COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	13 December 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2211 – Transformational Programme
REPORT NUMBER	IA/AC2211
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 IJB Transformational Programme

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 IJB Transformational Programme.

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

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   The proposals in this report have no impact on the Council Delivery Plan.

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 AC2211 – IJB Transformational Programme

12.   REPORT AUTHOR CONTACT DETAILS

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Internal Audit Report

Aberdeen City Health & Social Care Partnership

Transformational Programme

Issued to:

Sandra Macleod, Chief Officer
Fraser Bell, Chief Operations Officer
Paul Mitchell, Chief Finance Officer
Alison Macleod, Strategy and Transformation Lead
External Audit

Date of Issue: November 2022

Report No. AC2211

EXECUTIVE SUMMARY

Background
At its first meeting on 26 April 2016, the IJB agreed a Transformational and Strategic Commissioning Plan (Transformation Programme), detailing high level investment proposals for over £33m of mainstreamed funding for the 2016-19 period. This was 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. The IJB's transformation agenda has continued through subsequent strategic plans, the most recent of which was approved for 2022-25 by the IJB on 7 June 2022.

Objective
The objective of this audit was to provide assurance that the IJB is continuing to make progress with delivery of its transformation agenda.

Assurance
Despite recruitment challenges and the impact of COVID-19, work is continuing to progress delivery of the IJB's transformation agenda.

The Aberdeen City Health and Social Care Partnership's (ACH&SCP) Delivery Plan detailed in the Strategic Plan for 2022-25 provides a comprehensive framework for progressing the partnership's priorities over the next three years in the run up to the establishment of the National Care Service, with projects allocated to responsible officers and deadlines established and savings allocated at a high level to Strategic Plan aims and enablers. A system of dashboard reporting is in place for Senior Leadership Team and the Risk, Audit and Performance Committee to monitor Delivery Plan progress. In addition, statutory annual performance reporting including progress delivering on national integration outcomes is taking place.

Transformation projects have progressed despite the unusual circumstances and challenges presented by COVID-19. Recommendations have been made to enhance controls over project management including formalising project management procedures and enhancing monitoring information available to groups responsible for project delivery, including project level workplans, operational risk logs and budget monitoring information.

Findings and Recommendations
The project management process applied by the Strategy and Transformational team has yet to be formalised. Key template documentation is available for use, covering the various stages of a project. However, it was noted that this was not always used with certain concluded transformation projects not having project close documentation to reflect on lessons learned and some ongoing Delivery Plan projects not having business cases. In the absence of a clear framework describing when project management documentation is and is not required, and the associated governance arrangements for this documentation, there is a greater risk projects will not be managed as intended and Best Value will not be achieved. A recommendation graded 'Significant within audited area' was raised for the Partnership to ensure that the project management process is formalised.

The IJB approved its budget for 2022/23 and Medium-Term Financial Framework (MTFF) in March 2022. The MTFF sets out the need to achieve £35.6m of saving through a programme of transformation and service efficiencies and allocates these savings across the seven financial years to 31 March 2029 at a high level by each Strategic Plan Strategic Aim; infrastructure enablers; and a full-service redesign. Whilst savings are clearly linked to the Strategic Plan for 2022-25 in the MTFF at a

high level, savings have not been allocated to budget holders for later years. Where savings are not allocated to responsible officers and plans for their delivery established, there is a greater risk they will not be realised.

A sample of five former Transformation Programme projects carried forward into the Delivery Plan for 2022-25 was reviewed to ensure projects were progressing as required and are subject to adequate governance arrangements at a project level. Whilst projects have been allocated to responsible officers, the adequacy of governance arrangements varied.

Detailed workplans monitored by relevant delivery groups with tasks allocated to responsible officers and deadlines were in place for three projects (60%), including the Primary Care Improvement Plan (PCIP), hospital at home (H@H) and commissioning projects reviewed. However, this was not the case for two (40%) reviewed – the staff health and wellbeing and digital records projects. Work to digitise records had not been scoped beyond May 2022. On staff health and wellbeing, a draft Workforce Plan was considered by the IJB on 30 August 2022 describing aims and associated performance measures, high level leads, and deadlines. In addition, the Healthy Working Lives Group has been monitoring delivery of staff health and wellbeing initiatives. However, a detailed workplan of health and wellbeing initiatives was not established with responsible officers and deadlines allocated and an operational risk register / log was not in place. Staff health and wellbeing is recorded in the Strategic Risk Register as a mitigating factor to address the very high risk of potential loss of life and unmet health and social care needs due to insufficient staff. In the absence of a detailed workplan and operational risk register / log, monitored by a delivery group, there is a greater risk necessary improvement to staff health and wellbeing will not be achieved. Recommendations graded 'Significant within audited area' were raised for detailed Delivery Plan project level workplans and risk logs to be monitored for all Delivery Plan projects.

Budget monitoring information was available to project managers where relevant however the quality of information reported to groups responsible for oversight of project delivery varied. The PCIP project has been delayed due to the impact of COVID-19 and recruitment challenges resulting in underspent ring-fenced funding of £4.2m being carried forward from previous years. The budget monitoring information received by the PCIP group on a quarterly basis in relation to the PCIP fund is basic and whilst it breaks down the 2022/23 forecast into the relevant projects making up the PCIP, information is lacking for group members to scrutinise the forecasts, including spend to date and subjective analysis of forecasts. For the H@H delivery project, the budget had been allocated to where it needed to be spent however budget monitoring information for this project was not reported to the group responsible for delivery at all. In the absence of regular oversight of detailed budget monitoring information by the groups responsible for project delivery, there is a greater risk underspends (such as those relating to recruitment) or pressures will not be identified, subject to adequate scrutiny by the officers responsible for delivery and mitigated. A recommendation graded 'Significant within audited area' was raised with the Service for budget monitoring information to be improved at a project level to address this.

Management Response
Aberdeen City Health and Social Care Partnership (ACHSCP) accept the findings of this audit and welcome the recommendations as areas for improvement. Delivering transformation activity during the global pandemic was challenging and whilst some transformations, such as the implementation of digital solutions like 'Near Me' were accelerated, others were paused whilst officers were diverted to the pandemic response. During this time, it was not always feasible to follow robust project management processes. In addition, the Transformation Team were subject to

amalgamation with two other ACHSCP teams and a subsequent restructure with resultant staff changes. As we move out of this phase, we look forward to a more stable environment within which we can continue to deliver on the transformation agenda improving processes and procedures as we go. In relation to the achievement of MTFF savings, this is being considered as part of the 2023/24 budget setting and MTFF refresh process, with engagement with relevant budget holders planned to ensure savings are appropriately allocated for delivery.

13. INTRODUCTION

13.1   The Aberdeen City Health and Social Care Partnership (ACH&SCP) formally came into existence in February 2016 with the approval of its Integration Scheme by Scottish Ministers and the Integration Joint Board (IJB) became responsible for its delegated health and social care functions on 1 April 2016. At its first meeting on 26 April 2016, the IJB agreed a Transformational and Strategic Commissioning Plan (Transformation Programme) detailing high level investment proposals for over £33 million of mainstreamed funding for the 2016-19 period, 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.

13.2   The IJB's transformation agenda has continued through subsequent Strategic Plans, the most recent of which was approved for 2022-25 by the IJB on 7 June 2022. For the first time, a Delivery Plan was developed which detailed how the Strategic Plan would be delivered. The Delivery Plan contains projects which are both transformational and business as usual.

13.3   The Strategy and Transformation Team leads on managing Delivery Plan projects. The current full establishment of the team consists of eight FTE Transformation Programme Managers; 10 FTE Senior Project Managers; six FTE Project Managers; led by a Transformation and Strategy Lead, however it should be noted that this is as a result of an amalgamation and restructure towards the end of 2021, and this was not the resource in place at the time the projects subject to audit were delivered.

13.4   The objective of this audit was to provide assurance that the IJB is continuing to make progress with delivery of its transformation agenda.

13.5   The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Sandra Macleod, Chief Officer, Fraser Bell, Chief Operations Officer, Paul Mitchell, Chief Finance Officer and Alison Macleod, Strategy and Transformation Lead.

14. FINDINGS AND RECOMMENDATIONS

14.1 Written Procedures

14.1.1 Comprehensive written procedures that are easily accessible by all members of staff can reduce the risk of errors and inconsistency. They are beneficial for the training of current and new employees and provide management with assurance that correct and consistent instructions are available to staff, which is important in the event of an experienced employee being absent or leaving.

14.1.2 The project management process applied by the Strategy and Transformational team has yet to be formalised. Key template documentation is available for use, covering the various stages of a project, including the development and approval of a full business case; a risk / issues / lessons learned log for monitoring project delivery; and an end of project close report to assess benefits and challenges and reflect on lessons learned. However, it was noted that certain concluded transformation projects did not have completed template project close documentation (see paragraph 2.2.6) to reflect on lessons learned and some ongoing Delivery Plan projects did not have business cases (see paragraph 2.6.2). At the time of review the team had three vacancies at a Programme Manager level, and the post of Programme Management Officer was also vacant. These roles would typically be involved in ensuring project documentation is completed as required. The Service also advised that in the case of business cases, these are not always required for Delivery Plan projects as some are business as usual projects. It is therefore unclear if supporting documentation has not been completed since it is deemed to be not required or if it is due to a shortage in resources.

14.1.3 In the absence of a clear framework describing when project management documentation is and is not required, and the associated governance arrangements for this documentation, there is a greater risk projects will not be managed as intended and Best Value will not be achieved.

Recommendation
The Partnership should ensure that the project management process and the requirement to use associated documentation is formalised.

Service Response / Action00
Agreed. Recruitment to the vacant Transformation Programme Manager roles was completed on 25th October 2022 and the newly appointed Programme Management Officer (PMO) commences mid November 2022. Formalising the project management process and associated documentation will be an area of priority focus.

Implementation Date	Responsible Officer	Grading
September 2023	Strategy and Transformation Lead	Significant within audited area

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14.2 Transformation Programme and Strategic Plan

14.2.1 It is a requirement of section 29 of the Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) for Integrated Joint Boards to prepare and publish a Strategic Plan. As described in paragraph 1.2 above, the Strategic Plan 2022-25 was approved by the IJB on 7 June 2022 and is available to the public, as required by the Act, on the Aberdeen City Health and Social Care Partnership website.

14.2.2 The development of the plan began in March 2021 and was monitored throughout by SLT. As required by the Act, the Strategic Plan was developed with consideration given to the national Integration Principles and the partnership's National Health and Wellbeing

Outcomes. Consideration was also given to progress delivering the previous ACHSCP Transformation Programme and work remaining; the population needs assessment 2021; the Local Outcome Improvement Plan and associated Locality Plans; and NHS Grampian's Plan for the Future. In addition, it was reported to the IJB in June 2022 that the views of the public were sought in January 2022 as part of the development of the plan.

14.2.3   The plan (see appendix 1) describes four Strategic Aims that are linked to the Health and Social Care Integration Core Suite of indicators (National Indicators):
- Caring Together
- Keeping People Safe at Home
- Preventing Ill health, and
- Achieving Fulfilling, Healthy Lives

14.2.4   These strategic aims are facilitated by five Enabling Priorities:
- Workforce
- Technology
- Finance
- Relationships
- Infrastructure

14.2.5   Unlike the previous Strategic Plan, for each of the priorities and enablers, the current Strategic Plan includes a more detailed Delivery Plan of projects, with associated responsible officers, deadlines, and a general indication of how performance will be measured. This provides a comprehensive framework for delivering the partnership's priorities over the next three years in the run up to the establishment of the National Care Service.

14.2.6   The former ACHSCP Transformation Programme projects were reviewed to ensure that outstanding work was considered in the development of the Delivery Plan 2022-25. The Service provided details of the project status as shown in appendix 2. Completed projects were evaluated in the main however it was noted that the Near Me Roll Out project was not, meaning lessons for future digital and infrastructure projects were not established. The Service advised this project was implemented urgently in response to the COVID-19 emergency as part of a Grampian wide project and as such fell outwith normal project management processes. However, in the absence of clear guidance on when projects should be evaluated and when they should not there is a risk necessary lessons will not be learned. A recommendation has already been made at paragraph 2.1.3 to formalise the requirement for project close reports for assessing project management outcomes.

14.3   Governance Arrangements

14.3.1   SLT managed priorities between September 2020 and April 2022 through 'huddle' meetings. In June 2021, three groups were established to lead on respective huddles for three programmes of work - 'Right Way'; 'Right Care'; and 'Right Place'. As stated in paragraph 2.2.6 above, the Service advised that the demands of the COVID-19 response and recruitment challenges meant that transformational work during this period did not progress as intended. This is evident based on former Transformation Programme projects being carried forward into the Delivery Plan for 2022-25 as shown in Appendix 2 and based on 2021/22 underspends in budgets ring fenced for transformational work, including the Integration and Change Fund (£152k spend against budget £2.2m) and the Primary Care Improvement Fund (£3.4m against budget £5.2m). However, whilst progress was not as intended between March 2020 and the approval of the new Strategic Plan in June 2022, work was undertaken on a number of projects to varying extents including the sample considered in more detail in section 2.6.

14.3.2   The Strategy and Transformation Lead maintains oversight of the Strategy and Transformation team's management of Delivery Plan projects through a Delivery Plan Workplan dashboard. This is a useful tool capturing at a top level the status of each project on the Delivery Plan (green – on target; amber – at risk of not being delivered on time; red – missed deadline / unable to deliver); along with responsible officers; details of deadlines and any current updates.

14.3.3   SLT receives regular updates on Delivery Plan project status through a system of dashboard reporting. At the time of review this process was being fine-tuned by the Service. Initially SLT received more detailed project 'flash reports', one for each Strategic Aim and another for the Enabling Priorities, on a rolling weekly basis. The reports are generally prepared by the relevant Project Manager and monitored by the Programme Manager before being reported to SLT by the relevant SLT reporting officer. The flash reports are detailed, highlighting project status on a red-amber-green 'RAG' basis, risks to delivery and associated mitigations, and progress since the previous update

14.3.4   This reporting was complemented by Delivery Plan Objective dashboard reports which include various graphs and statistics relating to performance for each of the Strategic Aims.

14.3.5   Following a review of the performance reporting arrangements to SLT in August 2022, various proposals were made on the future of dashboard reporting, with a view to reducing the administrative burden on project managers, whilst ensuring SLT receive regular updates and details of exceptions. SLT agreed on monthly dashboard reporting from October 2022, with a RAG status for all projects and an 'exception only' approach for Flash Reports to be submitted for Red status projects, with reasons for amber or those with escalations.

14.3.6   The Risk, Audit and Performance (RAP) Committee received their first quarterly Delivery Plan 2022-25 progress report in August 2022. This is essentially the same Delivery Plan Objective dashboard, referred to in paragraph 2.3.4 above. As well as the performance statistics the overall status of the projects is shown again using red, amber, green, 'no update', and 'not started'. Whilst it is positive RAP Committee has been updated on project status in a timely manner, the lack of RAG status for 'no update' and 'not started' projects and the reasons why they have no update or have not started, reduces assurance of the delivery of these projects on time to budget. In addition, whilst the dashboard is adequate for management, Internal Audit felt in the absence of more detailed reports, such as flash reports for red and amber status projects, it is difficult to easily establish what the Delivery Plan Objective dashboard is reporting to Committee, including the reasons why specific projects are at risk. A supporting Delivery Plan Overview report was reported to RAP Committee, and whilst this did provide useful information on progress it did not clearly explain why projects were at risk e.g. Mental Health and Learning Disabilities Programme has red status but reasons for this are not provided.

> **Recommendation**
> Delivery plan project reporting to RAP Committee should be reviewed to ensure RAG status is reported for all projects, with reasons for projects not starting or having no update and adequate detail is provided to RAP Committee for projects at risk.
>
> **Service Response / Action**
> Agreed. The dashboard reporting has been subject to development since July. It has already been identified that some refinements would be beneficial for Committee, and we aim to present a revised version of the report in February 2023.
>
> | **Implementation Date** | **Responsible Officer** | **Grading** |
> |---|---|---|
> | February 2023 | | |

| | | Strategy and Transformation Lead | Important within audited area |

14.4   Strategic Risk Register

14.4.1   The purpose of the Strategic Risk Register (SRR) is to provide the IJB with assurance that it is able to deliver the organisation's strategic goals and objectives. The document classifies the organisation's strategic risks as low, medium, high or very high based on the likelihood and impact of the risk being realised. It therefore focuses the IJB's attention on threats to the organisation that need to be prioritised. For each risk a rationale is provided for the risk rating along with details of existing controls, assurance gaps, and mitigating actions.

14.4.2   The IJB agreed on 15 December 2021 that the SRR was to be subject to a full review following the approval of the Strategic Plan. As reported to the IJB on 30 August 2022, a strategic risk workshop involving SLT and IJB members took place on 15 August 2022 – this covered all 10 strategic risks including risk 7 to deliver transformation change to meet strategic objectives in the face of demographic and financial pressures. Risk 7 on the need for transformation change was assessed as high (possible with a major impact) when reported to the IJB on 30 August 2022 and remained unchanged following review when the SRR was subsequently reported to the IJB on 11 October 2022.

14.4.3   SRR risk 7 identifies a number of controls including the ACHSCP's governance arrangements and the regular reporting on Delivery Plan progress. Reported gaps in assurance included the ability to evidence the impact of IJB's transformation through evaluations and reviewing results to determine what works when seeking to embed new models. A recommendation has already been made at 2.1.3 to formalise requirements relating to the project management process. Staff vacancies in the Strategy and Transformation team and completion of training are also highlighted as assurance gaps in the SRR – at the time of review the Service confirmed interviews were scheduled for vacant posts.   A recommendation is included to track progress on programme management training.

Recommendation
Relevant project management training should be completed by staff responsible for managing Delivery Plan projects.

Service Response / Action
Agreed.   Managing Successful Programme training has already been scheduled for relevant Strategy and Transformation staff and we are investigating Project management training for others.

Implementation Date	**Responsible Officer**	**Grading**
December 2023	Strategy and Transformation Lead	Important within audited area

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14.5   Medium Term Financial Framework

14.5.1   The IJB approved its budget for 2022/23 and Medium-Term Financial Framework (MTFF) in March 2022. Pressures identified related to rising demand due to an increasing and longer living population; increasing complexity of clients' need; rising prescription costs; and staff vacancies. The MTFF sets out the need to achieve £35.6m of saving through a programme of transformation and efficiencies and allocates these savings across the seven financial years to 31 March 2029 at a high level by each Strategic Plan Strategic Aim; infrastructure enablers; and a full-service redesign As reported to the IJB in March 2022, the MTFF was linked to the draft Strategic Plan for 2022-25, which was agreed in

June 2022 by the IJB. The Strategic Aims and Enabler for Infrastructure subsequently remained in the approved Strategic Plan for 2022-25. These are detailed in the table below.

Enabling Workstreams	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Aim – Caring Together:							
Reshaping our approach to commissioning services	0	(2,434)	(2,586)	(3,093)	(3,405)	(3,571)	(3,743)
Primary Care	0	(150)	(150)	(150)	0	0	0
	0	(2,584)	(2,736)	(3,243)	(3,405)	(3,571)	(3,743)
Aim – Improving Quality of Life:	0	0	0	0	0	0	0
Aim - Safe at Home:							
Out of Area Placements	0	(350)	(350)	0	0	0	0
	0	(350)	(350)	0	0	0	0
Aim – Preventing ill health:							
Prescribing	(350)	(750)	(750)	(750)	(750)	(750)	(750)
	(350)	(750)	(750)	(750)	(750)	(750)	(750)
Enabler – Infrastructure:							
Whole system and connected remobilisation	(825)	0	0	0	0	0	0
	(825)	0	0	0	0	0	0
Future Service Redesign	0	(1,164)	(1,357)	(1,555)	(1,759)	(1,969)	(2,186)
Total	(1,175)	(4,848)	(5,193)	(5,548)	(5,914)	(6,290)	(6,679)

14.5.2   Whilst savings are clearly linked to the Strategic Plan for 2022-25 in the MTFF at a high level as shown above, savings have not been allocated to budget holders for later years of the MTFF. Where savings are not allocated to responsible officers and plans for their delivery established, there is a greater risk they will not be realised.

> **Recommendation**
> Finance should liaise with budgets holders and apply MTFF savings as appropriate to H&SCP budgets.
>
> **Service Response / Action**
> Agreed. The budget setting process for 2023/24 and the associated MTFF for future years is currently under development. As part of this process engagement will take place with managers and savings will be allocated in line with MTFF priorities.
>
> **Implementation Date**   **Responsible Officer**   **Grading**

April 2023	Chief Finance Officer	Significant within audited area

14.6   Project Management

14.6.1   A sample of five former Transformation Programme projects carried forward into the Delivery Plan for 2022-25 was reviewed to ensure projects were progressing as required and are subject to adequate governance arrangements at a project level. This included:

- SE03 - Staff health and wellbeing
- SE16, SE17, SE18, and SE19 – Various projects on approach to Commissioning
- SE05 - Support the implementation of digital records
- KPS12 – Increase Hospital at Home (H@H) bed base
- CT15 - Primary Care Improvement Plan (PCIP)

Business Cases

14.6.2   Business cases describe the business needs for a given project; options appraisal; costs; benefits; key risks; key milestones and governance arrangements. The required investment for the H@H project was approved in May 2017 by the Executive Programme Board followed by approval of the business case project summary by the IJB in June 2017. Whilst a formal business case was not in place for the PCIP project, the PCIP was approved by the IJB on 28 August 2018, with the detailed plan describing project aims, costs and benefits. However, business cases were not in place for the projects on staff health and wellbeing; approach to commissioning; and the work to digitise records beyond May 2022. The Service advised business cases were not required for these projects as the projects concerned were approved as part of the Strategic Plan 2022-25 and just need to be scoped. Whilst this is the case, the Strategic Plan 2022-25 does not capture the financial implications of projects. A recommendation has already been made at paragraph 2.1.3 above to formalise requirements for project management documentation.

Detailed Workplans

14.6.3   Detailed workplans monitored by relevant delivery groups with tasks allocated to responsible officers and deadlines were in place for the PCIP, H@H and commissioning projects. However, this was not the case for all of the 2022/25 Delivery Plan work related to staff health and wellbeing and digital records projects.

14.6.4   On the digital records project, records used by community nurses, MacMillan nurses and school nurses were digitised using the 'Morse' records management system. Whilst workplans were in place for the roll out of Morse, this was concluded by May 2022 and work for 2022/23 and beyond to 2024/25, to digitise records further, has yet to be scoped in detail and monitored, meaning this work is on hold and is at risk of slipping.

14.6.5   On staff health and wellbeing, a draft Workforce Plan was considered by the IJB on 30 August 2022. This sets out relevant statistics concerning service pressures, staff headcount and WTE, staff absences and workforce budgets. In addition, the plan describes aims and associated performance measures, high level leads, and deadlines adequately. The Strategic Risk Register (SRR) risk 9, defined as insufficient staff to provide patients / clients with services required, is classified as very high risk, meaning an almost certain likelihood of an 'extreme' impact described as potential loss of life and unmet health and social care needs, leading to severe reputational damage. The SRR indicates an increased emphasis on health / wellbeing of staff is a mitigating factor. The revised Workforce Plan, due at IJB on 29th November 2022, was reviewed in line with the SRR to ensure actions contribute to the mitigation of the risks identified.

14.6.6   On staff health and wellbeing, the draft Workforce Plan describes aims and associated performance measures, high level leads, and deadlines. In addition, the Healthy Working Lives Group has been monitoring delivery of staff health and wellbeing initiatives. However, a detailed workplan of health and wellbeing initiatives was not established with responsible officers and deadlines allocated to initiatives. Staff health and wellbeing is recorded in the Strategic Risk Register as a mitigating factor to address the very high risk of potential loss of life and unmet health and social care needs due to insufficient staff. The revised Workforce Plan contains three key themes of recruitment and retention, mental health and wellbeing, and growth and development opportunities.   These themes have associated aims and actions identified.

| **Recommendation** |
| Project plans describing project tasks, responsible officers and task deadlines should be established and monitored for all Delivery Plan projects at a project level. |
| **Service Response / Action** |
| Agreed.   The health and wellbeing initiatives were initially introduced in response to the pressure staff were under in relation to Covid and therefore were implemented in a reactive rather than a planned way. We are happy to include this in line with the earlier recommendation around formalising project management process and associated documentation. |

Implementation Date	**Responsible Officer**	**Grading**
June 2023	Strategy and Transformation Lead	Significant within audited area

Risk / Issues / Lessons Learned Logs

14.6.7   Project level risk / issues / lessons learned logs were in use for the PCIP, H@H and the delivered Morse projects with relevant risks to project delivery highlighted for monitoring purposes, including COVID-19 and recruitment challenges. However, these were not in use for delivery of the approach to commissioning projects (see 2.6.8 below as not applicable) and staff health and wellbeing initiatives.

14.6.8   Commissioning work is monitored by the ACHSCP Strategic Commissioning and Procurement Board (SCPB). Whilst risk logs are not used by the SCPB the workplan used to monitor contracts and grants is detailed, including a RAG status for contract delivery, with associated risks and mitigating actions generally captured adequately.

14.6.9   However, despite the very high risk rating for staff recruitment and retention in the Strategic Risk Register, risks and issues affecting delivery of staff health and wellbeing initiatives are not formally monitored and mitigated at the project initiative level, increasing the risk of staff absences and resignations due to poor health and wellbeing.

| **Recommendation** |
| Project level risks should be monitored for all Delivery Plan projects by officers responsible for project delivery including for staff health and wellbeing. |
| **Service Response / Action** |
| Agreed.   The health and wellbeing initiatives were initially introduced in response to the pressure staff were under in relation to Covid and therefore were implemented in a reactive rather than a planned way. We are happy to include this in line with the earlier recommendation around formalising project management process and associated documentation. |

Implementation Date	**Responsible Officer**	**Grading**

| June 2023 | Strategy and Transformation Lead | Significant within audited area |

Budget Monitoring

14.6.10 Budget monitoring information is available to all four of the officers responsible for supporting the delivery of ongoing projects in the sample described at 2.6.1 above (excluding the digital records project, which was paused at time of review) however the information available varied.

14.6.11 For the Hospital at Home delivery project, the budget had been allocated to where it needed to be spent however budget monitoring information for this project was not reported to the group responsible for delivery at all. The Service has advised that whilst budget monitoring information is not monitored at a project level, because H@H is based on a staffing model; the staffing budget is monitored by the lead nurse.

14.6.12 The PCIP project has been delayed due to the impact of COVID-19 and recruitment challenges resulting in underspent ring-fenced funding of £4.2m since the project began (includes 2021/22 underspend of £1.8m described at paragraph 2.3.1 above). The Service has advised this underspend is now no longer available for use. The budget monitoring information received by the PCIP group on a quarterly basis in relation to the PCIP fund is basic and whilst it breaks down the 2022/23 forecast into the relevant projects making up the PCIP, information is lacking for group members to scrutinise the forecasts. Spend to date is not reported to the PCIP group, nor is a breakdown of the subjective expenditure and income budgets, and forecasts to facilitate analysis of reasons for pressures / underspends (e.g. for staff costs, administration costs, premises costs etc).

14.6.13 Where relevant (i.e. where a specific project budget is available), in the absence of regular oversight of detailed budget monitoring information by the groups responsible for project delivery, there is a greater risk underspends (such as those relating to recruitment) or pressures will not be identified, subject to adequate scrutiny by the officers responsible for delivery and mitigated.

Recommendation
Where relevant, budget monitoring information should be regularly reported to groups responsible for Delivery Plan projects with sufficient detail to identify project budget underspends and pressures requiring corrective action.

Service Response / Action
Agreed.

| **Implementation Date** | **Responsible Officer** | **Grading** |
| December 2022 | Chief Finance Officer | Significant within audited area |

14.6.14 The terms of reference of the ACH&SCP Strategic Commissioning and Procurement Board includes identifying the key commissioning and procurement activity for the year and overseeing progress against the established annual work plan. In the case of commissioning work, a specific budget is not in place to deliver improvements however the Service has established a workplan spreadsheet for monitoring contracts and grant awards which adequately captures associated contract / grant budgeted values. It was however noted that the spreadsheet does not capture contract spend to date for comparison to awarded contract values. The Service advised the contracts team monitors spend against approved contract values however this isn't documented. Capturing actual expenditure against budget by contract would be helpful for procurement planning and contract management purposes since in its absence there is a greater risk of expenditure

being incurred without the necessary approval e.g. variations requiring IJB approval, or of excess charges being incurred which are not in line with agreed contracts.

Recommendation
Contract expenditure as compared to awarded contract values should be monitored by the AHSCP Strategic Commissioning and Procurement Board.
Service Response / Action
Agreed. An extract from the BOrganised system will be used to show approved contract value and the spend up to the previous financial year for monitoring purposes.

Implementation Date	Responsible Officer	Grading
April 2023	Strategic Procurement Manager / Commissioning Lead	Important within audited area

14.6.15 It was noted the annual work plan does not currently capture savings planned / realised by contract. Since reshaping the IJB's approach to commissioning makes up a large part of future years savings (£18.8m - 53% MTFF savings) it would be beneficial if savings achieved through commissioning were planned for monitored at a contract / grant level.

Recommendation
Savings associated with the Commissioning annual work plan should be monitored at a contract / grant level.
Service Response / Action
Agreed. As per recommendation 2.5.2 above this is currently being progressed as part of the budget setting and MTFF development process.

Implementation Date	Responsible Officer	Grading
April 2023	Chief Finance Officer / Strategic Procurement Manager / Commissioning Lead	Significant within audited area

14.6.16 For the staff health and wellbeing budget, regular reports concerning the related £60k budget are not issued to the budget holder systematically. The budget holder advised that information is provided on request which Internal Audit feel is adequate given the size of the budget.

14.7 Statutory Reporting

14.7.1 Section 42 of the Public Bodies (Joint Working) (Scotland) Act 2014 requires the IJB to publish an annual assessment of performance in planning and carrying its integration functions. The IJB's annual performance report was approved by the IJB on 30 August 2022. This included progress against Strategic Priorities; priorities for 2022/23 and National Integration Indicator outcomes for 2021/22 as compared to 2019/20 for Aberdeen City and Scotland wide.

AUDITORS: J Dale
          A Johnston

Appendix 1 – Strategic Plan

Strategic Aims			
CARING TOGETHER	**KEEPING PEOPLE SAFE AT HOME**	**PREVENTING ILL HEALTH**	**ACHIEVE FULFILLING, HEALTHY LIVES**
Strategic Priorities			
▸ Undertake whole pathway reviews ensuring services are more accessible and coordinated ▸ Empower our communities to be involved in planning and leading services locally ▸ Create capacity for General Practice improving patient experience ▸ Deliver better support to unpaid carers	▸ Maximise independence through rehabilitation ▸ Reduce the impact of unscheduled care on the hospital ▸ Expand the choice of housing options for people requiring care ▸ Deliver intensive family support to keep children with their families	▸ Tackle the top preventable risk factors for poor mental and physical health including: - obesity, smoking, and use of alcohol and drugs ▸ Enable people to look after their own health in a way which is manageable for them	▸ Help people access support to overcome the impact of the wider determinants of health ▸ Ensure services do not stigmatise people ▸ Improve public mental health and wellbeing ▸ Improve opportunities for those requiring complex care ▸ Remobilise services and develop plans to work towards addressing the consequences of deferred care

Enabling Priorities				
WORKFORCE	**TECHNOLOGY**	**FINANCE**	**RELATIONSHIPS**	**INFRASTRUCTURE**
▸ Develop a Workforce Plan ▸ Develop and implement a volunteer protocol and pathway ▸ Continue to support initiatives supporting staff health and wellbeing ▸ Train our workforce to be Trauma informed	▸ Support the implementation of appropriate technology-based improvements – digital records, SPOC, D365, EMAR, Morse expansion ▸ Expand the use of Technology Enabled Care throughout Aberdeen ▸ Explore ways to assist access to digital systems ▸ Develop and deliver Analogue to Digital Implementation Plan	▸ Refresh our Medium-Term Financial Framework annually ▸ Report on financial performance on a regular basis to IJB and the Audit Risk and Performance Committee ▸ Monitor costings and benefits of Delivery Plan projects ▸ Continually seek to achieve best value in our service delivery	▸ Transform our commissioning approach focusing on social care market stability ▸ Design, deliver and improve services with people around their needs ▸ Develop proactive communications to keep communities informed	▸ Develop an interim and longer-term solution for Countesswells ▸ Review and update the Primary Care Premises Plan

Appendix 2 – Transformation Programme Projects Status

Project	Status
Digital and Infrastructure	
Care First Replacement (Dynamics 365)	Strategic Plan 2022-25
Technology Enabled Care	Strategic Plan 2022-25
Morse for Community Nursing	Strategic Plan 2022-25
Near Me Roll Out	Complete – no project close report
Integrated Access Point (Single Point of Contact)	Strategic Plan 2022-25
Supporting Management of Long Term Conditions and Building Community Capacity	
Community Link Workers	Complete
Visiting Service (part of PCIP)	Strategic Plan 2022-25
Hospital at Home	Strategic Plan 2022-25
Enhanced Community Support	Complete
Stay Well Stay Connected	Strategic Plan 2022-25
Locality Planning (Locality Empowerment Groups)	Strategic Plan 2022-25
Frailty Pathway	Strategic Plan 2022-25
Rosewell House Redesign	Ongoing – Target Project End Dec 23
Modernising Primary and Community Care	
Primary Care Improvement Plan	Strategic Plan 2022-25
Immunisation Blueprint	Strategic Plan 2022-25
2C Re-design	Complete
Community Treatment and Care (CTAC) services (part of PCIP)	Strategic Plan 2022-25
Organisational Development and Culture	
Promote use of iMatter and development and implementation of Action Plans	Ongoing but business as usual
Staff Health and Wellbeing	Strategic Plan 2022-25
Annual Conference	Future to be determined
Heart Awards	Future to be determined
Commissioning	
New Care at Home Contract (Commissioning for Outcomes)	Complete
Market Position Statement	Complete
Stepped Care (Intermediate Bed Base Project)	Strategic Plan 2022-25
Redesign of Day Care and Day Opportunities (Commissioning Projects)	Strategic Plan 2022-25

Appendix 2 - Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
Major at a Service Level	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited. Financial Regulations have been consistently breached.
Significant within audited area	Addressing this issue will enhance internal controls. An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on a system's adequacy and effectiveness. Financial Regulations have been breached.
Important within audited area	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.