



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
21 JUNE 2023

REPORT ON: DUNDEE INTEGRATION JOINT BOARD ANNUAL INTERNAL AUDIT
REPORT 2022/23

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB40-2023

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to advise the Integration Joint Board of the outcome of the Chief Internal Auditor's Report on the Integration Joint Board's internal control framework for the financial year 2022/23.

2.0 RECOMMENDATIONS

It is recommended that the Integration Joint Board

- 2.1 Notes the content and findings of the attached Annual Internal Audit Report 2022/23 (Appendix 1).
- 2.2 Instructs the Chief Finance Officer to report progress towards meeting the recommendations of the Annual Internal Audit Report to the Performance and Audit Committee.

3.0 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications arising from this report.

4.0 MAIN TEXT

4.1 The Integrated Resources Advisory Group (IRAG), established by the Scottish Government to develop professional guidance, outlines the responsibility of the Integration Joint Board (IJB) to establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. This guidance also shows that the IJB has responsibility for reviewing the effectiveness of the governance arrangements including the system of internal control. To inform this review and the preparation of the governance statement, as stated in the CIPFA framework on Delivering Good Governance in Local Government, Internal Audit is required to provide an annual assurance statement on the overall adequacy and effectiveness of the framework of governance, risk management and control.

- 4.2 The Performance and Audit Committee agreed at its meeting of the 20th July 2022 (Article X of the minute refers) to continue the arrangement for the provision of Internal Audit Services through the appointment of the Chief Internal Auditor of NHS Tayside to the role of Chief Internal Auditor for the Integration Joint Board with internal audit services provided by FTF Audit and Management Services supported by Dundee City Council's Internal Audit service. The attached report provides the Chief Internal Auditors opinion on the IJB's internal control framework in place for the financial year 2022/23.
- 4.3 The Internal Audit review examined the framework in place during 2022/23 to provide assurance to the Chief Officer, as Accountable Officer, that there is a sound system of internal control that supports the achievement of the IJB's objectives. In doing so, the review considered the areas of corporate, clinical, staff, financial and information governance.
- 4.4 The IJB's Draft Annual Statement of Accounts 2022/23 includes a Governance Statement based on a self-assessment of the IJB's governance, risk management and control frameworks as they have developed during 2022/23. While highlighting a number of areas of continuous improvement following on from previous years assessments and recommendations from internal and external audit reports, the governance statement has established there are no major issues.
- 4.5 The Chief Internal Auditors report sets out the findings of their evaluation of the IJB's Governance Framework and highlights both key elements of good practice and areas of recommended improvement to further strengthen the IJBs overall governance system. Where substantive recommendations have been made, a management response and timescale for delivery has been agreed and these will be monitored through the Performance and Audit Committee's Governance Action Plan. The Chief Internal Auditors assessment of the IJB's frameworks concludes that reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2022/23.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been subject to the Pre-11A Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

6.0 RISK ASSESSMENT

Risk 1 Description	There is a risk that if required actions in response to Internal Audit recommendations are not coordinated and acted on appropriately the IJB's governance arrangements will not be adequate and effective.
Risk Category	Governance
Inherent Risk Level	Likelihood 3 x Impact 4 = 12 – High risk
Mitigating Actions (including timescales and resources)	- Implementation and monitoring of governance action plan as recommended by Chief Internal Auditor
Residual Risk Level	Likelihood 2 x Impact 3 = 6 – Moderate Risk
Planned Risk Level	Likelihood 2 x Impact 3 = 6 – Moderate Risk
Approval recommendation	Given the moderate level of planned risk and the expectation that the mitigating action will make the impact necessary to enhance the IJB's governance arrangements the risk should be accepted.

7.0 CONSULTATIONS

7.1 The Chief Officer and the Clerk along with the Chief Internal Auditor of Dundee IJB were consulted in the preparation of this report.

8.0 DIRECTIONS

8.1 The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in sections 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Dundee City Council and NHS Tayside.

Direction Required to Dundee City Council, NHS Tayside or Both	Direction to: Work with the Health and Social Care Partnership in the further development of an action plan to address issues identified with the attached self-assessment.	
	1. No Direction Required	X
	2. Dundee City Council	
	3. NHS Tayside	
	4. Dundee City Council and NHS Tayside	

9.0 BACKGROUND PAPERS

9.1 None.

Dave Berry
Chief Finance Officer

DATE: 9th June 2023

This page is intentionally left blank

FTF Internal Audit Service

Dundee City IJB Internal Audit Service

Annual Internal Audit Report 2022/2023

Issued To: V Irons, Chief Officer
D Berry, Chief Finance Officer

D McCulloch, Chief Social Work Officer
D Shaw, Clinical Director/ Associate Medical Director

Dundee City Integration Joint Board
External Audit

C Wyllie, Chief Internal Auditor, DCC
D Vernon, Acting Senior Manager – Internal Audit, DCC

This page is intentionally left blank

Contents

Section		Page
Section 1	Introduction and Conclusion	2
Section 2	Issues and Actions	6
Section 3	Definitions of Recommendation Priorities	24
Appendix 1	Audit Follow Up Position	25

Draft Report Issued	09 June 2023
Management Responses Received	12 June 2023
Target Audit Committee Date	21 June 2023 (IJB)
Final Report Issued	12 June 2023

This page is intentionally left blank

INTRODUCTION AND CONCLUSION

1. The Integrated Resources Advisory Group (IRAG) guidance outlines the responsibility of the Integration Joint Board (the IJB) to establish adequate and proportionate internal audit arrangements for review of the adequacy of arrangements for risk management, governance and control of the delegated resources.
2. This guidance states that the IJB has responsibility for reviewing the effectiveness of the governance arrangements including the system of internal control. To inform this review and the preparation of the governance statement, as stated in the CIPFA framework on Delivering Good Governance in Local Government, Internal Audit is required to provide an annual assurance statement on the overall adequacy and effectiveness of the framework of governance, risk management and control.
3. Guidance issued in April 2017 requires IJBs to prepare their annual accounts and governance statements in accordance with Local Authority Accounts (Scotland) Regulations 2014. These regulations require an authority to:
 - i) *Be responsible for ensuring that the financial management of the authority is adequate and effective and that the authority has a sound system of internal control which:*
 - (a) *facilitates the effective exercise of the authority's functions; and*
 - (b) *includes arrangements for the management of risk.*
 - ii) *Conduct a review at least once in each financial year of the effectiveness of its internal control.*
4. The CIPFA 'Delivering Good Governance' in Local Government Framework 2016 places a responsibility on the authority to ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
5. This review examined the framework in place during the financial year 2022/2023 to provide assurance to the Chief Officer, as Accountable Officer, that there is a sound system of internal control that supports the achievement of the IJB's objectives. It considered:
 - *Corporate Governance*
 - *Clinical Governance*
 - *Staff Governance*
 - *Financial Governance*
 - *Information Governance*
6. The results from this work reported within this 2022/23 Annual Internal Audit Report should inform the IJB's judgment on the Governance Statement.

KEY THEMES

7. As the organisation matures and returns to 'Business as Usual' following the pandemic, we welcome the significant preparatory work undertaken during the year to create the conditions for success in the coming years, with a number of ongoing developments in strategy, planning. However, given the planned timeframes for full development, it is unlikely that these will take full effect in 2023/24. Whilst arrangements have not yet been formalised, we would expect the IJB Board to receive regular assurance that they are on track, especially given the competing pressures on management time.

8. The environment in which the IJB currently operates is both exceptionally complex and extremely challenging, particularly in terms of finance and workforce and there is no guarantee that arrangements being put in place can or will mitigate the associated risks to acceptable levels.
9. The June 2023 will receive for approval a new Strategic Commissioning Framework (SCF) which sets out a number of proposed improvements to services. Although the report highlights that the public said that they know there is not enough people or money in the health and social care system to do everything for everyone; there is no detail in the strategy about areas that may need to be de-prioritised or how these will be identified. The Strategy did state that *'The IJB will publish a Resource Framework by the end of June 2023. This will describe in more detail the financial resources the IJB has and how it plans to use them'*. However, publication of the framework has now been deferred, although the June IJB will receive a financial outlook paper.
10. Over the coming 5-year period, it is estimated that total savings of nearly £ 36m will be required. It is extremely unlikely that savings of this magnitude can be achieved without a significant transformation programme accompanied by clear prioritisation. This will, inevitably, mean making difficult choices about the use of financial resources, scarce organisational development capacity and management time and organisational will. This will require the IJB to have a clear focus on financial sustainability, especially given an environment in which it is by no means certain that partner bodies would be willing or necessarily able to resource any overspend by the IJB.
11. In these circumstances monitoring of the implementation of the SCF and of the development and then implementation of the supporting documents including the Annual Delivery Plan, Resource Framework, Workforce Plan and Performance Framework will be fundamental. In particular there will need to be a focus on transformation and change i.e. what Dundee IJB will do differently to be able to deliver its strategic objectives within serious financial and workforce constraints and whether that transformation is delivering improvements (including financial savings) sufficient to enable sustainable services.
12. Agreement of the new Strategic Commissioning Plan and the ongoing work on the accompanying Annual Delivery Plan, Resource Framework and Performance Framework provides an opportunity for the IJB to reflect on its overall risk profile, i.e. all issues with the potential to stop the organisation achieving its strategic objective and give consideration of how IJB could be involved in agreeing the overall risk profile (for example at the upcoming development event on risk).
13. We performed detailed follow up work on the 3 recommendations from our 2020/21 which had been reported as outstanding in our 2021/22 Annual report as well as the 9 recommendations from the 2021/22 Annual report. Of these 12 recommendations, 10 were assessed as outstanding and for the remaining two, the underlying weaknesses remain.
14. We have previously reported that a range of governance developments identified within the IJB's own self assessment and through internal and external audit recommendations have not progressed as anticipated and recommended the creation of a Governance Action Plan as well as escalation from the PAC to the IJB and these themes are revisited in this report.
15. The current position with action to address previous Annual Internal Audit Report recommendations is set out at Appendix 1, setting out the main themes alongside the current position which shows that, overall, progress to date has been limited.

16. Given the above, many of the themes identified in previous Annual Internal Audit Reports, particularly in relation to the monitoring of the delivery of Strategy and Transformation, as well as the flow of assurance over risks remain pertinent. Plans in place for the development of an Annual Delivery Plan and associated Resource and Performance frameworks are welcomed. Concerted action is required as part of their implementation to ensure coherence between Governance Structures, Performance Management, Risk Management and Assurance and improve Dundee IJB's ability to monitor the achievement of operational and strategic objectives, including those necessary to enhance the sustainability of services.

GOVERNANCE STATEMENT AND CONCLUSION

17. Dundee IJB is in an interdependent relationship with both partner bodies in which the controls in place in one body inevitably affect those in the other. The draft NHS Tayside Governance Statement concludes that *'with the ongoing improvement work undertaken throughout the year, as evidenced above; the governance framework and the assurances and evidence received from the Board's committees, that corporate governance continues to be strengthened and internal controls were operating adequately and effectively throughout the financial year ended 31 March, 2023'*. Additionally, the draft Dundee City Council Annual Internal Audit Report concludes that *"reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and controls for the year to 31 March 2023"*.
18. Plans are in place to share information on partner assurances before the audited accounts are signed off at the November 2023 Performance & Audit Committee (PAC), providing the opportunity for the IJB to review any issues of interest to the IJB included in either of the partners' year end conclusions on governance.
19. The IJB has produced a draft Governance Statement for 2022/23 which reflects the IJB's own assessment for areas for development, setting out several actions to further strengthen governance arrangements. A number of these are complex areas which have remained outstanding for a number of years and depend on the input of partner bodies.
20. As Chief Internal Auditor, this Annual Internal Audit Report to the IJB provides my opinion on the IJB's internal control framework for the financial year 2022/23.
21. Based on the work undertaken, I have concluded that:

- **Reliance can be placed on the IJB's governance arrangements and systems of internal controls for 2022/23.**

22. In addition, I have not advised management of any concerns around the following:

- **Consistency of the Governance Statement with information that we are aware of from our work;**
- **The format and content of the Governance Statement in relation to the relevant guidance;**
- **The disclosure of all relevant issues.**

ACTION

23. The IJB is asked to note this report in evaluating the internal control environment for 2022/23 and consider any actions to be taken on the issues reported for consideration.

INTERNAL CONTROL

24. Following a meeting of Dundee City IJB in May 2016, FTF were appointed to provide the IJB's Internal Audit Service. The PAC has approved the Internal Audit Charter, which is reviewed annually, as well as a protocol for the sharing of audit outputs between the partner organisations. We can confirm that FTF complies with the Public Sector Internal Audit Standards (PSIAS).
25. FTF undertakes internal quality reviews against Public Sector Internal Audit standards (PSIAS) every year. No issues of concern were identified in the 2022/23 review. During 2018/19 the NHS Tayside Internal Audit Service was externally quality assessed by the Institute of Internal Auditors and concluded that FTF generally conforms to the PSIAS. All actions arising from this review are now complete. A further External Quality Assessment is due to take place during 2023/24.
26. For Dundee City Council Internal Audit, an External Quality Assessment in 2018 concluded that the Council's Internal Audit service fully conforms to 11 of the 13 standards and generally conforms to the remaining two. A self-assessment will be performed and reported in the Annual Report in June 2023 with an external review planned to be carried out in the third quarter of 2023/24.
27. The 2022/23 Internal Audit Plan was approved by the PAC in July 2022. Audit work undertaken in partnership with the Dundee City Council Internal Audit Service has been sufficient to allow the Chief Internal Auditor to provide his formal opinion on the adequacy and effectiveness of internal controls.
28. To inform our assessment of the internal control framework, we developed a self assessment governance checklist for completion by management. The checklist was based on requirements of the Integration Scheme, guidance issued by the Scottish Government to support Health and Social Care Integration and best practice. It was also cross referenced to the requirements of the CIPFA 'Delivering Good Governance in Local Government Framework 2016' and supporting guidance notes for Scottish Authorities.
29. Internal Audit validated the assessments reached through discussion with management and examination of the supporting evidence and documentation. Based on our work, we can provide assurance on the following key arrangements in place by 31 March 2023; any ongoing developments and also comment on where further development is needed in 2023/24.

ACKNOWLEDGEMENT

30. On behalf of the Internal Audit Service I would like to take this opportunity to thank the Chief Officer and Chief Finance Officer of the IJB as well as staff within the partnership for the help and co-operation extended to Internal Audit throughout this year and throughout my tenure as Chief Internal Auditor.

A GASKIN, BSc. ACA
Chief Internal Auditor

Our evaluation of the IJB's Governance Framework is summarised below:

A – Corporate Governance
A1 – Key arrangements in place as at year end 2022/23 as well as planned and ongoing developments
<p>Response to Covid19</p> <p>1. In April 2022 the Chief Officer provided an update on progress achieved during 2021/22 in implementing priority actions identified within the Dundee HSCP Covid19 Remobilisation Plan. The Board approved the recommendation that the Partnership no longer maintains a separate Covid19 remobilisation plan, with remaining remobilisation priorities reflected in the Partnership's strategic and commissioning plans (overarching and care group specific) and individual service plans. Covid has had no further impact on the governance arrangements of Dundee City IJB with all meetings held virtually and open to the public.</p> <p>Strategy</p> <p>2. In February 2022 the current Strategic Commissioning Plan was extended for the period 2022/23 to align the planning cycle aligned with that of the other Tayside IJBs and the Dundee City Plan. The addendum to the original plan set out priority actions to be delivered during the extension year and reflected priorities arising from Covid19 remobilisation activity.</p> <p>3. During 2022/23, IJB members were regularly updated on the development of the new Strategic Commissioning Plan originally envisaged to be effective April 2023 onwards, including the challenging timescales and likely delays in producing the whole suite of documents by April 2023. In April 2023 the Board endorsed the draft of the new ten year Dundee IJB Strategic Commissioning Framework for consultation with the final iteration due for approval at the June IJB. The accompanying Annual Delivery Plan will be presented to a future IJB meeting in August or October 2023. The current Plan Addendum 2022/23 will remain in place until such times as the IJB approves the replacement framework and delivery plan.</p> <p>4. Initial work has been undertaken to support the drafting of the first annual delivery plan for 2023/24, co-ordinating this with the process of developing the budget for 2023/24 to ensure consistency and the best use of capacity across the Partnership. The Annual Delivery Plan will also be configured to include transformation. This will be supplemented by a resource framework and a performance framework. Work on these documents is in the initial stages. Once approved, consideration will have to be given how these documents will be monitored and how the IJB will receive assurance.</p> <p>5. Whilst we welcome the direction of travel and the intent demonstrated which align with previous internal audit recommendations and the principles laid out in previous internal audit annual reports, we are therefore not yet able to comment on their effectiveness.</p> <p>6. Delivering the IJB's strategic and commissioning priorities within the budget and resources that it has available will be a significant challenge. A five year financial outlook 2023/28 to be presented to the June 2023 IJB meeting sets out an early indication of the scale of this challenge with an estimated cumulative funding gap of £35.8m. Whilst the 2023/24 budget contains a plan in place for to close the £5.1m</p>

gap, it relies on rely on reserves, vacancies and savings in supplies and transport, rather than substantial transformation and service redesign.

7. It is extremely unlikely that the IJB will be able to close its underlying financial gap using operational efficiencies. As part of its service planning process, the Annual Delivery plan and associated resource framework will need to include genuinely transformative initiatives as clear delineation of the IJBs absolute priorities as well as those areas which will not be a focus for scarce resources and there will need to produce genuine, recurrent cash savings.
8. The need for consolidated Transformation Programme progress reports has been recognised for a number of years now and been the subject of previous internal audit recommendations, but, thus far, there has not been structured holistic monitoring of transformation through the governance structures of the IJB.
9. The 5-year financial outlook paper to be presented to the June 2023 IJB recognises this and recommends a range of principles for adoption to support the IJB in balancing resources and service delivery in line with its strategic intentions.
10. Whilst we have not yet been able to rely on its findings as part of this report, Internal audit D06/23 Operational Planning will conclude on whether:
 - Governance arrangements to deliver strategic priorities and transformational change at an operational level are sufficiently robust.
 - Clear service objectives and measurable, prioritised outputs to deliver strategic change have been identified and progress towards them is monitored and evaluated at an operational level.
 - Project management arrangements are adequate to ensure strategic transformational delivery at a service level is on track.
 - Realistic and challenging trajectories are in place.
 - The operational management performance reporting framework adequately describes the challenges faced, where action taken has not been effective, barriers to achievement, potential solutions and an assessment of the impact of previous actions.
11. The Annual Delivery Plan (ADP) will be a key bridge linking the Strategic Commissioning priorities with the Strategic Financial Plan, although it may not be approved until well into this financial year, which will limit its ability to generate the required improvements in 2023/24. Given the scale of changes to demand, operations and availability of resources, delivery of the strategy will be fundamental to the future sustainability of services and the ADP and associated documents will need to balance resources between the serious short-term risks arising from current operational pressures against the longer term threats to viability and sustainability.
12. The IJB's priority must be to ensure the strategy addresses the needs of the local population within the parameters of available resources, most particularly financial, digital and workforce. This will almost inevitably involve extremely difficult decisions, which may not fully align with public or Scottish Government expectations.
13. Though the financial position of the IJB improved over the last two years due to additional Scottish Government funding, effective future investment of these reserves will be critical to the longer term financial sustainability of health and social care services.

Performance

14. The IJB in April 2022 approved changes to the format of the annual performance report, with future years' reports to be broken down into rolling quarterly reports, each focused on one of the strategic priorities plus an overall year-end report due to be presented to the August 2023 IJB. We have commented previously on the high quality of performance reporting in Dundee IJB, albeit noting the need for performance systems to provide assurance on both Strategic Risks and the implementation of the IJB's SCP.
15. The February 2023 report to the PAC included, for the first time, the published data from Social Care – Demand for Care at Home Services in order to identify special cause variation in performance (i.e. outwith normal expected range).
16. Unscheduled hospital care is one of the biggest demands on Partnership resources. The PAC received a series of in-depth analytical reports, including readmissions. Since February 2023 a short life working group has been developing a robust understanding of local data and has identified specific areas for further analysis to inform future improvement activity. The working group will report on this work to the September 2023 PAC.
17. The latest performance data available was presented to the May 23 PAC for Q3 2022/23 (figures). Operational performance has, overall, been challenging :
 - Performance for emergency admissions deteriorated compared to baseline year and is poorest out of the 3 Tayside Partnerships, but compares well nationally
 - Performance against the standard on spending last 6 months of life at home or in a community setting is high (91.7%) and showing improvement
 - The rate of bed days lost to complex delayed discharge for age 75+ is 45% less than the 2015/16 baseline but performance has decreased over the last 4 quarters.
 - The rate of bed days lost to standard delayed discharge for age 75+ is 35% more than the 2015/16 baseline.
 - Rate of emergency bed days 18+ has reduced since the 2015/16 baseline
 - Performance on rate of hospital admissions due to a fall for aged 65+ remains poor.
 - Percentage of care services graded 'good' (4) or better in Care Inspectorate reports has deteriorated since the 2015/16 baseline.
18. The IJB is committed to the development of a Performance framework as companion document to the strategic commissioning framework, to allow monitoring of strategic change. We note here our view on principles to be taken into account for the format of future reporting:
 - Overt linkage to any associated Strategic risk, with specific opinion on whether this impacts on risk score, target score, and whether it provides assurance on the operation of key controls or the effectiveness of key actions.
 - A short summary of the impact of any non-delivery.
 - Specific improvement actions with target dates.
 - Outcomes focussed narrative. For example, rather than reporting the existence of, say, a Short Life Working Group to address an issue, the narrative should detail improvements flowing from the work of the group and whether they are being implemented effectively.

- Where action has been taken to address challenging areas or areas of poor performance, assurance on whether action has been effective should be provided. Where action has not been effective, alternative remedial action should be identified and lessons learned highlighted.
- An explanation of any barriers to achievement or potential risks to achievement i.e. horizon scanning. This would provide an early warning when known events / circumstances are likely to impact on achievement of targets. This requires assessment of risks to key services to identify urgent issues that may become critical imminently.
- Executive, Clinical and Management leads for all measures should be referenced in the performance report, together with expected timings.

19. Currently there is a lack of data or other performance reporting against many of the highest strategic risks of the organisation for example Drugs & Alcohol Services. A previous internal audit action on linking performance to risk management remains outstanding.

Governance Arrangements

20. A revised model Code of Conduct for Members of Devolved Public Bodies was adopted in April 2022. The current Standing Orders (2018) were adopted, unchanged, by the IJB in June 2022.

21. The IJB met 7 times during the year, and the PAC 4 times (the remit requires a minimum of 3 meetings per financial year). All IJB and PAC meetings were quorate. Following each meeting of the PAC; minutes and a Chair's assurance report are provided to the IJB. The 2021-22 Annual Internal Audit Report recommended that the PAC should provide an annual assurance report to the IJB to confirm it has fulfilled its remit and provide its formal conclusion on the adequacy and effectiveness of internal control and to highlight key areas of concern for future consideration. Although this has not yet been done, management aim for a summary overview to be provided to the August IJB.

22. Following a hiatus in monitoring, in August 2022 the IJB considered a paper on Ministerial Steering Group (MSG) Self-Assessment Findings – Implementation Update. This contained a detailed update on improvement actions arising from the 2019/20 self assessment against the 'Review of Progress with Integration of Health and Social Care'. The IJB approved a proposal that it cease to receive any separate report on the progress of the original MSG improvement plan, with reporting on individual areas continuing via the Governance Action Plan and individual workstream reports, although we have not yet been able to evidence such reporting. The focus of such monitoring should remain on addressing existing unresolved actions with an assessment of what is required to ensure agreed actions are implemented.

23. Internal Audit report D06/21 Governance Action Plan was reported to the PAC in May 2023 and concluded on the completeness and accuracy of the current follow up arrangements. Whilst we were able to provide assurance over accuracy, we reported that the GAP does not include several areas we would have expected to see, including in particular actions arising from previous annual internal audit reports and improvement areas identified in the Governance Statement. An exercise, facilitated by Internal Audit, including reprioritisation of outstanding recommendations, review of completeness, and review for consolidation of actions

is to be undertaken with a range of enhancements to the reporting format agreed.

Hosted Services (Lead Partner Arrangements)

24. The updated Integration Scheme refers to Lead Partner Services (previously Hosted Services) where the Lead Partner Chief Officer co-ordinates strategic planning and has operational responsibility for those services. The new Scheme requires Lead Partner Chief Officers to seek approval from all IJBs on proposed strategy and to provide reports on those services to other IJBs at least in every planning period (which would mean once every 3 years). Internal audit reports over many years have highlighted that assurances on these services required improvement.
25. Although progress continues to be made with a new process in place to share Quality Assurance reports (Clinical Governance reports) for Lead Partner services across all 3 Clinical Care & Professional Governance Groups, an agreed internal audit action in relation to assurance on risks of Lead Partner services remains outstanding. We would note that this action relates to some of the most significant risks across Tayside (i.e. Primary Care and Mental Health). We have been informed that discussions have commenced with the Heads of Service across all three HSCPs to develop a framework and structure, possibly through establishing a Strategic Commissioning Group for hosted services. However, we urge the IJB to progress this as a matter of urgency and favour pragmatic solutions which produce tangible results over lengthy, bureaucratic processes that could lead to further delays.

Review of Integration Scheme

26. Following the consultation on the draft revised Integration Scheme in April 2022, in June 2022 Tayside NHS Board and Dundee City Council gave final approval for submission to Scottish Government of the revised Scheme. The new Scheme received ministerial approval in November 2022 and has been published on the Dundee HSCP website. An IJB development session on governance issues is planned for later in 2023 and will include a section on the integration scheme.
27. We previously reported that a number of key governance issues were to be addressed through the agreement of a new Integration Scheme. Whilst the new scheme more clearly articulates operational management responsibilities, it did not resolve many of the other areas previously identified as concerns, including Large Hospital Set Aside (LHSA) and Corporate Support arrangements. Whilst the IJB is reliant on engagement from partner bodies to further progress in these areas, the organisation needs to ensure momentum is maintained.

Directions

28. A Directions Policy was presented and approved at the April 2023 IJB meeting. This policy was informed by revised statutory guidance on directions published by Scottish Government in March 2020. The policy states that the IJB's PAC will assume responsibility for maintaining an overview of progress with the implementation of Directions and, where relevant, request a midyear progress report. The PAC will escalate key delivery issues to the IJB. The Chief Officer will maintain a tracker to monitor and report progress on the delivery of each Direction at least on an annual basis. It was also agreed that the Directions Policy would be the subject of a future development session.
29. The new Policy does not address our previous recommendation that consideration should be given as to how clinical and care governance arrangements will feed into the formation of IJB directions.

Risk Management				
Risk	Previous score (March 2022)	Current score (March 2023)	Target score	
Staff Resource	25	25	9	→
Dundee Drug & Alcohol Recovery Service	25	16	12	↓
NEW National Care Service	N/A	25	16	↑
Staff Resource (Performance Management)	20	20	16	→
Primary Care	20	20	9	→
Restrictions on Public Sector Funding	16	20	12	↑
Unable to maintain IJB spend	16	16	9	→
NEW Lack of capital investment in community facilities (including Primary Care)	N/A	16	9	↑
NEW Cost of living crisis	N/A	16	9	↑
NEW Data Quality	N/A	12	9	↑
Impact of Covid 19	16	12	9	↓
Mental Health Services	16	16	9	→
Category 1 Responder	12	8	6	↓
Increased bureaucracy	12	9	9	↓
Governance arrangements	12	12	4	→
Employment Terms	9	9	6	→
ARCHIVED Staff perception of integration	9	N/A	N/A	↓
ARCHIVED Uncertainty around future service delivery	9	N/A	N/A	↓
Capacity of leadership team	8	12	6	↑
Viability of external providers	9	16	6	↑

30. Progress against D04/18 Risk Maturity Assessment, issued in 2020, was reported to May 2023 PAC as 75%. An IJB Development session on risk is being prepared for June 2023 and will address outstanding actions including Risk Appetite.

31. Reports on risk management came to each PAC meeting, with an annual report to the IJB in April 2023. We have also reviewed individual risks as documented on the Pentana system and are pleased to note all have recently been updated and show clear engagement by management. A review of IJB and PAC papers also shows reflective consideration of risk in the relevant section on the reporting template, even where these are not linked to an existing strategic risk.

32. The latest risk update was provided to the May 2023 PAC meeting and noted that *“target risk scores will be revisited following planned Risk Appetite sessions for the recent development work around risk appetite”*. It is vital that Risk Appetite reflects genuine intent and therefore the external risk environment; there is no point in a risk appetite which is simply unachievable. Further work will also be required to identify how risk appetite will affect Strategy, decision-making prioritisation and budget setting and organisational focus, the ‘so what?’ question, which will be fundamental to making risk appetite real.

33. There have been a number of changes in the organisation’s risk profile over the year.

3 new risks have been added: National Care Service, Lack of Capital Investment in Community Facilities and Cost of Living Crisis, as well as one new moderate risk in relation to data quality. Two previous risks have now been archived. The current Risk Management Strategy agreed in April 2021 does not explicitly set out the role of the IJB in agreeing the organisation's strategic risks. Agreement of the new Strategic Commissioning Plan and the ongoing work on the accompanying ADP, Resource Framework and Performance Framework provides an opportunity for the IJB to reflect on its overall risk profile, i.e. all issues with the potential to stop the organisation achieving its strategic objective and give consideration of how IJB could be involved in agreeing the overall risk profile (for example at the upcoming development event on risk).

34. The format of risk management reports to the PAC does not provide target scores and associated dates, information on the adequacy and effectiveness of controls and the adequacy of actions (planned future controls) to achieve the target. An action in relation to relevant, reliable and sufficient assurances against its strategic risks was agreed in response to the 2021/22 Annual internal audit report but remains outstanding.

Best Value

35. Under its terms of reference, the PAC has the duty to act as the focus for best value and performance initiatives. It was planned to submit a Best Value report to the June 2022 IJB but this was delayed due to staff capacity. The IJB now plans to rely on the assurances provided by the partner bodies' Governance Statements which make reference to their Best Value arrangements.

Communication and Engagement

36. Dundee City IJB recognises communication and engagement as a priority area for the effective delivery of the Partnership's strategic plan. The new Strategic Commissioning Framework includes a strategic priority section "Planning Together – Planning Services to Meet Local Need" and has demonstrated clear focus on this area. Arrangements have been made for all interested parties to provide feedback on the Draft Strategic Commissioning Framework Consultation. This includes methods that are not digital to ensure that there are no barriers to feedback from any party.

National Care Service

37. The Independent Review of Adult Social Care (IRASC) report (the Feeley report) was published by the Scottish Government on February 2021. This highlighted the "implementation gap" in social care services in Scotland. The recommendations for reform of the social care system set out in this report and subsequently developed through Scottish Government's National Care Service proposal emphasises innovation and improvement. Whilst there is significant focus on national structures for supporting improvement, the report emphasises the need to significantly increase improvement capability at the point of social care delivery, building capacity within the workforce alongside local improvement infrastructure. Scottish Government has delayed work on the National Care Service (Scotland) Bill. However, Dundee IJB has pro-actively introduced a new strategic risk surrounding the National Care Service.

Category 1 Responders / Business Continuity

38. IJBs are now Category 1 Responder bodies and, as recommended by Internal Audit,

the October 2022 meeting considered a Category 1 Responder Action Plan. This was a progress report in developing arrangements to support the IJB to fulfil their duties. A risk analysis was undertaken with risk level being 9 (high) with planned risk level 6 (moderate). The Chief Officer will submit the first IJB Category 1 Responder Assurance Report for 2022/23 to the June IJB.

Public Sector Equality Duty

39. In October 2022, the IJB was informed of the outcome of audit activity undertaken by the Equality and Human Rights Commission with regard to compliance with the Public Sector Equality Duty (PSED). A number of improvement actions were taken in response, with the February 2023 IJB informed of progress which it was anticipated would ensure full compliance with the PSED by Dundee IJB by the deadline date of 31st March, 2023.

40. In April 2023, the IJB approved the Equality Mainstreaming and Equality Outcomes Progress Report for 2021-2023 as well as proposed Equality Outcomes for the period 2023-2027.

B – Clinical Governance, Staff Governance, Financial Governance, Information Governance

Key arrangements in place as at year end 2022/23 as well as planned and ongoing developments

B1 Clinical:

1. Throughout the year, Dundee HSCP has provided regular, high-quality assurance reports to the NHS Tayside Care Governance Committee as well as to each meeting of the Dundee IJB PAC. An Annual Report for the year is tabled for the June 2023 IJB and provides positive assurance on the work of the group. Throughout the year the level of assurance provided was reasonable. Whilst the Annual Report is comprehensive and well written, we have previously commented that it should be used to reflect on key concerns during the year and priorities for the coming year, as well as views on the relevant Strategic Risks. This recommendation remains outstanding.
2. As noted above, progress continues to be made with a new process in place to share Quality Assurance reports (Clinical Governance reports) for Lead Partner services across all 3 Clinical Care & Professional Governance Groups. Implementation of this will be crucial for the IJB to receive assurance in relation to some of its significant strategic risks including Primary Care Services and Mental Health.
3. In the previous reporting period 5-year period (2017-2021), Dundee City had the highest age-standardised drug misuse death rate of all local authority areas in Scotland. Last year, a new strategic Drug & Alcohol risk was created, allowing for a clear focus on this important area. The current risk exposure has decreased from the maximum risk (5x5) to (4x4) as a result of several interventions being undertaken and is evidenced by progress made on the MAT (Medication Assisted Treatments) Standards. We commented last year on the need to link this risk to performance monitoring data, especially the continuing high number of associated deaths, to conclude on whether the controls applied are having the desired impact. In this case, we would suggest that it is not yet possible to determine that operational improvements have had the desired impact.

4. The Dundee Drugs Commission published a follow up report in March 2022. Improvement against the original 16 recommendations and further 12 recommendations from the follow up continue to be monitored. In November 2022 the PAC approved a suite of Drug & Alcohol services indicators that are to be developed into a full performance report to be reported bi-annually.
5. The February 2023 IJB noted the Dundee Alcohol & Drugs Partnership Strategic Framework and Delivery Plan containing short, medium and long term priorities. The Alcohol & Drug Partnership will develop a performance management framework, investment plan and strategic risk register to support the implementation of this plan and there is an associated 2 year rolling delivery plan which will be subject to a detailed review at the end of each financial year and updated.
6. Mental Health services continue to be an area of focus pan-Tayside. The Mental Health and Learning Disability Improvement Plan was prepared by the Chief Officer of Perth and Kinross Integration Joint Board in their capacity as Lead Partner. As requested by the executive partners, an additional 4 key priorities are to be added in a similar format to then form the Mental Health & Learning Disability Whole System Change Programme for Tayside. This is due by June 2023 with an acknowledgement that much work remains to be undertaken on the enabling elements for this plan. Perth and Kinross IJB, as Lead Partner, is developing a strategic risk for Mental Health. Internal audit reports over many years have highlighted the need for assurances on risks of Lead Partner services and this remains outstanding. The PAC receives quarterly reports on national indicators including some relating to mental health. The February 2023 PAC approved a suite of new performance indicators for delegated Mental Health Services which will form the basis of future six-monthly performance reports to the PAC. The PAC received the first Mental Health Performance Report in May 2023.

B2 Staff:

1. The 'Staff Resource' strategic risk is scored at the highest possible 25, reflecting the extreme pressures on workforce, both now and in future. There is a separate risk for leadership capacity.
2. In June 2022 the IJB approved the Dundee HSCP Workforce Plan 2022 to 2025. Scottish Government feedback noted that the plan required more detail in key sections such as the number and type of staff required to recover and transform its services. The Plan was commended for its use of the 5 Pillars format set out in the National Workforce Strategy but it was noted that sections appeared to be aspirational rather than action-oriented. Internal Audit D05/23 will comment on monitoring of implementation of this Plan and on its mitigation of the associated workforce risk.
3. Work is ongoing to increase capacity and strengthen the management team. Temporary structures were put in place on an emergency basis during the Covid pandemic. In April 2023, the IJB was informed that *to address ongoing challenges that structure needs to be adopted on a permanent basis to provide resilience*. We have been informed that the Chief Officer will seek the support of partner HR functions to make permanent arrangements for temporary posts and complete evaluations required for vacancies and new posts.
4. Since 1 April 2021 NHS organisations are required to follow National Whistleblowing

<p>Principles and Standards. There are plans for quarterly reporting. Though such assurance has not yet been received, the principle has been reiterated in the new draft Integration Scheme which notes a requirement to report all concerns to the IJB Board and NHS Board on a quarterly basis.</p>
<p>B3 Finance:</p>
<ol style="list-style-type: none"> 1. There are three financial governance strategic risks: Restrictions on Public Sector Funding currently scored at 20, Unable to maintain IJB spend currently scored at 16, Lack of Capital investment scored at 16. 2. The IJB's final budget for delegated services for 2022/23 was approved at the meeting of the IJB held on 25 March 2022. The 2022/23 budget did not require any additional savings plan to achieve a balanced budget position and therefore no reporting on savings. Each meeting of the IJB receives a Finance report including a risk assessment, reserves update and a forecast outturn position. 3. The latest reported position shows a net operational underspend for the full financial year of £7.5m, comprising a projected underspend of £986k for health services and £6,545k for services delegated from Dundee City Council. The main drivers of this significant underspend were noted as being due to £1.4m return of unspent 2021/22 funding from providers contractual obligations as well as staff vacancies across teams and grades together with lower activity levels as this recovers to return to pre-pandemic levels. 4. During 2022/23 Scottish Government adopted a policy of only releasing some grant funding for the delivery of specific national policy objectives once reserve funding held by IJBs had been applied. In addition, Scottish Government wrote to IJB Chief Officers and Chief Finance Officers to intimate their intention to reclaim surplus Covid-19 reserves to be distributed across the sector to meet current Covid-19 priorities. Dundee City IJB returned a surplus uncommitted Covid-19 reserve balance of £10.349m. This resulted in a significant use of brought forward reserves during the year. In December 2022 the IJB approved a Reserves Investment Strategy which set out plans to enable the IJB to fully utilise reserves to support delivery of the IJB's strategic priorities in addition to contribution to financial sustainability. Closing reserves are £13.2m in committed reserves and £10.8m in general, uncommitted reserves. 5. The IJB is kept regularly updated on development of the financial plan and the status of budget settlement discussions with the partners. The overall financial context, especially the legacy of Covid19, remains complex and uncertain, with a number of pressures impacting on future financial sustainability. The net gap for 2023/24 is £5.1m which will be covered by £3.7m non recurring initiatives mainly (81%) utilising brought forward reserves and only £1.4m recurrent savings. Whilst this will provide a temporary reprieve it is not a financially sustainable position and could impact on the ability of the IJB to "invest to save" in future periods. 6. Over the coming 5-year period, it is estimated that total savings of £ 35.8m will be required. We note above that it is extremely unlikely that savings of this magnitude can be achieved without a significant transformation programme accompanied by clear prioritisation. This will mean difficult choices. Reporting on implementation of Strategy and financial monitoring should have a clear focus on the success of transformational projects i.e. what has changed and how services are better delivered, with savings achieved, as a result of transformation. Reporting should

- provide a rounded view of overall performance, financial sustainability and progress in implementing the priorities set out in the Strategic Plan, linked to assurance on any relevant strategic risks.
7. Financial monitoring reports should also clearly link to the Strategy Delivery plan and resource framework and clearly show progress with savings (identified and actually achieved against a planned trajectory) arising from these actions.
 8. As the organisation cannot rely on reserves in the long term, the focus should now be on addressing the underlying gap to ensure long term financial sustainability. We have set out under the Strategy section above that in our view transformation and resulting savings will be key.
 9. A key area will be culture. During the Covid pandemic, there was a necessary shift of focus towards operational priorities, which reflected the extreme risks in those areas as well as an influx of Covid related funding which lessened the immediate financial risk. However, risks related to financial sustainability are rising sharply and rapidly and the culture and conditions which provided financial stability may well have dissipated in the face of overwhelming operational pressures, the prioritisation of operational activity and ease of access to funding.
 10. The IJB should ensure that financial sustainability is given appropriate priority in all decisions, recognising that money spent now will not be available for future needs. In particular, we note that the SCP did not identify areas of deprioritisation or fully delineate the strategic change required for its implementation. Development of the associated action plan must give suitable priority to financial (and indeed workforce) sustainability.
 11. There may be benefit in a future Board Seminar giving overt consideration as to how such a culture can be set and reinforced in all future decisions, at the IJB Board, Standing Committee and operational levels.
 12. In common with almost all IJBs, progress with Large Hospital Set Aside (LHSA) has been difficult. We previously commented that work to address this should focus on strategic, holistic solutions which allow the transfer of resources to facilitate improvements in services and shifting the balance of care alongside the technical aspects of LHSA. The IJB was last updated on this area in June 2021, and noted the progress made around a clinically led approach to the development of whole system pathway/Large Hospital Set Aside (LHSA) work. Further progress has been hampered by the fact that data for hospital use has been skewed by the pandemic.
 13. Financial regulations have been in place since 2016 with the scheme of delegation reviewed and approved in April 2019. These now require to be reviewed and updated, and we have been informed that this is planned during 2023/24.
 14. The self-assessment against the CIPFA statement on the role of the Chief Financial Officer for Dundee City IJB assessed all elements as either compliant or not applicable.
 15. The IJB approved a Property Strategy in December 2022. The Strategy fills an opportunity and a clear need to review the approach taken to strategic property planning and utilisation of the estate of the Partnership to support the aims of integration. The Strategy set out the ambitions to develop premises that support health and social care, where citizens are able to access the services they need within their own community. A sub-group was established with objectives to gain best value from use of the property, to ensure that buildings are accessible and fit-for-purpose, that premises create environments that support trauma informed ways

of working and reduce inequalities, enhance the provision of health and social care services in local communities, enhance the wellbeing of the workforce and rationalise the estate in order to reinvest in frontline services. An update on progress of implementation of the Strategy was brought to the April 2023 IJB and the Chief Officer instructed to bring progress reports on an annual basis. We would highlight this as an area of concern given its importance to the Primary Care risk in particular and known issues in partner bodies.

B4 Information Governance:

1. We previously commented that the IJB should receive assurance that its strategies and statutory responsibilities are supported by the asset and IT strategies and information governance arrangements of its partners and that these are appropriately prioritised, resourced and monitored, as an important enabler for the delivery of genuine transformation and the revised approach to the delivery of services required following Covid19. This action remains outstanding and we note that the IJB does recognise its increasing importance and is taking steps to improve the situation. The resource framework to be developed to support the new Strategic Commissioning Framework will include digital resources.
2. A new Records Management Plan (effective from September 2021) was submitted to and agreed by the Keeper of the Records of Scotland. The May 2022 Assessment report noted elements which require improvement action on the part of the authority on whose systems the IJB's public records are managed rather than by the IJB (in this case Dundee City Council) on condition of improvements in some areas. We have previously noted that the IJB should receive assurance from the Council on the relevant systems and their compliance with legislation.

Action Point Reference 1 – Sustainability

Finding:

Delivering the IJB's strategic and commissioning priorities within the budget and resources that it has available will be a significant challenge. Over the coming 5-year period, it is estimated that total savings of nearly £36m will be required. It is extremely unlikely that savings of this magnitude can be achieved without a significant transformation programme accompanied by clear prioritisation. This will mean difficult choices. There is no detail in the new Strategic Commissioning Framework about areas that may need to be de-prioritised or how these will be identified.

An Annual Delivery Plan configured to include transformation supplemented by a resource framework and a performance framework is in the initial stages of development.

The culture and conditions which provided financial stability may well have dissipated during the Covid pandemic given the prioritisation of immediate operational activity and ease of access to funding.

Audit Recommendation:

In these circumstances monitoring of the implementation of the SCF and of the development and then implementation of the supporting documents including the Annual Delivery Plan, Resource Framework, Workforce Plan and Performance Framework will be fundamental. Management should clearly set out how the IJB will receive assurance, including assurance over transformation.

Reporting on implementation of Strategy and financial monitoring should have a clear focus on the success of transformational projects i.e. what has changed and how services are better delivered, with savings achieved, as a result of transformation. Reporting should provide a rounded view of overall performance, financial sustainability and progress in implementing the priorities set out in the Strategic Plan, linked to assurance on any relevant strategic risks.

Financial monitoring reports should also clearly link to the Strategy Delivery plan and resource framework and clearly show progress with savings (identified and actually achieved against a planned trajectory) arising from these actions.

A key area will be culture. The IJB should ensure that financial sustainability is given appropriate priority in all decisions, recognising that money spent now will not be available for future needs. There may be benefit in a future Board Seminar giving overt consideration as to how such a culture can be set and reinforced in all future decisions, at the IJB Board, Standing Committee and operational levels.

Assessment of Risk:

Our assessment of the above finding is as follows:

Significant



Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores.

Requires action to avoid exposure to significant risks to achieving the objectives for area under review

Management Response/Action:	
<p>Management is focussed on developing and progressing transformation plans with clear links to the IJB's Strategic Commissioning Plan and consideration of the future financial sustainability of health and social care services. The further development of governance and reporting around transformation are key priorities for management over 2023/24 and beyond and a detailed proposal for changes to the governance and reporting, taking into account this recommendation, will be presented to the IJB for approval.</p>	
Action by:	Date of expected completion:
Chief Officer/Chief Finance Officer	December 2023

Action Point Reference 2 – Strategic Risk Management

Finding:

The Risk Management Strategy agreed in April 2021 states that the IJB Board is responsible for 'receipt, review and scrutiny of reports on strategic risks'. Agreement of the new Strategic Commissioning Plan and the ongoing work on the accompanying Annual Delivery Plan, Resource Framework and Performance Framework provides an opportunity for the IJB to reflect on its overall risk profile, i.e. all issues with the potential to stop the organisation achieving its strategic objective and An IJB Development session on risk is being prepared for before end of June 2023 and will address outstanding actions including Risk Appetite. The latest risk update was provided to the May 2023 PAC meeting and noted that *"target risk scores will be revisited following planned Risk Appetite sessions for the recent development work around risk appetite"*. We welcome this intention and note that further work will also be required to identify how the new risk appetite will affect Strategy, decision-making prioritisation and budget setting and organisational focus, the 'so what?' question, which will be fundamental to making risk appetite real.

Audit Recommendation:

We recommend consideration is given to how IJB members could be involved in the development and agreement of the organisation's risk profile.

To help implementation of the Risk Appetite to be agreed, we recommend that the IJB sets out clearly how:

- risk appetite is to be taken into consideration as part of decision making
- risk appetite affects monitoring and escalation processes for individual risks
- Risk appetite is reflected in target risk scores and how the IJB will understand whether target is actually being achieved.

Assessment of Risk:

Our assessment of the above finding is as follows:

Moderate



Weaknesses in design or implementation of controls which contribute to risk mitigation.

Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.

Management Response/Action:

Management in agreement with the recommendations noted above and will ensure action is taken to work in partnership with IJB members to development and understanding of the IJB's risk profile and appetite A detailed report on progress will be provided to the PAC, with the 2023/24 Risk Management Annual report providing further assurance on the effectiveness of these developments.

Action by:	Date of expected completion:
Chief Finance Officer	December 2023 and April 2024

Action Point Reference 3- Outstanding actions

Finding:

A high proportion of issues previously highlighted by ourselves and others which have resulted in agreed recommendations have not been taken forward as expected. Whilst we have evidenced a willingness to identify where governance improvements are needed, the ability to implement these is restricted.

In addition, Internal audit D06/21 Governance Action Plan found that as the GAP has been based on agenda items discussed by the Performance & Audit Committee (PAC), actions arising from our Annual Internal Audit Reports for 2020/21 and 2021/22 were not included, and neither were the improvement areas identified in the Governance Statement(s). In response to D06/21, an exercise, facilitated by Internal Audit, is to be undertaken including reprioritisation of outstanding recommendations, ensure completeness of actions to be followed up within the respective reports recommended by Internal Audit, which may present the opportunity for consolidation or cross reference.

Our 2019/20 Annual Internal Audit Report made a single recommendation on escalation of outstanding Governance Actions, which was reported to the October 2020 IJB meeting who 'instructed the Chief Officer and Chief Finance Officer to ensure these initiatives are implemented in order to strengthen the governance arrangements in place within the Integration Joint Boards governance framework'. This took place prior to the introduction of an action tracker for actions agreed by the IJB. No further updates were provided on this.

Our previous recommendation for an annual report from the PAC to the IJB also recommended the Committee reflect on any matters of concern for future consideration.

We have included below an appendix showing previous annual report recommendations still outstanding.

Audit Recommendation:

The PAC annual report should clearly highlight lack of progress in implementing agreed governance improvements and their impact on governance arrangements.

Alongside improvements to the monitoring of agreed governance improvement actions as agreed under D06/21, focus should be on prioritising outstanding actions with barriers to achievement and solutions to address these clearly identified.

Assessment of Risk:

Our assessment of the above finding is as follows:

Significant



Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores.

Requires action to avoid exposure to significant risks to achieving the objectives for area under review.

Management Response/Action:

Recommendations to be implemented by management as set out above and as agreed in management response to Internal Audit Report D06/21 presented to the PAC at its

meeting on 24 May 2023 (Report PAC10-2023). The resultant streamlining of outstanding actions will assist focussing on the outstanding items.

Action by:	Date of expected completion:
Chief Finance Officer	PAC Annual Report to IJB – August 2023 Development of streamlined reporting to the PAC – September 2023

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 design or implementation of key controls i.e. those which individually reduce the risk scores. Requires action to avoid exposure to significant risks to achieving the objectives for area under review.	Two
Moderate		Weaknesses in design or implementation of controls which contribute to risk mitigation. Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.	One
Merits attention		There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.	None

This page is intentionally left blank

Source	Rec. No.	Assessment of risk	Description	Original Deadline	Current Status	Conclusion
D03/22 Annual Report 2020-21	3	Moderate	Review of standing orders including remit of PAC to refer to Clinical & Care Governance.	Mar-22	Standing Orders reviewed June 22 with no amendments. PAC remit does not refer to C&CG.	Ongoing
D03/22 Annual Report 2020-21	4	Significant	Review of financial regulations Adoption of Pan-Tayside solutions to LHSA, Corporate Support, Hosted Services.	Oct-21 Mar-22	Financial Regulations still to be reviewed - planned for 2023/24 IS reviewed and updated; discussions have taken place in relation to lead partner (previously hosted) arrangements including governance and reporting. LHSA unlikely to make progress with National Care Service arrangements being developed. Partner bodies have not been prescriptive around corporate support arrangements	Ongoing Ongoing
D03/22 Annual Report 2020-21	6	Moderate	Risk assurance including development of an IJB Assurance Plan.	Dec-21	Due to resourcing capacity the IJB has been unable to progress the connection between risk and performance and ultimately an overarching IJB assurance report. The IJB continues to receive assurance in many ways from partners but arrangements will be progressed during 2023/24 to further request assurances from partner bodies following clarification of responsibilities reflected in the updated Integration Scheme.	Ongoing

D03/23 Annual Report 2021-22	1	Significant	MSG Action progress. IJB, directly or through PAC, to receive a progress update on areas of integration concern e.g. LHSA, corporate support, hosted services. Identification of what is required to ensure agreed actions are implemented and the consequences of non-delivery.	Dec-22	No further developments. The IJB have concerns that, as Scottish Government continues to develop arrangements for a National Care Service, partners will not see a reason to take these forward resulting in an impasse until the NCS is implemented.	Underlying weaknesses remain
D03/23 Annual Report 2021-22	2	Significant	Consideration of how the IJB receives assurances and monitors progress against actions in the Strategic Commissioning Plan.	Dec-22	Following the approval of the new Strategic Commissioning Plan which reflects the IJBs high level priorities, a delivery plan will be published. This will, in effect, be the HSCP's response to how the priorities will be delivered within front line services. The reporting of the delivery of this plan alongside the wider performance indicators will provide the necessary assurances to the IJB that priorities are being delivered.	Ongoing
D03/23 Annual Report 2021-22	3	Moderate	PAC to provide a year-end report to the IJB with a conclusion on whether it has fulfilled its remit and its view on the adequacy and effectiveness of matters under its purview.	Feb-23	Still to be taken forward. The aim is for a summary overview to be provided to the August 2023 IJB.	Ongoing
D03/23 Annual Report 2021-22	4	Significant	Direct and overt assurances over the strategic risks to the IJB.	Dec-22	Due to service capacity unable to take this recommendation forward as planned. Will be picked up during 2023/24.	Ongoing
D03/23 Annual Report 2021-22	5	Moderate	Consideration as to how clinical and care governance arrangements feed into the formation of IJB directions.	Dec-22	A new Directions Policy was presented at the April 2023 meeting. The policy makes no reference to CCG.	Ongoing
D03/23 Annual Report 2021-22	6	Significant	Detailed monitoring of savings initiatives .	As required	The 2022/23 budget was balanced without the need for savings proposals but a savings plan has been agreed for 2023/24. Financial monitoring arrangements this year will include savings monitoring.	Ongoing

D03/23 Annual Report 2021-22	7	Merits Attention	Reporting of progress in delivering the Risk Management Action Plan should set out progress against individual actions to allow for clear monitoring of maturity assessment	Nov-22	Following the Internal Audit Review of the Governance Action Plan this will be reconsidered alongside the consolidation and reporting of other reviews.	Ongoing
D03/23 Annual Report 2021-22	8	Merits Attention	Dundee HSCP annual report should reference relevant strategic risk, or areas for development, key concerns and priorities for the coming year.	Jun-23	The current draft will be reviewed for the June 2023 IJB.	Ongoing
D03/23 Annual Report 2021-22	9	Merits Attention	Output from internal monitoring and quality assurance process for care services should be overtly included within CCPG reports and their quality assessed through triangulation with results of external inspections.	Ongoing	No further developments this year; arrangements in place are still deemed to be as effective as they can be. Further investment has been made by the Scottish Government to Health Boards through additional assurance responsibilities to the Executive Directors of Nursing to support care home oversight which will provide additional support and guidance to the care home sector.	Ongoing

This page is intentionally left blank