

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	08 May 2025
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2512 – HSCP Commissioning
REPORT NUMBER	IA/AC2512
DIRECTOR	N/A
REPORT AUTHOR	Jamie Dale
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on HSCP Commissioning.

2. RECOMMENDATION

- 2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report and the attached appendix.

3. CURRENT SITUATION

- 3.1 Internal Audit has completed the attached report which relates to an audit of HSCP Commissioning.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

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- 7.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations, consistent with the Council's Risk Appetite Statement, are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

8. OUTCOMES

- 8.1 There are no direct impacts, as a result of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.
- 8.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
Privacy Impact Assessment	Not required

10. BACKGROUND PAPERS

- 10.1 There are no relevant background papers related directly to this report.

11. APPENDICES

- 11.1 Internal Audit report AC2512 – HSCP Commissioning

12. REPORT AUTHOR CONTACT DETAILS

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Internal Audit

Assurance Review of HSPC Commissioning

Status: Draft

Date: 7 April 2025

Risk Level: Corporate

Report No: AC2512

Assurance Year: 2024/25

Net Risk Rating	Description	Assurance Assessment
Moderate	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.	Reasonable

Report Tracking	Planned Date	Actual Date
Scope issued	25-Oct-24	24-Oct-24
Scope agreed	01-Nov-24	04-Nov-24
Fieldwork commenced	04-Nov-24	04-Nov-24
Fieldwork completed	22-Nov-24	17-Feb-25
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Director response	17-Jan-25	03-Apr-25
Final report issued	24-Jan-25	07-Apr-25
AR&S Committee	08-May-25	

Distribution	
Document type	Assurance Report
Director	Fiona Mitchelhill, Chief Officer – Aberdeen City Health and Social Care Partnership
Process Owner	Shona Omand-Smith, Commissioning Lead
Stakeholder	Neil Stephenson, Strategic Procurement Manager
	Craig Innes, Head of Procurement
	Claire Wilson, Chief Social Work Officer
	Katharine Paton, Service Manager
	Kevin Dawson, Service Manager
Final only	Amy McDonald, Chief Finance Officer
	External Audit*
Lead auditor	Rachel Brand, Auditor

1 Introduction

1.1 Area subject to review

The aim of the integration of health and social care services is to ensure that people receive the right care, in the right place, at the right time. Integration seeks to mitigate the historic divide in the delivery of 'health' and 'social care' services. Aberdeen City Integration Joint Board use several commissioned services to assist with providing care to all service users; Commissioning is an overarching term to describe the planning, purchasing, delivery and monitoring of services.

Aberdeen City Health and Social Care Partnership (ACHSCP) Strategic Plan 2022-2025 has seven commissioning principles:

- Commissioning is undertaken for outcomes (rather than for services)
- Commissioning decisions are based on evidence and insight and consider sustainability from the outset
- Commissioning adopts a whole-system approach
- Commissioning actively promotes solutions that enable prevention and early intervention
- Commissioning activities balance innovation and risk
- Commissioning decisions are based on a sound methodology and appraisal of options
- Commissioning practice includes solutions co-designed and co-produced with partners and communities

The IJB's Medium Term Financial Framework 2024/25 indicated a projected spend of £158.7m on commissioning services in 2024/25 (38% of the expenditure budget).

1.2 Rationale for the review

The objective of this audit is to review plans and progress with commissioning across the Health and Social Care Partnership.

Commissioning is a vital part of the HSCP's operations and is a key part of Strategic Planning and has been included in the 2024/25 Plan given this importance. If the HSCP does not get its approach to commissioning correct, this can lead to several risks and negative consequences, including poor service delivery, inefficient use of resources, unmet needs, financial instability, reputational damage and regulatory and legal issues.

Commissioning as a strategic review has not been audited in recent years.

1.3 How to use this report

This report has several sections and is designed for different stakeholders. The executive summary (section 2) is designed for senior staff and is cross referenced to the more detailed narrative in later sections (3 onwards) of the report should the reader require it. Section 3 contains the detailed narrative for risks and issues we identified in our work.

2 Executive Summary

2.1 Overall opinion

The full chart of net risk and assurance assessment definitions can be found in Appendix 1 – Assurance Scope and Terms. We have assessed the net risk (risk arising after controls and risk mitigation actions have been applied) as:

Net Risk Rating	Description	Assurance Assessment
Moderate	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.	Reasonable

The organisational risk level at which this risk assessment applies is:

Risk Level	Definition
Corporate	This issue / risk level impacts the Partnership as a whole. Mitigating actions should be taken at the Senior Leadership level.

2.2 Assurance assessment

The level of net risk is assessed as **MODERATE**, with the control framework deemed to provide **REASONABLE** assurance over plans and progress with commissioning across the Health and Social Care Partnership.

Commissioning principles are being integrated at the strategic level, within strategic documentation, and in practice through the work of the Commissioning Lead engaging with services and service providers. However, there is limited evidence to demonstrate a planned and coordinated approach to embedding the principles across the HSCP's portfolio of contracts and commissioned services. This does not directly drive a more major risk / limited assurance due to the resource allocated to commissioning (both the Commissioning Lead role and the Commercial and Procurement Shared Service), and the governance arrangements provided by the HSCP's Strategic Commissioning and Procurement Board, which currently address more of the operational aspects and risks.

Areas where controls would benefit from improvement, to more effectively and transparently demonstrate the alignment of commissioning with strategic intent include:

- **Strategic Planning** –The HSCP has produced Market Position Statements in respect of a selection of requirements, to signal demand and key areas of focus to the market. Although these have indicative end dates, there are no recorded plans for their review and update, or for further statements covering other requirements/areas of activity. Their age and potential for variation could impact on providers' willingness to invest in future development based on them. The statements and plans reference data which in many cases is several years out of date by the time they are published. For example, a Population Needs Assessment was produced in 2023, based on 2021 data, in which there were identified gaps. There is no clear plan for updating and reviewing data to inform future requirements. If supporting data is out of date, and (in line with the HSCP's commissioning principles) services are commissioned for an extended period, there is an increased risk the type and quantity of care commissioned will diverge from the HSCP's actual requirements. Action plans linked to key strategic documents are high level, do not always have clear ownership, and are not all being routinely monitored. There is therefore a greater risk these will not be prioritised and progressed. This is most pressing in respect of financial savings through reshaping the approach to commissioning, which are not being delivered in 2024/25 as originally planned (£2.6m in 2024/25 and £16.4m cumulatively by 2028/29).
- **Coordination** – The HSCP's Strategic Commissioning and Procurement Board is intended to ensure effective and forward Strategic Planning of commissioning activity. The Board receives regular reports on progress and changes to requirements and contracts. Forward planning is informed by the use of a Commissioning Workplan. However, the current version is largely

operational – with planned activity driven by contract expiry dates. There is limited narrative to gauge progress towards review and determination of future options, or wider commissioning activities, and limited detail to demonstrate strategic alignment of each activity/contract. For individual contracts, supporting procurement business cases and requests for extension indicate that commissioning activity is required to establish alternative options, but provide no clear timeline for this to take place. Without a clear commissioning work plan, there is a risk that commissioning activity will not reflect the strategic focus required to transform service delivery and integrate the HSCP's commissioning principles at the scale and pace required.

- **Strategic Alignment** – The Strategic Delivery Plan 2022/25 has a list of strategic aims, strategic priorities and enabling priorities. All subsequent plans should then link back to one or more of these strategic aims or priorities, to confirm actions being taken are fulfilling the needs set out in the Strategic Plan. However, there is generally no consistent, clear, explicit line of sight between contracting, commissioning and Strategic Planning. Consistent referencing and explanations throughout strategies, market position statements, the commissioning workplan, procurement business cases, and contracts, would improve assurance that all activities clearly relate back to and contribute towards delivery of the Strategic Plan.
- **Embedding the Commissioning Principles** – In addition to its own commissioning principles, the HSCP regularly references the eight Ethical Commissioning Principles throughout its strategic and operational commissioning and procurement documentation. There is also a stated intention to embed the Getting it Right for Everyone (GIRFE) principles, which further focus on person centred care, human rights, and information sharing (NB these are still in draft nationally). Whilst these reflect positive aspirations, there is limited evidence of how the principles are being embedded in commissioning and contract activity – documentation and narrative varies. If the HSCP intends to apply these principles across all of its commissioning activity, it will need a more robust approach to their implementation.

Recommendations have been made to address the above risks through review of planning, scheduling, reporting, and consistency of presentation of key documentation to better demonstrate plans and activities are aligned with, and on target to deliver, the HSCP's strategic aims and commissioning principles.

2.3 Management response

The report provides areas for improvement and redesign to ensure there is transparency and accountability around the risks, planning and reporting which will better demonstrate the plans and activities to ensure effective and efficient delivery. Further details as to how this will be achieved are detailed in the management response in subsequent sections of this report.

3 Issues / Risks, Recommendations, and Management Response

3.1 Issues / Risks, recommendations, and management response

Ref	Description	Risk Rating	Moderate
1.1	<p>Strategic Planning – The Strategic Delivery Plan (2022-25) sets out the HSCP’s overarching aims and priorities. The Relationships priority is a key enabler, including: transformation of the commissioning approach, focusing on social care market stability; and designing, delivering and improving services with people around their needs. These are reflected in the Commissioning Principles, as set out in the introduction to this audit report. The Strategic Plan reflects needs and demands, trends and forecasts, evident at the time of its production.</p> <p>The HSCP has produced Market Position Statements in respect of Stay Well Stay Connected (2020-22), Complex Care (2022-27), and Mental Health and Learning Disabilities Residential and Supported Living (2021-26), the latter of which has been superseded by another statement focused on Independent Living and Specialist Housing Provision (2024-34). These are intended to signal demand and key areas of focus to the market to stimulate development and scaling of activity to meet future requirements. Although these have indicative end dates, there are no recorded plans for their review and update, or for further statements covering other requirements/areas of activity. Their age and potential for variation (e.g. one being superseded before it expired) could impact on providers’ willingness to invest in future development based on them.</p> <p>The statements and plans reference data that in many cases is several years out of date by the time they are published. For example, a Population Needs Assessment was produced in 2023, based on 2021 data, in which there were identified gaps. There is no clear plan for updating and reviewing data to inform future requirements. Although newer data (e.g. current caseload) may be noted in procurement business cases, these also often reference historic data and projections (e.g. data from 2019/20). If these are out of date, and (in line with the commissioning principles) services are commissioned for an extended period, there is an increased risk the type and quantity of care commissioned will diverge from the HSCP’s actual requirements.</p> <p>An action plan is produced annually, and reflects various goals and projects aimed at progressing implementation of the Strategic Plan. This includes a selection of commissioning activities, though there is limited information on how these were determined as specific priorities for each year. Although there is regular monitoring of progress (reported quarterly to the Risk, Audit and Performance Committee), not all commissioning actions have been recorded as completed, and not all had been carried forward to future years, reducing assurance they had been progressed. Further detail was not available from the Service. Action plans were also appended to the Market Position Statements. However, the actions are high level, do not have clear ownership, and there is no routine monitoring of these actions. There is therefore a greater risk these will not be prioritised and progressed.</p> <p>The Medium Term Financial Framework 2024/25 set out a requirement to make savings of £2.6m in 2024/25, and an additional £3m+ each year rising to £3.7m by 2028/29 (a total of £16.4m) by “Reshaping our approach to commissioning services”. This is a substantial reduction (over 10% of current spend), but there is no evidence this has been planned or tracked in detail. A revised approach is planned for tracking all budget savings for 2025/26 onwards.</p> <p>IA Recommended Mitigating Actions</p> <p>The HSCP should ensure there is appropriate forward planning/scheduling to update data and develop future plans.</p>		

Ref	Description	Risk Rating	Moderate
	<p>The HSCP should ensure progress with implementing actions included in existing plans is monitored at a suitable level.</p>		
	Management Actions to Address Issues/Risks		
	<p><i>An action plan for the Market Position Statements (MPS) will form part of the standing items on the Strategic Procurement and Commissioning Board (SCPB) going forward, this will be demonstrated in the action note of the meeting.</i></p> <p><i>Annual reviews of the data within the MPS will be reviewed as part of SCPB, which will be detailed in the action note of the meeting.</i></p> <p><i>Commissioning activity, as detailed in the Strategic Plan, will also be discussed as a standing item on the SCPB meetings and progress will be detailed in the delivery plan updates additionally.</i></p> <p><i>The Medium Term Financial Framework (MTFF) which identified significant savings to be achieved in regard to commissioned service redesign is being monitored by the CFO and Chief Officer for Social Worker through a budget monitoring board. There are regular updates at the Senior Leadership Team meetings, which have a recorded action note, as well as through the Integrated Joint Board.</i></p>		
	Risk Agreed	Person(s)	Due Date
	Yes	Commissioning Lead	30 June 2025

Ref	Description	Risk Rating	Moderate
1.2	<p>Coordination – The Commissioning Cycle (see Appendix 3) covers the multitude of commissioning activity required at the strategic and operational level. At the strategic level this encompasses: data and needs analysis, design and planning, market facilitation/procurement, and performance review.</p> <p>The nature and scale of the HSCP's activities, resources, demands and needs, the care market, and data availability, mean that at any given time commissioning activity in respect of different services or outcomes may be at a different point in the cycle. It is therefore essential that this is planned and monitored at an appropriate level, to provide assurance that everything is on track.</p> <p>The HSCP has set up a Strategic Commissioning and Procurement Board, with clear terms of reference setting out its purpose to ensure effective and forward Strategic Planning of commissioning activity. The Board receives regular reports on progress and changes to requirements and contracts.</p> <p>Forward planning is informed by the use of a Commissioning Workplan, held in spreadsheet format. However, the current version is largely operational – with planned activity driven by contract expiry dates. There is limited narrative to gauge progress towards review and determination of future options, until these have been concluded. Wider commissioning activities are also listed, but there are few recent updates. The document does not demonstrate where in the Commissioning Cycle each activity currently sits. There are also no links to wider strategies to provide context for and confirm alignment with commissioning and contracting activity. This contrasts with a similar but extended Workplan document used prior to 2023, which contained additional detail on strategic alignment, plans and progress. The document does not clearly demonstrate longer term planning and prioritisation.</p>		

Ref	Description	Risk Rating	Moderate
	<p>Scottish Government guidance¹ indicates:</p> <p><i>“Although there is a legal requirement for Integration Joint Boards to develop plans that will be reviewed at least every three years, commissioners should be planning at least 10-15 years ahead and considering a mix of the services that will best meet predicted needs, SDS choices and best value”.</i></p> <p>Review of procurement activity, including that considered by the Board and the IJB, shows regular direct awards to current providers (for initial terms of up to five years), and extensions to existing contracts (typically one to two years). Supporting procurement business cases, and requests for extension (which do not have the same level of detail as a full business case) indicate that commissioning activity is required to establish alternative options, but there is no clear timeline provided for this to take place. Except for revised contract end dates, there is no reference to further commissioning action included in the Workplan in respect of these services.</p> <p>Without a clear commissioning work plan, there is a risk that commissioning activity will not reflect the strategic focus required to transform service delivery and integrate the HSCP’s commissioning principles (see Introduction 1.1 above) at the scale and pace required.</p>		
	IA Recommended Mitigating Actions		
	The HSCP should coordinate planning, recording and monitoring progress of all of its commissioning activity, using a consistent mechanism.		
	Management Actions to Address Issues/Risks		
	<p><i>A new reporting template for SCPB has been developed which will enable authors of the report to demonstrate to SCPB that the activity or contract is aligned to the Strategic plan, identify which part of the commissioning cycle it is currently sitting within, what the next steps are, if there are any recommendations, decisions or approvals required by SCPB members, if there are any escalations to SLT to be made and what the next steps are for this work. This form will align to the workplan which details all commissioned work and provide more specific and relevant information relating to each contract.</i></p> <p><i>The SCPB has been in existence since at least 2021 and the work plan has evolved and changed over time. However, it is agreed that there needs to be some development work undertaken to ensure it reflects where in the commissioning cycle the work currently sits, the links to the strategic plan and any longer term re-design in line with the MPS.</i></p> <p><i>Procurement activity including direct awards are always accompanied by a business case, when an extension is requested the existing business case is still relevant and is not required to be reproduced. Individual placements do not come through SCPB but go through the Resource Allocation Panel which is a recorded meeting. It is not always possible due to funding streams, which come on line from Scottish Government for example, which can be unplanned or sporadic however, retrospective business cases are written to ensure governance is followed.</i></p>		
	Risk Agreed	Person(s)	Due Date
	Yes	Commissioning Lead	30 June 2025

¹ <https://www.gov.scot/publications/procurement-care-support-services-best-practice-guidance/>

Ref	Description	Risk Rating	Minor
1.3	<p>Strategic Alignment – The Strategic Delivery Plan 2022/25 has a list of strategic aims, strategic priorities and enabling priorities. All subsequent plans should then link back to one or more of these strategic aims or priorities, to evidence that any actions being taken are fulfilling the needs set out in the Strategic Delivery Plan. However, there is generally no consistent, clear, explicit line of sight between contracting, commissioning and Strategic Planning.</p> <p>Market Position Statements reference the Strategic Delivery Plan, however there are not clear connections to specific strategic aims and priorities.</p> <p>The Commissioning Workplan overseen by the Strategic Commissioning and Procurement Board does not include links to specific parts of the Market Position Statements, or specific elements of the Strategic Plan.</p> <p>Procurement business cases regularly reference the Strategic Plan, but this is typically generic, with limited explanation of how the proposed procurement will contribute to the aims. There is limited reference to the Market Position Statements, though it is acknowledged these do not cover all activity.</p> <p>Contracts thereafter vary in how and to what extent they reference the Strategic Delivery Plan, and specific aims. In some cases they simply list all of the aims or the National Health and Wellbeing Outcomes, with no specification of how these are to be targeted.</p> <p>Consistent referencing and explanations would improve assurance that all activities clearly relate back to and contribute towards delivery of the Strategic Plan.</p> <p>IA Recommended Mitigating Actions</p> <p>The HSCP should improve consistency in how all documents reference the Strategic Delivery Plan to demonstrate actions link to the strategic aims.</p> <p>Management Actions to Address Issues/Risks</p> <p>This is a fair recommendation to ensure that the strategic plan is clearly evidenced in the commissioning, contracting and strategic planning and will be better demonstrated through the revised workplan and reporting template for SCPB.</p> <p>The MPS documents will be a standing item agenda on the SCPB going forward and will be reflected in the action notes.</p> <p>The template business case which goes to IJB for approval, specifically in relation to gateway three has been amended to reflect a demand on the author to demonstrate how the business case relates to the specific area of the strategic plan.</p> <p>The workplan will be amended to ensure that all relevant data is captured to reflect that there is reference to the strategic direction and commissioning cycle.</p>		
Risk Agreed		Person(s)	Due Date
Yes		Commissioning Lead	30 June 2025

Ref	Description	Risk Rating	Moderate
1.4	<p>Embedding the Commissioning Principles – In addition to its own commissioning principles (see Introduction 1.1 above), the HSCP regularly references the eight Ethical Commissioning Principles (see appendix 4) throughout its strategic and operational commissioning and procurement documentation. There is also a stated intention to embed the Getting it Right for Everyone (GIRFE) principles (see appendix 4), which further focus on</p>		

Ref	Description	Risk Rating	Moderate
	<p>person centred care, human rights, and information sharing (NB these are still in draft nationally).</p> <p>Whilst these reflect positive aspirations, there is limited evidence of how the principles are being embedded in commissioning and contract activity:</p> <ul style="list-style-type: none"> • Updates to the Strategic Commissioning and Procurement Board do reference discussion with care providers around the Ethical Commissioning themes, however there is no consistent method for capturing the extent to which they are being applied. Instead, highlights focus on a small number of positive and more measurable aspects (e.g. providers offering the real living wage, or developing climate change plans). • Although there is a set question: 'Does the spend support outcomes associated with the LOIP and/or the Council's associated commissioning intentions?', procurement business cases vary in the extent to which they reference the HSCP's commissioning principles and their application. For example, they may or may not reference co-production, outcomes focus, or early prevention. Of nine business cases presented to the IJB during 2024/25, only three referenced commissioning: two noted they had followed a collaborative commissioning approach, and one referenced ethical commissioning (though this covered only one of the eight principles). More consistent referencing of whether, how, and to what extent the principles have been reflected in commissioning activity would provide greater assurance they are being applied appropriately. • Business cases state that service specifications (i.e. contracts) will be designed with GIRFE and Ethical Commissioning Principles at the forefront, and that providers will be required to indicate how they will deliver services in line with these principles, with particular consideration to fair work first and carbon reduction at the tender submission stage, to be evidenced later as part of contract monitoring. Although co-design of services reflects one of the HSCP's commissioning principles, full delegation of implementing ethical commissioning to the provider whose services are being commissioned reduces assurance that the HSCP's requirements are being planned effectively in advance. • The HSCP indicated four contracts currently have the Ethical Commissioning principles embedded, but there is no central record to demonstrate which have, to what extent, and which are being planned. • The resulting contracts include appendices listing the Ethical Commissioning Principles, but do not explicitly reference them or how they are to be implemented. Where development plans are required, the contracts do not specify that the HSCP must approve them, or that they must be implemented. Similarly, performance indicators appended to the contracts do not reflect these requirements. This reduces assurance these will be prioritised and applied, and that subsequent contract monitoring will be able to obtain evidence to support their application. <p>If the HSCP intends to apply these principles across all of its commissioning activity, it will need a more robust approach to their implementation.</p>		
	<p>IA Recommended Mitigating Actions</p>		
	<p>The HSCP should set out clear plans, and embed consistent requirements in commissioning and contractual documentation, for implementing the HSCP and Ethical commissioning principles, and GIRFE.</p>		
	<p>Management Actions to Address Issues/Risks</p>		
	<p><i>Both the Ethical Commissioning and GIRFE principles are in draft and not been finally ratified by Scottish Government. However, the ACHSCP felt they were significantly important to incorporate in the four new contracts we co-designed with providers and should form part of the new contracts going forward.</i></p>		

Ref	Description	Risk Rating	Moderate
	<p><i>There will be development work undertaken to ensure there is proportionate references made to the principles within business cases and other documentation.</i></p> <p><i>Work is progressing with Scottish Government and Health Improvement Scotland Colleagues alongside GIRFE personnel to develop a set of person led questions which will be used to demonstrate that the GIRFE and ethical commissioning principles are being met within the contracts monitoring process.</i></p>		
	Risk Agreed	Person(s)	Due Date
	Yes	Commissioning Lead - Shona Omand-Smith	30 June 2025

4 Appendix 1 – Assurance Terms and Rating Scales

4.1 Overall report level and net risk rating definitions

The following levels and ratings will be used to assess the risk in this report:

Risk Level	Definition
Strategic	This issue / risk level impacts the Partnership as a whole. Mitigating actions should be taken at the Senior Leadership level.
Directorate	This issue / risk level has implications at the directorate level and the potential to impact across a range of services. They could be mitigated through the redeployment of resources or a change of policy within a given directorate.
Service	This issue / risk level impacts at the Business Plan level (i.e. individual services or departments as a whole). Mitigating actions should be implemented by the responsible Head of Service.
Programme and Project	This issue / risk level impacts the programme or project that has been reviewed. Mitigating actions should be taken at the level of the programme or project concerned.

Net Risk Rating	Description	Assurance Assessment
Minor	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.	Substantial
Moderate	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.	Reasonable
Major	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.	Limited
Severe	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.	Minimal

Individual Issue / Risk Rating	Definitions
Minor	Although the element of internal control is satisfactory there is scope for improvement. Addressing this issue is considered desirable and should result in enhanced control or better value for money. Action should be taken within a 12 month period.
Moderate	An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on the audited area's adequacy and effectiveness. Action should be taken within a six month period.
Major	The absence of, or failure to comply with, an appropriate internal control, which could result in, for example, a material financial loss. Action should be taken within three months.
Severe	This is an issue / risk that could significantly affect the achievement of one or many of the Partnership's objectives or could impact the effectiveness or efficiency of the Partnership's activities or processes. Action is considered imperative to ensure that the Partnership is not exposed to severe risks and should be taken immediately.

5 Appendix 2 – Assurance Scope and Terms of Reference

5.1 Area subject to review

The aim of the integration of health and social care services is to ensure that people receive the right care, in the right place, at the right time. Integration seeks to mitigate the historic divide in the delivery of 'health' and 'social care' services. Aberdeen City Integration Joint Board use several commissioned services to assist with providing care to all service users; Commissioning is an overarching term to describe the planning, purchasing, delivery and monitoring of services.

Aberdeen City Health and Social Care Partnership (ACHSCP) Strategic Plan 2022-2025 has seven commissioning principles:

- Commissioning is undertaken for outcomes (rather than for services)
- Commissioning decisions are based on evidence and insight and consider sustainability from the outset
- Commissioning adopts a whole-system approach
- Commissioning actively promotes solutions that enable prevention and early intervention
- Commissioning activities balance innovation and risk
- Commissioning decisions are based on a sound methodology and appraisal of options
- Commissioning practice includes solutions co-designed and co-produced with partners and communities

5.2 Rationale for review

The objective of this audit is to review plans and progress with commissioning across the Health and Social Care Partnership.

Commissioning is a vital part of the HSCP's operations and is a key part of strategic planning and has been included in the 2024/25 Plan given this importance. If the HSCP does not get its approach to commissioning correct, this can lead to several risks and negative consequences, including poor service delivery, inefficient use of resources, unmet needs, financial instability, reputational damage and regulatory and legal issues.

Commissioning as a strategic review has not been audited in recent years.

5.3 Scope and risk level of review

This review will offer the following judgements:

- An overall **net risk** rating at the **Corporate** level.
- Individual **net risk** ratings for findings.

5.3.1 Detailed scope areas

As a risk-based review this scope is not limited by the specific areas of activity listed below. Where related and other issues/risks are identified in the undertaking of this review these will be reported, as considered appropriate by IA, within the resulting report.

The specific areas to be covered by this review are:

- **Assessment of Needs** – This will include the overall governance of Commissioning, and the processes in place to assess needs in line with the Strategic Plan.
- **Setting of Priorities** – An extension of the assessment of needs, this will include the process in place across the IJB to ensure that HSCP services are aligned and address the commissioning principles.
- **Planning of Services** – This will include the planning by Management to undertake the Commissioning process, involving the other aspects of this scope, and wider considerations such as resources and service design.

- **Procuring of Services** – This will include the actual procurement processes followed, and ensure they comply with internal regulations and external procurement legislation.
- **Monitoring of Quality** – This will include monitoring at an operational level, reporting to both Management and Committee/the Board, and engagement with providers to feedback on services and improve delivery.

5.4 Methodology

This review will be undertaken through interviews with key staff involved in the process(es) under review and analysis and review of supporting data, documentation, and paperwork. To support our work, we will review relevant legislation, codes of practice, policies, procedures, guidance

Due to hybrid working practices, this review will primarily be undertaken remotely via electronic meetings and direct access to systems and data, with face to face contact and site visits to premises to obtain and review further records as appropriate.

5.5 IA outputs

The IA outputs from this review will be:

- A risk-based report with the results of the review, to be shared with the following:
 - Partnership Key Contacts (see 1.7 below)
 - Audit Committee (final only)
 - External Audit (final only)

5.6 IA staff

The IA staff assigned to this review are:

- Rachel Brand, Auditor (**audit lead**)
- Colin Harvey, Audit Team Manager
- Jamie Dale, Chief Internal Auditor (**oversight only**)

5.7 Partnership key contacts

The key contacts for this review across the Partnership are:

- Fiona Mitchelhill, Director – Aberdeen Health and Social Care Partnership
- Shona Omand-Smith, Commissioning Lead (**process owner**)
- Neil Stephenson, Strategic Procurement Manager

5.8 Delivery plan and milestones

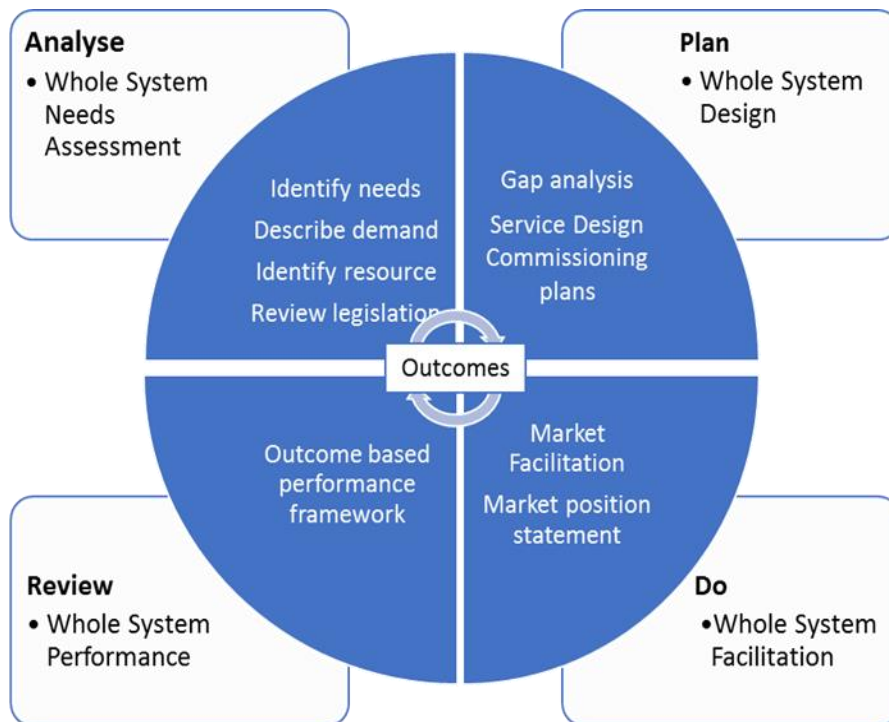
The key delivery plan and milestones are:

Milestone	Planned date ²
Scope issued	25-Oct-24
Scope agreed	01-Nov-24
Fieldwork commences	04-Nov-24
Fieldwork completed	22-Nov-24
Draft report issued	13-Dec-24

² Some dates have been extended to account for the holiday period.

Milestone	Planned date ²
Process owner response	10-Jan-25
Director response	17-Jan-25
Final report issued	24-Jan-25

6 Appendix 3 – The Commissioning Cycle



7 Appendix 4 – Ethical Commissioning

7.1 Ethical Commissioning Principles:

- Person-centred care first:
 - Planning and reviews are opportunities for good conversations where people set goals and reflect on progress towards their own outcomes.
- Full involvement of people with lived experiences:
 - People are at the heart of setting and reviewing outcomes.
- Human rights approach:
 - Identified outcomes go beyond basic needs, towards self-actualisation.
- High quality care:
 - Effectiveness is measured by achievement of outcomes and learning, not adherence to process.
- Fair working practices:
 - Workers learn about what works. Evidence of impact helps them feel well regarded, rewarded, and supported.
- Financial transparency and commercial viability:
 - Service sustainability is supported by fostering innovation, identifying learning, and spreading good practice.
- Shared accountability:
 - Mutual accountability for outcomes is supported within inhouse and outsourced services by proportionate monitoring arrangements and information sharing.
- Climate and circular economy:
 - Measuring outcomes shows a positive impact on people, communities, and the environment.

7.2 Getting it Right for Everyone (GIRFE) Principles (September 2023)

- I have the information that I need to make decisions about my own health and social care, and I am trusted to know what is right for me.
- The people who support me take the time to listen and understand me as a person and we consider my whole life when making decisions about my health and social care.
- I know that I can be clear about what matters to me, and I trust that my choices will be respected and understood by the people who support me.
- Treating everyone with kindness, dignity and respect is the foundation of my health and social care support.
- The people involved in the conversations around my health and social care work together with me to share information and develop a clear understanding of how to support my wellbeing.