



**MINUTES OF THE MEETING OF THE  
EAST LOTHIAN INTEGRATION JOINT BOARD  
AUDIT & RISK COMMITTEE**

**THURSDAY 10 JANUARY 2019  
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

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**Members Present:**

Ms F Ireland (Chair)  
Councillor J Findlay (\*substitute)  
Councillor F O'Donnell

**Officers Present:**

Mr P Moore  
Ms C Flanagan  
Ms A MacDonald

**Others Present:**

Ms G Woolman, Audit Scotland  
Mr D Melly, Audit Scotland

**Clerk:**

Ms F Currie

**Apologies:**

Councillor S Kempson\*  
Mr A Joyce

**Declarations of Interest:**

None

In the absence of Councillor Kempson, Councillor Fiona O'Donnell proposed that Fiona Ireland should chair the meeting. The proposal was seconded by Councillor Jeremy Findlay and agreed by the members.

## **1. MINUTES OF THE IJB AUDIT AND RISK COMMITTEE MEETING OF 27 SEPTEMBER 2018**

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 27 September 2018 were approved.

## **2. MATTERS ARISING FROM THE MINUTES OF 27 SEPTEMBER**

The following matters arising were discussed:

**(Item 6) NHS Datix Presentation** – Ms Ireland advised that this presentation, originally planned for this meeting, would be postponed until the Committee's next meeting to allow Councillor Kempson the opportunity to attend.

## **3. EAST LOTHIAN INTEGRATION JOINT BOARD ANNUAL AUDIT PLAN 2018/19**

A report was submitted by Audit Scotland outlining the audit plan for 2018/19.

Daniel Melly presented the report summarising the key elements of the plan including the key audit risks, outputs, scope and timing. He highlighted the issue of recurring overspends and the need for the IJB to have sufficiently detailed information to allow it to make informed decisions on how to address this. He added that the Partners had indicated that it would not be sustainable for them to continue to fund overspends going forward.

On the timing of the audit work, Mr Melly said that the presentation of some of the outputs would depend on future Committee meeting dates and urged that dates for 2019/20 be set as soon as possible. He also outlined the audit fee.

In response to questions from Councillor Findlay, Gillian Woolman explained that the risk exposure of the IJB would dictate the amount of time spent on the audit and as the work of the IJB expanded she would expect to see an increase in the fee over coming years. Ms Woolman also commented that in 4 out of the past 5 years the IJB had required additional funding from the Partners to address overspends. She noted that the previous agreement with the Partners to fund any shortfall had now come to an end and that robust discussions would be required to agree future arrangements.

Councillor O'Donnell referred to past overspends and pointed out that many other IJBs had been overspent in the previous financial year. She asked if this was simply a reality or whether there were examples of good practice in other areas of the country. Ms Woolman said there had been a range of outcomes across the country with some IJBs managing to accrue an end year surplus. She added that audits of some IJBs had shown that service redesign did result in a step change in resources being released.

In response to further questions, Ms Woolman commented on the value of longer term financial planning and the need to ensure that the long-term implications of capital spending, on projects such as health facilities, were factored into financial planning. She said that Audit Scotland had previously urged local authorities and health boards to adopt multi-year financial planning and East Lothian Council was now in a better

position as a result. With the Partners engaged, it made sense for IJBs to follow this example.

On monitoring the impact of Brexit on workforce planning, Ms Woolman observed that qualified staff were mostly EU nationals and unqualified staff mainly non-EU nationals, and that this would have implications for future workforce plans.

Alison MacDonald said it was important to discuss the impact of Brexit and how it might affect the strategic risks within the IJB's risk register. Referring to the workforce plan, she reminded members that the Third Sector would also be impacted by Brexit.

Ms Ireland raised the issue of strategic visioning and what the IJB's capital plan might look like in the medium to long-term. Claire Flanagan indicated that the next item of business would support some of that work.

Ms Woolman noted that dates had still to be agreed for concluding the 2018/19 audit work and she asked, if possible, that the final sign-off take place earlier than last year. She also confirmed that the audit fee would usually be agreed by officers and that the audit report would be published on the Audit Scotland website.

## **Decision**

The Committee agreed:

- (i) to note the contents of the report; and
- (ii) that it was content with the proposed audit fee.

## **4. SCOTTISH GOVERNMENT MEDIUM TERM HEALTH & SOCIAL CARE FINANCIAL FRAMEWORK**

A report was submitted by the Chief Finance Officer summarising the recent publication by the Scottish Government of its medium term health and social care financial framework.

Ms Flanagan presented the report outlining the background to the framework which was designed to provide parameters for local systems to plan both financially and for reform. She highlighted some of the key messages including the five areas of activity which would contribute most to the reform of health and social care delivery: shifting the balance of care; regional working; public health and prevention; Once for Scotland and annual savings plans.

Councillor O'Donnell said she was disappointed with the projected savings on the public health agenda. She had hoped for much more flexibility from the direction of travel and opportunities to access community services and improve outcomes.

Ms Flanagan said that more work needed to be done on the framework as concerns had been raised that it did not take account of 'unmet need'. Ms MacDonald said it was important for the IJB to develop a local plan of what could be done to reduce costs.

Ms Ireland suggested that the Strategic Change Board should have sight of the framework and consider its implications. Ms Flanagan and Ms MacDonald suggested that presentations might also be made to the Management Team and the Strategic Planning Board.

Councillor O'Donnell asked that her colleagues also be briefed on the framework and the wider role of the IJB. Councillor Findlay agreed, adding that if councillors were

being asked to take decisions they needed to know more about the work of the IJB. He referred to the situation in his own ward in North Berwick.

Councillor O'Donnell observed that it was the IJB that took decisions on reprovision of services but that its decisions then had implications for Council budgets.

Ms Ireland agreed that a briefing was required and Ms MacDonald said she would take this forward.

## **Decision**

The Committee agreed to:

- (i) Note the publication of the financial framework; and
- (ii) Note the key messages as a result of this report.

## **5. AUDIT SCOTLAND REPORTS – INTEGRATION, HEALTH AND EU WITHDRAWAL**

A report was submitted by the Chief Finance Officer summarising the findings of recent Audit Scotland reports regarding progress with health and social care integration and also a further report on EU withdrawal.

Ms Flanagan advised members that she would present each of the three Audit Scotland reports separately.

### Health & Social Care Integration – an update on progress

Ms Flanagan advised that this report looked at the progress made since Audit Scotland's last review of health and social care integration. It highlighted that a stronger commitment was required to collaborative working to achieve the long-term benefits of integration. The report was also critical of financial planning arrangements being neither integrated nor long-term. Ms Flanagan outlined some of the recommendations which set out six areas where action was required by bodies including the Scottish Government, CoSLA, councils, health boards and integration authorities. The areas included collaborative leadership and building relationships, effective strategic planning for improvement and agreed governance and accountability arrangements.

Ms Flanagan said that East Lothian was already making progress in these areas. A Lothian wide Chief Officer organized development session with senior partners had been held in December to consider the report and the views expressed had demonstrated a shared willingness to support integration. The session had also included a discussion on using the report as a self-assessment tool.

In response to questions from members, Ms Flanagan confirmed that there was a financial strategy in place and that the Partners provided three year indicative budgets. She also reminded members that NHS Lothian was moving towards a Cost Allocation Budget model which would look at actual activity and costs and would allow the IJB to more easily demonstrate a shift in the balance of care and to plan for transformation.

Ms MacDonald reported that extremely meaningful discussions had been taking place with the Partners to build on the outline financial strategy and that there were also regular meetings between the chief officers of all four Lothian IJBs which provided another useful forum for debating these issues.

Councillor O'Donnell was reassured that the plans and systems were in place and working well. She agreed that further work was needed and she hoped that through the Change Boards they would see more joined up working between the Partners and others to deliver health outcomes.

Ms Woolman welcomed the fact that all three national studies had been brought to the Committee and she said she was also encouraging local authority audit committees to include them on their agendas. She noted in relation to this particular report that improvements had been made in reducing hospital admissions and delays. She also acknowledged that difficult decisions needed to be taken around issues such as re-provision and she referred to the case studies in the report as a source of assistance and examples of good practice.

#### NHS in Scotland

Ms Flanagan said that the report highlighted the fact that a number of NHS Boards were struggling to breakeven and that in the longer term the NHS was not in a financial sustainable position. She said that the report concluded that the NHS urgently needed to move towards long-term fundamental change and she outlined some of the recommendations including that the Scottish Government develop a robust and transparent system to manage and monitor NHS boards' end year flexibility and three year breakeven positions, that government and boards work to strengthen board-level governance arrangements and that all partners develop a clearer understanding of demand for services.

Ms Woolman commented that NHS Boards were conscious of how the report had been received and had recognised that it was more critical and represented a step change in tone coming from Audit Scotland.

#### Withdrawal from the European Union

Ms Flanagan summarised the key messages of this report which included a number of questions that public bodies should ask themselves in preparation for Brexit and which were classified into three themes: people; finance; and rules and regulations. She said that the report listed specific risks for health and social care regarding its workforce and the cost and availability of essential goods and services. Ms Flanagan indicated that some of these issues would also be discussed as part of the next agenda item.

Ms Ireland commented that in planning terms it was very difficult to know what the workforce actually looked like as there had been a low response to the staff survey. She said that the risks seemed to be around the lower paid jobs but the extent of the risks was not clear.

Councillor O'Donnell believed that the lack of engagement may have been fueled by individuals' concern about drawing attention to themselves or their families.

Councillor Findlay asked what percentage of medications were bought from the EU. Ms MacDonald was not able to give a figure but said that NHS Lothian's Pharmacy Group were looking at the issue and she would seek feedback from them on the position for East Lothian.

Ms Flanagan added that some companies were looking to move their premises out of the UK post-Brexit and this would provide additional challenges. Ms Ireland said there would also be implications for licensing of medicines.

In response to a further question from Councillor Findlay on the length of the potential transition period, Ms Ireland said that the IJB needed to identify what its key risks were,

e.g. EU and non-EU nationals within the workforce. Ms MacDonald suggested that Brexit and workforce issues should be discussed as part of the next agenda item – the risk register.

## **Decision**

The Committee agreed to:

- (i) Note the publication of the Audit Scotland reports; and
- (ii) Support the proposal to report to a future meeting of the IJB any lessons and actions required in East Lothian as a result of these reports.

## **6. RISK REGISTER - UPDATE**

A report was submitted by the Chief Finance Officer updating the IJB's risk register and presenting the current version to the Committee.

Ms Ireland presented the report stating that it had been clear during previous discussions that the IJB risk register should only contain risks related to IJB, i.e. strategic rather than operational. However, she took the view that those operational risks which could hamper delivery of the strategic plan should also be included in the IJB risk register. She invited members to review the register and to consider whether there was a need to include additional risks, such as Brexit.

Councillor O'Donnell asked what was meant by 'risk related to the IJB'. Ms Flanagan explained that these were risks directly related to the work of the IJB, some of which may also be included in the health & social care risk register.

Ms Ireland asked for Audit Scotland's view on the content of the risk register. Mr Melly said that he had reviewed the register and was aware of the discussions which had taken place at previous meetings of the Committee. He acknowledged the difficulty in identifying which of the operational risks would impact on the IJB's ability to deliver its strategic objectives.

In response to a question from Councillor O'Donnell, Ms Flanagan said that workforce issues were not included as the IJB does not directly employ anyone. Ms MacDonald added that workforce resources formed a large part of the health and social care risk register.

Ms Woolman said that having had the issue articulated today, she and her team would give further consideration to it. In the meantime, she encouraged the accountable officer to seek assurances from the Partners that they have risk registers and adequate mitigation measures in place.

Ms Ireland said that the proposed presentation on the Datix system would go some way to providing that assurance from NHS Lothian but that the same was needed from the Council.

Ms MacDonald advised that the health and social care risk register sat jointly with both the Council and NHS Lothian. The latest version had been presented to the Council Management Team and would also be presented to NHS Lothian. There was not currently a system for reporting it to the IJB.

Ms Woolman suggested that Ms MacDonald prepare a report for the IJB on the work that is being done on the joint risk register.

Ms Ireland invited members comments on the individual risks outlined in the register, whether an additional risk should be added for Brexit and whether this should form part of the IJB risk register or the health and social care risk register.

There was general agreement that Brexit should be included in both registers. Councillor O'Donnell asked for an amendment to risk 3924 to clarify the distinction in roles between officers and IJB members.

Ms Woolman noted that risk 3924 required updating for the current financial year. Councillor Findlay said that nothing seemed to have changed on the risk register since it had been presented to the Committee in March 2018. He asked if this meant that the control measures were not adequate as there had been no improvement in the figures during the past year.

Ms Flanagan acknowledged that both she and Ms MacDonald needed to review and update the risk register to reflect work undertaken in the past year. However, she said that there were some risks which would always remain.

Ms Ireland agreed that some risks were intractable and Councillor O'Donnell observed that it was about how such risks were managed in the long-term.

Ms Ireland noted that there was general agreement that the risk register required updating and she suggested that both this and the Datix presentation could be presented as a workshop at the next meeting of the Committee.

**Decision**

The Committee considered the risk register and agreed:

- (i) That a further risk should be added to reflect the impact of Brexit; and
- (ii) That, overall, the mitigation measures were adequate but that the risk register required updating to reflect recent progress.

**7. NHS Lothian Datix Presentation**

This item was postponed to the next meeting of the Committee on 19 March 2019.

Signed .....

Fiona Ireland  
Acting Chair of the East Lothian IJB Audit and Risk Committee







**REPORT TO:** East Lothian IJB – Audit and Risk Committee

**MEETING DATE:** 19 March 2019

**BY:** Senior Auditor

**SUBJECT:** Internal Audit Report – Workforce Planning

**3a**

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**1 PURPOSE**

- 1.1 To inform the Audit and Risk Committee of the recently issued audit report on Workforce Planning.

**2 RECOMMENDATION**

- 2.1 That the Audit and Risk Committee note the contents of the audit report.

**3 BACKGROUND**

- 3.1 The NHS Lothian Internal Audit team recently carried out a review of the internal controls surrounding Workforce Planning as part of the Audit Plan for 2018/19.
- 3.2 The main objective of the audit was to evaluate the adequacy and effectiveness of key internal controls in place over the management of Workforce Planning.
- 3.3 The main findings from the audit work are outlined in the attached report.

**4 ENGAGEMENT**

- 4.1 The findings from the review have been discussed with Management, but do not require wider engagement.

**5 POLICY IMPLICATIONS**

- 5.1 None

## **6 INTEGRATED IMPACT ASSESSMENT**

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

## **7 RESOURCE IMPLICATIONS**

- 7.1 Financial - None  
7.2 Personnel - None  
7.3 Other - None

## **8 BACKGROUND PAPERS**

- 8.1 None

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<b>DATE</b>	11 March 2019

# Internal Audit



## East Lothian Integration Joint Board

### Workforce Planning

February 2019

#### Internal Audit Assurance Assessment:

Objective One	Objective Two	Objective Three	Objective Four	Objective Five
Moderate Assurance	Significant Assurance	Moderate Assurance	Significant Assurance	Significant Assurance

#### **Timetable**

Date closing meeting held: 21 January 2019

Date draft report issued: 6 February 2019

Date management comments received: 14 February 2019

Date final report issued: 14 February 2019

This report has been prepared for East Lothian Integration Joint Board in our capacity as NHS Lothian Internal Auditors and will be shared with the East Lothian Integration Joint Board Audit & Risk Committee and the NHS Lothian Audit & Risk Committee. It has been supported by officers from the Integration Joint Board, NHS Lothian and East Lothian Council.

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## **1. Introduction**

- 1.1 The Public Bodies (Joint Working) Scotland Act 2014 aims to provide better connected and co-ordinated services for adults through the integration of health and social care services. Through the Integration Scheme, East Lothian Council and NHS Lothian set up the East Lothian Integration Joint Board (ELIJB) which is responsible for directing the provision of delegated functions within East Lothian. The IJB's internal audit function is performed by East Lothian Council's internal audit team, who decided that the 2018-19 IJB internal plan should include this review..
- 1.2 Workforce planning is concerned with ensuring that an organisation has the right people, with the right skills, in the right place, at the right time to support the delivery of objectives. This is particularly important for the effective provision of services within East Lothian.
- 1.3 This audit reviewed the ELIJB controls established to ensure that there is effective management of workforce planning.

### **Scope**

- 1.4 The objective of the audit was to determine if there are effective controls in place over workforce planning for the ELIJB.

### **Acknowledgements**

- 1.5 We would like to thank all staff consulted during this review, for their assistance and cooperation.

## 2. Executive Summary

### Summary of Findings

2.1 The table below summarises our assessment of the risks and the adequacy and effectiveness of the controls in place to meet each of the risk areas agreed for this audit. Definitions of the ratings applied to each action are set out in Appendix 1.

No.	Control Objectives	Assurance Level	Number of findings			
			Critical	High	Medium	Low
1	A workforce plan is in place for the ELIJB.	Moderate Assurance	-	-	2	-
2	The plan has been approved by all relevant staff and committees.	Significant Assurance	-	-	-	-
3	Performance management requirements have been stated in the plan.	Moderate Assurance	-	-	1	-
4	There is effective reporting of plan progress to the ELIJB Board.	Significant Assurance	-	-	-	-
5	Any issues arising are resolved in a timely manner.	Significant Assurance	-	-	-	-
<b>TOTAL</b>			-	-	<b>3</b>	-

### Conclusion

2.2 The area under review comprised 5 control objectives, of which 3 received Significant Assurance and 2 received Moderate Assurance.

### Main Findings

2.3 The workforce plan for the Health & Social Care Partnership (HSCP) is currently in draft and expected to be finalised prior to the Scottish Government deadline of 31 March 2019. All relevant professional groups have been involved in creating the plan, and there has been discussion at senior HSCP groups. However, the draft plan does not include detailed workforce plans for individual areas within the HSCP or a

performance management framework. In addition, staff charged with completing the plan have not received detailed training.

- 2.4 We identified the following areas for improvement during the review:
  - 2.4.1 At the time of the audit the Workforce Plan was still in draft, but it is expected that it will be presented to the ELIJB Board in April 2019. In addition, detailed workforce plans for all individual areas of the HSCP, e.g. Mental Health, Adult Services, and Children's Services have not yet been created, and the plan does not state its review date.
  - 2.4.2 HSCP staff charged with generating the HSCP's workforce plan attended a training event in December 2017 and were provided with guidance. However, the complexity of the workforce planning process and its implications for the future operations of the HSCP both mean that additional, more intensive training would have been beneficial.
  - 2.4.3 At present the draft workforce plan does not contain SMART objectives and related KPIs. However, an event took place on 18 January 2019 to discuss action planning, and to generate objectives and KPIs. In addition, the ELIJB Board has not yet stated its performance reporting requirements for the workforce plan.
- 2.5 Details of these 3 Medium findings are set out in the Management Action Plan.

### 3. Management Action Plan

<b>Finding 1</b>	
<p><b>Control objective 1: A workforce plan is in place for the ELIJB.</b></p> <p><b>Associated risk of not achieving the control objective: The workforce plan is not yet complete.</b></p>	<b>Medium</b>
<p><u>Observation and risk</u></p> <p>At the time of the audit the Workforce Plan was still in draft. However, the Senior Workforce Development Officer and the Service Manager have stated that it will be finalised prior to the Scottish Government deadline of 31 March 2019. It is expected that the draft plan will be presented to the ELIJB Board in April 2019</p> <p>However, although the draft plan has statements on the overall direction of the HSCP, it does not yet include detailed workforce plans for individual areas within the HSCP, e.g. for Mental Health, Adult Services, and Children’s Services. The Senior Workforce Development Officer stated that the managers for these individual areas did, however, contribute to the generation of the overall plan for the HSCP.</p> <p>The Scottish Government had been expected to issue guidance by the end of December 2018 which will set out the format for workforce plans and the required contents. However, at the time of the audit, the guidance has not yet been released. As such, it is not yet known if the HSCP’s plan will comply with this guidance.</p> <p>Finally, the plan does not state its review date.</p> <p>If the final workforce plan does not include detailed plans for individual areas of the HSCP, does not confirm that it complies with Government guidance, and does not have a review date then there will be reduced confidence that it will be effective in guiding workforce planning for the HSCP.</p>	
<p><u>Recommendation</u></p> <p>The draft plan should be presented to the ELIJB Board in April 2019.</p> <p>Detailed workforce plans for all individual areas of the HSCP, e.g. Mental Health, Adult Services, and Children’s Services should be created.</p> <p>The final plan should confirm that it complies with the Government workforce planning guidance which had been expected to be issued in December 2018.</p> <p>The final plan should state its review date.</p>	
<p><u>Management Response</u></p> <p>The draft plan has been presented to the Workforce Planning &amp; Organisational Development Steering Group on both the 11<sup>th</sup> January and the 8<sup>th</sup> February. It was decided that it did not need to go to the Strategic Planning Group on 30<sup>th</sup> January. It will be presented to the IJB at</p>	



their April meeting so there will be a maximum of one month's slippage. However it is anticipated that the SG deadline is due to be extended due to a delay in issuing their guidance.

Individual service plans will have a workforce planning section which will be underpinned by the Partnership workforce plan.

Although a three year plan the action plan will be developed and reviewed annually.

The Management Action

1. Present to Joint Consultative Group on 10 April 2019
2. Present to IJB at their April 2019 meeting.
3. Develop individual service workforce action plans.
4. Review overall plan and action plan annually.

<u>Responsibility:</u>	<u>Target date:</u>
1. Service Manager	1. 30 April 2019
2. Service Manager	2. 30 April 2019
3. All	3. 30 April 2019
4. All	4. 31 March 2020

<b>Finding 2</b>	
<b>Control objective 1: A workforce plan is in place for the ELIJB.</b>	<b>Medium</b>
<b>Associated risk of not achieving the control objective: Staff tasked with completing the plan have not all received full training.</b>	
<p><u>Observation and risk</u></p> <p>Effective workforce planning involves determining the staff size, type, experience, knowledge, and skills an organisation requires to achieve its objectives, both in the present and in the future. It is vital for the HSCP to have a comprehensive understanding of its future staffing needs particularly due to changing demographics and the move from acute to primary care and community treatment.</p> <p>Although the staff charged with generating the HSCP's workforce plan attended a training event in December 2017 and were provided with guidance, the complexity of the workforce planning process and its implications for the future operations of the HSCP both mean that additional, more intensive training would have been beneficial in order to ensure that the plan is comprehensive, sufficiently detailed, and fully reflective of the future needs of the organisation.</p> <p>However, the Service Manager stated that once the plan is finalised there will be an event to discuss lessons learned which will help to provide staff with a greater understanding of the workforce planning process.</p> <p>If the staff who are tasked with completing the workforce plan have not received sufficient training then there is an increased risk that the plan does not include all necessary information and will not clearly state the organisation's future staffing requirements.</p>	
<p><u>Recommendation</u></p> <p>All staff charged with completing the overall HSCP workforce plan, and the individual lower-level plans, should receive comprehensive training to allow them to more effectively perform the work.</p>	
<p><u>Management Response</u></p> <p>Such training will be developed on receipt of the Scottish Government guidance, with training then being provided to all relevant staff.</p> <p><u>The Management Action</u></p> <p>Develop training for staff developed from Scottish Government guidance. Training will then be provided to all relevant staff.</p>	
<p><u>Responsibility:</u></p> <p>L&amp;D function</p>	<p><u>Target date:</u></p> <p>December 2019</p>

<b>Finding 3</b>	
<p><b>Control objective 3: Performance management requirements have been stated in the plan.</b></p> <p><b>Associated risk of not achieving the control objective: Performance and reporting arrangements have not yet been stated.</b></p>	<b>Medium</b>
<p><u>Observation and risk</u></p> <p>SMART objectives are used in plans to help ensure that objectives are specific, measurable, achievable, relevant, and time-bounded. By stating objectives based on these criteria and relevant performance measures, they are more likely to aid the effective implementation of plans. At present, the draft workforce plan does not contain SMART objectives and related KPIs. However, an event took place on 18 January 2019 to discuss action planning, and to generate objectives and KPIs.</p> <p>In addition, the ELIJB Board has not yet stated its performance reporting requirements for the workforce plan. A performance reporting framework should state what reporting is required on plan progress, and with what frequency it should be provided.</p> <p>If the final workforce plan does not include SMART objectives and relevant KPIs, and the ELIJB does not state its performance reporting requirements, then there will be an increased risk that the plan is not implemented effectively and on time.</p>	
<p><u>Recommendation</u></p> <p>The final workforce plan should include SMART objectives and relevant KPIs.</p> <p>The ELIJB Board should determine its performance reporting requirements for the workforce plan, namely what reporting it requires on plan progress and with what frequency it is provided.</p>	
<p><u>Management Response</u></p> <p>Agree with this recommendation.</p> <p><u>The Management Action</u></p> <p>Develop performance and reporting to IJB. This will then be submitted to the IJB Board for approval.</p>	
<p><u>Responsibility:</u></p> <p>Service Manager</p>	<p><u>Target date:</u></p> <p>31 July 2019</p>

## 4. Appendix 1 - Definition of Ratings

### Findings and management actions ratings

Finding Ratings	Definition
<b>Critical</b>	A fundamental failure or absence in the design or operating effectiveness of controls, which requires immediate attention
<b>High</b>	A key control failure has been identified which could be either due to a failure in the design or operating effectiveness. There are no compensating controls in place, and management should aim to implement controls within a calendar month of the review.
<b>Medium</b>	A control failure has been identified which could be either due to a failure in the design or operating effectiveness. Other controls in place partially mitigate the risk to the organisation, however management should look to implement controls to fully cover the risk identified.
<b>Low</b>	Minor non-compliance has been identified with the operating effectiveness of a control, however the design of the control is effective

### Report ratings and overall assurance provided

Report Ratings	Definition	When Internal Audit will award this level
<b>No assurance</b>	The Board cannot take any assurance from the audit findings. There remains a significant amount of residual risk.	The controls are not adequately designed and / or operating effectively and immediate management action is required as there remains a significant amount of residual risk (for instance one Critical finding or a number of High findings)
<b>Limited assurance</b>	The Board can take some assurance from the systems of control in place to achieve the control objective, but there remains a significant amount of residual risk which requires action to be taken.	<p>This may be used when:</p> <ul style="list-style-type: none"> <li>• There are known material weaknesses in key control areas.</li> <li>• It is known that there will have to be changes that are relevant to the control objective (e.g. due to a change in the law) and the impact has not been assessed and planned for.</li> </ul> <p>The controls are deficient in some aspects and require management action (for instance one 'high' finding and a number of other lower rated findings)</p>

<p><b>Moderate assurance</b></p>	<p>The Board can take reasonable assurance that controls upon which the organisation relies to achieve the control objective are in the main suitably designed and effectively applied. There remains a moderate amount of residual risk.</p>	<p>In most respects the “purpose” is being achieved. There are some areas where further action is required, and the residual risk is greater than “insignificant”.</p> <p>The controls are largely effective and in most respects achieve their purpose with a limited number of findings which require management action (for instance a mix of ‘medium’ findings and ‘low’ findings)</p>
<p><b>Significant assurance</b></p>	<p>The Board can take reasonable assurance that the system(s) of control achieves or will achieve the control objective.</p> <p>There may be an insignificant amount of residual risk or none at all.</p>	<p>There is little evidence of system failure and the system appears to be robust and sustainable.</p> <p>The controls adequately mitigate the risk, or weaknesses are only minor (for instance a low number of findings which are all rated as ‘low’ or no findings)</p>





**REPORT TO:** East Lothian IJB – Audit and Risk Committee  
**MEETING DATE:** 19 March 2019  
**BY:** Senior Auditor  
**SUBJECT:** Internal Audit Report – Participation and Engagement

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**3b**

## **1 PURPOSE**

- 1.1 To inform the Audit and Risk Committee of the recently issued audit report on Participation and Engagement.

## **2 RECOMMENDATION**

- 2.1 That the Audit and Risk Committee note the contents of the audit report.

## **3 BACKGROUND**

- 3.1 A review of Participation and Engagement was recently undertaken as part of the Audit Plan for 2018/19.
- 3.2 The main objective of the audit was to review the adequacy and effectiveness of the Participation and Engagement arrangements operating within the IJB.
- 3.3 The main findings from our audit work are outlined in the attached report.

## **4 ENGAGEMENT**

- 4.1 The findings from the review have been discussed with Management, but do not require wider engagement.

## **5 POLICY IMPLICATIONS**

- 5.1 None

## **6 INTEGRATED IMPACT ASSESSMENT**

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

## **7 RESOURCE IMPLICATIONS**

- 7.1 Financial - None
- 7.2 Personnel - None
- 7.3 Other - None

## **8 BACKGROUND PAPERS**

- 8.1 None

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<b>DATE</b>	12 March 2019





INTERNAL AUDIT REPORT  
ON  
PARTICIPATION AND ENGAGEMENT

Date: March 2019

Ext: 7311

**EAST LoTHIAN IJB – INTERNAL AUDIT  
PARTICIPATION AND ENGAGEMENT**

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## **EAST LoTHIAN IJB – INTERNAL AUDIT PARTICIPATION AND ENGAGEMENT**

### **1. INTRODUCTION**

- 1.1 As part of the Audit Plan for 2018/19, a review was undertaken of the participation and engagement arrangements operating within the East Lothian IJB.
- 1.2 Our main findings, recommendations and action plan from the review, form the basis of this report.

### **2. OBJECTIVE**

- 2.1 The main objective of the audit was to review the adequacy and effectiveness of the participation and engagement arrangements operating within the IJB.

### **3. FINDINGS**

#### **3.1 Integration Scheme**

- 3.1.1 The East Lothian Integration Scheme states that “The Parties will support the Chief Officer, who will on behalf of the IJB, produce a strategy for engagement with, and participation by members of the public, representative groups or other organisations in relation to the decisions about the carrying out of integration functions”.
- 3.1.2 The Integration Scheme further states:
  - The IJB’s participation and engagement strategy will be produced before the date the IJB approves the Strategic Plan for public consultation.
  - The development of the participation and engagement strategy will be achieved using a collaborative response, involving the membership of the East Lothian Strategic Planning Group.

#### **3.2 Strategic Plan**

- 3.2.1 We note that the East Lothian IJB Strategic Plan 2016-2019 was approved by the IJB in February 2016. The Strategic Plan states:
  - The Health and Social Care Partnership is committed to the principles of effective communication and engagement with our staff, service users and carers, partners and the public. This means having a clear framework in place to promote systematic and meaningful engagement and involves engaging a population that is interested in their health and care, empowered to make healthier choices, has a voice in the design of local services, and uses services appropriately.
  - It is vital that as a Partnership we develop our stakeholder relations and the way we seek and use their feedback to inform decision making. This is an important element of our development process and one that will help to ensure the future success of the Partnership.
  - Our developing communication and engagement strategy will set out how the Partnership will inform, engage and involve local people, partners, stakeholders and care professionals. It will identify who we need to inform and involve, how we will

do this, the outcomes we want to achieve and will clearly reflect the commitment to meaningful engagement with our key audiences, communities of interest and the wider public about the development of health and social care services in East Lothian.

3.2.2 We note that a draft East Lothian IJB Strategic Plan 2019-2022 was presented to the IJB on 28 February 2019 and that the final version of the Strategic Plan requires to be issued by 31 March 2019. The draft Strategic Plan states “The next stage of the plan’s development will come from engagement and consultation with communities, service users, across the county. This will ensure the draft plan is brought to the attention of as wide an audience as possible. It will also allow the IJB to hear of, and where possible incorporate, the views and priorities of East Lothian’s communities, partners and stakeholders in service development and delivery”.

### **3.3 Engagement**

3.3.1 We sought to review the development and implementation of the IJB’s approach to participation and engagement. We note that the East Lothian IJB Engagement Strategy 2017-2020 was presented to the IJB meeting of 22 March 2018 – we are advised that this Strategy supersedes the 2014-2018 Communications and Engagement Strategy adopted by the East Lothian Shadow IJB in 2014.

3.3.2 The purpose of the East Lothian IJB Engagement Strategy 2017-2020 is to:

- ensure there is a clear and effective participation and engagement approach which is at the heart of reforming health and social care services locally;
- enable the Partnership’s vision and how it works to become a reality;
- inform decision making processes that drive strategy and inform the carrying out of delegated functions.

3.3.3 The Engagement Strategy highlights that “engagement is key to everything that we do” and that “it is more important than ever that people are fully engaged”. The Engagement Strategy states that the IJB will use a wide range of engagement techniques appropriate to peoples’ needs and will carry out both short and longer term engagement. The Engagement Strategy outlines the engagement mechanisms than can be used.

3.3.4 We note that the Engagement Strategy states that the IJB intends to work to the National Standards for Community Engagement, which are good practice principles designed to support and inform the process of community engagement and improve what happens as a result. Appendix 1 to the Engagement Strategy provides details of how the National Standards for Community Engagement will be met. We note that there are seven National Standards:

- Inclusion – we will identify and involve the people and organisations that are affected by the focus of the engagement.
- Support – we will identify and overcome any barriers to participation.
- Planning – there is a clear purpose for the engagement, which is based on a shared understanding of community needs and ambitions.
- Working Together – we will work effectively together to achieve the aims of the engagement.
- Methods – we will use methods of engagement that are fit for purpose.
- Communication – we will communicate clearly and regularly with the people, organisations and communities affected by the engagement.

- Impact – we will assess the impact of the engagement and use what we have learned to improve our future community engagement.

3.3.5 We sought to review the information that is currently provided to the IJB on the engagement activities being undertaken. We note that the IJB report template includes a section on Engagement – from our review of a sample of reports presented to the IJB between March 2018 and February 2019, we found that in some cases very little information was provided in the Engagement section of the report template. However from our review of individual reports, we found that clear information on the engagement undertaken had been provided in a number of instances, for example:

- the report on the re-provision of Belhaven and Edington Community Hospitals, Eskgreen and Abbey Care Homes, presented to the IJB on 13 December 2018, provided details of engagement meetings and events;
- the update report on progress to date on the implementation of the East Lothian Carers Strategy and the Carers (Scotland) Act 2016, presented to the IJB on 28 February 2019, contained a detailed chronology of key events throughout the project, including details of engagement undertaken.

3.3.6 In addition, we note that there are a number of other examples of participation and engagement – the development of the framework agreement for the provision of Care at Home and Housing Support services (which commenced on 1 April 2017 for a five year period) was supported by 18 months of engagement and consultation, including stakeholder events, workshops, surveys and feedback newsletters and we are advised that the feedback received informed the tender for the new framework. We are further advised that there is currently an ongoing engagement and consultation on community support services for adults with complex needs, including a well-documented programme of events, newsletters and a blog site on which people can comment on progress.

3.3.7 The East Lothian Consultation Hub contains details of consultation/engagement exercises being undertaken and we note that key IJB strategies and improvement plans are publicised on the Consultation Hub – the reasons for the consultation are clearly outlined and individuals, local groups, community groups, partners in area partnerships and the third and independent sectors are all encouraged to provide their views via an online survey. We note that in some cases, the response received to the public consultation via the Consultation Hub has been poor. We are advised however, that the Consultation Hub is not appropriate for all stakeholders and that a range of alternative consultation methods are employed, for example for the East Lothian Carers Strategy, there was engagement with specialised service user and carer focus groups, supported by advocacy agencies, while for the draft Transport Policy, although there was little response online, it has been subject to extensive consultation.

### **3.4 Monitoring and Review**

3.4.1 We sought to establish the arrangements in place for monitoring and reviewing the implementation of the IJB's Engagement Strategy.

3.4.2 We note that the IJB's Engagement Strategy includes a section on monitoring and evaluating engagement activities. The Strategy states "we will ensure that we find out how people feel about the various engagement activities they take part in, monitor uptake and usefulness of feedback from various sources, and continue to work with partners in the third sector for their feedback and experience".

3.4.3 We note that the National Standard for Community Engagement on Impact, seeks to assess the impact of the engagement and identifies a set of indicators that can be used to show progress towards meeting the standard. The indicators are:

- The outcomes the engagement process intended to achieve are met.
- Decisions which are taken reflect the views of participants in the community engagement process.
- Local outcomes, or services, are improved as a result of the engagement process.
- Participants have improved skills, confidence and ability to take part in community engagement in the future.
- Partners are involved in monitoring and reviewing the quality of the engagement process and what has happened as a result.
- Feedback is provided to the wider community on how the engagement process has influenced decisions and what has changed as a result.
- Learning and evaluation helps to shape future community engagement processes.

3.4.4 We note that reports are not currently submitted to the IJB on the effectiveness and impact of the engagement activities undertaken to ensure that they are achieving their purpose, nor is there evidence of periodic assessments being carried out to measure progress towards meeting the National Standards for Community Engagement.

#### 4. CONCLUSIONS

4.1 Our review of participation and engagement found that an IJB Engagement Strategy 2017-2020 is in place, which outlines the engagement mechanisms that the IJB will use. In addition, from our review of individual reports, we found that in a number of cases clear information was provided on the level of engagement undertaken.

4.2 Areas identified with scope for improvement include the arrangements in place for monitoring, reviewing and reporting on the effectiveness and impact of the engagement activities being undertaken by the IJB. Detailed recommendations are contained in our attached action plan.

4.3 Internal Audit can provide **reasonable assurance** on the adequacy and effectiveness of the arrangements in place within the IJB for participation and engagement.

4.4 The weaknesses identified during the course of our audit have been brought to the attention of Management. The weaknesses outlined are those, which have come to our attention during the course of our normal audit work and are not necessarily all of the weaknesses, which may exist. Although we include recommendations, it is the responsibility of Management to determine the extent of the participation and engagement arrangements within the IJB.

4.5 The content of this report has been discussed with the Group Service Manager – Planning and Performance and the Communications/Engagement Officer to confirm factual accuracy. The assistance and cooperation received during the course of our review is gratefully acknowledged.

## 5. ACTION PLAN

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
5.1	Management should ensure that appropriate processes are in place for monitoring, reviewing and reporting on the effectiveness and impact of the engagement activities being undertaken by the IJB.	Medium	Group Service Manager – Planning and Performance	Agreed		June 2019
5.2	<p>Consideration should be given to an annual report being submitted to the IJB on the implementation of the IJB's Engagement Strategy.</p> <p>The report should include an assessment of whether engagement activities are achieving their purpose and should measure progress towards meeting the National Standards for Community Engagement.</p>	Medium	Group Service Manager – Planning and Performance	Agreed		June 2019

## 6. Grading of Recommendations

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
<b>High</b>	Recommendations which are fundamental to the system and upon which Management should take immediate action.
<b>Medium</b>	Recommendations which will improve the efficiency and effectiveness of the existing controls.
<b>Low</b>	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.



## 7. Levels of Assurance – Definitions

In order to provide management with an assessment of the adequacy and effectiveness of their systems of internal control, the following definitions are used.

Opinion	Definition
<b>Substantial Assurance</b>	There is a sound system of internal control designed and operating in a way that gives a reasonable likelihood that the objectives will be met.
<b>Reasonable Assurance</b>	Whilst there is a sound system of internal control, there are minor weaknesses, which may put some of the objectives at risk or there is evidence of non-compliance with some of the controls, which may put some of the objectives at risk.
<b>Moderate Assurance</b>	The system of internal control is broadly reliable, however there are a number of weaknesses, which put some of the objectives at risk or there is evidence that the level of non-compliance with controls put some of the objectives at risk.
<b>Limited Assurance</b>	Weaknesses in the system of internal control are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk.
<b>No Assurance</b>	Control is generally weak leaving the system open to error or abuse, or there is significant non-compliance with basic controls, which leaves the system open to error or abuse.



ID	Risk level	Title	Description	Controls in place	Adequacy of controls	Notes	Likelihood (current)	Consequence (current)	Risk level (current)	Rating (current)	Risk level (Target)	Rating (Target)	Action Plan in Place	Risk Owner	Handler	Date Opened	Date last reviewed	Description	Progress	Start date	Due date	Done date
3924	Integrated Joint Board	Financial resources may be insufficient to sustain the Strategic Plan	There is a risk that the financial challenges faced by the NHS and East Lothian Council will result in allocations to the IJB that do not allow the Strategic Plan to be delivered leading to the failure to achieve outcomes and targets.	1. Financial assurance process carried out by IJB 2. Engagement of IJB Officers and members in NHS and Council budget setting processes 3. Regular performance monitoring reports to IJB 4. Scheme of Integration risk sharing and dispute resolution processes 5. IJB Chief Finance Officer in post 6. Strategic Planning Group in place 7. Strategic Plan Programme Board established and meeting regularly to deliver Strategic Plan within the financial resources available 8. Detailed efficiency and recovery plans are in place for operational teams to 'break even' in 2017/18 9. There is a programme of meetings and discussion between IJB, Council and Health Board leading to an IJB financial planning process being approved by the IJB and supported by Council and Health Board	Adequate but partially effective; control is properly designed but not being implemented properly	[15/06/2018 06:16:02 David King] Changed update date, no new actions no changes to controls.	LIKELY	Major	High	16	Medium	9	Y	Small, David A	King, David	26/02/2016	15/06/2018	Creation of appropriate financial planning processes	Meetings have taken place regularly. IJB financial plan policy agreed by IJB and drafts presented to IJB	17/06/2016	30/09/2016	30/03/2017
																		Financial Reporting IJB and Policy Decisions		01/04/2017	31/08/2017	
4018	Integrated Joint Board	Impact of Partners' Decisions	There is a risk that Partners reach decisions on priorities and services (including service reviews) that impact negatively on the IJB leading to an inability to deliver the Strategic Plan	1. Involvement of IJB membership in the Partners' decision making process including voting members and Officers 2. Involvement in Partners' service reviews 3. Good working relationships and regular formal /informal meetings e.g Acute IJB Interface Group, meetings with Chief Executives and Chairs	Adequate but partially effective; control is properly designed but not being implemented properly		LIKELY	Major	High	16	Medium	9	Y	Small, David A	King, David	17/06/2016	15/06/2018	Clarity and monitoring of directions	Action extended to cover the period April 2017to March 2018	03/04/2017	31/03/2018	
3925	Integrated Joint Board	Operational resources may be insufficient to deliver the Strategic Plan	There is a risk that the IJB fails to achieve its targets due to insufficient access to key services and resources e.g. General Practice, Care at Home, Care Homes, Health Visiting, Housing, acute services etc leading to failure to deliver the Strategic Plan resulting in risk to patients' and clients' safety, external review and reputational damage	1. The Strategic Plan sets out clear priorities 2. IJB directions are clear about actions required by NHS and Council 3. The Partnership Management Team is focussed on ensuring adequate resources are in place for delegated functions to deliver the Strategic Plan 4. NHS Lothian is focussed on ensuring adequate resources are in place for set-aside and hosted functions to deliver the Strategic Plan 5. NHS Lothian and East Lothian Council are focussed on ensuring adequate resources are in place for non-delegated but related functions (e.g. housing), to deliver the Strategic Plan 6. Quarterly Performance Report to IJB and scrutiny by the Audit and Risk Committee 7. Use of Delayed Discharge Fund to increase capacity and improve terms and conditions	Adequate but partially effective; control is properly designed but not being implemented properly		LIKELY	Moderate	High	12	Medium	6	Y	Small, David A	Small, David A	26/02/2016	30/03/2017	Develop Joint Workforce Plan		01/04/2017	30/03/2018	
																		Financial investments in additional capacity		17/06/2016	31/01/2018	
																		Care at Home contracts		01/04/2017	30/09/2017	
3926	Integrated Joint Board	Potential Instability e.g elections / IJB changes	There is a risk that the IJB will be de-stabilised as a consequence of membership change or policy change as a result of elections and Public Sector reform leading to conflicting priorities and/or inability to make decisions	1. Standing orders that control members' behaviour 2. Code of Conduct 3. Scheme of Integration which includes a dispute resolution mechanism 4. Ensuring that membership changes are not all planned at the same time e.g. stakeholder member changes are separate from voting member changes, NHS membership changes on a different cycle from the East Lothian Council membership changes	Adequate but partially effective; control is properly designed but not being implemented properly		POSSIBLE	Moderate	Medium	9	Medium	9	Y	Small, David A	Small, David A	26/02/2016	15/06/2018	IJB induction		31/05/2017	30/09/2017	
3927	Integrated Joint Board	Relationship with Partners	There is a risk that East Lothian Council and NHS Lothian do not provide the support services required to enable the IJB to fulfill its functions (e.g. financial planning, I.T. etc)	1. Review of support services in place 2. Clear directions from the IJB to Partners 3. Involvement of IJB membership in Partners' decision making process	Adequate but partially effective; control is properly designed but not being implemented properly		UNLIKELY	Moderate	Medium	6	Medium	6	Y	Small, David A	Small, David A	26/02/2016	15/06/2018	Implementation of outstanding support services issues		28/04/2016	25/08/2016	