

NHS Lothian

COMPLAINTS MANAGEMENT
INTERNAL AUDIT REPORT -
FINAL

JANUARY 2026



LEVEL OF ASSURANCE:

DESIGN	SUBSTANTIAL
EFFECTIVENESS	MODERATE

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The matters raised in this report are only those which came to our attention during our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX II FOR DEFINITIONS)		
DESIGN	SUBSTANTIAL	There is a sound system of internal control designed to achieve system objectives.
EFFECTIVENESS	MODERATE	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
SUMMARY OF FINDINGS (SEE APPENDIX II)		
H	0	
M	1	
L	1	
TOTAL NUMBER OF FINDINGS: 2		

PURPOSE

The Complaints Management Internal Audit aimed to provide assurance to management and the Audit and Risk Committee that the controls in the following areas were well designed and operated effectively: Process Communication, Recording and Handling of Complaints, Complaint Resolution, Root Cause Analysis and Lessons Learned, and Oversight and Reporting.

BACKGROUND (Further detail at Appendix I)

It was agreed as part of the 2025-26 Internal Audit Plan that Internal Audit would conduct a review of the arrangements around Complaints Management at NHS Lothian (NHSL).

NHS Lothian has developed a framework for managing patient experience and complaints handling. The Patient Experience Team (PET), comprised of 24 Whole Time

Equivalents (WTE) oversees the complaints process. The Executive Nurse Director holds overall responsibility, and the service responsibility is part of the Nurse Director (Corporate Nursing)'s portfolio.

The NHS Lothian Complaints Toolkit (accessible via the intranet), developed by the PET, provides guidance on handling complaints, including early resolution, investigation, and external review by the Scottish Public Services Ombudsman (SPSO). It defines roles and responsibilities and includes templates and flowcharts to streamline the process, ensuring alignment with the SPSO Model Complaints Handling Procedure (MCHP). NHS Lothian's "Feedback and Complaints" booklet outlines patient rights and the three-stage complaints procedure. Feedback can be submitted via writing, phone, email, or online form, requiring patient consent if submitted on behalf of someone else.

New staff within the PET undergo e-learning modules on TURAS covering feedback and complaints; and presentations are provided as and when needed to business units and clinical services. One-off complaints handling training is available as a sign-up option on the intranet, though it is not mandatory for all staff members.

All complaints are logged into the Datix system and categorised as Stage 1, Stage 2, or Stage 3 (SPSO cases). Stage 1 complaints are targeted for resolution within 5 days whereas stage 2 are targeted for resolution within 20 days. Executive Directors, Site Directors, and Health & Social Care Partnership (HSCP) Chief Officers oversee policy implementation, complaint investigations, and sign off on final response letters.

NHSL monitor performance against Key Performance Indicators and facilitate learning from complaints. They have been investigating the use of AI tools to analyse complaints for themes and, following a six-week pilot project with an AI partner, will continue to utilise AI in this way. The Nursing and Midwifery Care Assurance Oversight Board (NMCAOB) reviews lessons learned from complaints and the SPSO every six weeks. Outcomes are reported annually to Healthcare Governance Committee.

CONCLUSION

NHS Lothian demonstrates good practices in managing its complaints operations, with a clear and structured Complaints Toolkit that provides comprehensive guidance for staff. This toolkit ensures clarity in roles and responsibilities and is accessible via the intranet, helping staff navigate the complaints process efficiently. Our testing over a sample of 15 stage 2 complaints found that these were consistently handled in line with the procedure. Additionally, the PET offers various training sessions to enhance business units and clinical services staff skills in handling complaints, ensuring that they are equipped to manage feedback effectively. The use of AI tools for thematic analysis and the regular reviews by the Nursing and Midwifery Care Assurance Oversight Board highlight a proactive approach to learning from complaints. The comprehensive reporting system, including weekly, monthly, and annual reports, ensures accountability and continuous improvement. By inviting feedback through surveys and incorporating it into annual reports, NHS Lothian demonstrates a commitment to refining its processes and enhancing patient care.

Whilst we noted sound arrangements in place, there are some opportunities present for improvement. We identified one finding of medium significance and one of low significance. Firstly, NHS Lothian's assessment of complaints handling revealed that out of 15 stage 1 complaints reviewed, 13 (86.7%) were resolved satisfactorily and promptly. However, two (13.3%) complaints were unsatisfactory due to delays caused by staff shortages, missing documentation of the reasons for delays, and a lack of communication about the delays to the complainant. For stage 3 complaints, nine (90%) out of 10 SPSO cases were resolved satisfactorily, with one (10%) minor exception due to a two-day delay in closing recommended actions. Secondly, the NHS Lothian Complaints Toolkit version control does not capture the date of the next required review.

As a result of our review, we can provide substantial assurance over the design and moderate assurance over the operational effectiveness of controls in place to manage complaints within NHS Lothian.



EXECUTIVE SUMMARY

SUMMARY OF GOOD PRACTICE

During the course of our review, we identified a number of areas of good practice:

Process Communication:

- The NHS Lothian Complaints Toolkit is designed to assist staff in handling complaints. It provides comprehensive guidance in line with SPSO MCHP on the complaints process, including early resolution, investigation, and external review by the SPSO. It includes templates and flowcharts to streamline the process. The toolkit is accessible via the intranet.
- NHS Lothian ensures clarity in roles and responsibilities through its Complaints Toolkit, which outlines the duties of the Board's Chief Executive, Executive Directors, Site Directors, Health & Social Care Partnership (HSCP) Chief Officers, Investigation Commissioners, and the PET.
- Interviews with key staff members in Complaints Management highlighted their understanding of roles and responsibilities.
- NHS Lothian has a booklet titled "Feedback and Complaints" on its public website, outlining the Charter of Patient Rights and Responsibilities, which includes the right to provide feedback and have complaints addressed. It details how feedback can be given through various channels and explains the complaints procedure
- NHS Lothian has a section on its public website titled "Patient Experience Team - Tell us about your experience - Your Rights & Privacy," demonstrating its commitment to quality care. The NHS Lothian Complaints Handling Procedure is also available on its public website, demonstrating a structured process for making complaints.
- PET offers various educational presentations and training sessions to Business Units and Clinical Services. These include complaints training, call handling for administrative staff, and managing SPSO cases.

Complaint Management System:

- During testing, we selected samples of Stage 1 complaints, Stage 2 complaints and Stage 3 escalations. As part of sample assessments, we found that for all 15 Stage 2 Complaints sampled (out of a total population of 2,046 Stage 2 complaints in the last 12 months) NHS Lothian demonstrated good practice by recording all relevant documentation on the Datix system, resolving complaints satisfactorily and in a timely manner, appropriately signing off and communicating the final outcome to the complainant according to the procedure. For Stage 3 SPSO cases, all 10 complaints selected for review had relevant documentation stored.

Thematic Analysis and Lessons Learned:

- NHS Lothian has implemented an approach to analysing complaints for themes, utilising artificial intelligence (AI) tools. The Nursing and Midwifery Care Assurance Oversight Board (NMCAOB) informally reviews lessons learned from complaints and the SPSO every six weeks. Outcomes from these reviews are reported annually to Healthcare Governance Committee, focusing on quality assurance, learning opportunities, and the implementation of changes.
- There are quarterly reviews of shared learning at the service level, along with action logs that record the implementation date to ensure these learnings are put into practice for enhancing patient care and safety, and to monitor progress against actions taken to address identified issues, ensuring continuous improvement and accountability.
- We found that NHS Lothian's annual performance report to the Healthcare Governance Committee aligned with the SPSO MCHP requirements. It includes comprehensive updates on patient experience, service improvements, complaint trends, feedback, staff training, complaint benchmarks, closure rates, outcomes, resolution times, compliance with timescales, and authorised extensions; emphasising the importance of learning from complaints to enhance services. The report also captures changes made in response to specific complaints, such as updating appointment reminder texts and improving medication administration procedures.
- NHS Lothian conducts surveys after sending response letters for Stage 2 complaints, inviting feedback through QR codes and paper forms. This feedback, logged on the Datix system, covers various aspects of the complaint experience and is included in the annual report for the Healthcare Governance Committee.

Oversight and Reporting:

- NHS Lothian has established a comprehensive reporting system for managing patient complaints, which includes weekly, monthly, and annual reports. PET sends weekly reports to all business units and clinical services, urging prioritisation of cases and advising on sending explanation letters if deadlines cannot be met. Monthly reporting is conducted by the PET using the Datix system. The reports are reviewed and discussed by business units during their meetings, allowing each unit to address specific needs and issues relevant to their services. Annual reporting to the Healthcare Governance Committee takes place as described above.



EXECUTIVE SUMMARY

SUMMARY OF FINDINGS

Notwithstanding the areas of good practice identified, we also identified opportunities for improvement, which are summarised below:

- ▶ **Assessment of Recording and Handling of Complaints** - In our sample assessment, we reviewed 15 stage 1 complaints from a total of 1,740 over the past 12 months, noted that 13 (86.7%) were resolved satisfactorily and promptly. Two (13.3%) were unsatisfactory due to delays caused by staff shortages, missing documentation of the reasons for delays, and a lack of communication about the delays to the complainant. For stage 3 complaints, we examined 10 SPSO cases, noting that 9 (90%) were resolved satisfactorily, with one (10%) minor exception due to a two-day delay in closing action recommendations.
- ▶ **Documentation Control Gap in the NHSL Complaints** - The NHS Lothian Complaints Toolkit does not document the date of next review in its version control.

DETAILED FINDINGS



DETAILED FINDINGS

RISK: IF THE BOARD DOES NOT CONSISTENTLY FOLLOW EACH STEP OF THE COMPLAINTS PROCESS OR PROACTIVELY ADDRESS RECURRING DELAYS, IT RISKS NON-COMPLIANCE WITH REQUIRED TIMEFRAMES, DIMINISHED COMPLAINANT TRUST, AND INCREASED SCRUTINY OR REPUTATIONAL DAMAGE FROM REGULATORS.

FINDING 1 - Assessment of Recording and Handling of Complaints			TYPE
<p>It is important that the NHS Lothian consistently follows each step of the complaints process in line with the SPSO MCHP, proactively addresses recurring delays, and effectively communicates outcomes to ensure compliance with required timeframes. This approach helps prevent incomplete or delayed resolutions, thereby maintaining trust with complainants.</p> <p>As part of the sample assessment, we selected 15 stage 1 complaints out of 1,740 from the last 12 months for our review. We reviewed the 15 complaints and found that all had the relevant documentation available on the Datix system. Out of these, 13 (86.7%) complaints were resolved satisfactorily and in a timely manner. However, two (13.3%) complaints were unsatisfactory.</p> <ul style="list-style-type: none"> Complaint ID 91340, received on 20 November 2025, experienced a delay of 15 working days in being closed on the Datix system. The delay was due to the Early Response Letter not being signed off promptly. Although the response was due by 26 November 2025, it was completed on 16 December 2025 because the reviewing manager was sick and unable to sign off. Despite this, the service called the complainant on 21 November 2025, the same day the PET emailed them, and the complaint was closed as upheld on that date. For complaint ID 90641, there was a delay in responding, as the complaint was supposed to be resolved by 30 September 2025 but was addressed on 13 October 2025, resulting in a delay of four working days beyond the five additional days as per the procedure. The reason for the delay is not noted in the correspondence available on the Datix system. <p>Regarding the SPSO cases (stage 3 complaints), we selected five open cases from a total of 183 open cases and five cases from the 12 closed SPSO cases from the last 12 months. Upon review, we noted that all 10 (100%) complaints reviewed had all the relevant documentation stored on the Datix system, and nine (90%) were satisfactorily resolved in a timely manner. However, there was one (10%) minor exception noted in complaint ID 70644, where there was a delay of two working days in closing off the action recommendations from the SPSO by the NHS Lothian service. The service was supposed to close the action by 31 October 2025, but it was closed off on 04 November 2025 due to significant pressures experienced by the respective service.</p>			<p>EFFECTIVENESS</p> 
<p>IMPLICATION</p> <p>There is a risk that delays and communication gaps in handling complaints could lead to decreased complainant satisfaction and trust in the complaint management process leading to non-compliance with the SPSO MCHP. Additionally, the pressures faced by services in closing SPSO action recommendations may further exacerbate these issues, potentially impacting the overall effectiveness of complaint resolution.</p>			<p>SIGNIFICANCE</p> <p>MEDIUM</p>
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
<p>We recommend that NHS Lothian's business units and clinical services assign a secondary reviewer or manager, or establish a point of escalation, who can step in to sign off if the primary reviewer is sick or unavailable.</p>	<p>Associate Nurse Director (Patient Experience)</p>	<p>Accepted</p> <p>The secondary reviewer role will be incorporated into the roles and responsibilities guidance for services.</p>	<p>31st March 2026</p>



DETAILED FINDINGS

RISK: IF THE BOARD DOES NOT CONSISTENTLY FOLLOW EACH STEP OF THE COMPLAINTS PROCESS OR PROACTIVELY ADDRESS RECURRING DELAYS, IT RISKS NON-COMPLIANCE WITH REQUIRED TIMEFRAMES, DIMINISHED COMPLAINANT TRUST, AND INCREASED SCRUTINY OR REPUTATIONAL DAMAGE FROM REGULATORS.

RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
We recommend that NHS Lothian should remind staff to record the reasons for any delays in resolving complaints and ensure this information is communicated to the complainant. Additionally, the PET should monitor daily to verify that, in cases of delay, there is evidence that the complainant has been informed.	Associate Nurse Director (Patient Experience)	<p>A daily review of all complaints is not practical.</p> <p>A weekly report is already issued to each business unit by the Operational Team Leader. This identifies all cases regardless of stage which are exceeding 30 days and advises services to ensure that there has been appropriate communication with complainants.</p> <p>This weekly report will be amended to identify all cases exceeding 20 days and will ask services to confirm with their Complaints Officer that the appropriate explanation letters have been issued.</p>	31 st March 2026



DETAILED FINDINGS

RISK: IF PUBLISHED COMPLAINTS PROCESS DOCUMENTATION IS INCOMPLETE, UNCLEAR, OR NOT FULLY ALIGNED WITH THE SPSO MCHP—AND STAFF UNDERSTANDING IS INSUFFICIENT— PATIENTS MAY NOT RECEIVE ADEQUATE OR TIMELY COMPLAINT HANDLING AND ESCALATIONS, EXPOSING THE ORGANISATION TO REPUTATIONAL DAMAGE, COMPLIANCE ISSUES, AND POTENTIAL ADVERSE FINDINGS FROM THE OMBUDSMAN

FINDING 2 - Documentation Control Gap in the NHSL Complaints Toolkit			TYPE
<p>It is important that the NHS Lothian Complaints Procedure is complete, clear, and reviewed and approved to ensure patients receive adequate and timely complaint handling and escalations. Additionally, staff must have a thorough understanding of the complaints process to prevent reputational damage, compliance issues, and potential adverse events.</p> <p>The NHS Lothian Complaints Toolkit, issued in May 2023 and developed by the Quality Advisor, provides guidance on handling complaints, including early resolution, investigation, and external review by the SPSO, while outlining roles and responsibilities to ensure accountability and thorough investigation. Management informed us that there is a review cycle of three years as per legislation however, there is no mention of the review cycle or the date of next review in the version control of the toolkit.</p>			DESIGN 
IMPLICATION			SIGNIFICANCE
<p>There is a risk that the absence of documented review cycles for the NHS Lothian Complaints Toolkit may lead to missed reviews and therefore outdated information being included in the Toolkit.</p>			LOW
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
We recommend that NHS Lothian ensure the Complaints Toolkit is updated to include the date of the next review in the version control.	Associate Nurse Director (Patient Experience)	Accepted The Complaints Toolkit on the intranet will be amended to include a Next Review Due date	31 st January 2026

OBSERVATIONS



OBSERVATIONS

OBSERVATION 1 - VERIFICATION OF INDUCTION TRAINING FOR COMPLAINTS PROCEDURE

We were unable to verify that new staff members within the Patient Experience Team had completed the induction online training related to the complaints procedure because there had been no new staff members in the last 12 months.

OBSERVATION 2 - FEEDBACK RESPONSE RATES FOR STAGE 2 COMPLAINTS

NHS Lothian invites feedback for every Stage 2 complaint after the response letters are issued to the complainants. The feedback is logged on the Datix system. The feedback is used to compile an annual report for the Healthcare Governance Committee (HGC) every September, which is discussed at the Nursing and Midwifery Care Assurance Oversight Board (NMCAOB) every six weeks. However, management advised that NHS Lothian receives limited feedback responses from complainants overall. Additionally, we noted that in the 2024/2025 annual performance reports to the HGC, that survey response rates remain low, with only 83 complainants responding.

OBSERVATION 3 - PENDING EVALUATION OF SPSO RECOMMENDATIONS

We observed that the effectiveness of the measures recommended by SPSO in 'Healthcare Governance Committee - SPSO Investigation Report' is yet to be evaluated, as noted in the Healthcare Governance Committee meeting on 23 September 2025. The Committee mentioned that it will review the progress of these recommendations by NHS Lothian at its next annual meeting, considering NHS Lothian's strategic improvement plan and pending SPSO reports.

OBSERVATION 4 - ENHANCING COMPLAINT MANAGEMENT THROUGH EFFECTIVE REPORTING AND MONITORING

NHS Lothian's PET sends weekly reports to all business units and clinical services, urging them to prioritise cases and advising the issuance of explanation letters if deadlines cannot be met, in accordance with the Complaints Handling Procedure (CHP). There are visual dashboards available on the Datix system for tracking and monitoring complaint actions, which provide a clear overview of the status and progress of each case. Management has advised that services should review the weekly reports from PET alongside the visual dashboard on the Datix system to ensure timely resolution of complaints and facilitate improvement.

APPENDICES



APPENDIX I: BACKGROUND

Process Communication: NHS Lothian has established a comprehensive framework for managing patient experience and complaints handling within the organisation. The Patient Experience Team (PET) consists of 24 Whole Time Equivalents (WTE), including one Band 7 Whole Time Equivalent, three Band 6 Whole Time Equivalents, fifteen Band 5 Whole Time Equivalents, and 2.9 Band 4 Whole Time Equivalents, with one vacancy. The Operational Team Manager for Patient Experience supports the operational team in aligning processes with legislation. The Associate Nurse Director manages the Operational Team Manager and handles more complex complaints. The Nurse Director for Corporate and Patient Experience holds overall responsibility and accountability for the service.

NHS Lothian has a section on its public website titled "Patient Experience Team - Tell us about your experience - Your Rights & Privacy," demonstrating its commitment to quality care. The PET is divided into three groups, supported by an administrative function, and oversees the complaints process. The organisation has developed policies, procedures, leaflets, posters, website pages both internally and externally, and staff handbook entries to guide the complaints process. Leaflets are available on the intranet and are reviewed when new correspondence indicating dissatisfaction is received. Complaints are categorised as Stage 2, with consent issues identified for investigation, and all documents are logged into the Datix system.

New staff within the PET undergo e-learning modules on TURAS covering feedback and complaints, and presentations are provided as and when needed to business units and clinical services. Complaints handling training is provided as a sign-up option on the intranet, though not mandatory for all staff members.

NHS Lothian has a booklet titled "Feedback and Complaints" on its public website, outlining the Charter of Patient Rights and Responsibilities, which includes the right to provide feedback and have complaints addressed. It details how feedback can be given through various channels and explains the two-stage complaints procedure, including early resolution within five working days and investigation with a full response within 20 working days.

The structured process for providing feedback is available to patients and their representatives. Feedback, including compliments, concerns, or complaints, can be directed to the NHS Lothian PET via writing, telephone, email, or through an online form. Detailed information such as the patient's name, address, date of birth, and a description of the feedback, including the location and date of occurrence, is helpful when submitting feedback. If feedback is provided on behalf of someone else, consent from the patient is required, and support services are available to assist in documenting experiences.

The NHS Lothian Complaints Toolkit is designed to assist staff in handling complaints effectively. Developed by the PET, the toolkit provides comprehensive guidance on the complaints process, including early resolution, investigation, and external review by the

Scottish Public Services Ombudsman (SPSO). It outlines roles and responsibilities, ensuring accountability and thorough investigation, and includes templates and flowcharts to streamline the process. The toolkit is accessible via the intranet, with regular updates to maintain its relevance.

Complaints Handling and Management: The management of complaints within NHS Lothian is overseen by the Board's Chief Executive, Executive Directors, and senior management. The Chief Executive ensures an effective complaint handling procedure is in place, demonstrating how NHS Lothian learns from complaints. The Executive Nurse Director is responsible for developing and supporting the implementation of the Complaints Management Policy and Procedures. Executive Directors, Site Directors, and Health & Social Care Partnership (HSCP) Chief Officers ensure the policy's implementation, oversee complaint investigations, and sign off on final response letters. They also monitor performance against Key Performance Indicators and facilitate learning and improvements from complaints. The Investigation Commissioner acts as the central contact for complaints management, reviews complaints, allocates them to Lead Investigators, and provides oversight to ensure thorough investigations. The PET supports the complaints function, providing expert advice, coordinating responses, and supporting staff in handling feedback.

NHS Lothian worked with an AI partner, Quantum, and has implemented a structured approach to analysing complaints for themes, utilising artificial intelligence (AI) tools. This was initially a six-week pilot project, and it is intended that work will continue in this area. The board aims to measure, improve, assure, and accredit nursing and midwifery care across NHS Lothian, aligning with strategic plans to support safe, effective, and person-centred care delivery. Outcomes from these reviews are reported annually to Healthcare Governance, focusing on quality assurance, learning opportunities, and the implementation of the Excellence in Care national programme. Action plans are drawn up based on SPSO recommendations and monitored using the Datix system within the individual complaint section.

The Patient Experience Strategic Plan for NHS Lothian reflects on progress made in enhancing patient care and handling complaints. The strategic plan outlines five key aims to improve patient experiences, including providing treatment in a comfortable and safe environment, delivering care calmly and reassuringly, empowering patients with information, treating them as equals, and ensuring honesty and dignity. The report details achievements and lessons learned over the past year, including the handling of complaints.

Surveys are conducted to gather feedback from complainants, patients, families, and carers to improve the complaint experience and communication, with initiatives including supporting 16 services to develop their own feedback mechanisms and using the '15 Steps



APPENDIX I: BACKGROUND

Challenge' to gain insights into patient experiences. NHS Lothian conducts surveys after sending out response letters to complainants regarding Stage 2 complaints, including a Quick Response (QR) code and a paper form to gather feedback on the complaint experience. This feedback is logged on the Datix system by the PET if the complainant records their feedback. The feedback covers aspects such as the ease of finding NHS Lothian, whether the timescales were met, if the issues were identified correctly, and whether the desired outcome was achieved. The feedback is used to compile an annual report for the Healthcare Governance Committee every September, which is discussed at NMCAOB. Improvements in the Complaints Handling Procedure ensure complaints are dealt with appropriately as per the procedure.

Oversight and Reporting: NHS Lothian has established a comprehensive reporting system for managing patient complaints, which includes weekly, monthly, and annual reports. The PET sends weekly reports to all business units and clinical services, urging prioritisation of cases and advising on sending explanation letters if deadlines cannot be met, in accordance with the Complaints Handling Procedure (CHP). Monthly reporting is conducted by the PET using the Datix system, with data manually manipulated to fit the template format. The reports are reviewed and discussed by business units during their meetings, allowing each unit to address specific needs and issues relevant to their services. Annual reporting to the Healthcare Governance Committee aligns with the SPSO Model Complaints Handling Procedure (MCHP). The report highlights key themes and outcomes from complaints, emphasising the importance of learning from complaints to improve services. It details feedback processes, staff training, and the number of complaints received and resolved.



APPENDIX II: DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
SUBSTANTIAL	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
MODERATE	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
LIMITED	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
NO	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE

HIGH	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
MEDIUM	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
LOW	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.
ADVISORY	A weakness that does not have a risk impact or consequence but has been raised to highlight areas of inefficiencies or potential best practice improvements.



APPENDIX III: TERMS OF REFERENCE

EXTRACT FROM TERMS OF REFERENCE

PURPOSE

The Complaints Management Internal Audit aimed to provide assurance to management and the Audit and Risk Committee that the controls in the following areas were well designed and operated effectively: Process Communication, Recording and Handling of Complaints, Complaint Resolution, Root Cause Analysis and Lessons Learned, and Oversight and Reporting.

KEY RISKS

1. If published complaints process documentation is incomplete, unclear, or not fully aligned with the SPSO MCHP—and staff understanding is insufficient— patients may not receive adequate or timely complaint handling and escalations, exposing the organisation to reputational damage, compliance issues, and potential adverse findings from the Ombudsman.
2. If the Board does not consistently follow each step of the complaints process or proactively address recurring delays, it risks non-compliance with required timeframes, diminished complainant trust, and increased scrutiny or reputational damage from regulators.
3. If the process for signing off complaints as resolved and communicating outcomes is not consistently followed, the organisation risks incomplete or delayed resolutions, undermining trust and prompting regulatory scrutiny or reputational damage.
4. If complaints are not thoroughly analysed for themes, lessons learned are not documented or widely shared, and improvement actions are not tracked, the organisation risks repeated issues, inefficient processes, and potential reputational harm due to unresolved systemic failures.
5. If the governance structure providing oversight of complaints management is insufficient, the organisation risks misalignment with SPSO CHP requirements, incomplete performance reporting, and potential regulatory or reputational repercussions.

EXCLUSIONS/LIMITATIONS OF SCOPE

The scope of the review is limited to the areas documented under the scope and approach. All other areas are considered outside of the scope of this review. Our review will not provide assurance over all aspects of Complaints Management. Where sample testing is undertaken, our findings and conclusions will be limited to the sample tested only. Please note that there is a risk that our findings and conclusions based on the sample may differ from the findings and conclusions we would reach if we tested the entire population from which the sample is taken.



APPENDIX IV: STAFF INTERVIEWED

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

FIONA IRELAND	NURSE DIRECTOR (CORPORATE NURSING)	KEY CONTACT
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NEIL BOYLE	NURSE DIRECTOR FOR ACUTE - WESTERN GENERAL HOSPITAL	INTERVIEWEE
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APPENDIX V: LIMITATIONS AND RESPONSIBILITIES

MANAGEMENT RESPONSIBILITIES

The Audit & Risk Committee is responsible for determining the scope of internal audit work, and for deciding the action to be taken on the outcome of our findings from our work. The Committee is also responsible for ensuring the internal audit function has:

- The support of the organisation's management team.
- Direct access and freedom to report to senior management, including the Chair of the Audit & Risk Committee.

Internal controls covers the whole system of controls, financial and otherwise, established by the Board in order to carry on the business of the organisation in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. The individual components of an internal control system are known as 'controls' or 'internal controls'.

The Board is responsible for risk management in the organisation, and for deciding the action to be taken on the outcome of any findings from our work. The identification of risks and the strategies put in place to deal with identified risks remain the sole responsibility of the Board.

LIMITATIONS

The scope of the review is limited to the areas documented under Appendix III - Terms of reference. All other areas are considered outside of the scope of this review.

Our work is inherently limited by the honest representation of those interviewed as part of colleagues interviewed as part of the review. Our work and conclusion is subject to sampling risk, which means that our work may not be representative of the full population.

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

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that: the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or the degree of compliance with policies and procedures may deteriorate.

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