



REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 10 March 2020

BY: Service Manager – Internal Audit

SUBJECT: Internal Audit Report – Directions Setting

1 PURPOSE

1.1 To inform the Audit and Risk Committee of the recently issued audit report on Directions Setting.

2 RECOMMENDATION

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

3 BACKGROUND

3.1 A review of Directions Setting was recently undertaken as part of the Audit Plan for 2019/20.

3.2 The main objective of the audit was to review the adequacy and effectiveness of the arrangements for Directions Setting 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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East Lothian
Integration Joint Board



East Lothian Integration Joint Board
Directions Setting Audit
March 2020

Conclusion

Reasonable Assurance

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1 Executive Summary: Directions Setting Audit

Conclusion: Reasonable Assurance

East Lothian Integration Joint Board has a sound system of Directions setting in place that is in accordance with the Public Bodies Joint Working Act 2014 and The Good Practice Guidance on Directions issued by the Scottish Government in 2016. Some improvements can be made in setting one further direction to ensure coverage of all delegated functions and ensuring that timescales are set as part of Directions when possible.

Background

The East Lothian Integration Joint Board (ELIJB), established under the Public Bodies Joint Working Act 2014 (the Act) is responsible for commissioning, directing, and governing the activities of the East Lothian Health and Social Care Partnership (the Partnership). The Partnership comprises NHS Lothian (NHSL), and East Lothian Council (the Council) who work together to deliver health and social care services for adults across the region.

In order to action the Strategic Plan, the ELIJB must issue in writing, binding directions to the Council and/or NHSL. Directions can be issued at any time and once issued have no expiry date; they can also be withdrawn or amended at any time. The Good Practice Guidance on Directions issued by the Scottish Government in March 2016 makes it clear that directions must set out a clear framework of how each integrated health and social care function is to be exercised; the budget allocated and how that budget is to be used. It is also good practice to describe how the direction links to the strategic plan and any related performance outcomes against which completion of the direction can be measured. Directions for 2019/20 were accepted in the ELIJB meeting on the 31st October 2019.

Summary of findings & recommendations

The following key findings and recommendations are highlighted, which have been **agreed by the Interim General Manager - Strategic Integration**:

- Review of the delegated functions of ELIJB against all of the Directions identified that the Council Adult Protection and domestic abuse services are not currently covered by a Direction, the Act requires direction must be given for all delegated functions. *Management have agreed to develop a direction covering Adult Protection and domestic abuse by June 2020.*
- 2 of the 5 Directions reviewed (see Appendix A) are being considered in more detail by the delivery organisations and have not yet been formally included in change board governance processes. *Management have agreed to monitor these directions through to the appropriate change board by December 2020.*
- One of the directions requires to have a timescale for the completion of activities. *Management have agreed to complete this by May 2020.*
- The process of directions setting is changing moving forward to provide greater flexibility in Directions being set whenever appropriate. Guidance to ensure budgeted resources are available for new Directions moving forward should be considered. *Management have agreed to create guidance by May 2020.*

Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Directions Setting	-	4	-	4

Materiality

The ELIJB has 40 active Directions covering the services delegated by NHS Lothian and East Lothian Council.

These directions cover the £156.5million budget delegated to the ELIJB.

2 Headlines

Objectives	Conclusion	Comment
1. To ensure that East Lothian IJB has issued directions in accordance with the Public Bodies Joint Working Act 2014 and The Good Practice Guidance on Directions issued by the Scottish Government in 2016.	Reasonable	The Public Bodies Joint Working Act 2014 states that the IJB 'must give a direction to a constituent authority to carry out each function delegated to the integration authority'. Review of the delegated functions of ELIJB against all of the Directions identified that Adult Protection and domestic abuse are not currently covered by a Direction. Ongoing consideration is being given to developing a Direction in this area. Otherwise directions are being developed in accordance with the act and good practice guidance.
2. To ensure that Directions issued are aligned to the East Lothian IJB 2019-2022 Strategic Plan approved in March 2019.	Substantial	From a sample of 5 directions all had a direct alignment to the East Lothian IJB Strategic Plan. The Directions setting process and the Strategic Planning Process had been linked by involvement of the Planning and Performance team in both exercises.
3. To ensure that there is a clear line of communication for the Directions to those tasked with governance and management of the activities required to deliver the Directions.	Substantial	In all Directions reviewed the oversight through an ELIJB Change Board has been made the owner of the actions to deliver the Direction. In 3 of the 5 Directions reviewed evidence of the Change Board consideration of the Direction and monitoring of the activities being undertaken to deliver the Directions was evidenced. In the 2 other cases further consideration of the delivery requirements of the Directions is currently being given and it is recommended that this is monitored to active consideration by the appropriate Change Board.
4. To ensure that there are appropriate mechanisms in place to monitor and review the delivery of directions.	Reasonable	In all five Directions reviewed there are identified mechanisms through the Change Board or the inclusion in the ELIJB delivery plan end of year reporting. However, for one Direction, D02i Young Adults with Complex needs, requiring completion of an evidence based needs assessment and a review of third sector community provided services that previously had a target date no longer has a targeted date of completion for these activities.
5. To ensure that there are processes in place to revise Directions when required.	Reasonable	The 2019/20 directions process reset all directions and provided revisions or new directions as required. We understand that the intention is to allow revisions of directions through IJB approval on a regular basis. Whilst this allows for significantly improved flexibility, guidance to ensure linking change to directions and financial resources requires to be developed.
6. To ensure that Directions are revoked when, complete, superseded, or no longer relevant.	Substantial	The ELIJB Directions and Delivery Plan 2019/20 agreed by the ELIJB in October 2019 included in the approved paper which of the previous Directions had been achieved, retired or are no longer relevant, whilst identifying all Directions still in progress.

3 Areas where expected controls are met/good practice

No.	Areas of Positive Assurance
1.	ELIJB directions setting for 2019/20 was completed in conjunction with the development of the East Lothian IJB 2019-2022 Strategic Plan, as a result all of the written Directions issued are in alignment with the strategic plan.
2.	The ELIJB Directions and Delivery Plan 2019/20 accepted by the ELIJB in October 2019 included in the approved paper all previous Directions that had been achieved, retired or are no longer relevant, whilst identifying all Directions still in progress and new Directions made.
3.	The ELIJB Directions and Delivery Plan 2019/20 cross referenced the budgets to be utilised to deliver each Direction.

4 Detailed Recommendations

Directions are issued in accordance with legislation and best practice

Objective: 1	Finding & Risk 1	Grade	Recommendation
	<p>The Public Bodies Joint Working Act 2014 states that the IJB 'must give a direction to a constituent authority to carry out each function delegated to the integration authority'. Review of the delegated functions of ELIJB against all of the Directions, accepted by ELIJB on the 31st October 2019, identified that Adult Protection and domestic abuse are not currently covered by a Direction. Ongoing consideration is being given to developing a Direction in this area.</p> <p>Otherwise directions are being developed in accordance with the act and good practice guidance, including, in all of the sample of 5 directions reviewed, directions containing :</p> <ul style="list-style-type: none"> ➤ Detailed financial resources information, with budgets that are aligned to each of the Directions issued; ➤ Clear links to the IJB Strategic Plan; ➤ Directions being made in writing and publicly available; ➤ Each direction identifying a review mechanism for performance review. <p>There is a risk that East Lothian Integration Joint Board is not complying with legislation by giving a direction for every function delegated. There is a risk that functions without a direction are not given due consideration in strategic management.</p>	Medium	1.1 A direction covering the work being undertaken by the Health and Social Care partnership in relation to Adult Protection and domestic abuse should be developed and submitted for IJB approval.

Management response

Agreed. A development meeting had already been scheduled for April 2020, with the submission of a proposed Direction to the Strategic Planning Group and ELIJB in May 2020.

Responsible officer & target date

Interim General Manager - Strategic Integration
June 2020

4 Detailed Recommendations

Communication, Governance and Management of Directions

Objective 3	Finding & Risk 1	Grade	Recommendation
	<p>In all Directions reviewed the oversight through an ELIJB Change Board has been made the owner of the actions to deliver the Direction. In 3 of the 5 directions reviewed evidence of the change board consideration of the Direction and monitoring of the activities being undertaken to deliver the directions was evidenced. In the 2 other cases, being D10b Cluster Work and D12j Extra Care Housing Implementation, delivery discussions over these directions are ongoing with the EL Cluster Meetings, and East Lothian Council Housing teams prior to being formally allocated to Change Boards for Governance, when delivery processes are clarified.</p> <p>There is a risk that not all Directions are clearly linked to an appropriate Change Board for Governance monitoring and review.</p>	Medium	3.1 When Directions D10b and D12j have clarified delivery processes in place they are allocated to the appropriate change board for governance, monitoring and review.

Management response	Responsible officer & target date
<p>Agreed. Direction D10b is progressing with the development of quality processes, communication to the Primary Care Change Board is expected in the summer of 2020. D12j is under discussion and will be formally adopted by a Change Board structure during the year.</p>	<p>Interim General Manager - Strategic Integration</p> <p>December 2020</p>

4 Detailed Recommendations

Monitoring and Review of Direction Delivery

Objective 4	Finding & Risk 1	Grade	Recommendation
	<p>In all five Directions reviewed there are identified mechanisms through the change board or the inclusion in the ELIJB delivery plan end of year reporting. However one Direction, D02i Young Adults with Complex needs, requires completion of a comprehensive evidence based needs assessment and a review of third sector community provided services that had a target date of March 2019 in the 2018/19 directions. However the 2019/20 Directions no longer has a targeted date of completion for this activity.</p> <p>There is a risk that delivery of Directions is not completed effectively as clearly identified timescale targets are not set and monitored for completion.</p>	Medium	4.1 Consideration should be given to re-introducing a timescale for the comprehensive evidence based needs assessment and review of third sector community provided services for Direction D02i.

Management response	Responsible officer & target date
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Agreed. The removal of the target date may have been a transposition error, communication with the service teams will be undertaken and a target date agreed.	Interim General Manager - Strategic Integration May 2020
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4 Detailed Recommendations

Directions Revision and Budget Resources			
Objective 5	Finding & Risk 1	Grade	Recommendation
	<p>Following the successful acceptance of the 2019/20 objectives on the 31st October 2019 processes for directions setting within ELIJB are being changed. Rather than review directions setting on an annual basis Directions will be accepted when presented to the ELIJB at any time of year. An end of year delivery plan will still be reported on an annual basis. Whilst this allows greater flexibility in the delivery of the services which is good practice there is no guidance currently in place to ensure that all directions are matched to overall budgetary resource and this will need to be developed as part of the new directions setting approach.</p> <p>There is a risk of directions being accepted that are not fully resourced and cannot be achieved.</p>	<p>Medium</p>	<p>5.1 All new directions accepted by the IJB moving forward should have a clearly identified budget confirmation declared in their presentation to ELIJB.</p>

Management response	Responsible officer & target date
<p>Agreed. Guidance will be provided for Change Board chairs covering the use of the Resources section of IJB papers to ensure agreed resources are clarified before the approval of a new direction.</p>	<p>Interim General Manager - Strategic Integration</p> <p>May 2020</p>

Appendix A Sample Directions Selected

As part of the audit a sample of 5 from the 40 Directions were selected as a representative sample for Internal Audit Review. The following table highlights the 5 Directions selected.

Direction No.	Direction Title	Direction	Related Function(s)
D02i	Young Adults with Complex Needs	NHS Lothian and East Lothian Council to transform community supports for younger adults with complex needs, including a comprehensive evidence based needs assessment and completing the review of all remaining commissioned third sector community provided services.	Social work services for adults and older people Services and support for adults with physical disabilities and learning disabilities
D10b	Cluster Work	NHS Lothian to allocate to East Lothian Health and Social Care Partnership its proportionate share of all funds allocated for the development and support of GP Quality Clusters in order to support further development of quality improvement activities in general practice and to meet the Cluster National Guidance. (revised)	Primary medical services and General medical services
D12a	Hospital to Home and Home Care Services Review	NHS Lothian and East Lothian Council to simplify and speed up the process for assessing and acting on an individual client's needs for care at home by completing a review of Hospital to Home and Home Care Services, including development of more effective protocols for assessment process. (Continuing)	District nursing services Community care assessment teams
D12j	Extra Care Housing Implementation	East Lothian Council Housing and Officers of East Lothian Health & Social Care Partnership to: Maximise independent living <ul style="list-style-type: none"> • Provide specific interventions according to the needs of the service user • Provide a clear care pathway which connects services Contribute to preventing unnecessary hospital admission through implementation of recommendations from the extra care housing review. (NEW Direction – replaces D12b)	Aspects of housing support, including aids and adaptations
D15h	Mental Health Action Plan Implementation	NHS Lothian and East Lothian Council to improve outcomes in relation to mental and emotional health and well-being for people in East Lothian through establishment and delivery of the East Lothian Mental Health Action Plan, including development of community based preventative and early intervention services, crisis support and longer term recovery in line with the Scottish National Mental Health Strategy. (NEW Direction)	Mental health services

Appendix B Recommendation Grading/Overall Opinion

Recommendation	Definition
High	Recommendations relating to factors fundamental to the success of the control objectives of the system. The weaknesses may give rise to significant financial loss/misstatement or failure of business processes.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.

Levels of Assurance	Definition
Substantial Assurance	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.
Reasonable Assurance	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.
Moderate Assurance	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.
Limited Assurance	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.
No Assurance	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.

Appendix C Resource, acknowledgements & distribution list

Internal audit	
Service Manager, Internal Audit: Duncan Stainbank	

Review Dates	Completed By /Date
Internal Audit Draft Report Submission	20/02/2020
Management Review Completion	26/02/2020
Final Report Issue	02/03/2020

Report distribution	
Chief Officer East Lothian IJB	Interim General Manager - Strategic Integration
Audit & Risk Committee Members	Audit Scotland

Acknowledgements.

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 a number of specific recommendations, it is the responsibility of Management to determine the extent of the internal control systems appropriate to East Lothian Integration Joint Board Directions setting .

The content of this report has been discussed with the Interim General Manager - Strategic Integration to confirm factual accuracy. The assistance and cooperation received during the course of our audit is gratefully acknowledged.