research Council, together with the National Institute for Health Research (England), the Chief Scientist Office (Scotland), Health and Care Research Wales, Health and Social Care Research and Development Division (Public Health Agency, Northern Ireland), the Engineering and Physical Sciences Research Council, the Economic and Social Research Council, the British Heart Foundation and Wellcome. HDRUK has been created to develop and apply cutting edge data science approaches in order to address the most pressing health research challenges. It has created and funded, to the tune of £30m, a network of inter-disciplinary research expertise across six collaborative sites in the UK and the Scottish consortium comprises six University partners.

NHS Education for Scotland

Board Paper Summary: Audit Committee Minutes

1. Title of Paper

Minutes of Audit Committee meeting held on 14 June 2018: copy attached.

2. Author(s) of Paper

Jennifer Allison, Committee Administrator

3. Purpose of Paper

To receive the minutes of the Audit Committee meeting held on 14 June 2018. Due to the timescales between the Audit Committee meeting date and the Board meeting date, the minutes have not been reviewed by the Chair of the Audit Committee.

4. Items for Noting

a) Item 08 – Annual Reports of Governance Committees of the Board

i) Staff Governance and Remuneration Committees

The Audit Committee noted this report and were assured that they Staff Governance and Remunerations Committee have effectively discharged their remits and responsibilities during the financial year 2017/18.

ii) Educational and Research Governance Committee

The Audit Committee noted and were satisfied with this report and were assured that the Educational and Research Governance Committee have effectively discharged their remits and responsibilities during the financial year 2017/18.

iii) Finance and Performance Managements Committee

The Audit Committee noted and were satisfied with this report and were assured that the Finance and Performance Management Committee have effectively discharged their remits and responsibilities during the financial year 2017/18.

b) Item 09 – Internal Audit Reports

The committee received the following internal audit reports:

i) Educational and Research Governance

This report reviewed the process of reporting to the Educational and Research Governance Committee and found that controls over educational and research governance reporting reflect good practice.

The Audit Committee noted the report and the assurance provided.

ii) Talent Management Framework

This report reviewed the development and implementation of the Talent Management Framework and found that NES procedures reflect good practice.

The Audit Committee noted this report and the assurance provided.

iii) Property Transaction Monitoring

This report reviewed NES's arrangements for the recording and monitoring of property transactions during the 2017/18 financial year in line with the NHS Scotland Property Transactions Handbook and found that NES' procedures reflect good practice.

The Audit Committee noted this report and the assurance provided.

iv) Q1 Follow up Recommendations

This report summarised NES's progress in implementing agreed management actions since the published report in April 2018. NES continues to make good progress in implementing outstanding audit actions.

The Audit Committee noted this report and the assurance provided.

v) Progress Report 2018/19

This report summarised internal audit activity since the last meeting and planned activity for Q2.

The Audit committee noted the report and were satisfied with internal audit progress and approved the plan for the next quarter.

vi) Internal Audit Annual Report 2017/18

This report summarised the internal audit work carried out and the key findings during the 2017/18 financial year

The Audit Committee noted this report and the assurance provided.

c) Item 10 – Other External Reports

The external reports provided are service audits which relate either to business activity which NES outsources or to national systems used.

i) NSS Payroll Services Service Audit Report 2017/18

The Audit Committee noted the report and the assurance provided.

ii) NSS Practitioner Services Audit Report 2017/18

The Audit Committee noted the report and the assurance provided.

iii) NSS National IT Contract 2017/18

The Audit Committee noted the report and the assurance provided.

iv) NHS Ayrshire Arran NSI Financial Ledger Services

The Audit Committee noted the report and the assurance provided.

d) Item 11 – Annual Report to Counter Fraud Services

The report details performance against a set of measurable tasks in the form of a completed checklist and a report on the level of engagement with counter fraud activities throughout 2017/18.

The committee noted the report and approved its submission to Counter Fraud Services.

e) Item 12 – Feedback, Comments, Concerns and Complaints Annual Report 2017/18

The report uses a standard template from the Scottish Health Council and focuses on demonstrating how NES has used complaints and feedback to implement and evaluate improvements to programmes and services.

The committee noted and was satisfied with the report.

f) Item 13 – Inherent Risk 1 Summary Report

The report presented the committee with Priority Primary 1 risks that have been submitted to the respective committees.

The committee noted and was satisfied with the report.

g) Item 14 – Annual Accounts

The committee received the following external audit reports.

i) External Audit Report 2017/18 and Letter of representation

Grant Thornton anticipated issuing an unqualified audit opinion on the 2017/18 financial statements and the associated information in the Annual Report. The Audit Committee noted the report and the assurance provided.

ii) Annual Report from Audit Committee and Governance Statement

The report summarised how the committee has discharged its remit and the responsibilities delegated to it by the Board during 2017/18.

The Audit committee recommended the Governance Statement to the Board and the Accountable Officer for inclusion in the Annual Report and Accounts

iii) Annual Report and Accounts for year end 31 March 2018

The report presented the draft annual accounts for the financial year 2017/18.

The Audit Committee confirmed that they were satisfied with the 2017/18 Annual Report and Accounts and recommend them to the Board for approval at the meeting on 28th June 2018.

iii) Notification from Sponsored Body Audit

The paper presented the proposed response to the annual request from the Health Finance Directorate of Scottish Government for details of any significant issues of fraud which arose during 2017/18.

The committee noted that no significant issues or fraud had been identified and approved the response which will be formally signed at the Board meeting on 28th June 2018 by the Chair of the Audit Committee.

h) Item 15 – Audit Scotland Reports

The Committee noted the following report: A Short Guide to the Integration of Health and Social Care service in Scotland.

i) Item 17 – Private Meeting with Members and Internal Auditors

A private meeting was held between the Auditors and the non-executive Audit Committee members.

5. Recommendations

None.

NES
June 2018
JA/am

AUDIT COMMITTEE

Minutes of the Sixty-Sixth meeting of the Audit Committee held on Thursday 14 June 2018 at Westport 102, Edinburgh, Room 8.

Present: Doreen Steele (Chair)
Sandra Walker
Linda Dunion

In attendance: David Garbutt, Board Chair
Audrey McColl, Director of Finance
Caroline Lamb, Chief Executive (until item 13)
Janice Sinclair, Head of Finance
Monica Halcro, Governance and Operational Manager
Helen Berry, Scott-Moncrieff
David Eardley, Scott-Moncrieff
Matthew Swann, Scott-Moncrieff
Angelo Gustinelli, Grant Thornton
Joanne Brown, Grant Thornton (for item 14 onwards)
Rob Coward, Principle Educator
Jenn Allison, Committee Administrator

1. Welcome and introductions

The Chair welcomed everyone to the meeting, particularly Susan Walker and Linda Dunion who have recently joined the NES Board as Non-Executive members and were attending their first NES Audit Committee.

The Chair welcomed Janice Sinclair and Monica Halcro who were attending to present the annual accounts, Rob Coward who was attending to present to the Feedback, Comments, Concerns and Complaints Annual Report and Angelo Gustinelli and Joanne Brown from External Auditors, Grant Thornton. The chair also welcomed Helen Berry, David Eardley and Matt Swann from the Internal Auditors, Scott-Moncrieff and noted that this will be the last NES Audit Committee attended by Helen Berry. David Eardley will be taking over from Helen as Internal Audit Director.

2. Apologies for absence

Apologies were received from Susan Stewart.

3. Declarations of interest

There were no declarations of interest in relation to items on the agenda.

4. Any other business

There was no other business requiring consideration by the committee.

5. Minutes of the Audit Committee, 12 April 2018 (NES/AUD/18/14)

The minutes of the Audit Committee 18 April 2018 were approved as a correct record following one minor amendment.

Action: JA

6. Action list of the Audit Committee, 12 April 2018 (NES/AUD/18/15)

Members noted that the actions from the previous meeting were completed or were in progress.

7. Matters arising

There were no matters arising from the minutes.

8. Annual Reports of Governance Committees of the Board

The Chair introduced the annual reports, which are intended to provide the Audit Committee with evidence and assurances as to the extent to which each committee has effectively discharged its remit and responsibilities during the period of 1 April 2017 to 31 March 2018. These reports form part of the evidence which the audit committee considers as part of the whole system of internal control, when reaching a view as to the appropriateness of the Governance Statement contained within the Annual Report and Accounts.

a) Staff Governance and Remuneration Committees (NES/AUD/18/17)

The report detailed the work carried out by the Staff Governance Committee in discharging its remit. It noted that the committee had added value to the overall management of the application of the Staff Governance Standard in NES and maintained a strategic perspective in its overview of national developments and the potential for their application in NES.

The work of the Remuneration Committee has ensured probity and highly effective governance of remuneration and performance in line with NES's requirements. The Remuneration Committee works as a sub-committee of the Staff Governance Committee, which is the structure across all NHS Boards.

The Audit Committee noted this report and were assured that the Staff Governance Committee and Remuneration Committee have effectively discharged their remits and responsibilities during the financial year 2017/18.

b) Educational and Research Governance Committee (NES/AUD/18/18)

The work of the E&RGC has contributed to the effective management and improvement of the quality of NES's education and research activities and quality and compliance with NES's statutory duties for person-centred care, participation and equality & diversity.

- The Committee noted that the report was more detailed than reports from the other committees and noted that in future the ERGC will produce an extended report for their own records and a condensed version would be submitted to the Audit Committee. A member requested that relevant table headings are repeated at the top of each page where appropriate. **Action: JS**

The Audit Committee noted and were satisfied with this report and were assured that the Educational and Research Governance Committee have effectively discharged their remits and responsibilities during the financial year 2017/18.

b) Finance and Performance Management Committee (NES/AUD/18/19)

The work of the Finance and Performance Management Committee has contributed to effective management and scrutiny of financial and performance related reports and proposals and for reporting and providing recommendations to the Board.

The Audit Committee noted and were satisfied with this report and were assured that the Finance and Performance Management Committee have effectively discharged their remits and responsibilities during the financial year 2017/18.

9. Internal Audit Reports

a) Educational and Research Governance

Matt Swann introduced the report which reviewed the process of reporting to the Educational and Research Governance Committee.

- The report found that controls over educational and research governance reporting reflect good practice.
- Two areas for improvement were identified regarding flexibility of the framework and to ensure effective processes are in place to provide assurance as to relationships with UK Healthcare profession regulators.
- Rob Coward noted that a register of regulated business has been developed which will allow NES to manage and track relevant activity relating to UK Healthcare profession regulators. This, and a revised framework, will be submitted to the next ERGC for approval.

The Audit Committee noted the report and the assurance provided.

b) Talent Management Framework

Matt Swann introduced the report which reviewed the development and implementation of the Talent Management Framework.

- The report found that NES procedures reflect good practice in the following areas: the use Tableau to provide interactive information on key metrics to

support decision making; there is a clear appraisal process; training needs are assessed based on set criteria in the Learning and Development policy.

- Two areas for improvements were identified regarding development of succession plans and medium and long-term workforce planning.
- Discussion took place regarding the 2 recommendations. It was confirmed that 1 of the required succession plans is outstanding and it was highlighted that the content of 'Project Lift' will support the further development of succession planning in NES.
- The committee noted that the recommendation regarding long-term workforce planning is more complicated due to the ever-changing environment across NHSS. The committee requested an update on the actions proposed in relation to this recommendation at the October meeting. **Action: DW /AMcC**

The Audit Committee noted the report and the assurance provided.

c) Property Transaction Monitoring

Matt Swann introduced the report which reviewed NES's arrangements for the recording and monitoring of property transactions during the 2017/18 financial year in line with the NHS Scotland Property Transactions Handbook.

- The report found that NES' procedures reflect good practice. The monitoring pro-forma was completed for the qualifying transactions and the CEO required legal advice for the transaction.
- One area for improvement was identified regarding retention of evidence of required reports being sent to the Scottish Health and Social Care Directorates.

The Audit Committee noted the report and the assurance provided.

d) Follow-up of Audit Recommendations Q1

Matt Swann introduced the report which provides senior management and the Audit Committee with assurance that agreed internal audit recommendation for Q1 2018/19 have been implemented satisfactorily or are in progress.

- Eight actions have been confirmed as closed or superseded during the first quarter of 2018/19. 7 new actions have been added to the tracker in the last quarter, resulting in 13 open actions, 5 of which are not yet due. Helen Berry highlighted the drop in the number of actions which are past their due date.
- As agreed at the April meeting, the committee noted that further information relating to the original recommendations has been added to the appendix of

the report. This additional information provides context for the progress updates provided.

- Discussion took place regarding actions that cannot be closed until evidence has been provided for the full cycle of a process. A member requested that the Internal Auditors flag which recommendations in the appendix fall into this category. **Action: DE**

The committee noted the report and were satisfied that NES continues to make good progress in implementing outstanding actions.

e) Progress Report Q1 2018/19

David Eardley introduced the report, which summarised internal audit activity since the committee's last meeting in April 2018 and confirms the reviews planned for the second quarter.

- At the end of June 2018, two 2018/19 audits have been completed; Q1 follow up report and Educational and Research Governance. All reviews scheduled for the Audit Committee meeting in October are in planning and on track for completion.

The committee noted the report.

f) Internal Audit Annual Report 2017/18

Helen Berry introduced the report which summarises the internal audit work carried out and the key findings during the 2017/18 financial year.

- The Internal Audit Opinion is that NES has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks.
- Internal Audit completed 82 days of the 110 planned days in 2017/18. Two reviews, Health and Social Care Integration Governance and Directorate Review, have been delayed, to avoid clashes with operational priorities, and these reviews will be submitted to the October committee. The committee noted that the review of e-ESS governance has not been concluded and noted the information regarding this in appendix 4.
- Members of the committee were invited to review the KPIs in appendix 3 of the report and provide any feedback to David Eardley and Matt Swann via email or bring any relevant questions to the October meeting. **Action: ALL**

The Audit Committee noted the report and the assurance provided.

10. Other External Reports

a) Service Audit Reports Summary (NES/AUD/18/20)

Janice Sinclair introduced the report which provided the committee with a summary of Service Audit reports received for the 2017/18 financial year. The reports provided are service audits which relate either to business activity which NES outsources or to national systems used. As NES is not responsible for managing these systems, these audits provide assurance that the design, implementation and maintenance of controls relating to these systems are effective.

A member requested that hyperlinks to the individual reports are inserted into the summary report as well as the agenda.

Action: JS

a) NSS Payroll Services Audit Report 2017/18

This report relates to the payroll system used by NHS National Services Scotland (NSS) to process the NES payroll. The service audit report identified no control weaknesses that were considered to be of a significant nature and classified as a high risk.

The Audit Committee noted the report and the assurance provided.

b) NSS Practitioner Services Audit Report 2017/18

NSS Practitioner Services Division (PSD) process payment of medical, dental and pharmacy practitioners. The report identified no issues of a significant nature. Only one area was assessed as carrying a Moderate risk exposure. This related to the operation of the Authorisation matrix which is provided by all customer boards to list those who can approve payments. NES updates this matrix on an annual basis, the new action from this report is that this matrix will now be updated 6 monthly, in June and December. Another eight weaknesses found were all classed as carrying a limited risk exposure.

The Audit Committee noted the report and the assurance provided.

c) NHS National IT Contract 2017/18

This report describes the control environment in operation within Atos and its alliance partners, IBM and Sopra Group (referred to as "Atos") relating to the delivery of the NHSScotland National Information Technology Services Contract. NSS and Atos are joint providers of IT services. The report concluded that over all the controls tested, they had operated effectively throughout 2017/18. Of the 108 control objectives audited, 7 were classed as having a moderate exposure to risk, 7 had a limited exposure to risk with no significant control weaknesses identified in the remaining 94.

The Audit Committee noted the report and the assurance provided.

d) NHS Ayrshire Arran NSI Financial Ledger Services
Report 2017/18

This report sets out the overarching control objectives in place for the year 1 April 2017 to 31 March 2018 for the Financial Ledger service hosted by NHS Ayrshire and Arran. The system was used by all NHS Boards in Scotland during 2017/18 to process core financial transactions. NHS A&A also provide a helpdesk service. The service auditor opinion was that the controls tested were those necessary to provide reasonable assurance that the control objectives were achieved and operated effectively

The Audit Committee noted the report and the assurance provided.

11. Annual Report to Counter Fraud Services (2017/18) (NES/AUD/18/24)

Janice Sinclair presented the draft annual report which details performance against a set of measurable tasks in the form of a completed checklist and a report on the level of engagement with counter fraud activities throughout 2017/18. The report provides assurance that NES is complying with its responsibilities in relation to the Strategy to Combat Financial Crime in NHS Scotland. It details how NES has:

- Under the terms of the Partnership agreement with Counter Fraud Services, NES has met specific roles and responsibilities for financial year 2017/18.
- Discussion took place regarding mandatory e-learning training and anti-bribery and corruption training. Information regarding relevant training will be forwarded on to Board members. **Action: JS**

The committee noted the report and approved its submission to Counter Fraud Services. **Action: JS**

**12. Feedback, Comments, Concerns and Complaints (NES/AUD/18/25)
Annual Report for 2017/18**

Rob Coward presented the report, which requires to be produced by all NHS Boards in accordance with the Patient Rights (Scotland) Directions Act 2012. The report demonstrates how NES has used complaints and feedback to implement and evaluate improvements to programmes and services. This includes spreading good practice, encouraging front line resolution and providing positive feedback regarding the reporting.

- Nine complaints were reported last year and all were responded to and resolved within the recommended timescales.
- The committee noted that the number of official complaints against NES is low and discussion took place regarding the collation of general feedback from training sessions and recording positive feedback. Rob Coward informed the

committee that training feedback is collated differently across NES due to the varying levels, requirements and diversity of courses provided, however noted that Directorates report on course feedback to the Educational Leadership Group and Educational and Research Governance Committee.

- The committee noted that the author of the report has since been provided with further information, which was not available at the time of report submission to the Audit Committee. An updated version of the report will be forwarded on to members. **Action: RC**

The committee noted and was satisfied with the report as part of the overall Governance Statement.

13. Inherent Risk 1 Summary Report (NES/AC/18/26)

Audrey McColl introduced the report, which presented the committee with all the inherent Primary 1 risks that have been reviewed by the respective sub-committees of the Board in 2017/18. This provides the committee with assurance that each standing committee has reviewed the risks pertaining to their remit to ensure that the controls detailed as reducing the inherent risk level to the residual risk level are appropriate.

The committee noted and was satisfied with the report as part of the annual Governance Statement.

14. 2017/18 Annual Accounts

- a) External Audit Report 2017/18 and Letter of representation
(Grant Thornton)

Joanne Brown and Angelo Gustinelli introduced the draft External Audit Report for 2017/18 and highlighted the following:

- For the financial year ended 31 March 2018 External Auditors have issued an unqualified audit opinion. Materiality has been set at £9million (2% of gross expenditure) and performance materiality was set at £6.6 million (75% of materiality). No adjustments to the draft financial statements and no significant areas of risk were identified.
- External Audit are satisfied that NES has appropriate systems and processes in place to manage its financial position and has appropriate processes in place to ensure it delivers Best Value and has received positive feedback on performance from Scottish Ministers.

Overall, Joanne noted that Grant Thornton anticipated issuing an unqualified audit opinion on the 2017/18 financial statements and the associated information in the Annual Report.

The committee noted the report and the assurance provided. The committee noted that the Letter of Representation will be signed at the June Board meeting.

Action: AMcC

- b) Annual Report from Audit Committee and Governance Statement (NES/AUD/17/16)

Janice Sinclair introduced the report, which summarises how the committee has discharged its remit and the responsibilities delegated to it by the Board during 2017/18. The report also details the key sources of evidence which the Audit Committee has considered in recommending the Governance Statement to the Board and the Accountable Officer for inclusion in the Annual Report and Accounts.

- It was highlighted that the report included commentary relating to internal and external audit reports that will be considered by the Audit Committee during this meeting and the report will be updated to reflect this before submission to the Board.

The Audit Committee noted that the annual report of the Audit Committee to the Board was both comprehensive and clear and approved its submission to the Board.

The Audit committee recommended the Governance Statement to the Board and the Accountable Officer for inclusion in the Annual Report and Accounts. **Action: AMcC**

- c) Annual Report and Accounts for year-end 31 March 2018 (NES/AUD/18/28)

Janice Sinclair introduced the paper, which presented the draft annual accounts for the financial year 2017/18 and highlighted the following:

- The format of the Annual Report has been changed in order to improve clarity for the user of the accounts, ensure compliance with Government Financial Reporting Manual (FReM) and International Finance Reporting Standards (IFRS) and to reduce duplication.
- There have been 3 changes from the accounting policies approved by the Audit Committee relating to policy 1- Authority, policy 2- Prior Year Adjustments and policy 15- Related Party Transactions.
- The median total remuneration figure has increased from £50,130 to £58,799. NES are working to understand that variation from prior year to current year.
- Members thanked Finance colleagues for the annual account sessions which were provided to non-executive and executive members, noting that the sessions were very helpful. Janice informed the committee of the changes that were agreed during these sessions, which were all minor changes,

relating to formatting and clarification to narrative. These changes have since been made and an updated version will be provided in advance of the Board meeting. **Action: JS**

The committee noted the report and its updated presentation. They congratulated the finance team on the standard of the annual accounts and thanked them for all their hard work in compiling the annual report and accounts.

The Audit Committee confirmed that they were satisfied with the 2017/18 Annual Report and Accounts and recommend them to the Board for approval at the meeting on 28th June 2017. **Action: JS**

d) Notification from Sponsored Body Audit Committees (NES/AUD/18/29)

Audrey McColl introduced the paper, which presented the proposed response to the annual request from the Health Finance Directorate of Scottish Government for details of any significant issues of fraud which arose during 2017/18.

The committee noted that no significant issues or fraud had been identified and approved the response which will be formally signed at the Board meeting on 28th June 2018 by the Chair of the Audit Committee. **Action: AMcC**

15. Items for information

The following Audit Scotland Report was noted by the committee:

a) A Short Guide to the Integration of Health and Social Care service in Scotland.

16. Private meeting

A private meeting was held between the Auditors and the non-executive Audit Committee members.

17. Date and time of next meeting

The next meeting of the Audit Committee will be held on Thursday 04th October at 10:15 in Westport Room 8.

The Chair of the committee thanked Helen Berry for her input during her time as Internal Audit Director for NES. Audrey McColl added that the relationship with Internal Auditors has been a highly constructive relationship and the committee wished Helen well for the future.

NES
June 2018
JA/amcc/js

NHS Education for Scotland

Board Paper Summary

1. **Title of Paper**

2017/18 Annual Report of the NES Board

2. **Author(s) of Paper**

Caroline Lamb, Chief Executive

3. **Purpose of Paper**

The purpose of this paper is to present the Annual Report of the Board for 2017/18 to the Board for approval.

4. **Key Issues**

The NES Board met a total of nine times in formal session and three times in workshop session during the course of the year. During 2017/18 the Board dealt with on-going governance items from its Standing Committees; spent considerable time on strategic items relevant to the developing context of NHSScotland; and received a number of reports and updates on key workstreams.

The Board also set aside time to consider its own development requirements.

The 2017/18 Annual Report of the Board is attached.

5. **Recommendations**

The Board is recommended to approve its Annual Report.

NHS Education for Scotland Annual Report of the Board 2017/18

1 Introduction

This document represents the report of the Board of NHS Education for Scotland for the period 1st April 2017 to 31st March 2018. The report is intended to provide the Board with an opportunity to reflect on and document its performance during the year.

2 Membership and Meetings

The Board met nine times in formal session during the period 01/04/17 to 31/03/18. The dates of meetings and attendance of members are as shown in the Appendix (page 10). All Board members achieved an attendance rate of at least 65% of the combined total of formal meetings and workshops which they were eligible to attend.

The Board has 'Declaration of Interests' as a standing item on its agenda and records any interests declared in its minutes. The Board is satisfied that all its non-executive members are independent as required by the UK Corporate Governance Code (April 2016).¹ The Board notes that some of its non-executive members will be members of the NHSS Pension Scheme, but given the nature of this scheme, the Board does not believe this to impact on the independence of those members.

The performance of Executive Directors is reviewed on a six-monthly basis by the Chief Executive against objectives that are agreed annually. Both the objectives and the annual performance appraisal results are considered by the Remuneration Committee.

The performance of Non-Executive Directors is reviewed by the Chair. The performance of the Chair is reviewed by the Director General Health and Social Care/Chief Executive of NHSScotland.

¹ The UK Corporate Governance Code (April 2016) requires that Board's state their reasons for considering that a Director is independent if the following circumstances apply to any individual:

- has been an employee of the company or group within the last five years;
- has, or has had within the last three years, a material business relationship with the company either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company;
- has received or receives additional remuneration from the company apart from a director's fee, participates in the company's share option or a performance-related pay scheme, or is a member of the company's pension scheme;
- has close family ties with any of the company's advisers, directors or senior employees;
- holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;
- represents a significant shareholder; or
- has served on the board for more than nine years from the date of their first election.

Training opportunities that arise throughout the year are made available to Board members, and the Board receives a report at each meeting detailing forthcoming training opportunities and any upcoming NES events.

3 Administration and Communication

The Board is generally satisfied with the quality of the information that it receives for its meetings and with the administration of meetings, with the majority of papers being available one week in advance of the meeting. Papers for Board meetings are posted in hard copy to Board members and are also available online via Microsoft Office365. The Board is planning to move to receiving papers via online issue only during 2018/19.

The agenda, minutes and papers of all Board meetings are available to staff and to the public on the NES corporate website.

4 Discharge of the Functions of the Board

The functions of the Board are set out in the Standing Orders and may be discharged directly by the Board alone or by delegation to one of the Board's governance committees, which then report back to the Board. The table overleaf sets out how the Board believes it has effectively discharged its functions during the 2017/18 year; and the impact that it has achieved. More information about the business that the Board has transacted is contained at Section 5.

Function	Discharge	Impact
<p>To set strategic direction of the organisation within the overall policies and priorities of the Government and NHSScotland, define its annual and longer term objectives and agree plans to achieve them.</p>	<p>The Board commented on and approved the 2017/18 Local Delivery Plan in March 2017. This was heavily influenced by the publication of the Delivery Plan for Health and Care in December 2016 and set a direction of travel for NES which has been carried through into the production of the National Board Collaborative Plan during 2017/18, and the NES Local Delivery Plan for 2018/9 which was approved by the Board in March 2018. These documents have a strong focus on actions to develop a sustainable workforce.</p> <p>During the course of the year the Board also received reports which enabled it to remain informed about the broader strategic environment within which it operates. These included: the three National Health and Social Care Workforce Plans and the National Boards Collaborative Plan.</p>	<p>During 2017/18 NES has been able to start to delivery on many of the areas of work that we believe will help to develop a more sustainable workforce for the future. These include: Lead Employer arrangements for Doctors and Dentists in Training; the development of a supply side workforce data platform; and the further development of applications on the Turas platform to support the workforce across health and social care. These developments have all been welcomed by the service and by Scottish Government.</p>
<p>To oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;</p>	<p>The Finance and Performance Management Committee of the Board provides detailed scrutiny of performance reports, and the Board receives quarterly summaries.</p> <p>In addition the Board received a number of substantive and more detailed updates covering NES activity in response to key policies and priorities. These included: an update on progress against our 2014-19</p>	<p>The Board had full sight of delivery against plans and was in a position to be able to request corrective action, although this was not deemed necessary during 2017/18.</p> <p>The Board was also kept well informed about developments that NES were asked to lead on during the year and which did not form part of our original targets. These included the workforce data platform and arrangements for Lead Employer</p>

Function	Discharge	Impact
	Strategic Outcomes, a presentation on NES national Quality Improvement programmes, a paper on NES's contribution to Mental Health, a paper on joint work between NES and Health Protection Scotland, and a paper on NES's corporate parenting responsibilities.	arrangements for Doctors and Dentists in Training,
To ensure that there is effective dialogue within the organisation and between the organisation and key stakeholders on its plans and performance and that these are responsive to stakeholders' needs	The Board reviewed a NES Communications Strategy and discussed a proposed narrative for the organisation at its formal meetings in 2017/18. The Board also held a stakeholder mapping session at one of its planning workshops which built on previous discussions held in 2016/17. The Board identified and prioritised existing stakeholders and identified any gaps in current engagement. The Board also received a regular update on Communications as part of the Chief Executive's report at every meeting	The development of some key areas of work such as the workforce data platform, Lead employer arrangements, and the development of the National Boards Collaborative Plan has helped to foster very much closer working relationships between NES and Territorial and other National Boards.
To ensure effective financial stewardship through value for money, financial control and financial planning and strategy;	The Board considered the most up-to-date Finance Report at each of its meetings. The Board also received updates on the anticipated financial position of NES and plans to deliver additional efficiencies and savings through its Finance and Performance Management Committee. The Board also received assurances from its Audit Committee in relation to the full system of internal controls and the Board's counter	The Board exercised, and was able to demonstrate, effective financial stewardship through the work of the Finance and Performance Management and Audit Committees and through its own oversight of regular reports of the financial position against budget and through its own consideration and sign off of annual budget papers. The Board oversaw the achievement of a

Function	Discharge	Impact
	<p>fraud processes.</p> <p>Through its Finance and Performance Management Committee the Board also oversaw the development of a budget for 2017/18 and formally approved the budget in March 2017.</p>	<p>small underspend position for 2017/18 with all financial targets being met.</p>
<p>To ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation;</p>	<p>The Board receives assurances from the Audit Committee, and in particular the programme of Internal Audit, in relation to its corporate governance processes. The Audit Committee also receives and scrutinises the annual reports from each of the other standing committees (Educational & Research Governance, Finance & Performance Management, Staff Governance (including the Remuneration Committee)).</p> <p>The Board also receives assurance from the Staff Governance Committee and the minutes of the Partnership Forum in relation to the maintenance of high standards of corporate governance and personal behaviour. The Board maintains a register of interests and has intimations of any conflict of interest as a standing item on its agenda.</p> <p>During the year the Board also considered the Annual Report of its Caldicott Guardian, the NES Equal Pay Statement and Occupational Segregation</p>	<p>The Board achieved, and was able to demonstrate, high standards of corporate governance and personal behaviour through its oversight of the work of its Audit Committee, Staff Governance Committee and Partnership Forum; through its register of interest and standing agenda item requiring any conflict of interest to be noted; and through its direct consideration of matters such as Equality and Diversity and Caldicott Guardian reporting.</p>

Function	Discharge	Impact
	Analysis, and the Equality Outcomes and Mainstreaming Report.	
To appoint, appraise and remunerate senior executives.	<p>The Board relies on its Remuneration Committee for detailed examination of the arrangements for the appointment of senior executives and for annual consideration of the objectives set for those senior executives and the review of performance against those objectives. The Board receives regular reports of the meetings of the Remuneration Committee and an Annual Report which sets out how the Remuneration Committee has discharged this responsibility.</p> <p>During the 2017-18 year, a new Director of NMAHP was appointed in light of the previous Director's retiral.</p>	The minutes of the Remuneration Committee and its report to the Board demonstrate that it has discharged this responsibility effectively on behalf of the Board.

5 Business Transacted During the 2017/18 Year

The Board agendas are structured to cover governance items and strategic items. In addition, the Board receives a report from the Chief Executive at every formal meeting which provides a general update for the Board and covers any developments or issues which have arisen during the last period. The Chief Executive's report also includes a copy of the latest Corporate Risk Register.

The Board met formally on nine occasions during 2017/18. Within the Governance section of its agenda, the Board received and considered a Finance Report at every meeting and also considered regular minutes from its governance committees: The Audit Committee, the Staff Governance Committee, the Remuneration Committee, the Educational and Research Governance Committee, and the Finance and Performance Management Committee. Alongside the report from its Finance and Performance Management Committee, the Board also received a quarterly report covering the performance of the organisation against key targets and deliverables.

During the year the Board considered major reports concerning our strategic environment, including the Scottish Government's three National Health and Social Care Workforce Plans, the National Board Collaborative Plan and a summary report on the 2016/17 work of the Sharing Intelligence for Health & Care Group.

The Board also considered a number of items concerning activities, plans and strategies that support NES's overall Strategic Framework and achievement of our key strategic outcomes. These included:

- papers on progress made by NES in assuming a Lead Employer role for doctors and dentists in training, how NES is developing and delivering resources in to support the clinical supervision of midwives in Scotland and joint work between NES and Health Protection Scotland;
- reports on our joint work with the Scottish Funding Council, including specific reference to the widening access agenda;
- a high-level, cross-directorate, overview of the numbers of individual health professionals currently in directly managed training programmes, and the numbers completing training within a single academic year;
- an update on NES's contribution to mental health in Scotland in the context of the Scottish Government Mental Health Strategy 2017-2027 and;
- a paper on NES's Corporate Parenting responsibilities.

The Board also received updates on the financial outlook and key budget issues in advance of and in preparation for receiving and approving the Local Delivery Plan and associated Budget for 2018/19.

The Board also met three times in workshop format. On all three occasions the Board discussed changes and challenges in the external environment,

with particular reference to national and regional developments. There were also substantive sessions on stakeholder engagement, the UK Shape of Training report, Digital developments in NES and the Board's risk appetite. The Board also discussed its own development, focussing specifically on the following three areas: strategic leadership and performance, Board effectiveness and development and openness and accountability.

In all meetings of the Board, both in formal and workshop sessions, Non-Executive members of the Board provided constructive challenge and support, drawing on their own experiences, to plans being developed by the Executive Directors.

6 Risk Management

As noted above, the Board receives a regular update of the Corporate Risk Register as part of the Chief Executive's report to each meeting. The Board also takes the opportunity on an annual basis, and in workshop format, to carry out some horizon scanning, and to consider the risk and opportunities environment within which the Board is operating.

7 Development of the Board as a Whole

The NES Organisational Development, Leadership & Learning team facilitated a workshop on future/long-term Board development with reference to the 'On Board' diagnostic tool. The Board had previously identified three priority development areas in October 2016: strategic leadership and performance, Board effectiveness and development and openness and accountability. These areas were discussed in detail at the workshop and the Board identified four priority areas to take forward. One of these priorities, stakeholder analysis, was the subject of a Board planning day in May 2017.

8 Conclusion and Recommendation

The Board is satisfied that it has adequately discharged its remit in the year to 31st March 2018.

Member	Formal Board meetings									Total Board meetings attended	Total workshops attended
	19 April 2017	11 May 2017	29 June 2017	3 Aug 2017	14 Sept 2017	26 Oct 2017	7 Dec 2017	24 Jan 2018	8 Mar 2018		
Dr L Burley (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	3
Ms E Ford	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	2
Ms S Douglas-Scott	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	3
Mr D Hutchens	✓	✓	-	✓	✓	✓	✓	✓	✓	8	3
Dr D Steele	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	3
Ms S Stewart	✓	-	✓	✓	✓	✓	-	✓*	✓*	7	1
Dr A Tannahill	✓	✓	-	✓	✓	✓	✓	✓*	✓	8	2
Ms C Wilkinson	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	2
Dr C Ferguson	✓	✓	✓	-	✓	✓	✓			6	3
Prof S Irvine	✓	✓	✓	✓	-	✓	✓	✓	✓	8	3
Ms C Lamb	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	3
Ms A McColl	✓	-	✓	✓	✓	-	✓	✓	✓	7	1
Ms K Wilson								-	✓	1	

✓*: indicates attendance either by Skype/telephone

NB: Karen Wilson was appointed as Colette Ferguson's replacement effective 1 January 2018



NHS Education for Scotland

**External Audit Annual Report to the Board and the Auditor General for
Scotland for the financial year ended 31 March 2018 (FINAL DRAFT)**

Board Meeting 28 June 2018

Joanne Brown
Engagement Leader

Angelo Gustinelli
External Audit
Manager



Our audit at a glance



We have fulfilled our responsibilities per International Standards of Auditing (ISAs) (UK) and the Audit Scotland Code of Audit Practice throughout our work and this final report to the Board and the Auditor General for Scotland concludes our work.



Materiality was set at 2% of gross expenditure, this remained unchanged from our plan but represents a change from prior year which was set at 1%. Based on 2017/18 unaudited accounts the materiality was £9 million. We did not identify any adjustments to the financial statements based on our work. However disclosure amendments were discussed and agreed, particularly in relation to the new format of the expenditure notes. These were not significant or material in nature



Significant audit risks were: management override of controls; and the risk of fraud in expenditure recognition as set out in International Auditing Standards (ISAs UK) practice note 10. Our risk assessment remained unchanged and we did not identify any matters to highlight to you in our testing of these areas. .

An audit underpinned by quality



We have built on our working relationship with NES management during the year and this has ensured an efficient audit process, allowing for the audit to be concluded by the first week of June 2018.

Our opinion for the year is un-modified.



A wider scope audit for NES, as set out in our plan, was considered not appropriate. However, in accordance with the Audit Scotland Code of Practice we have provided commentary on your wider narrative in the annual report and accounts and overall observations on the future financial challenges facing NES.



Our work was undertaken in accordance with our agreed timetable. The draft financial statements produced by management were of a good standard, complete and supported by working papers.

We thank management for their support and assistance during our work.

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Adding value through our external audit work

First and foremost our objective is to ensure we deliver a quality external audit which fully complies with International Standards of Auditing (ISAs) UK and the Audit Scotland Code of Practice (2016). By ensuring our audit is efficient and effective, gives you assurance over our opinion.

Through this Annual Report we seek to provide insight and commentary over certain aspects of NES's arrangements, sharing relevant practices with the Audit Committee and Management.

We have continued to build on our working relationship with Management, ensuring a smooth handover to the new audit team and increased our understanding of NES as an organisation. During the year we have shared relevant publications with Management, in particular from Audit Scotland, and discussed how these are relevant to NES.

Introduction

This report is a summary of our findings from our external audit work for the financial year ended 31 March 2018.

Our work has been undertaken in accordance with International Standards of Auditing (ISAs) (UK) and the Audit Scotland Code of Audit Practice 2016.

Our report is addressed to the NHS Education for Scotland Board, in respect of the Board's role as those charged with governance. In addition, in accordance with our reporting responsibilities the report is jointly addressed to the Auditor General for Scotland.

Once finalised this report will be made publically available on the Audit Scotland website (www.audit-scotland.gov.uk)

Our report was presented as a draft to the NES Audit Committee on 14 June 2018. Once all outstanding matters are complete the report will be updated and finalised. NES intend to take this report alongside the final 2017/18 financial statements to the Board meeting on 28 June 2018. .

We would like to thank NES management and in particular the finance team for an effective year-end audit process and all their support and assistance in the audit process.

Structure of this report

As set out in our Audit Plan (February 2018) we consider in accordance with the Audit Scotland Code of Practice that NES is a smaller body. Therefore full wider scope is not appropriate.

However, as required in the Code of Audit Practice our report concludes on our audit of the annual report and accounts and certain aspects of NES's arrangements as follows:

Financial statements, including the Performance Report and Accountability Report (including governance statement)– Section 1

Financial management and sustainability - Section 2 and 3



Our Opinion

For the financial year ended 31 March 2018 we have issued an **unmodified audit opinion**

- True and fair view of the financial statements
- Regularity – expenditure has been incurred in accordance with the purpose of NES
- Other prescribed matters (which include the audited information in the remuneration report)



Status of the audit as at 20 June 2018

Our audit is complete and will be finalised on receipt of:

- Signed Letter of representation
- Completion of subsequent events procedures (up to date of signing)
- Signed financial statements following the Board meeting

The audit process

We received a good, complete set of financial statements on 11 May 2018 including the performance report, strategic report and governance statement.

This was in line with the timetable we agreed. The draft financial statements were supported by good working papers and the finance team were very quick to support our audit and respond to our queries.

We have no unadjusted differences to report to the Audit Committee. However, minor changes to the financial statement balances were identified between the unaudited and audited version of the annual report and accounts, particularly in relation to the new expenditure notes. A number of adjustments were identified and updated by Finance. We noted very minor changes all of which have been processed in the final annual report and accounts.



Our financial statements audit



Materiality has been set at £9 million (2% of gross expenditure) and performance materiality was set at £6.8 million (75% of materiality). We reported to management any audit difference identified over £250,000 (5% of materiality), of which there were none.



We did not identify any adjustments to the draft financial statements based on our work, however disclosure amendments were discussed and agreed, particularly in relation to the new format of the expenditure notes. These are not considered to be significant or material.



We will issue an unmodified audit opinion on the financial statements, including the wider information contained in the financial statements, and the regularity opinion.

The audited parts of the Directors Remuneration Report are free from error.



Testing provided assurance on all identified areas of significant risks and there were no audit differences arising during the course of our audit.



Our audit work was completed in accordance with International Standards in Auditing (UK) (ISAs) and the Audit Scotland Code of Audit Practice (May 2016). Based on our audit procedures performed we intend to issue an unmodified audit opinion on the financial statements including:

- they give a true and fair view
- have been properly prepared in accordance with relevant legislation and standards
- the wider information contained in the financial statements e.g. Performance and Strategic report
- regularity of expenditure
- audited parts of the remuneration and staff report have been prepared in accordance with the guidance

Audit approach and materiality

Our audit approach was set out in our annual audit plan presented to the Audit Committee on the 11 January 2018. Overall materiality has been set at £9 million, 2% of gross expenditure (2016/17: £4.4 million, 1% gross expenditure) and performance materiality is set at £6.8 million, 75% of materiality. We report to management any audit difference identified over £250,000 (Trivial capped at £250,000 by Audit Scotland).

We did not identify any additional significant audit risks from those identified in our audit plan. Our work completed in relation to the audit risks identified (management override of controls and risk of fraud in expenditure) is set out in this report under key audit matters.



Audit opinion

Based on our audit procedures performed we will issue an unmodified audit opinion on the financial statements including:

- they give a true and fair view
- they have been properly prepared in accordance with relevant legislation and standards
- the wider information contained in the financial statements, e.g. Performance Report and Governance Statement, is consistent with the financial statements
- regularity of expenditure
- audited parts of the remuneration and staff report are prepared in accordance with applicable guidance



Internal control environment

During the year we sought to understand NES's overall control environment (design) as related to the financial statements. In particular we have:

- Considered procedures and controls around related parties, journal entries and other key entity level controls.
- Performed walkthrough procedures on key financial controls in particular journals, payroll and ledger controls



Our work over controls is limited to our ISA requirements in understanding an entities control environment. Our audit is not controls based and we do not seek reliance over controls. Our audit is fully substantive in nature.

We identified no material weaknesses or areas of concern from this work which would have caused us to alter the planned approach, set out in our plan.

Internal Audit

As set out in our external audit plan we have not placed formal reliance on the work of Scott-Moncrieff, NES's internal audit provider.

We reviewed the internal audit plan and individual reports issued to date, to consider if any impact on our audit approach, with none being noted and all reports receiving substantive assurance.



The opinion of Internal Audit for the year was:

"In our opinion NES has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks, and proper arrangements are in place to promote value for money and deliver best value."

The findings of internal audit are not inconsistent with our knowledge and experience of NES.

Key audit issues – Our response to significant audit risks

Overview of our audit risks identified at planning and our proposed approach

	Risk of fraud in revenue and expenditure	Management override of controls
The Risk	<p>As set out in ISA 240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue. In 2017/18, NES's material revenue streams related to Scottish Government resource funding. Given the nature of this income being well forecast and agreed directly with SGHD we rebut the presumed risk of material misstatement over income. However, as set out in Practice note 10 (revised), for public sector entities there is a presumed risk of misstatement of expenditure. We consider the risk to be particularly prevalent around the year end and therefore focus our testing on cut-off of expenditure.</p>	<p>As set out in ISA 240, across all entities there is a presumed risk of fraud being perpetrated by management through its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Override of controls is present in all entities.</p>
Our response	<ul style="list-style-type: none"> • The focus of our risk was on material non-payroll expenditure. We targeted our audit procedures around those transactions with a higher risk of manipulation, being those transactions around the year end. • Performed cut off testing at year end on pre and post year end transactions. • Walkthroughs of the controls and procedures around material expenditure streams and validation of key controls where appropriate. • Consideration of the Regularity of expenditure incurred to ensure alignment with the type/nature of NES as an organisation. • Confirmed the completeness and accuracy of balances at the year end. 	<ul style="list-style-type: none"> • A focus on our understanding of how/where management override of controls may occur • Review of the controls over journal entries • Understanding key areas of judgement and estimation within the financial statements and the basis for these judgements and the application of accounting policies • Reviewing unusual and/or significant transactions
Our conclusion	<p>Based on our testing we can conclude:</p> <ul style="list-style-type: none"> • We did not identify any exceptions in our cut-off testing for year-end expenditure. • We did not identify any exceptions in the completeness and accuracy of balances at the year end. • Through our substantive procedures and sample testing we confirmed expenditure testing was in accordance with the nature of NES (regularity). 	<p>Based on our testing we can conclude:</p> <ul style="list-style-type: none"> • There was no evidence of management override in our testing of journals. • NESs financial statements do not include material judgements or estimates, however we considered the Lease dilapidation provisions and Intangible assets amortisation policy and expected useful economic lives. • We did not identify any unusual or significant transactions in year.

Narrative elements of your annual accounts

In accordance with our responsibilities we have reviewed your narrative aspects of the Annual Accounts and Report. We have considered the consistency of this narrative with our understanding and the financial statements and have set out our observations below. We have also audited the required information in the remuneration report (marked audited) and have no matters we wish to bring to your attention.

Performance Report

- The accountability report is in line with our understanding of NES and in particular the vision and strategic priorities of NES.
- The Accountable Officer's statement is clear and easy to read.
- Risks are well articulated, aligned to NES's internal risk reporting.
- Good use of links to relevant material on the NES's website.

Overall observations

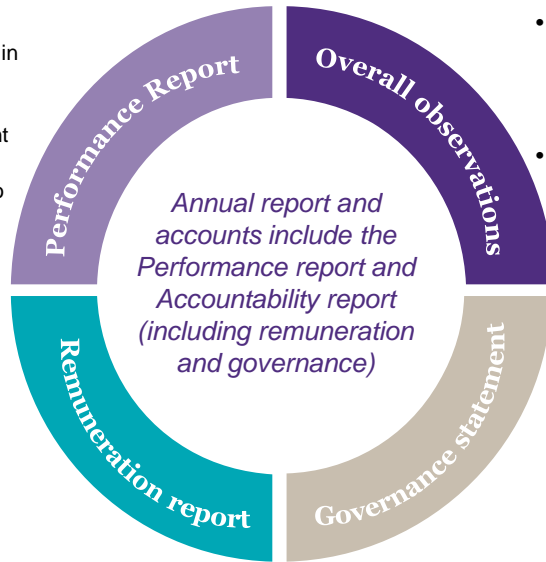
- NES continue to look at how the "front end" of the Annual Report and Accounts are presented and have introduced graphics to provide a visual representation of performance as appropriate.
- There have been substantial changes to the notes that support the expenditure within the Financial Statements, which have helped to provide clarity and improve transparency of expenditure.

Remuneration and Staff Report

- Has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions thereunder.
- The Executive and Non-Executive members reflected in the report have been correctly identified in accordance with FReM.

Accountability Report

- As required by the FReM the Governance statement is included in the Accountability report.
- No material issues of governance in year that are required to be reported
- The governance statement is in accordance with the FReM.
- The statement is supported by individual assurances to the Accountable Officer over internal controls.



Key aspects of your financial statements

As set out in our audit plan we consider particular aspects of your financial statements in relation to management judgements including estimates and where management may have particular options or choices in what accounting standards or disclosure requirements to apply. We have summarised where these apply, and our conclusions below.



Commentary:

NES's accounting policies are consistent with the NHS Manual of Accounts and are unchanged from prior year.

We identified and gained comfort over the key estimates and judgement, notably the Lease dilapidation provisions, Intangible assets amortisation policy and expected useful economic lives.

In relation to the audit risk of fraud in respect of expenditure we tested NES's cut off arrangements in particular (timing) and identified no issues in accruals or prepayments which would indicate a higher risk of potential fraud.

There are no post balance sheet events or legal uncertainties at year-end.

Finally NES, as set out in the performance and accountability reports, consider themselves a going concern. They have an agreed budget with the Scottish Government for 2018/19 and are working on financial plans up until 2023 although only receive a one year budget settlement. Given NES's role as a National Health Board within NHS Scotland providing education and training to the health sector, as well as considering the statutory functions NES have to enable it to fulfil its remit, we agree with managements assertion that NES meets the going concern criteria.

Commentary on NES Financial arrangements



The NES Budget for 2018/19, approved by the Board on 8 March 2018, underpins the achievement of all NES strategic objectives and outlines the financial and operational challenges faced by the Board. The budget highlights that NES will receive no uplift to the NES baseline recurring budget and will need to continue to identify future savings.



Management have identified that for 2018/19, the Board requires savings of £14.9 million to meet its financial targets. £14.9 million represents 30% of NES discretionary spend. Proposed measures have been identified to reduce the gap to £0.7million as at June 2018.



A significant amount of the NES budget is committed to paying the salaries of doctors, dentists, clinical psychologists and others while they are in training.

The anticipated pressures as a result of the 2018/19 pay policy on the Training Grade element of the NES recurrent budget is a total of £5.4 million. It was confirmed by Scottish Government on 12 June 2018 that they will be providing to NES an additional £5.4 million recurring funding from 2018-19 to cover this additional budget pressure.



The 2018/19 financial planning assumptions appear reasonable and in line with what we would expect based on our knowledge of NES and prior year approach.



NES have a focus on how as an organisation they demonstrate value for money. On an annual basis they undertake a value for money self assessment, across all the core areas of best value, linked to evidence of demonstration and areas for further development. This assessment is discussed at the Audit Committee in June and linked to the Audit Committee's wider considerations before recommending the Annual Report and Accounts to the Board. No issues were noted in the assessment.



NES's workforce plan is reviewed annually to ensure its alignment with updated local, regional and national plans and policies. As in previous years, the plan is in line with NES's vision of 'Quality Education for a Healthier Scotland' and their mission 'to provide education that enables excellence in health and care for the people of Scotland'. NES, with partners, has also made a substantial contribution to the development of the National Board Plan 'Changing to Deliver 2019-23', specifically in the areas of digital innovation and the development of a sustainable workforce.

Financial planning 2018/19

The Board approved the Budget for 2018/19 and the operating budget for the year in March 2018. The financial plan is developed using a detailed budgeting approach to ensure that forecast income and expenditure is developed on key planned activity during the year. Financial forecasts are reviewed during the year to ensure these remain appropriate.

The financial plan for 2018/19 projects a breakeven position, consistent with the 2017/18 original forecast. We consider the key assumptions below:

Key assumption	Budget £ million	Considered reasonable	Comment
Budget	420.0	✓	Draft budget allocation received from the Scottish Government. NES has assumed no uplift of baseline, which is similar to a number of our National Boards.
Other funding	3.4	✓	The funding which was transferred to the NES baseline during 2017/18.
Efficiency savings required	14.9	✓	This arises from the combined impact of; pay awards and pay progression for Agenda for Change staff; pay awards for trainees (£5.4 million); inflationary pressures across our non-pay budgets and an anticipated contribution of £2.5 million to the £15 million efficiency target applied collectively to National Boards. In addition, NES have an underlying recurrent deficit of £3.2 million which in previous years we have achieved on a non-recurrent basis.
Proposed measures to reduce the gap	14.2		NES have been advised that given the UK Government budget commitment to 'funding pay awards for NHS staff on the Agenda for Change contract', additional funding will be provided by Scottish Government in 2018-19 for this cohort, with confirmation expected later in the year. In addition the Scottish Government have now also committed to provide an additional £5.4 million recurring funding from 2018-19 to cover the pressure from the impact of the pay award for trainees, (£4.8 million for training grade posts based in Territorial Boards and £0.6 million for NES employed GP Trainees.)
Forecast surplus / (deficit)	0.7		

The financial plans in place are based on reasonable assumptions and are appropriate based on our understanding of NES. NES continue to monitor these forecasts alongside the actual financial position during the year to ensure they still remain achievable.

National Board Collaboration

There is currently a draft National Board Plan, covering the five year period from 2018-23. Whilst progress has been made in a number of areas, the specific areas progressed to date may not deliver significant recurrent savings to the NES budget in 2018/19. The National Boards are actively working to identify additional proposals to generate these savings.

The National Board's have been focused on Sustainable Workforce, Digitally Enabled Service Redesign and Evaluation, Improvement and Transformation. These are the key areas where the National Boards can provide support to meet technological, demographic and societal challenges.

NES is committed to working with other National and Territorial NHS Boards, both locally, regionally and nationally. In particular, NES has a key role in delivering elements of the national Board Plan which contribute to digital innovation and the development of a sustainable workforce across Health and Care. **See action point 1.**

Governance arrangements

NES has a stable governance structure with the Board and its committees well established. The Board meets regularly during the year to both set and monitor the delivery of the Board's strategic priorities. We found the level of reporting to the Board and its committees to be appropriate.

Dr Lindsay Burley's term in office ended on 31 March 2018, the Cabinet Secretary for Health and Sport Shona Robinson appointed David Garbutt the new Chair of NES from the 1 April 2018. The Chair plays a critical role in both shaping and leading the strategic direction of the organisation. The Chair brings previous NHS experience having previously served as the Chair of the Scottish Ambulance Service Board.



Board effectiveness and transparency

The Board undertakes a regular assessment (every 18 to 24 months) of its own effectiveness to ensure that it is in line with current best practice. There are defined scheme of delegation and policies and procedures in place to ensure that there is clear understanding of responsibilities across the organisation.

NES demonstrate commitment to transparent public reporting. Board minutes and supporting papers are published online as well as committee reports and a range of corporate publications detailing the Board's underlying performance and activities.

Fraud and Irregularity

NES has arrangements in place to help prevent, detect and mitigate the risk of fraud or irregularity, including anti-bribery and whistleblowing policies. While we consider these to be reasonable, no arrangements can fully prevent against the risk of fraud, theft or irregularity. We are not aware of any material frauds at NES during the course of the year and have confirmed this with management.

The Board participates in the National Fraud Initiative (NFI), a counter fraud exercise co-ordinated by Audit Scotland working together with a range of Scottish public bodies, external auditors and the National Audit Office to identify fraud and error.

We found NES's arrangements for participation in the NFI exercise during 2017/18 to be satisfactory. The Board has effective arrangements in place for the submission of data and investigation of potential matches.



Workforce planning

NES's workforce plan is reviewed annually to ensure its alignment with updated local, regional and national plans and policies. NES, with partners, has also made a substantial contribution to the development of the National Board Plan 'Changing to Deliver 2019-23', specifically in the areas of digital innovation and the development of a sustainable workforce.

The National Health and Social Care Workforce Plan highlighted opportunities to develop a more consistent national approach to education, training and workforce development to help develop a more sustainable 'pipeline' of skilled staff for health and care. NES are working with the Scottish Credit and Qualifications Framework Partnership, territorial boards and the higher and further education sectors to develop national commissioning and Recognition of Prior Learning.

The Health and Social Care Workforce Plan sets out that better workforce data and planning is key to developing sustainable services. The development of a cloud-based data platform, which is the current direction of travel, will bring together existing workforce data which will enable scenario planning for future workforce demand and supply. This will be essential, particularly related to future workforce uncertainty, in relation to Brexit.

Appendices

Audit adjustments

Action plan for 2017/18 external audit recommendations

Follow up of 2016/17 recommendations

Fees, independence, fraud arrangements

Communication of audit matters with the Board

Audit adjustments

Uncorrected and corrected misstatements

We are pleased to report that there were no uncorrected misstatements to the financial statements arising during our audit.

There were a number of minor disclosure adjustments to the draft accounts received for audit which were identified by the finance team through the ongoing review process. In addition, we identified minor changes which were all disclosure amendments and none of any significant merit to draw your attention.

Disclosure misstatements

In accordance with auditing standards we are required to highlight significant disclosure misstatements to allow Audit Committees to evaluate the impact of these matters on the financial statements. There were no material/significant disclosure misstatements identified we wish to bring to your attention.

Action plan for 2017/18 external audit recommendations

We have set out below, based on our audit work undertaken in 2017/18, those risks and recommendations we consider are of a higher risk to NES that Management may wish to consider in the future.

Recommendation

Agreed management response

National Boards collaboration

We note the future direction of travel in respect of the National Board's collaboration and the early work done by all the National Boards related to the creation of the plan and an initial five year financial framework. In due course this work, and the various scenarios related to NES should be presented to the NES board, particularly those that support NES in achieving medium term financial sustainability.

Management response: Agreed

Action owner: Director of Finance

Timescale for implementation:

In line with time scales agreed by the regional implementation leads.

2016/17 external audit recommendations

We have completed follow up of our 2016/17 recommendations and this is reflected below for information.

Follow up of 2016/17 External Audit Recommendations Action as at May 2018

Accounts and Annual Report production –

NES should review its closedown and accounts / Annual Report production timetables for 2017/18.

Status: Completed

Performance report –

Consider the use of visual aids to help make the performance report more accessible and understandable.

Status: Completed

Finance reports to the Board –

Review the contents of the finance reports to the Board and assess whether additional information would better meet the Board's needs.

Status: Ongoing

National Fraud Initiative –

Complete the NFI self-assessment questionnaire and develop an action plan to address any gaps in the arrangements that were identified.

Status: Ongoing

Will apply to next round of NFI.

2017/18 budget –

The Board should ensure that any unidentified savings for 2017/18 are identified promptly and progress against their achievement is adequately monitored.

Status: Complete

All savings achieved.

Medium term financial planning –

Keep assumptions regarding future funding under review and maintain dialogue with key partners.

Status: Noted

NES works closely with the Other National Boards and SG to assess future funding requirements and allocations.

Performance management targets –

Review the targets in place with a view to:

- reducing the number measured;
- making those that remain 'SMART'; and
- making the provision of performance information more timely.

Status: Ongoing

Performance management reporting –

Include a commentary on what is being done/ needs to be done to address performance against targets that has been assessed as 'red' or 'amber'.

Status: Completed

Journal authorisation (FY 15-16) –

Deloitte recommended that NES ensures that all journals are reviewed prior to posting.

Status: Complete

The existing process which allows for the self-authorisation of journals for posting on the ledger is controlled by ensuring that all journals are subsequently reviewed and signed off by more senior members of the finance team. This ensures that reporting deadlines are not adversely affected particularly given the dispersed locations of the teams.

Fees, independence, fraud arrangements

External Audit Fee

Service	Fees £
External Auditor Remuneration	48,270
Pooled Costs	6,970
Contribution to Audit Scotland costs	2,910
Contribution to Performance Audit and Best Value	0
2017-18 Fee	58,150

The audit fee was calculated in accordance with guidance issued by Audit Scotland and agreed with Management.

The above fee has not changed and our final fee was £58,150

Fees for other services

Service	Fees £
We can confirm there are no non-audit fees for the 2017/18 financial year	Nil

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention.

We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

We are required by auditing and ethical standards to communicate any relationships that may affect the independence and objectivity of the audit team.

We can confirm no independence concerns have been identified.

Fraud arrangements

In assessing our audit risks, the audit team was alert to the possibility of fraud at NES.

As part of our audit work we are responsible for:

- Identifying and assessing the risks of material misstatement of the financial statements due to fraud in particular in relation to management override of controls.
- Leading a discussion with those charged of governance (for NES this is assumed to be the Audit Committee) on their view of fraud. We did this when presenting our audit plan and in the form of management and those charged with governance questionnaires which were received in May 2018.
- Designing and implementing appropriate audit testing to gain assurance over our assessed risks of fraud.
- Responding appropriately to any fraud or suspected fraud identified during the audit. None were identified in-year.

As auditors we obtain reasonable but not absolute assurance the financial statements as a whole are free from material misstatement, whether due to fraud or error.

We will obtain annual representation from management regarding managements assessment of fraud risk, including internal controls, and any known or suspected fraud or misstatement.

It is Board's responsibility to establish arrangements to prevent and detect fraud and other irregularity. This includes:

- developing, promoting and monitoring compliance with standing orders and financial instructions
- developing and implementing strategies to prevent and detect fraud and other irregularity
- receiving and investigating alleged breaches of proper standards of financial conduct or fraud and irregularity.

Throughout the audit we worked with NES to review specific areas of fraud risk, including the operation of key financial controls.

We also examined certain policies in place, strategies, standing orders and financial instructions, as relevant to the fraud framework, to ensure that they provide a reasonable framework of internal control.

No suspected frauds or irregularities have been identified by Management and reported in-year.

Communication of audit matters with those charged with governance (the Board)

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, including planning assessment of audit risks and wider scope risks	•	
Confirmation of independence and objectivity	•	•
We are independent of NES and have not identified any conflicts of interest		
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
We have not incurred any non-audit fees during the year and no threats to independence identified		
Significant matters in relation to going concern	•	•
No significant going concern matters identified		
Views about the qualitative aspects of NES accounting and financial reporting practices, including accounting policies, accounting estimates and financial statement disclosures		•
Set out in the Financial statements Section 1.		
Significant findings from the audit		•
No significant findings from our audit		
Significant matters and issues arising during the audit and written representations that have been sought		•
Letter of representation will be shared and signed by the Accountable Officer when signing the financial statements. This is our standard, unmodified letter of representation		
Significant difficulties encountered during the audit		•
No difficulties encountered		
Significant deficiencies in internal control identified during the audit		•
None identified		
Significant matters arising in connection with related parties		•
None identified		
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
None identified. A nil fraud return was submitted to Audit Scotland in April 2018 in accordance with the planning guidance.		
Non-compliance with laws and regulations		•
None noted		
Unadjusted misstatements and material disclosure omissions		•
None noted. Minor disclosure amendments only and these were not material in nature		
Expected modifications to the auditor's report, or emphasis of matter		•
None, an unqualified opinion		

International Standards on Auditing (UK) (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table above.

We communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to NES Management and the Audit Committee.



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Board Paper Summary

1. **Title of Paper**

Letter of Representation - Financial Statements for the year ended 31 March 2018

2. **Author(s) of Paper**

Audrey McColl, Director of Finance

3. **Purpose of Paper**

Attached is the Letter of Representation which provides assurance to external Audit that they have been provided with all relevant information known to NES for the purpose of completing the Annual Accounts 2017/2018.

It also states that we are satisfied that the Governance Statement fairly reflects the Board's risk assurance framework and we confirm that we not aware of any significant risks that are not disclosed within the Governance Statement.

4. **Key Issues**

There are no issues to draw to the attention of the Board.

5. **Recommendations**

The Board is asked to approve the signing of the Letter of Representation on behalf of the Board.

Audrey McColl
June 2018

Westport 102
West Port
Edinburgh EH3 9DN

Telephone: 0131 656 3200
Fax: 0131 656 3201
www.nes.scot.nhs.uk



Grant Thornton UK LLP
110 Queen Street
Glasgow
G1 3BX

28th June 2018

Dear Sirs

NHS Education for Scotland Financial Statements for the year ended 31 March 2018

This representation letter is provided in connection with the audit of the financial statements of NHS Education for Scotland for the year ended 31 March 2018 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i We acknowledge and have fulfilled our responsibilities under the National Health Service (Scotland) Act 1978 for preparing financial statements, which give a true and fair view, and for making accurate representation to you.
- ii We have complied with the requirements of all statutory directions affecting the Board and these matters have been appropriately reflected and disclosed in financial statements.
- iii We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- iv Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- v Significant accounting estimates and judgements made by us in relation to provisions have been informed by the Central Legal Office where appropriate.

Chair: David Garbutt
Chief Executive: Caroline Lamb



- vi Except as disclosed in the financial statements:
 - a there are no unrecorded liabilities, actual or contingent
 - b none of the assets of the Board has been assigned, pledged or mortgaged
 - c there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- vii Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the 2017/18 FReM.
- viii In calculating the amount of income to be recognised in the accounts from the NHS organisations we have applied judgement, where appropriate, to reflect the appropriate amount of income expected to be received by the Board in accordance with the Accounting Standards and 2017/18 FReM.
- ix All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the 2017/18 FReM requires adjustment or disclosure have been adjusted or disclosed.
- x We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Annual Report to the Board and the Auditor General for Scotland. The financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xii We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the Boards financial statements.
- xiii We are of the opinion that it is appropriate to prepare the Board's financial statements for the year ended 31 March 2018 on a going concern basis.
- xiv We have considered impairment review of intangible assets with infinite useful life.

Information Provided

- xv We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. unrestricted access to persons within the Health Board from whom you determined it necessary to obtain audit evidence.
- xvi We have communicated to you all deficiencies in internal control of which management is aware.
- xvii All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xviii We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- xix We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Board and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xx We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the Board's financial statements communicated by employees, former employees, regulators or others.
- xxi We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxii We have disclosed to you the identity of the Board's related parties and all the related party relationships and transactions of which we are aware.

Annual Report

xxiii The disclosures within the Annual Report fairly reflect our understanding of the Board's financial and operating performance over the period covered by the financial statements.

Annual Governance Statement

xxiv We are satisfied that the Governance Statement fairly reflects the Boards' risk assurance framework and we confirm that we are not aware of any significant risks that are not disclosed within the Governance Statement.

Approval

The approval of this letter of representation was minuted by the Board at its meeting on 28th June 2018.

Signed on behalf of the Board

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Board Paper Summary

1. **Title of Paper**

Annual Report of the Audit Committee

2. **Author(s) of Paper**

Janice Sinclair, Head of Finance

3. **Purpose of Paper**

The purpose of this paper is to present the Annual Report of the Audit Committee to the Board, including the Audit Committee's recommendation to the Board and the Chief Executive, as Accountable Officer on the Governance Statement.

4. **Key Issues**

This report sets out how the Audit Committee has discharged its remit and the responsibilities delegated to it by the Board during 2017/18. The report also lists the key sources of evidence that the Audit Committee has considered in recommending the Governance Statement to the Board and to the Accountable Officer for inclusion in the Annual Report and Accounts.

5. **Recommendations**

The Board is recommended to note the Annual report from the Board.

The Board is recommended to approve the Governance Statement for signing as part of the Annual Report and Accounts.

Janice Sinclair
June 2018

REPORT AND RECOMMENDATION ON THE STATEMENT ON INTERNAL CONTROL FROM THE AUDIT COMMITTEE TO THE BOARD FOR THE YEAR TO 31ST MARCH 2018

1 Introduction

This document represents the report of the Audit Committee to the Board of NHS Education for Scotland for the period 1st April 2017 to 31st March 2018. The report is intended to provide the Board with evidence and assurances as to the extent to which the Audit Committee has effectively discharged its remit and responsibilities during the period.

This report also provides the Board with additional information in regards to the whole system of internal control within NES, and includes a recommendation to the Chief Executive as Accountable Officer, and to the Board on the appropriateness of the Governance Statement as contained within the Annual Report and Accounts of NES for the year ended 31st March 2018.

In making its recommendation on the Governance Statement the Audit Committee has considered both its own responsibilities in relation to the internal control system and its examination of the annual reports submitted by other governance committees of the Board to the Audit Committee.

2 Membership and Meetings

The Audit Committee met 4 times during the period 1st April 2017 to 31st March 2018. The dates of meetings and attendance of members were as shown in the table.

Date	Apr 2017	June 2017	Oct 2017	Jan 2018
Ms. C. Wilkinson (Chair)	✓	✓	✓	✓
Ms S. Douglas-Scott	✓	✓	✓	✓
Dr D. Steele	✓	✓	✓	✓
Ms S. Stewart	✓*	-	✓	✓

* Attendance was by teleconference

3 Administration and Communication

The Committee is generally satisfied with the administration of meetings. Papers are issued one week before each meeting to enable adequate time for review.

The agenda and minutes of all Audit Committee meetings are available to staff on the intranet.

4 Remit and Discharge of Remit

The Audit Committee considers that it has fully discharged its remit during the year – details of how this has been achieved are set out below.

A. Internal Control, Risk Management and Corporate Governance		
Remit	Discharge	Impact
i. To assess the scope and effectiveness of the risk management processes	The January 2018 meeting reviewed the revised Risk Management Strategy as discussed by the Board in December 2017.	The revised risk strategy acknowledges the changes in the NES operating environment and creates a matrix approach to risk appetite. This provides a framework within which greater risk can be accepted during the development phase of new activities or ways of working, enabling innovative approaches to be considered. However, once a decision is being made to implement, the risk appetite to be considered may be different. This provides the organisation with a framework to operate in which is flexible and does not stifle innovation.
	A summary of all risks where the inherent risk level is 'Primary 1' is considered by the Committee annually at its June meeting. These risks have all been reviewed by the appropriate sub-committee of the board.	The summary report provides assurance that each standing committee has reviewed; the controls identified as reducing the inherent risk level and the assurance mechanisms detailed to ensure these controls operate effectively. This review supports the Committee in being able to recommend that the Governance Statement is signed.
	The Risk register is reviewed at every Board meeting as part of the Chief Executive report.	The committee are aware of possible emerging risks affecting the organisation.

A. Internal Control, Risk Management and Corporate Governance		
Remit	Discharge	Impact
ii. To review the system of internal control and to evaluate the control environment and decision-making processes;	Throughout the year, the Committee has received regular reports from the Internal Auditors which have assisted in its assessment of the effectiveness of internal controls. Where appropriate, the relevant Lead Officer will also attend the Audit Committee to provide any additional detail required.	<p>The provision of effective challenge enables the committee to gain assurance on the reliability and integrity of the evidence provided to them as part of the internal audit reports.</p> <p>The process of self-assessment review including the use of rankings, has enabled the committee to measure its effectiveness in discharging its role as defined in the Corporate Governance Handbook</p>
iii. To receive reports from management on the effectiveness of internal controls;	<p>The annual workplan for the committee ensures that the remit of the Committee is reviewed at least once a year, The Committee reviewed its remit in October 2017 against the requirements of the Corporate Governance Handbook.</p> <p>Induction arrangements for Committee members were also updated in the October meeting.</p> <p>The Committee introduced a revised process for self-assessment which allowed for an in-depth review of the over the course of the year</p>	
iv. To review and recommend for approval by the Board, the Corporate Governance Statement which includes disclosures on audit and risk management in the annual accounts	The Committee reviewed the Governance Statement recommending this for inclusion in the Annual Accounts for 2016-17 at the June 17 meeting, and will consider the equivalent statement for 2017-18 at its meeting in June 2018.	
v. To review internal arrangements by which staff may raise concerns about possible improprieties, to include Whistleblowing	The annual Feedback, comments, concerns and complaints report is reviewed by the Committee at its June meetings. The report is also considered by the Staff Governance Committee	

A. Internal Control, Risk Management and Corporate Governance		
Remit	Discharge	Impact
vi. To review compliance with Counter Fraud and Anti-Bribery and Corruption guidance and legislation	<p>The committee receives quarterly updates on Counter Fraud activities within the organisation. The annual report on how NES has engaged with Counter Fraud Services will be reviewed by the Committee at its June meeting.</p> <p>The committee also completes an annual Counter Fraud self-assessment which was shared with Counter Fraud Services</p>	<p>The Committee is provided with assurances that the requirements of the CEL in relation to fraud prevention are being adhered to. Discussion of this agenda item also allows experiences from across the Health sector and beyond to be discussed – enabling a sharing of best practice to further improve NES processes.</p> <p>Review of the CFS self-assessment tool enables members to proactively consider the risks posed by financial crime and the readiness of the organisation to respond.</p>

B. Internal Audit		
Remit	Discharge	Impact
i. To approve the appointment and termination of Internal Audit and to ensure that appropriate resources are devoted to Internal Audit;	The Committee agreed in January 2018, to extend the contract for the provision of Internal Audit services by Scott Moncrieff by 12 months to March 2019. This is in line with the option within the contract to extend by a maximum of 24 months.	The internal audit plan is designed to provide NES, through the Audit Committee, with the assurance it needs to prepare an annual Governance Statement that complies with best practice in corporate governance. It also contributes to the improvement of governance, risk management, and internal control processes by using a systematic and disciplined evaluation approach.
ii. To review and approve Internal Audit's remit, including liaison with external audit;	<p>The Committee has received regular Internal Audit reports during the year and has challenged the appropriateness of management responses and timelines as required. Where appropriate, the relevant Lead Officer will also attend the Audit Committee to provide any additional detail required.</p> <p>The Internal Audit plan seeks to complement the areas being covered by NES's external auditors. Feedback from External Auditors is welcomed and can be incorporated into the planning process as appropriate.</p>	

B. Internal Audit		
Remit	Discharge	Impact
iii. To review and approve the Internal Audit work plan;	<p>The Internal Audit Plan for 2017/18 was approved by the Committee in April 2017. The Internal Audit Plan links internal audit activity to NES' Risk Management Framework.</p> <p>Sessions with the Senior Operational Leadership Group ensure that key operational and higher risk activities are included within the plan.</p> <p>Progress against the plan is reported to and Key Performance Indicators reviewed at each committee meeting during the year.</p>	Assurance that the design, implementation and maintenance of controls relating to all systems, whether managed directly by NES or outsourced, are effective is achieved.
iv. To receive regular Internal Audit reports and to review management responsiveness to recommendations and findings;	<p>Quarterly progress reports on follow up actions to audit recommendations are considered at each committee meeting.</p> <p>Service Audit reports are also considered by the Committee in June which cover services provided by external NHS bodies to NES. As these services are not managed by NES, they are outwith the scope of NES Internal Audit.</p>	Quarterly follow up reports ensure that management actions and anticipated response deadlines have become more realistic and implemented in line with expectations.
v. To review the annual Internal Audit Report; and	The Internal Audit annual reports are considered at the June Audit Committee meetings. The report for 2016/17 was considered at the June 17 meeting and the report for 2017/18 will be reviewed in June 18	By ensuring that External and Internal Audit work together, duplication of effort can be avoided, and maximised use of the total audit resource can be achieved.
vi. To hold discussions in private with Internal Audit	The committee determined that the private meetings with External and internal would be scheduled to take place, twice a year in January and June. The Committee provided assurance to both External and Internal Auditors that they could raise issues at any time out with these meetings.	

C. External Audit		
Remit	Discharge	Impact
i. To review the External Audit strategy and plan;	The External Audit Plan for the 2016/17 annual accounts was approved at the April 2017 meeting with the plan for the 2017/8 being approved in January 2018.	The Audit Committee can hold the External Auditors to account and can advise the Board in relation to any key matters arising as part of the external audit.
ii. To hold discussions in private with External Audit;	The committee determined that the private meetings with External and internal would be scheduled to take place, twice a year in January and June. The Committee provided assurance to both External and Internal Auditors that they could raise issues at any time out with these meetings.	The committee is assured that any concerns auditors may have about the control environment can be brought to their attention
iii. To review the External Audit management letters;	The External Audit Management letter for 2016/17 was considered at the June 2017 meeting. The June 2018 meeting of the committee will approve the management letter for 2017/18 annual accounts.	This review enables the Committee to assess the extent of any implications for NES and the ongoing work of the Committee.
iv. To ensure co-ordination between Internal and External Auditors; and	All Internal Audit reports are provided to External Audit	External Audit are able to consider whether any findings within internal audit reports would impact on the planned audit approach.
v. To review the Management Letter of Representation	The Management letter of representation will be considered at the June meeting for recommendation to the Board	

D. Standing Orders (SOs) and Standing Financial Instructions (SFIs)		
Remit	Discharge	Impact
i. To review changes to the SOs and SFIs;	There have been no amendments to either the SFIs or SOs during 2017-18.	The SFIs remain relevant and appropriate for the organisation.
ii. To examine the circumstances associated with each occasion when SOs are waived; and		
ii. to review the Scheme of Delegation		

E. Annual Accounts		
Remit	Discharge	Impact
i. to review the Financial Statements including significant financial reporting issues and judgements;	<p>Changes in the Accounting Manual, the accounting policies to be adopted and their impact on preparation of the NES Accounts, were reviewed by the Committee at its April 2018 meeting.</p> <p>The NES Finance team ensure workshops are available to all Board members to review the draft Annual Accounts with members of the Finance team.</p> <p>The full Committee reviews the Financial Statements at its June meeting each year and reports its views on the Financial Statements to the Board.</p>	<p>Early discussion enables the committee to have a view on the potential impact of any changes.</p> <p>The workshops provide audit committee members with the opportunity to review the areas of significant judgement in detail. This provides the opportunity to assess if the conclusions reached are reasonable in the context of NES. It also contributes to the induction of new members of the Audit Committee.</p>
ii. to review the clarity and completeness of disclosures in the financial statements;		
iii. to approve changes in accounting policies; and		
iv. to report its views on the Financial Statements to the Board.		

5 Business Transacted during the Year

During 2017/18 the Audit Committee has taken responsibility on behalf of the Board for the oversight of the External and Internal Audit programmes. To this end the Committee has received regular updates from both External and Internal Audit. The Committee has also been active during the year in following up progress against the recommendations made in these reports, at each meeting. Overall, the Committee has been satisfied with the actions taken in response to audit recommendations.

The Committee was pleased to note at its meeting in June 2017 that the External Auditors issued an unqualified opinion on the accounts to 31st March 2017 and anticipates that an unqualified opinion will be communicated by the External Auditors on the accounts to 31st March 2018 at the June 2018 meeting.

At its January meeting the Audit Committee received the External Auditors Draft Plan for the 2017/18 audit which was accepted by the committee. The main risks identified in the plan are Management override of controls and Expenditure recognition.

The Audit Committee considered the following 6 reports from Audit Scotland throughout the course of the year:

1. Scotland's NHS Workforce
2. Local Government in Scotland, Performance and challenges in 2017
3. Managing New Financial Powers Update
4. Principles for a digital future: Lessons learned from public sector ICT projects
5. Improving the Quality of NHS annual report and Accounts
6. NHS Workforce planning

A formal work plan for the committee, based on the draft strategic audit plan and the audit committee remit, has also been developed for 2018/19. This will ensure that key items are scheduled at appropriate times to meet overall corporate governance reporting requirements and that all areas of the remit are addressed.

6 Evidence in relation to the whole system of internal Controls.

This section of the Annual Report of the Audit Committee considers the sources of evidence which the Audit Committee has used in its assessment of the whole system of internal controls in place in NES and the extent to which this system is reliable, comprehensive and provides the Board and the Accountable Officer with an adequate basis for decision making.

6.1 Internal Audit

The Annual programme of internal audit is designed to provide the Audit Committee with information about the operation of key controls in areas which are identified as presenting risk to the organisation and the achievement of its objectives.

The Committee has considered several Internal Audit Reports as part of the Internal Audit programme for 2017/18.

The internal audit reviews submitted to the April and June meetings were based on a system which assessed the control objectives identified for each area as;

Black - fundamental failures;
Red - not effective, inadequate management of risks;
Yellow - no major weaknesses but scope for improvement or
Green - adequate and effective controls operating satisfactorily.

Each action was also allocated a risk category as shown below;

5 - Very high risk exposure - Major concerns requiring immediate Board attention.
4 - High risk exposure - Absence / failure of significant key controls.
3 - Moderate risk exposure - Not all key control procedures are working effectively.
2 - Limited risk exposure - Minor control procedures are not in place / not working effectively. 1 - Efficiency /Housekeeping point.

There were no control objectives assessed as either black or red during 2017/18, and there were no level 4 or level 5 risks identified. A summary of the classifications is reported in Appendix 2.

The internal audit reviews submitted to the October and January meetings were based on a new system which assesses the control objectives to determine effectiveness using the following colour gradings:

Red Fundamental absence or failure of key controls
Amber Control Objective not achieved – controls are inadequate or ineffective
Yellow Control Objective achieved – no major weaknesses but scope for improvement.
Green Control Objective achieved

Each required management action is also allocated a risk exposure category as shown below;

- 4 Very high risk exposure – major concerns requiring immediate senior attention that create fundamental risks within the organisation
- 3 High Risk Exposure – absence/failure of key controls that create significant risks within the organisation
- 2 Moderate Risk Exposure – controls are not working effectively and efficiently and may create moderate risks within the organisation.
- 1 Limited risk exposure – controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.

There were no control objectives assessed as either Red or Amber black during 2016/17, and there were no level 3 or 4 risks identified.

A summary of the classifications is reported in Appendix 2.

The Audit Committee also reviews progress in implementing actions arising from internal and external audit recommendations. The Committee is satisfied with progress made against the recommendations identified and was pleased to note that significant progress continues to be made towards ensuring that actions that present a higher risk to NES are completed. The committee will continue to follow up all outstanding actions.

6.2 External Audit

The Committee also receives a final report and management letter from its External Auditors from which it can draw evidence in its recommendations to the Board and the Accountable Officer in relation to the Governance Statement. In addition, progress against External Audit Recommendations is reported to the Committee on a regular basis. The Final Report is being considered at the June meeting of the Committee and raises no issues which impact on the Governance Statement.

6.3 Reports from Committees of the Board

The Committee requests and receives from each Committee of the Board, an Annual Report giving details of how that Committee has discharged its remit during the year and fulfilled its responsibilities in relation to an oversight of elements of the whole system of internal controls.

The Annual Reports from all Governance Committees are presented to the Audit Committee in June alongside this report. The Committee will note if it considers that there are any concerns which would impact on the confidence of the Board in the whole system of internal controls.

6.3 Best Value

NES maintains and regularly updates a self-assessment against the Best Value Characteristics. The latest version of this assessment is attached to this report as Appendix 3.

7 Conclusion and Recommendation

The Audit Committee confirms that the responsibilities delegated to it by the Board during the year to 31st March 2018 have been discharged.

The Audit Committee is further satisfied that the full range of sources of assurance which it refers to in section 6 of this report enable it to recommend to the Board and to the Accountable Officer the Governance Statement set out at Appendix 4 for inclusion in the Annual Report and Accounts.

JS
June 18

Audit Committee Workplan 2018/19 Financial Year

Thursday 12 th April 2018 (10:15) Room 8	Link to Audit Committee Remit	Thursday 14 th June 2018 (10:15) Room 8	Link to Audit Committee Remit	Thursday 4 th October 2018 (10:15) Room 8	Link to Audit Committee Remit	Thursday 16 th January 2019 (10:15) Room tbc	Link to Audit Committee Remit
Apologies/attendees	Other	Apologies/attendees	Other	Apologies/attendees	Other	Apologies/attendees	Other
Declaration of interest	Other	Declaration of interest	Other	Declaration of interest	Other	Declaration of interest	Other
Minutes/Action list of the previous meeting	Other	Minutes/Action list of the previous meeting	Other	Minutes/Action list of the previous meeting	Other	Minutes/Action list of the previous meeting	Other
Matters Arising	A	Matters Arising	A	Matters Arising	A	Matters Arising	A
Internal Audit	B	Internal Audit	B	Internal Audit	B	Internal Audit	B
Budget Management		Educational and Research Governance		Equality and Diversity		Payroll and Expenses	
Business Continuity Planning		Talent Management Framework		Follow up of Audit Recommendations Q2 2018/19		Travel and Subsistence	
Follow up of Audit Recommendations Q4 2017/18		Property Transaction Monitoring		Internal Audit Progress Report Q2 2018/19		Risk Management	
Internal Audit Progress Report		Follow up of Audit Recommendations Q1 2018/19				Internal Communications	
Internal Audit Plan for 2018/19		Internal Audit Progress Report Q1 2018/19				Follow up of Audit Recommendations Q3 2018/19	
		Annual Internal Audit Report 2017/18				Internal Audit Progress Report Q3 2018/19	
External Audit	C/E	External Audit	C/E	External Audit	C/E	External Audit	C/E
Follow up of 2016/17 External Audit Recommendations		External Audit Report 2017-18 Accounts and Letter of Representation		None		Draft Audit Plan 2019/20	
Audit Scotland Reports	A	Audit Scotland Reports	A	Audit Scotland Reports	A	External Audit	C/E
Managing the Implementation of the Scotland Acts		A Short Guide to the Integration and Audit Committee Members		As relevant to NES		Draft External Audit Plan 2018/19	
Other External Reports	A	Other External Reports	A	Other External Reports	A	Audit Scotland Reports	A
Public Audit & Post-Legislative Scrutiny Committee report on Tayside		NSS Payroll Services Audit Report 2017/18				As relevant to NES	
		NSS Practitioner Services Audit Report 2017/18					
Counter Fraud	A	NSS National IT Contract 2017/18				Other External Reports	A
Strategy to combat financial crime in NHS Scotland - Update		NHS Ayrshire & Arran NSI Financial Ledger Report 2017/18					
		Annual Counter Fraud Report to Counter Fraud Services 2017/18					
NES Papers	A/E	NES Papers	A/E	NES Papers	A/E	Counter Fraud	A
Annual Accounts Update		Annual Governance Report of the Staff Governance and Remuneration Committees		Review of Risk Strategy		Strategy to combat financial crime in NHS Scotland - Update	
Review of Self-Assessment Checklist – Theme 3		Annual Governance Report of the Educational and Research Governance Committee		Annual Review of Audit Committee Remit			
		Annual Governance Report of the Finance and Performance Management Committee		Annual Review of Self-Assessment Check list – Theme 1		NES Papers	A/E
		Feedback, Comments, Concerns and Complaints Annual Report for Draft Annual Report from Audit Committee and Governance Statement (to the Board)				Assessment of External Audit	
		Annual Report and Accounts for year-end 31 March 2018				Annual Review of Self-Assessment Check list – Theme 2	
		Notification from Sponsored Body Audit				SFI Review	
		Risk - Inherent Risk Annual Report					
		Private meeting between Auditors and Audit Committee members, if required	C			Private meeting between Auditors and Audit Committee members, if required	C

Audit Committee Remit

A= Internal Control, Risk Management and Corporate Governance B= Internal Audit C= External Audit D= Standing Orders & Standing Financial Instructions E= Annual Accounts

Internal Audit Reports presented April- June 2017

	No of Issues & Grading	5	4	3	2	1	TOTAL
Education & Research Governance (April 17)	Control Objective Assessment						
	Black						0
	Red						0
	Yellow			1	2	1	4
	Green						0
	Control Objectives with no Issues						1
	No of Issues & Grading	5	4	3	2	1	TOTAL
Finance Transformation Programme (April 17)	Control Objective Assessment						
	Black						0
	Red						0
	Yellow			1	5		6
	Green						0
	Control Objectives with no Issues						0
	No of Issues & Grading	5	4	3	2	1	TOTAL
Gifts and hospitality (April 17)	Control Objective Assessment						
	Black						0
	Red						0
	Yellow			2	3	1	6
	Green						0
	Control Objectives with no Issues						0
	No of Issues & Grading	5	4	3	2	1	TOTAL
Digital Strategy - Testing & Release Management (June 17)	Control Objective Assessment						
	Black						0
	Red						0
	Yellow			3	1		4
	Green						0
	Control Objectives with no Issues						0
	No of Issues & Grading	5	4	3	2	1	TOTAL
Property Transaction Monitoring (June 17)	Control Objective Assessment						
Control Objectives were classed as Not Applicable	Black						N/A
	Red						N/A
	Yellow						N/A
	Green						N/A
	Control Objectives with no Issues						N/A
	No of Issues & Grading	5	4	3	2	1	TOTAL
Operational Planning (June 17)	Control Objective Assessment						
	Black						0
	Red						0
	Yellow				1		1
	Green						0
	Control Objectives with no Issues						6
	No of Issues & Grading	5	4	3	2	1	TOTAL
Service Level Agreements (June 17)	Control Objective Assessment						
	Black						0
	Red						0
	Yellow				3		3
	Green						0
	Control Objectives with no Issues						0

Internal Audit Reports Presented Oct 17 to Jan 18

	No of Issues & Grading	4	3	2	1	TOTAL
Procurement (Oct 17)	Control Objective Assessment					
	Red					0
	Amber					0
	Yellow					0
	Green				1	1
	Control Objectives with no Issues					3
	No of Issues & Grading	4	3	2	1	TOTAL
Organisational Change (Jan 18)	Control Objective Assessment					
	Red					0
	Amber					0
	Yellow			3		3
	Green					0
	Control Objectives with no Issues					1
	No of Issues & Grading	4	3	2	1	TOTAL
Budget Management (Jan18)	Control Objective Assessment					
	Red					0
	Amber					0
	Yellow			4		4
	Green					0
	Control Objectives with no Issues					1
	No of Issues & Grading	4	3	2	1	TOTAL
Expenditure & Payables	Control Objective Assessment					
	Red					0
	Amber					0
	Yellow			1		1
	Green					0
	Control Objectives with no Issues					2

BEST VALUE CHARACTERISTICS - NHS EDUCATION FOR SCOTLAND ASSESSMENT

VISION AND LEADERSHIP	
<p>VISION AND LEADERSHIP- A Best Value organisation will have in place a clear vision and strategic direction for what it will do to contribute to the delivery of improved outcomes for Scotland's people, making Scotland a better place to live and a more prosperous and successful country. The strategy will display a clear sense of purpose and place and be effectively communicated to all staff and stakeholders. The strategy will show a clear direction of travel and will be led by Senior Staff in an open and inclusive leadership approach, underpinned by clear plans and strategies (aligned to resources) which reflect a commitment to continuous improvement.</p>	
A Best Value Organisation will be able to demonstrate:	Assessment of NES Position
<p>That Executive and Non-Executive leadership are involved in setting clear direction and organisational strategy (sensitive to the context in which the organisation is working) and that there is a mechanism for internal scrutiny (by both Executive and Non-Executive leadership) of performance and service outcomes.</p>	<p>NES has a five-year Strategic Framework which was launched in April 2014. The Board was fully engaged and involved in this process from the earliest stage and approved the final document. Within the Strategic Framework timeframe there are Annual Operational Plans which are reviewed and approved by the Board. This enables any emerging government policies or legislative changes to be incorporated as appropriate. During 2017/18, the Board have been involved in reviewing the emerging National Boards collaborative plan 'Changing to Deliver 2019-23' which details how the 8 national boards collectively propose to contribute to the delivery of the Health and Social Care Delivery Plan.</p> <p>Performance reporting against the detailed organisational performance targets that will deliver our strategy are reviewed quarterly by the Board, the Executive Team and the Finance and Performance Management Committee.</p>
<p>That strategic priorities are agreed, reviewed and updated on a regular basis and that leaders communicate the strategy to all staff and stakeholders and ensure that it is translated into meaningful actions and outcomes.</p>	<p>The Strategic Framework is reviewed on a three to four-year cycle (and was reviewed in 2013/14) and an annual Local Delivery Plan (LDP) is produced which supports our strategic outcomes and is also based on stakeholder feedback and national policy. This is shared with staff and stakeholders and contains planned impact/outcomes and detailed targets for each of our activities. As the National Board collaborative plan has been developed, updates have been provided to the Board, and 'Chief Executive Updates' and line manager briefings have provided information to Staff.</p>

<p>That overall strategic priorities are informed by a good understanding of the needs of the organisation's stakeholders, the Scottish Government Strategic Objectives and how the individual Public Body is making a contribution to sustainable development.</p>	<p>The Strategic Framework and our annual LDP are informed by stakeholder feedback from NHS Boards, professional and regulatory bodies, social services, the third sector, Scottish Government and users (trainees). We do this via processes such as the trainee surveys, GMC survey and BMA engagement. We also use workshops with staff and Board members, and regular engagement with Scottish Government colleagues. NES also has a policy of 'Digital by default' and the Sustainable development Programme Board oversees progress. Through Procurement we aim to use 'supported' organisations where possible.</p>
<p>That Executive and Non-Executive leadership and senior managers have developed a vision of how Best Value contributes to achieving effective outcomes for the organisation and that this is communicated clearly in relevant corporate and operational documents.</p>	<p>The NES Strategic Framework and LDPs are underpinned by the theme of ensuring that we deliver best value for our investments.</p>
<p>That both the setting of priorities and the assessment of performance are undertaken transparently and openly.</p>	<p>Priorities are set through our strategic and operational planning processes. The resulting Strategic Framework and LDP sets out our strategic and operational priorities and are strongly influenced by stakeholder feedback. These processes are transparent at a Board and SG level and are published to stakeholders. Performance is assessed at a Board level via our performance dashboard and reported to SGHD and to stakeholders via our annual report and accounts. Additional performance reports such as the Annual Report for Quality are directed at specific stakeholders.</p>
<p>That Executive and Non-Executive leadership ensure accountability and transparency through effective performance reporting for both internal and external stakeholders and that there is a willingness to be open to external scrutiny, for example, through formal external accreditation tools.</p>	<p>Performance is reported quarterly at an Executive level to our Board, Executive Team and to the Finance and Performance Management Committee. The internal audit programme is used to apply scrutiny and challenge across all our reporting mechanisms. Given the nature of the organisation our processes are also subject to scrutiny from several regulatory bodies such as the GMC. The review of Medical Education in Scotland carried out by the GMC during 2017/18 highlighted many areas of good practice.</p>
<p>That Executive and Non-Executive leadership demonstrate a commitment to high standards of probity and propriety and that the organisation has, and implements, appropriate codes of conduct for all staff, directors and trustees.</p>	<p>NES has in place a code of conduct for staff and Directors and is committed to the highest standards of probity and propriety. There is also a Whistle Blowing Policy and a Fraud Prevention policy. All relevant guidance has been collated into a Corporate Governance Handbook for easier access.</p>
<p>That the organisation has a strategy with realistic and achievable objectives and targets which are matched to their financial, asset base and other resources and which is explicitly translated into clear responsibilities for</p>	<p>The Strategic Framework directs the preparation of our annual Operational Planning process which produces our LDP. The Operational Planning process is matched to defined budgets and staffing resources and is based</p>

<p>implementation.</p>	<p>on planned impact delivered through SMART targets each of which has an owner.</p>
<p>That statements, strategies and plans clearly show a systematic approach by the organisation towards risk management.</p>	<p>The Operational Planning process requires the identification of key risks associated with the delivery of the Planned Impact and SMART targets for each activity. These are recorded within the risk management system. The Board also maintains oversight of the Corporate Risk Register which forms part of the Chief Executive's report to each Board meeting. Oversight of the Risk Management Strategy is in the remit of the Audit Committee. The risk strategy was refreshed during 2017/18, specifically in relation to risk appetite across the different risk groupings. A proposal to implement a matrix approach where risk appetite may differ across different stages of the development of new activities or ways of working was reviewed, amended and subsequently approved by the Board.</p>
<p>That there are clear statements about how the organisation is working with partner organisations to provide joined up services that meet stakeholder and community needs in the most effective manner, including through Community Planning Partnerships where relevant.</p>	<p>NES has in place Memoranda of Understanding and where relevant joint action plans with a number of key partner organisations. These include the SFC, the GMC, and SSSC.</p>
<p>That there are mechanisms within the organisation to develop leadership skills and that Executive and Non- Executive staff in leadership roles have the key skills and exhibit the behaviours which make them highly effective.</p>	<p>NES leads on a wide range of leadership skills development, including digital resources, for NHS Scotland including NES. This has seen the focus on leadership and leadership development increase over the last 12 months particularly for Executive and Non-Executive Directors through our lead role in developing the leadership component of Scottish Government's Project Lift (talent, leadership and performance development). NES is working closely with all Boards, regions and in a number of instances supporting leadership for health and care integration. NES operates an objective setting, personal development planning and appraisal system for all staff. Timing and process are aligned with our operational planning process which supports and aligns to delivery of Planned Impact and SMART targets set out in our LDP. Non-Executive Board members are regularly informed of development opportunities at each Board meeting and are encouraged to avail themselves of relevant training and development opportunities.</p>

<p>That there is an explicit and systematic approach to integrating continuous improvement into everyday working practices and involving all staff in developing the organisation's approach to best value.</p>	<p>NES has an Organisational Performance Improvement Programme (OPIP), which is supported by a small team within our Planning and Corporate Governance department. Staff across the organisation have attended programmes delivered through NES in areas such as Quality Improvement, Leadership and Agile Delivery. Senior staff and Non-Executive Board members have also attended Quality Improvement Masterclasses. A proposal is under development to further embed this work across NES.</p>
<p>That the interdependencies between different activities and outcomes are recognized and effective co-ordination and alignment is actively championed by senior management.</p>	<p>We use cross NES Programme Boards to ensure that we recognise interdependencies in a number of key areas (e.g. HAI, patient safety, QI etc). Our integrated planning system allows visibility of planned activity to all planners across NES, enabling the avoidance of duplication and the ability to allocate resource to cross directorate projects.</p>

<p>EFFECTIVE PARTNERSHIPS</p>	
<p>A Best Value organisation will show how it, and its partnerships, are displaying effective collaborative leadership in identifying and adapting their service delivery to the challenges that clients and communities face. The organisation will have a clear focus on the collaborative gain which can be achieved through collaborative working and community engagement in order to facilitate the achievement of its strategic objectives and outcomes</p>	
<p>A Best Value Organisation will be able to demonstrate:</p>	<p>Assessment of NES Position</p>
<p>An organisational culture which recognises the value of working with wider stakeholders and partners to achieve more effective and sustainable policy development, better services and customer-focused outcomes.</p>	<p>NES has close partnership working arrangements in place with key stakeholders (e.g. SFC, SSSC) and with NHS Boards through uni-professional routes. We also work with UK level stakeholders such as the Royal colleges and HEE. All of the above contributes to ensuring that our plans are informed by stakeholder feedback and policy partnership working. In contributing to the H&SCDP NES has had a significant level of involvement in the collaborative development of the emerging National Boards Plan.</p>
<p>That leaders and senior managers actively encourage opportunities for formal and informal partnerships, including through joint use of resources and joint funding options, where this will offer scope for improvement in</p>	<p>As above, NES has in place numerous formal and informal arrangements for partnership working. Specific examples include in the 'Sharing data for Health and Care Group' and the funding of SMERC.</p>

<p>outcomes, as well as continuous improvement in organisational performance.</p>	
<p>That the organisation is clear about the intended outcomes and likely impacts of partnership working and that it has identified, and is sensitive to, the needs of the potentially different communities it and its partners serve.</p>	<p>NES has a number of joint action plans in place which provide clarity about intended outcomes (eg SSSC and the SFC). NES is also an active participant in the 'Sharing data for Health and Care Group' involving HIS, the Mental Welfare Commission, the Care Inspectorate, Audit Scotland and NSS.</p>
<p>That the organisation is clear about the intended outcomes and likely impacts of partnership working and that it has identified, and is sensitive to, the needs of the potentially different communities it and its partners serve.</p>	<p>All partners are involved in the development of joint action plans</p>
<p>That partnership plans have agreed a set of measures and targets to track progress and can clearly demonstrate (and regularly reports on) the impact of, and the outcomes from, any partnership working.</p>	<p>Partnership plans are reflected in the annual Operational Planning process and have Planned Impacts and SMART targets which are reported through corporate performance management processes as previously described.</p>
<p>That where the partnership is involved in joint delivery, governance arrangements include: (a) agreeing appropriate respective roles and commitments and areas of collective responsibility; (b) integrated management of resources where appropriate; (c) effective monitoring of collective performance; and (d) joint problem-solving and learning.</p>	<p>These areas are included in joint action plans, all of which have agreed deliverables which are reflected in our annual plans and performance management processes as described above.</p>
<p>That, where appropriate, the organisation participates effectively in Community Planning Partnerships and other joint working initiatives, working openly to agreed objectives, performance management and reporting mechanisms and integrating these into local planning mechanisms to deliver outcomes.</p>	<p>NES does not directly work in CPPs or in Integration Joint Boards as we are a national rather than a territorial NHS Board with a very specific remit for education. However, we do work closely to support initiatives emerging from CCPs/IJB's.</p>
<p>That leaders address impediments and barriers which inhibit integrated approaches to joint funding and joint management of activities with internal and external partners and undertake appropriate engagement (including with the Scottish Government) where this would help promote more effective use of resources and better value for money.</p>	<p>NES has a strong track record of working to make more effective use of resources across the sector (e.g. joint leadership, dementia and parenting activities; Knowledge Network procurement; employment of GPSTs, implementation of Tier 2 visa and PVG checks on a once for Scotland basis). During 2017/18, NES in conjunction with NHS Grampian, as early adopters, have developed and implemented the initial operating model for a Lead Employer approach to the employment of Doctors and Dentists in Training in Scotland. In addition to the existing Training Program Management application, Turas Learn and Turas Appraisal have both been added in 2017/18. Both these applications have been developed on a</p>

	once for Scotland basis. Turas portfolio supports nursing and pharmacy revalidation in Scotland. NES has worked with SG to develop the Medical Education package which supports the widening access agenda.
That the organisation seeks to explore and promote opportunities for efficiency savings and service improvements through shared service initiatives with partners.	Examples of NES work in this area would include joint procurement for e-library; extending knowledge network to Social Services, considering scope for synergies with Universities and Colleges and with HEE. NES is actively supporting the implementation of the Health and Social Care Delivery Plan, working with colleagues across Health and Social Care to identify opportunities for collaboration. (Extended use of the TURAS platform to host applications from social care/digital collaboration. Joint working around medical recruitment and also hub/business systems review)

GOVERNANCE AND ACCOUNTABILITY	
<p>A Best Value organisation will be able to demonstrate structures, policies and leadership behaviours which support the application of good standards of governance and accountability in how the organisation is improving efficiency, focusing on priorities and achieving value for money in delivering its outcomes. These good standards will be reflected in clear roles, responsibilities and relationships within the organisation. Good governance arrangements will provide the supporting framework for the overall delivery of Best Value and will ensure openness and transparency. Public reporting should show the impact of the organisations activities, with clear links between the activities and what outcomes are being delivered to customers and stakeholders. Good governance provides an assurance that the organisation has a suitable focus on continuous improvement and quality. Outwith the organisation, good governance will show itself through an organisational commitment to public performance reporting about the quality of activities being delivered and commitments for future delivery.</p>	
A Best Value Organisation will be able to demonstrate:	Assessment of NES Position
That it has developed a corporate plan which is focused on the successful delivery of outcomes, takes account of statutory responsibilities and is translated into specific actions to be carried out at both corporate and operational levels to achieve those outcomes.	NES has an annual detailed Local Delivery Plan (derived from our Operational Planning process) which includes all the activities we will deliver within the resources we have available described in terms of the Planned Impact we will aim to achieve and the annual SMART targets that will support that.
That plans, priorities and actions are informed by an understanding of the needs of its stakeholders, citizens, customers and employees.	Plans are developed to support the Strategic Framework which also take into account the needs of stakeholders as identified through uni-professional and multi-professional networks. NES considers the needs of staff by ensuring

	compliance with the staff governance standard, acting on data from staff surveys and the iMatter tool. The views of trainees are gathered via national surveys.
That decision-making processes are open, transparent and clearly based on evidence that can show clear links between the activities and the outcomes to be delivered to customers and stakeholders.	NES Board minutes are all in the public domain
That the approach to Public Performance Reporting approach is balanced, enabling the discharge of statutory requirements together with provision of concise, relevant and accessible reporting of information that is useful for the public and other stakeholders, including information on use of financial resources.	Performance against the LDP is reported quarterly directly to the Board, The Executive Team and the Finance and Performance Management Committee. Performance against the LDP is also published in the Annual Report and Accounts. Annual reports are also provided on Medical PG Education and Quality.
That where delivery is through others, a robust framework of corporate governance is in place to manage that delivery which sets out roles and responsibilities, objectives and outcomes and a process for performance and risk management and reporting.	Where delivery is through others NES has in place arrangements via Contracts and SLAs which clearly set out roles and responsibilities and performance targets and reporting
That the organisation has a framework for planning and budgeting that includes detailed and realistic plans linked to available resources together with an effective system for financial stewardship and reporting in order to achieve the organisation's goals, ensure appropriate financial governance, deliver high-quality and efficient services and ensuring continuous improvement in both performance and delivery of outcomes.	NES has an Operational Planning process in place which includes detailed planning of resources available against Planned Impact and SMART targets to be delivered. The detail provided as part of Operational Planning is then translated into targets to be monitored via the performance dashboard and budgets to be monitored via financial reporting systems.
That organisational budgets and other resources are allocated and regularly monitored to ensure that they are not only delivering agreed objectives but also (crucially) outcomes in a manner which is keeping a suitable balance between cost, quality and price in making the best use of public resources.	Regular budget review meetings take place with Budget Holders and analysis and scrutiny of financial and performance reports takes place at the Board, the Executive Team and the Finance and Performance Management Committee.
That the organisation has a robust framework of corporate governance to not only manage delivery of, and reporting on, outcomes but also provide assurance (using quantitative as well as qualitative indicators) to relevant stakeholders that there are effective internal control systems in operation. This includes compliance with the SPFM and other relevant guidance which may reasonably be regarded as proper arrangements for this purpose.	NES has a robust framework of corporate governance in place including performance and financial reporting, Standing Financial Instructions and regular Internal Audit of key control systems.
That it ensures that its approach to external accountability is supported by its	NES continually reviews its performance monitoring and reporting

<p>governance arrangements, including an Outcomes Based Approach continually improving the clarity of reporting structures, responsiveness and accessibility for all stakeholders.</p>	<p>arrangements; the Operational Planning process requires that targets are described in terms of Planned Impact and deliverable SMART targets. Our Digital Strategy is person centred and aims to improve accessibility for all stakeholders.</p>
<p>That the organisation regularly conducts review and option appraisal processes of all areas of work that are rigorous and transparent and develop improvement actions which are clearly described, readily understood, clearly explained in terms of importance, relevance and priority and demonstrably integrated into the organisation's management arrangements.</p>	<p>All Directorates are required to have in place comprehensive improvement plans. NES has used Activity Based Costing to help identify areas for improvements and the Senior Operational Leadership Group has responsibility for oversight of actions taken against plans with regular reporting to the Finance and Performance Management Committee. Ownership by this group has increased integration into the mainstream delivery function.</p>
<p>That the organisation has developed and implemented an effective and accessible complaints system in line with all relevant Scottish Public Services Ombudsman (SPSO) guidance on complaints handling processes.</p>	<p>NES has in place a Feedback, Comments, Concerns and Complaints process in line with NHS and SPSO guidance and reports annually on complaints and outcomes. Improvement plans resulting from recommendations arising out of complaint investigations are followed up and an annual report is provided to the NES Audit Committee. Staff have had training in Complaints Handling and Investigation</p>
<p>That the organisation has in place appropriate mechanisms for ensuring that it is aware of citizen, customer, partner and stakeholder views, perceptions, and expectations so that these can inform its actions including its improvement actions.</p>	<p>NES has in place a process to gather views from stakeholders on a uni and multi-professional basis, the organisation also works closely with key partners and conducts an 'Attitudes and Awareness' study on a three yearly basis. Our Educational Governance processes include trainee surveys to identify improvements in the learning environment.</p>

USE OF RESOURCES	
<p>A Best Value organisation will show that it is conscious of being publicly funded in everything it does. The organisation will be able to show how its effective management of all resources (including staff, assets, information and communications technology (ICT) procurement and knowledge) is contributing to the delivery of specific outcomes.</p>	
<p>A Best Value Organisation will be able to demonstrate:</p>	<p>Assessment of NES Position</p>
<p>That it is making the best use of public resources (including employees, ICT, land, property and financial resources) based on evidence and intelligence - keeping a considered and appropriate balance between quality, sustainability and cost.</p>	<p>NES has in place Operational Planning process which ensures that all resources are linked to appropriate outcomes in the shape of Planned Impact and SMART targets. All Procurement activity aims to achieve the best value outcome (not least cost). The NES Property and Asset management strategy is regularly updated and NES can evidence significant savings realised from its Property Strategy in recent years. In addition, internal improvement activities across all business areas have released significant levels of recurrent savings.(eg – restructuring within Medicine, Dental, Workforce, Finance and Procurement)</p>
<p>That leaders and managers regularly review the management of resources across all activities, including their impact on outcomes.</p>	<p>As part of its Performance Improvement Programme NES uses tools such as ABC and LEAN to review the use of resources.</p>
<p>That the organisation ensures that it has the organisational capacity to implement its plans makes full use of its staff and that any relevant statutory and professional responsibilities of its staff are appropriately supported through an appropriate policy of Continuous Professional Development (CPD).</p>	<p>NES has in place arrangements and policies to ensure that it has staff of appropriate capacity and capability to deliver its outcomes, these include workforce planning arrangement and CPD policies</p>
<p>That all employees are treated as a key strategic resource and are supported (by an appropriate combination of approaches, ideas and techniques) in actively managing how they bring further learning to their role and add value to the Public Body.</p>	<p>All NES employees have performance objectives and personal development plans. NES staff who have line management responsibilities have access to training to help them to support their staff to add additional value. NES also use the Line Managers passport and the iMatter tools.</p>
<p>That it has a strategy for procurement and the management of contracts (and contractors) which treats procurement as a key component in achieving its objectives and outcomes.</p>	<p>NES has in place a Procurement Strategy which was updated during 2017/18 and approved by the Finance and Performance Management committee in February 2018. Procurement is a centrally managed function in NES, acting as a business partner to operational areas of the business. A continuous improvement approach is used in the review of key policies and</p>

	procedures including those for the management of key contracts and suppliers.
It has regard to obligations under State Aid rules.	Covered within NES Procurement Processes
It is aware of the need to conduct its business in a manner which demonstrates appropriate competitive practice.	NES Standing Financial Instructions require appropriate competitive practice to be adopted in all areas of our business. The creation of a centrally managed Procurement team means that there is no devolved Procurement – PO's can only be raised by the operational Procurement team. A policy of no PO, no payment completes the cycle.
That it maintains an effective system for financial stewardship and reporting in order to ensure appropriate financial governance as well as provide evidencen to support continuous improvement.	NES Standing Financial Instructions set out our arrangements for providing financial governance and reporting.
That it has in place a systematic approach to risk management in relation to the organisation's resources which is cascaded as appropriate throughout the organisation.	NES has in place a Risk Management Strategy and processes for managing risk that are cascaded throughout the whole organisation. This Strategy was refreshed in 2015/16 and makes clearer the split of governance responsibilities across the roles involved (Directors/ Risk Champions/ Executive team). During 2016/17, a quality review has been introduced, on a sample basis and feedback provided to directorates. The Board have also reviewed the risk appetite for each risk category. During 2017/18, given the scale of change in the operating environment and the need to respond proactively to those changes, a matrix approach to risk appetite was approved to allow for different risk appetites at the different development stages of new activities or ways of working.
That there is a robust information governance framework in place that ensures proper recording and transparency of all the organisation's activities and supports appropriate exploitation of the value of the organisation's information.	NES has in place an Information Governance Framework and an Information Governance Action plan. Progress in relation to the latter is reviewed by the Information Governance Group and reported to the Finance & Performance Management Committee.
That the interdependencies between different activities and outcomes are recognised, that organizational budgets and other resources are allocated and regularly monitored to ensure that they are delivering agreed objectives and outcomes and effective co-ordination and alignment is actively championed by senior management in making the best use of public resources.	Organisational budgets are regularly monitored as is performance against key Planned Impacts and associated SMART targets.
That the organisational procurement processes are economic, sustainable in the longer-term, efficient and ensure the outcomes of efficient contract management and comply with the SPFM and other relevant guidance which may reasonably be regarded as proper arrangements for this purpose.	These arrangements are kept under regular review and a post implementation review of the Procurement Transformation Project demonstrated that the creation of a centrally managed Procurement team has delivered cash releasing efficiencies, reduced duplication and delivered improvements in Procurement processes. Procurement processes comply

	with the SPFM and continue to improve as evidenced by the latest assessment carried out by National Procurement in January 2016. During 2017/18 Procurement have enabled savings (cash, demand mgmt., cost avoidance or framework usage) in the region of £517k, which is 3.1 % of influenceable spend in NES.
That the organisation has evaluated and assessed opportunities for efficiency savings and service improvements, including through joint funding, joint management of activities with internal and external partners and sharing initiatives with partners,	NES uses its performance improvement programme to identify opportunities for efficiency savings and service improvements. The key areas reviewed in 2017/18 were Training Programme Management, Data and Analytics and Education and Learning. NES has been proactively involved in the review of current operating models for the provision of support services across the 8 national Boards.
That the organisation ensures that all employees are managed effectively and efficiently, that they know what is expected of them, their performance is regularly assessed and they are assisted in improving.	NES has in place a structure of objective setting and regular review and line managers are supported in this. We also have in place capability policies to assist in addressing poor performance. The introduction of the Managers Passport and iMatter also support both staff and line Managers in ensuring effective performance management processes are in place.
That the contribution of staff to ensuring continuous improvement is supported, managed, reviewed and acknowledged by effective management.	The Performance Improvement Programme provides focus and support to staff in applying techniques of continual improvement across NES.
That fixed assets including land, property, ICT, machinery and vehicles are managed efficiently and effectively and that asset bases are aligned appropriately to organisational strategies.	NES has in place a Property and Assets Management Strategy that aligns to the corporate Strategic Framework and is signed off by the Board on an annual basis.

PERFORMANCE MANAGEMENT	
<p>A Best Value organisation will ensure that robust arrangements are in place to monitor the achievement of outcomes (possibly delivered across multiple partnerships) as well as reporting on specific activities and projects. It will use intelligence to make open and transparent decisions within a culture which is action and improvement oriented and manages risk. The organisation will provide a clear line of sight from individual actions through to the National Outcomes and the National Performance Framework. The measures used to manage and report on performance will also enable the organisation to provide assurances on quality and link this to continuous improvement and the delivery of efficient and effective outcomes.</p>	
<p>A Best Value Organisation will be able to demonstrate:</p>	<p>Assessment of NES Position</p>
<p>That leaders champion the use of performance management (including self assessment) as a key means for achieving improvement. Leaders lead by example in proactively managing performance and talking publicly about improving performance.</p>	<p>Review and management of performance is carried out at all levels. The Executive Team have individual 1-1s with the CEO and performance targets are part of all individual reviews through the PDPR process. The Board and its committees self-assess their performance.</p>
<p>That it has in place effective approaches to performance management, (which includes the use of baseline assessments, external comparison and improvement tools and techniques) through which performance issues (including the benchmarking of corporate services with other Public Bodies) can be identified, monitored and addressed to ensure continuous improvement and identification of opportunities to improve efficiency and effectiveness.</p>	<p>NES has a comprehensive performance reporting system in place. NES also requires each Directorate to have in place an improvement plan in which areas for improvement are identified through mechanisms such as activity based costing work or benchmarking. NES has contributed to the collection and analysis of data on provision of corporate services across the national Boards.</p>
<p>That clients, citizens and other stakeholders are involved in developing indicators and targets and monitoring and managing performance.</p>	<p>SGHD is involved in the development of the LDP. All LDP targets also flow from the Strategic Framework which is developed through a process of engagement with all stakeholders.</p>
<p>That the organisation links Performance Management with Risk Management to support prioritisation and decision-making at Executive level and support continuous improvement.</p>	<p>The NES risk management arrangements are focused on the risks that pertain to the achievement of key strategic outcomes and the Planned Impact and SMART targets for each activity described in the LDP. The performance reporting framework links each objective which is red or amber to its associated level of risk.</p>
<p>That performance is systematically measured across all key areas of activity and that a performance management framework for the organisation extends throughout the structures of delivery in order to ensure effective governance and accountability and enable public performance mechanisms which track</p>	<p>Performance is measured across all the activities of the organisation described in the LDP through the corporate performance dashboard system (IPPS). This is reported to the Executive Team, the Finance and Performance Management Committee and the Board.</p>

delivery outputs and outcomes through to high level objectives.	
That the organisation's performance management system is based on a culture of constructive challenge that is effective in addressing areas of underperformance, identifying the scope for improvement, agreeing remedial action, sharing good practice and monitoring implementation.	Performance reports are regularly reviewed at 1-1s, in the Executive Team and by the Finance and Performance Management Committee
That performance management is seen as part of the day job - integral to the way in which all staff operate. There is learning across the organisation on how to improve performance with time and opportunities explicitly made available to do so.	Management of performance and achievement of objectives is key to the way staff operate in NES. Appropriate training is available to assist all line managers with performance improvement and performance management. The introduction of the Managers passport and iMatters also support both staff and line managers in ensuring effective performance management processes are in place.
That the performance management system is sufficiently flexible to allow for any necessary differences across the organisation and encourage wide ownership of performance management.	The performance management system is flexible to allow it to adapt to a very different range of activities across the organisation.
That performance is reported upon systematically to staff and management, Executive and Non-Executive leadership, users and the public.	Performance reporting is on a quarterly basis to staff, management, Executive and Non-Executive leadership and SGHD; and on an annual basis to the public.
That the information provided through public performance reporting allows stakeholders to compare performance against: objectives, targets and service outcomes; past performance; improvement plans; where relevant, the performance of other bodies; and allows stakeholders to make a reasonable and informed judgement on how the organisation is likely to perform in future.	This information is contained within the Annual Report and Accounts and the Local Delivery Plan which are publically available.
That information provided in each case is relevant to its audience and clearly shows whether strategic and operational objectives and targets are being met.	As above
That reports are honest and balanced, and include information about what improvements are required during the forthcoming period.	All our corporate and operational targets include information about the improvements to be delivered.

CROSS-CUTTING THEME - SUSTAINABILITY	
<p>The goal of Sustainable Development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life without compromising the quality of life of future generations. Sustainability is integral to an overall Best Value approach and an obligation to 'act in a way which it considers is most sustainable' is one of the three 'public bodies duties' set out in section 44 of the Climate Change (Scotland) Act 2009. The duty to act sustainably placed upon Public Bodies by the Climate Change Act will require Public Bodies to routinely balance their decisions and consider the wide range of impacts of their actions, beyond reduction of greenhouse gas emissions and over both the short and the long term. The concept of 'sustainability' is one which is still evolving. However, five broad principles of sustainability have been identified as: promoting good governance; living within environmental limits; achieving a sustainable economy; ensuring a stronger healthier society; and using sound science responsibly. Guidance from Scottish Ministers. ("Public Bodies Climate Change Duties: putting them into practice") assists Public Bodies in their response to the Climate Change Act duties. In examining how an individual public body responds to climate change duties, the guidance will suggest a degree of "proportionality" in recognition of the fact that Public Bodies' responses to climate change is likely to be proportionate to their level of influence on it. However, the guidance will also encourage Public Bodies, as well as reducing their own emissions and promoting sustainability within their own organisations, to lead by example and promote climate change action more widely. Individual Public Bodies may wish to consider comparisons within the wider public sector, rather than within their usual public sector "family". This will assist them in getting an accurate gauge of their true scale and level of influence, as well as a more accurate assessment of the potential impact of any decisions they choose to make.</p>	
<p>A Best Value organisation will demonstrate an effective use of resources in the short-term and an informed prioritisation of the use of resources in the longer-term in order to bring about sustainable development. Public bodies should also prepare for future changes as a result of emissions that have already taken place. Public Bodies will need to ensure that they are resilient enough to continue to deliver the public services on which we all rely. An organisation subject to the existing Best Value duty is already required to demonstrate, amongst other characteristics, that robust arrangements are in place to monitor the achievement of outcomes (possibly delivered across multiple partnerships or through contracts) as well as reporting on specific activities and projects. Sustainability will therefore require reporting through appropriate public performance reporting systems. Where such mechanisms do not exist, individual Public Bodies will (within the relevant guidance) be free to determine how best to report them, in line with Best Value principles set out earlier in this guidance. In addition, certain Public Bodies will also be aware of a requirement for the mandatory inclusion of sustainability reports within the Annual Reports and Accounts of affected bodies from the 2011/12 financial year. (These reports are to cover performance against sustainability targets for greenhouse gas emissions, waste minimisation and management and the use of finite resources, and their related expenditure). Further detailed guidance will be prepared in due course and more information can be obtained from the Climate Change Duties Guidance site.</p>	
<p>A Best Value Organisation will be able to demonstrate:</p>	<p>Assessment of NES Position</p>
<p>How it is making a contribution to sustainable development by actively</p>	<p>NES has in place a Sustainable Development Action Plan which covers</p>

<p>considering the social, economic and environmental impacts of activities and decisions both in the shorter and longer term, underpinning the principles of:</p>	<p>areas such as travel, procurement, facilities, workforce, community engagement and buildings. Within Procurement the use of Supported Businesses such as Haven Recycle is actively considered where relevant.</p>
<p><i>Promoting good governance</i> – actively supporting effective participative system of governance in all levels of society – engaging people’s creativity, energy and diversity.</p>	<p>We are committed to promoting public involvement in our structures (eg FNP, Children and Young People policy areas). We use lay reps in Traing Programme Management and the effectiveness of their role has been the subject of a research paper.</p>
<p><i>Living within environmental limits</i> – respecting the limits of the planet’s environment, resources and biodiversity - to improve our environment and ensure that the natural resources needed for life are unimpaired and remain so for future generations;</p>	<p>The NES Sustainable Development Action Plan aims to ensure that NES can contribute towards government targets in relation to living within environmental limits</p>
<p><i>Achieving a sustainable economy</i> – building a strong, stable and sustainable economy which provides prosperity and opportunities for all, and in which environmental and social costs fall on those who impose them (polluter pays) and efficient resource use is incentivise;</p>	<p>NES is actively involved in developing the workforce of NHS Scotland.</p>
<p><i>Ensuring a strong, healthy and just society</i> – meeting the diverse needs of all people in existing and future communities, promoting personal well-being, social cohesion and inclusion, and creating equal opportunity;</p>	<p>The core role of NES is to train health professionals to contribute towards creating a strong, healthy, and just society</p>
<p><i>Using sound science responsibly</i> – ensuring policy is developed and implemented on the basis of strong scientific evidence, whilst taking into account scientific uncertainty (through the precautionary principle) as well as public attitudes and values.</p>	<p>NES engages in research and impact assessment which seeks to provide best evidence in relation to the Learning Environment and Workforce Development. Oversight is provided by our Education and Research Governance Committee. A 'Medical Research Annual Report is produced.</p>

CROSS-CUTTING THEME – EQUALITY	
<p>Equality is integral to all our work as demonstrated by its positioning as a cross-cutting theme. Public Bodies have a range of legal duties and responsibilities with regard to equality, A Best Value organisation will demonstrate that consideration of equality issues is embedded in its vision and strategic direction and throughout all of its work.</p> <p>The equality impact of policies and practices delivered through partnerships should always be considered. A focus on setting equality outcomes at the individual Public Body level will also encourage equality to be considered at the partnership level.</p>	
<p>A Best Value Organisation will be able to demonstrate:</p>	<p>Assessment of NES Position</p>
<p>That it meets the requirements of equality legislation, has a culture which encourages equal opportunities and working towards the elimination of discrimination.</p>	<p>NES demonstrates its delivery of statutory requirements and approach to establishing and delivering a culture which encourages equality and inclusion through the work reported in our statutory equality reports. We set equality outcomes and mainstreaming priorities every four years, and report biannually on progress delivering these commitments. The most recent report, Equality Outcomes and Mainstreaming, 2017-2021, is available on our website, along with our current Equal Pay Statement and Occupational Segregation Analysis.</p> <p>Our mainstreaming report refers to other policies which form the framework underpinning our culture encouraging equal opportunities and elimination of discrimination, including EQIA processes, educational governance, Inclusive Education and Learning policy, and the Staff Governance Standard. We report against these policies in our regular governance processes and use them as measurement frameworks to assess progress delivering our equality and diversity objectives.</p>
<p>That Executive and Non-Executive leadership and senior managers recognise the diversity of their customers and stakeholders, engage in an open, fair and inclusive dialogue to ensure information on services and performance is accessible to all and commit to contribute to the achievement of equal opportunities in all it does.</p>	<p>The NES Leadership behaviours (inspiring, empowering, adaptive, collaborative, engaged and engaging), adopted in 2015/16, set embed equality and diversity in distributed leadership at all levels. Equality and diversity responsibilities sit within the remit of Staff Governance, Educational & Research Governance, and Performance Management Committees of the NES Board and feature as regular agenda items of the Committees. The Board has overall governance accountability for the Equality Outcomes and oversees progress toward delivery of the plans. The Board and Committees</p>

	also receive strategic updates on equality and diversity and has participated in development sessions in areas relevant to their remits.
That the organisation ensures that all members of staff are informed of the organisational commitment to, and objectives for, equality outcomes and that the contribution by the organisation to the achievement of equality outcomes is reflected throughout the corporate processes.	This commitment is communicated and recorded through our essential learning, regular staff briefings and performance management processes. PEDLN (Participation, Equality and Diversity Lead Network shapes policy in line with the latest legislation, drives innovation in approach and implementation and co-ordinates the support and governance of E&D throughout NES.
That the organisation reflects in its planning, design and continuous improvement of services that different groups within the community have different needs, which must be considered to allow them to access those services.	In planning and delivering our education and workforce development, NES takes account of the diversity of needs of learners and service users. This is demonstrated in our Inclusive Education and Learning Policy and Digital Development Guidelines – which guide developers to consider the specific needs of their potential users and to collect feedback on accessibility and usability, The implementation of these policies is monitored through our Educational Governance Framework and reporting processes and our equality outcomes. We establish EQIA priorities annually to reflect the priorities in our Local Delivery plan and promote the use of practical planning tools to mainstream equalities into routine activities.
That equality is mainstreamed into all the processes.	To support mainstreaming into routine processes, we ensure that equality and diversity is part of corporate planning and performance management systems. Equality and diversity targets, linked to our equality outcomes and mainstreaming priorities, are identified annually as part of our corporate planning process and included in the performance management system, enabling quarterly progress reporting. Our workforce data enables quarterly and annual reporting of equality metrics, as well as bespoke or time series analysis to inform policy development, equality impact assessment, workforce planning and Staff Governance reporting. Our Educational Governance monitoring process captures intelligence about educational inclusion and barriers to education. Our cross-directorate network of equality and diversity leads carries out an annual review of equalities intelligence, preparing summary reports for the Executive Team and Board Committees and identifying areas for further development and continuous improvement.
That the organisation can demonstrate that all leaders and senior officers within the organisation are committed to considering the needs of equality groups in their policies, functions and services, where relevant.	Equality and diversity is a regular agenda item of Board Committees and Executive Groups have oversight of the Equality Outcomes, Mainstreaming Priorities and delivery of EQIA priorities. Senior leaders are accountable for delivery of these requirements in their directorates and receive briefings on these responsibilities. Relevant targets are

	<p>entered the performance management system through operational planning cycles and any equality and diversity risks are incorporated into directorate or corporate risk registers at the appropriate level.</p> <p>The cover sheets for Board, Executive Team and Senior Leadership and Management Team papers include a section on equality impact of proposals or programmes, which the authors of papers or sponsors of papers are expected to complete and be accountable for.</p> <p>We establish EQIA priorities annually to reflect the priorities in our Local Delivery plan and promote the use of practical planning tools to mainstream equalities into routine activities.</p>
<p>That the organisation, wherever relevant, collects information and data on the impact of policies, services and functions on different equality groups to help inform future decisions and that it engages with and involves equality groups to improve and inform the development of relevant policy and practice.</p>	<p>Equality and diversity impact is one aspect of our impact measurement framework, which provides guidance on our approach to collecting data and measuring the impact. We also have guidance on equality and diversity issues which should be considered when establishing research projects. NES also uses equality and diversity research and data collected by others to inform policy and practice. For example, we are currently working with the General Medical Council on a pilot programme to reduce differential educational attainment for black and minority ethnic and international graduate medical trainees which is informed by NES data, GMC data and external research.</p>
<p>That as part of the Performance Management approach the organisation regularly measures and reports their performance in contributing to the achievement of equality outcomes.</p>	<p>That the organisation, wherever relevant, collects information and data on the impact of policies, services and functions on different equality groups to help inform future decisions and that it engages with and involves equality groups to improve and inform the development of relevant policy and practice. This information is tracked through the performance management system, with supplementary data collected via analysis of Workforce metrics, quality management of education, educational governance processes and stakeholder feedback. Quarterly performance reports of action plans are produced and reviewed by the Senior Leadership and Management Team, with semi-annual reporting to the relevant Board Committees. The cross-directorate equality and diversity leads review the full range of data annually to assess progress, identify areas for development or improvement and advise the Senior Leadership and Management Team on development priorities.</p>

Governance Statement

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with the organisation's policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. Also, I am responsible for safeguarding the public funds and assets assigned to the organisation.

Purpose of the System of Internal Control

The system of internal control is based on an ongoing process designed to identify, prioritise and manage the principal risks facing the organisation. The system aims to evaluate the nature and extent of risks, and manage risks efficiently, effectively and economically.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's aims and objectives. As such, it can only provide reasonable and not absolute assurance.

The process within the organisation accords with guidance from Scottish Ministers in the Scottish Public Finance Manual (SPFM) and supplementary NHS guidance, and has been in place for the year up to the date of approval of the annual report and accounts.

The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy, and promotes good practice and high standards of propriety.

Operation of the Board

NHS Education for Scotland has in place a comprehensive governance framework, which includes the following elements:

- A clearly articulated strategic framework which sets and communicates the Board's vision and intended outcomes covering the period 2014-2019; supplemented by detailed annual local delivery plans all of which are made available to our stakeholders;
- A performance management framework which records progress against key performance indicators for each planned objective and which is used to produce regular reports to the Board and the Finance and Performance Management Committee;

- A clearly articulated Educational Governance Framework which is used to assure the quality of the educational services that we provide and is overseen by the Educational and Research Governance Committee;
- Clear definition of the roles and responsibilities of the Board and the scheme of delegation set out in Standing Orders which are reviewed and updated on a regular basis;
- Comprehensive Standing Financial Instructions, Procurement regulations, Risk Management Strategy and supporting procedures and manuals which define how decisions are taken and how associated risks are managed and which are regularly reviewed and updated;
- An established structure of standing committees of the Board with clearly defined remits including the Staff Governance, Remuneration, Educational and Research Governance, Finance and Performance Management, and Audit Committees. In relation to the Remuneration Committee, details of the membership and attendance are contained within the Remuneration Report. Details of the membership of all other Committees, their attendance record and coverage of work is contained in the Governance Framework section of this report;
- Regular reports, including the minutes, are sent to the Board from the Chairs of all standing committees after each meeting. A comprehensive Annual Report from each Committee describing how it has discharged its remit during the year, the impact its work has had on the organisation and identifying areas for development is considered by the Audit Committee as part of its review of the whole system of internal control;
- A process of Board self-assessment, which includes the preparation of an Annual Report covering the work of the Board;
- Participation of Board members in development sessions, including completion of the board diagnostic self-assessment tool in line with agreed national timescales, currently every 18-24 months;
- A comprehensive programme of internal audit review to give assurances concerning compliance with relevant laws, legislation and internal policies and procedures;
- Clear whistle blowing and complaints policies with annual reporting of complaints to the Board, and with follow up of recommendations arising from complaints also being reported to the Audit Committee;
- An induction programme for all new Board members and provision of development opportunities for non-executive directors, which are reported at each Board meeting;
- Policies and procedures to manage compliance with relevant laws, regulations and internal arrangements;
- Procedures for identifying and addressing the development needs of Executive Directors via regular one to one meetings with the Chief Executive and formal six monthly reviews;
- The existence of clear channels of communication with all stakeholders including Strategic Liaison and Performance Management meetings with the SGHSCD; fortnightly meetings between the Chief Executive of NES and the other National and Regional implementation leads, senior managers involvement in communication and engagement links with Health Boards;

Royal Colleges and Regulators; and regular meetings with other stakeholders such as the Scottish Funding Council and Scottish Social Services Council;

- Joint Action plans agreed in respect of partnership working with key partners such as the SFC and the SSSC;
- Reliable data from key information systems, which are subject to regular reconciliation, integrity checking and audit; enabling management of the financial, human resources and performance of the organisation; and
- A culture of continuous improvement, including the adoption of the principles of Best Value, facilitated through the activities of our Organisational Performance Improvement Programme team and the Senior Operational Leadership Group.

The corporate governance framework including the elements described above has been assessed against the UK Corporate Governance Code and compliance with the Scottish Public Finance Manual, and we have not identified any gaps.

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the adequacy and effectiveness of the system of internal control. My review is informed by:

- Executive and senior managers who are responsible for developing, implementing and maintaining internal controls across their areas;
- The work of the internal auditors, who submit to the Audit Committee regular reports which include their independent and objective opinion on the effectiveness of risk management, control and governance processes, together with recommendations for improvement; and
- Comments by the external auditors in their management letters and other reports.

In reviewing the adequacy and effectiveness of the system of internal control I have taken assurance from the following processes and mechanisms:

- The work of the Board in considering the corporate risk register at each of its meetings;
- The production of an annual report from each Standing Committee of the Board to the Audit Committee containing a self-reflective evaluation of the way in which they have discharged their remit during the year and the impact of their work. Information is also included on any external reviews or other evidence which they have received;
- The work of the internal auditors, who submit to the organisation's Audit Committee regular reports which include their independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement, scrutiny of responses from management in response to recommendations made by both internal and external auditors and follow up to demonstrate that agreed actions are implemented timeously;

- The work of the Audit Committee in receiving reports from the internal auditors and in producing an annual report to the Board which pulls together all sources of assurance, including the annual reports from the other governance committees of the Boards and which provides overall assurances to inform this statement of internal control;
- The work of the Audit Committee in considering the arrangements which the organisation has in place to secure Best Value and the work in reviewing all Counter Fraud activity including anti-bribery and corruption provisions;
- Consideration by the relevant Board Sub-Committees and the Executive Team of all internal audit reports and follow up of any areas of concern;
- Assurances from each Director that there have been no significant or uninvestigated breaches of controls in their Directorate;
- The consideration by the Board of a formal report covering the way in which it has discharged its remit during the year: and
- The opinion of Internal Audit that NES has a framework of controls in place that provides reasonable assurance regarding the effective and efficient achievement of the organisation's objectives and the management of key risks.

I believe that, overall, we have continued to maintain an adequate and effective system of internal control throughout the year. As Chief Executive of NES I am content with the Governance arrangements of the organisation during 2017/18.

Risk Assessment

NHS Scotland bodies are subject to the requirements of the SPFM and must operate a risk management strategy in accordance with relevant guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

The NHS Education for Scotland Risk Management Strategy is regularly reviewed and updated to respond to internal developments and to audit recommendations. The key elements of the Risk Management Strategy are:

- The maintenance of a corporate risk register which identifies all significant corporate risks and any changes from the previous period; which is presented to every Board Meeting as part of the Chief Executive's Report;
- The maintenance of departmental risk registers for the whole organisation which require managers to identify the risks to the achievement of their objectives, to regularly review the ratings associated with those risks, and to indicate the steps they are taking to manage those risks;
- The categorisation of risks into 'Primary 1', 'Primary 2', 'Contingency', 'Housekeeping' or 'Low' enabling prioritisation of those risks that are both high likelihood and high impact above those that are either high likelihood but low impact, or low likelihood but high impact;

- The articulation by the Board of the 'risk appetite' of the organisation as it relates to different categories of risk, which is used to assess the residual risk associated with individual items on the Corporate Risk Register against the level of risk which has been deemed acceptable, thus enabling the organisation to focus resources on managing the risks that are unacceptable;
- A regular programme of development and training for identified risk champions in each department;
- The inclusion of risk awareness training in the Corporate Induction Programme for all new staff; and
- The ongoing delivery of an Information Governance action plan to manage and monitor information risks. This action plan is regularly reviewed by the Information Governance Group and an annual report is presented to the Finance and Performance Management Committee in May each year.

The Board's corporate risks are categorised as Strategic & Policy risks; Operational & Service delivery risks; Financial Risks; Reputational risks and Accountability & Governance risks. The corporate risk register [\(add link\)](#) details both the inherent and residual risk ratings against all risks identified in each category and compares the residual risk assessed against the level of tolerance of risk for each category (the risk appetite) that the Board has defined.

More generally, the organisation is committed to continuous development and improvement through developing systems in response to any relevant reviews and developments in best practice. In particular, during the year to 31 March 2018, and up to the signing of the accounts, the organisation continued to develop its operational planning. This enables activity owners to identify and record the risks pertaining to the success of their planned activities and then to manage that risk through an integrated system. The Board also agreed a matrix approach to the management of risk appetite to enable a greater tolerance for risk during the development phase of new activities or ways of working.

During the year to 31st March 2018, no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards for good governance, risk management and control. There have been no instances of fraud during 2017-2018. A number of recommendations have arisen from our internal audit reports which we have accepted and which will be implemented and followed up.

Governance Framework

The Board meets regularly during the year to progress the business of the National Health Board. There have been 9 meetings and 3 workshops during 2017/18. Attendance by members at these meetings is detailed below.

1 Dr C Ferguson retired from the Board on 31 Dec 2017 and Mrs K Wilson joined the Board on 1 Jan 2018

The Scottish Health Plan established that the following standard committees should exist which are relevant to the organisation:

- Audit;
- Staff Governance;
- Clinical Governance (NES equivalent is Educational Research and Governance Committee);
- Patient Focus Public Involvement (PFPI). This committee was stood down by the Board in April 2012 and, in June 2012, the Board approved proposals to split the specific PFPI and Equality & Diversity responsibilities between the following groups:
 - Staff Governance Committee;
 - Educational and Research Governance Committee;
 - Finance and Performance Management Committee;
 - Executive Team; and
 - PCCP, Equality & Diversity Lead Network

The Board also has a Remuneration Committee, the membership details of which can be found on page 32.

Audit Committee

The Audit Committee met four times in the year to consider internal control; risk management and corporate governance issues; financial accounting matters; and to receive reports from the internal and external auditors.

The membership of the Audit Committee during 2017/18 was as follows:

Staff Governance Committee

The committee has an important role in ensuring consistency of policy and equity of treatment of staff across the organisation, in line with the National Staff Governance Standard. It meets four times per year.

The membership of the staff governance committee during 2017/18 was as follows:

Educational and Research Governance Committee

The main purpose of the Educational and Research Governance Committee is to advise the Board on matters relating to educational research and the management of educational quality. The Committee advises the Board on the strategic planning of relevant aspects of educational research and educational quality and maintains oversight of the implementation of approved programmes. It meets four times per year.

The membership of the Educational and Research Governance Committee during 2017/18 was as follows:

Finance and Performance Management Committee

The Finance and Performance Management Committee meets four times per year to provide additional scrutiny of financial reports, including annual budgets and the 3-year financial plan; proposals for significant new expenditure; management accounts and efficiency programmes.

The membership of the Finance and Performance Management Committee during 2017/18 was as follows:

Board Paper Summary

1. Title of Paper

Notification from Sponsored Body Audit Committee

2. Author(s) of Paper

Audrey McColl, Director of Finance

3. Purpose of Paper

The purpose of this paper is to present to the Board our response to the annual request from the Health Finance and Infrastructure Directorate of Scottish Government for details of any significant issues of fraud which arose during 2017/18.

4. Key Issues

Attached to this paper is our response to the request for notification from sponsored body audit committees. This is an annual request, asking that Audit committees highlight any significant issues that may be of wider interest. Our response sets out our process for reporting to the NES Board on the work carried out by the Audit Committee, and the assurances which have been used to support the information contained within our Governance Statement. Our response notes that we have not identified any significant issues or fraud that require notification.

The request for notification of significant issues that may be of wider interest is also attached as an Appendix to this report for information.

5. Recommendation

The Board is asked to note the NES response to the Health and Social Care Assurance Board.

A McColl
June 2018

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Richard McCallum
Directorate for Health Finance and Infrastructure
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

Dear Richard,

Notification from Sponsored Body Audit Committees

I refer to your letter of 28th March 2018. I can confirm that the Audit Committee of NHS Education for Scotland considered the Annual Report from the Audit Committee to the Board at its meeting on 14th June 2018.

This report contained detail of the work of the Audit Committee during the year to 31st March 2018 together with details of all the sources of assurance available to support the information contained in the Governance Statement to be included in our Annual Report and Accounts for the year ended 31st March 2018. At the same meeting the Audit Committee considered the Governance Statement itself, and the Annual Report and Accounts.

There were no significant issues that arose during 2017/18 and no instances of fraud which we would wish to bring to the attention of the Health and Social Care Assurance Board.

Yours sincerely,

Doreen Steele
Chair, Audit Committee

Chair: David Garbutt
Chief Executive: Caroline Lamb



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NHS Board Chairs

Copy to:
NHS Board Chief Executives
NHS Board Directors of Finance

Our ref: A20363415

28 March 2018

Dear Chair

SIGNIFICANT ISSUES THAT ARE CONSIDERED TO BE OF WIDER INTEREST

The guidance in the Scottish Public Finance Manual requires Audit Committees of NHS Scotland Boards to notify the Scottish Government portfolio Audit and Risk Committee of any significant issues that are considered to be of wider interest.

<http://www.scotland.gov.uk/Topics/Government/Finance/spfm/auditcommittees>

The Chair of your Board's Audit Committee should provide details of any significant issues of fraud which arose during 2017-18 which they consider should be brought to the attention of the Health and Social Care Assurance Board.

This should be informed by the assurances received to support the Governance Statement in your Board's Annual Accounts. It would be appropriate for the Audit Committee to consider this statement at the same time as the Accounts and the Governance Statement.

Audit committees have a role in providing the assurance required to underpin the [governance statement](#) provided by the Principal Accountable Officer (the Scottish Government Permanent Secretary) as part of the consolidated accounts of the Scottish Government. Your Board's Audit Committee is therefore required, at the earliest opportunity, to notify the Health and Social Care Assurance Board if it considers that it has identified a significant problem which may have wider implications. The Health and Social Care Assurance Board will in turn report relevant issues to the Scottish Government Assurance and Audit Committee.

All statements should be submitted by **30 June 2018** in line with the Annual Accounts timetable to barbara.crowe@gov.scot.

Please do not hesitate to contact Barbara Crowe if you require further information.

Yours faithfully



Richard McCallum
Deputy Director of Health Finance and Infrastructure

NHS Education for Scotland

Board Paper Summary: Finance and Performance Management Committee Minutes

1. **Title of Paper**

Unconfirmed minutes of the Finance and Performance Management Committee meeting held on 23rd May 2018: copy attached.

2. **Author(s) of Paper**

Jennifer Allison, Committee Administrator

3. **Purpose of Paper**

To receive and note the unconfirmed minutes of the meeting of the Finance and Performance Management Committee meeting held on 23rd May 2018.

4. **Items for Noting**

Item 7 – Financial Report

The committee noted the draft financial results for 2017/18.

Item 8 – Operational Plan

The committee noted the Operational Plan for 2018/19.

Item 9 – Performance Management Report

The committee noted the report and were assured that sufficient controls are in place to manage the performance of NES.

Item 10 – Procurement Update Report

The committee noted and were satisfied with the current and planned procurement activity.

Item 11a – National Board Property Collaboration and Westport

The committee noted the reported and agreed their support in the extension of the Westport lease on the basis of approval from Scottish Government.

Item 11b – Aberdeen Accommodation Benefits Realisation

The committee noted and were satisfied with the final position of benefits realised.

Item 12 – Annual Information Governance and Security Report

The committee noted the report and were satisfied with the progress and future plans.

Item 13 – Annual Report to the Audit Committee 2017-18

The committee noted and were satisfied with the report and forward plan, and approved its submission to the Audit Committee.

Item 14 – Finance & Performance Management Committee Remit

The committee approved the remit subject to further minor amendments.

Item 15 – NES Risk Register Primary 1 Report

The committee noted and were satisfied with the report and were assured that adequate actions and controls are in place to mitigate risks relevant to the committee.

Item 16 – Internal Audit Reports

The committee noted the Budget Management and Business Continuity Planning and Disaster Recovery Internal Audit Reports.

5. Recommendations

None.

NES
May 2018
JA

NHS Education for Scotland

FINANCE AND PERFORMANCE MANAGEMENT COMMITTEE

Minutes of the Finance and Performance Management Committee meeting held on Wednesday 23 May 2018 at Westport, Edinburgh.

Present: David Garbutt, NES Chair, FPMC Chair
Douglas Hutchens, Non-Executive Director
Liz Ford, Employee Director

In attendance: Donald Cameron, Director Planning and Corporate Resources/Lead Officer
Audrey McColl, Director of Finance
Caroline Lamb, Chief Executive
Janice Sinclair, Head of Finance
Kenny McLean, Head of Commissioning and Procurement
Nicola Todd, Interim Head of Properties and Facilities Management, PCR
Rob Coward, Principle Educator, PCR (for item 15)
Jenn Allison, Committee Administrator

1. Chair's welcome and introduction

David Garbutt welcomed everyone to the meeting, which was his first meeting as Chair of the Finance and Performance Management Committee. He particularly welcomed Kenny McLean who was attending to present item 9, Procurement Report and Nicola Todd who was attending to present item 11, Properties and Facilities Reports.

2. Apologies for absence

There were no apologies.

3. Minutes of the previous meeting held on 16 Feb 2018 (NES/FPM/18/12)

The minutes of the previous meeting were approved as a correct record, following agreed minor amendments. **Action: JA**

4. Action list from previous meeting held on 16 Feb 2018 (NES/FPM/18/13)

Members noted that all the action points had been completed or were in hand.

Discussion took place regarding an action taken at the committee meeting 22nd November 2017, to discuss with the Executive Team how the NES Board and Committees can develop a more responsive model of governance, outside of the quarterly committee meetings, to support the agile approach to working. It was agreed that the required date for this is to be re-set to October 2018.

5. Matters arising from the minutes

There were no matters arising.

6. Declarations of Interests

The Chair of the Committee noted that he will also be the Chair of the Scottish Ambulance Service until end of May 2018.

Business Matters

7. Finance Report as at 31st March 2018 (NES/FPM/18/15)

Audrey McColl introduced the paper presenting the draft financial results for the year to 31 March 2018, which are still subject to final confirmation as part of the external audit process.

- The draft accounts currently reflect a £0.3m underspend which is less than 0.07% of the overall revenue budget and is in line with the February and March reports to the Finance and Performance Management Committee and the Board.
- The previous forecasts reflected known underspends in both Digital (£200k – related to Turas People in support of the Lead Employer model to improve the employment experience of Doctors and Dentists in Training (DDiT)) & Workforce (£160k – Executive Leadership & Implementation Leads support) which have now been reflected in the final allocation letter from Scottish Government. They also reflected the unused element of funding related to the Medical Education Package (£465k) which, as this funding is ring fenced, was also required to be returned to Scottish Government.
- The Chair requested a meeting with the Director of Finance to discuss the report in detail. **Action: AMcC**
- Discussion took place regarding GP funding and recruitment. Audrey McColl explained that NES cannot direct trainees to specific locations or specialities. The initiatives which have been aimed at improving GP recruitment, such as the use of bursaries, were discussed. Caroline Lamb highlighted that a summary of the management of training grades is on the agenda for the June Board Development day. The funding mechanisms relating to training grades will be added to the agenda of a future Board Development day. **Action DC**

The Committee noted the draft financial results for 2017/18. Members thanked Audrey and Finance colleagues.

8. Operational Plan (NES/FPM/18/16)

Donald Cameron presented the detailed Operational Plan for 2018/19, which represents the fifth year of NES's strategic framework for 2014-19, Quality Education for a Healthier Scotland. The Operational Plan was approved by the Board in March 2018. The following was noted/discussed:

- The Operational Plan is based on directorate plans submitted in November 2017 which identify the long-term outcome and supporting performance targets for each activity we are planning to deliver. Targets will be monitored and reported to the

Board on a quarterly basis throughout 2018-19. The following principles have been used to develop the plan: aligned with the strategic framework for 2014-19; built up from directorate plans; reflective of current policy drivers and stakeholder feedback; based on long term outcomes and associated SMART targets.

- The NES Operational Plan has been published on the website and a summary has been submitted to Scottish Government who are expected to provide feedback in due course.
- Discussion took place regarding the challenge of encouraging directorates to produce SMART targets and Donald explained that directorates are accountable for producing their own plans and ensuring targets are SMART. Although the Planning and Corporate Governance team is a small one, they provide excellent support to directorates throughout the Operational Planning and Performance period.
- The committee noted that some of the key challenges for delivery of 2018-19 activities include: financial resourcing and changing policy and political environment. Discussion took place regarding risks to Workforce and Caroline Lamb noted that risks relating to Workforce are included on the Corporate Risk register.

The Committee noted and were satisfied with the Operational Plan for 2018/19.

9. Performance Management Report to 31st March 2018 (NES/FPM/18/07)

Donald Cameron presented a paper which provided the Committee with an overview of NES's performance against the targets set out in the NES Operational Plan for the 4th quarter of the reporting year 2017/18. The following was noted/discussed:

- Out of 519 targets, 463 are rated Green, 36 are Amber and 20 are Red. Red and Amber targets will be carried over to be reported on in quarter one of 2018/19.
- Future performance reports will also specifically highlight the performance of NES's key 40-50 targets. Donald also informed the committee that the Planning and Corporate Governance team will be working with colleagues in Workforce and Digital to produce a 'Corporate Dashboard' which will present to the Board a breakdown of high-level information relating to performance, risk and staff governance.
- A member raised a query regarding the Strategic Theme 'Improved Organisation'. The committee agreed that improvement should be embedded into all areas of work. Donald noted that this theme relates to work undertaken by the Quality Improvement team and Organisational Performance Improvement Programme who lead on a number of clinical, educational and corporate improvement projects. Donald added that one of the key tasks of the Senior Organisational Leadership Group is to embed continuous improvement across NES.
- Donald also informed the committee that there will be opportunity to strengthen key messages in the Strategic Framework which is due to be refreshed for 2020 – 2025.

The Committee noted the report and were assured that sufficient controls are in place to manage the performance of NES.

10. Procurement Report to 31st March 2018

(NES/FPMC/18/18)

Kenny McLean presented the paper which provided the committee with an update on the procurement activity which has taken place during the fourth quarter of 2017/18 and an update on operational developments and projects within Procurement. The following was noted/discussed:

- The overall commitment which Procurement could directly influence for the fourth quarter of 2017/18 was just over £14m (of which £7.5m was placed via SLA's to other boards and training grades). NES high value contracts accounted for £2.6m of this order placement and the balance committed via NHS National Procurement and Scottish Government frameworks and per-existing contract and call off agreements. In the fourth quarter savings of £196k were identified giving cumulative savings total as at end March of £517k.
- Progress in Q4 against the three principle activities in the Procurement Transformation Programme (PTP) continues with some loss of momentum due to changes of Chair and Director. Gerry O'Brien Chief Executive of Shetland, has been appointed as new Chair and a new PTP Director will be appointed in the near future. The most progress has been made towards the 'One PECOS' activity; implementation of one single instance of PECOS in NHSScotland.
- A tender has been drafted for the provision of a new National eRostering solution for NHSScotland to replace the existing disparate arrangements in place across the various NHS Boards. This is part of the National Boards Collaboration Plan 'Changing to Deliver' and the tender specification has been informed by national research. It is anticipated that the full tender will be release by end May or early June 2018.
- Work has commenced to develop a tender specification for the on-line resources accessed through the NES Knowledge Network Library, the national online information service for health and social care in Scotland.
- Discussion took place regarding challenges for financial year 2018/19 and the committee agreed the importance of understanding National requirements while representing best value when procuring national systems. Discussion also took place regarding the potential role new GDPR regulations could have regarding future FOI requests.
- A member raised a query regarding the level of agency staff and Caroline Lamb noted that this is mostly due to projects receiving non-recurrent funding. Much of this is regarding development work in Digital and due to the temporary nature of the work, NES is not in the position to employ substantive staff. The Employee Director added that requirements for all posts are looked at in detail at the ETSR.

- Another query was raised regarding expenditure on travel and subsistence. The committee noted that the recently updated Travel and Subsistence policy has clear guidelines and strict supporting approval processes. Caroline Lamb explained that the various professions across NES have National responsibilities both Scotland and UK wide, which requires frequent travel across Scotland and the UK. The Chair asked for a briefing about this expenditure and it was agreed to that AMcC would provide this. **Action: AMcC**

The Committee noted and were satisfied with the current and planned procurement activity.

11. Properties & Facilities Management Reports

a) National Board Property Collaboration and Westport (NES/FPM/18/19)

Nicola Todd provided the committee with an update on the settlement of the service charge court case and to consider an offer arising from the Landlord for NES to extend the current lease at Westport.

- The lease which covers all 3 floors at Westport is due to expire in July 2022. The Landlord informed NES that they would be willing to write-off the service charge arrears as well as the legal costs associated with the court case on condition that NES look to extend their current lease for a period of, at least, 3 years.
- The Committee noted that a detailed feasibility prior to moving to Westport in 2011 and the subsequent benefit realisations reports regarding the use of space was sufficient evidence that the office continues to be fit for purpose. In particular, they noted that Westport has satisfied 14,000 meetings, much of which is delivery of training, in the 1st floor meeting rooms.
- Agreement was made between the Chief Executives of each of the special boards via their National Boards Corporate Office Accommodation Strategy to consider accommodation opportunities when there were forthcoming lease events. The NES PFM Team became aware that NSS were approaching a lease expiry for their current occupation of an office property in Edinburgh in Feb 2020. An approach was made by PFM to NSS to identify whether there was any interest in undertaking a feasibility study to identify opportunities to move from the NSS premises at lease expiry and relocate within Westport.
- The Committee noted their support of opportunities to share collaborative workspaces with other NHSScotland National Boards where appropriate, however given the ongoing operational requirements of NES, sharing space was not considered feasible at this point in time.

The Committee noted the report and agreed their support in the extension of the Westport lease on the basis of approval from Scottish Government. **Action: DC**

b) Aberdeen Accommodation Benefits Realisation

(NES/FPM/18/20)

Donald Cameron presented the paper which informed the committee of the benefits realised from the Aberdeen Accommodation Project.

The Committee noted and were satisfied with the final position of benefits realised and noted that the project has resulted in improvements to the working environment for staff at Forrest Grove House as well as achieving recurrent financial savings.

12. Annual Information Governance and Security Report

(NES/FPM/18/21)

The Committee reviewed a paper detailing progress on Information Governance and Information Security during 2016-17 and detailing future activity planned for 2017/18.

The Committee noted the report and were satisfied with the progress and future plans. Members thanked Information Governance colleagues for their work, particularly in relation to the work required to achieve compliance with GDPR. It was agreed that a one-hour training session regarding the GDPR would be arranged for non-executive members.

Action: JA

13. Annual Report to the Audit Committee 2017-18 and forward work plan 2018-19

(NES/FPM/18/22)

Donald Cameron presented the Committee's draft Annual Report to the Audit Committee 2016-17 and the forward work plan 2017-18, for comment and approval.

Members noted and were satisfied with the report and plan, and approved its submission to the Audit Committee, subject to a minor agreed addition to highlight that performance reports have been refined to suit requirements of the committee.

Action: DC

14. Finance & Performance Management Committee Remit

(NES/FPM/18/23)

Donald Cameron introduced the Finance and Performance Management Committee remit which had been amended following the annual review of the remit. Further wording regarding governance of performance had been strengthened as agreed.

The Committee approved the remit subject to further minor amendments. The Chair informed the committee that the NHSScotland Chairs group in conjunction with the Scottish Government will be reviewing the approach to Board governance with the view to developing a Once for Scotland approach, including integrated joint boards. The Chair will provide any relevant updates regarding this in due course.

15. NES Risk Register Primary 1 Report

(NES/FPM/18/24)

Audrey McColl introduced the annual report to present inherent primary 1 risks which have been identified as relevant to the Finance and Performance Management Committee. The paper had been deferred from the February meeting.

The committee noted and were satisfied with the report and were assured that adequate actions and controls are in place to mitigate risks relevant to the committee.

Items for information

16. Internal Audit Reports

Two internal audit reports were received by the Committee for information.

- a) Budget Management

The Committee noted and were content with this report.

- b) Business Continuity Planning and Disaster Recovery

The Committee noted and were content with this report and noted that work to progress the recommendations are underway. It is anticipated that BCP and disaster recovery scenarios will be tested in October.

17. Any Other Business

There was no other business discussed.

18. Date of Next Meeting

The date of the next meeting is Thursday 23rd Aug at 10:45 in Westport.

NES
May 2018
JA/dc/amc

NES
Item 7e
June 2018

NES/18/55
(Enclosure)

NHS Education for Scotland

Board Paper Summary

1. Title of Paper

Performance Management Report following 31st March 2018 progress updates.

2. Author(s) of Paper

Karen Howe, Planning and Corporate Governance Manager
Lynnette Grieve, Planning and Corporate Governance Manager
Donald Cameron, Director of Planning and Corporate Resources

3. Purpose of Paper

This paper provides an overview of performance for the final quarter of 2017/18. The RAG (Red, Amber, Green) rating definitions are set out below:

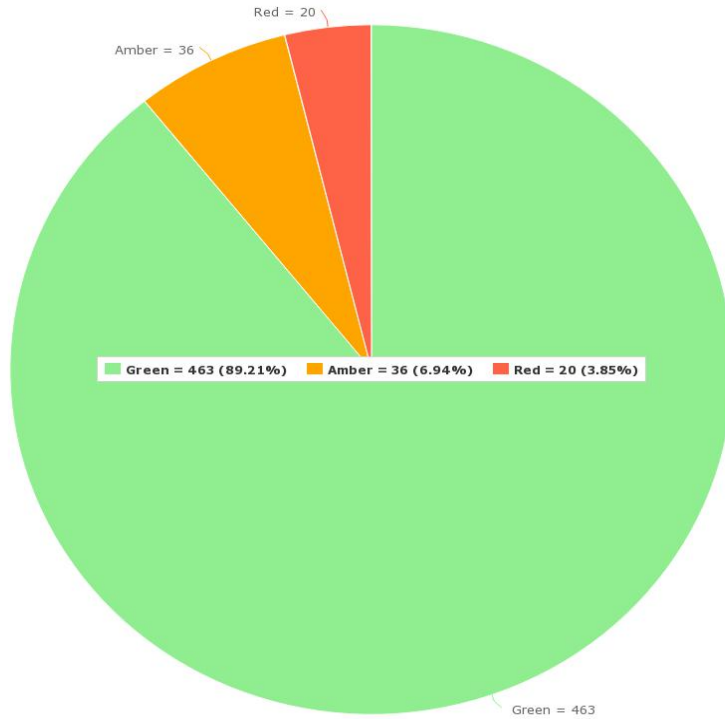
- **Red** – progress has not been satisfactory. The target will not be achieved and/or there has been major deviation from deliverables.
- **Amber** – progress against this target/outcome has not been fully satisfactory and may now be behind schedule, but overall outputs/programme objectives are expected to be completed. Amber targets in this final quarter are expected to be complete by the end of the first quarter of 2018-19.
- **Green** – progress against this target/outcome has been satisfactory. The target is expected to be delivered on schedule and/or better than expected.

4. Key Issues

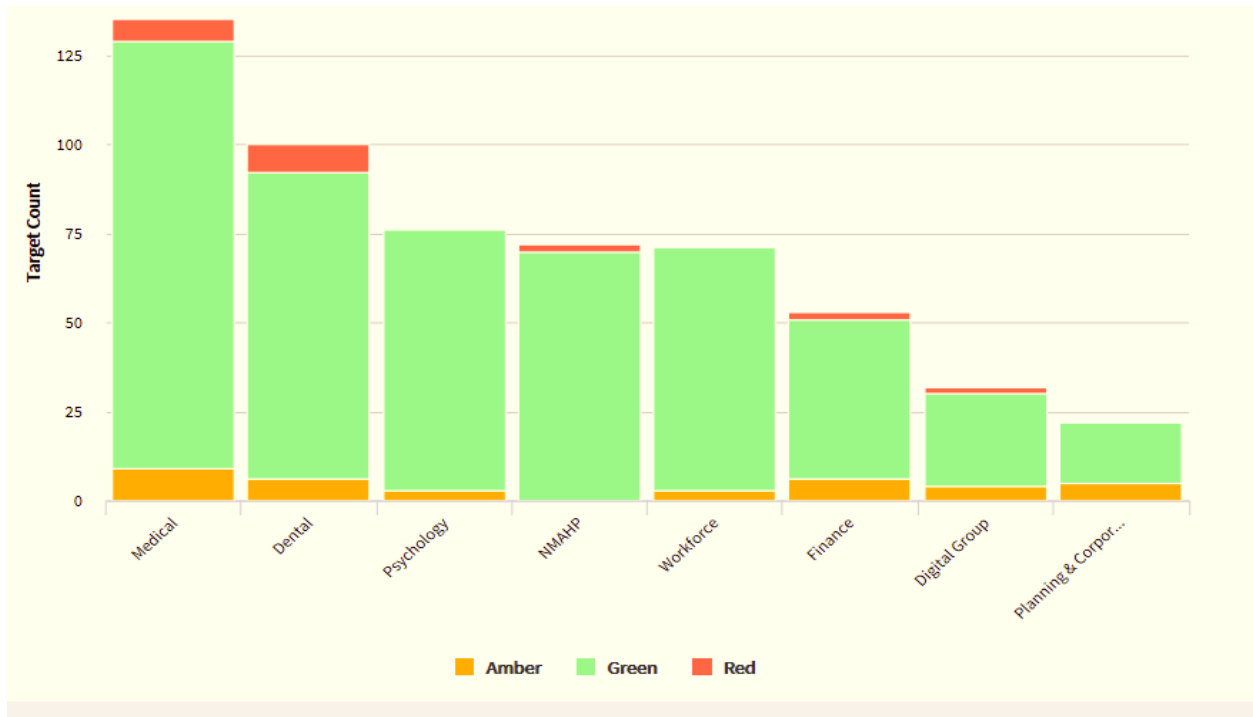
There are 227 outcomes supported by 519 performance targets. Appendix 1 provides a summary of performance by key non-financial targets from the annual report and

accounts. The accompanying report provides the detail of the Red and Amber performance targets at the year end and the outcomes to which they relate. An overall summary of 2017/18 performance against the targets and outcomes is set out as below:

a. Overall Performance by Target



b. Directorate Performance by Target



c. Performance by Target and Strategic Theme

Strategic Theme	Targets	Red	Amber	Green
An excellent workforce	110	8	4	98
Improved quality	98	2	5	91
New models of care	132	5	8	119
Enhanced educational infrastructure	65	2	5	58
An improved organization	114	3	14	97
TOTALS	519	20	36	463

d. Performance by Outcome and Strategic Theme

Strategic Theme	Outcomes	Red	Amber	Green
An excellent workforce	45	-	6	39
Improved quality	49	-	1	48
New models of care	50	3	2	45
Enhanced educational infrastructure	28	-	2	26
An improved organization	55	-	2	53
TOTALS	227	3	13	211

5. Recommendation(s) for Decision

To note the current performance of NES.

April 2018

Appendix 1

Summary of Performance by Key Non-Financial Targets (Annual Report and Accounts)

Recruitment to and progression through key training programmes

	Target	Actual	% achieved
Medical Training grades			
Recruitment to Foundation	852	816	95.80%
Recruitment to Core Training	308	296	96.10%
Recruitment to Specialist Training	919	686	74.60%
Dental Training Grades			
Recruitment to Dental Vocational Training	171	167	97.66%
Recruitment to Dental Core and Specialty Training	138	124	89.85%
Pre-registration training for Dental Nurses	180	137	76.11%
Dental hygiene/therapy students	45	45	100.00%
Clinical Psychology			
Clinical Psychologist Trainees completion	64	57	89.06%
Psychological therapies in primary care	30	30	100.00%
Applied psychology for children and young people	19	19	100.00%
Neuropsychology programme	35	35	100.00%
Healthcare Scientists			
Pre-registration clinical scientists	24	23	95.83%
Practitioner grade postgraduate clinical scientists	30	31	103.33%
Pharmacy			
Pre-registration pharmacy	170	170	100.00%

Providing Educational Resources and Learning materials

- Developed and delivered an e-learning module, completed by 165 staff, to support the introduction of the Duty of Candour procedure
- Supported Practice Based Small Group Learning with 2,366 members in 366 active groups.
- Provided 22,000 hours verifiable CPD for the dental team
- Trained 134 pharmacists in advanced practice to support General Practice
- Provided 330 sessions of in-practice quality improvement training for dental teams
- Trained 147 new dementia champions
- Trained 38 staff in specialist mental health settings and care homes to support the implementation of Promoting Excellence and the Standards of Care for Dementia framework
- 185 school nurses trained in trauma informed practice and mental health
- Supported 76 pharmacists on independent prescribing courses.

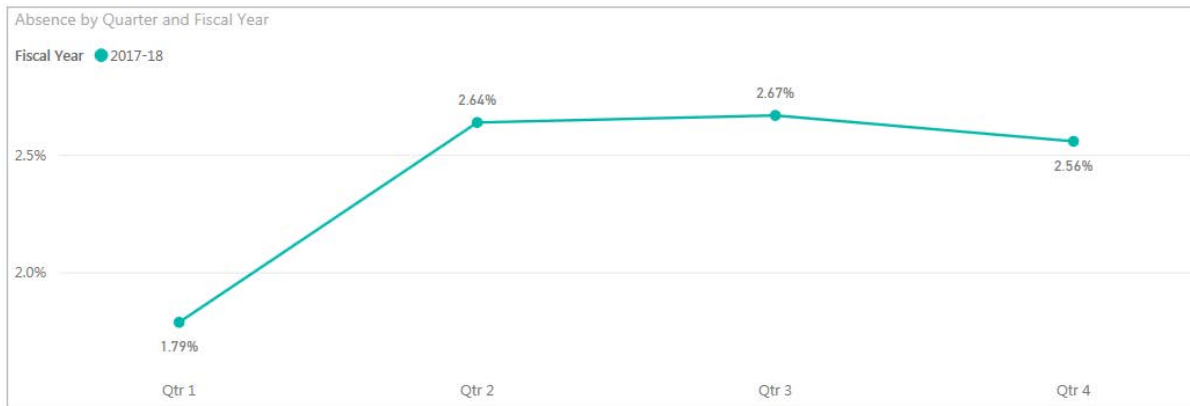
- First stage of delivering the commitment to 500 additional Advanced Nursing Practitioners completed with 490 enrolled on postgraduate diploma.

Providing National Infrastructure

- Developed a new approach to Talent Management for NHSS supported by a digital application.
- Delivered Turas Appraisal on time to 167,000 users to support appraisal.
- Further developed Turas Learn and increased the user base to 75,000.
- Developed Turas People which is on track to support new employment arrangements for Doctors in Training
- Maintained access to National Subscription Resources with an increase in activity and downloads.
- Established a proof of concept for the workforce supply side data platform.

Staff Governance

NES Staff absence rate during 2017-18 (average 2.42%)

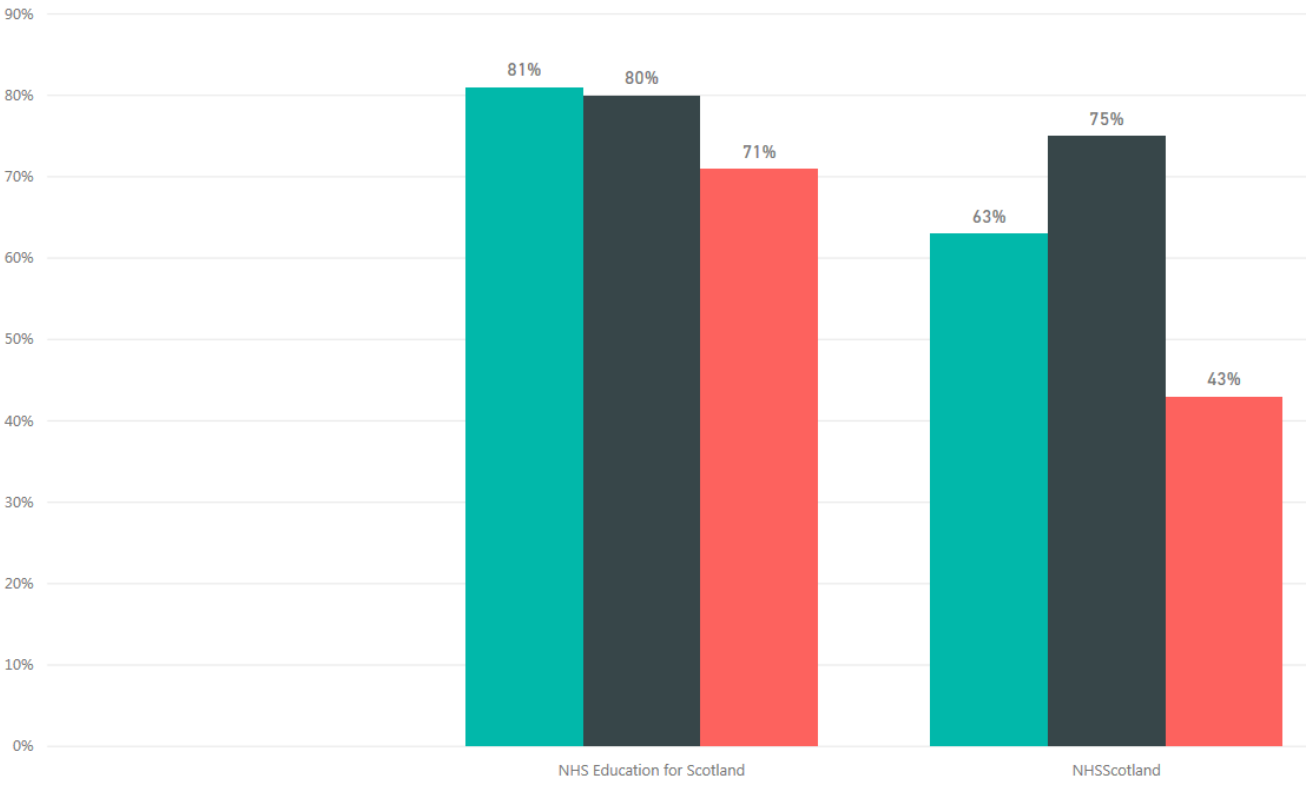


NES Essential Learning Completion rates in 2017-18

Essential Learning	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18
Counter Fraud	87%	87%	93%	95%
Equality & Diversity	77%	78%	79%	80%
Health & Safety	87%	79%	77%	73%
Information Governance	75%	77%	77%	77%

NES iMatter employee response rate, employee engagement index score and action plans agreed (NHSScotland figures provided for comparison)

● Response rates ● Employee Engagement Index ● Action plans agreed



Strategic Theme 1 - An Excellent Workforce (8 red, 4 amber, 98 green)

Starting year	Number	Directorate	State	Scope & Priority	Strategic theme	Description	RAG status of target	Comments
2017/2018	TAR0001005	Medical	Closed	External & Low	An Excellent Workforce	Undertake a review of the simulation training requirements in curricula and develop a policy for allocation of funding to ensure equity for trainees by March 2018 (A8140-02).	Red	NES Medicine Simulation Collaborative established - bringing together simulation leads from the centres and health boards. Regular review of updates on progress towards foundation simulation training and future simulation requirements. Priorities will be increasing the number of trained simulation trainers which will require funding. No budget for this activity at this time.
2017/2018	TAR0001021	Dental	Closed	External & Low	An Excellent Workforce	Liaise with the Digital Group team in the development of an appropriate system during the period 2017/18 to replace the portal system for recruitment of vocational trainees and trainers (A8344-02).	Red	NES uses an AGILE process for prioritising digital developments on a cross-directorate basis. This work has not been prioritised for completion during 2017/18, therefore this target has been closed.
2017/2018	TAR0001025	Dental	Closed	External & Low	An Excellent Workforce	Liaise with the Digital Group team in the development of an appropriate system during the period 2017/18 to replace the portal system for recruitment of HTVT trainees and trainers (A8342-02).	Red	NES uses an AGILE process for prioritising digital developments on a cross-directorate basis. This work has not been prioritised for completion during 2017/18, therefore this target has been closed.
2017/2018	TAR0001027	Dental	Closed	External & Low	An Excellent Workforce	Liaise with the Digital Group team in the development of an appropriate system during the period 2017/18 to replace the portal system for management of the study day programme including course bookings (A8405-02).	Red	NES uses an AGILE process for prioritising digital developments on a cross-directorate basis. This work has not been prioritised for completion during 2017/18, therefore this target has been closed.
2017/2018	TAR0001064	Dental	Closed	External & Low	An Excellent Workforce	Provide an ePortfolio for DCPs in place by August 2017. Discussions already started with Digital Group, this will provide equity for students as well as a QA (Quality Assurance) system for trainees' delivery of safe patient care (A8337-05).	Red	This project was to be "piggy backed" onto the v3 ePortfolio for vocational training, introduction of which has now been delayed until August 2018.

2017/2018	TAR0001080	Medical	Closed	External & Low	An Excellent Workforce	Deliver a new TURAS Quality Module in conjunction with NES Digital Group. A8101-01	Red	NES uses an AGILE process for prioritising digital developments on a cross-directorate basis. This work has not been prioritised for completion during 2017/18, therefore this target has been closed.
2017/2018	TAR0001106	Medical	Closed	External & Low	An Excellent Workforce	Ensure TURAS TPM module for PSU is in place and has appropriate functionality to support workload. A8143-03	Red	NES uses an AGILE process for prioritising digital developments on a cross-directorate basis. This work has not been prioritised for completion during 2017/18, therefore this target has been closed. Some additional PSU functionality has been developed as part of the Turas People development work.
2017/2018	TAR0001101	Medical	Closed	External & Low	An Excellent Workforce	By August 2017 successfully deliver a CPD programme and recruit up to 20 on the programme, utilising anticipated Scottish Government funding of £16k. A8316-01	Red	Numbers recruited to this were very poor . We have not repeated this initiative this year.
2017/2018	TAR0001087	Medical	Closed	External & High	An Excellent Workforce	By September 2017 deliver the actions in the GMC Visit 2017 agreed plan in conjunction with Quality and PD workstreams, including a curriculum mapping exercise to record all NHS Board capacity. A8144	Amber	The work to ensure consistent processes continues and is expected to be ongoing both before and after the GMC visit. Review of new ARCP policy is being undertaken. Work completed. GMC visit 11/12 December. The curriculum mapping action was delayed due to the changes in curricula and placements in the widespread review of GP programmes and the piloting of the Improving Surgical Training changes to the core surgical curriculum.
2017/2018	TAR0001099	Medical	Open	External & Medium	An Excellent Workforce	Ensure that SOAR and TURAS functionality is in place by May 2017 for the full integration of functionality with ePortfolio and TPM, and that work to fully integrate the system is in the Digital Group workplan. A8284-01	Amber	Achieved - continual review of process through annual review. Annual report frm HIS released on 20/12/17. Migration onto common platform with Turas has not achieved because of priorities within digital. May not be complete by end March 2018.

2017/2018	TAR0001102	Medical	Closed	External & Medium	An Excellent Workforce	By March 2018 have recruited 12 Community Hub Fellows utilising anticipated Scottish Government Funding of £700k for the Community Hub. A8316-02	Amber	The Community Hub Fellowships continue with 9 Fellows currently in NHS Boards, including one on maternity leave.
2017/2018	TAR0001009	Medical	Open	External & Medium	An Excellent Workforce	By March 2018 ensure the automated data download from ORIEL (UK recruitment portal) to the Training Programme Management (TPM) system on TURAS (our Digital Group platform) is progressed to minimise bulk transfer and delay in processing (A8136-04).	Amber	There were some delays in the download ahead of the beginning of the training year (August 2017) which led to some teams having to manually enter data onto Turas, however all trainees were successfully added to the system. We expect future downloads to be fully automated and successful. No problems encountered as a result of the delay.

Strategic Theme 2 - Improved Quality (2 red, 5 amber, 91 green)

2017/2018	TAR0001119	NMAHP	Open	External & Medium	Improved Quality	Undertake required processes and activities that will enable Investing in Volunteers to be re-awarded. A8087-02	Red	Continuing to keep volunteer database up to date. Internal discussions still ongoing regarding future position of this work.
2017/2018	TAR0001179	Dental	Open	External & Low	Improved Quality	Provide up-to-date evidence-based recommendations for dental professionals (SDCEP): a) scope the updating of Management and Treatment of Periodontal Disease guidance; b) update Drug Prescribing for Dentistry guidance in line with BNF(British National Formulary) and BNFC (British National Formulary for Children). A8348-04	Red	Drug prescribing update published June 2016, further update currently out for consultation.
2017/2018	TAR0001142	Dental	Open	External & Low	Improved Quality	Liaise with the Digital Group Team for transference of the Moodle modules (Conscious Sedation) to TURAS with appropriate enhancements.A8370-02	Amber	This has not been delivered within 17-18 however with our new learning technologist post within the Dental Directorate and with support from Digital we expect this will be delivered within 18-19.

2017/2018	TAR0001163	Psychology	Open	External & Low	Improved Quality	Apply our research on Human Factors related to hand hygiene in medical students to the development and assessment of behaviour change interventions by March 2018. A8501-01	Amber	Interventions mapping continued throughout Quarter 4. Continue to develop appropriate interventions using intervention mapping, with expected launch of new interventions now in Quarter 1 of 18/19.
2017/2018	TAR0001174	Workforce	Open	External & Medium	Improved Quality	Increase capacity and capability within the Organisational and Leadership Development team to deliver Digital Group learning interventions in Quality Improvement. A8620-06	Amber	This work is in support of the external facing QI Team within medical, and Scottish Improvement Foundation Skills delivering commitments have been met during the year. However, as this is not an O&LD function the decision was taken not to progress this specific action in current year, and to agree with QI Team in 2018/19 any alternative support required moving forward.
2017/2018	TAR0001181	Dental	Open	External & Medium	Improved Quality	Respond to the implications of the new Scottish Government Oral Health Plan consultation and prepare a strategy for guidance development to address the implications by March 2018. A8348-06	Amber	Since publication from Scottish Government of the new Oral Health Plan for Scotland - review is underway to identify any necessary work required by this Workstream.
2017/2018	TAR0001204	Workforce	Open	External & Medium	Improved Quality	Work with stakeholders to develop and test collaborative processes and interventions that will increase OD capability and capacity in support of transformational change by March 2018, including the development of consistent approaches, joint working and shared services across National Health Boards and NHS Scotland. A8626-01	Amber	As previous quarter: very little of allocated resource for 17/18 used by regions, as focus has been on finalising delivery plans. SG agreed that monies could be carried over to 18/19 to support continuity of work, however financial procedures do not allow for this. Seeking confirmation via Finance dept of whether equivalent contingent funding has been re-allocated by SG for this purpose in 2018/19.

Strategic Theme 3 - New Models of Care (5 red, 8 amber, 119 green)

2017/2018	TAR0001211	Medical	Closed	External & Low	New Models of Care	Migrate all CPD Connect portal based services to TURAS in 2017/18, improving the infrastructure for accessing CPD Connect educational resources to increase customer satisfaction and support a 10% increase in PBSGL memberships and course attendances. A8509	Red	NES uses an AGILE process for prioritising digital developments on a cross-directorate basis. This work has not been prioritised for completion during 2017/18, therefore this target has been closed.
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2017/2018	TAR0001218	Dental	Closed	External & Low	New Models of Care	Portal Transition to ensure that the following areas for development are user tested and requirements are met: course booking/audit/marketing/reporting/evaluating. A8377-03	Red	NES uses an AGILE process for prioritising digital developments on a cross-directorate basis. This work has not been prioritised for completion during 2017/18, therefore this target has been closed.
2017/2018	TAR0001214	Dental	Open	External & Low	New Models of Care	Make available to 150 practices, a Digital Group package of verifiable CPD through Healthcare Learning packages via Smile-on. A8382	Red	Smile-on packages not being progressed, this target can be removed. Funds being utilised in another way (Employment of a Learning Technologist) fixed term.
2017/2018	TAR0001240	Dental	Open	External & Low	New Models of Care	Dental School data exchange - a central data point for data collection on current dental students. Data provided either directly to our systems or by secure sharing or other method. Includes individual level data. A8332-03	Red	No work was progressed following previous meeting with Digital to discuss Dental School data transfer. Discussions will be opened again in early 2018 with a view to recapping on requirements and developing an entry for the Digital backlog. The Digital development schedule is full until March 2018, so any work is unlikely to commence before April 2018.
2017/2018	TAR0001330	NMAHP	Closed	External & Medium	New Models of Care	Design and delivery of training for 50 learning disability staff in positive behavioural support. A8052	Red	This target was set before an evaluation of previous training was undertaken. Evaluation findings strongly indicate this target should be revised and a more strategic approach undertaken, with attention to infrastructures and sustainability. This has been discussed and agreed with SG and wider partners. We have been undertaking alternative activities to support existing trainers to sustain and embed their activities by supporting networking activities.

2017/2018	TAR0001213	Medical	Open	External & Medium	New Models of Care	Provide a national education event on general practice nursing as part of the Scottish Medical Education Conference for 50 delegates in May 2017. Advertise and select 18 nurses in June 2017 for the national GPN (General Practice Nurse) Programme. Bi-annual newsletter created, designed and disseminated. A8227	Amber	<p>The current GPN Programme is progressing satisfactorily with 16 participants. 2016-17 Participants results have been ratified by GPN Exam Board and 18 will be presented with their completion certificates in April 2018 with 1 due to resubmit.</p> <p>The programme is currently advertising for new GPN Education Supervisors and the advert for the 2018-19 programme participants is due out before the end of April 2018. There is an endeavour to take more participants onto the programme next year to increase the uptake onto the programme and the programme will be slightly rewritten to reflect the changes to the Scottish GMS Contract.</p> <p>GPN Funding from the SG is being allocated at £1m for 2018_19 and work is underway to secure some of this funding for CPD Connect and the GPN Programme.</p>
2017/2018	TAR0001231	Medical	Open	External & High	New Models of Care	By March 2018 ensure reviewed and agreed funded baseline establishment. Develop management plan for review of unfunded 2014-2016 planned expansion (58) and 2017 expansion (21) as well as unfunded FY (90) and LTFT expansion (22) and 100 GPST. A8145-02	Amber	Work ongoing to ensure establishment is recorded in Turas TPM. Foundation expansion and some of the 100 GPST costs successfully baselined. Discussions with SG about other expansions are ongoing.
2017/2018	TAR0001234	Dental	Open	External & Low	New Models of Care	Provide support to the Dental Undergraduate Bursary Scheme in collaboration with Student Awards Agency for Scotland and Scottish Government. A8378-01	Amber	Digital currently investigating third party software options as an alternative to developing bespoke software in-house. We are waiting for an update on the early investigations and if the feedback is positive we will seek a fuller picture on cost and delivery timelines.
2017/2018	TAR0001235	Dental	Open	External & Low	New Models of Care	New system for data collection from all DUBS recipients (approx 2000). Users to update own information to include post-registration employment information, and % NHS earnings. Automated reports and user reminders. A8378-02	Amber	Digital currently investigating third party software options as an alternative to developing bespoke software in-house. We are waiting for an update on the early investigations and if the feedback is positive we will seek a fuller picture on cost and delivery timelines.

2017/2018	TAR0001280	Psychology	Open	External & Medium	New Models of Care	Publication of the National Training Strategy for Trauma, with broad agreement across health and social care, third sector and wider statutory services. A8566-02	Amber	This is ongoing. National Reference group have reviewed by March 2018 and final draft will be provided to SG team to review in early April. Publication and launch is now proposed for May 2018 so will complete in Quarter 1 of 18/19.
2017/2018	TAR0001283	Medical	Open	External & Medium	New Models of Care	All Scotland psychiatrists (trained and in-training) who require AMP certification will be able to access Digital Group and local face to face teaching to an agreed standard. A8164-02	Amber	Part One material now launched and Part Two courses advertised via Scotland Deanery website and Royal College of Psychiatrists website. Dates from end of March through to June 18.
2017/2018	TAR0001329	Dental	Open	External & Low	New Models of Care	To liaise with the Digital Group Team for transference of the Moodle modules (Adults with Incapacity) to TURAS with appropriate enhancements. A8368-02	Amber	This has not been delivered within 17-18 however with our new learning technologist post within the Dental Directorate and with support from Digital we expect this will be delivered within 18-19.
2017/2018	TAR0001339	Dental	Open	External & Low	New Models of Care	To liaise with the Digital Group Team for transference of the Communities of Practice (Caring for Smiles, Childsmile and Smile4Life) and Moodle modules (Mouth Matters) to TURAS with appropriate enhancements. A8367-07	Amber	This has not been delivered within 17-18 however with our new learning technologist post within the Dental Directorate and with support from Digital we expect this will be delivered within 18-19.

Strategic Theme 4 - Enhanced Educational Infrastructure (2 red, 5 amber, 58 green)

2017/2018	TAR0001341	Digital Group	Closed	External & Low	Enhanced Educational Infrastructure	Engage and coordinate implementation and continuous improvement of the evidence summary service by NHS Board Librarians. A8528-02	Red	This target has been closed as NES no longer supporting this work
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2017/2018	TAR0001360	Medical	Closed	External & Low	Enhanced Educational Infrastructure	Ensure required functionality is in place to support plans, agreed and prioritised by SOLG. Plan submitted: 1) Vacancy Manager integration to TURAS; 2) Quality Module (TURAS); 3) SMT to TURAS; 4) ePortfolio v3; 5) Pharmacy requirements; 6) CPD Connect. A8133-05	Red	NES uses an AGILE process for prioritising digital developments on a cross-directorate basis. This work has not been prioritised for completion during 2017/18, therefore this target has been closed.
2017/2018	TAR0001353	Digital Group	Open	External & High	Enhanced Educational Infrastructure	Continued Development of TURAS Learn platform with extended features as per TURAS Learn Product road map that will enable internal stakeholders to onboard their eLearning content to make accessible to their users and to be able to track and record their progress with management reports. A8464-03	Amber	Content process in place and content is making its way onto the system. Digital are working on engaging with the business to migrate their content to Learn within 2018/19.
2017/2018	TAR0001358	Medical	Open	External & Medium	Enhanced Educational Infrastructure	Ensure required staff and contractor resource to support operational migration from ePortfoliov2 to v3 via Digital Group directorate and commercial partnership arrangements by monitoring contractor usage and closing to new customers March 2017. A8133-03	Amber	Current configuration to continue into next financial year. Amber status remains pending agreed plan.
2017/2018	TAR0001359	Medical	Open	External & Low	Enhanced Educational Infrastructure	Support customer transition from ePortfoliov2 to v3 in accordance with Digital Group scheduling making the best use of technical resources and closely monitoring financial implications; begin negotiations with external customers for migration by March 2018. A8133-04	Amber	Awaiting transition plan so maintaining hold position. Amber status therefore remains./ work now underway to reduce commercial partnership activities and move back to inhouse management. Work in progress to migrate fully to digital group.

2017/2018	TAR0001378	Psychology	Open	External & Medium	Enhanced Educational Infrastructure	Enable development of Low Intensity (LI) PT supervision workforce by supporting NHS Boards to upskill High Intensity workforce in specialist competences (Supervision Competence Framework) or develop in specialist LI supervisors. Access 50 practitioners to LI e-module and 20 LI practitioners to GSC. A8552-03	Amber	This emodule is now complete, however launch is now confirmed for April 2018 following completion of national work and commencement of a national piloting programme. This will be fully complete by Quarter 1 18/19.
2017/2018	TAR0001393	Workforce	Open	External & Low	Enhanced Educational Infrastructure	Review equality and diversity planning and performance management. Oversee the rollout of equalities data and intelligence using TURAS, embedding the use of data in quality management and equality impact assessment, reviewing implementation as part of the PEDLN annual review and advising on further developments and improvements. A8399-02	Amber	Integration of equality and diversity into planning and performance management systems is complete and working effectively. We have agreed that data will be established in a core module of Turas . Some data on trainees is currently available in trainee module . Data protection issues will require further exploration, as will interface between existing systems holding data (eg, eESS). A discovery workshop for stakeholders across NES to establish updated data and analysis requirements to inform Turas development was postponed due to weather and is in the process of rescheduling. We expect work to continue on this element of Turas under agile methodology into the 2018-19 financial year.

Strategic Theme 5 - An Improved Organisation (3 red, 14 amber, 97 green)

2017/2018	TAR0001446	Digital Group	Open	Internal & Medium	An Improved Organisation	Review and evaluate ISO27001 information security standards for the Digital Group Group to ensure full ISO27001 re-certification. A8471-02	Red	ISO27001 auditors are completing pre-assessment audits for both ISO27001 and Cyber Essentials in early April 2018. The implementation work has not progressed as expected and will not meet the current target deadline. The pre-assessment audit report will define resource requirements and key actions needed in order for NES to achieve ISO27001 accreditation. The action plan will be updated in due course, including updated target dates.
2017/2018	TAR0001460	Finance	Closed	Internal & Low	An Improved Organisation	Production of a monthly KPI (key performance indicators) dashboard for the Finance and Procurement function, reporting actual outcomes against target to identify areas for improvement. A8493-01	Red	To be closed as this is a duplicate of TAR0001471.

2017/2018	TAR0001461	Finance	Closed	Internal & Low	An Improved Organisation	Identify information needs and respond to information requests from Finance and Procurement colleagues to provide the relevant information from all available systems to allow full analysis for financial monitoring and planning. A8493-02	Red	To be closed and add reference to TAR0001462.
2017/2018	TAR0001431	Planning and Corporate Governance	Open	Internal & Low	An Improved Organisation	Consider options for, and deliver, a business partnering-type model for core Planning and Corporate Governance services by end March 2018 which also clearly communicates our purpose and role. A8004-01	Amber	Due to other work commitments, the working group have not been able to meet to take this forward during Q4. This will be picked up at the next team meeting where ways of working will be discussed.
2017/2018	TAR0001437	Digital Group	Open	Internal & Low	An Improved Organisation	Launch Brand guidelines, follow up with staff workshops and review/survey by end Q4 2017/18.	Amber	New design/brand guidelines in place and being used. Workshops delayed due to staff changes and organisational change. Survey rescheduled for early 2018/19.
2017/2018	TAR0001439	Digital Group	Open	Internal & Low	An Improved Organisation	Provide additional support to staff throughout 2017/18 including developing a Digital Group booking system on the TURAS platform with Digital Group colleagues. Deliver two half-day workshops on conference management and two lunchtime Communications team drop-in sessions. A8623-01	Amber	Unfortunately, due to the number of events/conferences we have organised in the last quarter we have not been able to provide an Event Management Workshop or more drop-in sessions. These will be continued into the next financial year with dates to be confirmed.
2017/2018	TAR0001441	Digital Group	Open	Internal & Low	An Improved Organisation	Increase senior level capacity to understand and engage with the media, with at least four media trained spokespeople every year. A8622	Amber	This event has now been scheduled to take place in June 2018

2017/2018	TAR0001457	Finance	Open	Internal & Low	An Improved Organisation	All journals, accruals and pre-payments are posted in line with the reporting timetable for each month. A8494-04	Amber	There have been ongoing instances of journals being posted after the deadline. The monthly journal posting process has now been updated to include a new review control, for journals proposed after the deadline, which will be performed by the Analyst Manager. Only essential journals will be posted.
2017/2018	TAR0001464	Finance	Open	Internal & Medium	An Improved Organisation	Review the information needs from the TURAS trainee management system data for the purposes of financial planning and forecasting to identify any required reporting changes. A8493-05	Amber	Following the departure of the previous Finance representative from the Digital Prioritisation group, the delay in the requested TURAS report continues. The new Finance Representative will meet with digital to ascertain current position and get a timetable for delivery of the required report.
2017/2018	TAR0001466	Finance	Open	Internal & Low	An Improved Organisation	Develop a suite of standard request templates for users of the service desk so that the information reported on calls is complete at the outset, which will enable all responses to be provided quicker i.e. within 3 working days of initial log. A8492-02	Amber	First stages of drafting the forms is complete. The next stage is to identify the tasks and workflows to be incorporated into the forms as Digital require this before they can begin setting the forms up on the Service Desk. Target date of Q1 18/19 for this.
2017/2018	TAR0001473	Finance	Open	Internal & Medium	An Improved Organisation	Provide quarterly updates on the delivery of TURAS and/or Business Intelligence actions to meet the information and reporting needs of the Finance Business Partnering team for the purposes of financial planning and forecasting. A8491-05	Amber	Following the departure of the previous Finance representative from the Digital Prioritisation group, the delay in the requested TURAS report continues. The new Finance Representative will meet with digital to ascertain current position and get a timetable for delivery of the required report.
2017/2018	TAR0001480	Finance	Open	Internal & Medium	An Improved Organisation	Ensure 2017/18 budget letters are issued to all budget holders within two weeks of Board approval. A8486-02	Amber	Budget letters have been agreed for all directorates except Medical. Discussions have been taking place with managers in that directorate but letters still need to be finalised. This has been scored at amber on the basis that all other letters have been agreed (green) and only Medical are outstanding (red).

2017/2018	TAR0001483	Finance	Open	Internal & Low	An Improved Organisation	All line managers will fulfil the requirements of the revised self-assessments in relation to the Manager's Passport which will be re-launched in January 2017. Requirements for development will be built into their PDPs for 2017/18. A8484-01	Amber	Follow up meetings to review the passports have not taken place for all line managers. These will be completed before end of June
2017/2018	TAR0001489	Planning and Corporate Governance	Open	Internal & Low	An Improved Organisation	Corporate planning, performance and risk processes supported by a new Digital Group system (MiTracker replacing IPPS) in ServiceNow technology by the end of May 2017 which embeds impact planning and encourages better ownership by teams. A8254-01	Amber	MiTracker was launched for performance management on 14th June 2014. Operational Planning and Risk were launched in November 2017 - backlog snagging issues have been identified and will be completed next financial year. We are working with SNOW digital colleagues to clarify a timescale for completion of the MiTracker snagging.
2017/2018	TAR0001493	Planning and Corporate Governance	Open	Internal & Medium	An Improved Organisation	The corporate Business Continuity Plan (BCP) tested and fully implemented by end June 2017. A8254-05	Amber	We have received the response from the Auditors and will spend the next few months working with colleagues in PFM to complete the areas that have been identified within the Audit and then take it to SOLG to be tested and fully implemented.
2017/2018	TAR0001516	Planning and Corporate Governance	Open	Internal & Low	An Improved Organisation	Complete Aberdeen Accommodation project, undertaking Post Occupancy Evaluation and implementing the preferred option for our Aberdeen Dental Education facility. A8340-02	Amber	Aberdeen post-occupancy snagging ongoing, with additional screens to be ordered, which means the end of March 2018 target will not be reached. Work anticipated to be complete by end of June 2018.
2017/2018	TAR0001518	Finance	Open	Internal & Low	An Improved Organisation	Continued development of new Service Desk and Room booking system systems (together with Digital Group team) and then roll out and implement for use to all our sites. A8339-02	Amber	SNOW projects have been re-prioritised with some development work continuing on the room booking system with final sites with no room booking system scheduled for early May 2018. Re-prioritisation of projects has moved this into 18/19.

Desired outcome	RAG Status of Desired Outcome
Successful progression through medical training programmes to provide a pipeline for the consultant and GP appointments required by NHSScotland utilising study leave funding and national initiatives for simulation.	Amber
A well trained dental workforce in Scotland to improve public access to NHS dental services through quality assured training programmes.	Amber
A well trained dental workforce in Scotland to improve public access to NHS dental services through quality assured training programmes.	Amber
A well trained dental workforce in Scotland to improve public access to NHS dental services through quality assured training programmes.	Amber
Contributing to an increase in knowledge and skills in the DCP workforce to improve care and oral health.	Amber

An improved medical training environment through quality management (QM), quality improvement (QI) and educational governance.

Green

Improved retention through development of a national Deanery support for performance issues to improve outcomes for trainees and improve equity of support across regions.

Green

Initiatives to improve retention of Scottish medical school graduates, and support the improvement of recruitment of doctors to training programmes. Initiatives to support recruitment to General Practice. Management of international recruitment and visa sponsorship.

Amber

A plan for delivering the Training Programme Management component of the planned GMC Visit 2017 through consistent Scotland Deanery single processes and policies.

Amber

Improved patient experience and safety through digital revalidation and appraisal and including enhanced appraisal for recognition of trainers as required by GMC.

Green

Initiatives to improve retention of Scottish medical school graduates, and support the improvement of recruitment of doctors to training programmes. Initiatives to support recruitment to General Practice. Management of international recruitment and visa sponsorship.

Amber

Ensuring recruitment of trainees to agreed UK standards, utilising funding to expand training numbers, making the best use of resources.

Amber



To support the achievement of NES responsibilities and meet governance requirements in relation to person-centred care and health and social care integration.

Amber

Improved quality of care by increasing compliance with guidance, evidence-based recommendations and regulatory standards; by the production of guidance, informing the development of effective education.

Green

Improve acceptance levels of treatment for patients who have difficulty in receiving dental care without conscious sedation and where the alternative may only be general anaesthetic with associated increased cost and complexity.

Green

Increased knowledge, confidence and skills in use of Human Factors approaches in different NHS contexts and increased frequency of participation in staff patient safety behaviour.

Green

Improved access to learning, better identification of training needs, enhanced confidence in participating in development discussions, easier to use guidance and system.

Green

Improved quality of care by increasing compliance with guidance, evidence-based recommendations and regulatory standards; by the production of guidance, informing the development of effective education.

Green

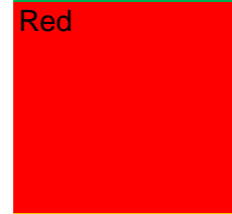
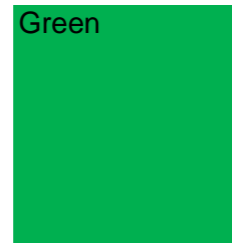
Organisational Development which helps NHSS staff perform to their potential and align their individual performance with organisational aims.

Green

Migrate all CPD Connect PORTAL based services to TURAS.

Red

A CPD programme for Dentists and Dental Care Professionals.



Access to a package of digital CPD for 150 practices per year.



Support workforce planning for health and the interface between health and social care in Scotland.



Better cross-sector reach of multi-professional education to improve quality of care and quality of life outcomes for people with a learning disability through increased knowledge and skills and enhanced impact assessment to inform future developments.

A fully accessible 15 month quality assured work based General Practice Nursing (GPN) Programme to better prepare registered nurses for a career in GPN.



Amber

More accurate and timely data on which to base workforce numbers for recruitment, succession planning and modernisation.



Green

Identification of compliance or non-compliance with terms of the Dental Undergraduate Bursary Scheme (DUBS) for all participants from 2006 - SG requirement.



Amber

Identification of compliance or non-compliance with terms of the Dental Undergraduate Bursary Scheme (DUBS) for all participants from 2006 - SG requirement.



Amber

As part of the Scottish Government Survivor Support policy team Strategic Outcome Framework, NES have been commissioned to improve the response to survivors of trauma who are accessing services across Scotland through the development of a National Trauma Training framework. This will be underpinned by a National Skills and Knowledge Framework delivered in March 2017 and an implementation science informed training roll out both of existing training and developing a range of workforce wide training products.

Green

Improved education for clinicians delivering healthcare in psychiatry in respect of the Mental Health Act to become and maintain their status as Approved Medical Practitioner (AMP) psychiatrists.

Green

To support Dentists to sign certificates to deliver effective and timely oral care to patient's where capacity is an issue.

Green

To improve oral care and access to oral care for priority groups by bridging the gaps between oral health inequalities through provision of educational support and collaborative working with health, social care and third sector partners.

Green

Health and social services staff have ready access to expert support in finding digital knowledge resources, using digital tools to share knowledge, and applying knowledge to practice. This contributes to improved workforce capability and capacity in delivering care and support and ultimately to safer, better quality care based on evidence.

Green

Management of functionality and systems during digital transformation to ensure core business continuity. Prioritisation of essential additional functionality to meet Government priority initiatives, statutory and regulatory requirements for core business. Oversight of delivery of required agreed functionality with user sign off.

Amber

A continuously improving digital development methodology, single unified digital platform and service support which ensures continuity during the Digital Transformation.

Green

Management of functionality and systems during digital transformation to ensure core business continuity. Prioritisation of essential additional functionality to meet Government priority initiatives, statutory and regulatory requirements for core business. Oversight of delivery of required agreed functionality with user sign off.

Amber

Management of functionality and systems during digital transformation to ensure core business continuity. Prioritisation of essential additional functionality to meet Government priority initiatives, statutory and regulatory requirements for core business. Oversight of delivery of required agreed functionality with user sign off.

Amber

Psychological Therapies Supervision training, including the training in Generic Supervision Competences (GSC) and the Specialist CBT Supervision Module. This will lead to more availability of adequately trained psychological therapies supervisors and support the goal of safer and more effective clinical practice across Scotland.



Green

Governance and performance management of EandD support to achieve our equality outcomes and mainstream equality and diversity so that we can increasingly demonstrate the positive impact of our equalities work. All business areas of NES receive high-quality advice and support to build capacity for delivering equality outcomes and mainstreaming equality in their work.

Green

To significantly improve information governance and security with a commensurate increase in confidence in NES and the wider NHS for our cloud based services.

Amber

A corporate finance function which supports integrated systems for financial decision making and control.

Green

A corporate finance function which supports integrated systems for financial decision making and control.

Green

Improved alignment of corporate planning, governance and performance improvement with service needs, national policy and our impact and improvement objectives.

Green

To provide high quality design products to support NES strategic aims and objectives, primarily to help support quality education for the NHSScotland workforce.

Green

Work with colleagues and external stakeholders to provide national events and conferences, supporting the aims of delivering high quality education to the NHS workforce.

Green

More proactive media relations, enhancing and protecting our brand and supporting corporate strategic aims and objectives as well as managing communications and corporate level risk.

Amber

Financial transactions processed and staff paid within an effective control environment in compliance with national payment targets. Detailed analysis of monthly transactions through the finance system to ensure that the financial position is reported accurately to support decision making within Directorates and across NES. Analysis of transactions as required for reporting within the annual accounts will provide assurance to the external auditors that the figures present a true and fair view of the financial performance of NES for the year.

Green

A corporate finance function which supports integrated systems for financial decision making and control.

Green

Financial transactions processed and staff paid within an effective control environment in compliance with national payment targets.

Green

A responsive finance function that provides a quality focussed and responsive service to the rest of the organisation ensuring financial information is available when required and statutory responsibilities are met.

Green

A robust budget setting process ensures an appropriate allocation of corporate resources, facilitates transparency and ensures approval is obtained appropriately. It supports congruence across all activities to the strategic plan and facilitates early recognition of budget issues to allow appropriate action to be taken.

Green

By having a robust recruitment process and ensuring that staff are appropriately trained and motivated, retention rates can be improved and the objectives of the team are more likely to be met. This will include the Day to day management of staff; including staff meetings; JDR's; PDP and 1 to 1s focused on agreed individual and team objectives linked to strategic objectives.

Green

Improved alignment of corporate planning, governance and performance improvement with service needs, national policy and NES impact and improvement objectives.

Green

Improved alignment of corporate planning, governance and performance improvement with service needs, national policy and NES impact and improvement objectives.

Green

Provision of appropriate premises and accommodation to enable the organisation to deliver our services and objectives, all in line with the Property and Asset Management Strategy.

Green

Improved corporate facilities management support services through continuous improvement and the delivery of the NES Facilities Management Strategy.

Green