



## Risk, Audit and Performance Committee

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| <b>Date of Meeting</b>                  | 17 June 2025  |
| <b>Report Title</b>                     | Internal Audit Report – HSCP Commissioning  |
| <b>Report Number</b>                    | HSCP.25.042   |
| <b>Lead Officer</b>                     | Jamie Dale<br>Chief Internal Auditor  |
| <b>Report Author Details</b>            | Jamie Dale<br>Chief Internal Auditor<br>Jamie.Dale@aberdeenshire.gov.uk   |
| <b>Consultation Checklist Completed</b> | Yes   |
| <b>Directions Required</b>              | No  |
| <b>Exempt</b>                           | No  |
| <b>Appendices</b>                       | No  |
| <b>Terms of Reference</b>               | 2. Review and approve the annual audit plans (internal and external) on behalf of the IJB, receiving reports, overseeing and reviewing actions taken on audit recommendations and escalating to the IJB as appropriate. |

### 1. Purpose of the Report

- 1.1. The purpose of this report is to present the outcome from the planned audit of HSCP Commissioning that was included in the Internal Audit Plan.

### 2. Recommendations

- 2.1. It is recommended that the Committee:

a) Review, discuss and comment on the issues raised in the report.

### 3. Strategic Plan Context

- 3.1. Internal Audit's role is to provide assurance regarding the adequacy and effectiveness of the Integration Joint Board's framework of governance, risk



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management and control. Each of these areas helps ensure that the JB can deliver on all strategic priorities as identified in its strategic plan.

### 4. Summary of Key Information

#### Assurance Assessment

- 4.1. 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.
- 4.2. 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.
- 4.3. 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



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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



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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.

- 4.4. 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.

### Management Response

- 4.5. 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.

## **5. Implications for IJB**

- 5.1. Equalities, Fairer Scotland and Health Inequality – An equality impact assessment is not required because the reason for this report is for the RAPC to discuss, review and comment on the contents of and Internal Audit Report and there will be no differential impact, as a result of this report, on people with protected characteristics.
- 5.2. Financial – There are no direct implications arising from this report.
- 5.3. Workforce – There are no direct implications arising from this report.
- 5.4. Legal – There are no direct implications arising from this report.
- 5.5. Unpaid Carers – There are no direct implications arising from this report.
- 5.6. Information Governance – There are no direct implications arising from this report.
- 5.7. Environmental Impacts – There are no direct impacts arising from this report.
- 5.8. Sustainability – There are no direct impacts arising from this report.
- 5.9. Other – there are no other impacts arising from this report.



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### 6. Management of Risk

- 6.1. **Identified risks(s):** The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are as detailed in the resultant report.
- 6.2. **Link to risks on strategic risk register:** The Internal Audit Plan, and this output report, is developed following consideration of the Aberdeen City Health and Social care Partnership Risk Register and through consultation with management.
- 6.3. **How might the content of this report impact or mitigate these risks:** Where risks are identified during the Internal Audit process, recommendations are made to management in order to mitigate these risks.