

Internal Audit



Edinburgh IJB – Performance Target Data

May 2018

Internal Audit Assurance assessment:

Objective One	Objective Two	Objective Three
No Assurance	No Assurance	Significant Assurance

Timetable

Date closing meeting held: 23 April 2018

Date draft report issued: 14 May 2018

Date management comments received: 20 June 2018

Date Final report issued: 20 June 2018

This report has been prepared for NHS Lothian in our capacity as NHS Lothian Internal Auditors and will be shared with Edinburgh IJB's Internal Audit team and the IJB's Audit & Risk Committee. It has been supported by officers from the IJB, NHS Lothian, and the City of Edinburgh Council.

1. Introduction

- 1.1. The Public Bodies (Joint Working) (Scotland) Act 2014 created an obligation for Integration Joint Boards (IJBs) to issue directions to the Councils and NHS boards in relation to delegated areas of responsibility. The Edinburgh IJB is responsible for the issuing of direction to the City of Edinburgh Council and NHS Lothian.
- 1.2. As at 20 April 2018 the Edinburgh IJB has issued 21 Directions to the City of Edinburgh Council and NHS Lothian relevant to its overall strategic objectives. Most of the directions are divided into separate objectives.
- 1.3. The monitoring of the directions' performance is a responsibility of the IJB Board and its relevant committees. The relevant committees in this case were the Strategic Planning Group (SPG) and the Performance & Quality Subgroup (P&Q).

Scope

- 1.4. This audit sought to establish whether performance objectives have been set for each of the directions' objectives under review and whether performance was monitored by a relevant Board committee at an adequate frequency. It also considered whether the data used to report the performance objectives was accurate and reflected the baseline data.

Acknowledgements

- 1.5. We would like to thank all staff consulted during this review, for their assistance and cooperation.

2. Executive Summary

Summary of Findings

2.1. The table below summarises our assessment of the risks and the adequacy and effectiveness of the controls in place to meet each of the risk areas agreed for this audit. Definitions of the ratings applied to each action are set out in Appendix 1.

No.	Control Objectives	Assurance Level	Number of findings			
			Critical	High	Medium	Low
1	There are clear and effective performance objectives for each EIJB direction which are well articulated and relate back to the Directions	No Assurance	-	1	-	-
2	All relevant performance objectives are being reported to the EIJB Board in a timely manner based on data collected and analysed	No Assurance	-	2	-	-
3	The reported performance objectives are based on complete and accurate information which has been subjected to appropriate validation/data assurance	Significant Assurance	-	-	-	-
TOTAL			-	3	-	-

Conclusion

- 2.2. The area under review comprised 3 control objectives, of which 2 received No Assurance, and 1 received Significant Assurance.
- 2.3. Timescales and performance objectives have not been clearly stated for all relevant directions. Also, reporting arrangements for directions have not always been stated, i.e. which committee should receive information, who should provide it, and how often it should be provided. In addition, performance information is not always reported to committee with the required frequency. However, performance information provided to the IJB's Board and sub-committees agrees to base data held within NHS Lothian and City of Edinburgh Council electronic systems.

Main Findings

2.4. We identified three key findings for improvement during the review:

- Having performance objectives for each direction enables more effective performance monitoring by the IJB Board. However an analysis of the 136 direction objectives showed that, of the 127 which should contain a timescale, 89 (70.1%) do not. In addition, of the 83 objectives which should have performance measures stated 59 (71.1%) did not.
- Of the 136 direction objectives, 109 (80.1%) did not state the committee which would receive performance information, 109 (80.1%) did not state the frequency of reporting, and 116 (85.3%) did not state the person responsible for providing the information.
- Of the 136 direction objectives, 27 (19.9%) have stated the committee that performance information will be reported to and how frequently. Of these, only 9 (33.3%) have stated performance objectives. However, an analysis of the minutes and papers of the Strategic Planning Group and the Performance & Quality Subgroup from March 2017 to January 2018 showed that only 6 (66.7%) of these 9 direction objectives had performance information reported about them with the required frequency.

2.5. Of the 21 Directions reviewed, 9 do not state either the timescales, the performance measures, the source of the performance management information, or have information provided to committee with the required frequency; these Directions are Unscheduled Care, Learning Disabilities, Sensory Impairment, Long-Term Conditions, Diabetes, and Workforce Development. In addition, none of the individual Directions have stated all four of these requirements.

2.6. Performance management information reported to committee was complete, accurate and timely and reflected the data held within NHS Lothian's and the City of Edinburgh Council's management information systems based on our sample testing.

2.7. Our two previous audits within the IJB were Performance Targets & Reporting (March 2017) and Directions (August 2017) which had a total of 6 recommendations. At the time of this audit, 5 of these recommendations had still not been fully implemented even though they all had an implementation date of 30 September 2017, and 4 of them had a High rating and one had a Low rating. By not implementing these recommendations in a timely manner there is an increased risk that there is ineffective oversight by the IJB.

3. Management Action Plan

<p>Control objective 1.1: Performance objectives not stated for all Directions.</p> <p>Associated risk of not achieving the control objective: Effective performance objectives are not in place for all directions.</p>	<p>High</p>
<p><u>Observation and risk</u></p> <p>Edinburgh IJB is responsible for issuing directions to City of Edinburgh Council and NHS Lothian for its delegated areas of responsibility, in order to fulfil its strategic aims. At the time of the audit, 21 directions have been issued in total for 2017-18. These directions comprise a total of 136 objectives.</p> <p>Having performance objectives for each direction enables more effective performance monitoring by the IJB Board. However an analysis of the 136 direction objectives showed that, of the 127 which should contain a timescale, 89 (70.1%) do not. In addition, of the 83 objectives which should have performance measures stated, 59 (71.1%) did not; for example, the directions for long-term conditions and diabetes.</p> <p>If effective performance objectives are not clearly stated for all relevant directions there is an increased risk that the IJB Board will not be able to monitor their implementation.</p>	
<p><u>Recommendation</u></p> <p>All current and future directions should have clear, effective performance objectives which will enable the implementation of directions to be effectively monitored by the IJB Board.</p>	
<p><u>Management Response</u></p> <p>The need for clearly stated performance objectives is agreed.</p> <p>The context of the development of the performance framework provides an explanation for the way that many of the directions have been expressed. The framework, developed in 2016, focused on two main areas:</p> <ul style="list-style-type: none"> • the findings of the inspection of older people’s services in 2016 – specifically the pressures around assessment and review waiting lists and people waiting for packages of care • responding to the introduction of national performance indicators by the Ministerial Strategic Group. <p>Regular performance reporting was developed and implemented to support these priorities, with contributions from Strategy and Insight, NHS Lothian’s analytical team, and LIST. Performance monitoring and management by SMT and the IJB’s Performance and Quality Subgroup was based on this framework, and work to support this included the development</p>	

and implementation of the whole system dashboard on Tableau.

Until early in 2018, the directions had not been the focus for performance management, and had not been developed in that context. Work had been undertaken to consider how progress against the directions could be assessed and this showed that many of the indicators in the performance framework were directly relevant for many of the directions, and so the existing framework provided an indirect means of assessing progress with the directions.

The Management Action

Current directions will be reviewed and revised to ensure that they state clear and effective performance objectives.

Responsibility:

Colin Briggs, Director of Strategic Planning
(NHS Lothian)

Target date:

31 December 2018

<p>Control objective 2.1: Not all directions have stated which committee will receive performance objective statistics, how frequently these are provided and who will provide them.</p> <p>Associated risk of not achieving the control objective: Reporting arrangements have not been clearly stated for all directions.</p>	<p>High</p>
<p><u>Observation and risk</u></p> <p>The IJB Board should be provided with assurance that the directions are being implemented in a timely manner. As such it is vital that the reporting requirements for each direction are explicitly stated, including which committee performance information will be reported to, who will report it, and how frequently it will be reported.</p> <p>Of the 136 direction objectives, 109 (80.1%) did not state the committee which would receive performance information, 109 (80.1%) did not state the frequency of reporting, and 116 (85.3%) did not state the person responsible for providing or collating the information.</p> <p>If reporting arrangements for each direction are not clearly stated there is an increased risk that the IJB Board will not be able to gain assurance that directions are being implemented in a timely manner.</p>	
<p><u>Recommendation</u></p> <p>All current and future directions should clearly state their reporting arrangements, which should include which committee performance information will be reported to, who will report it, and how frequently it will be reported.</p>	
<p><u>Management Response</u></p> <p>The IJB's Performance and Quality subgroup, and Health and Social Care's Senior Management Team have previously had the role of considering all performance reports; with the IJB considering a specific subset. Arrangements for performance scrutiny have been reviewed with the outcome being that the directions will form the focus of performance monitoring, and that the Strategic Planning Group, instead of the Performance and Quality Subgroup will take the lead on considering performance.</p> <p><u>The Management Action</u></p> <p>Reporting requirements for each direction will be explicitly stated, including which committee performance information will be reported to, who will report it, and how frequently it will be reported.</p>	
<p><u>Responsibility:</u></p> <p>Colin Briggs, Director of Strategic Planning</p>	<p><u>Target date:</u></p> <p>31 December 2018</p>

(NHS Lothian)	
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<p>Control objective 2.2: Not all performance objective statistics are being reported to IJB committees with the required frequency.</p> <p>Associated risk of not achieving the control objective: Performance information for directions it not always reported in a timely manner.</p>	<p>High</p>
<p><u>Observation and risk</u></p> <p>Performance information for directions should be reported to relevant IJB committees on a regular basis so that IJB non-executives and others can determine if directions are going to be implemented fully and on time.</p> <p>Of the 136 direction objectives, 27 (19.9%) have stated the committee that performance information will be reported to and how frequently. Of these, only 9 (33.3%) have stated performance objectives. However, an analysis of the minutes and papers of the Strategic Planning Group and the Performance & Quality Subgroup from March 2017 to January 2018 showed that only 6 (66.7%) of these 9 direction objectives had performance information reported about them with the required frequency; for example, for reducing delayed discharges, and reducing occupied bed days.</p> <p>If the reporting of performance information is not performed with the required frequency there is an increased risk that directions are not implemented in a timely manner.</p>	
<p><u>Recommendation</u></p> <p>Performance information for directions should be reported with the frequency stated in the directions.</p>	
<p><u>Management Response</u></p> <p>Agreed.</p> <p><u>The Management Action</u></p> <p>Performance reporting will now be done on the basis of the directions, and will be reported to relevant IJB committees on a regular basis to ensure that the implementation of the directions can be monitored effectively.</p>	
<p><u>Responsibility:</u></p> <p>Colin Briggs, Director of Strategic Planning (NHS Lothian)</p>	<p><u>Target date:</u></p> <p>31 December 2018</p>

Appendix 1 - Definition of Ratings

Findings and management actions ratings

Finding Ratings	Definition
Critical	A fundamental failure or absence in the design or operating effectiveness of controls, which requires immediate attention.
High	A key control failure has been identified which could be either due to a failure in the design or operating effectiveness. There are no compensating controls in place, and management should aim to implement controls within a calendar month of the review.
Medium	A control failure has been identified which could be either due to a failure in the design or operating effectiveness. Other controls in place partially mitigate the risk to the organisation, however management should look to implement controls to fully cover the risk identified.
Low	Minor non-compliance has been identified with the operating effectiveness of a control, however the design of the control is effective

Report ratings and overall assurance provided

Report Ratings	Definition	When Internal Audit will award this level
No assurance	The Board cannot take any assurance from the audit findings. There remains a significant amount of residual risk.	The controls are not adequately designed and / or operating effectively and immediate management action is required as there remains a significant amount of residual risk (for instance one Critical finding or a number of High findings)
Limited assurance	The Board can take some assurance from the systems of control in place to achieve the control objective, but there remains a significant amount of residual risk which requires action to be taken.	<p>This may be used when:</p> <ul style="list-style-type: none"> • There are known material weaknesses in key control areas. • It is known that there will have to be changes that are relevant to the control objective (e.g. due to a change in the law) and the impact has not been assessed and planned for. <p>The controls are deficient in some aspects and require management action (for instance one 'high' finding and a number of other lower rated findings)</p>

<p>Moderate assurance</p>	<p>The Board can take reasonable assurance that controls upon which the organisation relies to achieve the control objective are in the main suitably designed and effectively applied. There remains a moderate amount of residual risk.</p>	<p>In most respects the “purpose” is being achieved. There are some areas where further action is required, and the residual risk is greater than “insignificant”.</p> <p>The controls are largely effective and in most respects achieve their purpose with a limited number of findings which require management action (for instance a mix of ‘medium’ findings and ‘low’ findings)</p>
<p>Significant assurance</p>	<p>The Board can take reasonable assurance that the system(s) of control achieves or will achieve the control objective.</p> <p>There may be an insignificant amount of residual risk or none at all.</p>	<p>There is little evidence of system failure and the system appears to be robust and sustainable.</p> <p>The controls adequately mitigate the risk, or weaknesses are only minor (for instance a low number of findings which are all rated as ‘low’ or no findings)</p>

Appendix 2 – Analysis of Individual Directions

Key:

No Direction sub-objectives have this	Some Directions sub-objectives have this	All Direction sub-objectives have this	Not applicable
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Direction Title	Timescale stated	Performance measures stated	Source stated	Performance measures reported with the required frequency
Direction 1 Locality Working				
Direction 2 Integrated Structure				
Direction 3 Key processes				
Direction 4 Primary care				
Direction 5 Older People				
Direction 6 Unscheduled Care				
Direction 7 Learning Disabilities				
Direction 8 Physical Disabilities				
Direction 9 Sensory Impairment				
Direction 10 Long term Conditions				
Direction 11 - Diabetes				
Direction 12 Unpaid carers				
Direction 13 Community Based mental health				
Direction 14 Substance misuse services				
Direction 15 Palliative and end of life care				
Direction 16 Prevention and early intervention				
Direction 17 Technology enabled care				
Direction 18 Engagement with partners and stakeholders				

Direction 19 Workforce development				
Direction 20 Property Strategy				
Direction 21 ICT to support integrated working				