Dundee Health & Social Care Partnership

REPORT TO:	**PERFORMANCE & AUDIT COMMITTEE – 31 JANUARY 2024**
REPORT ON:	**DUNDEE INTEGRATION JOINT BOARD INTERNAL AUDIT REPORT – OPERATIONAL PLANNING**
REPORT BY:	**CHIEF FINANCE OFFICER**
REPORT NO:	**PAC6-2024**

1.0   PURPOSE OF REPORT

1.1   This paper presents the findings of the Internal Audit Review of Operational Planning arrangements in place within Dundee Health and Social Care Partnership.

2.0   RECOMMENDATIONS

It is recommended that the Performance & Audit Committee (PAC):

2.1   Notes the content and recommendations of the Internal Audit Report on Operational Planning as set out in Appendix 1 to this report.

2.2   Instructs the Chief Finance Officer to implement the recommendations of the report and provide an update on progress through the internal audit actions reporting process.

3.0   FINANCIAL IMPLICATIONS

3.1   None.

4.0   MAIN TEXT

4.1   Dundee Integration Joint Board (DIJB) approved its new Strategic Commissioning Framework 2023-2033 in April 2023. In order for DIJB to effectively implement its strategies there will need to be effective arrangements for monitoring performance and progress towards objectives at a service delivery level within Dundee Health and Social Care Partnership (HSCP).

4.2   The Internal Audit review remit was to evaluate the design and operation of the internal controls in place around operational planning within the HSCP to ensure these are effective.

4.3   The audit opinion from the review is that reasonable assurance can be placed on the arrangements in place. This means that there is a generally sound system of governance, risk management and control in place with some issues, non-compliance or scope for improvement identified which may put at risk the achievement of objectives in the area audited.

4.4   The review identified some areas requiring improvement including development and reporting of underpinning operational plans, review periods for groups terms of reference, the application of project management where appropriate and performance measurement. These have been agreed with management and actions identified to address these.

5.0   POLICY IMPLICATIONS

5.1   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   RISK ASSESSMENT

6.1   This report has not been subject to a risk assessment as it a status update and does not require any policy or financial decisions at this time.

7.0   CONSULTATIONS

7.1   The Chief Officer, Regional Audit Manager, Chief Internal Auditor and the Clerk were consulted in the preparation of this report.

8.0   BACKGROUND PAPERS

8.1   None.

Dave Berry   **Date:** 05/01/24
Chief Finance Officer

FTF Internal Audit Service

Operational Planning

Report No. D06-23

Issued To: **V Irons, Director of DHSCP**
               D Berry, Head of Finance and Strategic Planning DHSCP
               K Sharp, Service Manager

               J Hill, Head of Health and Community Care
               D McCulloch, Chief Social Work Officer
               A Mitchell, Locality Manager
               S Hyman, NHS Senior Manager

               Performance & Audit Committee
               External Audit

Contents

Section		Page
Section 1	Executive Summary	2
Section 2	Issues and Actions	5
Section 3	Detailed Findings\Information	10
Section 4	Definitions of Assurance & Recommendation Priorities	14

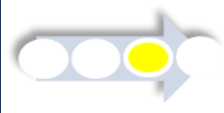|	
Draft Report Issued	21 November 2023
Management Responses Received	5 December 2023
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Final Report Issued	**22 January 2024**

CONTEXT AND SCOPE

1. In April 2023 the IJB approved its new Strategic Commissioning Framework 2023-2033, and a plan for further work to develop an Annual Delivery Plan, Performance Framework. and Resources Framework.

2. While work has begun to develop these companion documents, this has been delayed by staffing pressures and the prioritisation of a response to the Joint Inspection of Adult Support and Protection in Dundee.

3. Previous Internal Audit reports have made recommendations in relation to monitoring and reporting of the status of various plans and actions (including savings, transformation, remobilisation) as well as a Delivery plan framework. These are being addressed via the development of the companion documents.

4. As part of the Governance Action Plan progress report, the September 2022 Performance & Audit Committee was informed that *'Work [is] progressing through the Strategic Planning Advisory Group around developing the monitoring framework for the delivery plan as the "action" list from the Strategic and Commissioning Plan'*.

5. In order for Dundee City IJB to effectively implement its strategies there will need to be effective arrangements for monitoring performance and progress towards objectives at a service delivery level within Dundee Health and Social Care Partnership (HSCP). Operational monitoring arrangements will need to be informed by adequate management data and information that allows for adequate scrutiny of progress. As with other IJBs across Scotland, Dundee City IJB faces a challenging environment where transformational change must be managed alongside current service demands and therefore, within a context of ongoing pressure on the affordability and sustainability of services.

6. Our audit evaluated the design and operation of the internal controls and will specifically consider whether or not:

    *   Governance arrangements to deliver strategic priorities and transformational change at an operational level are sufficiently robust.

    *   Clear service objectives and measurable, prioritised outputs to deliver strategic change have been identified and progress towards them is monitored and evaluated at an operational level.

    *   Project management arrangements are adequate to ensure strategic transformational delivery at a service level is on track.

    *   Realistic and challenging trajectories are in place.

    *   The operational management performance reporting framework adequately describes the challenges faced, where action taken has not been effective, barriers to achievement, potential solutions, and an assessment of the impact of previous actions.

AUDIT OPINION

7. 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.

8. Following the previous Internal Audit review of Performance Management in 2021, there is reasonable evidence of progress in the development of delivery plans to underpin Strategic Plans and Transformation Programmes, and the development of frameworks to provide for consistent scrutiny of progress and performance.

9. Our main findings are:

   - We reviewed the arrangements for the delivery of a sample of three Care Group Strategic Plans, and four Transformation Programmes. We found that the Personalisation Board is still in the process of producing a delivery plan which clearly sets out the objectives of its work.

   - Terms of Reference for all the governance and management groups under review either lacked a defined review schedule or have not adhered to review periods. Typically, Terms of Reference dated from 2021 and some were still noted as draft.

   - Oversight arrangements are inconsistent across the governance and management groups reviewed. While there is reasonable evidence that all have a mechanism for scrutinising the progress of deliverables, these varied considerably in form and level of detail. In particular there are no consistent principles or documented framework for the application of project management processes, and no consensus as to when they should be applied.

   - Performance management frameworks have been developed and implemented for the Mental Health and Wellbeing Strategy, and the Strategic Plan for Carers (A Caring Dundee 2). The Learning Disability and Autism Strategy commits to the development of a performance management framework; however this is not yet in place. The frameworks which have been implemented do not yet seek to articulate the outputs of delivery plans in terms of clearly defined indicators – either a measured output itself, or an impact on a measured indicator.

10. Detailed findings/information is included at Section 3.

ACTION

11. 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

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

Jocelyn Lyall BAcc CPFA
Chief Internal Auditor

Action Point Reference 1
Finding:
Not all of the Transformation Programme Boards have developed their objectives into an operational plan, in the sense of a plan of measurable outputs designed to underpin the achievement of their transformation objectives.
Of the four Transformation Boards reviewed, one - the Personalisation Board had not completed development of a current delivery plan.   While this plan is in active development, it has been an objective of the HSCP to introduce a programme of work to embed Personalisation within services since the development of the 2016-21 Strategic and Commissioning Plan.
Where operational plans which clearly articulate objectives and deliverables have not been developed, there is a risk that the progress of that work cannot be effectively scrutinised. As a consequence, there is a risk to the wider strategic outcomes of the HSCP.
Audit Recommendation:
All transformation boards should articulate the pathway towards the development of their underpinning operational plan, and report on its progress to a relevant governance group.
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:
Review to be undertaken to ensure clear pathways exist for the development of operational plans to support transformation including reporting processes.

Action by:	**Date of expected completion:**
Chief Officer	**September 2024**

Action Point Reference 2
Finding:
Terms of Reference for the seven Governance Groups reviewed have not been updated in line with their review periods where specified. Where a review period is not specified, the most recent review date was in 2021. There is a risk that the remit of these groups is not clear, particularly where there are areas of overlap between the remits of Strategic Planning and Commissioning Groups and Transformation Programme Boards. Failure to update Terms of reference may result in inadequate implementation arrangements to achieve the HSCP's strategic objectives and outcomes.
Audit Recommendation:
Terms of reference for governance and management groups and committees should specify the review period, generally annually, and Terms of Reference should be updated if necessary. This should, at a minimum, require that the remit of groups is reviewed each time the Strategic Commissioning Plan, or relevant strategic objectives, are updated.
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:
The workplan for the completion of the replacement Strategic Commissioning Plan includes a follow-on action to review the structure of Strategic Planning and Transformation Groups, with a view to ensuring alignment between the remit / focus of the groups and the strategic shifts within the plan. Confirmation of a revised structure will be contained within the Resource Framework (companion document to the plan) that is currently being developed. At that point a consistent approach to developing and reviewing terms of reference will also be implemented (including a standardised format). It is recognised that there is a need for enhanced administrative capacity to ensure that key documents, such as terms of reference are maintained for planning and transformation groups; the revised structure for the Strategy, Performance and Business Support Service addresses this.

Action by:	**Date of expected completion:**
Chief Finance Officer	**June 2024**

Action Point Reference 3

Finding:
Project Management Arrangements were not consistent across our sample of Strategic Planning and Commissioning Groups, however there was evidence that progress of projects is subject to scrutiny and monitoring. There is not a clear distinction between ongoing workstreams, elements of action plans, and projects established to deliver a particular set of deliverables. Accordingly, there is little consensus on the nature and form of project management controls that are applicable in particular circumstances. Project Management processes and controls are implemented to ensure a minimum standard of planning, and an appropriate degree of risk management in relation to one-off initiatives. If these processes are not in place, and there is no guidance as to the circumstances in which they should be applied, there is a risk to the delivery of key initiatives and the achievement of the HSCP's objectives more broadly.

Audit Recommendation:
The HSCP should outline the circumstances in which it is considered appropriate that formal project management is applied, and the minimum set of controls that should be applied. The complexity of the arrangements for delivery of the Strategic Commissioning Plan, and its underpinning delivery plans and programmes of transformation, is such that it may be appropriate to adopt a principles based approach.

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:
The HSCP does not have centralised project management capacity to support projects. The resources that are available are not always directly controlled by the HSCP as they are accessed through Dundee City Council and NHS Tayside, with many working to joint groups within the acute sector or across Tayside and guided by their direction. Where the HSCP has project management capacity, it is usually because it is funded by specific funding streams (for example unscheduled care). Overall the HSCP has a lack of formal project management skills as the expectation of integration is to access existing resources and not replicate wherever possible. Nevertheless, the HSCP will develop the principles of where project management is required and seek the appropriate resources from the partner bodies or specific funding from the IJB as required.

Action by:	**Date of expected completion:**
Chief Finance Officer	**June 2024**

Action Point Reference 4

Finding:

There is robust evidence of progress in the development of delivery plans and performance management frameworks. Frameworks which set out specific suites of indicators along with reporting lines and frequencies are in place for Mental Health & Wellbeing, and the Carers Delivery Plan. Frameworks are not yet in place for all Strategic Plans, and it is unclear whether there is an intention to apply this approach to the objectives of Transformation Programmes.

Performance management frameworks should articulate relevant indicators and outline the manner in which actions or deliverables impact upon the performance of the service, and in turn on the performance of the organisation as a whole. Where they are defined there is not yet a developed approach to articulating this impact.

Scrutiny of performance cannot be effective where there is a lack of clear linkage between the action taken, and the effect that it was intended to have. This presents a risk that delivery plans and transformation programmes are not effective or are insufficient to deliver the objectives of the Strategic Commissioning Plan.

Audit Recommendation:

The HSCP has committed to the development of a revised set of Strategic Plan performance measures throughout 2023/24.

Groups responsible for the implementation of delivery plans and supporting performance management frameworks should take cognisance of this work, and in developing their own suites of performance measures, should:

- Align the objectives of their implementation plans to the performance measures identified for the Strategic Plan, where it makes sense to do so
- Consider other workstreams within delivery plans that contribute to the same objectives, and the relative impact. Measurement of indicators and their reporting should account for the situation where indicators at a service level are improving, while deteriorating for the HSCP as a whole, or vice versa.

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 HSCP is working through the complexities of this within some groups but at the pace that available resources allow. Some additional service level datasets have already been developed for the Performance and Audit Committee e.g. around mental health, drugs and alcohol and hospital discharge management which are trying to focus on improvement and where possible impact. There is a national challenge regarding how to measure impact. The HSCP is engaged with and contributing to ongoing work within

Scottish Government on a new National Improvement Framework for health and social care.	
The HSCP will complete the work on the main performance framework and continue to work with strategic planning / transformation groups to further develop and align their reporting as resources allow.	
Action by:	**Date of expected completion:**
Chief Finance Officer	**September 2024**

Governance and Oversight

When Dundee IJB approved its Strategic Commissioning Framework 2023-2033 on 21 June 2023 a resource and performance framework and an annual delivery plan for 2023/24 were to be developed. Work on these companion documents started but has been paused as all available resources have been diverted to prepare for and support the Dundee Adult Support and Protection Inspection, which is currently underway. A further update on progress will be provided to the IJB at its meeting in December 2023.

While work on the new delivery plan and resource and performance framework are being completed, the historic Strategic Planning Group structure remains in place. Each Care Group of the HSCP is responsible for developing a strategic plan within their area of responsibility based on these priorities. The extension of the Strategic and Commissioning Plan for 2022-23 outlined the following Care Group Strategic Plans:

- Mental Health and Wellbeing Strategy
- Substance Misuse Strategic and Commissioning Plan
- A Caring Dundee 2 - A Strategic Plan for Working Alongside, Supporting and Improving the Lives of Carers
- Adult Support and Protection Delivery Plan
- Learning Disability and Autism Strategic and Commissioning Plan

In addition to these strategic plans, the Strategic and Commissioning Plan Extension 2022-23 identified seven Transformation Programmes. These are programmes of system wide change which may cut across Care Groups and are the responsibility of specifically formed oversight Boards. These are:

- Primary Care Improvement Plan
- Reshaping Non-Acute Care
- Unscheduled Care
- Drug and Alcohol Services
- Mental Health and Wellbeing
- Transforming Public Protection Programme
- Personalisation

Each of these Strategic Plans and Programmes are underpinned by delivery plans, which themselves comprise a large number of workstreams, programmes, projects, and individual deliverables. Workstreams within particular Care Groups influence performance indicators which apply to the services delivered by that Care Group, but also to the performance of the organisation as a whole. This gives rise to a relatively complex environment in which to plan, deliver, and measure the performance of services.

Our findings are based on a review of seven management and governance groups with varying responsibilities within the HSCP's overall management structure, and two short life working groups. These comprised:

- Three Care Groups whose responsibility is to oversee the delivery of Strategic Plans, and their underpinning delivery plans, in addition to having responsibility for the performance of services commissioned by the HSCP: Mental Health and Wellbeing Strategic and Commissioning Group; Learning Disability Strategic Planning and Commissioning Group; and the Carers Partnership.

- Four Transformation Programme Boards, with responsibility for achieving objectives related to service, system, or organisation-wide change: Personalisation; Primary Care Improvement; Reshaping Non-Acute Care; Urgent and Unscheduled Care.

- Two short life working groups, established to produce a particular deliverable: Workforce Planning Short Life Working Group; and Property Strategy Short Life Working Group.

Through discussions with Chairs and members of the committees and groups, and review of minutes and proceedings, we confirmed that each group had a defined governance structure which was consistently understood by management. Fundamental Governance principles were adhered to, in that meetings are convened according to managed agendas, proceedings are minuted, and decisions recorded.

However, the Terms of Reference of the groups examined have not been updated in line with their documented review periods. The majority of Terms of Reference provided were last reviewed and updated in 2021, and those of the Urgent and Unscheduled Care Board were marked as draft. We were not able to obtain terms of reference or equivalent for the Property Strategy or Workforce Planning short life working groups.

The governance and management structure is intended to provide oversight of multiple strategic and operational plans and initiatives, much of which are cross-cutting across services. Accordingly, it is vital that the purpose for which groups are convened, and their delivery responsibilities are clearly articulated and understood. The terms of reference should be reviewed and updated.

Objectives and Deliverables

As outlined above, the objectives of the HSCP are articulated in a number of Strategic Plans, the implementation of which is the responsibility of Strategic Planning and Commissioning Groups. In addition, there are a number of groups with responsibility for overseeing the development and delivery of transformation programmes and improvement plans. In some cases the development of an improvement plan is required by the Scottish Government as opposed to being put in place by the IJB.

Delivery of the HSCP strategic objectives is delegated to management and governance groups within the HSCP. Excluding the short life working groups, all of the management and governance groups under review have sought to define their operational and

implementation objectives in the form of an operational plan – variously termed action, delivery, or implementation plans. Plans are in place for:

- Mental Health and Wellbeing Strategic Commissioning Group
- Learning Disability & Autism Strategic and Commissioning Group
- Carers Partnership Strategic Planning Group
- Primary Care Improvement Group
- Reshaping Non-Acute Care Project Board
- Urgent and Unscheduled Care Board

The Personalisation Board is in the process of developing an implementation plan.

While operational objectives are defined, our testing showed that there is no overall consistent approach across different areas of responsibility. In general, there is limited evidence that objectives have been articulated in a way that makes clear the benefit or performance impact of a given element of an operation plan, such that it can be subsequently measured, and assurance gained that the achievement of the objective or implementation of the deliverable has had the intended effect. However, Management have informed us that a shift to a more outcomes focused approach which is more meaningful to the public which further complicates this.

Project Management

Based on the sample reviewed, there is no consensus across the organisation on the definition of a project, in the sense of an objective or initiative which should be subject to formal project management arrangements. Project and programme terminology is not used in reference to initiatives with a consistent set of characteristics.

Operationally, objectives are frequently delegated to further management groups or teams, convened with varying degrees of formality. We reviewed the extent to which the management and governance groups included in our sample delegated areas of work to further sub-groups. In the absence of formal project management arrangements we sought to determine whether there were mechanisms to assess the progress of that area of work.

We established that roles, objectives, and reporting lines were clear, with individual workstreams and initiatives regularly reporting to their parent committee. Some areas, such as the Mental Health and Wellbeing Strategic Commissioning Group, received reports from workstream owners in a standard format. We did not observe this level of formality in other areas. This has the consequence of inhibiting the ability of management and governance groups to assess whether projects, programmes, or other workstreams are progressing as planned, as there is a risk of variance in the quality of information reported.

Performance Management Frameworks

Two of the three strategic planning groups reviewed have explicitly defined performance management frameworks, which specify reporting approaches and indicators linked to National indicators. Reporting to these two groups provided information on the progress of those indicators and the overall general trend (improving, deteriorating, static).

All three strategic planning groups had delivery plans whose progress, in terms of the completion of actions and deliverables, is reported at the operational management level and on to Governance level through the PAC or IJB. These are supported by action tracking

mechanisms or progress monitoring arrangements which provide clear allocation of responsibilities for the completion of deliverables and allow for scrutiny and action to be taken where those have not progressed as planned.

However, the strategic planning groups do not have a clear and consistent approach to:

- Linking the completion of deliverables in action plans to the movement in performance indicators, such that the progress of workstreams and projects can be shown to have achieved a measurable impact.

- Assessing the contribution that each area of activity makes in terms of organisation-wide performance indicators.

- Articulating the expected timescales for the completion of deliverables or delivery plans.

It is difficult to analyse the trajectory of progress, as the reporting information available does not support an assessment of the overall impact on organisational performance arising from each deliverable.

This presents a risk that delivery plans and transformation programmes are not effective or are insufficient to deliver the objectives of the Strategic Commissioning Plan.

Section 4   Definition of Assurance and Recommendation Priorities

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