

Internal Audit



NHS Lothian

Theatres Improvement Programme

April 2019

Internal Audit Assurance Assessment:

Objective One	Objective Two	Objective Three	Objective Four	Objective Five	Objective Six
Limited Assurance	Significant Assurance	Significant Assurance	Moderate Assurance	Significant Assurance	Moderate Assurance

Timetable

Date closing meeting held: 21st March 2019

Date draft report issued: 26th March 2019

Date management comments received: 18th April 2019

Date Final report issued: 18th April 2019

Date presented to Audit and Risk Committee: 29th April 2019

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1. Introduction

- 1.1 Set out within NHS Lothian’s 2017-18 Local Delivery Plan, is the need for NHS Lothian to ensure theatre performance is “best in class”. To achieve this, a pan-Lothian Theatres Improvement Programme (TIP) was developed to improve patient safety and performance against a number of efficiency indicators within theatres.
- 1.2 The TIP aims to tackle the long-term challenges of rising demand, raising costs and limited resources in healthcare through improving the use of theatres, quality and patient experience and reducing inefficiencies, whilst improving the overall working environment for staff.
- 1.3 Several project workstreams are categorised under the TIP, developed to address conclusions from a Deloitte report, published in August 2015, commissioned by the Finance and Resources Committee as part of a wider piece of work to identify potential efficiency opportunities within NHS Lothian. These workstreams included:
- Workforce
 - Pre-Operative Assessment
 - Booking and Scheduling
 - Working Day
 - Hospital Sterilisation and Decontamination Unit (HSDU)

With two additional workstreams falling under the Scotland Patient Flow Analysis (ScotPFA):

- Right-sizing emergency theatres (RET)
 - British Association of Day Surgery (BADS)
- 1.4 In November 2018, a decision was taken by the Programme Board to streamline the TIP workstreams to focus only on theatre related improvements. The following workstreams now make up the ongoing work of the TIP (with the recognition that the ‘Workforce’ workstream is completed):
- Booking and Scheduling
 - Right-sizing emergency theatres (RET)
 - British Association of Day Surgery (BADS)
 - Red Light Reporting

The new approach also includes the dovetailing of work through the Delivering for Patients (DfP) Group and the introduction of joint action plans which will allow collaboration between surgical specialties and the TIP.

Scope

- 1.5 As part of the audit we reviewed the control framework in place for a sample of workstreams comprising the TIP, including how these are influenced by, or contribute to other areas or initiatives within and out with NHS Lothian. Our work included the design and operation of the controls established across the three main acute sites, identifying areas of good practice which could be shared as well as highlighting any inconsistencies. In recognition of recent changes to the TIP scope, an assessment was made on how the new approach will deliver on the TIP objectives and required efficiencies. Please see Appendix 1 for a complete listing of documents reviewed and staff consulted during the audit.

Acknowledgements

- 1.6 We would like to thank all staff consulted during this review for their assistance and cooperation.

2. Executive Summary

Summary of Findings

2.1 The table below summarises our assessment of the risks and the adequacy and effectiveness of the controls in place to meet each of the risk areas agreed for this audit. Definitions of the ratings applied to each action are set out in Appendix 2.

No.	Control Objective	Control objective assessment	Number of actions by action rating			
			Critical	High	Medium	Low
1	An appropriate project management framework is defined and established	Limited Assurance		1	1	1
2	Key responsibilities are defined and allocated	Significant Assurance			1	
3	Management have approved the implemented projects	Significant Assurance			1	
4	Key project stages and deliverables are identified and monitored	Moderate Assurance			1	1
5	Management are provided with adequate, timely and accurate information on project progress	Significant Assurance				
6	The new direction of the TIP will deliver the TIP objectives and required efficiencies	Moderate Assurance			1	
TOTAL			-	1	5	2

Conclusion

2.2 The review comprised of six control objectives, of which three received Significant Assurance, with two control objectives receiving Moderate Assurance and one receiving Limited Assurance.

2.3 Since its introduction, the TIP has struggled to implement the desired efficiencies due to sub-optimal stakeholder engagement, lack of ownership and accountability and difficulty in achieving a culture shift. This has led to a slow pace of change and little progress against initial plans being made over the past 3 years.

- 2.4 This has been recognised by the TIP and changes to the project approach implemented as a result. The changes implemented have been supported by changes to governing documents, action plans and reporting, however these could be further enhanced as documented in our findings.
- 2.5 Despite the changes made, there remains a risk that culture and lack of engagement will continue to negatively impact the success of the TIP. The importance of using the Delivering for Patients (DfP) forum and a requirement for escalation and intervention from senior management and has been reflected in a recommendation at Finding 1.1 and Finding 1.2 within our Action Plan. Consequently, this risk has impacted the assurance we are able to provide to Control Objective 6.

Main findings

- 2.6 The TIP was approved in April 2016 with the project forecasting efficiency savings of £3.1 million by October 2018. Since its implementation the TIP has achieved some successes related to improved compliance and upgrading HSDU equipment, however, only an estimated £78,480 of recurring efficiency savings have been achieved to date.
- 2.7 The TIP has reflected on their progress to date and performed a lessons learned exercise to inform them on how the project should be shaped going forwards. On review of this we have determined that the approach is sensible but should be monitored going forwards. This includes removing the HSDU workstream to form its own programme board and recognising the workforce initiatives are better addressed locally by corporate management teams.
- 2.8 In addition to the above changes, the TIP has implemented joint action plans as a method to combat poor stakeholder engagement and accountability, dovetailing with the work of the Delivering for Patients (DfP) Group. Given that stakeholder and accountability are imperative to the success of TIP, both the joint action plans and the relationship between the TIP and DfP require ongoing monitoring to ensure these are fit for purpose and are enabling the required results.
- 2.9 On review of project implementation documentation, the TIP had the appropriate documentation in place for its approval, however, aspects of these need to be revised for the new TIP such as forward look of project deliverables and an overall exit strategy for the TIP project team. In addition, the suite of data used by the TIP are not being taken advantage of for reporting to both the Acute SMG and Programme Board, which could be enhanced with progress against target metrics and target milestones.
- 2.10 The main challenge for the TIP and now the DfP remains their ability to engage stakeholders, hold people to account and to drive the changes required forwards. A clear message from the Acute senior management team is required to drive a change in culture forward and for the TIP to achieve its objectives, as reflected in Finding 1.2.

3. Management Action Plan

Control objective 1: An appropriate project management framework is defined and established	
<p>1.1: The Delivering for Patients (DfP) Group have not formally recognised their commitment to the TIP in their terms of reference and this relationship should be closely monitored.</p>	<p>High</p>
<p>Background:</p> <p>In recognition that the TIP was not progressing as quickly as intended due to sub-optimal stakeholder engagement, the TIP have decided to dovetail its work with the DfP. The changes made to the TIP is intended to let it become a forum for collaborative working between theatres and surgical specialities and the mechanism for driving improvement work will mirror the existing DfP, with joint action plans being put in place between acute staff and TIP members. This approach requires input from both the DfP and TIP Boards, with the TIP being responsible for the production of toolkits and supporting joint action plans and the DfP monitoring progress against joint action plans and holding responsible individuals to account.</p> <p>Observation and Risk:</p> <p>Despite this change to approach being approved by the Acute SMG in December 2018, there has not yet been an agreed joint action to commence this work and few DfP meetings.</p> <p>It was noted that, although the dovetailing approach of the DfP and TIP has been approved by the Acute SMG, and is recognised within the TIP terms of reference, the DfP have not yet recognised their commitment to the TIP in their own governing documents. Without this, there is a risk that the DfP will not drive forward the collaborative joint action plans as envisaged by the TIP.</p> <p>In addition, there is a risk that the planned ‘dual’ relationship may result in duplicated reporting and lack of clarity over who has ultimate decision-making powers and accountable for delivery of the joint action plans.</p>	
<p>Recommendation:</p> <p>The DfP should update their terms of reference to recognise their commitment to the TIP.</p> <p>Given the importance of this relationship to driving progress of the TIP, the TIP and DfP should closely monitor the relationship to ensure it is fit for purpose as it becomes more established, including delays to project progress and the introduction of joint action plans.</p>	
<p>Management Response: Recommendation accepted. Relationship between TIP and DfP developing.</p>	
<p>Management Action: Liaise with DfP chair to confirm TOR reflects new relationship with TIP.</p>	
<p>Responsibility: TIP Programme Board</p>	<p>Target date: May 2019/Ongoing</p>

Control objective 1: An appropriate project management framework is defined and established	
1.2: A culture change is required to address variable engagement in the TIP, supported by escalation to and intervention from senior management.	Medium
<p>Background:</p> <p>The TIP was approved in April 2016 with the project forecasting efficiency savings of £3.1 million by October 2018. Since its implementation the TIP has achieved some successes related to improved compliance and upgrading HSDU equipment, however, an estimated £78,480 of recurring efficiency savings have been achieved to date, representing only 2.5% of the original target.</p> <p>The TIP Board reports to Acute SMG and the Sustainability and Value Group on a rostered basis, providing update reports agreed by the Programme Board.</p> <p>Observation and Risk:</p> <p>There is evidence that the TIP has succeeded when buy-in from clinical staff has been achieved. The Right Sizing Emergency Theatres workstream achieved savings of £42,240 during a period of test for change as a result of increased patient throughput. However, these savings were not sustained after a handover to site management.</p> <p>NHS Lothian have demonstrated its ongoing commitment to the TIP with the Acute SMG and Sustainability and Value Group recently approving its new direction and associated ongoing resources. However, there remains to be little incentive for clinical staff to change their current practices and a culture shift is required to drive change forward and achieve targets. The programme could benefit from the Acute Senior Management Team (SMT) intervening and acting where objectives are not being achieved. Without this, it is unlikely that the TIP new direction and associated recommendations within this report will address the key issue affecting the success of the TIP.</p>	
<p>Recommendation:</p> <p>A clear message from the Acute SMT is required to drive a change in culture forward and for the TIP to achieve its objectives. A clear and timely escalation process should be established to address difficulties encountered by the TIP and DfP, with subsequent intervention from the corporate management team. This could be supported by the Acute SMG forum, but would require more regular interaction with the TIP Board/Chair.</p>	
<p>Management Response: Recommendation accepted. Variable engagement and active resistance to change has impacted on TIP ability to deliver.</p> <p>Management Action: Monthly update to Acute SMG confirming achievements against action plan and issues requiring escalation/support communicated to Acute SMT as required.</p>	
Responsibility: Acute SMG/TIP Board	Target date: Ongoing

Control objective 1: An appropriate project management framework is defined and established	
1.3: Change management procedures are not defined within the TIP	Low
<p>Terms of Reference</p>	
<p>Background:</p> <p>There is currently no defined change management process in place for approving changes to the TIP at both a workstream and programme level.</p> <p>Observation and Risk:</p> <p>Through our review of documented we noted that changes to the TIP, including the HSDU and Pre-Operative Assessment workstreams, were made before approval was sought from the Acute SMG. These changes were reported to the Acute SMG retrospectively. There is a risk that without a defined change management procedure, changes to action plans and project or programme approach will occur without appropriate approval. This may also reduce the ability of the to hold people to account, if changes can be made without prior approval.</p> <p>Recommendation:</p> <p>The TIP should define the change management process for approving changes to joint action plans, TIP workstream approach and overall programme approach, recognising that these should be flexible enough to prevent delays to project progress.</p> <p>Management Response: Recommendation accepted.</p> <p>Management Action: Agree formal process to seek approval from Acute SMG before significant change made to project approach</p>	
Responsibility: TIP programme board	Target date: May 2019

Control objective 2: Key responsibilities are defined and allocated	
2.1: Joint Action plans, including interdependencies, should be closely monitored to ensure accountability against targets is maintained.	Medium
<p>Background:</p> <p>As noted above, the TIP has struggled to progress as quickly as intended due to lack of engagement from key stakeholders including clinical service managers (CSMs), general managers (GMs) and acute staff. In addition, interdependencies such as available beds, preparation of surgical kits and staffing levels, have been an issue for theatre improvements throughout the programme.</p> <p>Observation and Risk:</p> <p>Our review identified that stakeholder engagement has been a key reason for the slow progress of the TIP. Recognising this, the TIP has implemented joint action plans with service providers to ensure there is accountability of delivery against target. However, lack of accountability remains a risk to the progress of the TIP.</p> <p>The joint action plans take interdependencies into account for each improvement action with consideration of how these risks can be mitigated. However, a risk remains that these can be used as justifications for lack of progress and, therefore, monitoring against their mitigation is imperative to the TIP success.</p>	
<p>Recommendation:</p> <p>Recognising that the joint action plans are key to the success of the TIP, these need to be closely monitored going forwards and a process should be in place to ensure accountability against these is maintained. If there are any slippages against progress, these need to be escalated quickly with individuals being held to account as per the recommendation at Finding 1.2.</p> <p>In addition, the joint action plans require a more detailed consideration of interdependencies and how risks can be mitigated with an escalation procedure in place, as per Finding 1.2, if additional resources or input is required to address these.</p>	
<p>Management Response: Lack of engagement and interdependencies have affected speed of change. The HSDU project stream required significantly more resource than anticipated and minutes of programme board highlight the inequitable focus between the work streams and delayed start-up of the Booking and Scheduling workstream.</p> <p>Management Action: TIP programme board approve action plans, ensuring interdependencies identified early and objectives realistic and measurable.</p>	
Responsibility: TIP Programme Board	Target date: June 2019

Control objective 3: Key project stages and deliverables are identified and monitored	
3.1: A revised project timeline, with corresponding resource implications should be produced	Medium
<p>Background:</p> <p>When the TIP was approved in April 2016, the associated project documentation set out project milestones and key deliverables to be achieved, with the project expecting to be completed by October 2018, and resources were approved on this basis.</p> <p>Observation and Risk:</p> <p>As the TIP did not reach completion by October 2018, the TIP remains an ongoing project. The TIP, therefore, need to consider what their revised project milestones are and the target delivery dates for these. Without this in place, it would not be possible to hold people to account for achievement of targets and there is a risk that project slippage would continue.</p> <p>More recently, additional project management resources of £155,000 have been approved by the Sustainability and Value Group, however without a full project plan in place it is not clear if these resources align to the project need.</p>	
<p>Recommendation:</p> <p>The TIP should prepare and approve a revised project timeline which includes project milestones and target delivery dates.</p> <p>Following this, resources these should be forecast against the delivery plan to establish what the medium-term financial implications for the project are.</p>	
<p>Management Response: Recommendation accepted</p> <p>Management Action: Review TIP timeline</p>	
Responsibility: TIP Board	Target date: June 2019

Control objective 4: Key project stages and deliverables are identified and monitored	
4.1: Reporting both to the TIP Board and Acute SMG requires improvement, including monitoring against specific targets, in order to demonstrate progress or lack of progress and improve accountability	Medium
<p>Background:</p> <p>The TIP Board receives monthly highlight reports from individual project streams to inform them of progress against targets.</p> <p>The TIP Board report to the Acute SMG on a rostered basis, presenting overall progress against targets.</p> <p>Alongside the monthly highlight reports presented to the TIP Board, action plans are presented to allow for monitoring of progress. The action plans include key actions required by the TIP team to address barriers to project success and drive forward progress.</p> <p>Observation and Risk:</p> <p>On review of the information presented, to both the Acute SMG and Programme Board, it was noted that there is detailed narrative on project progress but no reporting against specific milestones or targets. Without reporting against these key outcomes, it is difficult to assess project success, drive project progress and ensure accountability can be held. Reporting of slippage against targets would additionally help to highlight blockers and/or issues and highlight areas which need to be addressed and/or escalated.</p> <p>The action plans presented at each TIP Board meeting do not include a ‘due date’ on them, which risks that people are not held to account for their responsible action and an overview of progress against actions is not able to be made.</p>	
<p>Recommendation:</p> <p>Reporting should be improved by including monitoring against specific outcomes such as project milestones and targets. Lack of progress against targets should be considered for escalation and an escalation procedure for addressing these should be put in place.</p> <p>A due date should be included against each action within the action plan so that the owner of that action can be held to account for its delivery and barriers to progress can be identified so that appropriate escalation can occur.</p>	
<p>Management Response: Recommendation accepted</p> <p>Management Action: Leading on from reviewed TIP timeline, monthly reports to TIP programme board require to report on delivery of updated action plans which include realistic timeframes and due dates</p>	
Responsibility: TIP Board	Target date: July 2019

Control objective 4: Key project stages and deliverables are identified and monitored	
4.2: Project closure/lessons learned documentation is not available for the Pre-Operative Assessment workstream	Low
<p>Background:</p> <p>One of the original TIP workstreams was Pre-Operative Assessment at both the Royal Infirmary Edinburgh (RIE) and the Western General Hospital (WGH). This workstream has been passed over to the Short Stay Elective Programme as it was deemed this linked more closely to their work and did not relate directly to theatre efficiency and productivity.</p> <p>Observation and Risk:</p> <p>Despite the Service Director for Diagnostics, Anaesthetics, Theatres and Critical Care (DATCC) attending Shot Stay Elective Programme meetings, the process of handing this workstream over could have been enhanced by the production of a lessons learned and/or handover document to inform the group of progress to date, barriers to implementation and other knowledge gained from the project team.</p>	
<p>Recommendation:</p> <p>A project closure document should be prepared for the Pre-Operative Assessment workstream which outlines lessons learned and key barriers to success. This should be performed for any future changes in responsibility of workstreams.</p>	
<p>Management Response: Recommendation accepted</p> <p>Management Action: Generate project closure documents for POA. Develop template for closure/completion of work stream.</p>	
Responsibility: TIP, POA project leads	Target date: June 2019

Control objective 5: Management are provided with adequate, timely and accurate information on project progress

We identified no significant issues in relation to this control objective which have not been highlighted through our other findings.

As noted above, there is regular reporting upwards to the Programme Board in line with what is set out in the TIP terms of reference. The TIP has access to a full suite of dashboards which show data from acute sites, surgical specialities and at a consultant level. These have been designed to align to the TIP key performance indicators of cancellations, % throughput, length of stay, among others.

Control objective 6: The new direction of the TIP will deliver the TIP objectives and required efficiencies	
5.1: An exit strategy for the TIP should be developed with the TIP focusing on the production of toolkits as per the revised approach	Medium
<p>Observation and Risk:</p> <p>There is currently no exit strategy in place for the TIP considering how it will withdraw its resource from the project once deliverables are achieved. Given that the new direction of the TIP is focused on the production of toolkits, with delivery sitting with the DfP, this should be achievable.</p> <p>There is a risk that without an exit strategy the TIP team will be not know how to scale back or stop their input even after their deliverables have been achieved. This would result in ongoing resource requirements and ineffective handovers to other teams.</p>	
<p>Recommendation:</p> <p>The TIP Board should develop and exit strategy which should consider at what point the TIP can be scaled back and/or stopped as well as the strategy for handing over work to ensure toolkits are used as intended.</p>	
<p>Management Response: Recommendation accepted</p> <p>Management Action: TIP will develop an exit strategy considering how work will be stopped and/or scaled back for all projects. This will be done on completion of the revised TIP timeline</p>	
Responsibility: TIP Board	Target date: August 2019

4 Appendix 1 – Staff Involved and documents reviewed

Staff Involved

- Service Director for DATCC
- Associate Nurse Director - RIE
- General Manager - RIE
- Senior Project Manager

Documents Reviewed

- Deloitte – Theatres Review Report September 2015
- TIP Terms of Reference (Original and new version)
- Presentation on Dovetailing DfP and TIP Boards
- SMT Paper on new TIP Direction
- TIP Programme Brief
- TIP Business Case
- TIP Approach and Board Format Presentation
- TIP Communication Plan
- Project briefs for all workstreams
- Workforce stream closure documentation
- Sample of TIP Board agendas
- Sample of TIP Board minutes
- Sample of TIP Board action plans
- Sample of highlight reports presented to monthly TIP meeting
- Presentation to S&V Group on savings (22nd Oct 2018)
- Sample of Acute SMG minutes from meetings
- ScotPFA NHS Board participation agreement
- Sample of quarterly ScotPFA update reports
- NHS Scotland Efficiency and Productivity Programme Reports
- NHS Lothian Local Delivery Plan 2017-18
- Minutes from Acute Hospitals Committee 1st March 2016

5 Appendix 2 - Definition of Ratings

Findings and management actions ratings

Finding Ratings	Definition
Critical	A fundamental failure or absence in the design or operating effectiveness of controls, which requires immediate attention
High	A key control failure has been identified which could be either due to a failure in the design or operating effectiveness. There are no compensating controls in place, and management should aim to implement controls within a calendar month of the review.
Medium	A control failure has been identified which could be either due to a failure in the design or operating effectiveness. Other controls in place partially mitigate the risk to the organisation, however management should look to implement controls to fully cover the risk identified.
Low	Minor non-compliance has been identified with the operating effectiveness of a control, however the design of the control is effective

Report ratings and overall assurance provided

Report Ratings	Definition	When Internal Audit will award this level
No assurance	The Board cannot take any assurance from the audit findings. There remains a significant amount of residual risk.	The controls are not adequately designed and / or operating effectively, and immediate management action is required as there remains a significant amount of residual risk (for instance one Critical finding or a number of High findings)
Limited assurance	The Board can take some assurance from the systems of control in place to achieve the control objective, but there remains a significant amount of residual risk which requires action to be taken.	<p>This may be used when:</p> <ul style="list-style-type: none"> There are known material weaknesses in key control areas. It is known that there will have to be changes that are relevant to the control objective (e.g. due to a change in the law) and the impact has not been assessed and planned for. <p>The controls are deficient in some respects and require management action (for instance one ‘high’ finding and a number of other lower rated findings)</p>
Moderate assurance	<p>The Board can take reasonable assurance that controls upon which the organisation relies to achieve the control objective are in the main suitably designed and effectively applied.</p> <p>There remains a moderate amount of residual risk.</p>	<p>In most respects the “purpose” is being achieved. There are some areas where further action is required, and the residual risk is greater than “insignificant”.</p> <p>The controls are largely effective and, in most respects, achieve their purpose with a limited number of findings which require management action (for instance a mix of ‘medium’ findings and ‘low’ findings)</p>
Significant assurance	<p>The Board can take reasonable assurance that the system(s) of control achieves or will achieve the control objective.</p> <p>There may be an insignificant amount of residual risk or none at all.</p>	<p>There is little evidence of system failure and the system appears to be robust and sustainable. The controls adequately mitigate the risk, or weaknesses are only minor (for instance a low number of findings which are all rated as ‘low’ or no findings)</p>