



Item No. 6

Meeting Date

Wednesday 10th September 2025

Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee

Report By: Chief Internal Auditor for the Integration Joint Board

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Internal Audit Assurance Report – Performance Management Arrangements

Purpose of Report:

To present to the Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee details of the internal audit work undertaken in relation to Performance Management Arrangements.

Background/Engagement:

The Integration Joint Board is required to comply with Article 7 of the Local Authority Accounts (Scotland) Regulations 2014. The regulations require a local authority to operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing.

Governance Route:

The matters contained within this paper have been previously considered by the following group(s) as part of its development.

- HSCP Senior Management Team ☐
- Council Corporate Management Team ☐
- Health Board Corporate Management Team ☐
- Council Committee ☐
- Update requested by IJB ☐
- Other ☐
- Not Applicable ☒

Recommendations:

The IJB Finance, Audit and Scrutiny Committee is asked to:
a) Note the content of the report.

Relevance to Integration Joint Board Strategic Plan:

To provide assurance on various aspects of the Strategic Plan.

Implications for Health and Social Care Partnership:**Reference to National Health & Wellbeing Outcome:**

n/a

Personnel:

There are no direct implications for staff as a result of the content of this paper.

Carers:

There are no direct implications for carers as a result of the content of this paper.

Provider Organisations:

There are no direct implications for provider organisations as a result of the content of this paper.

Equalities:

n/a

Fairer Scotland Compliance:

n/a

Financial:

There are no financial implications as a result of the content of this paper.

Legal:

The IJB will be compliant with:

- The Integrated Resource Advisory Group guidance in relation to audit provision.
- The Local Authority Accounts (Scotland) Regulations 2014.

Economic Impact:

There is no direct wider economic impact within the city as a result of this report.

Sustainability:

There are no direct sustainability implications as a result of the content of this paper.

Sustainable Procurement and Article 19:

There are no direct sustainable procurement and Article 19 implications as a result of the content of this paper.

Risk Implications:

Internal Audit facilitates the reduction of risks identified during the audit process.

Implications for Glasgow City Council:

The Internal Auditors of Glasgow City Council will continue to report to the Council on operational matters relating to Social Care services.

Implications for NHS Greater Glasgow & Clyde:

The Internal Auditors of the NHSGGC will continue to report to the NHS Board on operational matters relating to NHS services.

1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a review of performance management arrangements within the Glasgow City Integration Joint Board (IJB).
- 1.2 Managing performance is important for governance and accountability; it helps the IJB to deliver its strategic objectives, achieve best value, and demonstrate that efficient and effective services are being delivered.
- 1.3 Strategic and operational performance management is important across all areas of the IJB and Health and Social Care Partnership (HSCP). Effective performance management arrangements provide an important mechanism for scrutinising performance, identifying potential areas for improvement, and driving decision making.
- 1.4 The purpose of the audit was to ensure there are sufficient and appropriate controls covering both strategic and operational performance management within the HSCP's Social Work Services (Children & Families, Adult, and Older People Services) to help support the achievement of the IJB's strategic objectives.
- 1.5 The scope of the audit included a review of controls in the following areas:
 - Indicator selection
 - Indicator review and update processes
 - Target setting
 - Validation and verification arrangements
 - Reporting and oversight
 - Escalation arrangements
- 1.6 As part of the audit testing, we selected a sample of 12 Key Performance Indicators (KPIs) currently monitored across the HSCP. The audit did not include any checks to verify the accuracy of the figures reported.

2 Audit Opinion

- 2.1 Based on the audit work carried out a **reasonable** level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements with **two recommendations** which management should address.

3 Main Findings

- 3.1 We are pleased to report that the key controls are in place and generally operating effectively.

Strategic KPIs

- 3.2 Senior management has identified a set of strategic KPIs that reflect the IJB's core priorities and focus areas. These KPIs are formally reported to the IJB Finance, Audit and Scrutiny Committee (FASC) on a quarterly basis.
- 3.3 The HSCP's Business Development team co-ordinate an annual review of the strategic KPIs and associated targets. Operational leads, assisted by operational planning teams, review and update the strategic KPIs annually to ensure they reflect any required changes and align with operational priorities and statutory obligations. Proposed changes are reviewed and agreed by the Senior Management Team (SMT) prior to the FASC report being updated to inform members of the changes made.
- 3.4 Performance data being reported for the strategic KPIs is reviewed by the Business Development team and senior management for accuracy prior to reporting to FASC. The

Data Cleansing Group and various operational oversight groups, such as the Delays Group (delayed discharge from hospital) provide additional scrutiny and increase assurance on the accuracy and robustness of data. Operational leads are accountable for the continuous monitoring of performance included in the FASC report and provide detailed reasons for identified underperformance and action being taken to drive performance improvement as part of the quarterly report to FASC.

Operational KPIs

- 3.5 Operational and governance group meetings serve as the primary platform for management to oversee operational performance data, allowing them to review, evaluate, and take appropriate action as necessary. On a six-monthly basis, a different service area will present an operational performance update to FASC, providing a deeper insight into performance levels and challenges. An annual performance report, which covers both strategic and operational KPIs, is also presented to FASC and available on the IJB website.

- 3.6 We were advised that each service area monitors its own set of operational KPIs, which include compliance with statutory obligations, and are used to support/manage the day-to-day delivery of services. We sought to obtain a comprehensive list or record of operational KPIs to inform our sample selection, but no such list is maintained. Discussions with officers highlighted a lack of clarity and inconsistencies in understanding what qualifies as an operational KPI (as compared to business-as-usual data collection) and documented guidance outlining the definition and purpose of KPIs has not been developed.
- 3.7 Currently, operational managers have been assigned responsibility to identify and manage operational KPIs, including decisions on review frequency, changes or retiral, and reporting and escalation arrangements. However, there is no agreed or documented process outlining the approach for managing operational KPIs to ensure that this is understood, applied consistently across the individual service areas and subject to senior management oversight, particularly in relation to changes in KPIs.

Sample Review of Strategic and Operational KPIs

- 3.8 Responsible officers identified 84 KPIs which are currently reported across the areas selected for review. We reviewed a sample of seven strategic and five operational KPIs and met with relevant officers to assess local arrangements. We did not undertake formal gap analysis, but our sample selection included strategic / operational KPIs from each service area noted in the strategic report.
- 3.9 The KPIs we reviewed appeared well-managed, had a clear purpose and were aligned with strategic or other operational/statutory priorities. KPI data is subject to validation and there are arrangements in place to provide management with appropriate oversight of data. There is clear understanding of escalation procedures, and we found evidence of correct application, where applicable. Statutory returns are required for two of the KPIs reviewed and these are being submitted as required.
- 3.10 While we were generally satisfied with the sample testing of the KPIs, we identified some issues that should be addressed. These relate to the appropriateness of KPI target figures (two strategic KPIs), the review process for KPIs (five operational KPIs) and availability of guidance to support the preparation and reporting of the KPIs.

- 3.11 An action plan is provided at section four outlining our observations, risks, and recommendations. We have made two recommendations for improvement. The priority of each recommendation is:

Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	2
Low	Lower-level controls absent, not being operated as designed or could be improved.	0
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

- 3.12 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.13 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.14 It is recommended that the Chief Internal Auditor submits a further report to the IJB Finance, Audit and Scrutiny Committee on the implementation of the action contained in the attached Action Plan.

4 Action Plan

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Performance management arrangements have been clearly defined.				
1	<p>Operational KPIs</p> <p>Responsibility for identifying and managing operational KPIs is delegated to operational managers. This includes frequency of review, agreement of processes and senior management oversight for updating or retiring of KPIs, and decisions around reporting of data and escalation of issues.</p> <p>However, there is no agreed or documented process defining the expected approach for managing operational KPIs, including the process for amending, adding, or removing the KPIs monitored, which is necessary to ensure consistent understanding and application.</p> <p>If arrangements for managing performance information are not clearly documented, there is an increased risk of lack of understanding of officers involved in the process, inconsistent practices and less robust data which in turns may undermine the reliability of information used for decision making.</p>	Performance management guidance should be developed to support staff and ensure consistency in approach. The points noted in the observation should be addressed as part of the guidance. Once finalised the guidance should be shared with all relevant staff, with support/training provided if/where appropriate.	Medium	<p>Response: Accepted.</p> <p>Officer Responsible for Implementation: Head of Business Development</p> <p>Timescales for Implementation: 28 February 2026</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Performance management arrangements have been clearly defined.				
2	<p>We were unable to obtain a full list of all operational KPIs as this is not maintained. There is currently no guidance defining what constitutes a KPI and discussions with officers revealed unclear and inconsistent views on whether data being collated was a KPI or business-as-usual data collection.</p> <p>From our sample testing of seven strategic and five operations KPIs, we found that up to date guidance to support the preparation and reporting process was not in place for any of the KPIs reviewed.</p> <p>Strategic KPI Sample</p> <p>During discussions we were advised that the KPI target was not appropriate in two cases:</p> <ul style="list-style-type: none"> • In one case, the current timeframe included within the KPI was seen as potentially compromising to service quality and the efficient use of resources. • In the other case, the target figure for the KPI was considered unachievable given the current resource levels. <p>Operational KPI Sample</p> <p>Our sample testing of five operational KPIs highlighted two cases where no formal review was undertaken to confirm the KPI remained fit for purpose and aligned with operational and</p>	<p>Senior Management for each service area should:</p> <ul style="list-style-type: none"> • Determine which operational performance measures are key to supporting and monitoring the services delivered and for achieving the IJB's priorities. • Once agreed, details should be collated and all relevant staff advised that these KPIs fall under the scope of the formal performance management guidance. • Review and, where appropriate, update the targets for the strategic KPIs noted in the observation. Consider if any target revisions are also required to the wider population of strategic KPIs. 	Medium	<p>Response: Accepted.</p> <p>Officer Responsible for Implementation: Head of Business Development</p> <p>Timescales for Implementation: 28 February 2026</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
	<p>strategic priorities. While we were informed that a review had recently been conducted for the remaining three KPIs, documented evidence to support the review process had not been maintained.</p> <p>If arrangements for managing performance information are not clearly documented, there is an increased risk of lack of understanding of officers involved in the process, inconsistent practices and less robust data which in turns may undermine the reliability of information used for decision making.</p>			