



Item No. 6

Meeting Date Wednesday 10th June 2026

**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 - STEP Forward (Phase One)

Purpose of Report:

To present to the Glasgow City IJB Finance, Audit and Scrutiny Committee details of the internal audit work undertaken in relation to STEP Forward (Phase one).

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 the STEP Forward Service Prioritisation Programme.
- 1.2 During the 2025/26 budget setting process, the Glasgow City Integration Joint Board (IJB) requested an alternative approach to future budget saving planning. In response, the STEP Forward Service Prioritisation Programme (the programme) has been developed and will be used to review and evaluate services to help ensure that resources are directed to the most essential, highest impact, and highest risk areas. The programme will consider which services should be protected, invested in, reduced, or redesigned.
- 1.3 Budget savings are expected to be delivered through the reviews undertaken. The programme is expected to identify £104m of savings over the next three years, £20m of which need to be identified during the current budget year (2026/27). The IJB approved budget for 2026/27 noted that £10m of the savings were expected to be delivered from the programme, with the balance of £10m being funded from a one-off contribution from reserves. Thereafter, all savings are expected to be delivered through the programme. The programme has been captured within the IJB Corporate Risk Register as a mitigating factor against the current risk around the IJB's financial sustainability.
- 1.4 The purpose of the audit was to assess the adequacy and effectiveness of the governance arrangements that have been put in place for the STEP Forward Service Prioritisation Programme. The scope of the audit included a review of the key controls in the following areas:
 - Prioritisation policies / frameworks
 - Decision development & approval
 - Links to budget & commissioning
 - Risk/finance / workforce intelligence
 - Decision transparency & rationale including record keeping
 - Reporting to committees/partners
 - Outcome monitoring
- 1.5 This is phase one of the audit which has focused on a review of the governance arrangements that have been established to date. We acknowledge that the programme is still in the early stages of development and that processes are continuing to develop and be refined as the programme progresses and lessons are learned. Further reviews of the STEP Forward Service Prioritisation Programme are included in the Internal Audit Plan in 2026/27.
- 1.6 We have not assessed any clinical or operational decision making within individual services or evaluated the appropriateness of specific service changes or funding allocations.

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 **five recommendations** and **one service improvement** 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. Every service area across the Glasgow City Health and Social Care Partnership (HSCP) is to be reviewed over the programme's three-year timeline (2026-27 to 2028-29). A framework for the programme was agreed by the IJB in September 2025 which sets out that all services are to be assessed against a set of pre-defined critical success factors (CSFs). These factors are based around the UK Treasury's Green Book which is regarded as best practice for Public Sector appraisal.
- 3.2 Overarching governance arrangements for the programme have been developed and were agreed by the IJB in November 2025. An Executive Steering Group (ESG), chaired by the Chief Officer and comprising senior representatives from the HSCP, Glasgow City Council, NHS Greater Glasgow and Clyde and the Scottish Government, has overall responsibility for setting the strategic direction of the programme and ensuring it progresses as required. A Project Management Coordination Group (PMCG) has been established to oversee the day-to-day management of programme activities. Workstream Groups (also known as Service Review Groups) oversee and deliver reviews of specific services or functions. Terms of Reference (ToR) for these groups have been formally agreed and are documented within the governance framework.
- 3.3 Overarching escalation arrangements are captured within the governance documentation. The ESG will agree/support recommendations from the project team where these are considered appropriate, and this will inform whether the proposal is approved under the existing Scheme of Delegation (Chief Officer, Senior Management Business Meeting or the IJB). We recognise that a range of factors may influence decisions on what will be escalated to the IJB and that the application of professional judgement by senior management will be required as part of this process. We were advised that guidance is being developed to support decisions on when matters should be escalated. Once completed, this will be reviewed as part of a subsequent phase of this audit.

- 3.4 The ESG has developed and approved a methodology to be used for the completion of the reviews. Details have been captured within [Appendix 1](#) of this report. This methodology is being applied across an initial tranche of nine service reviews, which commenced in February 2026. The initial workshop had been completed for all nine service areas at the time of our review. A total of 37 reviews are scheduled for completion in year one of the programme, including the nine noted above.
- 3.5 The ESG has committed to an evaluation of the methodology once this initial tranche of reviews has been completed to identify any areas where changes are required. We have been advised that any changes identified will be subject to review and approval by the ESG before being implemented. The evaluation process followed will be considered as part of a subsequent phase of our review.
- 3.6 Service review leads (comprising of officers from the HSCP Planning teams) oversee the service reviews, and all have received Green Book training. A Service Review lead toolkit comprising guidance documentation and templates has been developed to support them in their role, with work ongoing to develop an overarching guidance document for service review leads to access. We recognise that the suite of guidance documentation will continue to develop as processes evolve and we will continue to assess this area as part of our ongoing review of the programme.
- 3.7 A Communication and Engagement Plan, setting out expected engagement activity was developed and agreed by the Public Engagement Committee (PEC). An engagement protocol is also in place to set out anticipated stakeholder engagement arrangements.
- 3.8 A “gate” framework is being used to monitor the stage (or gate) each service review has reached and progress against this, both at a service review and programme level, are monitored though both the PMCG and the ESG. Service review registers are maintained which provide a position statement on all reviews. Escalation, risk, action and lessons learned logs are maintained for review to support this process. Risk Registers are maintained at both service review level and programme level and escalation and reporting arrangements for risks have been clearly defined.
- 3.9 Updates on the STEP forward programme are currently being presented to each meeting of the IJB and the PEC. To date, reporting has been driven by what has been occurring within the programme, however, a commitment has been made to develop and agree a more formalised plan for reporting in the future. This will be considered within subsequent phases of our review.
- 3.10 Our audit testing also found the following areas where improvements should be made. Two additional operational working groups have been established to support the core governance structure agreed by the IJB in November 2025. However, ToR’s for these groups have still to be developed. The roles of Finance, Commissioning and Human Resources within the review process and within the working and governance groups have also still to be formally defined.

- 3.11 Although the service review leads are not involved in the delivery of the services being reviewed, arrangements are not in place to capture, record and discuss potential conflicts of interest for cases where the service review lead may be linked to the service they are reviewing.
- 3.12 A three-year timeline has been established for the programme, with all reviews expected to be completed within this period. Whilst a Red, Amber, Green traffic light system is being used within the current monitoring arrangements to highlight delays in the review process, actual timelines for the achievement of gate milestones within the review process, and for the completion of individual reviews have not been defined. Change Control arrangements relating to the amendment of dates within this process will be considered as part of the next phase of the review.
- 3.13 An electronic project space has been set up in the document management system for the collation and storage of documentation relating to the programme with access granted for relevant parties. However, from review, we found some gaps in the record keeping arrangements in place including missing minutes and agendas from meetings. In addition, formal agendas, and minutes are not currently prepared for all the working groups currently operating. We also identified opportunities for developing template documentation for use within the service review workshops and extending the guidance available to staff.

- 3.14 A first draft Project Initiation Document (PID) has been developed to provide guidance around the direction and scope of the programme. The PID is continuing to be updated as processes evolve and is yet to be formally signed off. However, in its current format, it does not include any details around committee reporting.
- 3.15 An action plan is provided at section four outlining our observations, risks, and recommendations. We have made five recommendations for improvement and one service 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.	3
Low	Lower-level controls absent, not being operated as designed or could be improved.	2
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	1

- 3.16 The audit has been undertaken in accordance with the Global Internal Audit Standards in the UK public sector.
- 3.17 We would like to thank officers involved in this audit for their cooperation and assistance.

- 3.18 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 actions contained in the attached Action Plan.

4 Action Plan

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Governance documentation is in place and adequately sets out the arrangements expected to be followed.				
1	<p>Two additional operational working groups have been created following the IJB's approval of the governance structure in November 2025; the Core Team Meeting Group and the Methodology Group. Although not part of the official governance structure, these groups were established to provide additional support and guidance within the governance process. Formal ToR's have not yet been developed for these groups.</p> <p>We were advised that Finance, Commissioning and Human Resources are all involved at various stages in the delivery of the programme, including participation in the service reviews, associated working and governance groups, and have responsibilities for the verification and evaluation of data. However, their roles and responsibilities (including participation in the governance group processes) have not been formally defined or documented.</p> <p>This increases the risk that the roles and responsibilities are not clearly understood or followed.</p>	<p>Management should:</p> <ul style="list-style-type: none"> Develop and agree a formal ToR for both the Core Team Meeting Group and the Methodology Group. Once agreed, the ToRs should be made available to relevant staff. Agree and document the roles and responsibilities of the Finance, Commissioning and HR services within the process, including expected involvement in any of the groups operating within the programme. Once agreed, these should be communicated to relevant officers within these areas. 	Medium	<p>Response: Accepted</p> <p>Terms of Reference will be developed and agreed for both the Step Forward Core Team Meeting Group and the Methodology group.</p> <p>Roles of key stakeholders including finance, HR and commissioning will be clearly defined and documented in the PID and programme gate framework. This will be set out in RACI matrix and approval sought from ESG. Once approved this will be shared with key stakeholders.</p> <p>Officer Responsible for Implementation: Programme Manager</p> <p>Timescales for Implementation: 31 August 2026</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Conflicts of interest are captured, discussed and managed.				
2	<p>Service review leads, responsible for conducting the service reviews, are appointed from the HSCP Planning Team and are not directly involved in the delivery of the services being reviewed. However, we found that formal arrangements are not in place for the service review leads to declare any conflicts of interest they may have in relation to the service being reviewed to ensure that these are managed appropriately.</p> <p>Arrangements for dealing with potential conflicts of interest arising within the service review process will be considered as part of a subsequent phase of this audit.</p> <p>There is an increased risk that conflicts of interest are not identified and discussed to mitigate against any undue bias that may impact the review process.</p>	<p>Management should develop arrangements to ensure that potential conflicts of interest within the service review process are identified, discussed and managed appropriately as part of the service review planning process.</p>	Low	<p>Response: Accepted</p> <p>Programme staff will adhere to:</p> <p><u>1. GCC's code of conduct (GCC staff)</u></p> <p>Review Leads who are council employees will be requested to complete an annual Declaration Form at the start of each project year declaring any conflicts of interest.</p> <p><u>2. NHS GG&C Standard of Business Conduct for Staff (NHS staff)</u></p> <p>Review Leads who are NHS staff members will be asked to declare any conflict of interest either at commencement of employment or the acquisition of the interest via the NHS Gifts, Hospitality and Interests Portal.</p> <p>Officer Responsible for Implementation: Programme Manager</p> <p>Timescales for Implementation: 31 July 2026</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Timelines for the completion of service reviews and the service review programme are identified, reported and monitored.				
3	<p>The scope of the service reviews and an overarching timeline of three years for the completion of the full STEP Forward Service Prioritisation Programme has been agreed. Each review is scheduled to occur within one of the three years, based on discussions and agreement by senior management.</p> <p>Individual service reviews will follow the same review framework where achievement of various stages (gates) is monitored. However, actual timelines for the achievement of gate milestones within the review process, and for the completion of individual reviews have not been defined.</p> <p>This increases the risk that slippages in service reviews or the programme are not promptly identified and addressed, and that anticipated savings are not realised as expected.</p>	<p>Management should establish and agree formal timelines for the completion of service review and individual review gates and ensure that this is captured as part of the reporting and monitoring arrangements in place.</p>	Medium	<p>Response: Accepted</p> <p>Formal standard timelines will be defined for each service review.</p> <p>PMCG will take a proactive approach to recording and monitoring gate validation dates.</p> <p>Following completion of the first review a critical path template will be developed, enabling review leads to determine the impact of delays and update expected gate validation dates accordingly.</p> <p>Officer Responsible for Implementation: Programme Manager</p> <p>Timescales for Implementation: 31 August 2026</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: A robust audit trail is being maintained.				
4	<p>A shared project space has been set up to allow core documentation and evidence to be stored and if necessary, reviewed by those involved in the process. However, we noted the following:</p> <ul style="list-style-type: none"> The project space does not provide a full and comprehensive audit trail of all agendas, minutes and supporting papers for the governance and operational groups in place to support the programme. In addition, an audit trail demonstrating discussions held through the Methodology Group and the Service Review Leads Group is not currently maintained. Although version control and dates were included within the governance documentation in place, we found that the same documentation had been saved within different areas of the project space rather than in one core area which could impact the ability to easily identify the most up to date version if changes are not replicated / updated across all versions. The information / discussions captured within the workshops will form the basis of developing the Business Justification Case which will be presented for review and approval. However, we reviewed two areas where an initial workshop had been completed and found that the information 	<p>Management should:</p> <ul style="list-style-type: none"> Review and update the current file storage arrangements within the shared project space to address the areas noted. Ensure that appropriate record keeping arrangements are in place to capture details of discussions for all working groups in place. Develop and agree a template document or similar checklist to set out the core information that requires to be captured as part of the service review workshops. Agree a process for the periodic review of the shared project space to ensure that a robust audit trail is being maintained to substantiate the processes being followed. 	Medium	<p>Response: Accepted</p> <p>Missing agendas and minutes for the core group and ESG are now stored in Sharepoint.</p> <p>Records of action points will be recorded and stored on Sharepoint for all working groups in place.</p> <p>We will:</p> <ul style="list-style-type: none"> Undertake a review of the current file structure to determine if it remains fit for purpose. Make any necessary changes to support the review process. Develop a checklist outlining key review documents and where they should be stored within the Sharepoint file structure. Develop recording standards and templates for recording discussions and output from review workshops. Establish and agree a defined process for the periodic review of the shared project space. As part of this, we may seek support from the Practice Audit team to help shape the review approach.

No.	Observation and Risk	Recommendation	Priority	Management Response
	<p>captured from the workshop discussions was not consistently recorded leading to differences in the nature and detail of information captured. We were advised that a formal template to capture the workshop discussions has not yet been agreed.</p> <p>This increases the risk that decisions and outputs from the service review process is not sufficiently robust to stand up to scrutiny and challenge.</p>			<p>Officer Responsible for Implementation: Programme Manager</p> <p>Timescales for Implementation: 30 September 2026</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Committee reporting arrangements have been defined and documented				
5	<p>A first draft PID has been developed to provide details on how the programme will be managed. This document continues to evolve to reflect the development and agreement of new processes.</p> <p>Currently, a progress update is being reported to every meeting of the IJB and Public Engagement Committee. However, the arrangements for reporting to committee have not been captured in the PID document. The PID has not been subject to any formal sign off by either the ESG or PMCG.</p> <p>This increases the risk that committee reporting requirements are not clearly understood or followed.</p>	<p>Management should:</p> <ul style="list-style-type: none"> Review and update the PID document to ensure that this captures the committee reporting arrangements expected to be followed. Ensure that, once completed, the PID document is subject to an appropriate formal scrutiny and sign off process. 	Low	<p>Response: Accepted</p> <p>PID will be reviewed and updated. Approval will be sought from ESG and recorded within the PID and ESG minutes.</p> <p>Officer Responsible for Implementation: Programme Manager</p> <p>Timescales for Implementation: 31 August 2026</p>

No.	Observation and Findings	Service Improvement	Management Response
6	Staff guidance has been developed to provide more information around the STEP Forward Service Prioritisation Programme. However, from review, we noted that this does not provide staff with any specific guidance on the workshop process they may be involved in.	Management should consider updating current staff guidance to provide more information around the workshop processes that they may be involved in.	<p>Response: Accepted</p> <p>Staff briefing document will be updated to include more detailed information on the workshop process and their role within them.</p> <p>Officer Responsible for Implementation: Heads of Planning</p> <p>Timescales for Implementation: 31 July 2026</p>

5. Appendix 1

