REPORT TO: SCRUTINY COMMITTEE – 5 FEBRUARY 2025

REPORT ON: DUNDEE INTEGRATION JOINT BOARD INTERNAL AUDIT REPORT

REPORT BY: CHIEF INTERNAL AUDITOR

REPORT NO: 37-2025

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 for Workforce.

2.0 RECOMMENDATIONS

Members of the Committee are asked to note 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.

4.2 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 Auditor / Chief Audit Executive 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 and is in place. 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.

4.3 Under the arrangements detailed at paragraph 4.1 above, a review of the Workforce arrangements was undertaken by Dundee City Council Internal Audit team in conjunction with FTF on behalf of the IJB. The overall scope of the audit was to review the design and operational controls in place related to the development of the Workforce Plan 2022 -2025. This included reference to Scottish Government guidance and checklists and reviewing strategic workforce risks.

4.4 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. The final internal audit report was submitted to the Dundee IJB's Performance and Audit Committee on 30 January 2025. The final report is attached at Appendix A.

5.0 POLICY IMPLICATIONS

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services, or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

6.0 CONSULTATIONS

The Council Leadership Team have been consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None.

CATHIE WYLLIE, CHIEF INTERNAL AUDITOR   **DATE: 15 JANUARY 2025**

FTF Internal Audit Service

Dundee IJB Workforce

Report No. D06/24

Issued To: **D Berry, Acting Chief Officer**
C Jones, Acting Chief Finance Officer
K Sharp, Acting Head of Service, Strategic Services

J Hill, Head of Health and Community Care
A Smith, Head of Health and Community Care
L Webster, Lead Officer (Quality, Data, and Intelligence)

Performance and Audit Committee
External Audit

Contents

Draft Report Issued	12 November 2024
Management Responses Received	11 December 2024
Target Audit & Risk Committee Date	29 January 2024
Final Report Issued	**06 January 2025**

CONTEXT AND SCOPE

1. The Dundee Health and Social Care Partnership (HSCP) Strategic Risk Profile describes the following risk which could threaten the achievement of its strategic objectives – *'HSCR00b1 Staff Resource - The volume of staff resource required to develop effective integrated arrangements while continuing to undertake existing roles / responsibilities / workload of key individuals may impact on organisational priorities, operational delivery to support delivery of effective integrated services. Corporate processes in partner bodies can lead to delays in recruitment. Market conditions can impact on ability to appoint suitable staff in a timely way. Impact on levels of staff absence impact on staff resource.' The risk is currently rated at 5x5 (Red) with a target risk score of 3x3 (Yellow).*

2. The current actions recorded in the Strategic Risk register to mitigate this risk include:

   - *Development of new models of Care*
   - *Organisational Development Strategy*
   - *Service Redesign*
   - *Workforce Plan*

3. The National Workforce Strategy for Health and Social Care in Scotland was published in March 2022 and on 1 April 2022, the Scottish Government issued DL (2022) 09, which provides guidance on the completion of the 3 Year Workforce plan 2022-25, with a deadline for submission of 31 July 2022.

4. The June 2022 meeting of the IJB approved the Dundee Health and Social Care Partnership Workforce Plan 2022/2025.

5. Our audit evaluated the design and operation of the controls related to the development of the Workforce plan and specifically considered:

   - Whether the format and content of the Workforce Plan is based on appropriate evidence in compliance with DL (2022) 09, including validation of the self-assessment against the Appendix 1 checklist and whether Scottish Government feedback was addressed.
   - Whether the Workforce Plan is informed by, and informs, strategic workforce risk(s), and both identifies and provides mitigations, sufficient to manage risks to target levels by agreed timescales;
   - The adequacy and effectiveness of monitoring and assurance arrangements to ensure the delivery of the Workforce Plan, including relevant reliable and sufficient data to measure success

AUDIT OPINION

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

Level of Assurance		System Adequacy	Controls
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.

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

7. Our main findings are:

- The HSCP has not yet developed an approach to modelling Service demand to a level of detail which supports effective planning for future workforce requirements. In the absence of an understanding of the way in which future workforce requirements are likely to develop, there is a risk that workforce planning interventions may not be applied in the areas of highest risk.

- The Workforce Strategic Risk Register in its current state of development does not support management in determining the most pressing workforce issues facing the HSCP, or assessing the control framework in terms of the impact of the controls which are in place or the controls which would be required to mitigate risk to an acceptable degree.

- The articulation of actions in the Workforce action plan is overly broad and not clearly linked to any approach to prioritisation. As a consequence, progress is difficult to assess, and the action plan provides limited assurance that actions are addressing the areas in which the greatest impact can be realised with the resources available.

- The Workforce Planning Group does not have formal terms of reference, although its role and responsibilities have changed since the convening of the short life working group from which it developed.

- There is no clear and explicit link between the information which is formally reported to the Workforce Planning Group and relevant risks and controls. As such, the reporting may not provide assurance over the effectiveness of the mitigation of workforce risks.

8. Detailed findings are included at Section 3.

ACTION

9. 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

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

Barry Hudson BAcc CA
Regional Audit Manager

Action Point Reference 1

Finding:
The HSCP has not yet developed an approach to modelling Service demand to a level of detail which supports effective planning for future workforce requirements. In the absence of an understanding of the way in which future workforce requirements are likely to develop, there is a risk that workforce planning interventions may not be applied in the areas of highest risk.   While there are a number of actions related to understanding Service demand and modelling staff requirement reflected in the Workforce Planning action plan, these are expressed as open ended ambitions and, as a consequence, it is difficult to gain assurance over the extent to which progress has been made towards implementation.

Audit Recommendation:
The Workforce Planning subgroup should establish an approach to modelling future service demand and therefore workforce requirements which can be implemented within its currently available resources. This approach should be predicated on the basis of data already available and documented assumptions where data is not available. SMART Actions within the action plan should be refined such that they set out specific deliverables which can be used to update and refine the initial assessment of future service demand, ideally with expected timescales.

Assessment of Risk:

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.**

Management Response/Action:
The Workforce Planning Data Sub-Group will be asked to review the approach to service demand and related workforce modelling and to make proposals to the Workforce Planning Group for a realistic and proportionate approach. This will be based on use of currently available local HSCP data, alongside workforce planning data from the corporate bodies and relevant national data. It is known that NHS Tayside will be undertaking further modelling work to inform their next workforce planning submission to Scottish Government due in June 2026, close links will be made to this activity via the Workforce Planning Group representative. The Workforce Planning action plan will subsequently be updated to reflect the agreed approach. It is recognised that such an approach will have limitations in terms of scale, scope and accuracy but is necessary given the lack of specialist modelling expertise and capacity within local systems.

Action by:	**Date of expected completion:**
Acting Head of Service, Strategic Services	**30 April 2025**

Action Point Reference 2
Finding:
The Workforce Strategic Risk Register is not yet fully developed and currently does not support management in determining the most pressing workforce issues facing the HSCP, or in assessing the control framework in terms of the impact of the controls which are in place or the controls which would be required to mitigate risk to an acceptable degree.   Register Scoring indicates that the majority of identified workforce risks are unmitigated. Internal controls for all risks have not yet been identified.
Audit Recommendation:
The Workforce Strategic Risk Register should be developed such that it provides at least: • Risk Scoring to a level of detail and consistency that allows management to distinguish the most severe risks from the those which are less critical.   • An assessment of the internal controls which are already in place, and those which are not in place but would be required to reduce the level of risk to within tolerance.   Ideally such an assessment would be based on an analysis which quantifies the impacts and likelihood of the risks identified, to ensure objective risk scoring. However, in the context of the HSCP's current resource constraints, it is likely that in the medium term this will require a number of assumptions to be made on the basis of management knowledge and experience. Where they are required, assumptions should be recorded so that their effect on the analysis is clear and can be updated if and when other information becomes available.
Assessment of Risk:
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.**
Management Response/Action:
The Workforce Strategic Risk Register will be revised and updated, including incorporating risk scoring and current/planned mitigating controls. A format will be adopted consistent with that already utilised within the IJB Strategic Risk Register.

Action by:	**Date of expected completion:**
Head of Health and Community Care	**31 March 2025**

Action Point Reference 3
Finding:
The Workforce Planning Group does not have a formal terms of reference, although its role and responsibilities have changed since the short life working group from which it developed was originally convened.
Audit Recommendation:
Terms of Reference for the Workforce Planning Group should be prepared and agreed. This should include consideration of whether there are areas of overlap with the work of other management groups. If so, these should be similarly reflected in the terms of reference of those groups.
Assessment of Risk:

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.**

Management Response/Action:
A draft terms of reference has been developed and discussed by the Workforce Planning Group. This will be submitted to the HSCP Senior Management Team for approval at their next meeting.

Action by:	Date of expected completion:
Head of Health and Community Care	**31 January 2025**

Action Point Reference 4
Finding:
The articulation of actions in the Workforce action plan is overly broad and not clearly linked to any approach to prioritisation. As a consequence, progress is difficult to assess, and the action plan provides limited assurance that it addresses the areas in which management action can have the greatest impact.
Audit Recommendation:
HSCP Management should refine the action plan with a focus on identifying specific deliverables and realistic timescales. This will likely involve breaking down some of the existing high level actions into a number of sub tasks.   The elements of the action plan should reflect the required internal controls which are identified within the Workforce Strategic Risk Register. As this may result in a plan containing more actions than are realistically achievable, management should identify and pursue those actions which will deliver the maximum impact within the resource available, supported by the risk register scoring.
Assessment of Risk:

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.**

Management Response/Action:
The Workforce action plan will be revised and updated, including identifying deliverables and timescales. The review of the action plan will also incorporate any outstanding feedback from the Scottish Government regarding the Workforce Plan.

Action by:	**Date of expected completion:**
Head of Health and Community Care	**31 March 2025**

Action Point Reference 5
Finding:
There is no clear and explicit link between the information which is formally reported to the Workforce Planning Group and relevant risks and controls. As such, the reporting does not provide assurance over the effectiveness of arrangements to mitigate workforce risks.
Audit Recommendation:
As part of the development of the Workforce Strategic Risk Register and the identification of internal controls, management should consider the extent to which reporting can provide assurance over the effectiveness of those controls, or provide a control in and of itself. Based on this, management should consider whether the information that they currently receive fulfils those needs and refine their reporting requirements if it does not.
Assessment of Risk:

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.**

Management Response/Action:
Agendas for the Workforce Planning Group for 2025 will be aligned to ensure reporting against the revised action plan and risk register. Following review of those documents an agenda planner will be produced for the year to ensure a robust schedule of reporting.

Action by:	**Date of expected completion:**
Head of Health and Community Care	**31 March 2025**

DETAILED FINDINGS

Consistency of Workforce Plan with Guidance

11. The Scottish Government issued guidance relating to the preparation of Three Year Workforce Plans to NHS Boards and HSCPs in April of 2022. The guidance included a self assessment framework intended to enable Boards and HSCPs to determine their own compliance with the guidance, in advance of submission of draft Plans to the Scottish Government in August 2022.

12. We were not able to determine whether the HSCP carried out such a self assessment at the time the initial Workforce Plan was prepared. In carrying out our own assessment, we observed that fully meeting all expectations of the guidance required a capability to forecast service demand and assumed a level of data availability that were not in place for Dundee HSCP. As a consequence, the existing Workforce Plan and its updates do not fully meet the criteria set out in the Workforce Planning Guidance. In particular, the Plan and its updates do not include detailed projections or modelling for the required future workforce, and as a result the Plan is not able to quantify the expected future establishment gap.

13. The Plan does however clearly set out an intention to put in place the necessary planning infrastructure to be able to perform such modelling.   The Plan is supported by an underpinning Action plan which includes (among others) open actions to:

   - Model medical staffing;

   - Analyse the General Practice position;

   - Analyse third/independent sector demographics; and

   - Complete a gap analysis comparing demand with workforce numbers and skills

14. Demographic analysis included in the plan and in its updates indicate that service demand can, in general, be expected to increase. However, these broader demographic trends have not been translated into expected impacts on individual HSCP services or the requirement for particular specialisms.

Strategic Workforce Risks

15. The IJB Risk Register includes a Workforce category, with a general risk relating to Staff Resource. Some Internal Controls have been identified and recorded, however there is limited detail on the extent to which these contribute to risk mitigation. At time of review, the risk score against Staff Resource remained 5x5, indicating that management's assessment is that the existing internal controls do not mitigate the risk.

16. The Workforce Plan is recorded as one of these internal controls, and there is in turn a Workforce Strategic Risk Register which contains risks related to demand, staffing pressures, and workforce planning. The development of the register has been impacted by a lack of available resource.

17. The Workforce Strategic Risk Register has been developed from the assessment of risks included in the first iteration of the Workforce Plan in October 2022. This first iteration also included a high level action plan, and both the Workforce Plan and high level action plan are formally updated annually. We compared the risks and internal controls set out in the current iteration of the Workforce Plan with the Internal Controls identified within the Workforce Strategic Risk Register, and the actions laid out in the Workforce action plan.

18. Although we found that these are generally consistent, the parallel development of the action plan and the risk register means that these are not explicitly linked. This makes it difficult to determine the extent to which the actions in the action plan represent mitigations for particular risks, and/or the implementation of internal controls that have been determined to be required. Similarly, the risk register in its present state of development does not provide a comprehensive assessment of the controls that are in place or which are required to be implemented to reduce risks to a level acceptable to management.

Monitoring and Assurance arrangements

19. The development of the Workforce Plan, as well as monitoring of workforce issues more generally, is carried out by a Workforce Planning Group which was originally convened as a short life working group. This group developed the initial iteration of the Workforce Plan for submission to the Scottish Government, but ultimately became responsible for implementation of the plan and its ongoing review and update.

20. Despite the development of its role, the Workforce Planning Group is not convened according to formal terms of reference. Its role is articulated to an extent within the Workforce Plan, however there are aspects of the plan which depend on work undertaken by others, both inside and outside the HSCP. In particular, the HSCP is dependent on partners and external bodies for the provision of certain data, and aspects of workforce planning, such as forecasting future workforce requirements, are influenced by service redesign work taking place under the direction of other management groups and committees.

21. There is a risk that the Workforce Planning Group is perceived or understood to have responsibilities over aspects of workforce planning which are beyond its control. Where these responsibilities are not clearly articulated or allocated, this ambiguity could result in inadequate management attention towards significant issues.

22. Each iteration of the annually updated Workforce Plan has included a list of actions, although the Plan presents these at a relatively high level. This is supported by a more detailed action plan and tracker document which is considered as a standing agenda item of the Workforce Planning Group.

23. In reviewing the plan, we observed that a number of actions are not well-formed, in the sense that they appear to represent aspirations or longer term objectives as opposed to specific, time-bound tasks with clear criteria for assessment of their completion. For instance, a number of actions are expressed as "Undertake further work to…" or "Further develop our ability to…" without articulating what further work or development is required. The reporting presented to the Workforce Planning Group does, however, include summary updates that show the completion of sub-tasks which contribute towards the overall objective.

24. The consequence is that, while there is clear evidence of significant activity being undertaken, the plan and its tracker do not provide strong assurance that planned actions are progressing as they should, or that the progress that is being made contributes effectively to the mitigation of workforce risks.

25. There is a risk that management time and resource is not directed towards the actions that will have the greatest impact in mitigating workforce risks. Where actions have a very broad scope it becomes difficult to assess the level of time and resource required to implement them, and therefore the extent to which the plan is realistic and deliverable.

26. The Workforce Planning Group receives and considers a number of reports breaking down workforce data. In particular, reports summarising vacancies, and reports separately summarising absence statistics for staff employed by Dundee City Council and NHS Tayside.

27. Where the Workforce Strategic Risk Register identifies internal controls, these do not include any reporting controls. As such, there is no explicit link between the information which is reported to, and scrutinised by, the Workforce Planning Group and the mitigation of workforce risks.

28. While there is a clear subjective link between vacancy and absence data and workforce risks related to recruitment and wellbeing, clearly determining the purpose for which information is reported would enhance the effectiveness of reporting. This should be in terms of either the controls over which it provides assurance, or the events for which it provides notification or early warning.

Data

29. The Workforce Planning Group has convened a data subgroup with a remit to coordinate and collate information across the Tayside region, agree a common dataset across theHSCPs, and agree on a common reporting approach. The data subgroup includes representation from the three Tayside HSCPs and NHS Tayside.

30. The work of the data subgroup is complicated by differences in data recording and reporting formats between Council and NHS bodies, as well as differences in recording systems, however the data subgroup has achieved good progress in agreeing a common set of definitions and reporting conventions that can underpin further development.

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.

Section 4   Definition of Assurance and Recommendation Priorities

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:

Risk Assessment		Definition	Total
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.**	**Three**
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.**	**Two**
Merits attention		There are generally areas of good practice. **Action may be advised to enhance control or improve operational efficiency.**	**None**