

Argyll & Bute Health & Social Care Partnership

Internal Audit Report

September 2022

FINAL

Performance Management

Audit Opinion: Substantial

	High	Medium	Low	VFM
Number of Findings	0	1	0	0

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1. Executive Summary

Introduction

1. As part of the 2022/23 internal audit plan, approved by the Audit & Scrutiny Committee in March 2022, we have undertaken an audit of Argyll & Bute Health & Social Care Partnership (HSCP) system of internal control and governance in relation to Performance Management.
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. Effective performance reporting ensures that non-executive appointees, elected members and senior management have the information that allows them to effectively scrutinise HSCP's performance against agreed key priorities and objectives. Fundamental to this is the Integrated Performance Management Framework (IPMF) document which sets out the Partnership's approach to performance monitoring.
5. The Performance Management Framework document sets out the following messages namely :
 - Roles and responsibilities need to be clearly identified;
 - managers need to be involved in the development of the KPI's to ensure ownership and keep them relevant to their services and improved service outcomes;
 - need to learn from what has worked and what has not with regards to previous performance reporting;
 - data is accessible for all managers across health and social care;
 - performance reporting needs to capture manager commentary to give context and allow for more challenging discussions with regards to addressing poor performance and understanding the local context;
 - development of a performance culture needs to be progressive and responsive to wider organisational issues.

Scope

- The scope of the audit was to assess the adequacy of, and compliance with HSCP'S Performance Management Framework arrangements as outlined in the Terms of Reference agreed with the Senior Performance and Improvement Manager on 27th July 2022.

Risks

- The risks considered throughout the audit were:
 - Audit Risk 1: HSCP does not have an effective Integrated Performance Management Framework
 - Audit Risk 2: Performance targets are not regularly monitored and reviewed
 - Audit Risk 3: Roles and responsibilities are not clear
 - Audit Risk 4: Performance reporting is not carried in line with Performance Management Framework

Audit Opinion

- 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.
- Our overall audit opinion for this audit is that we can take a substantial level of assurance. This means that 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.

Recommendations

- We have highlighted one medium priority recommendations where we believe there is scope to strengthen the control and governance environment. These are summarised below:
 - HSCP performance information should be made available on the Councils performance information system
- 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

- 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
CO1	HSCP's Performance Management Framework clearly sets out the	Audit Risk 1	Substantial	Performance reporting during the pandemic focussed on addressing the re-mobilisation of services. This new approach was as per guidance from

	planning performance and improvement functions.			the Scottish Government and was based upon 6 priority areas. A revised IPMF is currently being prepared and will focus on eliminating long waits in both inpatient and outpatients services.
CO2	Appropriate performance targets are agreed annually, communicated and periodically reviewed.	Audit Risk 2 Audit Risk 3	Substantial	Performance targets during COVID were set at 70%-80% of THE 2019/20 service activity as at November 2021. Targets were agreed with the Scottish Government. Performance reporting will be based upon a revised set of targets that reflect priorities going forward.
CO3	Performance is regularly monitored and reported.	Audit Risk 4	High	Performance is regularly reported to the IJB at their bi-monthly meetings. HSCP performance information should be made available on the Councils performance information system. A comprehensive annual report for 2020-21 which includes a summary of performance against targets has been published.

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

3. Detailed Findings

HSCP's Performance Management Framework clearly sets out the planning performance and improvement functions.

14. Due to service pressures arising from the pandemic during 2020/21, there has been some disruption to Performance reporting as the HSCP focussed on addressing the pandemic and re-mobilisation of services. The Scottish Government (SG) Cabinet Secretary for Health in December 2020 directed Chief Executives in both Local Authorities and Health Boards to prioritise critical service provision.
15. The change to performance reporting to reflect this directive was agreed at the January 2021 Integrated Joint Board (IJB) i.e. the IJB board agreed to a "temporary suspension of normal outcome performance reporting and instead performance reporting will focus on remobilisation of health and care services and COVID-19 related activity". Prior to the suspension HSCP Performance reporting was based upon reporting against the HSCP Health & Wellbeing Outcome Indicators.
16. During the period 2021 -2022 HSCP adopted the NHS Highland Remobilisation Plan which describes a system to support the delivery of services for acute and social care within the HSCP and wider NHS Highland Board. The plan focused on the areas agreed as priorities with the Scottish Government. An extensive suite of remobilisation performance indicators were

developed and reported on a weekly and monthly basis to inform managers with regards to their performance against key remobilisation targets.

17. The Remobilisation Plan was based upon 6 key principles namely :

- Establishment of a clinical priority matrix;
- protection of essential services e.g. mental health, cancer services;
- active waiting list management;
- realistic medicine remaining at the core;
- review of long waiting patients;
- patient communication.

18. The NHS Scotland Chief Operating Officer has recently written to all NHS Boards identifying a new focus with regards to eliminating long waits in both inpatient and outpatients services. Consequently HSCP are currently preparing a revised IPMF that will address performance in these areas.

19. A review of the proposed IPMF found it to be comprehensive covering the following areas namely:

- Overarching Principles
- Reporting Responsibilities and Timescales
- Performance Reporting and Data Governance

20. Key Performance Indicators The revised IPMF is scheduled to be adopted during 2022/23. Governance of the IPMF will be carried out via the Clinical and Care Governance Committee, however current governance of Performance reporting will continue to be carried out by the IJB until the new arrangements come into force.

21. Prior to the changes performance monitoring was based upon a suite of outcomes which focussed on the experience and quality of services for people using those services, carers and their families. Reporting was carried out against 9 key National Health and Well-being outcomes and 23 sub indicators. These outcomes and indicators formed the basis for reporting for all HSCPs across Scotland. Examples of outcomes are :

- People are able to improve their health;
- people are able to live in the community;
- people have positive service user experience;
- services are centred on quality of life;
- services reduce health inequalities
- unpaid carers are supported

Appropriate performance targets are agreed annually, communicated and periodically reviewed.

22. Performance targets during COVID were set at 70%-80% of 2019/20 service activity as at November 2021. These targets were agreed with the Scottish Government.

23. Example of performance reporting relating to Adult Care as at June 2022 is shown below:

Service	Target	Actual	Variance
Total no. of Adult referrals	716	916	28%
Adult Protection referrals	224	258	15%
Total new people in receipt of homecare	36	26	-28%
Total new care home placements	16	14	-13%
Total no. of delayed discharges	10	9	-10%

Targets have not been updated over the last 2 years but have remained based on the Scottish Government requirement of 70%-80% of 2019/20 service activity as at November 2021.

24. Performance reports include comparisons against all other Scottish health Boards as regards waiting times. As at May 2021 NHS Highland Board have 48% proportion of Outpatients waiting more than 12 weeks, statistically this is below the overall proportion for Scotland at 50%.
25. A review of performance reports confirmed that performance reporting was in line with SG guidance during the relevant periods.
26. New Key Performance Indicators have been established with a series of targets across both inpatient and outpatient specialities for 2022/24. This will replace the previously reported Remobilisation targets identified within the NHS Remobilisation plan.

Performance is regularly monitored and reported.

27. The IJB meets bi-monthly with performance reporting being a standard agenda item. The Head of Strategic Planning and Performance presents to the IJB Board meetings an update on the impact on service performance with regards to Covid19 pandemic and the progress made with regard to remobilising health and social care services in Argyll & Bute.
28. A review of the Performance reports found them to be comprehensive and cover the following areas:
 - Covid 19 overview
 - Immunisation performance
 - Remobilisation performance against all HSCP services
 - Waiting times performances
 - Virtual new and return outpatient performance
29. The IJB is required to set a balanced budget each year and therefore has to deliver Health and Social Care Services to the communities it serves within the financial resources available to it. Financial performance is reported in detail to the IJB at each of its meetings and to its Finance and Policy Committee which meets on a monthly basis. It also publishes its Annual Report and Accounts which are subject to independent external audit.

30. The budget for 2020/21 required new savings of £5.7m to be delivered. In addition there were £4.7m of previously agreed savings still to be achieved, making the total savings due to be delivered in year to £10.4m. The HSCP reported an under spend of £1.1m for the financial year 2020/21 which enabled early repayment of debt owed to Argyll & Bute Council.
31. Up until 2020 HSCP performance reporting was highlighted via the Councils Pyramid Performance Management information system against a suite of outcomes which focussed on the experience and quality of services for people using those services, carers and their families. However since 2020 there has been no performance reporting of any kind for HSCP services via Pyramid.

Action Plan 1

32. It is a requirement by the Public Bodies (Joint Working) (Scotland) Act 2014 that A&B HSCP produce an Annual report. The report provides an opportunity to report to partners and local communities an update on annual performance. The 2020-21 report provided a commentary on performance across all relevant service areas including the following:

- Covid 19 performance;
- remobilisation performance reporting;
- homecare;
- residential care;
- mental health;
- delayed discharge;
- service referral activity;
- waiting times;
- virtual appointments;
- benchmarking;
- performance outcomes and improvements;

Included within the report is a comparison of actual spend against budget for all services with a commentary attached in regard to the financial outlook, risks and plans for the future. It was noted that the total spend across all services was 0.4% below budget. The 2021-22 report is currently in draft form and will be published shortly.

Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
Medium	1	Pyramid Reporting Up until 2020 HSCP performance reporting was highlighted via Councils Pyramid Performance Management Information system, however, since 2020 no performance reporting for HSCP services has been included.	Failure to report performance on Pyramid may lead to ineffective decision making.	The new national focus on the remobilisation and waiting times, effectively made the current HSCP performance management defunct. This affected all the HSCP's with a radical shift to address recovery from Covid. The Dashboard supporting the IPMF will form the new reporting and hopefully be built on the system that replaces Pyramid for the council next year.	Douglas Hunter, Senior Manager Performance & Improvement (HSCP) March 2023

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.