

ARGYLL & BUTE COUNCIL

Internal Audit Section

INTERNAL AUDIT REPORT

CUSTOMER DEPARTMENT	COMMUNITY SERVICES
AUDIT DESCRIPTION	RISK BASED AUDIT
AUDIT TITLE	HEALTH AND SOCIAL CARE INTEGRATION
AUDIT DATE	AUGUST 2015

2015/2016



1. BACKGROUND

This report has been prepared as a result of the Internal Audit review of Health and Social Care Integration partnership arrangements as part of the 2015/2016 Internal Audit programme.

The Integration of Health and Social Care is a substantial programme of reform led by the Scottish Government with the aim of improving the support given to people who need access to health and social care services in Scotland. The Public Bodies (Joint Working) (Scotland) Act, 2014 sets out a framework for the integration of adult services. The Act requires Local Authorities and NHS Boards to establish an Integration Authority for the governance, planning and resourcing of care services within their area. Underpinning regulations specify the minimum services that must be included, such as adult social health and care services. It is up to local NHS boards and Councils to decide the scope of services to be included. Argyll and Bute Council and NHS Highland have agreed to delegate to Argyll and Bute Integration Joint Board the following functions: all Adult social work services, all Children & Families social work services and all Criminal Justice social work services. All integration arrangements are required to be in place by April 2016.

Argyll & Bute Council and NHS Highland have agreed on a body corporate model - an Integrated Joint Board (IJB). The Integrated Joint Board is responsible for planning health and social care services for the local population, through a Strategic Plan. The body then must instruct the delivery of these functions and make associated payments/allocate resources in line with the intentions in the Strategic Plan.

Argyll & Bute Council and NHS Highland must produce a strategic plan, identifying total resource available and how it will be used to meet needs of the local community.

2. AUDIT SCOPE AND OBJECTIVES

The main objective of the audit was to review the governance arrangements proposed in terms of management structures, roles and responsibilities, committee and reporting arrangements including responsibility for finance, risk management and auditing.

3. RISKS CONSIDERED

- Non-compliance with legislation;
- Accountability and transparency principles are not met;
- Objectives are not achieved;
- Planned implementation dates are not met resulting in adverse effect on service delivery.

4. AUDIT OPINION

The level of assurance given for this report is substantial.

Level of Assurance	Reason for the level of Assurance given
High	Internal Control, Governance and the Management of Risk are at a high standard with only marginal elements of residual risk, which are either being accepted or dealt with.
Substantial	Internal Control, Governance and the Management of Risk have displayed a mixture of little residual risk, but other elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Limited	Internal Control, Governance and the Management of Risk are displaying a general trend of unacceptable residual risk and weaknesses must be addressed within a reasonable timescale, with management allocating appropriate resource to the issues.
Very Limited	Internal Control, Governance and the Management of Risk are displaying key weaknesses and extensive residual risk above an acceptable level which must be addressed urgently, with management allocating appropriate resource to the issues.

This framework for internal audit ratings has been developed and agreed with Council management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in this report have been discussed and rated with management.

A system of grading audit findings, which have resulted in an action, has been adopted in order that the significance of the findings can be ascertained. Each finding is classified as High, Medium or Low. The definitions of each classification are set out below:-

High - major observations on high level controls and other important internal controls. Significant matters relating to factors critical to the success of the objectives of the system. The weakness may therefore give rise to loss or error;

Medium - observations on less important internal controls, improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system and items which could be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified;

Low - minor recommendations to improve the efficiency and effectiveness of controls, one-off items subsequently corrected. The weakness does not appear to affect the ability of the system to meet its objectives in any significant way.

5. FINDINGS

The following findings were generated by the audit:

General

Argyll & Bute Council is complying with The Public Bodies (Joint Working) (Scotland) Act, 2014, it was evidenced that the Argyll & Bute Council and NHS Highland Integration Scheme has been formally approved by Scottish Ministers and from the 27th June the Integration Joint Board was legally established. A meeting of Argyll & Bute Council and NHS Highland shadow Integration Joint Board took place on the 18th of August which saw membership ratified for the Integrated Joint Board. The draft Standing Orders have yet to be agreed.

Strategic Plan

Argyll and Bute Integration Joint Board is required under section 29 of the Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) to prepare a strategic plan. It was found that a Strategic Planning Group is in place with delegated responsibility from the Integrated Joint Board. The Strategic Planning Group consists of representatives from health professionals, social work professionals, users and carers of health and social care services, commercial providers of social Care and elected members. An outline Strategic Plan was prepared and was consulted on during July. Arrangements are in place for further consultation on the draft Strategic Plan to take place between September and the end of November with a final draft identified as being completed by end December 2015.

The Integration Scheme requires that the Integration Joint Board sets out within its Strategic Plan how it will effectively deliver the National Health and Wellbeing Outcomes. It was evidenced that these are listed in the Outline Strategic Plan and are referenced within the document however, the outline Plan requires to be more specific as to how these outcomes will be delivered. It is noted that the Strategic Planning Group has produced the outline Strategic Plan as the first draft/stage in informing the development of the full Strategic Plan and further work will be undertaken, including consultation before being agreed. The full plan will contain:

- an implementation plan to manage delivery under each strategic objective;
- a financial plan which has been subject to a due diligence review;
- a staff utilisation and partnership governance arrangements and organisational development plan;
- other resource considerations;
- initial needs assessment work;
- performance monitoring information;
- a strategic risk assessment;
- a framework for managing clinical and care governance;
- public involvement and engagement arrangements and information on the role of housing and other partners;
- and locality planning, operation and performance arrangements.

As detailed in the draft planning and performance management framework the Strategic Plan will also reflect the vision, priorities and objectives within the Community Planning Partnership /Single Outcome Agreement.

Governance

A Governance structure is in place. The Integrated Joint Board has responsibility for the planning and delivery of services from April 2016. This will be achieved through the Strategic Plan. The NHS Board and the Council will share with the Integration Joint Board necessary activity and financial data for services, facilities and resources that relate to planned use of services. The Chief Officer has both strategic and operational responsibility for the delivery of services and is accountable to the Integration Joint Board. Locality planning groups will be responsible for the organisation and delivery of services in local areas and will be responsible for bringing together partners to plan within a strategic framework to meet needs and achieve outcomes. Appropriate planning groups, forums and committees will report to the Integration Joint Board which will communicate with the Community Planning Partnership. The System Governance Schematic is detailed in Appendix 2.

Membership of the Integration Joint Board was agreed on the 18th of August and as set out in the Integration Scheme consists of 4 voting members from NHS Highland and 4 Elected Members of the Council, with the appointment of the Chair being a nominee from the Council.

It was found that Governance in terms of planning for the 'go-live' date and meeting the requirements for the Integration Scheme is being overseen by a Programme Board supported by 7 work streams focussing on specific areas of the project.

- Communication & Engagement
- Finance
- Human Resources & Organisational Development
- Corporate Services
- Clinical and Care Governance
- Staff Partnership Forum
- Information Management & Technology

Work stream membership is appropriate and specific to the type of work stream with membership being drawn from NHS Highland, Argyll & Bute Council and other representatives. It was evidenced that the work streams provide the Programme Board with updates on progress through the Planning & Performance Management Officer.

It was evidenced that performance targets, improvement measures and reporting arrangements are detailed in the Integration Scheme. Discussions are ongoing in respect of developing a planning and performance framework. The proposed performance and reporting framework is detailed in Appendix 3. Financial reporting and audit reporting arrangements have been outlined in the draft Financial Regulations.

Communication and Engagement

It was evidenced that a Communication and Public Involvement work stream has been set up with Terms of Reference and a Communication and Engagement Plan has been drawn up. As required in the Integration Scheme a Communication and Engagement Strategy is currently being developed. There is a proposal to appoint a contractor to ensure delivery of public engagement in localities. There are regular newsletters and staff updates, staff and community engagement events, community and staff feedback reports, briefing note for managers and regular elected member's seminars (presentation to Councillors in August 2015) and NHS board. Trade Unions have also been consulted. Progress against plans is detailed below:

Task	Expected Completion Date	Status
Information leaflets to be made available to all households in Argyll & Bute	29/05/2015	Complete
Gather public feedback on Strategic Plan	30/06/2015	Complete (with further consultation scheduled)
Appoint external agency to support formal consultation on Strategic Plan	31/07/2015	Ongoing
Develop a Communication & Engagement Strategy	01/12/2015	Ongoing
Carry out formal consultation on Strategic Plan	31/12/2015	Ongoing
Reply to community comments with 'you said/we did' methodology	31/03/2016	Ongoing
Review Communication & Engagement Plan	01/04/2016	Ongoing

Finance

It was evidenced that a Finance work stream has been set up with Terms of Reference and a work plan has been drawn up. This work stream will manage all finance related issues, up to and including the establishment of an integrated budget. The work stream will ensure that all financial management and reporting systems are in place in accordance with Section 8 of the Integration Scheme. It was evidenced that the financial work stream meets on a regular basis. A draft copy of the Financial Regulations was available for review. It was evidenced that the arrangements for Audit (Internal and External) and the Audit Committee have been considered and are referred to in the draft Financial Regulations. Progress against plans is detailed below:

Task	Expected Completion Date	Status
Agree financial regulations	30/09/2015	Ongoing
Agree total resources to be delegated to IJB	28/02/2016	Ongoing
Financial due diligence	28/02/2016	Ongoing
Financial reporting	31/03/2016	Ongoing
Develop financial training	31/03/2016	Ongoing

Human Resources & Organisational Development

It was evidenced that a Human Resources work stream has been set up with Terms of Reference and a work plan has been drawn up. This work stream, led by the interim Head of HR for NHS Highland (Argyll & Bute), assisted by the Senior HR Officer for Argyll & Bute Council, has been established to consider and recommend solutions on matters that may impact on staff in both organisations. Membership includes management representatives and trade union representatives from both organisations. It was evidenced that the work stream had met on 6 occasions and have discussed terms and conditions, appointments to the integrated management structure and specific policies such as recruitment and redeployment. It was also evidenced that the HR work stream is giving consideration to clarifying all roles and responsibilities in scope to support the design of the integrated structure. Detailed below is the progress to date:

Task	Expected Completion Date	Status
Support the completion of the HSCP Management structure	30/09/2015	Ongoing
Merge HR&OD work streams	01/10/2015	Ongoing
Support the HSCP in having a Workforce and Organisational Development plan in place	01/03/2016	Ongoing
Support managers to plan the workforce for future needs	01/04/2016	Ongoing
Support Joint Staff Partnership Forum	01/04/2016	Ongoing
Ensure effective communication and key messages are available to all staff	01/04/2016	Ongoing
Support managers to access the appropriate information to manage their teams	01/04/2016	Ongoing
Develop an induction and practical approaches for managers relating to both	01/04/2016	Ongoing

It was evidenced that there has been 3 Heads of Service appointed - Head of Adult Services East, Head of Adult Services West and Head of Strategic Planning and Performance. The Head of Service for Children & Families is scheduled to be recruited to on September 29th 2015. A paper presented to the Programme Board on 18th August 2015, proposed a management structure in terms of 3rd and 2nd tier positions as well as outlining an appointments process. It was noted that a key management position, namely the S95 Officer still requires to be recruited to which may adversely impact the progress of the Finance work stream as the go live date gets closer. The Management structure is outlined in Appendix 4, 5, 6 and 7. Progress against plans is detailed below:

Task	Notes
Appointments process for integrated management structure	In progress
Appointments process for externally funded fixed term posts	In progress
Merge OD/HR work stream	In progress
Support Joint Staff Partnership Forum	Ongoing
Support HSCP in having a workforce and organisational development plan	In progress
Ensure effective communication and key messages are available to staff	Ongoing
Support managers to access the appropriate information to manage their teams	In progress
Develop an induction and practical approaches for managers in both organisations	In progress

It is recommended that the appointment of the key management position – S95 Officer is accelerated with progress being closely monitored.

Corporate Services

It was evidenced that a Corporate Services work stream has been set up with Terms of Reference and a work plan has been drawn up. The purpose of the Corporate Services work stream is to achieve minimal disruption, smooth transition and efficient ongoing support to the new body, enabling frontline services to deliver. Membership includes representatives and trade union representatives from both organisations. The work plan supports the requirements of the Integration Scheme and detailed below is the progress to date:

Task	Expected Completion Date	Status
Assess cost of support service models in both ABC and NHS. ABC finance costs identified	31/10/ 2015	On track
Assess extent of support service models in NHS and ABC.	31/12/2015	On track
Identify extent and scope of NHS Highland review of Support Services.	31/10/2015	On track
Procurement and Commissioning – propose a list of ‘quick-wins’ and proposals on how we can procure on behalf of NHS.	31/12/2015	On track
Health and Safety – clarifying situation with other LA’s and Joint Futures, this will form the basis for future proposals.	31/10/2015	On track

Customer Service Centre – demonstrate the Service Centre and scripts to NHS. Update CSWS at next meeting.	31/12/2015	On track
Performance – looking into the Pyramid system for performance reporting and recording. Investigating licence costs.	31/12/2015	On track
Property Services – need to identify ‘touchdown’ area in Kilmory. Further property rationalisation needs capital budget and would be on the basis of a business case being built.	30/11/2015	On track

Clinical and Care Governance

It was evidenced that a Clinical and Care Governance work stream has been set up with Terms of Reference and a work plan has been drawn up. The Risk register for the Integrated Joint Board has yet to be completed, discussions have taken place between Argyll & Bute Council and NHS staff in respect of developing Risk Management protocols and a shared risk register, however a detailed brief has yet to be agreed.

A detailed Clinical and Care Governance work plan was available for review. Detailed below are the outputs to be achieved, with completion identified as short-term, medium-term or long-term.

- Clear reporting framework in place for IJB which provides current information on quality and effectiveness of all clinical and care services;
- Terms of Reference, including membership, for Clinical and Care Governance Committee are agreed;
- Schedule of meetings is established;
- Single system in place to receive, manage and monitor complaints within the HSCP;
- Guidance available and training delivered to all staff and managers in responding to feedback and complaints;
- Single system in place to report, manage and monitor all adverse events within HSCP;
- Guidance and training are delivered to all staff;
- All risks are logged on service/departmental, locality and authority wide register;
- Single system in place for the recording, managing and monitoring of risk;
- Systems and processes are in place to support culture of ongoing self-evaluation and audit;
- Improvement plans are managed and monitored to ensure delivery of identified outcomes;
- There is single approach to quality improvement across the HSCP;

- Managers and staff have the necessary skills and support to utilise improvement methodology appropriately;
- Data to demonstrate performance across range of quality and safety initiatives is reported and monitored;
- Information sharing protocol is in place to cover requirements;
- All staff are aware of their responsibilities and have the necessary support to ensure compliance with the Data Protection Act 1998;
- standards/ guidelines / policies are appropriate to integrated working;
- Staff are aware of the appropriate standards/ guidelines / policies and how to access;
- standards/ guidelines / policies are regularly reviewed and monitored;
- Professional Assurance Framework is in place for all professionals;
- Professional leadership structure is clear and well defined;
- Formal monitoring system is established.

Staff Partnership Forum

It was evidenced that a Staff Partnership Forum has been set up with Terms of Reference and a work plan has been drawn up. The purpose of the Joint Staff Partnership work stream is to ensure that NHS Highland and Argyll & Bute Council staff are informed, involved, communicated with, have their views taken into account and are adequately represented at all levels, during the development of the Health and Social Care Partnership. Progress against plans is detailed below:

Task	Start Date	Expected Completion Date
Examine NHS organisational change framework to see if this is fit-for-purpose for council staff.	01/06/2015	01/10/2015
Monitor staff survey results.	01/06/2015	01/03/2016
Discuss emerging issues as the transition to integration of health and social care progresses throughout 2015/16	01/06/2015	01/04/2016
Staff Partnership Forum will identify issues and key messages for staff at each meeting	01/06/2015	01/04/2016
Monitor Workforce planning & development for all staff.	01/06/2015	01/04/2016

Information Management and Technology

It was evidenced that an Information Management & Technology (IM & T) work stream has been set up with Terms of Reference and a work plan has been drawn up. The work stream leads are from both Health and Argyll & Bute Council. It was evidenced that regular meetings are taking place. An information sharing protocol has been established, dated January 2015. The Information Commissioner's Office (ICO) has endorsed this information sharing document as addressing the key areas set out within the ICO's information sharing framework code of practice. Progress against plans is detailed below:

Task	Detail	Expected Completion Date
Facilitate access to Lync Web Client for NHS Highland employees	Complete update of NHS Highland PCs to a Windows 7 platform to allow Lync web client use.	December 2015
Ensure NHS Highland and Argyll & Bute Council can optimise the SWAN network	Report on any opportunities SWAN can bring to help establish a shared network environment for H&SCP.	November 2015
BUSINESS SYSTEMS		
Support operational review and development of requirements for business systems.	HSCP Senior management needs to agree requirements and identify improvement opportunities, as management structure becomes embedded. IM&T work stream to assist on a sub-project basis, liaising with other work streams.	2015/16 and beyond
Resourcing	Provide costing for any developments so that resourcing can be considered.	2015/16 and beyond
Amalgamation of core data	Provide advice, direction and costing in response to requirements highlighted by managers within the new HSCP structure	2015/16 and beyond
COMMUNICATIONS		
Make Lync Web Client available to NHS H&SCP partnership staff	Begin after (or asap in parallel) to pre-requisite Health systems upgrade to Windows 7. Identify any equipment required which may require funding.	January to March 2016
Integrate email lists	Obtain Chief Officer support to achieve dis-aggregation of Argyll & Bute NHS staff details from the NHS Highland directory with aim of having an integrated Argyll and Bute H&SCP email/distribution list.	March 2016
Review access to applications e.g. CareFirst; MiDiS	As directed by HSCP managers – identify staff in both organisations who need access to multiple systems: scope, cost and seek to develop	As and when requirements are

	solutions to minimise access issues to systems where possible within SWAN/PSN environment.	identified.
Review data sharing protocol	Review annually and consider SASPI guidelines	March 2016 and on-going annually

6. CONCLUSION

Progress updates indicate that plans are in place with respect to the Integration of Health and Social Care and are on track. However, the volume of work required to be undertaken prior to the ‘go-live’ date is significant and appropriate resources will be necessary to meet the completion dates. An inherent risk remains in relation to the timelines which will require to be carefully monitored and if required intervention or escalation.

The audit has provided a substantial level of assurance in terms of progress to date; adequate governance arrangements, management structures, committee and reporting arrangements are in place or being developed. There is a potential risk in relation to the non-filling of senior finance role which may potentially impact on overall progress. Although the work streams are currently showing on track a residual risk remains in respect of the timeline to the ‘go-live’ date.

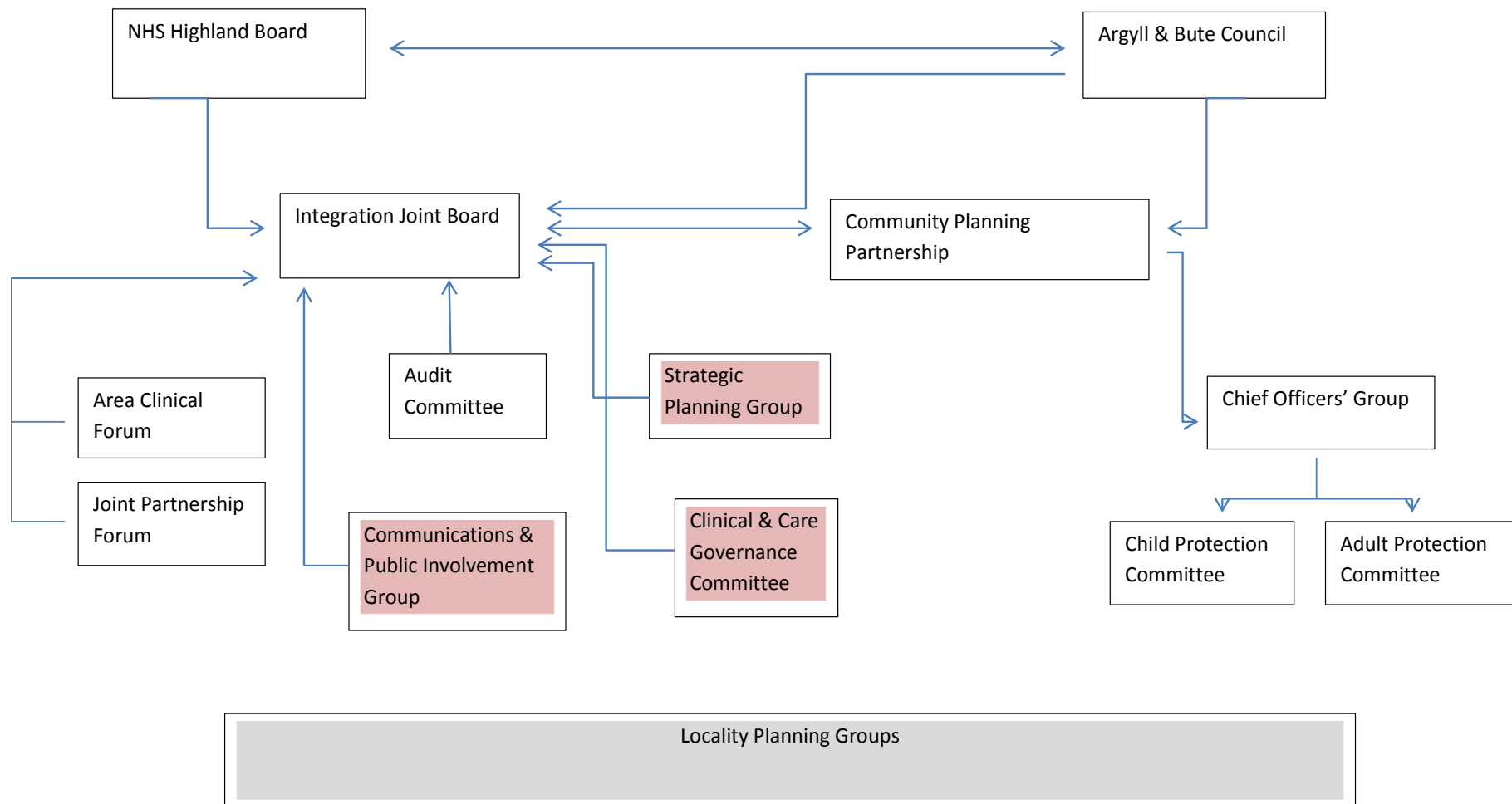
Appendix 1 sets out the action management have agreed to take as a result of the Audit, the persons responsible for the action and the target date for completion of the action. Progress with implementation of actions will be monitored by Internal Audit and reported to management and the Audit Committee.

APPENDIX 1 - ACTION PLAN

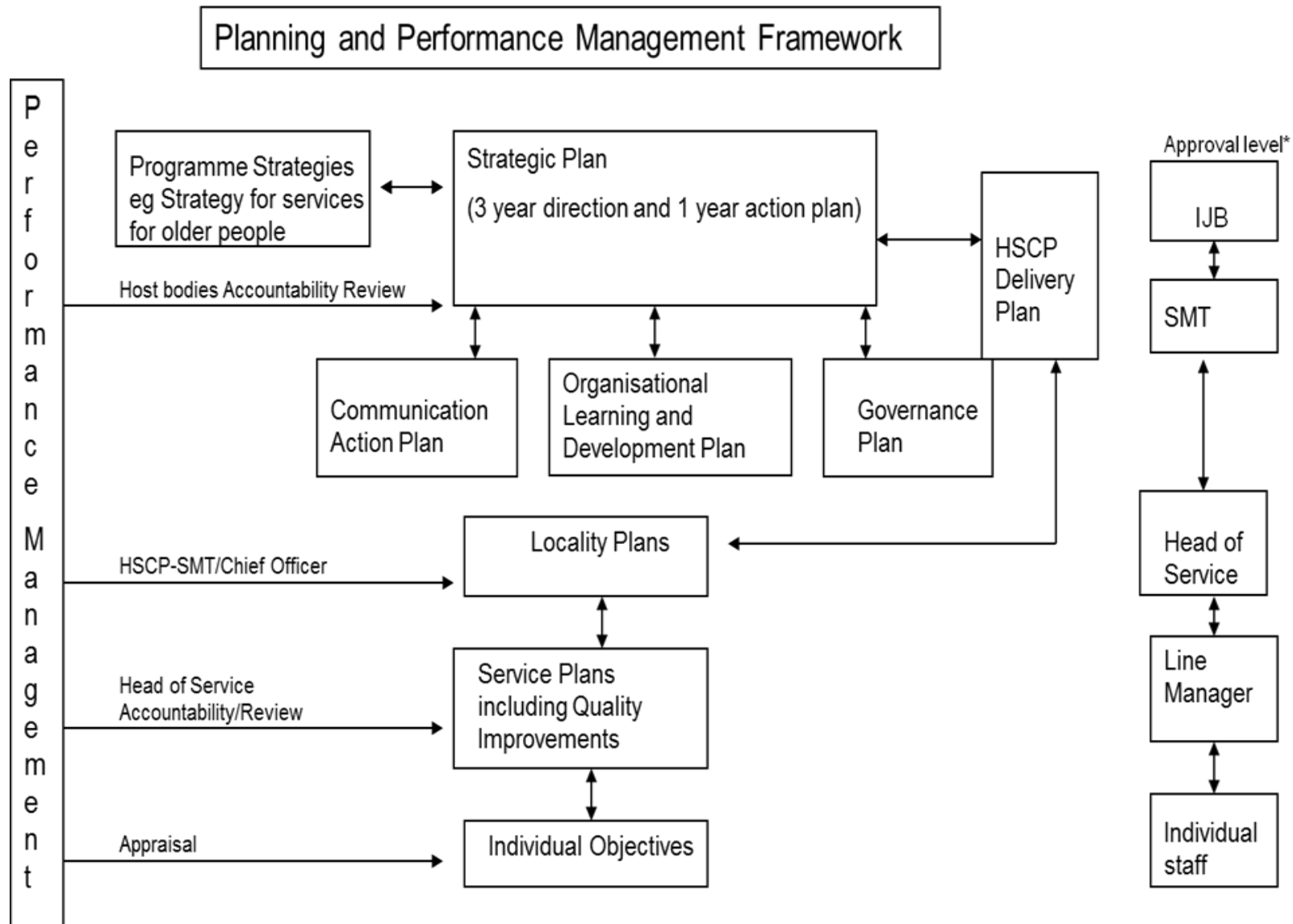
Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
1. General Finding- Timeline /Actions to be completed.		High/ Medium or Low		
Although it is reported that action plans are in place and are on track. An inherent risk remains in relation to the timeline to the Go Live date.	Deadlines are not adhered and /or rescheduled leading to delay resulting in a detrimental impact on project	High	Close monitoring of Agreed Actions. Identification of Critical Activities	Chief Officer – Health and Social Care Integration

Appendix 2

System Governance Schematic

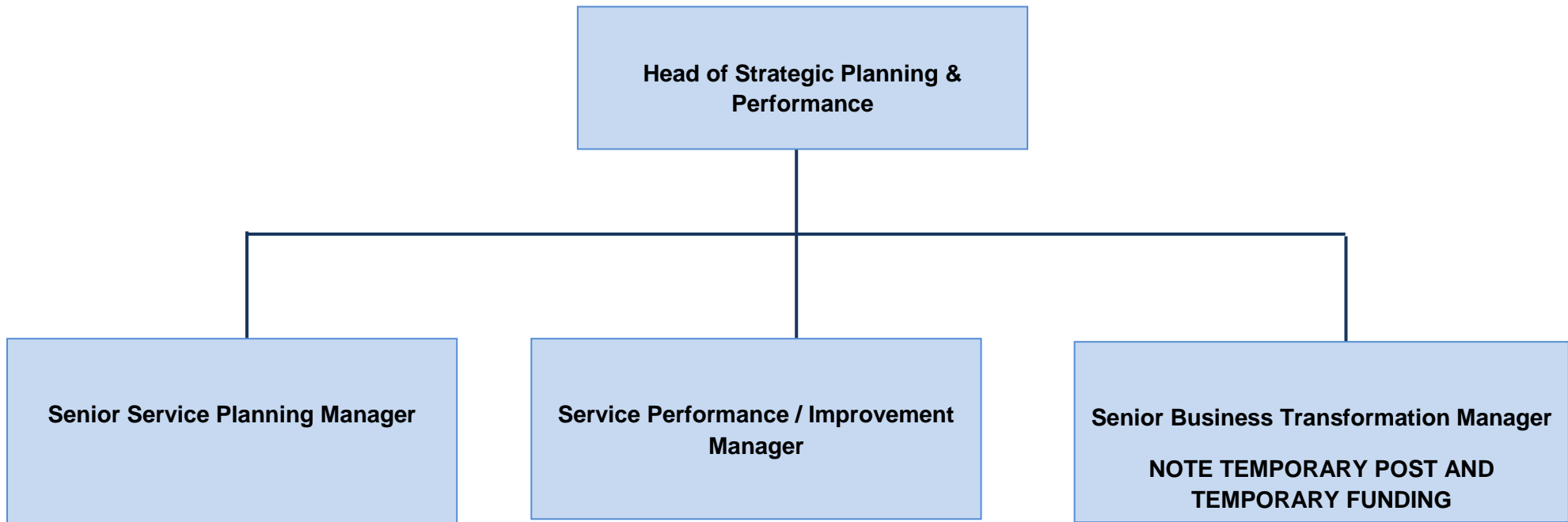


Appendix 3



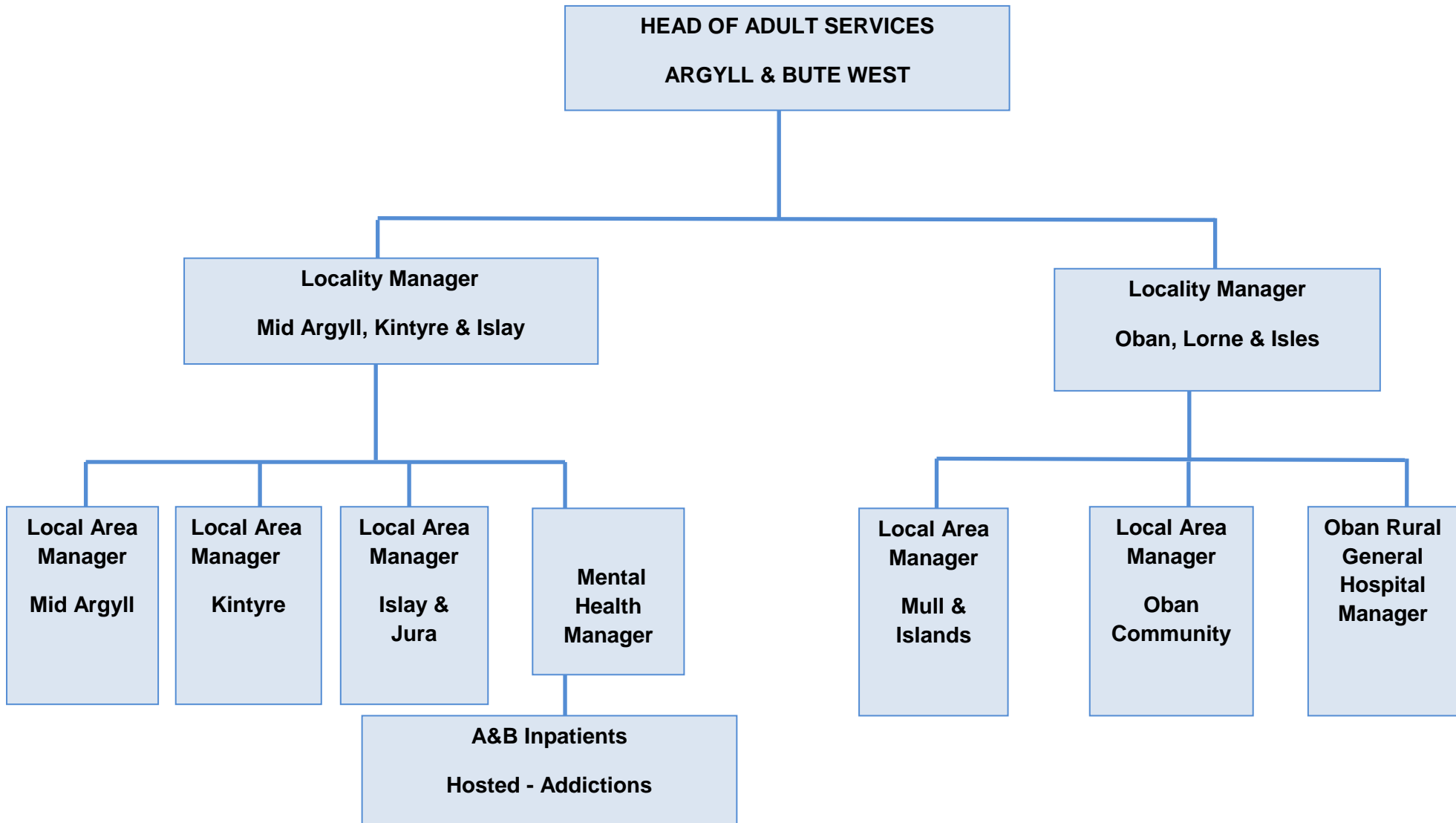
*Note: *Approval level for major capital schemes or major change may require NHS Board, Council and SGHD sign off*

Appendix 4 - DRAFT MANAGEMENT STRUCTURE – STRATEGIC PLANNING & PERFORMANCE



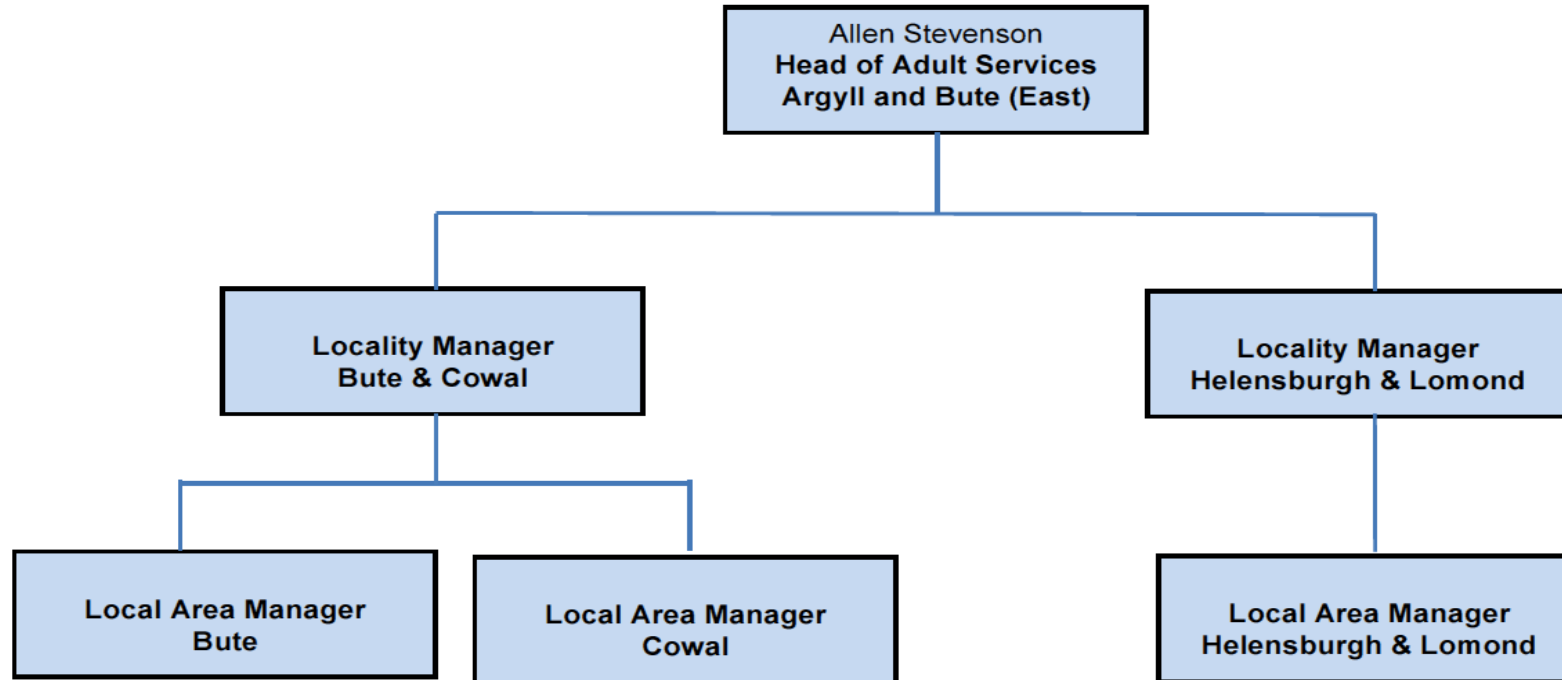
Appendix 5

DRAFT MANAGEMENT STRUCTURE – ARGYLL & BUTE WEST



Appendix 6

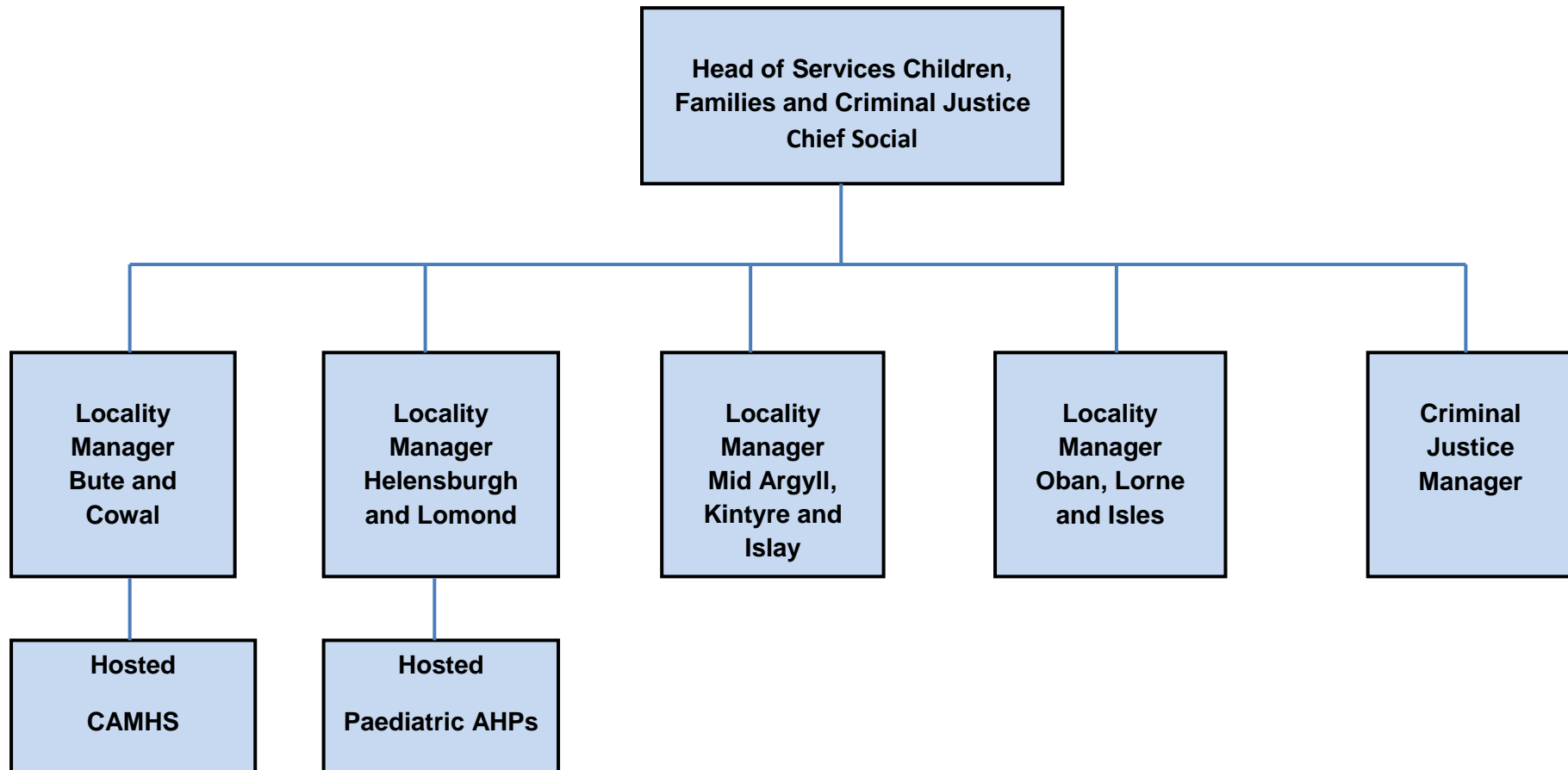
Draft Management Structure – Argyll & Bute East



Autism Services, Sensory Impairment and Estates Argyll and Bute wide will be hosted by Adult Services East (exact location to be determined).

Appendix 7

DRAFT MANAGEMENT STRUCTURE – CHILDREN & FAMILIES





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