TIAN News

Introduction

I am delighted to welcome you to our first edition of TIAN News – a new quarterly update designed to inform clients about topical governance audit, and risk issues. Each edition will highlight developments impacting the public sector, and how our members across the country are helping support clients to address them. The key theme for this newsletter is the changing risk environment, and how your assurance arrangements need to respond.

Mike Townsend, Managing Director of Barts Assurance

New financial year – new challenges!

I am delighted to be writing to you as we enter 2022/23 and wave goodbye to the 2nd (and hopefully final) year subject to major Covid disruption. Reflecting on the world's outlook, everything seems a lot more uncertain and challenging today than it did pre-pandemic - with the future for the NHS also looking a lot different, in particular:

- Covid delayed treatments and pent up demand mean waiting lists have hugely increased across the country;
- NHS structures are evolving, with new Integrated Care Boards (ICBs) being formally established in a few months;
- The new 2021/22 Health & Care Bill (currently awaiting final parliamentary approval) not only creates the legal basis for ICBs, but also introduces a range of other changes. These include a new "Health Services Safety Investigations Body" (HSSIB) to investigate patient safety incidents, and a new NHS payment scheme to replace the national tariff. This new NHS payment scheme will set rules around how commissioners establish prices to pay providers for NHS healthcare services, and allow freedom to set payment rules in a more flexible way compared to the tariff. e.g. Allowing single, joined-up pricing structures covering entire care pathways.
- Trust's governance models are changing to reflect the new collaborative system model – with many now sharing Chairs and other joint appointments.

These changes all create different governance challenges and increased risks – meaning there is even more need than ever for robust financial control and assurance. Internal Audit's role is to provide the organisation with an independent review and investigation service to help improve its controls, develop risk management arrangements, and prevent fraud. Across TIAN, our members have taken time during the pandemic to review how we plan and deliver our internal audit and counter fraud support, with changes introduced including greater use of technology to facilitate audit delivery and increased use of data analytics. As well as retrospective audits and investigations we can also give proactive advice to support client's introduction of new systems and technology (see article below on Artificial Intelligence) - so please get in touch if you are considering changes to any processes/controls.

Development of Group Models within the NHS

Alongside the requirement for all Provider Trusts to join a formal Provider Collaborative, recent years have also seen a growing number of NHS providers merging or coming together under a shared Chair/Chief Executive. This trend creates new governance challenges for organisations due to the increased span of control it creates, and increased devolvement of governance and control to operational units/hospital management teams. There is a need for Audit Committees to review their historic audit and Risk Management arrangements to ensure they remain fit for purpose. Key questions to ask include:

- Has our internal audit and counter fraud planning been adapted to reflect changes in governance structures and closer partnership working?
- Do risk management arrangements ensure issues are escalated/de-escalated to be dealt with at the right level?
- How is the Board's risk appetite communicated across every unit, and what assurance is there that this is consistently understood?

Focus on new technology - Artificial Intelligence (AI) vs Machine Learning (ML)

What is AI? AI is a broad term for computers making independent decisions, capable of performing tasks that traditionally required human intelligence. The end-goal of AI is to mimic human intelligence in software form, but we are a long way from that at present. One of the most well-known 'AI' interfaces, the Amazon Alexa product, shows how far we are from 'true' Artificial Intelligence.

What is AI Software? Saying a program is run by 'AI' does not tell you much. It only tells you it's a program which can make decisions automatically, but not how it can come to those decisions. When we talk about AI in the current market, AI technologies tend to be based on using Machine Learning (ML) for Data Analytics.

What is Machine Learning? ML is a sub-field of programming and is the basis of most modern 'AI programs'. Compared to conventional software developing, the program is not explicitly told what to do (coded), but instead fed thousands of inputs and outputs, automatically tweaked by the network, and 'taught' to give the correct output. Eventually through thousands of iterations, the program will have tweaked itself enough to give you the correct output from the input given, consistently. Current commercial AI is built with ML technologies, using it to analyse data (often 'Big Data') in useful ways. ML has been used in successful ways such as:

- Image Classification (Google Image Search)

- User Recommendations (Netflix's 'Recommended for you')

- Language Processing (Google Translate)

Is Machine Learning (ML) Artificial Intelligence (AI)? Machine Learning powered software can look incredibly sophisticated, and at a glance seem as though it has intelligence, but is actually a well-trained model that excels at the specific task it has been designed to achieve. Machine learning is not AI, but AI can be built with ML. The growth of ML in the recent years has helped 'AI programs' grow and become a dominant commercially viable product.

What are the risks of using AI? With every product comes risks in a business environment, and the traditional CIA (Confidentiality, Integrity, Accessibility) triad applies to 'AI' all the same. At their core, the risks associated with AI and ML within a care setting are likely to include:

- Integrity - Dependability and Trustworthiness of information. Is the information input for the ML accurate, complete and non-bias? Is the output of the ML consistently accurate (Same outputs for identical inputs)?

- Availability - Information accessible when and where they are needed. If used in a vital care system, can the partial or total unavailability of the AI / ML solution be mitigated with sufficient controls?

- Confidentiality - Protecting Information from unauthorised access and misuse. Strong information governance procedures are required to manage this area. AI /ML solutions are often complex and frequently hosted in the Cloud. This makes assurance provision regarding the ongoing confidentiality of sensitive / confidential information within them a substantial undertaking.

These risks aren't all limited to 'AI' programs, but many current back-end systems used today in non-ML software. Risk and benefit analysis can be used to judge whether an AI system is appropriate for you in your business.

Moving Forward – Your TIAN audit partner's IT Audit specialists are able to provide assurance over your use of AI and development of ML. Our aim is to break down technological terms and jargon into concise and easy to understand language, enhancing your ability to gain maximum value from your investment in AI and ML based solutions.

For further information on this please contact your local TIAN ICT Audit Specialist, or Colin Larby, Deputy Head of Audit and Assurance, West Midlands Ambulance Service University NHS FT. colin.larby@wmas.nhs.uk */ 07714 017775.*

TIAN Case Study - Embracing Technology to Promote Fraud Awareness

A key part of the Local Counter Fraud Specialist remit is to raise awareness of fraud amongst NHS staff. Traditionally, this has been done through a number of different means – the use of newsletters, articles in staff bulletins, distribution of posters, and delivery of face-to-face awareness training. When the pandemic arrived, although much of the awareness work could be done electronically, face-to-face presentations obviously could not continue. The pandemic also brought changes to processes and procedures that represented an increase in fraud risks within key areas of NHS business.

The Audit Yorkshire Counter Fraud team identified three key risk areas that had been particularly impacted by the pandemic. These areas were Recruitment, Payroll and Creditor Payments. Fraud Prevention Masterclasses were set up on each of these topics, and offered out across the entire Audit Yorkshire client base. These sessions were delivered using Microsoft Teams on a monthly basis from July 2021 to February 2022. In December, a Cyber Crime module was also added into the programme.

The sessions were extremely popular, with a final total of 602 NHS staff booking onto the programme. Feedback for all four topics has been consistently positive, with 94.8% of survey respondents rating the sessions as "Very Helpful" (71.12) or "Quite Helpful" (23.68%). Delegates were able to safely access interactive refresher training on key risks, without the associated time or resource commitment that would have been required for similar training delivered in person. Attendees were able to choose a suitable session to fit around their existing work commitments, and there was no need for people to travel or for room bookings to be coordinated around the limited availability of entire teams, so during spikes in Covid rates, the training programme was able to continue unaffected. Where particular clients had large numbers of staff wanting to access the programme, additional sessions were delivered on request.

A waiting list is already being populated for the 2022/23 programme, and two additional modules are being added to the programme, with the aim of appealing to a wider audience as the first run of sessions were largely applicable to staff working in specific roles. *For further information on this please contact your local TIAN Counter Fraud Specialist or Steve Moss, Head of Anti-Crime Services, Audit Yorkshire.* steven.moss@nhs.net */ 07717 356707.*

Care Quality Commission (CQC) Inspections through the Audit Committee lens

MIAA recently produced a guide to assist Audit Committees in fulfilling their role in respect of CQC inspections. As the independent regulator of health and social care in England the CQC registers, monitors, inspects and rates healthcare providers and takes action to protect people who use services where required. The focus of this activity is ensuring services meet fundamental standards of quality and safety. The CQC's inspection regime is designed to assess whether services meet the CQC's fundamental standards of quality and safety and focuses on five questions:

- • Are the services safe?
- • Are the services effective?
- • Are the services caring?
- • Are the services responsive to people's needs?
- • Are the services well-led?

The overall role of NHS audit committees is to report on the robustness of the governance structures in place within the organisation and the assurances the governing body receives. The remit of the audit committee covers all of an organisation's activities, and an effective committee critically reviews and reports on the *'relevance and robustness of the governance structures and assurance processes on which the governing body places reliance.'*[NHS Audit Committee Handbook, HFMA, 2018]. Given its remit the activities of the audit committee are one of the key assurance mechanisms to support an organisation being well-led. Committee members should be able to describe how the function of the audit committee contributes to governance structures that support the provision of high quality individualised care.

There are different pieces of guidance available which can be used to support audit committee members in reflecting on how the operation of the committee supports and directly contributes to a well-led organisation, including the NHS Audit Committee Handbook (HFMA; 2018) and NHS Improvement's publications on the Well-Led Framework. The "Insight" guide recently produced by MIAA gives practical information to support audit committees in reviewing their operation through the lens of the CQC's regulatory regime. The guide includes a number of prompts and key questions for audit committee members to consider. *For a copy of this guide please contact your local TIAN Head of Internal Audit, or Louise Cobain, MIAA Executive Director of Assurance,* *louise.cobain@miaa.nhs.uk* */ 07795 564916.*

Culture Risk Management Frameworks

According to a recent IIA report the use of cultural risk management frameworks can be a useful tool to support assurance over this important area. A number of senior internal audit executives that participated in a series of roundtable discussions reported using them. e.g. In financial services a number of internal audit functions cite using the Financial Services Culture Board's (FSCB) cultural risk management framework, based on nine key attributes:

Using a framework like this can help ensure your risk assurance and audit work is all linked into a commonly used industry standard and reference points, using the same language and consistent terminology. There is no reason why organisations outside financial services couldn't also use the FSCB framework, or adapt it as the basis to develop a tailored framework based on the espoused values and behaviours of your own organisation. *If your Audit Committee/Board are struggling to get a line of sight on Culture Risk, then please contact your local TIAN team to explore how we can help facilitate this for you.*

Get in touch: To find out more, or if you have feedback on any areas covered in this edition, please contact:
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