

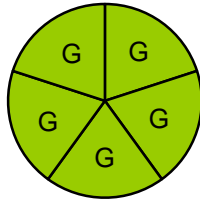
Internal Audit



IJB Directions – Edinburgh Integration Joint Board

August 2017

Report Assessment



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Introduction

The *Public Bodies (Joint Working) (Scotland) Act 2014* (the Act) places a duty on integration joint boards (IJBs) to develop a strategic plan for functions and budgets under their control. Sections 26 to 28 of the Act set out the method that IJBs should use to implement their strategic plan, which involves each IJB providing their health board and local authority with binding directions. Each IJB should issue directions relating to all of its delegated functions.

The Scottish Government also issued a *Good Practice Note (Directions from Integration Authorities to Health Boards and Local Authorities)* in March 2016. It states that directions should be made in writing and set out clearly how the functions should be delivered, provide detailed information on the related financial resources. In addition, the directions should state whether the health board or local authority are to perform the work individually or jointly.

Scope

This audit reviewed a sample of the directions issued by the Edinburgh IJB, to ensure that they meet the requirements of the Act, the Good Practice Note, and the IJB's strategic plans. It also reviewed the arrangements in place to manage and report on progress to ensure that the requirements of the directions are applied in practice.

Acknowledgements

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

Executive Summary

Conclusion

There is good compliance with the *Public Bodies (Joint Working) (Scotland) Act 2014*, and the *Good Practice Note (Directions from Integration Authorities to Health Boards and Local Authorities)* issued by the Scottish Government in March 2016. However, the Directions do not contain all relevant elements of the Integration Scheme, and KPIs are not stated for all directions. In addition, reporting arrangements from NHS Lothian and the Council to the IJB Board have not been clearly stated. However, it is acknowledged that the 2016-17 Directions were the first ones issued by the IJB and that the 2017-18 draft Directions contain greater detail. In addition, our review showed that there has been compliance with the main requirements of the Act and Good Practice Note. The implementation of these recommendations will provide greater confidence to the IJB Board that the Directions will be implemented effectively.

Summary of Findings

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

No.	Control Objective	Control objective assessment	Number of actions by action rating			
			Critical	Significant	Important	Minor
1	The requirements of the Act have been met.	Green				
2	The directions issued to date comply with the Scottish Government's Good Practice Note.	Green				
3	The priorities stated within the IJB's strategic plan have been reflected within the directions.	Green				1
4	The directions have been clearly stated using SMART objectives and have, where relevant, related KPIs.	Green		1		
5	Reporting and monitoring arrangements are clear, have been reflected within commissioning plans, and are implemented in practice.	Green				1

Control Objective Ratings

Action Ratings	Definition
Red	Fundamental absence or failure of controls requiring immediate attention (60 points and above)
Amber	Control objective not achieved - controls in place are inadequate or ineffective (21 – 59 points)
Green	Control objective achieved – no major weaknesses in controls but may be scope for improvement (20 points or less)

Main findings

There is good compliance with the *Public Bodies (Joint Working) (Scotland) Act 2014*, and the *Good Practice Note (Directions from Integration Authorities to Health Boards and Local Authorities)* issued by the Scottish Government in March 2016.

At the time of our review in June 2017 the Directions for 2016-17 had been issued to NHS Lothian and the Council, and the 2017-18 Directions were being drafted, and expected to be agreed at the July 2017 meeting of the IJB Board. The review therefore focused on the 2016-17 Directions, and we have since confirmed that the 2017-18 Directions have been agreed for the current year.

We have identified one significant issue for improvement during the review:

- Based on our review only a small number of the directions set out timescales for implementation. For some objectives KPIs are set out e.g. delayed discharges, but for others there are not KPIs. We note that some objectives may not be expressible in terms of a KPI, however for others a sensible KPI measurement could be put in place.

Further details of this point and two minor points are set out in the Management Action Plan.

Management Action Plan

Control objective 1: The requirements of the Act have been met.

We identified no significant issues in relation to this control objective.

The *Public Bodies (Joint Working) (Scotland) Act 2014* (the Act) places a duty on IJBs to develop a strategic plan for functions and budgets under their control. Sections 26 to 28 of the Act set out the method that IJBs should use to implement their strategic plan, which involves each IJB providing their health board and local authority with binding directions. Each IJB should issue directions relating to all of its delegated functions.

Comparing key elements of the Act with the actions taken by the IJB showed that there is effective compliance with the Act.

Control objective 2: The directions issued to date comply with the Scottish Government's Good Practice Note.

We identified no significant issues in relation to this control objective.

The Scottish Government also issued a *Good Practice Note (Directions from Integration Authorities to Health Boards and Local Authorities)* in March 2016. It states that directions should be made in writing and set out clearly how the functions should be delivered, provide detailed information on the related financial resources. In addition, the directions should state whether the health board or local authority are to perform the work individually or jointly.

Comparing key elements of the Note with the actions taken by the IJB showed that there is effective compliance with the Note.

Control objective 3: The priorities stated within the IJB's strategic plan have been reflected within the directions.	
3.1: Not all integration scheme objectives are stated in the directions	Minor
<p>Observation and Risk:</p> <p>An IJB's integration scheme sets out those functions which are to be delegated to the IJB from the health board and the relevant local authority. The integration scheme should be used to inform the creation of the IJB's strategic plan, which in turn should be used as part of the process of creating the IJB's directions.</p> <p>The Directions for Edinburgh IJB have a column specifically stating which delegated function each direction relates to. However, we noted that the Integration Scheme provides additional detail not included within the Directions, for instance in regards to operational delivery, governance, and performance targets.</p> <p>For each direction there is a statement on what part of the Strategic Plan it relates to. However, of the 44 actions stated within the 2016-19 strategic plan, 13 were not highlighted in the directions (action numbers 4; 6; 7; 9; 10; 11; 13; 15; 16; 24; 28; 36; and 44). It should, however, be noted that the strategic plan covers a three year period and there is scope for these actions to appear within future annual directions, and that a mapping exercise from the Integration Scheme and the Strategic Plan to the directions has been performed.</p> <p>There is a risk that IJB Board has not received confirmation of when all aspects of the Integration Scheme and the three-year Strategic Plan will be implemented.</p>	
<p>Recommendation:</p> <p>The Directions should cover all aspects of the Integration Scheme and the Strategic Plan over the years of the Strategic Plan (to 2019). Where they do not, the reasons should be communicated by the Chief Officer to the IJB Board and agreed by them.</p>	
<p>Management Response: 7 of the 13 actions not highlighted in the 2016/17 directions (4, 6,9,13,15,16 and 28) are specifically addressed in the directions for 2017/18. Of the remaining 6, actions 7,10 and 11 all relate to inequalities and will be addressed through other directions specifically those relating to locality implementation plans (Direction 1f) and prevention (new Direction 16). Action 24 is covered by the following directions for 2017/18:1 (locality working) and 5 (older people). Action 36 is covered by direction 13c in the directions for 2017/18. Action 44 (decisions regarding investment and disinvestment) does not require a specific direction but will be an underpinning feature of delivery plans.</p> <p>Management Action: Recommendation addressed as part of the 17/18 Directions.</p>	
<p>Responsibility: Chief Strategic Planning and Performance Manager</p>	<p>Target date: 11 August 2017 - directions for 17/18 agreed at the IJB meeting held on 11 August which addresses the recommendation.</p>

Control objective 4: The directions have been clearly stated using SMART objectives and have, where relevant, related KPIs.

4.1: Not all directions contain SMART objectives and KPIs

Significant

Observation and Risk:

SMART objectives are used in plans to help ensure that objectives are specific, measurable, achievable, relevant, and time-bounded. By stating objectives based on these criteria, they are more likely to be effectively implemented.

A review of the Directions for 2016-17 and 2017-18 was performed, and showed that they contain limited SMART objectives. Although the 2017-18 Directions state what is to be achieved and by which organisation (either NHS Lothian or the Council), few of the directions state timescales for implementation. In addition, for larger projects, there is no statement on timescales for project milestones.

In addition, although KPIs are stated for some directions (e.g. delayed discharges), the majority of objectives do not state related KPIs. However, some of these objectives may not be expressible in terms of KPIs.

If SMART objectives and KPIs are not stated for all directions there is a reduced likelihood that they will be effectively monitored and achieved.

Recommendation:

Each direction should be stated in terms of Specific, Measurable, Achievable, Relevant, and Time bound (SMART) objectives, and should have related KPIs (where possible). In particular, for more complicated projects, there should be a statement on expected project milestones.

Management Response: The directions for 2017/18 include details of performance measures to be used in respect of each direction. A number of these make reference to the fact that more detailed measures will be included in delivery plans.

Management Action: To ensure that delivery plans include SMART performance measures and that the performance measures relating to each direction are updated.

Responsibility: Chief Strategic Planning and Performance Manager

Target date: delivery plans to be completed by the end of September 2017

Control objective 5: Reporting and monitoring arrangements are clear, have been reflected within commissioning plans, and are implemented in practice.	
5.1: There are no procedures in place for the management of directions	Minor
<p>Observation and Risk:</p> <p>It is vital that the IJB Board receives timely, relevant, complete, and accurate information on how effectively NHS Lothian and the Council are implementing the Directions.</p> <p>However, there are no procedures in place covering the process for creating directions, and for the monitoring and review process. The introduction of procedures would help to introduce a model of best practice.</p> <p>There is a risk that the Directions are not implemented effectively.</p>	
<p>Recommendation:</p> <p>For each direction there should be a statement on what information should be reported, how frequently, to which IJB / HSCP committee, and by which organisation.</p> <p>In addition, procedures should be created and documented which cover (1) the process for creating directions, and (2) the monitoring and review process.</p>	
<p>Management Response: A register of directions has been created to support the ongoing management of directions. All future reports to the Strategic Planning Group and Integration Joint Board will include a section on 'implications for directions'. A 'tracker' is being developed that will identify key milestones in the delivery of each direction to allow the development of a programme of updates to the IJB</p> <p>Management Action: Develop the 'tracker to support the programme of reporting updates on directions to the IJB.</p>	
Responsibility: Strategic Planning Manager	Target date: 30 September 2017

Appendix 1 - Definition of Ratings

Management Action Ratings

Action Ratings	Definition
Critical	The issue has a material effect upon the wider organisation – 60 points
Significant	The issue is material for the subject under review – 20 points
Important	The issue is relevant for the subject under review – 10 points
Minor	This issue is a housekeeping point for the subject under review – 5 points

Control Objective Ratings

Action Ratings	Definition
Red	Fundamental absence or failure of controls requiring immediate attention (60 points and above)
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