



**REPORT TO:** IJB Audit & Risk Committee

**MEETING DATE:** 12 March 2024

**BY:** Chief Internal Auditor

**SUBJECT:** Internal Audit Report – ELIJB Performance Management

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## **1 PURPOSE**

- 1.1 To inform the Audit and Risk Committee of the recently issued audit report on ELIJB Performance Management.

## **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 Performance Management has been undertaken as part of the Audit Plan for 2023/24.
- 3.2 The main objective of the audit was to review the adequacy and effectiveness of the arrangements in place for Performance Management 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

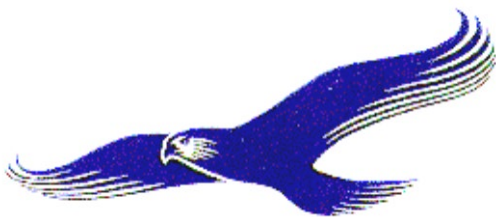
8.3 Other – None

## **9 BACKGROUND PAPERS**

9.1 None

Appendix 1 - Internal Audit Report – ELIJB Performance Management

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<b>DATE</b>	4 March 2024



East Lothian Integration Joint Board  
IJB Performance Management  
February 2024

Conclusion

Reasonable Assurance

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# 1 Executive Summary: IJB Performance Management

## Conclusion: Reasonable Assurance

A Draft East Lothian HSCP Performance Framework is in place, outlining performance monitoring and reporting across the ELHSCP. The draft Framework describes the current arrangements in place, provides details of current performance indicators and identifies areas that need to be developed further. There is a need to finalise the Performance Framework and ensure that areas for development are sufficiently progressed. There is currently a broad range of performance indicators in place, in some cases at different stages of maturity and development and being reported to different forums and audiences. There is a risk that there is not yet a complete set of indicators that demonstrate performance against all the IJB's strategic objectives and related strategic delivery priorities as per the IJB Strategic Plan 2022-25, which may then lead to there not being a clear and balanced view of the IJB's performance.

### Background

The East Lothian Integration Joint Board (IJB) Revised Joint Integration Scheme (Version 3, Effective 15 May 2023) states that the IJB is the only forum where health and social care functions for the East Lothian area are governed by members of both NHS Lothian and the Council. Accordingly, the parties agree that the primary responsibility for performance management in respect of the delegated functions will rest with the IJB. The new East Lothian IJB Strategic Plan 2022-25 was approved by the Strategic Planning Group (SPG) on 6 September 2022 and subsequently accepted by the East Lothian IJB at its meeting of 15 September 2022. The new Strategic Plan identifies the IJB's seven strategic objectives for 2022-25, along with a range of related strategic delivery priorities linked to each objective. A 2023-24 Annual Delivery Plan (ADP) is in place which details the key actions in relation to delivery of the strategic objectives. The East Lothian IJB Annual Report for 2022-23 describes performance in planning and carrying out integrated functions from 1 April 2022 to 31 March 2023, which effectively provides a six-month progress report on the delivery of the IJB Strategic Plan 2022-25 since it was published.

### Summary of findings & recommendations

The following key findings and recommendations are highlighted, which have all been **agreed by Management**:

- The draft HSCP Performance Framework in place requires to be finalised. *Management have confirmed that an updated draft will be presented to the SPG in May 2024 for discussion before a final version, incorporating any amendments based on SPG feedback, is presented to the IJB for approval in June 2024.*
- Where areas of development are identified in the Performance Framework, an action plan should be in place outlining the work to be undertaken, together with target timescales. *Management have agreed that the action plan will be further developed, and timescales included by December 2024.*
- The East Lothian IJB Annual Performance Report (APR) should be developed to clearly provide performance information on each of the IJB's strategic objectives and related delivery priorities. *Management have confirmed that performance information included in the 2023-24 APR (to be submitted in July 2024) will be based on the updated version of the Performance Framework to ensure that measures are included for each of the IJB's strategic objectives.*
- Performance indicators that form part of the Annual Delivery Plan (ADP) require to be further developed, to ensure that there is a comprehensive agreed set of indicators covering all the strategic objectives. *Management have confirmed that a core set of indicators will be included in the version of the ADP submitted to the SPG for approval in May 2024 and that additional indicators identified as 'under development' will be reported on once available.*

### Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	7	-	7
Prior Report	n/a	n/a	n/a	n/a

### Materiality

The East Lothian Integration Joint Board had expenditure of £199.25 million in 2021/22 and annual expenditure of £214.7 million in 2022/23. The East Lothian Integration Joint Board receives approximately two thirds of its funding from NHS Lothian and one third from East Lothian Council.

## 2 Headlines

Objectives	Conclusion	Comments
1. An appropriate governance framework is in place for the development and approval of the IJB performance framework.	Reasonable	A Draft East Lothian HSCP Performance Framework is in place, which requires to be finalised. Consideration should be given as to whether an additional governance structure should be put in place to carry out regular performance review and monitoring.
2. The IJB performance framework is fully developed and clearly sets out how the IJB will measure performance against the Strategic Plan, identify areas where improvements are required and demonstrate to stakeholders the benefits that are being delivered.	Reasonable	The Draft Performance Framework in place outlines performance monitoring and reporting across the ELHSCP. The draft Framework describes the current arrangements in place and identifies areas that require to be developed further. The Draft Performance Framework groups performance management activity into four broad categories (strategic, assurance and accountability, operational and tactical) and provides a detailed outline of each of these levels. For areas of further development identified in the Performance Framework, there is a need for an action plan to be put in place clearly identifying the actions to be taken, who the responsible officer is, target timescales and how this is to be monitored.
3. A core set of indicators and measures have been identified, together with a process for determining appropriate baselines and performance targets for each indicator.	Reasonable	There is currently a broad range of performance indicators in place, in some cases at different stages of maturity and development and being reported to different forums and audiences. There is a need to ensure clarity on where accountability lies for the reviewing and monitoring of the performance indicators that are currently being produced.
4. An Annual Performance Report (APR) is prepared and reported in accordance with legislation and is structured in line with the IJB's strategic objectives and related delivery priorities as per the Strategic Plan, and in support of the Directions issued.	Reasonable	The East Lothian IJB Annual Performance Report (APR) 2022-23 was presented to the IJB meeting of 22 June 2023 and the finalised APR published on 18 August 2023. The APR provides a comprehensive narrative on developments and progress being made by HSCP services in contributing to the delivery the IJB's strategic objectives and related delivery priorities during 2022-23, however there is a need to ensure that performance information is provided for each of the IJB's strategic objectives and related delivery priorities.
5. To enable effective review of key performance and outcomes, there is clear evidence of Senior Officers providing comprehensive commentary on the reported indicators, and the IJB can demonstrate that the preparation, reporting and review of performance information has contributed to measurable improvements in performance and outcomes.	Reasonable	An IJB Strategic Plan – 2023-24 Annual Delivery Plan (ADP) Mid-Year Progress Report was presented to the East Lothian Strategic Planning Group (SPG) on 23 November 2023. The report noted that the ADP details the key actions anticipated in relation to delivery of the strategic objectives and that a set of performance indicators has been developed to support the delivery of the ADP. For some strategic objectives, a good range of indicators have been identified, however in other cases many of the indicators are still in need of development. There is a risk that there is currently not a complete set of indicators that demonstrate performance against all strategic objectives, which may then lead to there not being a clear and balanced view of the IJB's performance.

## 3 Areas where expected controls are met/good practice

No	Areas of Positive Assurance
1.	<p>The new East Lothian IJB Strategic Plan 2022-25 was approved by the Strategic Planning Group (SPG) on 6 September 2022 and the SPG agreed to recommend it to the East Lothian IJB, who subsequently accepted the Plan at its meeting of 15 September 2022. The new Strategic Plan identifies the IJB's seven strategic objectives for 2022-25, along with a range of strategic delivery priorities linked to each objective. The seven IJB strategic objectives for 2022-25 are:</p> <ol style="list-style-type: none"> <li>1. Develop services that are sustainable and proportionate to need.</li> <li>2. Deliver new models of community provision, working collaboratively with communities.</li> <li>3. Focus on prevention and early intervention.</li> <li>4. Enable people to have more choice and control and provide care closer to home.</li> <li>5. Further develop/embed integrated approaches and services.</li> <li>6. Keep people safe from harm.</li> <li>7. Address health inequalities.</li> </ol>
2.	<p>The Draft East Lothian HSCP Performance Framework in place recognises that effective performance management arrangements are needed to:</p> <ul style="list-style-type: none"> <li>• Support East Lothian IJB in its governance role, ensuring that it has the information needed to maintain oversight and scrutiny of HSCP activity in relation to the delivery of IJB strategic objectives and delivery priorities;</li> <li>• Allow the effectiveness of transformation/change programmes and activities to be evaluated;</li> <li>• Provide accountability and assurance to delivery partners (ELC and NHS Lothian) in relation to the management of HSCP services; and</li> <li>• Inform tactical and operational planning, management and decision making by HSCP management and guide and support improvement activity at a service level.</li> </ul>
3.	<p>The East Lothian IJB Annual Performance Report (APR) for 2022-23 describes performance in planning and carrying out integrated functions from 1 April 2022 to 31 March 2023. The report includes details of performance in relation to the Core Integration Indicators and additional Ministerial Strategic Group Indicators. The content of the APR is structured according to the IJB's strategic objectives and related delivery priorities as identified in the 2022-25 IJB Strategic Plan. This means that the APR effectively provides a six-month progress report on the delivery of the IJB Strategic Plan since it was published.</p>
4.	<p>To enhance review of key performance and outcomes, HSCP managers have identified the need to make indicators currently reported to ELC more reflective of current delivery priorities. In this regard, on 14 December 2023 a report was presented to the ELC Policy and Performance Review Committee (PPRC), detailing proposed HSCP performance indicators for future reporting to PPRC. The proposed indicators cover the areas of activity where ELC functions delegated to the IJB play a key role. It was noted that targets are in place for existing HSCP indicators and will be identified for any new indicators in the next (quarter 3) reporting cycle.</p>

# 4 Detailed Recommendations

## Governance Framework

Objective 1	Findings & Risk 1	Grade	Recommendations
	<p>We sought to ensure that an appropriate governance framework is in place for the development and approval of the IJB performance framework. The East Lothian Integration Joint Board (IJB) Revised Joint Integration Scheme (Version 3, Effective 15 May 2023) states that:</p> <ul style="list-style-type: none"> <li>The IJB is the only forum where health and social care functions for the East Lothian area are governed by members of both NHS Lothian and the Council. Accordingly, the parties agree that the primary responsibility for performance management in respect of the delegated functions will rest with the IJB.</li> <li>The parties will provide performance information so that the IJB can develop a comprehensive performance management system. All local and national outcomes, improvement measures and performance targets (including the Annual Performance Report), which are connected exclusively with the functions delegated by the parties to the IJB under the scheme will become the responsibility of the IJB to deliver.</li> <li>A set of shared principles will be developed and agreed between the parties for targets and measurement based on existing best practice and will be reviewed regularly as required.</li> <li>A core group of senior managers and relevant support staff for each party will continue to review and where necessary revise and further develop the performance framework for the IJB taking account of relevant national guidance. The performance framework will be underpinned by the outcomes and will be further developed on an ongoing basis to drive change and improve effectiveness. The performance framework will be informed by an assessment of current performance arrangements and the development of a set of objectives which the framework will be intended to achieve. The framework will be underpinned by the outcomes and national integration indicators and used by the IJB to drive change and improve effectiveness.</li> </ul> <p>A Draft East Lothian HSCP Performance Framework is in place, which identifies areas for development, including consideration being given as to whether an additional structure is required to carry out regular performance review and monitoring, or whether this role can be carried out within the existing structures (IJB and SPG). We note that some other IJBs have an additional structure in place (e.g. Performance and Delivery Committee) which meets quarterly to consider progress against strategic objectives, progress against national indicators and progress against key operational areas that are strategically important.</p>	<b>Medium</b>	<p><b>1.1 Management should seek to finalise the Draft Performance Framework and present it to the IJB for approval.</b></p> <p><b>1.2 Consideration should be given to an additional Committee being put in place within the IJB governance structure (e.g. Performance and Delivery Committee) to undertake regular review of progress against the IJB’s strategic objectives.</b></p>

Management Response	Responsible Officer & Target Date
<p><b>1.1 Agreed – An updated draft of the Performance Framework will go to the Strategic Planning Group (SPG) in May 2024 for discussion before a final version, incorporating any amendments based on SPG feedback is presented to the IJB for approval. The timescale for presenting to the IJB is dependent on SPG feedback, but the intention would be to present to the June 2024 meeting.</b></p> <p><b>1.2 Agreed – Further discussion is needed in relation to this at a senior management level. Given limits to capacity, it may be that this is included in the remit on an existing structure. Recommendation to be included in report to June 2024 IJB re Performance Framework.</b></p>	<p><b>1.1 Performance &amp; Improvement Manager May 2024 – report to SPG; June 2024 – report to IJB.</b></p> <p><b>1.2 Performance &amp; Improvement Manager June 2024 – report to IJB (full implementation of decision by April 2025).</b></p>



# 4 Detailed Recommendations

## Performance Framework

Objective 2	Findings & Risk 1	Grade	Recommendation
	<p>We sought to ensure that the IJB performance framework is fully developed and clearly sets out how the IJB will measure performance against the Strategic Plan, identify areas where improvements are required and demonstrate to stakeholders the benefits that are being delivered.</p> <p>A Draft East Lothian HSCP Performance Framework is in place, which outlines performance monitoring and reporting across the ELHSCP. The draft Framework describes the current arrangements in place and identifies areas that need to be developed further. The Draft Performance Framework groups performance management activity into four broad categories (strategic, assurance and accountability, operational and tactical), and provides a detailed outline of each of these levels:</p> <ul style="list-style-type: none"> <li>The reporting of strategic performance information to the IJB allows monitoring of the delivery of the seven strategic objectives, and the IJB Annual Delivery Plan (ADP) details the activity planned to support delivery of each of the strategic objectives throughout the year. Two areas of development were identified for strategic performance information, including consideration of the role of the SPG in performance monitoring and the provision of a mid-year performance report to the SPG/IJB.</li> <li>Assurance and accountability covers the reporting of performance information to delivery partners (ELC and NHS Lothian) in respect of the delivery and management of HSCP services. Two areas for development were identified, including the performance information currently being reported to the ELC PPRC, with a view to making this more representative of the range of HSCP activity.</li> <li>Operational performance information is used by HSCP managers to support short to medium term management of HSCP services. Two areas for development were identified; the development of service plans and whether an additional mechanism is needed for operational oversight across HSCP services.</li> <li>Tactical covers the use of performance information to help plan the day to day and short-term delivery of HSCP services. One area for development was identified, in respect of the mapping of tactical performance activity to capture details of data and other performance information used.</li> </ul> <p>In some instances, there was clear evidence of progress being made on the areas for development identified, however in other cases work remains outstanding, and there was a lack of detail provided on the actions to be taken, who the responsible officer is, target timescales and how this is to be monitored. There is a risk that performance information may not be effectively produced, monitored and controlled through the governance frameworks if this is not in place.</p>	<b>Medium</b>	<p><b>2.1 Where areas for further development are identified in the Performance Framework, an action plan should be put in place clearly identifying the actions to be taken, who the responsible officer is, target timescales and how this is to be monitored.</b></p>

Management Response	Responsible Officer & Target Date
<p><b>2.1 Agreed – An action plan is in place for the further development of the Performance Framework. This will be updated to reflect recommendations from this Audit Report. Delivery of will be the responsibility of the Performance &amp; Improvement Team, with progress monitored by the GM for Planning &amp; Performance. Timescales for actions will be included in the plan.</b></p>	<p><b>2.1 Performance &amp; Improvement Manager December 2024 (with additional target dates for individual actions within the plan).</b></p>

# 4 Detailed Recommendations

## Integration Indicators

Objective 3	Findings & Risk 1	Grade	Recommendation
	<p>We sought to ensure that a core set of indicators and measures have been identified, together with a process for determining appropriate baselines and performance targets for each indicator. The East Lothian Integration Joint Board (IJB) Revised Joint Integration Scheme (Version 3, Effective 15 May 2023) states that:</p> <ul style="list-style-type: none"> <li>• A core set of indicators and measures will be identified by the parties from publicly accountable and national indicators and targets, which relate to services delivered in carrying out of the functions delegated to the IJB.</li> <li>• An Integration Dataset will be created for the IJB. This will include information on the data gathering, reporting arrangements and accountability for each of these measures and targets. This work will be shared and reviewed by the IJB and amended as appropriate following such review.</li> <li>• The integration indicators will be aligned with the priority areas identified in the joint strategic needs assessment and the Strategic Plan and will be refined as these documents are reviewed and refreshed. The integration indicators will demonstrably evidence the IJB’s endeavours to achieve the outcomes.</li> </ul> <p>We sought to review the performance indicators that are currently being reported on in respect of the functions delegated to the IJB. Appendix 1 of the Draft Performance Framework provides details of current indicators:</p> <ul style="list-style-type: none"> <li>• Group 1 – indicators reported to East Lothian IJB and Strategic Planning Group (19 National Integration Indicators and eight Ministerial Strategic Group Indicators). We are advised that the Integration Dataset refers to these national indicators. Group 1 also includes a set of indicators (Appendix 2) being developed in relation to the IJB Annual Delivery Plan (ADP) and the delivery of each of the IJB’s strategic objectives as outlined in the IJB Strategic Plan 2022-25. Further detail is given in the 2023-24 ADP Mid-Year Progress Report as reported to the SPG in November 2023 (see objective 5 for more detail).</li> <li>• Group 2 – indicators reported to East Lothian Council (14 Key performance indicators, 11 LGBF indicators, 11 service pressure indicators, seven East Lothian Plan (Community Planning) indicators and one East &amp; Mid Public Protection Committee indicator). It is noted that indicators currently reported to ELC are under review, with a view to making these more reflective of current delivery priorities.</li> <li>• Group 3 – indicators reported to NHS Lothian (53 indicators).</li> <li>• Group 4 – indicators reported to the Scottish Government/Public Health Scotland (36 indicators).</li> </ul> <p>There is currently a broad range of performance indicators in place, in many cases at different stages of maturity and development and being reported to different forums and audiences. Some of these indicators are clearly linked to the IJB’s strategic objectives as outlined in the IJB Strategic Plan 2022-25, while other indicators are national indicators not directly linked to the Strategic Plan. There is a risk that there is a lack of clarity on where accountability lies for the reviewing and monitoring of the performance indicators currently being produced.</p>	<b>Medium</b>	<p><b>3.1 Management should ensure that the Performance Framework provides clarity on where accountability lies for the reviewing and monitoring of the performance indicators currently being produced.</b></p>

Management Response	Responsible Officer & Target Date
<p><b>3.1 Agreed – The draft Performance Framework will be reviewed and amended as necessary to ensure accountability is clearly identified in the final version that is presented to the SPG/IJB (in May/June 2024 respectively).</b></p>	<p><b>3.1 Performance &amp; Improvement Manager May 2024 – report to SPG; June 2024 – report to IJB.</b></p>

# 4 Detailed Recommendations

## Annual Performance Report

Objective 4	Findings & Risk 1	Grade	Recommendations
	<p>The Public Bodies (Joint Working) (Scotland) Act 2014 requires Integration Joint Boards to publish an Annual Performance Report (APR) covering the period 1 April to 31 March, and IJBs are required to publish an APR by the end of July each year. The East Lothian IJB Annual Performance Report (APR) 2022-23 was presented to the IJB meeting of 22 June 2023 and the IJB were asked to review the report and note that there may be changes to the National Integration Indicators once the final data set is published by Public Health Scotland at the start of July 2023 and that a final version of the APR, incorporating any changes, will be sent to IJB members for information prior to publication at the end of July 2023. The IJB were further advised that the content of the APR is structured according to the IJB strategic objectives and related strategic delivery priorities as identified in the 2022-25 IJB Strategic Plan. This means the APR effectively provides a six-month progress report on the delivery of the IJB Strategic Plan since it was published.</p> <p>The finalised IJB Annual Performance Report (APR) for 2022-23 was published on 18 August 2023 and our review of the report highlighted the following points:</p> <ul style="list-style-type: none"> <li>For each of the seven strategic objectives per the 2022-25 IJB Strategic Plan, the APR provides a comprehensive narrative on developments and progress being made by HSCP services in contributing to the delivery of the IJB’s strategic objectives and related strategic delivery priorities during 2022/23.</li> <li>For five of the seven strategic objectives there is a section “Our Performance in Numbers”, which seeks to provide relevant quantitative details, however this section is not provided for two of the strategic objectives (strategic objective 5 – Further develop/embed integrated approaches and services, and strategic objective 7 – Address health inequalities), and there is a risk that performance in these areas is not being sufficiently measured, monitored or reported on.</li> <li>The APR provides details of 10 operational performance indicators (together with commentary, trend analysis and comparison with Scotland wide figures) and seven Ministerial Strategic Group indicators, however these indicators are not linked to specific strategic objectives or related delivery priorities.</li> </ul> <p>The APR is a comprehensive report, intentionally written in a style to make it as accessible as possible to a non-expert audience and seeking to highlight the developments and progress made that are contributing to meeting the IJB’s strategic objectives, however there is a need to ensure it focuses on all of the IJB’s strategic objectives and related delivery priorities, including those where performance is less good, otherwise there is a risk that the IJB is not fully monitoring performance on a transparent basis.</p>	<b>Medium</b>	<p><b>4.1 Management should ensure that the East Lothian IJB Annual Performance Report provides performance information on each of the IJB’s strategic objectives and related strategic delivery priorities.</b></p> <p><b>4.2 Management should ensure that the East Lothian IJB Annual Performance Report is published each year by the 31 July deadline.</b></p>

Management Response	Responsible Officer & Target Date
<p><b>4.1 Agreed – Performance information included in the 2023-24 Annual Performance Report (to be submitted July 2024) will be based on the updated version of the Performance Framework to ensure that measures are included for each of the IJB’s strategic objectives.</b></p> <p><b>4.2 Agreed – as above.</b></p>	<p><b>4.1 Performance &amp; Improvement Manager July 2024</b></p> <p><b>4.2 Performance &amp; Improvement Manager July 2024</b></p>

# 4 Detailed Recommendations

## Review of Performance

Objective 5	Findings & Risk 1	Grade	Recommendation
	<p>To enable effective review of key performance and outcomes, we sought to ensure that there is clear evidence of Senior Officers providing comprehensive commentary on the reported indicators, and the IJB can demonstrate that the preparation, reporting and review of performance information has contributed to measurable improvements in performance and outcomes.</p> <p>As part of our review, we examined the IJB Strategic Plan – 2023-24 Annual Delivery Plan (ADP) Mid-Year Progress Report which was presented to the East Lothian Strategic Planning Group (SPG) on 23 November 2023. The report noted that the ADP details the key actions anticipated in relation to delivery of the strategic objectives and that a set of performance indicators has been developed to support the delivery of the ADP. It was noted that further development work is needed in relation to some of the indicators.</p> <p>Our review of the 2023-24 Annual Delivery Plan (ADP) Mid-Year Progress Report highlighted that:</p> <ul style="list-style-type: none"> <li>• For each strategic objective, a number of strategic delivery priorities have been identified and the Mid-Year Progress Report provides a detailed narrative of the key actions, lead officer and progress to date for each of the delivery priorities identified;</li> <li>• The set of performance indicators include the National Integration Indicators and Ministerial Strategic Group (MSG) indicators as well as locally developed indicators. For some strategic objectives (e.g. Strategic Objective 1 – Develop services that that are sustainable and proportionate to need, and Strategic Objective 4 – Enable people to have more choice and control and provide care closer to home) a good range of indicators have been identified. In other cases, many of the indicators are still in need of development. This is particularly so for Strategic Objective 5 (Further develop/embed integrated approaches and services), for which four outcomes and six indicators have been identified, but in some instances, data is still to be agreed and the indicators to be developed, and Strategic Objective 7 (Address health inequalities), which is listed as being under development, and for which no outcomes or indicators are listed.</li> </ul> <p>There is a risk that there is currently not a complete set of indicators that demonstrate performance against all IJB strategic objectives, which may then lead to there not being a clear and balanced view of the IJB’s performance.</p>	<b>Medium</b>	<p><b>5.1 Management should seek to further develop performance indicators that form part of the Annual Delivery Plan, to ensure that there is a comprehensive agreed set of indicators covering all strategic priorities.</b></p>

Management Response	Responsible Officer & Target Date
<p><b>5.1 Agreed – Work underway to develop the 2024-25 Annual Delivery Plan (ADP) will include further discussion of performance indicators related to strategic priorities. It is anticipated that a core set of indicators will be included in the version of the ADP submitted to the SPG for approval. Additional indicators identified as ‘under development’ will be reported on once available.</b></p>	<p><b>5.1 Performance &amp; Improvement Manager May 2024 – report to SPG.</b></p>

# A Recommendation Grading/Overall Opinion Definitions

Recommendation	Definition
<b>High</b>	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.
<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.

Levels of Assurance	Definition
<b>Substantial Assurance</b>	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.
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.
<b>No Assurance</b>	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.

# B Resource, acknowledgements & distribution list

Internal Audit	
Chief Internal Auditor: Duncan Stainbank	Senior Auditor: Stuart Allan

Review Dates	Completed By Date
Internal Audit Draft Report Submission	19 February 2024
Management Review Completion	22 February 2024
Final Report Issue	29 February 2024

Report Distribution	
Chief Officer East Lothian HSCP	General Manager – Planning and Performance
Head of Operations East Lothian HSCP	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 ensure that adequate arrangements are in place for IJB Performance Management.

The content of this report has been discussed with the General Manager – Planning and Performance and the Performance and Improvement Manager to confirm factual accuracy. The assistance and cooperation received during the course of our audit is gratefully acknowledged.