

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	8 May 2018
REPORT TITLE	Internal Audit Report AC1807– Aberdeen City Health and Social Care Partnership – Transformational Funding
REPORT NUMBER	IA/AC1807
DIRECTOR	N/A
REPORT AUTHOR	David Hughes
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the outcome of an audit that was included in the Aberdeen City Health and Social Care Partnership Internal Audit plan for 2017/18.

2. RECOMMENDATION

- 2.1 It is recommended that the Committee notes this report.

3. BACKGROUND / MAIN ISSUES

- 3.1 The Aberdeen City Health and Social Care Partnership Audit and Performance Systems Committee agreed on 11 August 2016 that outputs from audits relating to the Partnership would be reported, for information, to the Audit Risk and Scrutiny Committee. The Audit and Performance Systems Committee subsequently decided that it wished to receive summary reports from Internal Audit rather than the full report.
- 3.2 The following summary relates to a review of Transformational Funding which was reported to the Audit and Performance Systems Committee on 2 March 2018. That Committee resolved to note the report.

4. SUMMARY OF INTERNAL AUDIT REPORT

- 4.1.1 Funding of over £33 million from the Scottish Government's Integrated Care and Delayed Discharge Funds has been earmarked for 2016/17 – 2018/19 to be used to transform the way services are delivered through the partnership of Aberdeen City Council and NHS Grampian in conjunction with Care Organisations in the independent and third sectors. A high level three-year £13.6 million Transformation Programme was approved by the Integrated Joint Board (IJB) at its first meeting on 26 April 2016.

Transformational funds are being used to deliver projects in six key areas which are central to the partnership's objectives including:

- Acute Care at Home;
- Supporting Self-Management of Long Term Conditions and Building Community Capacity;
- Modernising Primary and Community Care;
- Culture Change / Organisational Change;
- Strategic Commissioning and Development of Social Care; and
- Information and Communication Technology, Infrastructure, and Data Sharing.

4.1.2 The objective of this audit was to ensure appropriate governance is in place to manage delivery of funded projects and the use of transformational funds.

4.1.3 Officers have noted that the transformational project management process has been iterative, with improved and more efficient governance arrangements being developed as programme management capacity has increased and programmes have progressed. This was evident in the business cases and supporting documentation for projects reviewed by Internal Audit, which for earlier projects could have been more robust.

4.1.4 As a result of recommendations made in the Internal Audit report, management has now documented procedures and are developing an evaluation framework to better demonstrate project suitability, priority, interdependencies and programme progress.

4.1.5 The Strategic Commissioning Programme Board, one of three programme boards charged with governance over transformation, had not met by the time that the audit was completed, due to delays in recruiting key staff. There is a risk that this could jeopardise the timely delivery of the transformational projects which are within the remit of this Programme Board and it has been agreed that it will meet by the end of January 2018.

4.1.6 Detailed dashboards are presented to each of the Boards as appropriate but they do not indicate where there are interdependencies between projects either within a Board's remit or between them. Without this information there is a risk that any delays may impact on other projects without appropriate mitigating action being taken. For future projects a Transformation Programme Review Group has been established to identify such relationships between projects and programmes and the Service has agreed to ensure that interdependencies are clearly identified for the benefit of Programme Managers and Project Staff.

4.1.7 The Programme Dashboards contain £13.6 million of intended transformational projects as well as un-costed ideas for future consideration. Some projects relate to the provision of existing services or continuous improvement rather than to the costs of transforming these. This could detract from focus on the Programme's objective to transform

service delivery and funding mainstream activity from transformational funds is also unlikely to be sustainable. The Service has agreed to review the content of programme dashboards to ensure that effort and expenditure is focused on transformational projects.

- 4.1.8 Reports to Committee show that costs are not being included in programme dashboards timeously and is based on defrayed expenditure only. As a result, the reported spend figures gave a limited indication of committed spend. The Service has noted that new file sharing facilities have been implemented which have improved the efficiency of project finance monitoring and it has been agreed that the adoption of a commitment based accounting and reporting process will be considered to better reflect committed expenditure. The Service has also agreed to ensure that Committee reports provide sufficient detail of action, spend and progress to provide adequate assurance and enable challenge where necessary.
- 4.1.9 Management has given an assurance that all recommendations will be implemented by the end of March 2018.

5. FINANCIAL IMPLICATIONS

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

6. LEGAL IMPLICATIONS

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

7. MANAGEMENT OF RISK

- 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 as detailed in the attached appendix.

8. OUTCOMES

- 8.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Module.
- 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
Equality & Human Rights 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
Duty of Due Regard / Fairer Scotland Duty	Not applicable

10. REPORT AUTHOR DETAILS

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