

Internal Audit



Organisational Culture – Follow-up of PwC and Bowles Report Action Plans

January 2017

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Executive Summary

Background and approach

In 2012, the Scottish Government commissioned two reviews into the management culture at NHS Lothian: the “Review of Waiting Times Management at NHS Lothian” by PricewaterhouseCoopers LLP (“the PwC report”) and the independent review of management culture carried out by David J Bowles & Associates Ltd (“the Bowles report”). In accordance with the 2016/17 Internal Audit Plan, this review follows up on the agreed actions taken by management following the publication of their publication.

Overall Approach

In line with our normal internal audit approach to the follow up of action plans, we discussed with management and responsible individuals the actions taken in light of each recommendation; and reviewed the supporting evidence to validate the completion, or otherwise of the agreed action.

Conclusion

From our review all the PwC recommendations have been fully implemented and a significant proportion of the Bowles recommendations actioned. Through our work, including interviews with a small proportion of staff, it is clear that there has been significant improvement in the culture of NHS Lothian. We did not identify any suggestions that the oppressive management/leadership style referred to in both reviews was still in place. Looking ahead, organisational culture is something that will continue to evolve over time, as NHS Lothian continues to further embed continuous learning and improvement and the agreed NHS Lothian values. This is something the Senior Management team are fully committed to.

1. Background and Approach

In 2012, the Scottish Government commissioned two reviews into the management culture at NHS Lothian: the “Review of Waiting Times Management at NHS Lothian” by PricewaterhouseCoopers LLP (“the PwC report”) and the independent review of management culture carried out by David J Bowles & Associates Ltd (“the Bowles report”). These reports identified a number of areas in which the management culture could be improved. The main themes arising from the reviews were:

- An oppressive management / leadership style that discouraged the reporting of bad news;
- A “don’t minute” or record culture, placing pressures on staff to “just fix it” as opposed to offering support; and
- Lack of transparency / reporting of issues which prevented the progression of accurate management information and escalations of concerns being reported up through the NHS Lothian’s governance framework.

In accordance with the 2016/17 Internal Audit Plan, this review follows up on the actions taken by management following the publication of these two reports, to address the themes set out above.

Overall Approach

In order to perform this review, Internal Audit conducted interviews with a small number of staff members, directly related to the 2 review action plans, alongside review of supporting evidence for the individual actions identified in the PwC and the Bowles reports.

2. Follow up of previous reports

Both the “Review of Waiting Times Management at NHS Lothian” by PricewaterhouseCoopers LLP (the PwC report) and the independent review of management culture carried out by David J Bowles & Associates Ltd (the Bowles report) contained findings relating to the organisational culture within NHS Lothian at the time of the reviews. The PwC report also included a number of findings in relation to the operation of waiting lists and reporting of waiting times.

The previous NHS Lothian Chairman established a Steering Group to develop and implement an action plan in order to address the key issues identified in both reports. This action plan themed the recommendations made and agreed on the key actions to implement. Progress against this plan was last formally reported to the Staff Governance Committee in January 2014.

We have reviewed the findings set out in the PwC report and the recommendations from the Bowles Report and assessed the extent to which management has implemented the actions arising from both reports. Our conclusions are based on information collected during this review and other internal audit reviews undertaken, as relevant to the action. A summary position is set out in the table below with the detailed responses set out in Appendix 2.

Theme	PwC Report		Bowles report	
	Total findings	Complete actions	Total findings	Complete actions
Use of periods of unavailability	5	5	-	-
Reporting	6	6	-	-
Culture & Governance	4	4	-	-
TRAK system controls	2	2	-	-
Working practices and guidance	3	3	-	-
Change of leadership style			8	6
Values culture and organisational development			4	4
Re-establishing trust and confidence			5	5
Performance management, targets and accountability			4	4
Embedding policies			4	4
Risk and reputation			5	5
Mapping the future			1	1
Total	20	20 (100%)	31	29 (94%)

Summary of Findings

Set out below is a summary of our recommendations. Definitions of the ratings applied to each action are set out in Appendix 2.

No.	Control Objective	Number of actions by action rating			
		Critical	Significant	Important	Minor
1	Undertake a follow up of the implementation of the PwC and Bowles reviews action plan and progress to date in implementation	-	-	3	2

Management Action Plan

Ownership of organisational culture action plans	
Bowles Action Plan	Important
<p><u>Observation and risk</u></p> <p>Progress against the agreed recommendations in the Bowles report was last reported to the Staff Governance Committee in January 2014. From our internal audit we note good progress with 29 of the 31 actions fully complete (94%). However, there is a risk that remaining actions are no longer tracked or reported to the Staff Governance Committee and that relevant committees do not have oversight of the various organisational culture activities that are taking place.</p>	
<p><u>Recommendation</u></p> <p>Organisational culture will continue to evolve over a period of time. Management should consider where best to capture and/or identify actions, and learning as they relate to NHS Lothian culture, to ensure organisational culture is embedded into decision making and there continues to be the promotion of an honest, open and transparent culture, aligned to values.</p>	
<p><u>Management Response</u></p> <p>Organisational culture is never ‘complete’, it is very much ongoing and as an organisation we must continue to take steps to evolve our culture from both a staff and patient experience perspective. We continue to embed our values; the most recent staff survey results indicated that more staff are aware of our values. Our values are at the heart of our staff induction and leadership programmes and we are in the process of piloting values based recruitment. The categories in our annual Celebrating Success Awards have also changed to reflect our organisational values.</p>	
<p><u>Management Action</u></p> <p>CMT to consider the most appropriate mechanisms for overseeing the ongoing work across the organisation on embedding our values, recommendation to go to Staff Governance Committee in June 2017. In the meantime this audit report will be considered by the Staff Governance Committee in January 2017.</p>	
<p><u>Responsibility:</u></p> <p>Chief Executive</p>	<p><u>Target date:</u></p> <p>June 2017</p>

Leadership style	
Organisational champions for key initiatives	Minor
<p><u>Observation and risk</u></p> <p>Following the Bowles recommendation to have in place organisational champions to help embed Lothian values and the “right” culture across the organisation, a number of non-executive champions were established, including: complaints, whistle-blowing, and one is being introduced in respect of i-Matter. This action has addressed the original recommendation, however, there is a future risk that new initiatives may not be aligned with a member of the CMT and/or Non-Executive Member, and therefore an opportunity to continue to embed the importance of openness and transparency across the organisation may be missed.</p>	
<p><u>Recommendation</u></p> <p>Looking forward, the CMT and the Board should consider over the next 12 to 18 months what are the key developments and initiatives which will have a direct impact on the continued development of Lothian’s culture, aligned with values and ensure these projects are aligned directly to a member of the CMT and/or Non-Executive member. This will continue to reinforce the messages around leadership, and continued promotion of behaviours as will be embedded across the organisation rather than being associated with one off initiatives.</p>	
<p><u>Management Response</u></p> <p>Recommendations above fully supported and will continue to align Executive and Non-Executive Board Members to key strategic initiatives as appropriate.</p> <p><u>Management Action</u></p> <p>Chief Executive to consider this as part of the review and realignment of corporate management team arrangements and portfolios and thereafter as part of the annual objective setting process.</p>	
<p><u>Responsibility:</u></p> <p>Chief Executive</p>	<p><u>Target date:</u></p> <p>1 April 2017</p>

Leadership style	
360 degree feedback arrangements	Minor
<p><u>Observation and risk</u></p> <p>The action set out in the Bowles report was completed in 2014 when the Chief Executive and the CMT completed a 360 degree appraisal process. However, the CMT may be missing a future opportunity for further development, by not undertaking a similar exercise in the future, and learning from the resulting self development points arising, both individually and as a team.</p>	
<p><u>Recommendation</u></p> <p>The CMT should revisit the learning from the 2014 360 degree feedback exercise and collectively consider the merit of a future exercise, and agree when this will take place (and in what form), and the learning be cascaded as appropriate.</p>	
<p><u>Management Response</u></p> <p>It is recognised and acknowledged that 360 degree feedback is a useful and informative development intervention as part of the wider leadership development offering.</p>	
<p><u>Management Action</u></p> <p>Chief Executive and CMT colleagues to discuss the merits of a further 360 degree feedback exercise in the context of the wider discussions on realigning leadership portfolios and development plans to support this, taking cognisance of individual development needs.</p>	
<p><u>Responsibility:</u></p> <p>Chief Executive</p>	<p><u>Target date:</u></p> <p>30 June 2017</p>

Re-establishing trust and confidence	
Exit interviews	Important
<p><u>Observation and risk</u></p> <p>In accordance with the initial recommendations, exit interview processes were reviewed and re-established. However, between January and August 2016, there were only 2% of leavers who had an exit interview conducted (48 leavers out of 2,300). Without an exit interview there is a risk that future lessons may not be learned, and widely shared, in line with NHS Lothian's aims of having an open, honest and transparent culture.</p>	
<p><u>Recommendation</u></p> <p>HR should continue to promote and encourage Line Managers to ensure that a leaver has an exit interview, and where future lessons are identified these are shared. For particular types/grades of staff it may be particularly beneficial to collate information via the exit interview; and these groupings could be more actively targeted to ensure a meeting takes place.</p>	
<p><u>Management Response</u></p> <p>The value of capturing information on staff experience that can inform future management action is well understood and forms part of the extant Exit Interview Policy and Procedure.</p>	
<p><u>Management Action</u></p> <p>Interim Director of HR and OD:</p> <ul style="list-style-type: none"> • will write to leadership teams and Partnership Fora to remind managers of the importance of conducting exit interviews and their responsibilities under the extant policy. • promote the benefits of exit interviews via HR Online and Team Brief in terms of capturing data on our staff experience to complement the iMatters programme. • explore technological solutions that would simplify our current manual processes for collecting exit interview data and better support data analysis, and ultimately improve our performance in this area. 	
<p><u>Responsibility:</u></p> <p>Interim Director of HR and OD</p>	<p><u>Target date:</u></p> <p>31 March 2017</p>

Change of leadership style	
Members of the Board and Senior Management more visible to staff across the organisation	Important
<p><u>Observation and risk</u></p> <p>A number of positive steps have been taken by Senior Management in respect of visibility across the organisation including, for example, walk rounds; senior staff updates and presentations; Q and A time set aside. In addition, visibility is also considered as part of the staff survey.</p> <p>Looking forward, it is recognised that there needs to be a continued focus on “collective leadership”. For many staff, leadership to them is defined as coming from their direct line manager, or Heads of Department. Therefore, it is essential that all staff with line management responsibilities identify themselves as leaders within NHS Lothian, demonstrating consistent application of the values and behaviours, including being open and accessible.</p> <p>There is a risk that too much focus could be placed on the visibility of the Chief Executive and CMT directly, resulting in across the organisation a failure for others to be seen as leaders and role models for the behaviours.</p>	
<p><u>Recommendation</u></p> <p>CMT should continue to promote leadership at all levels across the organisation, and encourage those responsible for line managing and/or overseeing groups of people to be open, visible in their leadership, aligned with the values.</p>	
<p><u>Management Response</u></p> <p>Fully support the recommendation and the need to have distributed leadership. A variety of workstreams and initiatives contribute to, inform and promote visible leadership already e.g., our approach to Clinical Quality Improvement (in particular the Clinical Change Forums); iMatter staff experience survey, leadership programmes (such as Playing to Your Strengths, Covey 7 Habits, Courage to Manage), Patient Safety Walkrounds and the work being led by the Chief Executive to review and realign CMT arrangements and portfolios.</p>	
<p><u>Management Action</u></p> <p>Dedicate CMT session to consider how we can further develop our approach to distributed leadership and improving organisational culture (what can the executive team do, to demonstrate that they are living the values and how is this communicated), what additional tools and interventions we can make available to leaders through our existing leadership programmes/initiatives and determine if any new interventions/programmes are required.</p>	

As part of the iMatter programme we will undertake a focused piece of work on what staff would like to see done differently on key areas such as managing performance and leadership visibility (what would need to be in place to enable staff to answer these questions more positively in the 'my organisation' section of the questionnaire). This work will commence in the first quarter of 2017/18.

Responsibility:

Chief Executive / Interim Director of HR & OD

Target date:

31 May 2017

Appendix 1– PwC and Bowles Reports Analysis

PwC Report

PwC report finding	Position as at September
<p><i>Use of Periods of Unavailability</i></p> <p>From published ISD statistics it is not immediately apparent that retrospective adjustments have been made to NHS Lothian’s figures, given that previous figures are overwritten with updated statistics by NHS Lothian.</p> <p>Our data interrogation of TRAK (for the period April 2011 to December 2011) highlighted excessive and inappropriate use (and apparent misuse) of periods of patient unavailability, in particular retrospective creations and changes, which removed patients from waiting times breach reports. This inappropriate use has masked the number of breachers reported at a number of month ends and has also resulted in certain patient journeys being longer than have been formally reported. We found unsupported changes in every speciality we tested (to varying degrees).</p> <p>Whilst some adjustments concerning periods of unavailability may be attributable to “work arounds” as a result of NHS Lothian applying more onerous internal stretch targets in TRAK for some outpatient specialties, a significant number of periods of unavailability related to adjustments which prevented certain patients being reported as waiting time breachers. In addition certain periods of unavailability which already existed in the system were subsequently amended, often adding a further period of unavailability i.e. lengthening and re-lengthening the patient journey. It needs to be recognised that certain patients may still have been treated within their guarantee periods.</p> <p>The majority of recorded reasons for periods of unavailability were categorised as “other” or “patient to contact” even though a wide range of specific categories were available in the TRAK system to explain why unavailability had arisen. The use of these “other” categorisations should be minimised in the future. (This can only be assured by examining the detailed medical records of patients – PwC did not have access to individual patient files as this was outwith the scope of our review).</p>	<p><i>Complete</i></p> <p>NHS Lothian sample checks unavailability periods for individual patients to confirm that they have been correctly applied. Retrospective changes are also reviewed by NHS Lothian. Covered by Internal Audit’s 2013, 2015, and 2016 reviews.</p> <p>The reasons for periods of unavailability are stated in Trak through the use of categorisation and through narrative as required. NHS Lothian sample checks include review of the reasons stated for unavailability in order to determine if they are valid. Covered by Internal Audit’s 2013, 2015, and 2016 audits.</p>
<p><i>Reporting</i></p> <p>As part of our overall comparison of internal waiting times reports, it would appear that consistent data and information was presented to the Executive Management Team (EMT), the Senior Management Team (SMT), the Finance and Performance Review Committee (FPRC) and the Board. However it should be noted that certain managers and staff on the SMT received a more comprehensive picture of waiting times challenges (e.g. periods of unavailability) through weekly waiting time position reports, but this information did not progress into formal, documented, reporting to the EMT, FPRC or Board.</p> <p>We were able to establish that the EMT, FPRC and the Board were not presented with a comprehensive picture of waiting times, as there is an absence of any details of periods of</p>	<p><i>Complete</i></p> <p>NHS Lothian’s sample checking includes testing unavailability periods for individual patients to confirm that they have been correctly applied. Retrospective changes are also reviewed by NHS Lothian.</p> <p>Reports on management of waiting times are provided to the Access & Governance Committee, including reporting retrospective changes to information contained in</p>

PwC report finding	Position as at September
<p>unavailability data, nor comprehensive trend analysis, contained within the performance reports. The absence of this level of detail in the performance reports may have hindered the EMT and FPRC's abilities to debate, challenge and make informed decisions around waiting times issues. Thus the Board itself may not have been in a position to have identified that there was an issue.</p> <p>In addition, information extracted from the TRAK system in relation to breachers has been amended manually by certain service managers for "housekeeping" reasons before this was reported to more senior management levels. It is of concern that breaches were manually removed from performance management reporting data. We were unable to find evidence of approval or any supporting papers as these were not retained. At periods in the year, patients were simply deleted from the initial breach report. The presence of a "don't minute" or record culture (as advised by several managers and staff during the interview process) has prevented full details of waiting times issues from progressing "up" through the NHS Lothian governance framework, where a more strategic and collective approach may have been taken towards both short and longer term solutions.</p> <p>Our testing also suggests that in a number of cases NHS Lothian has been applying periods of unavailability to patient records, just before month end reporting, to prevent them appearing as a breach at the month end census date. As it is likely that certain of these periods of unavailability were not appropriate, patient journey times with regards to treatment target will also have been misreported. It is clear from the above data that NHS Lothian's ability to clear this level of potential breachers (without appointment) by the appointments being arranged and taking place for treatment in the short periods noted, is questionable. For example, NHS Lothian cleared 789 inpatients that didn't have appointments in a five day period at the end of August and 1958 outpatients without appointments in a seven day period at the end of September. It should be noted that some of these patients may have been seen and treated before the month end (in periods ranging from 0 to 7 days). However due to the time periods concerned a more plausible explanation for many of these patients is the inappropriate use of unavailability.</p> <p>The inappropriate use of periods of unavailability to affect waiting times reporting can also be identified from what appears to be impractical processing times for recording periods of unavailability which would normally require patient contact. By way of example on 30 May 2011 (just before breach reporting) between 10.00am and 11.00am, a member of staff made 124 amendments to periods of unavailability, retrospectively, and the on 1 July 2011 (just before breach reporting) another member of staff made 154 amendments to periods of unavailability, retrospectively, between 8.00.am and 9.00am.</p>	<p>TrakCare which relate to waiting times.</p> <p>All meetings of the Access & Governance Committee are minuted and the Committee is attended by senior staff within NHS Lothian, e.g. Director of Nursing.</p> <p>The information provided to committee and accuracy of the reporting was reviewed by Internal Audit in Waiting Times audits in 2013, 2015, and 2016.</p>

PwC report finding	Position as at September
<p>Culture and Governance</p> <p>It was apparent from our interviews that clerical, supervisory and management level staff involved in the waiting times process, were under unacceptable pressure to find “tactical” or paper adjustment solutions to waiting list issues, rather than addressing the root causes through the established management Committees and Board.</p> <p>This unacceptable pressure also manifested itself in a culture of strongly discouraging the reporting of bad news, “no bad news”, around waiting times issues – and an encouragement to resolve such issues through the adjustment of waiting times results, rather than actually resolving delays in the patient journey.</p> <p>It is worth noting that our work revealed a high level of commitment amongst NHS Lothian staff around waiting times targets despite the challenging circumstances under which certain staff had to perform their roles. For example, certain staff would only be interviewed off-site or in the presence of a trade union representative and a number made reference to inappropriate and oppressive management styles.</p> <p>Although staff interviewed were very concerned about culture and working practices, certain staff were also keen to stress that a recent improvement had taken place; primarily due to a restructuring and resultant changes in senior management and a recent change in management expectation and policy with regards to the use of periods of unavailability.</p>	<p>Complete</p> <p>As noted above, regular reporting of waiting times data is now in place.</p> <p>No concerns about pressure to find “tactical” or paper adjustment solutions were raised during our interviews with NHS Lothian staff as part of this review. These included interviews with Waiting Times staff.</p>
<p>TRAK System Controls</p> <p>System input controls have been limited by intention to provide flexibility, but this has enabled users to input patient periods of unavailability and changes which are outwith what would be considered reasonable.</p> <p>In addition, management monitoring and reporting of TRAK activity were limited, meaning that little effective oversight existed over those patient journey entries and amendments recorded in TRAK.</p>	<p>Complete</p> <p>In January 2013, screens in TrakCare that could be restricted to certain user groups were made read-only. Meanwhile, the Trak Programme Board reviewed controls around the number of users and authority levels. As recorded in the minutes of the Trak Programme Board, the debate concluded that user numbers and authority levels are appropriate, with adequate controls in place.</p>
<p>Working Practices and Guidance</p> <p>NHS Boards have a degree of flexibility in applying New Ways Guidance, as NHS Boards provide different services and have to decide on what constitutes a fair and reasonable offer of treatment.</p> <p>In 2008, NHS Lothian’s Waiting List Management Policies and Procedures were updated to reflect the introduction of the national New Ways of Working. Those policies and procedures were never finalised or ratified. The current document which may have been available to staff is out of date and does not reflect current guidelines. No approved, tailored, instructions or guidelines were formally issued to staff.</p> <p>We have been informed that revised Standard Operating Procedures (SOPs) relating to Waiting Times are now due for</p>	<p>Complete</p> <p>NHS Lothian complies with Scottish Government guidance; where there is deviation from this guidance, the Scottish Government has been informed. Covered by Internal Audit’s 2013, 2015, and 2016 audits.</p> <p>The guidance provided to waiting times staff was updated. This was confirmed as part of Internal Audit’s 2013 audit.</p>

PwC report finding	Position as at September
finalisation and issue across NHS Lothian in April 2012.	

Bowles Report

A - Change of Leadership Style

Recommendation	Progress Against Recommendation
<p>The Board should complete its own reassessment of the way it works.</p>	<p>Complete: After the Bowles Report the CMT went through an individual assessment interview to discuss the concerns of the report with an external facilitator.</p> <p>Development sessions took place from the end of 2012 through to 2013 with both the CMT and Board reviewing their roles and ways of working.</p>
<p>There should be an intensive programme of support and development to help embed a new leadership style signed off by the Board.</p>	<p>Complete: As above, members of the CMT went through an individual assessment interview and development sessions were held in 2013 to review the style of working and meeting culture.</p> <p>Development sessions were also held with the CMT and Senior Managers from Acute and CHPs to define accountability and roles, and portfolio balance.</p> <p>There has since been a restructure within the University Hospitals and Support Services which was approved by the Board and implemented during 2015.</p>
<p>A formalised 360 degree appraisal system should be implemented initially for the Chief Executive and CMT.</p>	<p>Complete: A 360 degree exercise was undertaken in 2014 with CMT members (including the Chief Executive). This action addresses the recommendation in full. However, the culture of an organisation will continue to develop, and evolve and as an exercise, the CMT should continue the merit of what future exercises could look like to keep the momentum and continuous leaning going.</p>
<p>Steps should be taken to make Members of the Board and senior management more visible to staff across the organisation.</p>	<p>Partially Complete: The Senior Management Team performs walk- rounds at different sites as part of the Scottish Patient Safety Programme. The Chief Officer of Acute Hospital Services has started hosting site meetings on a two monthly basis to update staff on the state of affairs (financial etc) of the organisation, things that are happening generally and specifically on their site and allows for a question and answer session. To date the presentations have been held at the main sites RIE, WGH & St .Johns and RHSC. The Director of Nursing is due to start implementing a similar approach to engaging with staff.</p> <p>From analysis of the 2015 survey results and interview discussions it was identified that the members of the Senior Management team are still not as visible as they could be to staff throughout the organisation.</p>
<p>CMT and other appropriate meetings should help develop a culture which focuses on strategic transformation.</p>	<p>Complete: There has been a review of the Committee Remits which were approved by the Board during 2015. Corporate Objectives and Quality Performance Reporting metrics are now to be monitored through the Board committees giving Board Committees more responsibility for monitoring strategic objectives.</p> <p>In addition all Board Committees are required to have a statement of assurance needs which looks at all the elements of information considered by the Committee, what assurance</p>

	is given in terms of the Committee's remit, and areas where further assurance is needed.
Individual Non-Executive Directors and Executive Directors should become organisational champions for key initiatives which impact on culture, such as staff engagement.	Partially Complete: There are organisational champions for the following key initiatives: <ul style="list-style-type: none"> - Non-Executive champion for Complaints - Non-Executive champion for Whistle-blowing - Non-Executive champion is due to be established for the iMatter Strategic Steering Group.
The change to a more collegiate style of working should not be at the expense of a strong system of holding individuals to account.	Complete: The Management of Employee Capability Policy was created in 2015 to ensure that capability issues are dealt with in a fair and consistent manner. The purpose of this policy is to assist those employees who are failing to meet a required level of performance. <p>The policy documents how a distinction must be drawn between a genuine lack of capability and a lack of performance which is attributable to a deliberate failure on the part of the employee to perform to the standards of which they are capable. The latter will be considered a matter of conduct and is dealt with under the NHS Lothian Management of Employee Conduct: Disciplinary Policy and Procedure.</p> <p>Some services in Acute have posters called 'list of blameworthy acts' and HR Online has guidance for managers on 'fair blame' which lists considerations to determine whether there was a serious failure to act responsibly.</p> <p>Training is also being rolled out on 'Courage to Manage' to help managers know how to deal with difficult conversations and investigations.</p>
In line with good governance there should be a mechanism for regularly assessing the effectiveness of Board and CMT meetings.	Complete: A recent exercise was undertaken to review the Board's effectiveness, through completion of the iMatter survey and a diagnostic tool. An iMatter action plan has been prepared, to capture areas for improvement. The Board and CMT continue to review their arrangements, and ways of working.

B - Values culture and organisational development

Recommendation	Progress Against Recommendation
A programme should be developed to create ownership of avowed values and behaviours to replace the currently discredited values.	Complete: Workshops were held with around 3,000 staff to establish what was important to them, how they wanted to be treated and how they expected to treat others. Values were then established on the output of the workshops based upon: quality, dignity and respect, care and compassion, openness, honest and responsibility and teamwork. <p>The Board approved the values in July 2013 and the launch of NHS Lothian 'Our Values into Action' was announced in the October & November 2013 Team Briefs. Values are consistently communicated, shared and understood.</p>
These values should be embedded into the organisation through training and induction programmes.	Complete: Following adoption of the Values by the Board a programme to raise awareness was rolled out across the organisation. This took the form of a series of workshops and presentations over a period of a year.

	<p>A presentation on values is now given to each new staff member joining the organisation during their corporate induction.</p> <p>The Learning & Development Strategy is also built upon the values of the organisation with values embedded throughout the corporately delivered training programmes.</p>
<p>Senior and middle managers need to be clear about the distinction between bullying and firm management and assisted with training on how to handle this in the workplace.</p>	<p>Complete: A Preventing Bullying & Harassment Policy has been created which outlines what is deemed as bullying, harassment, stalking and victimisation at NHS Lothian. People Management training and Equality and Diversity training is provided by HR to ensure the right action is taken by management.</p> <p>There is a Confidential Contacts scheme which staff members can approach on a confidential basis for advice and guidance as to how to deal with a particular situation.</p> <p>Various training sessions have also been delivered by HR including the 'Courage to manage' course for managers which is aimed at handling difficult conversations.</p>
<p>The Board should develop an open learning organisation rather than one based on blame.</p>	<p>Complete: An opening learning organisation can be demonstrated through a number of initiatives ongoing within NHS Lothian including the process improvements being made within SAEs and complaints restructure of quality and performance reporting, rollout of the Clinical Quality Academy. For example from a review of minutes, interaction with management and staff in our role as NHS Lothian's internal auditors we note an honest, upfront culture, and one seeking continuous improvement.</p>

C - Re-establishing trust and confidence

Recommendation	Progress Against Recommendation
<p>There should be a fundamental reappraisal of the staff survey and its purpose but in a way which engages with staff.</p>	<p>Complete: The NHSScotland Staff Survey is administered by Capita. Capita Surveys and Research are commissioned by the Scottish Government (SG) to carry out the fieldwork and analysis for the surveys.</p> <p>The question set is based on the Staff Governance Strands: staff are well informed; appropriately trained and developed; involved in decisions; treated fairly and consistently with dignity & respect in an environment where diversity is valued; and provided with a continuously improving & safe working environment, promoting the health and well-being of staff, patients and the wider community. There was an option in 2014 and 2015 to add three additional questions to the survey. NHS Lothian took up this opportunity and added three questions based on NHS Lothian values.</p> <p>The response rate over the years has been quite low with 38% staff members completing the 2015 survey (2% increase from 2014); however this response rate was equal to that of the average for NHS Boards.</p> <p>The iMatter survey is now being rolled out across NHS Lothian with the hope that a better response rate will be achieved as the survey and results will be managed at a more local level. The first cohorts identified that NHS Lothian was achieving an 82% response rate, compared to NHS</p>

	Scotland's response rate of 66%.
Whilst maintaining its compliance with the PIN Policy the Board's Dignity at Work policy should be reviewed and become the Zero Tolerance of Bullying and Harassment policy.	Complete: The Preventing and Dealing with Bullying and Harassment Policy was approved in August 2013. The purpose of the policy is to support dignity at work for all employees and to encourage an organisational culture that recognises and respects the individual and their contribution to the NHS.
The confidential contact scheme and whistle-blowing policy should be substantially redrawn and include an external helpline.	Complete: The Whistle-blowing Policy and Procedure was approved in May 2013. The purpose of the policy is to ensure employees have a proper and widely publicised procedure for voicing whistle-blowing concerns. The Freedom of Speech Policy is being reviewed to ensure the arrangements for staff to raise concerns are clear and appropriate. A Non- Executive has been appointed as the Whistle Blowing Champion. Work is currently being undertaken to develop the appropriate information on whistle blowing cases that should be brought to the Staff Governance Committee. This is reflected in the Staff Governance Committee update paper (October 2016) and associated action plan.
Confidential interviews should be held with the same managers in 6 to 9 months time to provide independent feedback on progress and the result published.	Complete: After the Bowles Report was finalised the CMT went through an individual assessment interview to discuss the concerns of the report with an external facilitator.
A form of exit interviews should be re-established.	Complete: An exit interview process was re-established per the action agreed. However, from figures obtained from HR, it was identified that there have been c.2300 leavers between January 2016 to August 2016 and in this period only 48 exit interviews conducted (2% of leavers).

D - Performance management, targets and accountability

Recommendation	Progress Against Recommendation
There should be a review of the alignment of authority and accountability throughout the organisation.	Complete: A new structure and revised management arrangements for the University Hospitals and Support Services was put in place during 2015. A decision was taken to consolidate management arrangements for Scheduled Care, Unscheduled Care and Estates and Facilities under a single Chief Officer. As part of the restructure the Board agreed to enhance Site Director roles, responsibilities and accountability to enable them to focus on: - Managing all site based acute services locally, ensuring visible management on each site with specific responsibility for clinical engagement and opportunities for local control of

	<p>estates and facilities.</p> <ul style="list-style-type: none"> - Ensuring each site played a role in managing demand across all three sites, and provide mutual aid and support as part of a single NHS Lothian University Hospitals system. - Develop relationships with primary, social and community care providers which form part of the pathway for patients. <p>To support the Site Directors, General Managers were appointed who are accountable and responsible for operational delivery. To support the General Manager, the structure includes Clinical Service Managers who are responsible for leading and managing a specific clinical team in accordance with agreed objectives, targets and governance standards.</p> <p>In addition for the new Pan-Lothian business unit for Theatres, Anaesthetics, and Critical Care the structure includes an Associate Nurse Director, Associate Medical Director, General Manager, Diagnostic Head of Service and a Theatre Manager, as well as a Clinical Nurse Manager for Theatre and Critical Care.</p>
<p>Executive Directors should be exemplars of a new style of working supporting subordinate staff and coaching and mentoring when necessary.</p>	<p>Complete: A consistent message from the interviews held was that the Executive Directors were open, honest and approachable.</p>
<p>There should be a fundamental review of the performance management arrangements.</p>	<p>Complete: In April 2015 the Board agreed that Corporate Objectives would be monitored through its committees and this approach was extended to Quality and Performance Reporting (Q&PR) metrics. There has been a realignment of Q&PR metrics to the Board Committees and reporting proformas are being refreshed.</p> <p>The purpose of this exercise is to refocus the approach to reporting of performance in line with best practice and reflecting the needs of the organisation. It is hoped that an emphasis on considering aspects of performance in the round alongside financials and quality considerations will increase the potential scrutiny of improvement actions and lessons learned from comparative performance elsewhere which will help drive strategic transformation in the organisation.</p>
<p>A more strategic one system approach should be taken to managing the 2 key access targets.</p>	<p>Complete: Standard Operating Procedures (SOP) have been developed for the Waiting Times team which document the booking and managing of waiting lists. All members of the team undertake annual SOP training on LearnPro and refresher training is delivered annually.</p> <p>Monthly audits are performed over the treatment of waiting times to ensure the right action is taken for patient cases.</p>

E - Embedding policies

Recommendation	Progress Against Recommendation
<p>Consideration should be given to simplifying and streamlining HR policies.</p>	<p>Complete: There have been developments in HR policies through the further development of HR Online. HR Online carries all policies and procedures along with template letters and additional support and guidance to assist in the</p>

	<p>application of the policies.</p> <p>HR Online includes links to HR Enquiries where staff can get help and assistance with any staff queries they may have. The website also includes a section for Support for Managers.</p> <p>NHS Lothian has been asked to demonstrate the HR Online model to a number of different Boards.</p>
A new set of organisational health indicators should be developed.	<p>Complete: Healthy Organisational Culture indicators are documented with the Human Resources and Organisational Development Strategy 2015-2018. These include commitments set out in 'Everyone Matters: 2020 Workforce Vision' which the Board must comply with and other actions which are more locally determined.</p>
Given the investment in new HR systems in Scotland consideration should be given to facilitating benchmarking initially in Scotland.	<p>Complete: NHS Lothian has signed up to use eEES. The eEES project aims to introduce a single national HR system for all boards in NHS Scotland. The system will hold and manage employment information for all staff employed by NHS Scotland's 22 Health/Special Health Boards. However this system has not yet been implemented due to various technical issues and the organisation continue to utilise Empower at present.</p> <p>NHS Lothian has become a benchmark with the developed HR Online system. NHS Lothian has shown NHS Grampian, NHS Greater Glasgow & Clyde, NES, NHS Borders, NHS Dumfries and Galloway, Golden Jubilee National Hospital and Edinburgh City Council the system as an example of best practice.</p>
Discussions should be held between the Board and IIP to assess progress on the themes and issues highlighted in its summary report to assist the change programme and facilitate re-accreditation.	<p>Complete: The organisation was reaccredited with the Investors in People (IIP) status in 2014. NHS Lothian is the largest organisation in Scotland to achieve the IIP Award.</p>

F - Risk and reputation

Recommendation	Progress Against Recommendation
Consideration should be given to establishing a corporate monitoring team to assist in ensuring continuing organisational health.	<p>Complete: The Staff Governance Committee has taken on the role of the 'corporate monitoring team'. The Committee receives minutes from its sub-committees regarding matters on staff/organisational health and links in with the Partnerships. In addition the Committee are responsible for monitoring the Staff Governance Action Plan.</p>
The Board should clearly define its expectations of its Directors with regard to organisational culture.	<p>Complete: The Board should act in line with NHS Lothian 'Our Values into Action. Whilst the Board's Code of Conduct does not make specific reference to the organisation's values, it does layout the key principles which include selflessness, integrity, objectivity, honesty, accountability, openness, leadership and respect, which are in line with the organisation's values.</p> <p>The feedback from interviewees was that there is open and honest interaction and they feel they are being treated with dignity and respect by Directors.</p> <p>In addition the expectation for Directors is also incorporated</p>

	into the individual objective setting and appraisal process.
During the current refreshment of the HR and OD strategy staff engagement should be at the centre.	<p>Complete: The HR & OD Strategy 2015-2018 highlights that the cornerstone of employee relations in the NHS in Scotland is to work in partnership with the trades unions/professional organisations. There is commitment from NHS Lothian to continue to work with staff-side colleagues to ensure that the partnership ethos is understood by all. The strategy was also subject to consultation and has the support of the Lothian Partnership Forum.</p> <p>The Partnership Arrangements have been reviewed at NHS Lothian, after the DJ Bowles Report and again during 2016. An additional local Partnership has been added within Theatres, Anaesthetics and Critical Care.</p> <p>The Local Partnership Forums feed into the Lothian Partnership Forums and Partnership representatives are involved in service change discussions and are members of the Workforce Organisational Change and Efficiency and Productivity Groups.</p> <p>There is also an implemented Internal Communication Strategy to increase staff engagement.</p>
The Interim Chief Executive, as a matter of urgency, should review guidelines and parameters within which staff are working in UHD during the recovery phase and beyond.	<p>Complete: A restructure of the University Hospital Division took place during 2015. Please see Section D Performance Management, Targets and Accountability.</p>
Any review of the engagement strategy should also focus on doctors.	<p>Complete: The Clinical Quality Academy has been introduced to engage with Clinicians across NHS Lothian and to drive through quality and process improvements through joint discussions. As part of the Clinical Quality Academy, Clinical Forums have been set up.</p>

G - Mapping the future

Recommendation	Progress Against Recommendation
The Board should either continue with and embed its "top 25" aspiration or replace it.	<p>Complete: The aspiration to achieve the "top 25" was replaced by NHS Lothian's Clinical Strategy and agreed values.</p>

Appendix 1 - Definition of Ratings

Management Action Ratings

Action Ratings	Definition
Critical	The issue has a material effect upon the wider organisation – 60 points
Significant	The issue is material for the subject under review – 20 points
Important	The issue is relevant for the subject under review – 10 points
Minor	This issue is a housekeeping point for the subject under review – 5 points

Control Objective Ratings (not applicable for this review as only one control objective)

Action Ratings	Definition
Red	Fundamental absence or failure of controls requiring immediate attention (60 points and above)
Amber	Control objective not achieved - controls in place are inadequate or ineffective (21 – 59 points)
Green	Control objective achieved – no major weaknesses in controls but may be scope for improvement (20 points or less)