ITEM No …6……..

REPORT TO: SCRUTINY COMMITTEE – 9 DECEMBER 2020

REPORT ON: INTEGRATION JOINT BOARD INTERNAL AUDIT REPORT

REPORT BY: SENIOR MANAGER – INTERNAL AUDIT

REPORT NO: 322-2020

1.0 PURPOSE OF REPORT

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

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.

4.2 Under the arrangements detailed at paragraph 4.1 above, a review of Governance Mapping was undertaken by FTF on behalf of the IJB. The overall objective of the audit was to assess the extent to which the IJB's structures support the delivery of the IJB's Health and Social Care Strategic Commissioning Plan eight priority areas. The corresponding internal audit report was submitted to the IJB's Performance and Audit Committee on 22 September 2020.

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 and 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 Governance Mapping is attached at appendix A.

5.0 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. 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: 18 November 2020

FTF Internal Audit Service

Dundee IJB Internal Audit Service
Governance Mapping
Report No. D06/19

Issued To: **V Irons, Chief Officer**
D Berry, Chief Finance Officer
S Weir, Section leader, Finance
D McCulloch, Head of Health & Community Care

Dundee Integration Joint Board
External Audit
P Redpath, Senior Manager- Internal Audit, Dundee City Council

Contents

Draft Report Issued	31 July 2020
Management Responses Received	11 September
Target Audit & Risk Committee Date	22 September 2020
Final Report Issued	**14 September 2020**

CONTEXT AND SCOPE

1. Dundee IJB's Health & Social Care Strategic Commissioning Plan sets out eight priority areas, with related actions that underpin the delivery of the Plan. These 8 priority areas are:

    - *'Health Inequalities - these actions are about stopping unfair differences between people's health.*
    - *Early Intervention/Prevention - these actions will help support people early to stop them getting worse.*
    - *Person Centred Care and Support - this will help Dundee Health & Social Care Partnership (DHSCP) provide support that people want and need.*
    - *Carers - these actions will help people who give care and support to family and friends.*
    - *Localities and Engaging with Communities - these actions will help DHSCP to make services closer to people's homes.*
    - *Building Capacity - these actions will support local people to develop and build better communities.*
    - *Models of Support/Pathways of Care - this is about how services and support are delivered.*
    - *Managing our Resources Effectively - this is about getting the best value for money.'*

2. The scope of this review was to assess the extent to which the IJB's structures support the delivery of these priorities.

3. We have:

    - identified and mapped Dundee Health and Social Care Partnership's (DHSCP) key committees and working groups;
    - reviewed interdependencies and interfaces with Dundee City Council and NHS Tayside;
    - considered working arrangements and reporting requirements for the above;
    - considered if the structure of these committees & groups best supports delivery of DHSCP's strategic objectives.

4. This audit also reviewed the controls established to address Dundee IJB's Strategic risk Ref 7:

    - "***Increased Bureaucracy: Revised governance mechanisms between the IJB and partners could lead to increased bureaucracy in order to satisfy the arrangements required to be put in place. (Current risk rating L= 4, I= 3, 12)"***

AUDIT OPINION

5. The Audit Opinion of the level of assurance is as follows:

Level of Assurance		System Adequacy	Controls
Limited Assurance		Satisfactory framework of key controls but with significant weaknesses evident which are likely to undermine the achievement of objectives.	Controls are applied but with some significant lapses.

A description of all definitions of assurance and assessment of risks are given in Section 4 of this report.

Overall, we could not find clear evidence that the structures in place will provide appropriate assurance, or that they have minimised bureaucracy and duplication of effort.

Structures

6. A joint exercise was undertaken with DHSCP managers where we jointly identified 41 groups (we use this term collectively to refer to all Boards, Forums, Teams, Committees etc) where Dundee HSCP senior management report or attend within both the HSCP and partner bodies. These groups are at both governance (i.e. with input from members and non-executives) and management level. Appendix 1 maps these groups and shows any reporting lines we were able to ascertain as well as identifying the relevant governance strand.

7. The IJB and the Integrated Strategic Planning Group are required by statute and the Performance and Audit Committee is considered best practice and recommended by Audit Scotland. Under 'Getting it Right For Everyone Clinical, Care & Professional Governance Framework for Tayside' (GIRFE), each Tayside HSCP also has in place a Clinical, Care & Professional Governance Group.

8. Other groups are set up at the discretion of DHSCP management to assist in the development and implementation of the objectives of the organisation. We confirmed that all those in place support one of the strategic priorities set out in the DIJB Strategic Commissioning Plan or the resources to support them. However, there is no guidance in place for DH&SCP staff on the establishment of such groups to create consistency and ensure best practice.

9. In addition, DHSCP management attend a number of groups and committees within the partner bodies, both for management and governance purposes. We could see no clear reasoning or consistency for which groups within the partner bodies include HSCP representation.

10. We found that the Chief Finance Officer is named in the membership of over 40 groups and committees. Although not all these will require frequent attendance, this has a significant impact on scarce management capacity. We suggest that DHSCP presentation should be reviewed and should be primarily focused on groups which make strategic and service planning decisions impacting on the HSCP/ IJB. Equally, attendance at partner groups should be based on a consideration of whether this is necessary to provide assurance to allow the partner body to fulfil their agreed responsibilities in line with their accountabilities.

11. We compiled a map detailing the reporting line of each of the groups identified. The structure for governance groups in DHSCP is simple and only includes the IJB and the Performance & Audit Committee (PAC). However, the landscape for operational/ management groups is both complex and confusing with the strong possibility of duplication of effort. The number of groups has grown organically without any apparent review of whether there is crossover with the remit of existing groups. In addition, the reporting lines do not have clear, linear reporting and assurance lines.

Next step- Assurance mapping

12. The (SPFM Audit and Assurance Committee Handbook 2018) states: *'We encourage all organisations within the Scottish Government family to define their assurance needs, map their various sources of assurance and develop an integrated approach to assurance which will secure best value for the public purse and embed best practice principles within their organisation.'*

13. Within this review we have identified the groups in place. Whilst not a specific feature of this audit, we have previously commented on the usefulness of assurance mapping to ensure coherence between Governance Structures, Performance Management, Risk Management and Assurance. We are of the view that the management response to this audit, especially when reviewing the purpose and remits as well as the timing of meetings of groups should work towards optimising the flow of assurance and providing a basis for a future assurance mapping exercise. This includes ensuring that workplans support the assurance to be provided and comprehensive annual reports are prepared.

Working arrangements of groups

14. Of the 19 DHSCP groups reviewed as part of our work, only 10 could provide current terms of reference. Best practice for all groups is to consider and document the purpose of the work of the group, including who is required to attend to ensure the groups understands and achieves its objectives. A template should be provided to all management groups including the following headings: purpose and objectives, membership, decision-making (quorum required), meetings, delegating tasks and powers to sub groups, reporting, monitoring and review. Once completed, they should be discussed and reviewed by the DHSCP Senior Management team to show overlap and duplication between groups.

15. Not all meetings of groups are documented with minutes or action points to show actions agreed or decisions made. Where these are available, the format varies considerably. In addition, many groups do not include a standing agenda item following up agreed actions at the next meeting.

16. Whilst not all groups in our sample sit along a clear reporting line (e.g. some report to partner organisation groups), we could find no evidence the timing of meetings is scheduled to enable the most current information to be reported/ scrutinised and corrective action to be taken as soon as possible.

17. It is recognised that the integrated nature of the DH&SCP and the merging of various organisation cultures requires a flexible and responsive approach. The groups we reviewed as part of our audit work have a wide range of purposes, reflecting the diverse nature and complexity of the Partnership's business. This means that a "one size fits all" approach to setting up & governing such groups is likely to have some limitations (e.g. a time-limited group is likely to require completely different arrangements from those which are on-going) therefore a degree of flexibility will be beneficial.

18. However, we would recommend that a best practice guidance document is developed to ensure the operation of all groups across DHSCP conforms to the following principles:

    - A clear purpose and remit is documented for each group, including how this purpose aids the achievement of DIJB's corporate objectives and this is reviewed annually
    - membership (including deputising arrangements) and quorum for decision making is considered and documented in the remit
    - Scheduling (frequency and timing) of meetings takes into account the reporting lines of each group
    - Following each meeting, sufficient detail should be recorded to demonstrate the process and rationale for reaching a decision as well as any agreed actions. An update on the actions agreed should be a standing agenda item at the next meeting of any group.
    - Where a group reports on to another group or committee, it should prepare an annual workplan for approval by the parent committee. In addition, they should prepare an annual report for presentation to the parent Committee, providing assurance that the group has fulfilled its remit and noting any actions required.
    - A corporate database/ joint calendar showing all relevant groups and meetings might help to administer this.

Strategic Risk

19. Dundee IJB has noted a strategic risk (Ref 7) in relation to Increased Bureaucracy: '*Revised governance mechanisms between the IJB and partners could lead to increased bureaucracy in order to satisfy the arrangements required to be put in place. (Current risk rating L= 4, I= 3, 12)"*

20. The only control currently noted against this risk is the 'Development and testing of a range of governance scenarios to provide clarity over responsibilities'; which was based on a now superseded internal audit recommendation. The actions to be taken in response to this report should be noted as controls when this risk is next updated and the risk itself would benefit from more detailed consideration.

ACTION

1. The action plan at Section 2 of this report 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

2. 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

Action Point Reference 1

Finding:

DHSCP Management attend a number of groups and committees within the partner bodies, both for management and governance purposes. In particular, we found that the Chief Finance Officer is named in the membership of over 40 groups and committees. Although not all these will require frequent attendance, this has a significant impact on scarce management capacity.

We could see no clear reasoning or consistency for which groups within the partner bodies include HSCP representation.

Audit Recommendation:

We recommend that the DHSCP management team should review attendance at groups based on agreed principles. We suggest these principles should be primarily focused on groups which make strategic and service planning decisions impacting on the HSCP/ IJB. Equally, attendance at partner groups should be based on a consideration of whether this is necessary to provide assurance to allow the partner body to fulfil their agreed responsibilities in line with their accountabilities.

Assessment of Risk:

Significant		Weaknesses in control or design in some areas of established controls. **Requires action to avoid exposure to significant risks in achieving the objectives for area under review.**

Management Response/Action:

As noted in this report, the evolving complexity of integrated arrangements are such that the capacity of the management team of the Health and Social Care Partnership in its widest sense is insufficient to effectively contribute to all the demands placed on it through partner groups in particular. The development of a range of principles as recommended will provide a better structured approach and through the shared understanding of the partners of priorities, provide the necessary assurances to them. This will be actioned as recommended.

Action by:	Date of expected completion:
Chief Officer, Dundee HSCP	**31 March 2021**

Action Point Reference 2

Finding:

We identified a number of inconsistencies and weaknesses in the establishment of the numerous groups across the HSCP. Whilst there can be no single approach which will be appropriate for all groups, working arrangements should follow good practice principles.

Audit Recommendation:

We recommend that a best practice guidance document is developed to ensure the operation of all groups conforms to the following principles:

- A clear purpose and remit is documented for each group, including how this purpose aids the achievement of DIJB's corporate objectives and this is reviewed annually
- Membership (including deputising arrangements) and quorum for decision making is considered and documented in the remit
- Scheduling (frequency and timing) of meetings takes into account the reporting lines of each group
- Following each meeting, sufficient detail should be recorded to demonstrate the process and rationale for reaching a decision as well as any agreed actions. An update on the actions agreed should be a standing agenda item at the next meeting of any group.
- Where a group reports on to another group or committee, it should prepare an annual workplan for approval by the parent committee. In addition, they should prepare an annual report for presentation to the parent Committee, providing assurance that the group has fulfilled its remit and noting any actions required.
- A corporate database/ joint calendar showing all relevant groups and meetings might help to administer this.

Once these principles are in place, the groups in place should be reviewed to ensure there is no duplication.

Assessment of Risk:

Significant		Weaknesses in control or design in some areas of established controls. **Requires action to avoid exposure to significant risks in achieving the objectives for area under review.**

Management Response/Action:

Agreed that a best practice guidance document would be beneficial and will be developed as recommended

Action by:	Date of expected completion:
Head of Finance & Strategic Planning, Dundee HSCP	**31 March 2021**

Action Point Reference 3	
Finding:	
Dundee IJB has noted a strategic risk (Ref 7) in relation to Increased Bureaucracy: '*Revised governance mechanisms between the IJB and partners could lead to increased bureaucracy in order to satisfy the arrangements required to be put in place. (Current risk rating L= 4, I= 3, 12)"* The only control currently noted against this risk is the 'Development and testing of a range of governance scenarios to provide clarity over responsibilities'; which was based on an internal audit recommendation which has now been superseded. **The risk was last reviewed in January 2018.**	
Audit Recommendation:	
An in depth review should be undertaken to update this risk. This should include updating the controls to refer to any actions to be taken in response to this audit report.	
Assessment of Risk:	
Significant 	Weaknesses in control or design in some areas of established controls. **Requires action to avoid exposure to significant risks in achieving the objectives for area under review.**
Management Response/Action:	
The risk and associated controls will be reviewed as recommended	
Action by:	**Date of expected completion:**
Head of Finance and Strategic Planning, Dundee HSCP	**31 March 2021**

Section 4 Definition of Assurance and Recommendation Priorities

Definition of Assurance

To assist management in assessing the overall opinion of the area under review, we have assessed the system adequacy and control application, and categorised the opinion based on the following criteria:

Level of Assurance		System Adequacy	Controls
Comprehensive Assurance		Robust framework of key controls ensures objectives are likely to be achieved.	Controls are applied continuously or with only minor lapses.
Moderate Assurance		Adequate framework of key controls with minor weaknesses present.	Controls are applied frequently but with evidence of non-compliance.
Limited Assurance		Satisfactory framework of key controls but with significant weaknesses evident which are likely to undermine the achievement of objectives.	Controls are applied but with some significant lapses.
No Assurance		High risk of objectives not being achieved due to the absence of key internal controls.	Significant breakdown in the application of controls.

Section 4 Definition of Assurance and Recommendation Priorities

Assessment of Risk

To assist management in assessing each audit finding and recommendation, we have assessed the risk of each of the weaknesses identified and categorised each finding according to the following criteria:

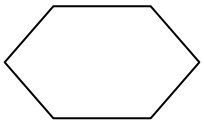
Risk Assessment		Definition	Total
Fundamental		Non Compliance with key controls or evidence of material loss or error. **Action is imperative to ensure that the objectives for the area under review are met.**	None
Significant		Weaknesses in control or design in some areas of established controls. **Requires action to avoid exposure to significant risks in achieving the objectives for area under review.**	Three
Merits attention		There are generally areas of good practice. **Action may be advised to enhance control or improve operational efficiency.**	None

Appendix 1:
All groups

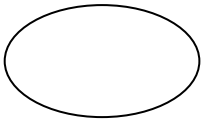
Key:

SHAPE

NHS Tayside



Dundee Integration Joint Board



Dundee Health and Social Care Partnership

Dundee City Council

COLOUR

Corporate Governance
Clinical Governance
Financial Governance
Information Governance
Staff Governance
Other

SHADING

Governance

Management

Appendix 1:
All groups

	DHSCP	NHST	DCC
Corporate Governance	IJB: Dundee Integration Joint Board	NHS Board : Tayside NHS Board	Scrutiny: DCC Scrutiny Committee
	PAC: Performance and Audit Committee	A&RC: Audit & Risk Committee	RMWG: Risk Management Working Group
	ISPG: Integrated Strategic Planning Group	SRMG: Strategic Risk Management Group	
		TTSG: Transforming Tayside Steering Group	
		RPAG: Resilience Planning Advisory Group	
		EERG: EU Exit Readiness Group	
Clinical & Care Governance	R2 (CCPGF): Clinical Group (R2 Forum)	CGC: Care Governance Committee	
	CGRMF: Clinical Governance and Risk Management Forum	CQF: Clinical Quality Forum	
	ASPC: Adult Support and Protection Committee	UCB: Unscheduled Care Board	
	ADP: Alcohol and Drug Partnership (ADP)	OPCB: Older Peoples Clinical	

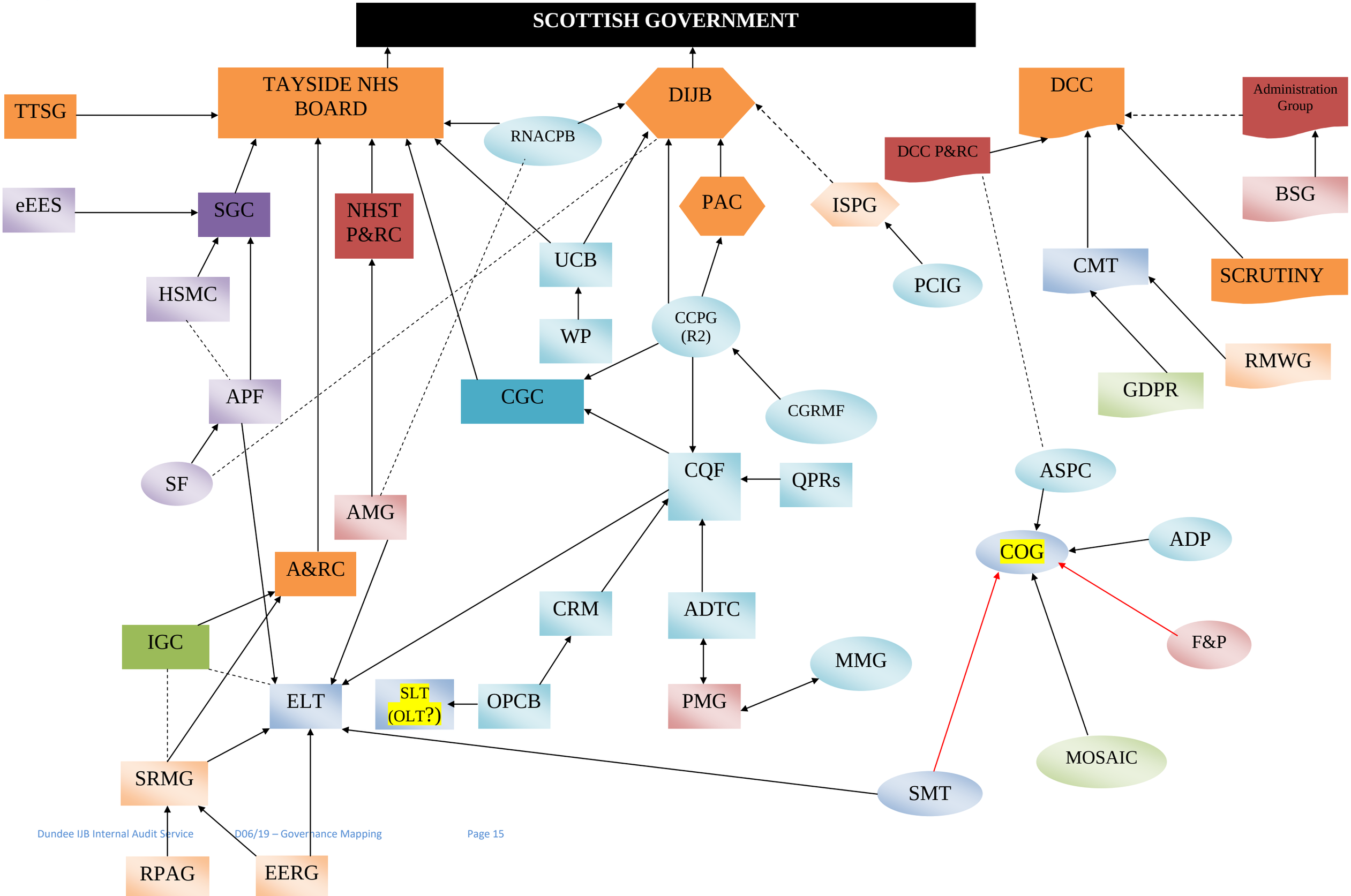
Appendix 1:
All groups

		Board	
	MMG Dundee Medicines Management Group	WPG: Winter Planning Group	
	PCIG Primary Care Improvement Group	CRM: Clinical Risk Management meetings	
	RNACPB Reshaping Non-Acute Care Project Board (DHSCP)	ADTC Area Drugs & Therapeutic Committee	
		QPR: Quality & Performance Reviews	
Staff Governance	SF: Staff Forum	SGC: Staff Governance Committee	
	H&SF: Health & Safety Forum	EESS: eESS Project Board	
		HSMC: Health & Safety Management Committee	
		APF: Area Partnership Forum	
Financial Governance	F &P: Finance and Performance Group	P&RC: Policy and Resources Committee	P&RC: Policy and Resources Committee
		AMG: Asset Management Group	AG: ~~Administration~~Administration Group
		PMG: Prescribing Management Group	BSG: Budget Strategy Group
Information Governance	MOSAIC: MOSAIC (*Social care IT system*) Project Board / Health and Social Care IT Board	IGC: Information Governance Committee	GDPR: General Data Protection Regulation Strategic Group

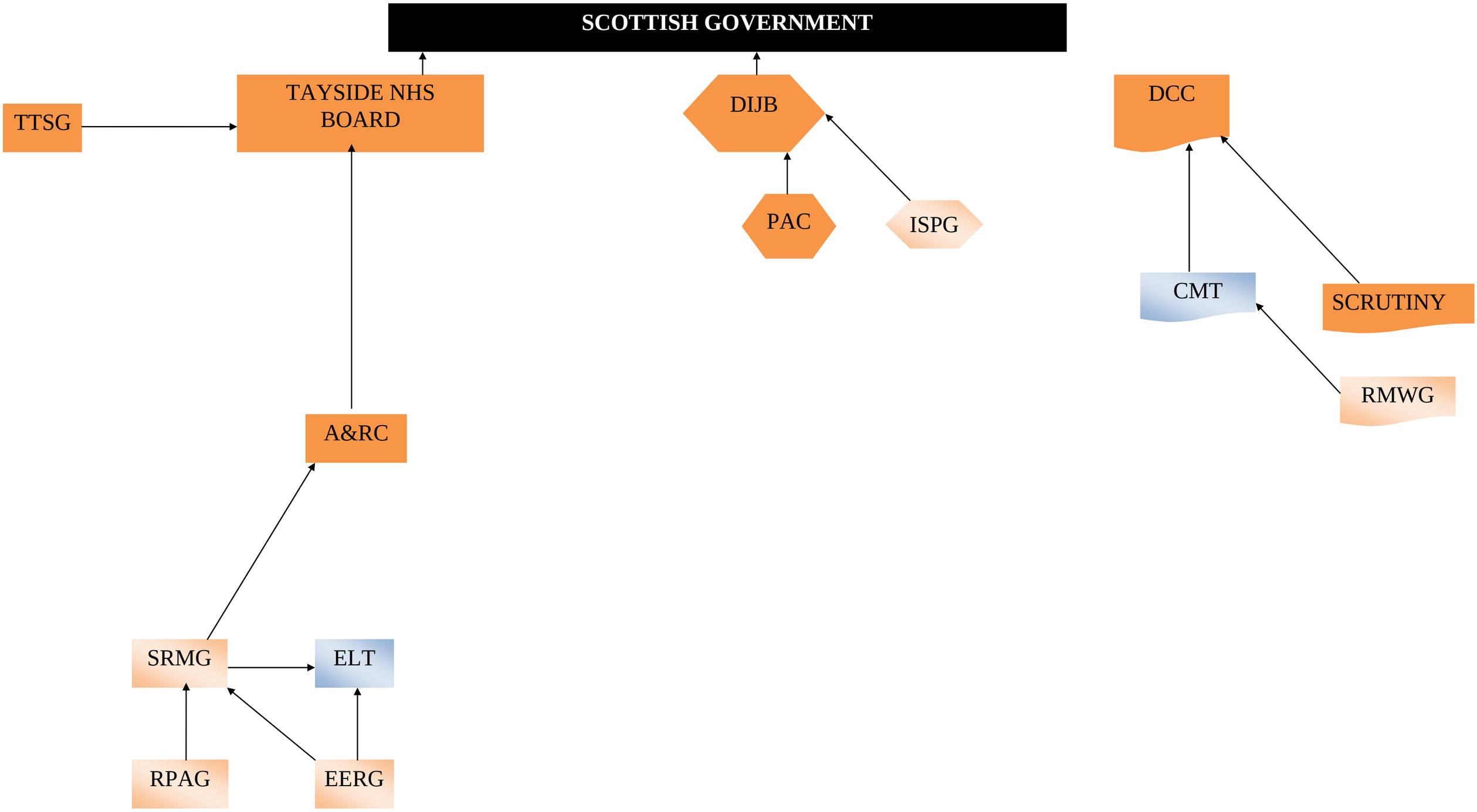
Appendix 1:
All groups

Other (Management)	SMT: DHSCP Senior Management Team	ELT: Executive Leadership Team	CMT: Corporate Management Team
	COG: Chief Officer's Group (Extended Leadership Forum??)	SLT/OLT??	

Appendix 1:
All groups

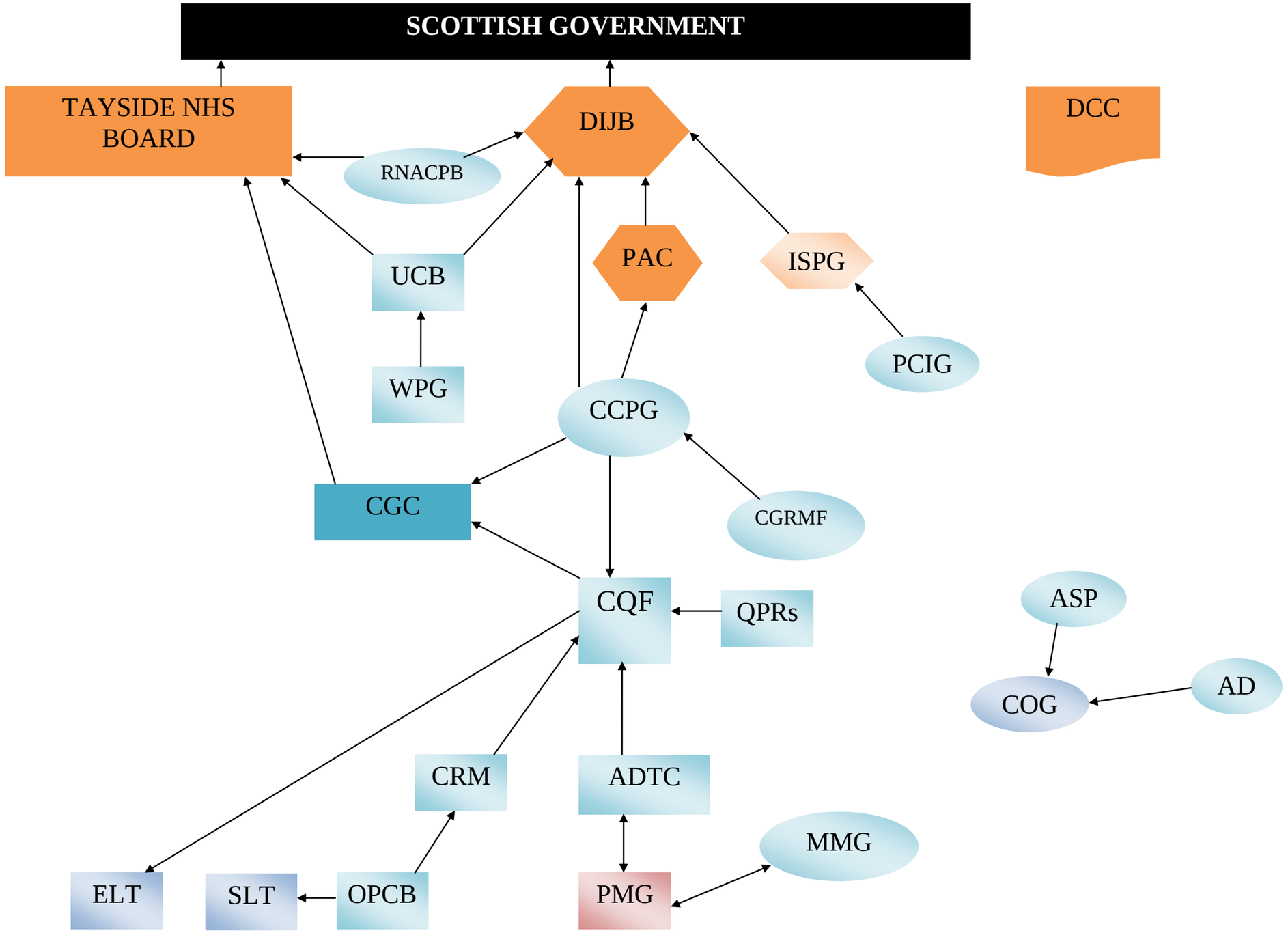


Appendix 2: Corporate Governance



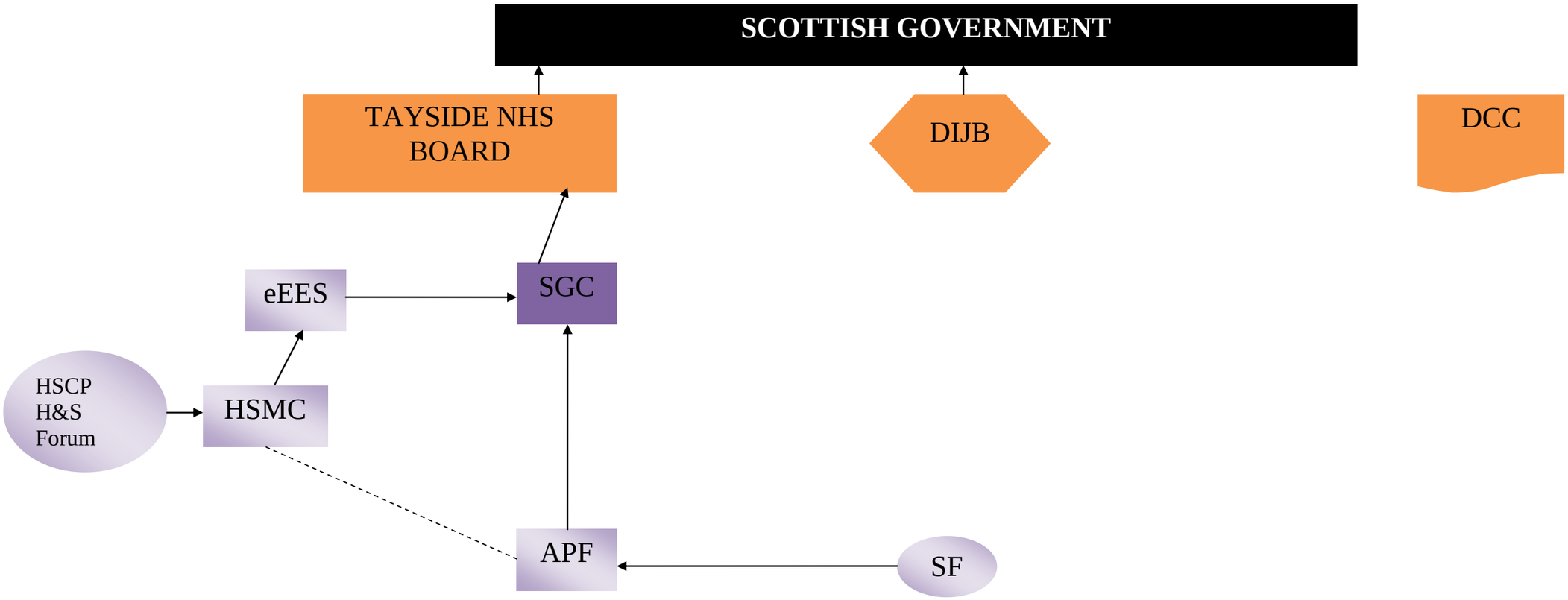
Appendix 3:

Clinical & Care Governance

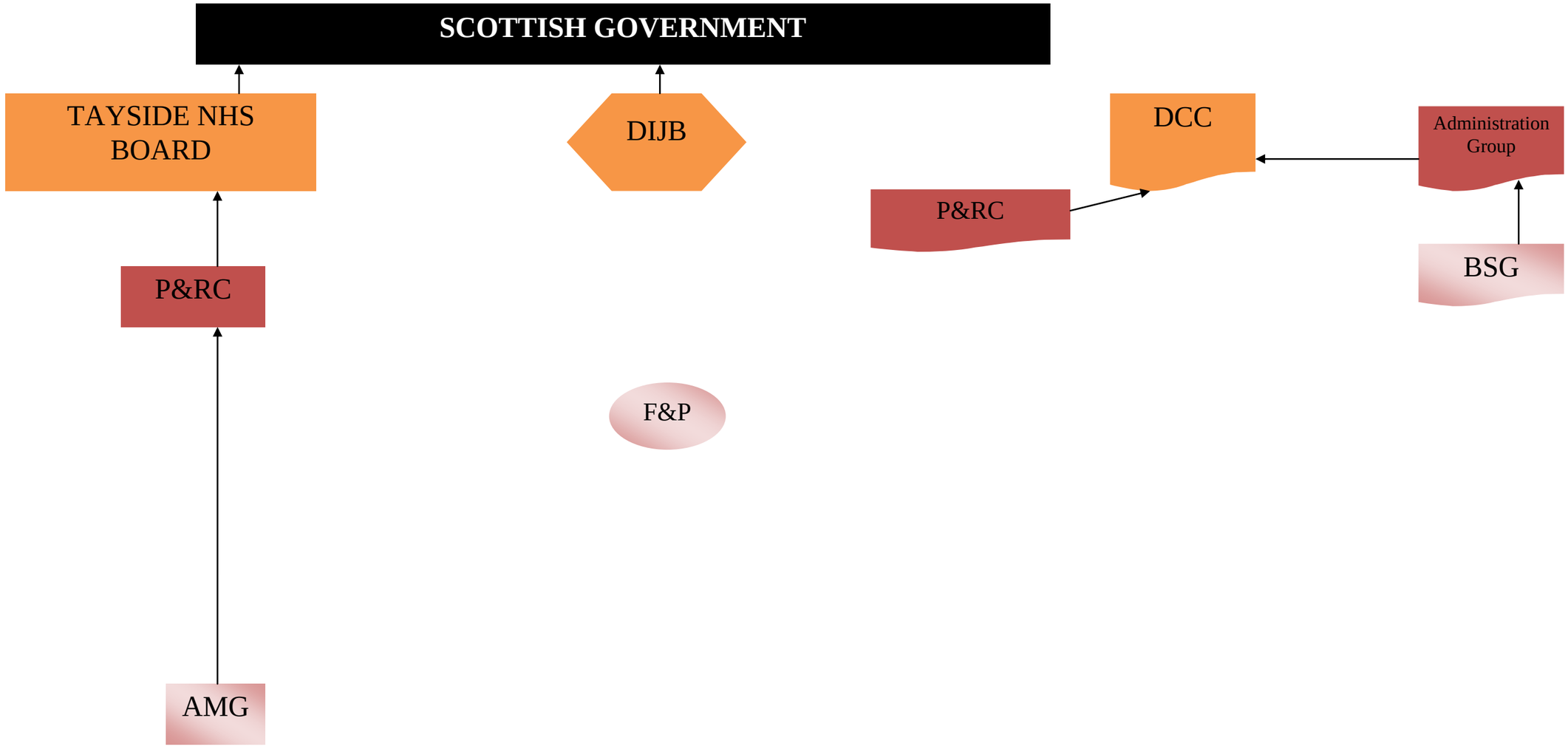


Appendix 4:

Staff Governance



Appendix 5:
Financial Governance



Appendix 6:
Information Governance