

Internal Audit Report 2018/2019

Health & Safety Governance

NHS Grampian
Final (Amended)
April 2019

Contents

1. *Executive summary*

2

2. *Background and scope*

4

3. *Detailed current year findings*

7

Appendix 1. Basis of our classifications

11

Appendix 2. Terms of Reference

13

Appendix 3. Limitations and responsibilities

17

This report has been prepared by PwC in accordance with our engagement contract dated 1 August 2017.

Internal audit work was performed in accordance with PwC's Internal Audit methodology which is aligned to the Public Sector Internal Auditing Standards. As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Board (IAASB), International Framework for Assurance Engagements (IFAE) and International Standard on Assurance Engagements (ISAE) 3000.

Distribution List

| | |
|-----------------|--------------------------------------|
| For action | Director of Workforce |
| | Head of Occupational Health & Safety |
| | Chief Officer, Aberdeen City IJB |
| | Chief Officer, Aberdeenshire IJB |
| | Chief Officer, Moray IJB |
| For information | Audit Committee |

1. Executive summary

| Report classification | Trend | Total number of findings | | | | | |
|-----------------------|--|--------------------------|----------|----------|----------|----------|----------|
| | | Critical | High | Medium | Low | Advisory | |
| Low Risk | N/A – No prior year reviews for comparison | Control design | - | - | 1 | 1 | - |
| | | Operating effectiveness | - | - | - | - | - |
| | | Total | - | - | 1 | 1 | - |
| | | | | | | | |

Summary of findings

The objectives of this review were to assess the control design and effectiveness of the Health and Safety governance and oversight structures established by NHS Grampian ('NHSG') and the Health and Social Care Partnerships (HSCPs) and to confirm that the issues identified by the HSE Improvement Notices served on NHSG have been, or are being, effectively managed through to resolution. In addition we reviewed the Health & Safety governance arrangements within NHSG Acute Services.

In summary we have identified one 'medium' risk finding and one 'low' risk finding in relation to control improvement opportunities and these result in this report being classified as 'low' risk overall.

The medium risk finding is as follows:

- Terms of Reference or Constitutions for six committees with Health and Safety governance and oversight responsibilities as part of their remit either exist as draft documents or are overdue for review. This finding spans the three HSCPs and NHSG.

The full details of the above finding, the low risk finding and the agreed actions, can be found in **Section 3**.

Management comment

Management welcomes the report and agrees in principle with the overall findings. Over the past 3 years there has been considerable advancement in the development of Health & Safety governance structures both within NHS Grampian and our Health & Social Care Partners. This report highlights these achievements and further encourages the strengthening of these partnerships in relation to Health & Safety governance and the evolution of safe systems of work Pan-Grampian.

Head of Occupational Health and Health & Safety

2. Background and scope

Background

The objectives of this review were to assess the control design and effectiveness of the governance and oversight structures established by NHSG and the HSCPs and to confirm that the issues identified by the HSE Improvement Notices have been, or are being, effectively managed through to resolution.

We noted the following:

1. NHS Grampian Health & Safety Governance

There are a number of Committees, Teams and Groups with H&S responsibilities that report upwards to the NHS Grampian Board via an established governance hierarchy. Each of these governance bodies functions in accordance with agreed Terms of Reference or a Constitution. Each body is required to maintain appropriate records of meetings in order to demonstrate that it is carrying out the business for which it is responsible according to its remit.

2. Health and Social Care Partnership Health & Safety Governance

NHS Grampian works in partnership with Aberdeen City, Aberdeenshire and Moray Councils to develop and implement arrangements to support health and social care integration. An Integration Joint Board ('IJB') exists for each of the three partnership arrangements to provide strategic leadership for the management and delivery of integrated services. Within each of the Health & Social Care Partnership organisations there are a number of Committees and Groups that report up to the IJBs on matters related to Health & Safety governance. As within NHS Grampian, each of these governance bodies functions in accordance with agreed Terms of Reference. Each body is required to maintain appropriate records of meetings in order to demonstrate that it is functioning in accordance with its remit.

There is collaboration and information sharing on Health and Safety matters between the HSCP committees and the counterpart NHS Grampian committees at all levels.

As a point of good practice it is important that each Committee within a governance framework includes a standing agenda item to determine if there any issues or reports that require escalation to a higher level Committee. If there are no escalations or referrals then the minutes should confirm so. Alternatively if the meeting determines that escalations or referrals are required then these should be itemized in the minutes. Whilst these arrangements appear to be in place based on our limited sample, we take this opportunity to cite best practice as we cannot be certain that it happens in every case.

3. Health and Safety Executive Improvement Notices Placed on NHS Grampian

In the past 24 months the Health and Safety Executive (HSE) has placed a total of seven Improvement Notices in different areas of NHSG. These related to:

Falls x 2 Notices

Sharps x 2 Notices

Staff Immunisation x 1 Notice

Skin Health Surveillance x 1 Notice

Ligature Injuries x 1 Notice

Investigation and gap analysis work has been undertaken and documented in order to fully understand the nature of the issues raised by the HSE and to enable the formulation of plans to remediate gaps and resolve the issues. There are remediation plans in place that have been properly documented and approved and there are clearly assigned owns responsible to delivering these plans.

Plan progress is being suitably reported to and overseen by the appropriate groups and committees within the H&S governance structure with headline progress being reported up through the governance hierarchy to the NHSG Board. Policies relating to the areas identified by the HSE have been updated as necessary to ensure changes and improvements in working practices are sustainable and effectively communicated to staff. As at 30 October 2018 five out of the seven notices have been lifted. The other two notices have a timeline set by the HSE of 31 January 2019 (Falls - Manual Handling) and 31 March 2021 (Ligature). We understand that the HSE have ask for a postponement of the 31 January 2019 meeting with regard to the Falls notice with diaries currently being checked with a view to having the meeting at the end of February 2019. NB: The Falls notice was actually lifted on 31 January 2019 so the envisaged postponement was not required.

4. NHS Grampian (Acute Services)

There are health and safety policies and procedures in place and these been communicated to and are accessible to staff within Acute Services. These are kept up to date and reviewed in accordance with the document control procedures. The Board of NHS Grampian is ultimately responsible for ensuring that the organisation keeps up to date with and complies with Health and Satiety legislation. The Operational Group (Acute) in collaboration with the NHSG Health and Safety Expert Group and the NHSG Occupational Health & Safety Committee ensures that policies and procedures within Acute Services are updated appropriately and communicated to Acute Services staff and management. Health and Safety monitoring reviews are conducted within Acute Services and the results reported to NHSG Occupational H&S Committee. Circumstances when risk assessments should be completed are defined and risk assessments are performed by risk owners as required. Mandatory and specialists training are done to ensure that Acute Services staff follow the Health and Safety policies and procedures.

Scope and limitations of scope

Our approach focused on the following four areas:

1. **NHSG Governance**
2. **HSCP Governance**

3. **HSE Improvement Notices**

4. **Acute Services**

The scope of our review is outlined above and will be undertaken on a sample basis.

Internal control, no matter how well designed and operated, can provide only reasonable and not absolute assurance regarding achievement of an organisation's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Our agreed Terms of Reference are set out at **Appendix 2**.

3. Detailed current year findings

3.01 Terms of Reference for Key Groups and Committees – control design

Finding

Each of the committees with Health & Safety governance and oversight responsibilities within the organisational structures of NHSG and the HSCPs should have a Terms of Reference or Constitution describing the purpose, scope and authority of the committee. It is good practice to review such Terms of Reference at least once a year.

We noted that the Terms of Reference for the following committees either exist in draft format and/or have never been formally approved:

1. Aberdeen City HSCP – Staff Governance H&S Committee - July 2016
2. Aberdeen City HSCP H&S Committee Role and Remit - February 2017 (Draft)
3. Moray HSCP – H&S Group – 2018 (Draft)
4. Aberdeenshire – Clinical Health and Social Work Committee – June 2017 (never formally approved).

The Terms of Reference or Constitutions for the following committees are overdue for review:

5. NHSG Staff Governance Committee (Constitution) – this is dated November 2015. The document states that there should be an annual review
6. NHSG Occupational H&S Committee (Constitution) – this is dated May 2009 and the document review cycle is stated as being every 3 years
7. NHSG Senior Leadership Team (Terms of Reference) – this is dated June 2016. The document has no stated review frequency.

Implications

- Terms of Reference may be outdated and not fully reflect the purpose and scope of the committee or properly describe the meeting arrangements.

| <i>Action plan</i> | | |
|-----------------------|---|---|
| <i>Finding rating</i> | <i>Agreed actions</i> | <i>Responsible person / title</i> |
| Medium | <ul style="list-style-type: none"> All draft Terms of Reference will be reviewed, updated where necessary, approved and published as final. All terms of reference that are overdue for review will be reviewed updated as necessary, approved and published as final. Arrangements will be put in place to ensure that all Terms of Reference are reviewed in accordance with document control requirements set out in the ToRs. Management notes that it is best practice to schedule a ToR review at least once a year. | <p>1.1 Chief Officer, Aberdeen City IJB</p> <p>1.2 Chief Officer, Aberdeen City IJB</p> <p>1.3 Chief Officer, Moray IJB</p> <p>1.4 Chief Officer, Aberdeenshire IJB</p> <p>1.5 Operational Director of Workforce</p> <p>1.6 Head of Occupational Health and Health & Safety</p> <p>1.7 Senior Leadership Team</p> <p>The Board's assurance framework including the role and remit of the Board's Core Governance Committee's (Staff, Clinical, Audit, Performance and Engagement and Participation) will be reviewed following feedback from the national review of governance arrangements currently underway and expected to report in Summer 2019 and internally following further consideration of how the business of these Core Governance Committees may be impacted by the Performance, Assurance, Improvement and Risk arrangements (PAIR) recently agreed by the System Leadership Team and the Board.</p> <p><i>Target date:</i></p> <hr/> <p>1.1 31 July 2019</p> <p>1.2 31 July 2019</p> <p>1.3 Completed</p> <p>1.4 31 August 2019</p> <p>1.5 Completed</p> |

1.6 30 June 2019

1.7 Summer 2019

Reference number:

HSG / 01

3.02 Key Groups and Committee’s Meeting Arrangements– control design

Finding

We reviewed the meeting arrangements set out in the Terms of Reference for each governance committee with regard to such matters as meeting frequency and location, meeting procedures, quorum, details about agendas and minutes and how these will be distributed.

We noted the following:

- NHSG Senior Leadership Team – The Terms of Reference for the Senior Leadership Team specifies the frequency of meetings as being ‘on two occasions each month’. We sample reviewed the records of meetings held for five months (February, March, April, May and June) noted that for May and June 2018 only one meeting was held.

Implications

Governance committees may not achieve their desired level of efficacy if they do not meet at the frequency set out in their Terms of Reference

Action plan

| <i>Finding rating</i> | <i>Agreed action</i> | <i>Responsible person / title</i> |
|-----------------------|---|--------------------------------------|
| Low | The role and remit of the Senior Leadership Team will be reviewed under the recently agreed Performance, Assurance, Improvement and Risk arrangements (PAIR) agreed for implementation by the SLT and the NHSG Board. | Senior Leadership Team |
| | | <i>Target date:</i> Summer 2019 |
| | | <i>Reference number:</i> HSG / 02 |

Appendix 1. Basis of our classifications

Individual finding ratings

| <i>Finding rating</i> | <i>Assessment rationale</i> |
|-----------------------|---|
| <i>Critical</i> | <p>A finding that could have a:</p> <ul style="list-style-type: none"> • Critical impact on operational performance; or • Critical monetary or financial statement impact; or • Critical breach in laws and regulations that could result in material fines or consequences; or • Critical impact on the reputation or brand of the organisation which could threaten its future viability. |
| <i>High</i> | <p>A finding that could have a:</p> <ul style="list-style-type: none"> • Significant impact on operational performance; or • Significant monetary or financial statement impact; or • Significant breach in laws and regulations resulting in significant fines and consequences; or • Significant impact on the reputation or brand of the organisation. |
| <i>Medium</i> | <p>A finding that could have a:</p> <ul style="list-style-type: none"> • Moderate impact on operational performance; or • Moderate monetary or financial statement impact; or • Moderate breach in laws and regulations resulting in fines and consequences; or • Moderate impact on the reputation or brand of the organisation. |
| <i>Low</i> | <p>A finding that could have a:</p> <ul style="list-style-type: none"> • Minor impact on the organisation's operational performance; or • Minor monetary or financial statement impact; or • Minor breach in laws and regulations with limited consequences; or • Minor impact on the reputation of the organisation. |
| <i>Advisory</i> | <p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p> |

Report classifications

The report classification is determined by allocating points to each of the findings included in the report

| Findings rating | Points |
|-----------------|-----------------------|
| Critical | 40 points per finding |
| High | 10 points per finding |
| Medium | 3 points per finding |
| Low | 1 point per finding |

| Report classification | Points |
|-----------------------|--------------------|
| Low risk | 6 points or less |
| Medium risk | 7– 15 points |
| High risk | 16– 39 points |
| Critical risk | 40 points and over |

Appendix 2. Terms of Reference

Background and audit objectives

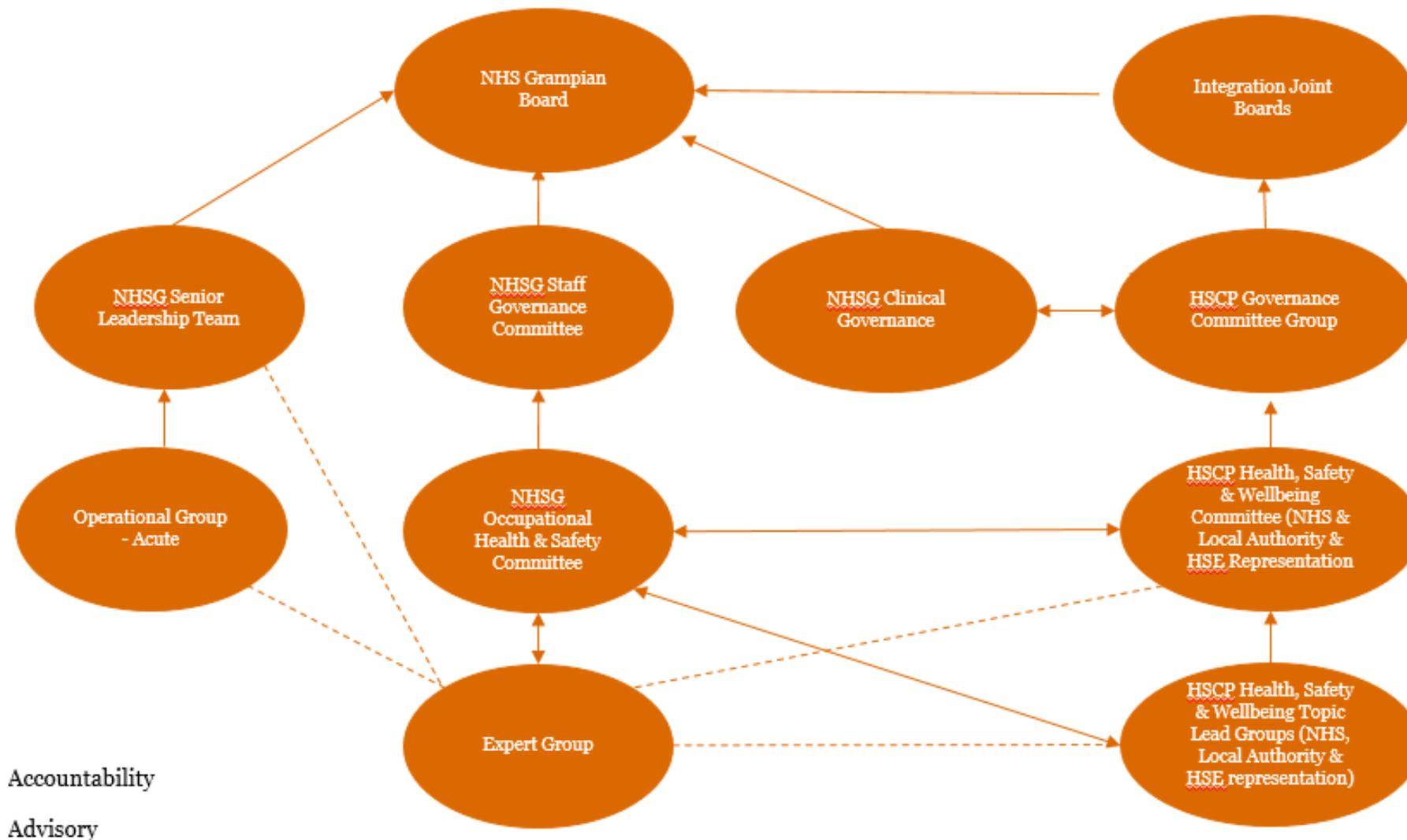
Health and Safety within the workplace refers to preventing accidents and injuries to employees, contractors, patients and visitors. Failing to efficiently and effectively manage Health and Safety risks through appropriate policies and controls can be extremely costly both at a financial and a reputational level. As an employer, NHS Grampian ('NHSG') has a responsibility to ensure that all of its sites adhere to the Health and Safety policies, standards and controls as implemented throughout the Health Board.

Crucial for the delivery of an effective health, safety and welfare strategy is the existence of adequate arrangements for governance, oversight and consultation on health, safety and wellbeing process and performance across NHSG and the three regional Health and Social Care Partnerships (HSCPs). On the slide overleaf we show the structure of the Group and Committees that have been established to provide this governance and oversight and who will take action as necessary to rectify and areas of concern.

During the past two years the Health and Safety Executive (HSE) have placed a total of seven Improvement Notices across various areas of NHSG and these have required NHSG to undertake gap analyses and develop and implement action plans in order to remediate the issues raised by the HSE and to strengthen the Health and Safety management regime across NHSG.

The objectives of this review are to assess the control design and effectiveness of the governance and oversight structures established by NHSG and the HSCPs and to confirm that the issues identified by the HSE Improvement Notices have been, or are being, effectively managed through to resolution.

Governance Structure



Scope

We will review the Health and Safety governance arrangements, including actions arising from HSE notices issued. The primary focus of the review will be governance arrangements in acute services but the review will also consider overall H&S governance at the IJB level.

The sub-processes, related control objectives included in this review are:

| Sub-Process | Objectives |
|-------------------------|---|
| NHSG Governance | <ul style="list-style-type: none"> • There is a clearly defined and communicated governance structure. • Each Board, Committee and Group (hereinafter referred to as ‘governance fora’ within the structure has clearly defined roles and responsibilities and these are set out in approved Terms of Reference. • There is auditable evidence that each governance forum is functioning in accordance with its Terms of Reference with regard to such matters as frequency of meetings, attendance, agenda content, meeting conduct, inputs to and outputs from meetings including minutes and action lists. • There is effective escalation upwards through the governance hierarchy of reports, management information and other such information e.g., risk registers that needs to flow from the lower level governance fora up to the NHSG and Integration Joint Boards and between these Boards. |
| HSCP Governance | <ul style="list-style-type: none"> • There is a clearly defined and communicated governance structure within each HSCP. • Each Committee and Group within the structure has clearly defined roles and responsibilities and these are set out in approved Terms of Reference • There is auditable evidence that each governance forum is functioning in accordance with its Terms of Reference with regard to such matters as frequency of meetings, attendance, agenda content, meeting conduct, inputs to and outputs from meetings including minutes and action lists. • There is effective escalation upwards through the governance hierarchy of reports, management information and other such information e.g., risk registers that needs to flow from the lower level governance fora within the HSCPs up to the Integration Joint Boards and between comparable/collaborative forums across the NHSG and HSCP organisations. |
| HSE Improvement Notices | <ul style="list-style-type: none"> • Roles and responsibilities for responding to and addressing the issues raised by the HSE have been clearly allocated. • Appropriate investigations and gap analysis work have been undertaken and documented in order to fully understand the nature of the issues raised by the HSE and to enable the formulation of plans needed to remediate the gaps and resolve the issued. • Remediation plans have been properly documented and approved and have clearly defined owners. • Progress against remediation plans is being properly overseen by and reported to the appropriate governance fora with headline progress being reported up to the NHSG Board. • Requirements for external reporting on progress to the HSE are being properly fulfilled. • Policies, procedures and standard are updated where necessary to ensure that the actions taken in remediation of HSE are permanent and sustainable as required. |

| | |
|----------------|---|
| Acute Services | <ul style="list-style-type: none">• Relevant health and safety policies and procedures are in place and have been communicated to staff within acute services. These are kept up to date and reviewed regularly.• Responsibility for keeping up to date with legislation and communicating changes has been assigned and policies and procedures are updated appropriately and communicated to acute services staff.• Health and Safety monitoring reviews are conducted within acute services and the results reported.• Circumstances when risk assessments should be completed are identified and risk assessments are performed by risk owners as required.• Action are taken to ensure that acute staff follow the Health and Safety policies and procedures, such as communication of responsibilities and providing up to date training for employees. |
|----------------|---|

Appendix 3. Limitations and responsibilities

Limitations inherent to the internal auditor's work

We have undertaken the review of the health and safety governance, subject to the limitations outlined below.

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future periods

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- the degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.



In the event that, pursuant to a request which NHS Grampian has received under the Freedom of Information (Scotland) Act 2002 or the Environmental Information Regulations 2004 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the “Legislation”), NHS Grampian is required to disclose any information contained in this document, it will notify PwC promptly and will consult with PwC prior to disclosing such document. NHS Grampian agrees to pay due regard to any representations which PwC may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such report. If, following consultation with PwC, NHS Grampian discloses any this document or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

This document has been prepared only for NHS Grampian and solely for the purpose and on the terms agreed with NHS Grampian in our agreement dated 1 August 2017. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

© 2019 PricewaterhouseCoopers LLP. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers LLP (a limited liability partnership in the United Kingdom), which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.