

REPORT TO: SCRUTINY COMMITTEE – 27 JUNE 2018

REPORT ON: IJB INTERNAL AUDIT REPORT

REPORT BY: SENIOR MANAGER – INTERNAL AUDIT

REPORT NO: 206-2018

1.0 PURPOSE OF REPORT

To submit to Members of the Scrutiny Committee, for information only, an internal audit report on Workforce for the Dundee Integration Joint Board (IJB).

2.0 RECOMMENDATIONS

Members of the Committee are asked to note, for assurance purposes, the information contained within this report.

3.0 FINANCIAL IMPLICATIONS

None

4.0 MAIN TEXT

- 4.1 As stated in the Integrated Resources Advisory Group (IRAG) Finance Guidance, the IJB is responsible for establishing adequate and proportionate internal audit arrangements for reviewing the adequacy of the arrangements for risk management, governance and control of the delegated resources. This includes determining who will provide the internal audit service for the IJB and nominating a Chief Internal Auditor. In line with the IRAG Finance Guidance, the Dundee IJB appointed the Chief Internal Auditor of Fife, Tayside and Forth Valley Audit and Management Services (FTF) / NHS Tayside, as its Chief Internal Auditor. In practice, the resources required to deliver the IJB Internal Audit Plan are provided by the internal audit services within NHS Tayside and Dundee City Council. Time is specifically allocated in the Council's Internal Audit Plan to support the IJB Chief Internal Auditor through the provision of a number of internal audit reviews within the services operationally delegated to the IJB.
- 4.2 Under the arrangements detailed at paragraph 4.1 above, a review of Workforce was undertaken by the Council's Internal Audit Service on behalf of the IJB. The overall objective of the audit was to review the arrangements established to control and mitigate the Workforce risk, around staff resource required to develop efficient integrated arrangements, as detailed on the high level risk register developed by the Dundee Health and Social Care Partnership. A review of the corporate support functions was included in the scope of the exercise. This report was submitted to the IJB's Performance and Audit Committee on 27 March 2018.
- 4.3 The IRAG Finance Guidance specifically recommends that IJB Internal Audit Plans and annual reports are shared with the parent bodies and that, to avoid duplication of efforts and determine areas of reliance from the work of each team / service, the Chief Internal Auditors for each of the respective bodies should share information, co-ordinate activities with each other and with other external providers of assurance and consulting services. To address and formalise the sharing of internal audit related information in general, a Tayside-wide Internal Audit Output Sharing Protocol, covering key internal audit work across NHS Tayside, the 3 IJBs, and the 3 local authorities was developed. This was subsequently submitted to and approved by the Council's Scrutiny Committee at its meeting on 14 February 2018 (Article VII of the minute of this Committee of 14 February, 2018 refers). The Protocol enables the sharing of internal audit outputs beyond the organisation that

commissioned the work, in particular where the outputs are considered relevant for assurance purposes. Dundee IJB audit reports are presented to the Performance and Audit Committee for scrutiny purposes and are shared, in accordance with these approved arrangements, with NHS Tayside and the Council's Scrutiny Committee. With this in mind, the report on Workforce is attached at appendix A.

5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

6.0 CONSULTATIONS

The Chief Executive, Executive Director of Corporate Services, Head of Corporate Finance and Head of Democratic and Legal Services have been consulted on the content of this report.

7.0 BACKGROUND PAPERS

None

Pamela Redpath, Senior Manager – Internal Audit

DATE: 6 June 2018

DUNDEE IJB
INTERNAL AUDIT SERVICE



WORKFORCE

REPORT NO. D06/17 (DCC REPORT NO. 2016/20)

Issued To: D Lynch, Chief Officer
D Berry, Head of Finance and Strategic Planning
D McCulloch, Head of Health and Community Care

For information: L McLay, Chief Executive, NHST
G Doherty, Director of Human Resources & Organisational
Development, NHST
J Mudie, Deputy Director/Associate Director of HR & OD –
Governance, NHST

G Colgan, Executive Director of Corporate Services, DCC
J Robertson, Head of Human Resources and Business
Support, DCC
S Flight, Head of Corporate Finance, DCC
J Martin, Chief Social Work Officer, DCC

P Redpath, Senior Manager – Internal Audit, DCC

Performance and Audit Committee
External Audit

Date: 6 March 2018

INTRODUCTION & SCOPE

1. The Public Bodies (Joint Working) (Scotland) Act 2014 establishes the framework for the integration of health and social care in Scotland. The main purpose of integration is to use available resources to improve the wellbeing of people who use health and social care services, in particular those whose needs are complex and require support from both health and social care at the same time.
2. Dundee City Council and NHS Tayside agreed an Integration Scheme for Dundee that was approved by Scottish Ministers in September 2015, enabling the establishment of an Integrated Joint Board (IJB) in October 2015. The Integration Scheme sets out the functions that are delegated by Dundee City Council and NHS Tayside to the IJB. The IJB is responsible for the planning, oversight and delivery of the integrated services through the Dundee Health and Social Care Partnership (DH&SCP).
3. In order to support the IJB / DH&SCP, a five year Health and Social Care Strategic and Commissioning Plan (the Strategic Plan) was developed to help plan and deliver services to meet the needs of individuals now and in the future. The Strategic Plan describes how, over the five year period, the DH&SCP will make changes and improvements to develop the provision of health and social care for adults.
4. It was recognised that organisational arrangements and decision making processes needed to be replaced with a new, integrated, locality based organisational and service delivery framework with aligned management and staffing structures and the DH&SCP has been striving to achieve this. Whilst the DH&SCP does not directly employ staff, it is responsible for co-ordinating the delegated services detailed in the Integration Scheme and acknowledges that the vision and priorities within the Strategic Plan will only be achieved by the actions and behaviours of the integrated workforce. With that in mind, a Workforce and Organisational Development Strategy has been developed for all those working in the service areas detailed in the Integration Scheme to ensure that the right people are recruited, developed and retained and that they are in the right place at the right time to deliver positive outcomes for the people of Dundee. This includes staff employed by Dundee City Council, NHS Tayside, the third and independent sectors, volunteers, peer mentors and unpaid carers. Organisational transformational change programmes may influence the way services are delivered to and within the DH&SCP.
5. The DH&SCP through the IJB has developed a high level risk register to support the delivery of the integration arrangements and in particular the Strategic Plan. The IJB has also approved an Annual Internal Audit Plan, based in part on the risks identified from the risk register. This review will give assurances, or otherwise, around one of the Workforce risks within the risk register, which states that the volume of staff resource required to develop effective integrated arrangements may impact on the delivery of organisational priorities and operational delivery. It is therefore important that effective workforce planning arrangements are in place to mitigate against the likelihood of the risk arising.

OBJECTIVES

6. Review of arrangements established to control and mitigate the Workforce risk, around staff resource required to develop efficient integrated arrangements, as detailed on the high level risk register. A review of the corporate support functions was included in this exercise.

DETAILED OBJECTIVES

7. The following were identified as within scope for this audit.
- ◇ Ensure that the DH&SCP Workforce and Organisational Development Strategy is aligned to all relevant existing strategies within Dundee City Council and NHS Tayside.
 - ◇ Confirm that actions required to implement the Workforce and Organisational Development Strategy and assist with the delivery of integrated services have been identified and progressed effectively.
 - ◇ Confirm that formalised arrangements have been developed which ensure that the provision of corporate resources, including corporate support services, made available to the DH&SCP by Dundee City Council and NHS Tayside as set out in the Integration Scheme and that these are regularly reviewed for adequacy and appropriateness.
 - ◇ Confirm that workforce planning arrangements have been developed by DH&SCP in line with the Integration Scheme and that these are tailored to deliver the relevant elements of the Strategic Plan.
 - ◇ Ensure that operational plans are in place to enable integration arrangements to be progressed and maximise the use of resources made available to the DH&SCP.

AUDIT OPINION AND FINDINGS

8. The audit opinion is **Category C** – Adequate – Business objectives are likely to be achieved. However, improvements are required to enhance the adequacy / effectiveness of risk management, control and governance. A description of all audit opinion categories is given in the final section of this report.
9. The following chart shows where the grade lies within the C band:

A	B	C	D	E	F
		X			

10. The main areas commented upon in the report are as follows:
- ◇ Work to fully implement the actions in the Workforce and Organisational Development Strategy should continue with regular reporting on progress towards implementation being submitted to the IJB. In addition, Locality Managers should strive towards ensuring that the DH&SCP culture becomes fully embedded. Engaging staff in developing and maintaining the partnership culture and sharing and embedding the guiding principles should assist with this.
 - ◇ In order to ensure that all parties are aware of their responsibilities and clearly understand what is expected of them in respect of providing support to the DH&SCP, consideration should be given to developing a formal Service Level Agreement (SLA) detailing all key corporate support services to be provided to the DH&SCP by Dundee City Council and NHS Tayside. This SLA should be regularly reviewed by the Chief Officer to ensure that the defined support is being provided and continues to be appropriate. Alternatively, in the absence of a SLA, specific details regarding the types and level of support expected should be clearly documented and formally agreed by senior management at the DH&SCP, Dundee City Council and NHS Tayside.

- ◇ It was noted that whilst a Workforce Plan has been developed for the DH&SCP for 2017, it relates to the NHS Tayside aspects of the DH&SCP and was incorporated into the NHS Tayside Corporate Workforce Plan. It was established that workforce planning arrangements are in the process of being developed. In addition, further guidance is awaited from the 3 part National Health and Social Care Workforce Plan. Future workforce plans for DH&SCP should include plans for all areas of delegated responsibility, tailored to deliver the relevant elements of the Strategic Plan. Plans should take account of demand for and availability of staff to maximise the use of resources within the DH&SCP.

Implementation of the Workforce and Organisational Development Strategy

11. Whilst actions required to implement the Workforce and Organisational Development Strategy (Strategy) have been identified, progress towards implementation of these actions has been limited. The Strategy was initially approved by the IJB in February 2017 and an update on the implementation of the Workforce Priorities within the Strategy was provided to management in July 2017. The update indicated that, of the 30 actions detailed, 27% were complete, 23% were not complete (some due to ongoing discussions surrounding whether the actions remain applicable or not) and 50% were completed in part. Some of the areas where progress had yet to be made include, expanding the use of group (multi-agency/multi-disciplinary) supervision models, creating new types of roles and working practices and introducing new leadership routes and qualifications for those staff working in integrated services.
12. At the time of the audit fieldwork, an update on progress towards implementation of the Strategy had not been provided to the IJB. The Dundee IJB Annual Internal Audit Report 2016-17 recommended that “consideration should be given to reporting arrangements against the Workforce and Organisational Development Strategy”.
13. In addition, through discussions with key members of staff, the consensus of opinion was that, whilst some progress had been made, more work is required to fully embed the Workforce and Organisational Development Strategy into the DH&SCP. More specifically, the audit fieldwork highlighted that some staff are not aware that they are part of the DH&SCP and the partnership culture was embedded more in some areas than in others. Difficulties with communication were also referred to, with many staff having no awareness of what is available in relation to the learning and development programmes referred to in the Strategy or where to access it. Further work is also required in relation to engaging staff in developing and maintaining the partnership culture and sharing and embedding the guiding principles.

Recommendation

14. Work to fully implement the actions in the Strategy should continue with regular reporting on progress towards implementation being submitted to the IJB. In addition, Locality Managers should strive towards ensuring that the DH&SCP culture becomes fully embedded. Engaging staff in developing and maintaining the partnership culture and sharing and embedding the guiding principles should assist with this.

Provision of Corporate Resources

15. Paragraph 4.13 of the Dundee Health and Social Care Integration Scheme states that “It will be the responsibility of the Parties to work collaboratively to provide the Integration Joint Board with support services which will allow the Integration Joint Board to carry out its functions and requirements. An agreement will be developed through the NHS Tayside and Tayside Integration Joint Boards’ collaborative, on behalf of the parties and within three months of the establishment of the Integration Joint Board, which will define the terms and arrangements for the provision of services to support the Integration Joint Board” The Integration Scheme also states that “These arrangements will be reviewed through regular reports from the Chief Officer to the Integration Board.”
16. A report was taken to the IJB on the 15 March 2016 briefly outlining the support services that Dundee City Council and NHS Tayside had agreed to provide to the DH&SCP. The report states that the IJB would review the support service requirements through regular reports from the DH&SCP Chief Officer.
17. The specific detail surrounding the type and level of support to be provided, and how it will be provided, has not been formally documented as outlined in Paragraph 15 above. Whilst regular meetings have taken place between senior Dundee City Council staff and the DH&SCP Chief Officer and Chief Finance Officer regarding the support services being provided, an overall review of the support service requirements has not been carried out and no reports have been provided to the IJB by the Chief Officer.
18. During discussions with key members of staff within NHS Tayside and Dundee City Council, some concerns were raised regarding the level and adequacy of support being provided to the DH&SCP. More specifically, concerns were highlighted regarding the relative priority given to provision of corporate support to DH&SCP from each partner.

Recommendation

19. In order to ensure that all parties are aware of their responsibilities and clearly understand what is expected of them in respect of providing support to the DH&SCP, consideration should be given to developing a formal Service Level Agreement (SLA) detailing all key corporate support services to be provided to the DH&SCP by Dundee City Council and NHS Tayside. The service provided should be regularly reviewed along with the SLA to ensure that the defined support is being provided and the SLA continues to be appropriate. Alternatively, in the absence of a SLA, specific details regarding the types and level of support expected should be clearly documented and formally agreed by senior management at the DH&SCP, Dundee City Council and NHS Tayside. In addition, regular reports on the support service requirements should be provided to the IJB.

Workforce Planning Arrangements

20. The Scottish Government requires NHS Boards and Health and Social Care Partnerships to produce workforce plans annually. Local Authorities are, however, not required to do this. It was noted that whilst a Workforce Plan has been developed for the DH&SCP for 2017, it relates to the NHS Tayside aspects of the DH&SCP and was incorporated into the NHS Tayside Corporate Workforce Plan.

21. It was established that workforce planning arrangements are in the process of being developed. These include identifying the direction for the services, redesigning the current structure including development of integrated teams and identifying the types of posts required. In addition, ways of making the workforce more flexible and exploring opportunities for co-location of teams in localities is being considered.
22. The Locality Managers have been in post since January 2017 and are continuing to familiarise themselves with their areas of responsibility, finalising service models, auditing their workforce and developing structures and job descriptions where applicable.
23. The Scottish Government has carried out a consultation exercise regarding improving workforce planning in health and social care across Scotland. The output from that exercise is a 3 part National Health and Social Care Workforce Plan. The first part, relating to NHS Workforce Planning, was published in June 2017. The second and third parts, relating to Local Authorities and GP's workforce planning respectively have not yet been published but are expected to be available late 2017. The approach to be used by Health and Social Care Partnerships in terms of workforce planning may become clearer once all of these plans are published. We would note that both the Scottish Government report referred to above as well as the July 2017 Audit Scotland report on NHS workforce planning raise concerns in relation to the complex picture of workforce planning across health and social care integration.

Recommendation

24. Future workforce plans for DH&SCP should include plans for all areas of delegated responsibility, tailored to deliver the relevant elements of the Strategic Plan. Plans should take account of demand for and availability of staff to maximise the use of resources within the DH&SCP.

ACTION

25. An action plan has been agreed with management to address the identified weaknesses. A follow-up of implementation of the agreed actions will be undertaken in accordance with the audit reporting protocol.

ACKNOWLEDGEMENT

26. We would like to thank all members of staff for the help and co-operation received during the course of the audit.

A Gaskin BSc. ACA
Chief Internal Auditor

P Redpath,
Senior Manager – Internal
Audit, DCC

Ref.	Finding	Audit Recommendation	Priority	Management Response / Action	Action by / Date
1.	<p>Whilst actions required to implement the Workforce and Organisational Development Strategy have been identified, progress towards implementation of these actions has been limited.</p> <p>At the time of the audit fieldwork, an update on progress towards implementation of the Strategy had not been provided to the IJB. The Dundee IJB Annual Internal Report 2016-17 recommended that “consideration should be given to reporting arrangements against the Workforce and Organisational Development Strategy”.</p> <p>In addition, through discussions with key members of staff, the consensus of opinion was that, whilst some progress had been made, more work is required to fully embed the Workforce and Organisational Development Strategy into the DH&SCP.</p>	<p>Work to fully implement the actions in the Strategy should continue with regular reporting on progress towards implementation being submitted to the IJB.</p> <p>In addition, Locality Managers should strive towards ensuring that the DH&SCP culture becomes fully embedded. Engaging staff in developing and maintaining the partnership culture and sharing and embedding the guiding principles should assist with this.</p>	2	<p>The DH&SCP management team fully recognises the need to ensure the vision and objectives of the Workforce and Organisational Development Strategy become embedded within the partnership and acknowledged that this is a fundamental element of the partnership’s continued development.</p> <p>Implementing in full the actions in the Strategy has been identified by the operational management team as one of the key actions to be delivered over the next 6 months.</p>	<p>Head of Health and Community Care / Head of Finance and Strategic Planning / August 2018</p>

Ref.	Finding	Audit Recommendation	Priority	Management Response / Action	Action by / Date
2.	<p>A report was taken to the IJB on the 15 March 2016 briefly outlining the support services that Dundee City Council and NHS Tayside had agreed to provide to the DH&SCP. The specific detail surrounding the type and level of support to be provided, and how it will be provided, has not been formally documented, nor has an overall review of the support service requirements been carried out.</p> <p>Concerns have also been raised regarding the level and adequacy of support being provided to the DH&SCP.</p>	<p>Consideration should be given to developing a formal Service Level Agreement (SLA) detailing all key corporate support services to be provided to the DH&SCP by Dundee City Council and NHS Tayside. The service provided should be regularly reviewed along with the SLA to ensure that the defined support is being provided and the SLA continues to be appropriate. Alternatively, in the absence of a SLA, specific details regarding the types and level of support expected should be clearly documented and formally agreed by senior management at the DH&SCP, Dundee City Council and NHS Tayside. In addition, regular reports on the support service requirements should be provided to the IJB.</p>	2	<p>The DHSCP Management Team continues to monitor the level of support being provided to the IJB from NHS Tayside and Dundee City Council on an informal basis and responds to the organisations in relation to shortfalls in service provision accordingly. Given the current stage in the partnership's development, with greater knowledge and awareness of what the partnership needs to support its business, the service will progress with its partners, a more formal statement of the expected level of support which can subsequently be monitored and report to the IJB.</p>	<p>Head of Finance and Strategic Planning / August 2018</p>

Ref.	Finding	Audit Recommendation	Priority	Management Response / Action	Action by / Date
3.	<p>It was noted that whilst a Workforce Plan has been developed for the DH&SCP for 2017, it relates to the NHS Tayside aspects of the DH&SCP and was incorporated into the NHS Tayside Corporate Workforce Plan.</p> <p>It was established that workforce planning arrangements are in the process of being developed. In addition, further guidance is awaited from the 3 part National Health and Social Care Workforce Plan.</p>	<p>Future workforce plans for DH&SCP should include plans for all areas of delegated responsibility, tailored to deliver the relevant elements of the Strategic Plan. Plans should take account of demand for and availability of staff to maximise the use of resources within the DH&SCP.</p>	2	<p>As DH&SCP continues to evolve, with the continued development of integrated locality based services and redesign of services, the shape and mix of the workforce required to deliver on the IJB's strategic objectives is becoming clearer and will be reflected in future integrated workforce plans. While acknowledging that further national guidance is awaited on this matter, the first integrated workforce plan will be developed over the next 6 months.</p>	<p>Head of Health and Community Care / Head of Finance and Strategic Planning / August 2018</p>

DEFINITION OF ASSURANCE CATEGORIES AND RECOMMENDATION PRIORITIES

Categories of Assurance:

A	Good	There is an adequate and effective system of risk management, control and governance to address risks to the achievement of objectives.
B	Broadly Satisfactory	There is an adequate and effective system of risk management, control and governance to address risks to the achievement of objectives, although minor weaknesses are present.
C	Adequate	Business objectives are likely to be achieved. However, improvements are required to enhance the adequacy / effectiveness of risk management, control and governance.
D	Inadequate	There is increased risk that objectives may not be achieved. Improvements are required to enhance the adequacy and/or effectiveness of risk management, control and governance.
E	Unsatisfactory	There is considerable risk that the system will fail to meet its objectives. Significant improvements are required to improve the adequacy and effectiveness of risk management, control and governance and to place reliance on the system for corporate governance assurance.
F	Unacceptable	The system has failed or there is a real and substantial risk that the system will fail to meet its objectives. Immediate action is required to improve the adequacy and effectiveness of risk management, control and governance.

The priorities relating to Internal Audit recommendations are defined as follows:

Priority 1 recommendations relate to critical issues, which will feature in our evaluation of the Governance Statement. These are significant matters relating to factors critical to the success of the organisation. The weakness may also give rise to material loss or error or seriously impact on the reputation of the organisation and require urgent attention by a Director.

Priority 2 recommendations relate to important issues that require the attention of senior management and may also give rise to material financial loss or error.

Priority 1 and 2 recommendations are highlighted to the Audit Committee and included in the main body of the report within the Audit Opinion and Findings

Priority 3 recommendations are usually matters that can be corrected through line management action or improvements to the efficiency and effectiveness of controls.

Priority 4 recommendations are recommendations that improve the efficiency and effectiveness of controls operated mainly at supervisory level. The weaknesses highlighted do not affect the ability of the controls to meet their objectives in any significant way.