



REPORT TO: East Lothian IJB Audit & Risk Committee

MEETING DATE: 8 March 2023

BY: Chief Internal Auditor

SUBJECT: Internal Audit Report – Strategic Planning

1 PURPOSE

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

2 RECOMMENDATIONS

- 2.1 The Audit & Risk Committee is asked to note the contents of the audit report.

3 BACKGROUND

- 3.1 An assurance review of Strategic Planning has been undertaken as part of the Audit Plan for 2022/23.
- 3.2 The main objective of the audit was to review the adequacy and effectiveness of the arrangements in place for Strategic Planning within the East Lothian IJB.
- 3.3 The main findings from our audit work are outlined in the attached report which has been graded Reasonable Assurance.

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 DIRECTIONS

7.1 The subject of this report does not require any amendment to or creation of Directions.

8 RESOURCE IMPLICATIONS

8.1 Financial – None

8.2 Personnel – None

8.3 Other – None

9 BACKGROUND PAPERS

9.1 None.

Appendix 1: Internal Audit Report – Strategic Planning

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DATE	28 February 2022



East Lothian Council Strategic Plan Audit March 2023

Conclusion

Reasonable Assurance

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1 Executive Summary:

Conclusion: Reasonable Assurance

The internal controls in place for the Strategic Plan are generally sound, with Strategic Plans for the IJB remaining in place and the Annual Performance Report being produced on an annual basis that tracks progress with the Strategic Plan. However the governance of the processes can be improved as the IJB have approved draft copies of the Strategic Plan and Annual Performance Reports rather than the final copies, accessibility of publication of final reports should also be confirmed. Currently there are no commercial providers represented on the Strategic Planning Group as guidance indicates is required.

Background

The East Lothian Integration Joint Board (IJB) has a duty to ensure that it complies with the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is required to put in place a Strategic Plan which is reviewed and refreshed every three years. The 2019-22 Strategic Plan was approved at the Integration Joint Board meeting on 28 March 2019 and the 2022-2025 Strategic Plan was approved at the 15 September 2022 meeting. Consultation for the Strategic Plan was held between January and July 2022, which highlighted a number of themes and issues raised by consultees which were considered along current local and national policy and strategy drivers.

Summary of findings & recommendations

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

- Both the Strategic Plan and the Annual Performance Report have only been approved as draft reports. *Management have agreed to amend wording on recommendations that clarifies when final copies of reports will be approved **by December 2023**.*
- Representatives from the Commercial sector have not been in place since October 2021 on the Strategic Planning Group. The Strategic Commissioning Plans Guidance indicates that this is one of the 12 groups that should be represented. *Management have agreed to complete a recruitment process **by September 2023**.*
- Copies of the Strategic Plan and the Annual Performance Report are only available online, there is no documented confirmation that this provides adequate access for all user groups, and some of the external body online links need to be updated for the 2022-25 Strategic Plan. *Management have agreed to consult formally with the Strategic Planning Group on appropriate viable publication methods and update the online links **by September 2023**.*
- There doesn't appear to be regular attendance from representatives from the statutory groups. Management should try to encourage attendance by all representatives at the Strategic Planning Group meetings. *Management have agreed to try and encourage attendance at meetings **by September 2023**.*

Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	4	2	6
Prior report	N/A	N/A	N/A	N/A*

* This control review is new and no prior report exists for comparison

Materiality

The IJB Strategic Plan 2022-25 provides an annual overall budget of £177.5 Million from four areas being Adult Wellbeing, Community NHS, Hosted NHS and Set Aside (Acute Hospitals). The IJB Strategic Plan 2022-25 also indicates that East Lothian's population of 107,900 will grow to 121,743 by 2043. This rate of growth is amongst the highest in Scotland. The highest growth will be in the 65-74 and 75+ age bands, with the over 75s population increasing markedly. These factors are reflected in the Strategic Plan objectives.

2 Headlines

Objectives	Conclusion	Comment
1. A Strategic Plan has been put in place and approved by the Joint Board within the required timescales	Reasonable	A revised Strategic Plan was approved by the IJB at the meeting on the 15 September 2022, however the version approved was a draft rather than the final copy. To ensure appropriate Governance the IJB should ensure that formal approval is documented for the final Strategic Plan. The plan contains 7 strategic objectives based on the feedback received from stakeholder engagement.
2. A Strategic Planning Group has been put in place to oversee the review of the previous plan and the development of the new plan	Reasonable	A Strategic Planning Group has been in place since 2015. Representatives from the 12 groups who have a statutory right to form part of the planning group have been well represented in 10 of these groups. The Commercial Providers have not been represented on the Strategic Planning group since October 2021. A member representing Commercial Providers should be recruited to join the Strategic Planning Group.
3. As required in the guidance consultations have been undertaken with third parties who have an interest in social care	Substantial	20 different groups of users and carers were consulted during the initial stages of developing and revising the Strategic Plan. Evidence of discussions held was summarised to ensure that the requirements were included in the final plan.
4. An annual review process has been put in place to review the plan on an annual basis	Substantial	An Annual Performance Report has to be produced each year which outlines the progress made with delivering the strategic objectives set out in the Strategic Plan. The Performance report continued to be published for the 2019/20, 2020/21 and 2021/22 financial years throughout the COVID Pandemic.
5. The Guidance states that the Strategic Plan and the summary of its accompanying consultation have been published in a variety of formats and at a minimum on the internet.	Reasonable	Once the Strategic Plan has been approved it must be published together with a summary report to provide an overview of the feedback contained within the main report. Copies of the reports are only available online, meeting the minimum requirement of guidance. We were informed that it would only be made available in other formats if this was requested. We did not find any evidence that these methods of communication had been fully consulted on with all stakeholders and user groups to ensure that this met the needs of all.

3 Areas where expected controls are met/good practice.

No.	Areas of Positive Assurance
1.	<p>The 2019-22 Strategic Plan was approved at the Integration Joint Board meeting on 28 March 2019 and the 2022-2025 Strategic Plan was approved at the 15 September 2022 meeting. The Strategic Plan has 7 strategic objectives:</p> <ul style="list-style-type: none">• Develop services that are sustainable and proportionate to need;• Deliver new models of community provision, working collaboratively with communities;• Focus on prevention and early intervention;• Enable people to have more choice and control and provide are closer to home;• Further develop/embed integrated approaches and services;• Keep people safe from harm; and• Address health inequalities.
2.	<p>Stakeholder engagement was a key element of the activity that took place to inform the development of the Strategic Plan. A four-month engagement process involved workshops, group discussions and online approaches to gather the views of local people; third sector and community groups supporting people with a range of needs; and HSCP colleagues involved in planning and delivering services. 20 different groups of users and carers were consulted during the initial stages of revising the Strategic Plan and evidence of discussions held was summarised to ensure that the requirements were included in the final plan.</p>
3.	<p>An Annual Performance Report has to be produced each year which outlines the progress that has been made with delivering the strategic objectives that had been set out in the Strategic Plan. The Performance Report continued to be published for the 2019/20, 2020/21 and 2021/22 financial years throughout the COVID Pandemic</p>

4 Detailed Recommendations

Strategic Plan Approval

Objective: 1	Finding & Risk 1	Grade	Recommendation
	<p>The Public Bodies (Joint Working)(Scotland) Act 2014 requires that each Integration Authority must put a Strategic Plan in place and that this Plan must be reviewed and republished every 3 years.</p> <p>We found that a paper was presented to the IJB at its meeting on 15 September 2022 seeking approval of the revised IJB Strategic Plan which was approved unanimously. It was similarly approved by the Strategic Planning Group, prior to the IJB in its role of advising the Board on strategic matters. However we found that the Plan approved by the IJB was only a draft version and we could find no evidence that final plan had been approved.</p> <p>There is a risk that the final report has not been approved by the Integration Joint Board prior to being published and that all information within has not been formally approved.</p>	Medium	1.1 Management should ensure that the final version of the plan is subject to formal approval by the IJB.

Management response	Responsible officer & target date
Agreed, approval of a final draft will be clarified that there is a devolved responsibility to senior managers to arrange the final designed and published version.	Interim General Manager Strategic Integration December 2023

4 Detailed Recommendations

Strategic Planning Group Representation

Objective 2	Finding & Risk 1	Grade	Recommendation
	<p>S32 of the Public Bodies (Joint Working)(Scotland) Act 2014 states the people who are to form part of the Strategic Planning Group. It also states that “one person in respect of each of the groups mentioned in subsection (2), being person who the integration authority considers to be representative of that group” and further states that “The groups referred to in subsection (1)(d) are such groups of persons appearing to the Scottish Ministers to have an interest as may be prescribed.” The Strategic Commissioning Plans Guidance sets out the groups of people who should be represented. These groups are:</p> <ul style="list-style-type: none"> • Users of health care; • Carers of users of health care; • Commercial providers of health care; • Non-commercial providers of health care; • Health professionals; • Social care professionals; • Users of social care; • Carers of users of social care; • Commercial providers of social care; • Non-commercial providers of social care; • Non-commercial providers of social housing; and • Third sector bodies carrying out activities related to health or social care. <p>We found that there were representatives from 10 of the statutory groups, however there were no representation from either commercial providers of health care or social care. We were informed that there had been a representative from both of the commercial groups but the representative left their employment in October 2021 and a new representative has not been appointed since then.</p> <p>There is a risk that the Integration Joint Board fails to comply with legislation and that membership of the Strategic Planning Group does not include representation from all prescribed groups.</p>	Medium	<p>2.1 Management should attempt to ensure that all of the prescribed groups are represented on the Strategic Planning Group at all times and in order to meet this requirement attempt to recruit commercial provider representatives from both health and social care.</p>
Management response		Responsible officer & target date	
<p>Agreed, a recruitment for a commercial representative on the IJB is being developed that will seek a suitable candidate to fulfil this role on the Strategic Planning Group.</p>		<p>Interim General Manager Strategic Integration September 2023</p>	

4 Detailed Recommendations

Annual Performance Report

Objective 4	Finding & Risk 1	Grade	Recommendation
	<p>The Public Bodies (Joint Working)(Scotland) Act 2014 requires that each Integration Authority must prepare an Annual Performance Report which must be published within 4 months of the end of each financial year. During the Covid period this publication period was extended, by the Scottish Government to October each year.</p> <p>The Annual Performance Report describes the progress in delivering the strategic objectives as set out in the Strategic Plan. We found that a report had been prepared for the last 4 years and submitted to the Integration Joint Board, however for 2020/21 and 2021/22 the report submitted for approval was only a draft copy.</p> <p>There is a risk that the final report has not been approved by the Integration Joint Board prior to being published and that not all information within has not been formally approved.</p>	<p>Medium</p>	<p>4.1 Management should ensure that the final version of the Annual Performance Report is subjected to approval by the IJB</p>

Management response	Responsible officer & target date
<p>Agreed, approval of a final draft will be clarified that there is a devolved responsibility to senior managers to arrange the final printed version to be published.</p>	<p>Interim General Manager Strategic Integration</p> <p>December 2023</p>

4 Detailed Recommendations

Strategic Planning Group Attendance

Objective 4	Finding & Risk 1	Grade	Recommendation
	<p>We sought to confirm that regular meetings of the Strategic Planning Group had been held and that all groups had been represented at these meetings. We were informed that there should have been 5 meetings during 2022 up to the date when the revised plan was approved, but 3 of these meetings were cancelled. From the attendee meetings for the 2 meetings took place we found:</p> <ul style="list-style-type: none"> • 14/02/22 – 20 representative attended this meeting and only 5 of the statutory groups were represented and only 2 of these were non-council or NHS staff; and • 06/09/22 – 13 representative attended this meeting and only 2 of the statutory groups were represented and only 1 of these were non-council or NHS staff. <p>There is a risk that there is not appropriate governance and scrutiny operating over the Strategic Plan as not all groups are being represented in the monitoring of the Strategic Plan.</p>	Medium	4.1 Management need to encourage attendance at the Strategic Planning Group from all of the representatives.

Management response	Responsible officer & target date
<p>Agreed, all members of the Strategic Planning Group will be asked to make every effort to ensure meeting attendance from the already published schedule to ensure best available attendance from external representatives at all meetings to inform discussion.</p>	<p>Interim General Manager Strategic Integration September 2023</p>

4 Detailed Recommendations

Publication of Strategic Plan

Objective 5	Finding & Risk 1	Grade	Recommendation
	<p>S35 of the Public Bodies (Joint Working)(Scotland) Act 2014 states that “As soon as practicable after the finalisation of the plan under section 35, an integration authority must publish its strategic plan” and “At the same time as publishing a strategic plan an integration authority must also publish a statement of the action which it took.”</p> <p>We were able to confirm that both documents had been published on the Council’s website.</p> <p>However, we found that the link to the IJB Strategic Plan on the Health and Social Care Scotland website, which is not under the control of the IJB or delivery partners, has a link to the Strategic Plan but this is to the 2019-22 Plan.</p> <p>Copies of the reports are only available online. We were informed that it would only be made available in other formats if this was requested. We did not find any evidence that these methods of communication had been fully consulted on with all stakeholders and user groups to ensure that this met the needs of all.</p> <p>There is a risk that the IJB Strategic Plan is not easily accessible to all user groups and therefore excludes user groups from interaction with the Plan.</p>	Low	<p>5.1 Management should ensure that there is clear evidence of consultation through the Strategic Planning Group with all user groups confirming that publication of the Strategic Plan online is the only required format of publication, and ensuring that other formats are easily accessible if required.</p> <p>5.2 Management should ensure that all online links to the Strategic Plan are updated, including providing links for external bodies to use.</p>

Management response

Agreed, consideration will be given to identifying alternative formats to allow for wider accessibility and that externally hosted copies of the Strategic Plan are updated with new links for the current plan, although this will be dependent on external parties resource cooperation.

Responsible officer & target date

Interim General Manager Strategic Integration
September 2023

A Recommendation Grading/Overall opinion definitions

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	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

