

NHS Quality Improvement Scotland

Report on the 2006/7 Audit



July 2007



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Executive Summary

Introduction

Based on our analysis of the risks facing NHS Quality Improvement Scotland, in 2006/7 our audit work included: a review of governance arrangements, including the adequacy of internal audit; and a review of the Board's financial position. We also audited the financial statements, including a review of the Statement on Internal Control. This report sets out our key findings.

Financial statements

We have given an unqualified opinion on the financial statements of NHS Quality Improvement Scotland for 2006/7.

The Board also met all of its financial targets, as shown in Table 1.

Table 1 - 2006/2007 Financial Targets Performance

Financial Target	Target	Actual	Variance
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Revenue Resource Limit	15,004	14,857	147
Capital Resource Limit	137	137	0
Cash Requirement	15,141	14,994	147

Source – Annual Accounts 2006/7

Performance management

During 2006/7, NHS QIS has made significant progress in developing and implementing a Strategic Planning and Performance Management Framework. While there were some slight delays, due the introduction of a new financial system which will be used to generate financial reports for the Board, the project is broadly on schedule. A series of new Directorate objectives are also currently being agreed in order to form the basis of enhanced performance monitoring,

Governance

Clinical governance is a key activity of any health board. During 2006/7, NHS QIS established a Clinical Governance and Quality Assurance Committee which has steadily developed a clear programme of work. This includes overseeing a planned peer review of NHS QIS during 2007, using the same approach as it



uses to assess other NHS Boards. The Committee is also involved in reviewing the results of an Impact Evaluation report, carried out to assess the effectiveness of the work of NHS QIS.

The Board continues to have strong corporate governance arrangements in place and, during 2006/7, has been proactive in reviewing and strengthening them. Risk management is an important area for NHS QIS, particularly as it is responsible for the development of risk management standards throughout NHS Scotland, and needs to be able to demonstrate best practice in this area. It has continued to build on its approach in earlier years, with risk registers in place and these have been used to develop action plans. A revised Risk Management Strategy was approved by the Board during 2006/7.

The planned relocation of NHS QIS to Glasgow continues to provide the main source of risk to the organisation. A Full Business Case has been passed to the Scottish Executive Health Department (SEHD), but it has not yet received their formal approval. The continuing uncertainty is known to be contributing to difficulties in staff retention and recruitment and, therefore, to the effectiveness of NHS QIS.

A wide range of other key documents, such as its Standing Orders or Code of Conduct, have also been updated during the year. The internal audit service also continues to provide a service in line with expected NHS standards.

There continues to be a lack of financial expertise amongst the Board's non-executive members. This was raised by external audit during 2005/6 as a potential limit to the effectiveness of members providing effective independent scrutiny of financial matters. This issue has not yet been resolved, but the Board is currently considering co-opting an individual, with the relevant experience and qualifications, to provide members with a source of independent advice.

Audit Scotland
July 2007



Introduction

1. This report summarises the findings from our 2006/7 audit of NHS Quality Improvement Scotland. The scope of the audit was set out in our Audit Risk Analysis & Plan, which was presented to the Audit Committee on 25 January 2007. This plan set out our views on the key business risks facing the Board and described the work we planned to carry out on financial statements, performance and governance.
2. We have issued a range of reports this year, and we briefly touch on the key issues raised in this report. Each report set out our detailed findings and recommendations and the Board's agreed response. Appendix A sets out the key risks highlighted in this report and the action planned by management to address them.
3. We would like to take this opportunity to express our appreciation for the assistance and co-operation provided by officers and members of the Board during the course of our audit. This report will be submitted to the Auditor General for Scotland and will be published on our website, www.audit-scotland.gov.uk.



Organisational Risks

Introduction

4. In our audit plan, we identified six main areas of risk for NHS Quality Improvement Scotland. We also described longer term planning issues which would impact on the Board and our audit in the future. In this section, we describe the risks and our views on their current status.

Financial management

5. At the start of the year, NHS QIS estimated that it would incur an underspend of approximately 2% of its Revenue Resource Limit (£346,000) in 2006/07. QIS is permitted to carry forward up to 1% of its allocation but may apply to SEHD to increase this level. There was a risk that QIS would not be permitted to carry forward any excess underspend and be unable to deliver some of its future planned projects and activities.
6. NHS QIS successfully managed this risk and its financial position. It recorded an underspend of £147,000 for 2006/7, which is within its 1% carry forward limit. As a result, it has not needed to apply to SEHD for permission to carry forward any excess and has not lost any resources for future projects.

Service sustainability

7. As part of the Scottish Executive's relocation policy, NHS QIS is required to relocate to Glasgow although, as yet, no specific date has been set. There have been delays in the formal approval arrangements for the relocation and there is a risk that the resulting uncertainty may have an impact on staff retention, overall costs and on the funding arrangements to meet such costs.
8. Progress has been made by NHS QIS in developing its proposals for its relocation to Glasgow. An Outline Business Case was submitted to SEHD and was approved. Subsequently, a more detailed Full Business Case has been submitted to SEHD, but its approval is still awaited. The matter is now becoming urgent as the lease agreements for some of NHS QIS's existing accommodation will expire in 2008.

Action plan 1

9. As NHS QIS develops, it has come under growing pressure to take on new study areas. The Board has recognised that adequate planning is required to ensure that the organisation's programme of work is in accord with the strategic direction of NHS Scotland and the NHS QIS Corporate Plan.



10. As a result of these developments, NHS QIS has been developing a Strategic Planning and Performance Management Framework during 2006/7. This builds on the many processes that already existed within the organisation, but also seeks to ensure that an integrated and corporate approach is taken throughout the organisation. Corporate objectives have been revisited, in the light of consultations with various stakeholders, and a series of Theme Coordinators have been established to take the lead in liaising with relevant stakeholders and helping to develop proposals for future topics to be included in the work programme of NHS QIS.

Performance management

11. NHS organisations are now required to produce Local Delivery Plans (LDPs) which state their planned levels of performance against a core set of targets (HEAT targets). It is important that robust performance management systems are in place to provide the information required to effectively manage and monitor activities, and which capture and record information on performance against the targets.
12. A series of Directorate objectives are currently being agreed. These will form the basis of performance monitoring, with the new reports due to be provided to Directorate teams and the Board from August 2007. A key challenge, relevant to all performance management systems, will be to ensure that the impact of the work of NHS QIS is measured, as well as simply the completion of various management processes.

Action plan 2

Partnership working

13. The NHS routinely works in partnership with other organisations to deliver health services and to meet its aims and objectives. The need to work collaboratively is set out in both the Partnership Agreement and in Partnership for Care, which states that improvements in the health of the people of Scotland cannot be achieved by the SEHD or NHS boards alone.
14. NHS QIS works closely with a wide range of organisations and agencies including:
 - Patients, carers and members of the public;
 - The SEHD;
 - NHS boards;
 - National Patient Safety Agency (NPSA);
 - National Institute for Health and Clinical Excellence (NICE);
 - Other inspectorates; and



- Voluntary organisations.
15. Memoranda of Understanding are in place with several partnership organisations, and NHS QIS has continued to review its joint working practices, including those with Audit Scotland. During 2006/7, it has participated in the Crerar review, which is carrying out a wide-ranging examination of scrutiny arrangements for the public sector in Scotland.
 16. As part of its Strategic Direction Action Plan, NHS QIS is also taking measures to raise its profile among healthcare professionals, NHS Boards, and other stakeholders. These include a programme of visits to each NHS Board, and strengthening links with UK and international improvement organisations such as the Health Foundation's Quest for Quality and improved Performance Programme.

People Management

17. Successful delivery of key NHS targets depends on staff capacity, capability and competency. NHS QIS's workforce development and planning processes, and staff governance are generally well advanced. Good progress has been made in implementing Agenda for Change, with 176 staff now assimilated and only eight still to be integrated into the new grading structures.
18. The proportion of NHS QIS staff on protected terms and conditions has fallen significantly during the year, from 26% of the workforce to around 13%. This is largely due to staff turnover, the impact inflation on pay increases, and the national resolution of an issue relating to promoted staff.
19. However, significant staffing risks still remain in relation to the planned relocation of NHS QIS to Glasgow. There continues to be a significant risk that key staff may be unable to remain within NHS QIS after the relocation and this could have a detrimental effect on the quality and level of services which will be delivered. The on-going uncertainty and the heavy reliance by NHS QIS on temporary staff appointments is likely to become increasingly difficult to sustain over the next year. A Full Business Case has been completed by NHS QIS, but it now awaits approval from SEHD.

Action plan 1



Information management

20. The Kerr report concluded that NHS Scotland can help support new developments by providing modern information and communications technology (ICT) to improve access, quality and effectiveness. *Delivering for Health* describes the main actions to be taken to implement the recommendations of the Kerr report.
21. In April 2007, NHS QIS moved onto the CedAr ledger system operated by NHS National Services Scotland. In any migration there is an inherent risk of errors in transferring data between systems. However, the introduction of the new CedAr system progressed fairly smoothly, with no significant issues arising, other than the initial difficulties inherent in any new system.
22. The 2006-10 IM&T Strategy is a central document for the planning and direction of the organisation's information resources. We note that this document remains in draft format and it has not yet been formally approved by the Board. There is a continuing risk that, without Board approval, there may be a lack of effective direction of IM&T matters..

Action plan 3

Equal pay claims

23. There have been significant recent developments in the area of equal pay claims. Article 141 of the Treaty of Rome requires member states to ensure and maintain "the application of the principle that men and women should receive equal pay for equal work". This was expanded on in the Equal Pay Directive which made it clear that all such discrimination should be eliminated from all aspects of remuneration. The National Health Service in Scotland has received a number of claims for backdated pay increases, arising from this requirement. The NHS Central Legal Office, co-ordinates the national NHS approach to this issue.
24. As at 31 March 2007 NHS bodies had received some 10,000 claims and these had been referred for attention to the Central Legal Office. Even taking account of the work which has been undertaken in relation to Agenda for Change, it is still possible that these claims represent a current liability for NHS boards generally.
25. We have not been able to obtain any estimate of the potential liability for these claims and to date no such claims have been received by NHS QIS. However, it is unlikely to be a significant issue for NHS QIS, given the nature of its work and that over 95% of its staff have been assimilated onto the Agenda for Change structures. We expect further details to be made available to NHS bodies over the coming year, including a more accurate estimate of their liabilities determined in accordance with financial reporting standards.



Other longer term planning issues

26. There is one longer term planning issue which we have identified which will have an impact on the Board in future years. The implementation of arrangements for national shared support services could impact upon the support functions of NHS QIS. We have been monitoring developments in this area during the 2006/7 audit. In the following paragraphs, we comment on changes that have taken place.

Shared Services

27. During the period from December 2004 to January 2007, NHS Scotland has been developing proposals for shared support services across the sector. It had been envisaged that this would take the form of a 'hub and spoke' system which delivered financial and related services for all NHS Scotland bodies from two central hubs with feeder activities at local Board level. A Draft Full Business Case (FBC) had been developed for this model and was made available for consultation at the end of 2006. The response to the FBC from NHS Scotland organisations, whilst supportive of the overall principle of shared services, was characterised by reservations over the risks inherent in the proposed scheme, the impact on staff and the deliverability of savings.
28. The Shared Support Services Project Board met in February 2007 to consider responses received and concluded that it would not proceed with its Draft Full Business Case in its current form. The project has now been re-launched as the Shared Support Services Programme. This involves a two-tier approach which seeks to build confidence in the new ways of working, using common processes and systems, eventually leading to a single services model based on a common finance system. The approach comprises: a Foundation level of involvement, for all Boards centring around developing common ledger arrangements; a Pathfinder approach which seeks to develop the more advanced elements of the proposed development. Expressions of interest are being sought from Boards for Pathfinder status and a number of workshops have been held to begin the development of potential service solutions.
29. This is a highly significant development for the NHS in Scotland and the process so far has been protracted, with a major recent change in emphasis. It is estimated that a revised business case will not be available until mid- to late-2008. Full system migration is presently estimated at March 2009. There remain significant risks for the service in securing the delivery of the project, particularly in engaging and involving Boards and their staff and in developing systems which deliver clear benefits for the NHS in Scotland. Auditors will continue to monitor the development of these arrangements and the management of related risks.



Financial Statements

Our responsibilities

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

Overall conclusion

32. We have given an unqualified opinion on the financial statements of NHS Quality Improvement Scotland for 2006/7.

Financial position

33. The Board is required to work within the resource limits and cash requirement set by the Scottish Executive Health Department. NHS Quality Improvement Scotland's performance against these targets is shown in Table 2 below.

Table 2 - 2006/2007 Financial Targets Performance

Financial Target	Target	Actual	Variance
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Revenue Resource Limit	15,004	14,857	147
Capital Resource Limit	137	137	0
Cash Requirement	15,141	14,994	147

Source – Annual Accounts 2006/7



34. The Board recorded a cumulative surplus of £147,000. As shown in Table 3, a key contribution to this surplus has been the successful implementation of a corporate savings programme. There has not been any use of non-recurring funds which might have masked any underlying problems.

Table 3 - Funding Position 2006/07

	£ Million	£ Million
Recurring income	15.004	
Recurring expenditure	(15.126)	
Underlying recurring deficit		(0.122)
Non-recurring income	0	
Non-recurring expenditure	(0)	
Balance of non-recurring	0	
Difference		(0.122)
Other income sources	0.135	
Non-recurring SEHD income/year-end support	0	
Corporate savings programme	0.134	
Total other income		0.269
Financial surplus		0.147

Issues arising from the audit

35. An excellent set of working papers were provided by finance staff in support of the draft accounts. As a result, only a limited number of issues were identified during the audit, all of which were resolved in discussion with senior financial officials. We reported the following main issues to the Audit Committee on 21 June 2007.

- **Payroll:** A review carried out by Internal Audit identified some overpayments in the final pay of staff leaving QIS, with a full month's salary being paid, rather than a pro-rata salary reflecting the actual number of days worked. The annual accounts audit identified two further instances, which specifically related to the protected salary element of staff leavers.



Resolution: The Head of Finance has already taken action on the issues identified by Internal Audit. Specific issues relating to the payment of the protected salary element to staff leavers are being investigated with NHS National Services Scotland

- **Prepayments:** Two creditor payments were identified, totalling £143K, relating to the commissioning of Practice Development training and the establishment of a research project. These were treated in the draft accounts as 2006/07 expenditure but related to the delivery of services in 2007/08.

Resolution: 2006/07 accounts were amended and both transactions are now treated as prepayments. Finance department to review Creditor Payment procedures to ensure that in future potential prepayments are identified.

- **HTBS provision:** In 2001 a provision was set up by the Health Technology Board for Scotland, one of the predecessor organisations of QIS. The provision related to the rent of a property, but this is no longer in use. The provision has been reducing each year and a balance of £38K remained in the draft accounts. Given that it is no longer relevant, it should be removed.

- **Resolution:** 2006/07 accounts amended and provisions reduced by £38K.

- **Dilapidation provision:** Following a surveyor's report to assess the cost of remedial works which will need to be carried out at the end of QIS's property leases, additional costs of £105K were identified which would need to be met over the following three years. The draft accounts included a dilapidation provision of £35K, representing approximately a third of QIS's costs. In our view, a more prudent treatment would be to recognise the full costs of the provision in the 2006/07 accounts.

Resolution: 2006/07 accounts amended and provisions increased by £70K.

- **Grant accruals:** QIS have accrued grant payments of £377K in the 2006/07 accounts. In most cases, the year-end accruals are based on the remaining budget, rather than the actual sums due. Given that these grants are coming to an end, and that the difference between the accrued amounts and the sums actually due are not significant, no adjustment is needed to the financial statements.

Resolution: No further action on current grants, but the Head of Finance to consider accounting treatment for any future grants.

Statement on internal control

36. The Statement on Internal Control provided by the Accountable Officer reflected the main findings from both external and internal audit work. The Statement did not include any significant areas of internal control which needed to be strengthened.



Performance Management

Introduction

37. We did not carry out any specific reviews of the way in which NHS QIS secures value for money in the use of its resources during 2006/7. However, we noted a range of activity undertaken by NHS QIS in this area. Also, a series of national audits were carried out by Audit Scotland and a summary of these is also provided below.

Performance Management

38. During 2006/7, NHS QIS has made significant progress in developing and implementing a Strategic Planning and Performance Management Framework. While there were some slight delays, due the introduction of a new financial system which will be used to generate financial reports for the Board, the project is broadly on schedule.
39. A series of Directorate objectives are currently being agreed. These will form the basis of performance monitoring, with the new reports due to be provided to Directorate teams and the Board from August 2007. A key challenge, relevant to all performance management systems, will be to ensure that the impact of the work of NHS QIS is measured, not simply the completion of various management processes.
40. As part of the 2007/08 audit we will be reviewing the progress that the NHS Quality Improvement Scotland has made in strengthening their arrangements for securing Best Value since baseline review work was carried out in 2005/06. Over the next year we will also be developing and refining our approach to the audit of public bodies' arrangements to secure economy, efficiency and effectiveness in the use of resources, as this is one of our key objectives as auditors, set out within the new Code of Audit Practice approved by the Auditor General. This will inform our ongoing work to develop an approach to the audit of Best Value across the Scottish public sector. We intend to consult with both clients and stakeholders at key stages of these initiatives.



National studies

41. In 2006/7, Audit Scotland published three national studies:

- Informed to Care: Managing IT to deliver information in the NHS in Scotland (November 2006);
- Catering for Patients: A follow-up report (November 2006); and
- Planning ward nursing – legacy or design? (January 2007).

In December 2006 an overview report was published: Overview of the financial performance of the NHS in Scotland, and two publications to assist NHS Boards and their members were published:

- Health and community care bulletin (May 2006), a summary of the key findings from the 2005/06 national studies; and
- How the NHS works: Governance in Community Health Partnerships; a self-assessment tool (May 2006).

Informed to Care: managing IT to deliver information in the NHS in Scotland

42. This national study sought to provide a high-level overview of the national picture at a time when new structures were being put in place across the NHS (unified boards and community health partnerships), new staff contracts are being implemented, there is increasing joint working with other parties, such as local authorities, and there is increasing opportunity for innovation in service delivery and data management with developments in Information Management and Technology (IM&T).

43. The report concluded that 'Delivering for Health', published by the SEHD, signalled a more corporate approach for IM&T, with a shift away from local autonomy for strategic planning and associated decision-making, and that the SEHD recognised the need to review governance and management arrangements for IM&T throughout the NHS and was taking steps to improve them. Nevertheless there is still the need to develop an overarching information framework or strategy to inform the development of integrated IT solutions for the NHS in Scotland, taking account of all information needs and recent policy initiatives.

44. The report highlighted that the NHS does not know how much it spends on IM&T overall, but recognises that it falls short of the Wanless target of 3-4% of total health spend and should it seek to do so the SEHD will have to consider the future funding of IM&T developments. It was felt that greater stakeholder engagement is required to ensure all information needs are effectively addressed, and, finally, best practice in identifying, monitoring and reporting expected benefits from IM&T projects has to be adopted consistently across the service.



Catering for patients – a follow up report

45. This follow-up study assessed progress in implementing recommendations made in a baseline report, published November 2003, in the areas of nutrition, quality, patient satisfaction, costs and management of the catering service.
46. The key findings were that catering services are offering an improved level of choice, there are improvements in collating the views of patients, there are improvements in associated management information systems and Boards have reduced the level of wastage.
47. However more work has yet to be done in the areas of: nutritional care of patients, conducting patient satisfaction surveys, and closer management of the level of subsidy for non-patient catering services.

Planning ward nursing – legacy or design? – a follow up report

48. This follow-up study assessed progress made in implementing recommendations made in a baseline report, published 2002, in the areas of: workload and workforce planning, recruitment and retention, the use of bank and agency nurses, information on the quality of nursing care, and information to inform workforce planning and management of resources at ward level.
49. The key finding was that the SEHD has made progress in addressing the recommendations, thus laying the foundations for better ward nursing workload and workforce planning in the future. A wide range of recruitment and retention programmes have been implemented, and dependency on agency nurses (ie external to the NHS) has reduced, whilst use of bank nurses (ie internal to the NHS) has increased.
50. Areas for further improvement were identified in respect of: management information on workload and workforce; planning establishment to take account of annual leave, average sickness cover, study time, protected time for senior nursing staff, etc; closer management on the use of bank nurses and the development of quality indicators.



Governance

Introduction

51. This section sets out our main findings arising from our review of NHS Quality Improvement Scotland's governance arrangements as they relate to:
- clinical governance; and
 - corporate governance.

Clinical governance

52. Clinical governance is a key activity of any health board. During 2006/7, NHS QIS established a Clinical Governance and Quality Assurance Committee. This has steadily developed a clear programme of work, which includes:
- Overseeing a peer review of NHS QIS, using the same clinical governance and risk management (CG&RM) standards which it has used to assess other NHS Boards. The involvement of members from the national NHS CG&RM Forum will help to provide a degree of independence. The results of this review are expected to be reported in October 2007, as part of an NHS QIS Governance Day.
 - Reviewing the results of the Impact Evaluation report, carried out to assess the effectiveness of the work of NHS QIS. This covers the full range of activities, from topic selection and the processes used to carry out reviews, to reporting and follow up arrangements.

Corporate governance

53. Our work on corporate governance focused on our Code of Audit Practice responsibilities as they relate to systems of internal control; prevention and detection of fraud and irregularity; standards of conduct and the Board's financial position.
54. We carried out a review of the work of Internal Audit, which is provided by PricewaterhouseCoopers (PwC), and were able to conclude that the service operates fully in accordance with the NHS Internal Audit Standards. As a result, we relied on the work of Internal Audit to give us assurance in relation to aspects of our governance responsibilities, particularly those relating to systems of internal control, such as:

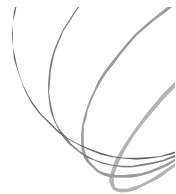


- Budgetary Control and financial reporting; and
 - Payroll.
55. We also placed reliance on the work of Internal Audit for other aspects of our responsibilities, including:
- IT security; and
 - Agenda for change implementation review.
56. Risk management is central to a sound system of internal controls. As the body responsible for the development of risk management standards throughout NHS Scotland, it is also particularly important for NHS QIS to be able to demonstrate best practice in this area.
57. NHS QIS has taken a proactive approach to risk management for several years, with an initial Risk Strategy established in 2003 and subsequent initiatives, such as risk workshops, used to develop its approach. A strategic risk register is in place and regularly updated. More importantly, it is used generate action plans to address the key risks that are identified. The Board continued to develop its approach during 2006/7, with a revised Risk Management Strategy approved during the year. This includes measures to help communicate the importance of risk management to all staff.
58. The Board has also been proactive in reviewing key governance documents during 2006/7, including its Standing Orders, Scheme of Delegation, and Code of Conduct.
59. In 2005/6, the previous external auditors of NHS QIS, commented that the organisation lacked a non-executive member with specific financial expertise. This was considered to be a weakness in the Board's corporate governance arrangements, as it could limit the effectiveness of members in scrutinising financial matters. Despite representations from NHS QIS, no member with financial expertise has been appointed by the Scottish Executive. Currently, however, the Board is considering co-opting an individual, with the relevant experience and qualifications, to provide members with a source of independent advice.

Action plan 3

National Fraud Initiative

60. The National Fraud Initiative (NFI) was extended to cover the National Health Service in Scotland by HDL (2006) 44. The NFI is a biennial data matching exercise whereby computerised techniques are used to compare and match information about individuals held by various public bodies and on various financial systems to identify potential fraud, error or anomalies for investigation.



61. Under the NFI, payroll data is downloaded and provided to the Audit Commission's NFI appointed auditor (who process the data for Audit Scotland) who matches this information against other data sets such as housing benefit applicants, local authority pensioners, students, deceased persons, etc. The results are passed back to Boards for further investigation and analysis.
62. Auditors are required to monitor the Board's progress in implementing the National Fraud Initiative and we undertook this as part of our audit. The results of our review were that:
- NHS QIS has reviewed the information received from the NFI, and has carried out appropriate checks.
 - No potential frauds were identified.



Looking Forward

63. NHS Quality Improvement Scotland faces a number of challenges in 2007/8 which include:

- Securing an early decision on its planned relocation and taking steps to minimise the risks associated with staff retention and recruitment and maintaining appropriate office accommodation.
- Implementing the Strategic Planning and Performance Management Framework, as a tool for ensuring that business planning is in line with the corporate priorities of NHS QIS, monitoring the effectiveness of the organisation, and helping to lead to a process of continuous improvement.
- Continuing to review its joint working practices, with key partners and taking measures to raise its profile further among healthcare professionals, NHS Boards, and other stakeholders.

64. The Board recognises these challenges and has been proactive in seeking to manage their associated risks. We will continue to monitor the progress that the Board is making on these key issues.



Appendix A: Action Plan

Key Risk Areas and Planned Management Action

Action Point	Refer Para. No	Risk Identified	Planned Action	Responsible Officer	Target Date
1	8, 19	Continuing uncertainty about NHS QIS's planned relocation could threaten its effectiveness, with increasing problems over staff recruitment and retention and to the risk of the organisation being without appropriate accommodation.	The Scottish Executive is being pressed for an early decision on the Full Business Case. Meantime action is being taken to manage these risks as effectively as possible.	Chief Executive	Ongoing
2	12	There is a risk that the Strategic Planning and Performance Management Framework will tend to focus on management processes, rather than the impact of its services.	The strategy and direction approved by the Board and the associated action plan will guide implementation of the framework to minimise this risk.	Director of Planning & Resource Management	Ongoing
3	59	Without access to financial expertise, from a member or another independent source of advice, there is a risk that the Audit Committee will not be able to scrutinise financial matters effectively.	A suitably qualified NHS individual has been identified which the Chair of the Audit Committee is confident will provide the required expertise and consequently will take up post as advisor to that committee in September 2007.	Head of Finance	July 2007