

REPORT TO: SCRUTINY COMMITTEE – 8 DECEMBER 2021

REPORT ON: DUNDEE INTEGRATION JOINT BOARD INTERNAL AUDIT REPORT

REPORT BY: ACTING SENIOR MANAGER – INTERNAL AUDIT

REPORT NO: 356-2021

1.0 PURPOSE OF REPORT

To submit to Members of the Scrutiny Committee, for information only, the Dundee Integration Joint Board (IJB) internal audit report on Performance Management.

2.0 RECOMMENDATIONS

Members of the Committee are asked to note, for assurance purposes, the information contained within this report.

3.0 FINANCIAL IMPLICATIONS

None

4.0 MAIN TEXT

- 4.1 As stated in the Integrated Resources Advisory Group (IRAG) Finance Guidance, the IJB is responsible for establishing adequate and proportionate internal audit arrangements for reviewing the adequacy of the arrangements for risk management, governance and control of the delegated resources. This includes determining who will provide the internal audit service for the IJB and nominating a Chief Internal Auditor. In line with the IRAG Finance Guidance, the Dundee IJB appointed the Chief Internal Auditor of Fife, Tayside and Forth Valley Audit and Management Services (FTF) / NHS Tayside, as its Chief Internal Auditor. In practice, the resources required to deliver the IJB Internal Audit Plan are provided by the internal audit services within NHS Tayside and Dundee City Council. Time is specifically allocated in the Council's Internal Audit Plan to support the IJB Chief Internal Auditor through the provision of a number of internal audit reviews within the services operationally delegated to the IJB.
- 4.2 Under the arrangements detailed at paragraph 4.1 above, a review of Performance Management was undertaken by the Council's Internal Audit Service on behalf of the IJB. The overall objective of the audit was to review adequacy, accuracy, relevance, reliability, data quality, timeliness and interpretation of reporting against the priorities in the Strategic and Commissioning Plan and core integration indicators. In addition, the audit reviewed "Compliance with DL 2016 (05) - Guidance for Health and Social Care Integration Partnership Performance Reports and preparation for / implementation of the anticipated new national guidance on the 'Joint Accountability Framework". The corresponding internal audit report was submitted to the IJB's Performance and Audit Committee on 24 November 2021.
- 4.3 The IRAG Finance Guidance specifically recommends that IJB Internal Audit Plans and annual reports are shared with the parent bodies and that, to avoid duplication of efforts and determine areas of reliance from the work of each team / service, the Chief Internal Auditors for each of the respective bodies should share information and co-ordinate activities with each other and with other external providers of assurance and consulting services. To address and formalise the sharing of internal audit related information in general, a Tayside-wide Internal Audit Output Sharing Protocol, covering key internal audit work across NHS Tayside, the 3 IJBs,

and the 3 local authorities was developed. This was subsequently submitted to and approved by the Council's Scrutiny Committee at its meeting on 14 February 2018 (Article VII of the minute of this Committee of 14 February, 2018 refers). The Protocol enables the sharing of internal audit outputs beyond the organisation that commissioned the work, in particular where the outputs are considered relevant for assurance purposes. Dundee IJB audit reports are presented to the Performance and Audit Committee for scrutiny purposes and are shared, in accordance with these approved arrangements, with NHS Tayside and the Council's Scrutiny Committee. With this in mind, the Performance Management report is attached at appendix A.

5.0 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6.0 CONSULTATIONS

The Chief Executive, Executive Director of Corporate Services, Head of Corporate Finance and Head of Democratic and Legal Services have been consulted on the content of this report.

7.0 BACKGROUND PAPERS

None

David Vernon
Acting Senior Manager – Internal Audit

Date: 22 November 2021

FTF Internal Audit Service

Dundee IJB

Performance Management

Report No. D05/21

Issued To: Dundee IJB Officers
V Irons, Chief Officer
D Berry, Chief Finance Officer
K Sharp, Service Manager, Strategy and Performance
D McCulloch, Head of Health and Community Care

NHS Tayside Officers
S Lyall, Director of Finance

Dundee City Council Officers
G Colgan, Chief Executive, Dundee City Council
S Flight, Head of Corporate Finance

Performance & Audit Committee
External Audit
P Redpath, Senior Manager- Internal Audit, DCC

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Draft Report Issued	18 October 2021
Management Responses Received	02 November 2021
Target Audit & Risk Committee Date	24 November 2021
Final Report Issued	03 November 2021

CONTEXT

1. Section 42 of The Public Bodies (Joint Working) (Scotland) Act 2014²⁰¹⁴ Act requires that Performance Reports are prepared by the “Integration Authority”. The Public Bodies (Joint Working) (Content of Performance Reports) (Scotland) Act 2014 and the Guidance for Health and Social Care Integration Partnership Performance Reports lays out the minimum expectations on the content of Performance Reports, with particular reference to the reporting of the Core Integration Indicators to support assessment of performance in relation to the National Health and Wellbeing Outcomes.
2. The Scottish Government has identified 9 National Health and Wellbeing Outcomes that apply across all integrated health and social care services. These outcomes, which are linked to the IJB’s strategic priorities, provide a high-level framework for planning and delivering health and social care services that are focused on improving quality of service and client experience. Dundee IJB monitors and reports against these 9 national outcomes using the 23 national health and wellbeing indicators. These indicators are collectively known as the Core Suite of Integration Indicators.
3. The Dundee Health and Social Care Partnership (DH&SCP) has responsibility for recording and submitting a number of Adult Social Care performance indicators under the statutory Local Government Benchmark Framework (LGBF). It is also required to recognise the importance of self-evaluation, quality assurance and performance monitoring, enabling it to identify areas of strength that can be built upon and areas for improvement. The DH&SCP has a commitment to continuously improve its services, in order to promote positive outcomes for individuals, their carers and families.
4. The Performance and Audit Committee (PAC) has formal responsibility for regularly scrutinising the DH&SCP including how it is achieving its vision and strategic priorities, overseeing financial performance and meeting other aspects of governance activities. The annual performance management report as referred to under Para 1 above is prepared and submitted to the Dundee IJB for approval.


SCOPE

5. This audit reviewed:
 - Adequacy, accuracy, relevance, reliability, data quality, timeliness and interpretation of reporting against the priorities in the Strategic and Commissioning Plan and core integration indicators.
 - Compliance with DL 2016 (05) - Guidance for Health and Social Care Integration Partnership Performance Reports and preparation for / implementation of the anticipated new national guidance on the ‘Joint Accountability Framework’.
6. Strategic Risk HSCR00c5: *‘Staff Resource is insufficient to address planned performance management improvement in addition to core reporting and business critical work’*, was last reported to the PAC in February 2021 and remains one of the highest rated risks for the organisation (Impact-4 Likelihood 5).
7. The specific objectives of the review were to:
 - Establish to what extent Dundee IJB demonstrates it has arrangements in place to meet statutory requirements and support effective performance management reporting. This should include reporting against the Strategic and Commissioning Plan and core integration indicators.

- Identify the steps taken to reflect the impact of COVID19 within performance management arrangements, including the monitoring of recovery and remobilisation plans.
- Assess the arrangements in place for gathering and recording the performance information required for compliance with legislation and guidance in the context of strategic performance management, including the Core Suite of Indication Indicators
- Assess whether there are clear arrangements in place for operational performance management including clear accountability, reporting and escalation through both partner organisations.
- Confirm that Performance Targets, and actions to meet these targets, have been recorded accurately and are being managed and reported effectively.
- Identify what actions have been agreed to improve poor performance and confirm whether these actions have been taken forward as planned and there is evidence of improvement between reporting periods.

AUDIT OPINION

8. The Audit Opinion of the level of assurance is as follows:

Level of Assurance		System Adequacy	Controls
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.	Controls are applied frequently but with evidence of non-compliance.

A description of all definitions of assurance and assessment of risks are given in Section 4 of this report.

EXECUTIVE SUMMARY

Governance level

9. The Performance and Audit Committee (PAC), as stated in their Terms of Reference, is responsible for *'the preparation and implementation of the strategy for Performance Review, and monitoring the performance of the Partnership towards achieving its policy objectives and priorities in relation to all functions of the IJB'*. This duty is normally achieved through quarterly performance reports to the PAC, of which 2 are summary and 2 are full reports.
10. The data is well presented and includes benchmarking against similar organisations and breakdown by Local Community Planning Partnership (LCPP) locality. Our view would be that Dundee IJB is ahead of many other IJBs under our purview.
11. However, the November 2020 PAC agreed that no meaningful realistic and informative targets could be set for the year because of the impact of Covid.

12. During the pandemic, IJB members also received additional assurance at private members briefing sessions providing a summary of key developments relevant to the operation of Dundee Health and Social Care Partnership during the current health emergency. This included updates on PPE, care homes, vaccinations and staffing.
13. In addition to the performance reports to the PAC, deep dive reports into specific areas of operation have been presented to members, including detailed reports on discharge management and the impact of repeat elective activity on readmission rates were provided.
14. While these deep dive reports provide important additional information, there appear to be no established criteria for their use. The deep dive reports include a brief description of the actions being carried out to improve performance, the operational Lead Officer and the timescale for improvement.
15. Overall, we note that there is no clear process for monitoring that any actions agreed in response to the scrutiny of performance are progressing as intended and improving performance.
16. IJBs are required to publish an Annual Performance report. Due to Covid, the publication of the annual report was delayed for 2019/20, with a summary Annual Report submitted in time to adhere to the requirement to report within four months of the end of the reporting year (31 July 2020) and the full Annual Report submitted to the IJB in October 2020. Similarly, for the 2020/21 Annual Performance report, the Dundee IJB at their meeting in June 2021 noted that, *'to support transparency and public scrutiny, a summary version would be published on or before the statutory deadline (31st July, 2021), with a full version submitted to the Integration Joint Board no later than 27th October, 2021 for approval and subsequent publication'*. The summary version is now available on the Dundee City IJB website.
17. Our recommendations are aimed at ensuring coherence between Governance Structures, Performance Management, Risk Management and Assurance. The overall reporting framework at governance level should triangulate resources, performance and risk within the overall governance framework. Discussions are already ongoing to determine how performance reports inform the risk register, and how review of the risk register might prompt analytical reports. Best practice would be for monitoring and performance reports to be overtly related to specific risks and to contain an overt conclusion on whether controls are operating as intended, to mitigate the risk effectively.
18. Whilst the requirement on performance reporting for the IJB are clearly articulated in national guidance, linkages between the IJB and the partner bodies have always been less clear; given that Partner bodies retain ultimate responsibility for the functions they will also require assurance on performance for delegated functions.
19. IJBs also need to be aware of the impact of their performance on the achievement of targets for non-integrated functions. However, whilst performance management arrangements have been developed for integrated functions, this is still not in place for non-integrated functions, although this was required under the Integration Scheme.

Impact of Covid

20. As well as adapting the format of reporting to the context of Covid, quarterly performance reports have also set out the impact of Covid on key areas of performance including Covid and non Covid data. Since Quarter 1 of 2020/21, the NHS Tayside Business Unit has provided the IJB with breakdowns of Covid and non-Covid admission

reasons for emergency admissions, emergency bed days, hospital admissions due to a fall and delayed discharges. The impact of Covid19 on the delivery of the Strategic Commissioning Plan has also been regularly reported, including the diminished capacity of the organisation to progress the actions in the current plan and resultant changes in performance levels.

Operational

21. Our Annual Internal Audit Report for 2017/18 noted that it was intended to frame the performance report information in the context of a delivery plan to ensure that operational delivery of the Strategic Commissioning Plan can be monitored. We recommended a Delivery Plan to track actions which will support implementation of the Strategic Commissioning Plan. This is not yet in place.
22. Although the PAC has governance responsibility for overseeing performance, responsibility, there was also previously an intention to create a combined Finance & Performance Group to assist with the linking of finance and performance decisions. However, this was halted due to Covid and the new amalgamated group has not yet met to discuss performance. The Service Manager, Strategy and Performance has acknowledged that this group is an important forum to discuss performance matters and that there is a significant gap that needs to be addressed.
23. As with many aspects of the Board's operations, Covid has delayed work by the Integrated Strategic Planning/Advisory Group (ISPG/SPAG) to '*Develop performance monitoring arrangements which evidence the progression of the outcomes from the Plan*'. This is not only important in informing the development of the next plan, but, more fundamentally, in allowing the development of routine reporting on the implementation and effectiveness of the Strategic Plan.

Support

24. The February 2021 PAC was informed of proposed action to mitigate strategic Risk HSCR00c5: '*Staff Resource is insufficient to address planned performance management improvement in addition to core reporting and business critical work*' including proposals for service restructure. Internal audit discussions with the Strategy and Performance Team established that work previously undertaken to assist the DH&SCP Teams (care groups) to develop suites of performance measures on progress towards strategic priorities had not progressed due to resource issues.
25. Although, technically, the IJB has no staff and does not have direct responsibility for the provision of information; we did note operational aspects that the IJB may wish to provide direction on, in order to ensure that it receive the data it requires.
26. During the audit fieldwork, concerns were raised by the Strategy and Performance Team regarding the level of administration support available for checking the quality of data in MOSAIC (the Social Work system). Members of the team informed internal audit that a great deal of their time has been spent checking data quality, in the absence of administrative support, with checks being carried out on duplicate entries, deceased clients etc. The Service Manager advised that issues with the quality of data input have been escalated to the Chief Finance Officer and the Head of Health and Community Care. The Service Manager further advised that while there have been improvements, data quality remains a key risk in terms of performance reporting. We would recommend that clarity is achieved on who is responsible for the quality of data entered

on the Social Work Adult Care system, and review controls in place to achieve this, such as:

- i. A data quality strategy and procedure which sets out roles and responsibilities
 - ii. a suite of data quality exception reports, sent to care managers for review and onward distribution to staff for correction of data,
 - iii. including data quality as a standing agenda item at adult social care management team meetings,
 - iv. introduction and monitoring of KPIs for data quality
27. The DH&SCP's Strategy and Performance Team have access to MOSAIC and other Council systems to obtain the performance information they require. The NHS Tayside Business Support Unit currently provides the Strategy and Performance Team with the data it requires for quarterly performance reports submitted to the PAC as well as providing data to operational teams that focus on operational matters such as waiting times and waiting lists. The NHS Tayside Business Support Unit has been working on developing Business Objects reports for the Strategy and Performance Team so that the data it requires can be accessed directly via the "QlikView" aggregate reporting function, with work being delayed to the impact of Covid.

ACTION

28. The action plan at Section 2 of this report [has been agreed with management] to address the identified weaknesses. A follow-up of implementation of the agreed actions will be undertaken in accordance with the audit reporting protocol.

ACKNOWLEDGEMENT

29. We would like to thank all members of staff for the help and co-operation received during the course of the audit.

A Gaskin, BSc. ACA
Chief Internal Auditor

Action Point Reference 1**Finding:**

Performance reports do not currently provide overt conclusions on their impact on specific risks and whether controls are operating as intended.

Our Annual Internal Audit Report for 2017/18 noted that it was intended to frame the performance report information in the context of a delivery plan to ensure that operational delivery of the Strategic Commissioning Plan can be monitored. We recommended a Delivery Plan to track actions which will support implementation of the Strategic Commissioning Plan. This is not yet in place.

There are no clear criteria for the commissioning of deep dive reports into specific areas of operation.

Overall, we note that there is no clear process for monitoring that any actions agreed in response to the scrutiny of performance are progressing as intended and improving performance.

A combined Finance & Performance Group was to assist with the linking of finance and performance decisions. However, this new amalgamated group has not yet met to discuss performance.

Whilst performance management arrangements have been developed for integrated function, this is still not in place for non-integrated functions, although this was required under the Integration Scheme.

Audit Recommendation:

Further developments of the performance management arrangements should include the following:


Assurance and performance reports should be related to specific risks and should contain an overt conclusion on whether the performance reports indicate that controls are operating effectively to mitigate the risk as intended. The attached Committee Assurance Principles may be helpful in this regard.


The combined Finance & Performance Group, when constituted, should consider both finance and performance in the context of the IJB's strategic risks and both inform and be informed by the Strategic Commissioning Plan.

The IJB should monitor the work of the ISPG to ensure that it develops the new SCP in such a way it embeds meaningful performance measures which can be reported regularly to allow a conclusion on whether the SCP is being implemented effectively and is delivering the required outcomes (not just inputs or outputs).

Management should agree a process for what triggers deep dive/ analytical reports which should prioritise relevance to strategic IJB risks. Actions agreed should be monitored to ensure the desired effect is achieved.





As set out in the Integration Scheme, *'a list of targets and measures, which relate to the non-integrated functions of the partners that will have to be taken into account by the Integration Joint Board when preparing their Strategic Plan'* should be included

Assessment of Risk:	
Significant	 <p>Weaknesses in control or design in some areas of established controls.</p> <p>Requires action to avoid exposure to significant risks in achieving the objectives for area under review.</p>
Management Response/Action:	
<p>The IJB receives regular assurances on performance through the Chairs Assurance Report from the Performance & Audit Committee (PAC) and the Annual Performance Report. The quarterly performance reports to the PAC continue to evolve with the 2021/22 Quarter 1 report presented to the November 2021 PAC reflecting some of the above recommendations with further work to be done to enhance the connections between performance and risk. This includes further development of the process to escalate operational risks to strategic risk and resultant overall assurance to the IJB that risks are being mitigated and do not impact on performance.</p> <p>The finance and performance group will be reconstituted as recommended.</p> <p>The likely outcome of the review of the Strategic & Commissioning Plan will be an extension of the plan throughout 2022/23 with work undertaken in 2023/24 to develop the new plan. The required performance measures to meet the recommendation above will be considered as part of that process.</p> <p>A more formal process to trigger further analytical reports will be developed.</p> <p>The Integration Scheme is currently being revised and consideration will be given to establishing the relevant performance information relating to non-integrated functions as part of that process.</p>	
Action by:	Date of expected completion:
Chief Finance Officer	<p>Revision of Integration Scheme - March 2022</p> <p>Enhanced Performance Reporting Finance & Performance Group Process for analytical Reports All June 2022</p> <p>Development of Strategic Plan Performance Measures – 2023/24</p>

Action Point Reference 2	
Finding:	
Strategic Risk HSCR00c5: <i>'Staff Resource is insufficient to address planned performance management improvement in addition to core reporting and business critical work'</i> , was last reported to the PAC in February 2021 and remains one of the highest rated risks of the organisation (Impact-4 Likelihood 5). Proposals for service restructure were being developed to lower this risk.	
Audit Recommendation:	
The IJB should direct its partners to undertake a review of the resources required for performance management and present the results to an appropriate IJB Committee, with an assessment of the marginal utility of any potential increase in resources and identifying any efficiencies that the partners might implement. This may helpfully include benchmarking against other IJBs resources and approach, albeit noting that Dundee IJB is ahead of many other IJBs in its performance reporting.	
Assessment of Risk:	
Significant	 <p>Weaknesses in control or design in some areas of established controls.</p> <p>Requires action to avoid exposure to significant risks in achieving the objectives for area under review.</p>
Management Response/Action:	
Corporate support arrangements to the IJB are being assessed as part of the review of the Integration Scheme. The HSCP is also reviewing the level of resources it deploys to performance management with a view to enhancing the team. It is recommended that this is reported back to the IJB and Performance and Audit Committee through risk management reporting arrangements i.e. through a reduction or removal of this risk once all controls are implemented.	
Action by:	Date of expected completion:
Chief Finance Officer	June 2022





Definition of Assurance

To assist management in assessing the overall opinion of the area under review, we have assessed the system adequacy and control application, and categorised the opinion based on the following criteria:

Level of Assurance		System Adequacy	Controls
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.	Controls are applied continuously or with only minor lapses.
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.	Controls are applied frequently but with evidence of non-compliance.
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.	Controls are applied but with some significant lapses.
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.	Significant breakdown in the application of controls.

Assessment of Risk

To assist management in assessing each audit finding and recommendation, we have assessed the risk of each of the weaknesses identified and categorised each finding according to the following criteria:

Fundamental		Non Compliance with key controls or evidence of material loss or error. Action is imperative to ensure that the objectives for the area under review are met.	None
Significant		Weaknesses in design or implementation of key controls i.e. those which individually reduce the risk scores. Requires action to avoid exposure to significant risks to achieving the objectives for area under review.	Two
Moderate		Weaknesses in design or implementation of controls which contribute to risk mitigation. Requires action to avoid exposure to moderate risks to achieving the objectives for area under review.	None
Merits attention		There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.	None