

# Governance, Risk and Best Value Committee

10.00am, Tuesday 17 September 2024

## EIJB Internal Audit Update - referral from the EIJB Audit and Assurance Committee

Executive/routine

Executive

Wards

### 1. For Decision/Action

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The Edinburgh Integration Joint Board (EIJB) Audit and Assurance Committee has referred the Internal Audit Update to the Governance, Risk and Best Value Committee for information

**Dr Deborah Smart**

Executive Director of Corporate Services

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# Referral Report

## EIJB Internal Audit Update - referral from the EIJB Audit and Assurance Committee

### 2. Terms of Referral

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2.1 On 19 June 2024 the EIJB Audit and Assurance Committee considered the Internal Audit Update Report: which provided an update to Committee on the progress of Internal Audit assurance activity including progress with closing audit actions between 8 February to 13 May 2024.

2.2 The EIJB Audit and Assurance Committee agreed:

#### Decision

- 2.2.1 To note completion of the EIJB 2023/24 Internal Audit Plan;
- 2.2.2 To note the outcomes of the Workforce Optimisation audit;
- 2.2.3 To note audit work completed by both NHSL and the Council in the last period;
- 2.2.4 To note progress with implementation of audit actions;
- 2.2.5 To note timescales for the EIJB Internal Audit Annual Report and Opinion for 2023/24;
- 2.2.6 To note commencement of the EIJB 2024/25 Internal Audit;
- 2.2.7 To agree that officers will consider the impacts of NHS Lothian's review of Audit Principles on a pan Lothian basis and provide an update to the September Committee; and
- 2.2.8 To refer this paper to the Council's Governance Risk and Best Value Committee for information.

### 3. Background Reading/ External References

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3.1 [EIJB Audit and Assurance Committee – Draft Minute 19 June 2024](#)

### 4. Appendices

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Appendix 1 – Internal Audit Update

# REPORT

## Internal Audit Update

### EIJB Audit and Assurance Committee

19 June 2024

#### Executive Summary

1. This report provides details of the progress of Internal Audit assurance activity including progress with closing audit actions between 8 February to 13 May 2024.
2. The 2023/24 EIJB Internal Audit Plan agreed by Committee in March 2023 included three audits and follow-up of audit actions from previous EIJB internal audits. All audits are now complete.
3. Details of relevant audit work presented to either the NHS Lothian Audit and Risk Committee or the Council's Governance, Risk and Best Value (GRBV) Committee during the reporting period are provided for consideration.
4. The EIJB Internal Audit Annual Report and Opinion which will provide IA's annual opinion on the adequacy and effectiveness of EIJB's governance, risk and control frameworks for the year ended 31 March 2024, will be presented to Committee in September 2024.
5. Delivery of audit work set out in the 2024/25 EIJB Internal Audit Plan agreed by Committee in March 2024 has commenced.

#### Recommendations

- It is recommended that the Audit and Assurance Committee:
1. Notes completion of the EIJB 2023/24 Internal Audit Plan.
  2. Notes the outcomes of the Workforce Optimisation audit.
  3. Notes audit work completed by both NHSL and the Council in the last period.
  4. Notes progress with implementation of audit actions.
  5. Notes timescales for the EIJB Internal Audit Annual Report and Opinion for 2023/24.
  6. Notes commencement of the EIJB 2024/25 Internal Audit Plan.

|  |   |
|--|---|
|  | 7. Refers this paper to the Council’s Governance Risk and Best Value Committee for information. |
|--|---|

## Directions

|   |  |   |
|---|--|---|
| Direction to City of Edinburgh Council, NHS Lothian or both organisations | No direction required  | ✓ |
|   | Issue a direction to City of Edinburgh Council                 |   |
|   | Issue a direction to NHS Lothian                               |   |
|   | Issue a direction to City of Edinburgh Council and NHS Lothian |   |

## Report Circulation

1. The report was discussed with the Chief Officer and Chief Finance Officer.
2. EIJB Audit and Assurance Committee.

## Main Report

### EIJB Internal Audit Annual Plan 2023/24

1. The 2023/24 IA annual plan was approved by the Committee in March 2023. The outcomes of the three audits in the plan will support the 2023/24 EIJB IA annual opinion and inform the annual Governance Statement included in the financial statements. The Plan is delivered by the Internal Audit teams of the EIJB’s partners, the Council and NHSL.
2. In addition, the 2023/24 Internal Audit Plan includes an annual validation audit, which consists of a review of a sample of previously completed EIJB management actions to confirm whether these have been effectively implemented and sustained.
3. Where relevant, audits completed for the Council and NHSL are referred to the EIJB Audit and Assurance committee for information, following initial scrutiny by the respective Council GRBV and NHSL Audit and Risk Committees. Outcomes of these audits may also inform the EIJB IA annual opinion.

### Progress with delivery of the 2023/24 internal audit plan

4. Details and timescales for the audits included in the plan are set out below:

| Audit  | High level scope  | Timescales |
|--|---|------------|
| Hosted Services  | Review of budget, oversight and assurance arrangements established for hosted services.                                 | Complete   |
| Change Programme - Older People’s Pathway Plus Programme | Review of oversight of the overall Change Programme with a specific focus on the Older People’s Pathways Plus Programme | Complete   |

|                          |   |          |
|--------------------------|---|----------|
| Workforce Optimisation   | Review of the governance processes to monitor delivery of the short-term actions set out in the 'Working Together' the EIJB Workforce Strategy 2022-25. | Complete |
| Annual Validation review | Review of a sample of previously completed EIJB management actions to confirm whether these have been effectively implemented and sustained.            | Complete |

## Outcomes of completed audit work

### Workforce Optimisation Audit

5. The Workforce Optimisation audit was completed in April 2024. The overall assurance rating for the review was Moderate Assurance, with one High rated finding and one Medium rated finding raised reflecting opportunities to strengthen key governance and oversight controls including:
  - finalisation of the plans to monitor implementation of short-term (0-3 years) goals identified in the first phase of 'Working Together' for the four strategic priorities
  - continued development of in-year and 2-3 year action plans to reduce dependency on agency staffing should be prioritised and presented to an appropriate EIJB governance forum for scrutiny and approval.
6. A report detailing the full outcomes of the audit is provided at Appendix 2.

## NHSL and Council/ Health and Social Care Partnership audits in period

### NHSL

7. The following relevant audits which may be of interest to the Committee were completed by [NHSL](#) in the last quarter:
  - [IJB Directions – NHS Lothian Processes](#) – **Limited Assurance** with four findings raised related to documenting a clear process for receipt of directions from the four IJBs; maintaining a listing and implementation plan for all directions; and ensuring monitoring progress with directions is the remit of an appropriate governance forum.
  - [Public Protection and Patient Safety - Adult Protection Service](#) – **Limited Assurance** with 12 findings raised relating to clear roles and responsibilities and ensuring effective communication links; ensuring an effective pathway for monitoring and escalation of issues; establishing a robust training programme and implementation of a clear governance framework to oversee activities.

- [Waiting lists: advisory review](#) – no overall rating as advisory with two findings raised related to ensuring clear guidance aligned with national protocols is in place and ensuring clear and adequate rationale is recorded to support use of removal categories.

### **Council/Health and Social Care Partnership**

8. The following audits were completed and presented to the Council's [Governance, Risk and Best Value Committee](#) (GRBV) in the last quarter:
  - [EHSCP Financial Sustainability and Financial Monitoring](#) – **Limited Assurance** with 4 findings raised related to the impact of demographic change on budgets, the testing of budgetary assumptions, a procedure for the creation and maintenance of the medium-term financial strategy, and the accuracy of financial forecasts
  - [Recruitment and Selection](#) – **Reasonable Assurance** with 5 findings raised across the Council which also impact the HSCP. These include non-compliance with recruitment managers' guidance, effectiveness of HR process checks, fair and transparent processes, data and records management, and risk management.

### **Follow-up of open and overdue audit actions**

9. IA follow up on progress with implementation of audit actions arising from audit reports. As at 13 May 2024, there were a total of 4 open EIJB audit actions (3 Medium and 1 Low) for the audits detailed below:
  - Hosted Services (2 medium actions)
  - Change Programme (1 medium and 1 low rated action)

10. No audit actions for the EIJB are currently overdue. This has been a continued position throughout 2023/24.

### **Actions closed based on management's risk acceptance**

11. No audit actions were closed based on management's acceptance of risk during the period 8 February 2024 to 13 May 2024.

### **2023/24 Internal Audit Annual Report and Opinion**

12. The EIJB Internal Audit Annual Report and Opinion which will provide a summary of IA work completed during the year, and an opinion on the adequacy and effectiveness of EIJB's governance, risk and control frameworks for the year ended 31 March 2024, will be presented to Committee in September 2024.

### **2024/25 Internal Audit Plan**

13. The 2024/25 IA Plan approved by Committee in March 2024 includes the following audits:

| <b>Audit</b>                                  | <b>Timescale</b> | <b>Status</b>   |
|---|------------------|-----------------|
| Governance and Assurance                      | Q1               | Planning        |
| Financial monitoring, reporting and oversight | Q2               | Not yet started |
| Performance Reporting                         | Q3               | Not yet started |
| Strategic Planning                            | Q4               | Not yet started |

14. Planning for the Governance and Assurance audit has commenced with outcomes due to be reported to Committee in September 2024. This audit will review of the effectiveness of governance arrangements for the EIJB Board and Committee structure including preparation and review of committee assurance statements.
15. The 2024/25 IA Plan also includes an annual validation audit which will commence in October 2024, and will consider a sample of audit actions closed in the period 1 January 2023 to 31 December 2023 to confirm whether these remain effective.

## Implications for Edinburgh Integration Joint Board

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### Financial

- There are no direct financial risks as a result of this report.

### Legal / risk implications

- Failure to close management actions and address the associated risks in a timely manner will result in the EIJB being exposed to risks for longer than agreed.

### Equality and integrated impact assessment

- There are no direct equalities and integrated impact assessment impacts as a result of this report.

### Environment and sustainability impacts

- There are no direct environment and sustainability impacts associated with this report.

### Quality of care

- There are no direct quality of care impacts associated with this report.

## Consultation

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- Progress with open audit actions has been discussed with and reported to senior management and the EIJB Audit and Assurance Committee.

## Report Author

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## Background Reports

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1. EIJB 2023/24 Internal Audit Annual Plan – March 2023
2. EIJB 2024/25 Internal Audit Annual Plan – March 2024

## Appendices

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Appendix 1 Internal Audit Report: Workforce Optimisation





# Internal Audit Report

## Workforce Optimisation

13 May 2024

EIJB2303

|                           |                           |
|---------------------------|---------------------------|
| <b>Overall Assessment</b> | <b>Moderate Assurance</b> |
|---------------------------|---------------------------|

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This internal audit review is conducted for the Edinburgh Integration Joint Board under the auspices of the 2023/24 internal audit plan approved by the Audit and Assurance Committee in March 2023. The review is designed to help the Edinburgh Integration Joint Board assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Where recommendations are included in this report to strengthen internal control, it is management’s responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the Edinburgh Integration Joint Board of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and members as appropriate.

# Executive Summary

Overall  
Assessment

Moderate  
Assurance

## Overall opinion and summary of findings

The EIJB's strategic approach to workforce optimisation requires improvement. Specifically, prompt action is required to ensure that implementation plans are developed and agreed to support delivery the four strategic workforce priorities, key themes, and commitments set out in the 0-3 year delivery plan of the ['EIJB Working Together 2022-25'](#) workforce strategy.









The Edinburgh Health and Social Care Partnership have been particularly focused on reducing agency staff since the end of 2023 which coincided with a revised projected in-year financial pressure of £6m. Immediate financial mitigation was introduced, including a review of agency costs across the whole system led by the Chief Officer and the Council's Service Director for Human Resources. It has been recognised that rapid decisions stopping and reducing Qualified Social Work (QSW) agency staff has contributed toward the improved financial outturn position with further plans to reduce QSW agency staff further by the end of May.

Whilst improvements have been made for locality-based QSW agency staff reductions, there is acknowledgement that residential care agency staff is more challenging. There is a balance between ensuring robust fiscal management and maintaining safe staffing levels. Controls have been put in place to authorise, challenge, and monitor supplementary staffing use. These include a daily Safety and Safe Staffing Huddle, authorisation by care home senior leadership, monthly Star Chambers for each care home, and inclusion in the EHCP performance management meetings.

## Areas of good practice identified

- a strategic approach for monitoring use of temporary and agency staff was implemented in November 2023 which has resulted in a £100k spend reduction per month between December 2023 and February 2024
- a Partnership Recruitment Board which is chaired by the Chief Officer and the Council's HR Service Director has been established to control vacancy approvals and recruitment including no longer recruiting qualified social workers on an agency basis
- an EMT Workforce Board was established in August 2023 with a terms of reference, which includes the requirement to oversee the implementation and delivery of the EIJB workforce strategy
- robust supplier management processes are in place to ensure supplementary staff are skilled, experienced, qualified, and suitably vetted before on-boarding
- effective risk management is in place, including identification, mitigation, and escalation, of workforce risks in risk registers and the Working Together Risks Actions Issues and Dependencies (RAID) log
- there is a strategic approach in place to address workforce gaps, improving recruitment and retention, and stabilising and strengthening the workforce
- the Adult Support and Learning Programme has been established to provide focused training across roles including customer contact, social work, nursing, and occupational therapy staff
- effective talent management programmes and strategies are in place including NHS Lothian's Talent Management Programme, and the Council's People Strategy 2024-27.

## Audit Assessment

| Audit Area                                      | Control Design  | Control Operation   | Findings  | Priority Rating |
|---|---|---|---|-----------------|
| 1. Strategic Approach to Workforce Optimisation |  |  | Finding 1 – Implementation of the EIJB Workforce Strategy 2022-25 | High Priority   |
| 2. Governance and Oversight                     |  |  |   |                 |
| 3. Use of Temporary and Agency Staff            |  |  | Finding 2 – Oversight and Reduction of Supplementary Staffing     | Medium Priority |
| 4. Risk Management                              |  |  | No issues noted.  | N/A             |

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

# Management response

Management welcome the findings of the audit and acknowledge the need to develop implementation plans to deliver the four strategic workforce priorities, key themes and commitments set out in the 0-3 year delivery plan of the [‘EIJB Working Together 2022-25’](#) workforce strategy.

The Edinburgh Health and Social Care Partnership (the EHSCP) have been particularly focused on reducing agency staff since the end of 2023 which coincided with a revised projected in-year financial pressure of £6m. Immediate financial mitigation was introduced including a review of agency costs across the whole system led by Chief Officer and the Council’s Service Director for Human Resources. It has been recognised that rapid decisions stopping and reducing Qualified Social Work (QSW) agency staff has contributed toward the improved financial out turn position with further plans to reduce QSW agency staff further by the end of May.

Whilst improvements have been made for locality based QSW agency staff reductions there is acknowledgement that residential care agency staff is more challenging. There is a balance between ensuring robust fiscal management and maintaining safe staffing levels. Controls have been put in place to authorise, challenge, and monitor supplementary staffing use. These include a daily Safety and Safe Staffing Huddle, authorisation by care home senior leadership, monthly Star Chambers for each care home and inclusion in the EHCP performance management meetings.

Average agency spend April 2023 to November 2023 was £891k per month. This reduced to £753k per month between December 2023 to February 2024 because of the mitigations in place since November 2023. At this new level, over 12 months EHSCP would expect to spend £1.7m less on agency, on the basis that controls ensure agency usage is maintained at this new level at minimum. The EHSCP would normally anticipate expenditure between December and February to be higher, due to seasonal sickness, and holidays etc. However, there was a reduction on the average spend between December 2023 to February 2024. 2023/24 figures therefore show a reduction in spend during a period where we would normally expect an increase.

A greater focus has been placed upon the oversight of recruitment of HSCP staff and in January we commenced the EHSCP recruitment board chaired by Service Director for HR which ensures grip and control over vacancies and recruitment. The recruitment board also ensures that we are no longer recruiting qualified social workers on an agency basis. In addition, an action plan to address longer term reliance on agency staffing including residential care home will support the requirement to save a further £1.5m in 2024/25 in keeping with the approved EIJB Medium Term Financial Savings Plan.

# Background and scope

The Edinburgh Health and Social Care Partnership (EHSCP) risk register includes a workforce risk which has been rated as very high for over 12 months. The rating reflects a challenge in recruiting to key critical posts (including social care, social work, and nursing) which is having a detrimental impact on service delivery, and was highlighted in the [Adult Social Work and Social Care Inspection report](#). Issues linked to this include health and social care not being a desired career path, failure to recruit and retain staff, and an ageing workforce.

Workforce optimisation involves developing a strategic approach to managing the workforce which goes beyond traditional workforce planning which considers employee supply and demand to meet legislative, operational, and strategic objectives. Workforce optimisation considers ways to maximise the efficiency of the workforce, creating flexibility to deal with increased demands, ensuring the workforce has the required skills and initiatives to stabilise the workforce such as talent management, 'grow your own', and use of third-party providers.

['Working Together', The Edinburgh IJB Workforce Strategy 2022-2025](#) is a plan to ensure there is a skilled workforce and capable workforce that can meet the health and social care needs of Edinburgh's citizens now and in the future. The plan sets out a road map with four strategic workforce priorities – Health & Wellbeing, Culture & Identity, Workforce Capacity & Transformation, and Leadership & Development – and makes commitments to the achievement of short, medium and long-term goals through a series of implementation plans.

The EHSCP Executive Management Team (EMT) Workforce Board was established in August 2023 with the aims of overseeing the monitoring and effective implementation and delivery of the EIJB Workforce Strategy, to assure the EMT on all aspects of strategic workforce matters and organisational development relating to staff, and to create a positive, open working environment that helps staff do their job to the best of their ability.

## Supplementary Staffing

Workforce optimisation also involves effective use and coordination of supplementary staffing, including agency staff, overtime and NHS bank staff. It is recognised that short-term use of supplementary staffing can be essential to meet demand. However, while there may be a continued reliance on supplementary staffing to ensure safe staffing levels, e.g. in care homes, it is important to ensure that there are effective governance and oversight arrangements in place to monitor use of such staff across roles, length of time these staff have been used, associated costs and supplier management of relevant agencies as well as ensuring relevant compliance such as PVG and required training / qualifications are in place.

Workforce optimisation also considers whether the work completed by supplementary staff could be completed by permanent workers, whether existing staff can be cross-trained or whether the services could be provided by a third-party. It should also involve a general review of temporary / agency roles to establish if there is a better and / or less expensive way of providing that resource.

Management have advised that it is important to note however that financial control across all aspects of workforce budgets must be maintained, and that in order to deliver identified savings, reductions in supplementary staffing costs cannot be offset by equivalent, or greater, increases in permanent staffing costs. In addition, management have stated that overall workforce budget balance must be considered.

## Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the EIJB's strategic approach to workforce optimisation including ensuring adequate governance and oversight arrangements have been established to monitor delivery of the initial short-term actions set out in the 'Working Together' the EIJB Workforce Strategy 2022-25, specifically the key strategic workforce priorities and commitments

across the four themes 'Health and Wellbeing, Culture and Identity, Workforce Capacity and Transformation, and Leadership and Development.

### Alignment to EIJB Risks

The review provided assurance in relation to the following high EIJB risk:

- there is a risk that the EIJB's workforce strategy is not delivered.

### Reporting Date

Testing was undertaken between 4 March and 12 April 2024.

Our audit work concluded on 12 April 2024 and our findings and opinion are based on the conclusion of our work as at that date.

# Findings and Management Action Plan

## Finding 1 – Implementation of the EIJB Workforce Strategy 2022-25

|                |               |
|----------------|---------------|
| Finding Rating | High Priority |
|----------------|---------------|

The EIJB’s [Workforce Strategy 2022-25](#) (*‘Working Together’*) was agreed by the EIJB in February 2022 and set out a vision and priorities to ensure services delegated to the EIJB from the City of Edinburgh Council and NHS Lothian have a skilled and capable workforce both now and in the future.

‘Working Together’ committed to three phases, with the first three-year cycle focusing on the implementation of an action plan to deliver short-term, achievable goals based on commitments made under four strategic workforce priority headings – Health and Wellbeing, Culture and Identity, Workforce Capacity and Transformation, and Leadership and Development.

Two years after ‘Working Together’ was agreed, the implementation plans to deliver short-term actions across the key themes have not yet been formalised. Prompt action is required to ensure that the key themes and commitments across the four strategic workforce priorities identified for the initial 3-year delivery plan are delivered.

Management has advised that project management support for delivery of ‘Working Together’ was paused shortly after the Strategy was finalised in order to prioritise wider system pressures. A revised approach to delivery, which proposed the establishment of three delivery groups co-chaired by senior colleagues, was reported to the EIJB Performance and Delivery committee in October 2022. Management advised this did not deliver the expected traction.

However, project management support resumed in January 2024 and work is ongoing to scope the priority activities to be included in the action plan.

### Risks

- **Strategic** - there is a risk that the EIJB’s workforce strategy is not delivered.

## Recommendations and Management Action Plan: Implementing the EIJB Workforce Strategy 2022-25

| Ref. | Recommendation  | Agreed Management Action   | Action Owner / Lead Officers   | Timeframe  |
|------|---|--|--|------------|
| 1.1  | <p>The implementation plans to monitor implementation of short-term (0-3 years) goals identified in the first phase of ‘Working Together’ should be finalised for the four strategic priorities.</p> <p>The plans should include SMART actions, clear reference to baselines, and targets to measure performance, with details of a lead officer and target timescales.</p> <p>The plans should be approved by the Workforce Board and communicated to all key stakeholders.</p> <p>Progress in achieving the implementation plans in line with agreed timescales should also be monitored regularly.</p> | <p>Key priorities will be reviewed, and implementation plans will be developed and finalised with SMART actions and reviewed at regular intervals through the Workforce Board.</p> | <p>Chief Officer, EIJB<br/>Strategic Lead (Workforce Planning)<br/>Innovation and Sustainability Manager<br/>Project Manager</p> | 30/06/2025 |



## Finding 2 – Oversight and Reduction of Supplementary Staffing

|                |                 |
|----------------|-----------------|
| Finding Rating | Medium Priority |
|----------------|-----------------|

The Savings and Recovery Programme 2024/25 includes the Supplementary Staffing project, which aims to build on existing progress and sustain a longer-term reduction in agency and overtime usage across Partnership services. The project has made significant financial savings in a short period of time and moving forward will have greater focus on care homes and learning disabilities, identifying an additional £1.5m savings during 2024/25.

The project dashboard for the Supplementary Staffing project includes a milestone to develop an in-year and 2-3 year action plan to drive down dependency on agency staffing in January 2024.





### Risks

- **Financial and Budget Management** – if actions to drive down dependency on agency staffing are not identified and implemented, potential savings may not be realised
- **Governance and Decision Making** – the Workforce Board may not have oversight of the root cause of reliance on supplementary staffing if data provided for scrutiny is incomplete.

## Recommendations and Management Action Plan: Action plans for reducing Supplementary Staffing

| Ref. | Recommendation  | Agreed Management Action  | Action Owner        | Lead Officers     | Timeframe  |
|------|---|---|---------------------|-------------------|------------|
| 2.1  | Development of the in- year and 2-3 year action plans to reduce dependency on agency staffing should remain a key priority for the EHSCP. Progress in achieving the action plans in line with agreed timescales should also be monitored regularly. | Progress will be maintained, and implementation plans will be developed and agreed through the appropriate governance forum. Implementation plans will be presented to the appropriate governance forum for review regularly. | Chief Officer, EIJB | Chief Nurse, EIJB | 27/06/2025 |

# Appendix 1 – Control Assessment and Assurance Definitions

| Control Assessment Rating     |   | Control Design Adequacy  | Control Operation Effectiveness  |
|-------------------------------|---|--|--|
| Well managed                  |  | Well-structured design efficiently achieves fit-for purpose control objectives     | Controls consistently applied and operating at optimum level of effectiveness.     |
| Generally Satisfactory        |  | Sound design achieves control objectives   | Controls consistently applied  |
| Some Improvement Opportunity  |  | Design is generally sound, with some opportunity to introduce control improvements | Conformance generally sound, with some opportunity to enhance level of conformance |
| Major Improvement Opportunity |  | Design is not optimum and may put control objectives at risk                       | Non-conformance may put control objectives at risk                                 |
| Control Not Tested            | N/A   | Not applicable for control design assessments                                      | Control not tested, either due to ineffective design or due to design only audit   |

| Overall Assurance Ratings    |  |
|------------------------------|--|
| <b>Significant Assurance</b> | A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.  |
| <b>Moderate Assurance</b>    | There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.                     |
| <b>Limited Assurance</b>     | Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.                       |
| <b>No Assurance</b>          | Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited. |

| Finding Priority Ratings |   |
|--------------------------|---|
| <b>Advisory</b>          | A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.                                   |
| <b>Low Priority</b>      | An issue that results in a small impact to the achievement of objectives in the area audited.   |
| <b>Medium Priority</b>   | An issue that results in a moderate impact to the achievement of objectives in the area audited.  |
| <b>High Priority</b>     | An issue that results in a severe impact to the achievement of objectives in the area audited.  |
| <b>Critical Priority</b> | An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency. |

## Appendix 2 – Areas of Audit Focus and Control Objectives

| Audit Area                                   | Control Objectives  |
|--|---|
| Strategic Approach to Workforce Optimisation | <ul style="list-style-type: none"> <li>• 'Working Together' the EIJB Workforce Strategy 2022-25 sets out a strategic approach in place to maximise the efficiency and effectiveness of the workforce</li> <li>• there is a clear understanding of the current workforce, current and future demand, and the Strategy has identified a strategic approach to addressing workforce gaps in order to create a sustainable workforce</li> <li>• there is a strategic approach to improving the recruitment and retention of staff and, in particular, to improve the desirability of jobs and resolve the issues relating to an ageing workforce</li> <li>• there is a strategic approach to stabilising and strengthening the workforce through initiatives such as focused training, talent management, and use of third-party providers, where appropriate.</li> </ul> |
| Governance and Oversight                     | <ul style="list-style-type: none"> <li>• an action plan has been created to implement short-term actions resulting from the 'Working Together' the EIJB Workforce Strategy 2022-25. Specifically, the action plan reflects the key strategic workforce priorities and commitments across the four themes 'Health and Wellbeing, Culture and Identity, Workforce Capacity and Transformation, and Leadership and Development</li> <li>• there is effective oversight of the implementation of the action plan and there are clearly established terms of reference, clear roles and responsibilities, and key meetings and reporting schedules.</li> </ul>   |
| Use of Temporary and Agency Staff            | <ul style="list-style-type: none"> <li>• there is a strategic approach in place for the use of temporary and agency staff, in order to ensure value for money, and the effective and efficient provision of services over the short, medium, and longer term</li> <li>• effective governance oversight arrangements are in place to ensure the efficient and effective use of temporary and agency staff, including monitoring of the usage of such staff across roles, length of service of these staff, and associated costs, and whether the work could have been performed by existing staff</li> <li>• effective supplier management arrangements are in place to ensure temporary and agency staff have sufficient skills and experience to perform roles, and they have been effectively vetted (e.g. PVG).</li> </ul>   |
| Risk Management                              | <ul style="list-style-type: none"> <li>• risks impacting effective workforce optimisation are identified, recorded, and managed within a service risk register, and regularly reviewed to ensure appropriate mitigating actions are in place and remain effective, with escalation to the EIJB Audit and Assurance committee where required.</li> </ul>   |