

Argyll & Bute Health & Social Care Partnership

Internal Audit Report

June 2022

FINAL

Workforce Planning

Audit Opinion: Reasonable

	High	Medium	Low	VFM
Number of Findings	1	0	0	0

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1. Executive Summary

Introduction

1. As part of the 2021/22 internal audit plan, approved by the Audit & Risk Committee in April 2021, we have undertaken an audit of Argyll & Bute Health & Social Care Partnership (HSCP) system of internal control and governance in relation to Workforce Planning.
2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with Health & Social Care Partnership officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the HSCP.
3. The contents of this report have been agreed with the appropriate Health & Social Care Partnership officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. Workforce planning is a key business process which aligns changing organisation needs with people strategy. Workforce planning is the process of ensuring that you have the right number of people, with the right skills, employed in the right place at the right time to deliver the organisations short and long term objectives.
5. Workforce planning is about generating information, analysing it to inform future demand of people and skills, and translating the information into a set of actions that will develop and build on the existing workforce to meet demand. It is also about determining future workforce needs and identifying workforce gaps against future needs. One of the seven areas of priority in the HSCP Strategic Plan 2019/20 – 2021/22 (The Strategic Plan) is to efficiently and effectively manage all resources to deliver best value.
6. The Strategic Plan recognises that the HSCP need to support staff as they transform the way they deliver services in the future and recognise the need to have valued, skilled, motivated, flexible workforce to transform together to deliver the changes required. The Strategic Plan details the steps to be taken to meet their goals, including implementing the National Health & Social Care Workforce Plans, reviewing the Organisational Development Strategy and developing a plan to support the workforce.
7. Employees are one of the HSCP's core resources, are at the heart of what we do and at the frontline of all services we deliver. The HSCP workforce includes employees of two different organisations, Argyll and Bute Council (the Council) and NHS Highland (NHS), as well as people in many organisations and individuals that contribute as part of an overall workforce delivering health and social care. The Strategic Plan recognises that the workforce is vital to support the delivery of the HSCP's vision and that they need to feel valued and be skilled, motivated and flexible to support the HSCP. The HSCP recognise the need to attract and retain their workforce

and invest in training and development, and involve the workforce in shaping how future services look.

8. The National Health and Social Care Workforce Plan (National Workforce Plan), published by the Scottish Government in June 2017, marked the beginning of a process to further improve workforce planning across health and social care. Its overall aim is to support organisations which provide health and social care services to identify, develop and put in place the workforce they need to deliver safe and sustainable services to Scotland's people. A "Six Step Methodology to Integrated Workforce Planning" has been designed by Skills for Health as a practical approach to planning that ensures you have a workforce of the right size with the right skills and competencies.
9. Workforce planning is the responsibility of management within the HSCP and receives support from the Council to enable this planning. The alignment between the Council and the NHS is essential to the development of the workforce in the integrated services.
10. Integrated authorities are required to ensure that a draft 3 year Workforce Plan (WP) is developed no later than 31 July 2022 and should cover the period 1 April 2022 to 31 March 2025. Once analysis and feedback on the plan has taken place HSCP should publish a final version of the plan on their website no later than October 2022.

Scope

11. The scope of the audit was to review the progress being made to meet the deadline of July 31 2022 for the draft 3 year Workforce Plan to be submitted to the Scottish Government.

Risks

12. The risks considered throughout the audit were:
 - Audit Risk 1: an effective draft workforce plan has not been developed
 - Audit Risk 2: the HSCP has failed to collate and analyse the detailed information and priority areas for workforce planning
 - SRR 10 : Inability to recruit and retain the required workforce because of National workforce and Local challenges

Audit Opinion

13. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.
14. Our overall audit opinion for this audit is that we can take a reasonable level of assurance subject to the intimation by relevant officers that this workforce plan will be submitted in time to the Scottish Government in July. This means that internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.

Recommendations

15. We have highlighted one high priority recommendation where we believe there is scope to strengthen the control and governance environment. These are summarised below:
- HSCP should ensure that the draft HSCP 3 year Workforce Plan is submitted by 31 July 2022.
16. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

17. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Link to Risk	Assessment	Summary Conclusion
1	An effective draft workforce plan has been developed and will be produced by 31 st July 2022	Risk 1 SRR 10	Limited Assurance	The HSCP workforce planning team are currently working on the draft plan, however at the time of the audit the draft document was not available for review. An IJB workforce planning development session was recently held which Internal audit attended. Conclusions from the session indicate that the workforce planning team are following the guidance supplied by the Scottish Government (SG). In addition those in attendance at the development session are assured that sufficient progress is being made to meet the submission deadline of 31 July.
2	The HSCP has collated and analysed detailed information and priority areas for workforce planning	Risk 2 SRR 10	Reasonable	Discussions with the workforce planning team and assessment made from the development session lead Internal Audit to conclude that the HSCP have addressed or are currently addressing the requirements as laid out within the SG guidance.

18. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

An effective draft workforce plan has been developed and implemented

19. Guidance provided by the Scottish Government to the HSCP'S in April 2022 clearly sets out the processes that the HSCP should follow during the preparation of the 3 year Workforce Plan. The

workforce plans are expected to use the “Six Step Methodology to Integrated Workforce Planning” as designed by Skills for Health as a practical approach to ensure they have a workforce of the right size with the right skills and competencies as well as the Five Pillars of Workforce Planning outlined within the National Workforce Strategy (Plan, Attract, Train, Employ, Nurture) as the basis for outlining proposed actions to secure sufficient workforce to meet local projected short-term recovery and medium-term growth requirements across the health and/or social care services you manage.

20. Appendix 1 of the SG guidance sets out an indicative checklist for the HSCP to consider when preparing their plans, the aim of which is to ensure that HSCP have covered all areas within their draft plan. The checklist covers in detail the following :

- methodology
- partnership working
- alignment with other strategic documents
- planning the required workforce
- action planning
- staff wellbeing
- summary of actions
- implementing and review

21. A development session was held on 15 June 2022 the aim of which was to advise stakeholders of the progress being made towards meeting the requirement to submit the draft 3 year workforce plan to the Scottish Government by 31 July. Internal audit attended the development session along with other stakeholders, including the Chief Officer of the HSCP and members of the Integrated Joint Board.

22. Due to the limited engagement between Internal audit and the HSCP workforce planning team, reliance has been placed on the information provided during the development session to appraise progress being made towards meeting the 31 July 2022 deadline. In addition, discussions with the workforce planning team leader confirmed all areas required within the guidance checklist had been or is currently being addressed.

23. Discussions with the workforce planning team and assessment made from the development session confirm the HSCP have addressed or are addressing the requirements as laid out within the Scottish Government guidance. In addition those in attendance at the development session are assured that sufficient progress is being made to meet the submission deadline of 31 July.

Action Plan 1

[The HSCP has collated and analysed detailed information and priority areas for workforce planning](#)

24. A summary of the progress being made against each of the areas summarised within the guidance outlined in paragraph 20 is detailed in the table below.

Area to be considered	Example of content	Comment	Progress to meet deadline if 31 July 2022
Methodology	Workforce Plan has been developed using a methodology appropriate to the organisation's needs.	HSCP have broadly based their methodology on the 5 pillars of workforce planning as required by the Scottish Government.	N/A
Partnership Working	Meetings and facilitated sessions have been held with service leads, SLT, Scottish Care as independent sector representatives. Chief Social Work Officers, Primary care lead and Finance. Facilitated session to be held with Joint Partnership Forum prior to first draft submission.	Meets the requirements as outlined in guidance.	On track
Alignment with other Strategic Documents	Reflects service priorities in operational plans and strategic plan.	The workforce plan will be fully aligned to the strategic document, including the workforce risks and actions identified. Funding will be reflected within the plan.	On track
Planning the required workforce	The Workforce Planning document will describe how the workforce will support recovery, growth and transformation. The workforce plan should analyse the health and social care needs of the population and identifies the impact on local workforce demand.	The risks/actions within the plan are aligned to the strategic priorities each of which are focussed on recovery/growth and transformation. Risks around cost of living crisis, energy costs, and labour market issues among others have been considered and are to be further developed.	On track
Action Planning	Describes areas of workforce skill development.	Currently being developed.	On track

	Describes the needs for new posts; Details local actions.		
Staff Wellbeing	Workforce plan should describe actions supporting the health and wellbeing of the workforce. The plan should consider diversity and inclusions. Plan should describe key workforce issues affecting the quality of staff experience and projected impact of these on staff retention.	Currently being developed.	On track
Summary of Actions	All actions are summarised and aligned to the 5 pillars.	Currently being developed.	On track
Implement and Review	Identify targets.	Slides outlined actions/targets to be considered. The strategic workforce planning group will oversee the work streams tasked with delivery of the actions within the workforce plan.	On track

25. As the development of the draft Workforce Plan is ongoing we were unable to undertake a full audit of Workforce Planning. Consideration will be given to undertaking a full audit of Workforce Planning in due course.

Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
High	1	<p>Draft Workforce Plan</p> <p>HSCP should ensure that the draft Workforce Plan is submitted to the Scottish Government by 31 July.</p>	Failure to meet Scottish Government deadline.	To ensure that the first draft of the workforce plan will be consulted upon, drafted and submitted by 31 July. It is noted that it is expected that there will be further iterations of the document between July and October as the plan is finalised.	<p>Head of People Planning, Analytics and Reward</p> <p>30 September 2022</p>

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.
VFM	An observation which does not highlight an issue relating to internal controls but represents a possible opportunity for the HSCP to achieve better value for money (VFM).

Appendix 2 – Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.