Internal Audit Report

Partnership Working (Edinburgh Partnership Board)

02 October 2024

CD2401

Overall Assessment	Limited Assurance

Contents

Internal Audit Report: CD2401 – Partnership Working (Edinburgh Partnership Board)

Executive Summary

Overall opinion and summary of findings

Initial discussions with management highlighted that the control environment supporting the Edinburgh Partnership and community planning processes, is not yet fully established, and a performance improvement programme is underway. As a result, Internal Audit agreed to perform a 'findings only' review which included an assessment of the design of processes via walkthrough discussions with officers and review of key documentation to identify areas for improvement.

The following areas of improvement to ensure Council objectives are achieved and associated risks are managed were identified:

- The governance framework should be reviewed, updated and approved with defined roles and responsibilities for constituent partner organisations, a clear decision making and accountability structure and procedures to monitor and manage the timely delivery of governance related actions.

- Priorities and outcomes within Community Planning and the Local Outcome Improvement Plan should be aligned and the Locality Improvement Plans should be updated.

- Outstanding elements of performance management framework should be implemented, and the framework should be updated to include expected targets and/or milestones.

- Resources required to ensure effective delivery of community planning outcomes and objectives should be identified and recorded.

- Risk management arrangements should be introduced to effectively manage Partnership and community planning risks, in line with the Council's Risk Management Framework.

Areas of good practice

- The three common priorities are reflected in the Council's Business Plan 2023-2027 are aligned to the outcomes within the Edinburgh Partnership Community Plan 2022-2028.

- A Local Outcome Improvement Plan (LOIP) annual report is reported to the Edinburgh Partnership Board on an annual basis which provides progress made with the identified three priorities.

- Quarterly reports which highlight the progress made for each priority are presented to the LOIP Delivery Group.

Audit Assessment

Audit Area	Control Design	Control Operation	Findings	Priority Rating
Edinburgh Partnership Board Governance	🟠	N/A Design only	Finding 1 – Edinburgh Partnership Governance Arrangements	High Priority
			Finding 2 – Edinburgh Partnership Priorities and Outcomes	Medium Priority
Performance and Risk Management	🟠	N/A Design only	Finding 3 – Performance Monitoring and Resource Planning	Medium Priority
			Finding 4 – Risk Management	Medium Priority

See Appendix 1 for Control Assessment and Assurance Definitions

Internal Audit Report: CD2401 – Partnership Working (Edinburgh Partnership Board)

Background and scope

The City of Edinburgh Council's (the Council) Business Plan 2023-27 recognises the needs to work closely with citizens and other partner organisations to achieve its strategic objectives and business plan priorities. Effective partnership working allows the partners to collaborate and jointly work towards long-term shared goals and commitments for Edinburgh to be a fair, welcoming, pioneering, and thriving city, as expressed by the 2050 Edinburgh City Vision.

The Edinburgh Partnership is the community planning partnership for the city of Edinburgh, which brings together public agencies, the third sector, and the private sector with communities, to improve the city, its services and the lives of people who live and work in Edinburgh. The Edinburgh Partnership Community Plan 2022-2028 sets the strategic direction for community planning in Edinburgh over 6 years, describes the shared priorities of the partners involved, describes what will be done to achieve those priorities, and describes how progress against those priorities will be measured. As part of the Transformation and Improvement programme an implementation Plan will be developed, which has a proposed deadline of March 2025.

Increased demands with the pandemic and cost of living crisis, and the consequent negative impacts on the economic, physical, and social wellbeing of citizens, against a backdrop of reducing public sector resources, presents real challenge in achieving the Edinburgh Partnerships objectives.

The Edinburgh Partnership recognises the need to strengthen community planning and increase cross-sector collaborative working. In September 2023 the Partnership Board agreed to undertake a Transformation and Improvement Programme to develop a renewed approach to community planning. The latest Transformation and Improvement Programme update was presented to the Edinburgh Partnership on 11 June 2024 and outlined a proposed programme of engagement to ensure that all partners and partnerships can contribute to the way forward.

Scope

The objective of this review was to assess the adequacy of the design of the key controls established to ensure that the Council realises proposed partnership working benefits, efficiencies and improved outcomes as set out in the 2023-27 Business Plan.

Initial discussions with management highlighted that the control environment, supporting the Edinburgh Partnership and community planning processes, is not yet fully established, and a performance improvement programme is underway. As a result, Internal Audit has agreed to undertake a findings only review to identify areas for improvement.

Alignment to Risks and Business Plan Outcomes

The review also provided assurance in relation to the following Corporate Leadership Team (CLT) risks:

- Strategic Delivery
- Financial and Budget Management
- Supplier Contracts and Partnership Management
- Governance and Decision Making
- Regulatory and Legislative Compliance
- Reputational Risk

Business Plan Outcomes:

Partnership working underpins all the outcomes set out in the Business Plan.

Limitations of Scope

The following areas were excluded from scope:

- All informal partnership working outside the scope of the Edinburgh Partnership or its Community Plan 2022 – 2028.

Reporting Date

Testing was undertaken between 23 July 2024 and 23 August 2024.

Our audit work concluded on 28 August 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 – Edinburgh Partnership Governance Arrangements

Finding Rating	High Priority

Review of the Edinburgh Partnership governance processes highlighted the following areas of improvement:

Governance framework review and update - The governance framework to support Edinburgh Partnership was last discussed at the April 2019 board meeting and has not been reviewed since. The Board agreed in April 2019 to include several adjustments to the governance framework document and review the updated governance arrangements after twelve months. Management have advised that the updated governance framework was scheduled to be presented to the Board on 17 April 2020, but the meeting was cancelled due to the Covid-19 pandemic. The governance framework document, with the requested adjustments, has not been reviewed since. Management have advised that the framework will now be updated in March 2025 as part of the Transformation and Improvement Programme.

Partner roles and responsibilities - While the Governance framework states the remit and membership of Partnership sub-groups, specific roles and responsibilities of constituent partner organisations are not defined. There is no documentation to confirm partner organisations' compliance with 'Community planning partners duties' included in section 14 of the Community Empowerment Scotland Act 2015. Discussions with management highlighted awareness of the need to encourage consistent understanding of the legislative requirements and compliance across all partners.

Decision making - There is no established procedure to support clear decision making and accountability structure within the Partnership governance framework document and arrangements.

Governance skills and experience - The Good Governance Standards for Public Services, included within the Governance Framework document, refers to 'making sure that appointed and elected governors have the skills, knowledge and experience they need to perform well'. However, there is no supporting process in the Edinburgh Partnership governance framework to review and confirm if the members of the Partnership board and its sub-groups meet this requirement.

Local Outcome Improvement Plan (LOIP) 2022-2028 - The Partnership Board reviewed the Edinburgh Partnership Local Outcome Improvement Plan (LOIP) 2022-2028 on 15 February 2022 and agreed 'to note that the approval of the Edinburgh Partnership LOIP required the formal agreement of individual partners through their governance arrangements'. Management has however not been able to confirm and evidence if the LOIP has been subsequently approved by the individual partners governance forums.

Monitoring of tasks and actions - There are limited controls in the Partnership governance processes to monitor and manage governance tasks and actions. Internal Audit review noted examples of reports to be submitted and issues to be escalated to the Partnership Board, but submissions were missed. Discussions with management highlighted that there is no comprehensive tracker to support the scheduling and monitoring of submission of the relevant reports/papers to the Partnership Board and other relevant governance forums. The Partnership Board papers are also not dated, making it difficult to associate the individual papers to specific Board meetings.

Risks

Strategic Delivery/Governance and Decision Making:

- Absence of a formally approved governance framework leading to potential ambiguity in decision making, unclear roles and responsibilities, augmented risk of legislative non-compliance, reduced accountability and transparency, and limited management oversight

- Partnership Organisations are unclear about their roles, responsibilities and accountabilities causing inefficiencies and misalignment of efforts.

Internal Audit Report: CD2401 – Partnership Working (Edinburgh Partnership Board)

Strategic Delivery/Governance and Decision Making Risks continued:

- Ambiguous decision making and accountability structure leading to inconsistent, slow and ineffective decisions ensuing into poorer outcomes for Edinburgh Partnership

- Limited skills, experience and authority of board members to effectively discharge their designated roles and responsibilities.

- Governance tasks/actions are not effectively managed and may be missed/omitted from implementation

- Ineffective escalation process leading to Board members unaware of key issues impacting delivery of Partnership objectives

- Limited buy-in from individual partners to the LOIP plan impacting the delivery of the plan.

Regulatory and Legislative compliance: Non-compliance to the provisions of community planning legislation.

Recommendations and Management Action Plan: Edinburgh Partnership Governance Arrangements

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
1.1	The governance framework document should be reviewed to ensure it meets the Edinburgh Partnership Board approval requirements and should include each of the relevant finding points included in finding 1 as part of the review process. The revised document should be presented to the Partnership Board for approval and agreement sought on an appropriate timescale for further review. The review should be included as a standing agenda item on the Board work programme.	Accepted as recommended. This will be delivered through the transformation and improvement programme.	Executive Director of Corporate Services	Head of Strategic Change and Delivery Strategy Manager (Communities)	31/03/2025
1.2	Formal agreement of the Edinburgh Partnership LOIP should be obtained from individual constituent partners through their governance arrangements.	Management accepts the risk. It is the responsibility of partners to ensure commitments made on behalf of their organisation are appropriately approved.			Not applicable

1.3	A process should be established to ensure that required actions from the Edinburgh Partnership Board are recorded and tracked to completion. The tracker should include a target date and owner, with a progress update to provide ongoing assurance ensure that all actions have been completed. Any delays or changes should be noted within the tracker document and if appropriate the Edinburgh Partnership Board should be advised of delays/changes.	Accepted as recommended.	Executive Director of Corporate Services	Head of Strategic Change and Delivery Strategy Manager (Communities)	30/05/2025
1.4	An escalation tracker should be introduced to ensure that all issues raised by Lead Officers within the Local Outcome Improvement Plan quarterly reports are captured within relevant reports to the Edinburgh Partnership Board, as expected.	Accepted as recommended.	Executive Director of Corporate Services	Head of Strategic Change and Delivery Strategy Manager (Communities)	30/05/2025
1.5	All individual reports presented to the Edinburgh Partnership Board should include the date of the committee it is being presented to, to ensure that all reports are specifically identifiable and attributable to specific Board meetings.	Accepted as recommended.	Executive Director of Corporate Services	Head of Strategic Change and Delivery Strategy Manager (Communities)	30/05/2025
1.6	Documented evidence, such as an assurance statement, should be obtained from partnership organisations to confirm their legislative compliance with section 14 of the "Community Empowerment Scotland Act 2015".	Risk accepted. It is the responsibility of partners to ensure they meet their legislative duties in accordance with their own assurance processes. A biennial assessment will support an evaluation of how the CPP is operating.	Executive Director of Corporate Services	Head of Strategic Change and Delivery Strategy Manager (Communities)	Not applicable

Finding 2 – Edinburgh Partnership Priorities and Outcomes

Finding Rating	Medium Priority

Locality Improvement Plans 2017-2022 - The Locality Improvement Plans (LIP) 2017-2022 are published on the Edinburgh Partnership website, however, these plans are out of date and require review. Management have advised that these will be updated after the completion of community planning workstream as part of the Transformation and Improvement Programme.

Community Planning 2022-2028 - There is a clear link between the outcome measures noted under each theme of the Community Planning 2022-2028, and the Local Outcome Improvement Plan (LOIP) annual report. However, the 'action specific measures section' of the LOIP annual report notes 'Indicators focused on the actions are still to be defined as service standards setting work to be undertaken'. There are key achievements and challenges noted within the LOIP annual report, however the source of this information and their alignment to the Community Plan document, Delivery Plan and the Partnership objectives is not clear.

Local Outcome Improvement Plan - Delivery Plan - The Partnership Board approved the Edinburgh Partnership Local Outcome Improvement Plan (LOIP) 2022-2028 in March 2022 and noted 'to agree that that the delivery plan would be updated to include timelines. Review of the LOIP Delivery Plan highlighted that some of the actions and measures are incomplete, do not have named lead officers and timescales noted, and there was no indicator for one of the measures.

In addition, the LOIP delivery plan is not dated, and version controlled, therefore, it was difficult to ascertain whether the listed actions and measures are still current. Some of the timescales and dates were also noted to have passed but it was not possible to determine if those actions/measures have been completed.

Risks

Strategic Delivery:

- Locality improvement plans are not aligned with the current Edinburgh Partnership priorities leading to potential misalignment of locality teams objectives and outcomes.
- Out of date and inaccurate information on the Partnership website leading to key stakeholders being misinformed and potential reputational risk
- Misalignment of the actions, measures and outcomes within the Partnership plans impacting achievement of Partnership objectives
- Lack of an updated LOIP delivery plan impacting timely and effective delivery of actions and limited visibility of the delivery group to monitor the delivery and performance of actions.

Recommendations and Management Action Plan: Edinburgh Partnership Priorities and Outcomes

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
2.1	The Locality Improvement Plans (LIPs) should be updated to ensure that they are aligned with the current Edinburgh Partnership priorities and to ensure that teams and partners at a local level are working to the required objectives/outcomes.	Work to develop refreshed LIPs will be carried out as part of the transformation and improvement programme and subject to a revised place based approach.	Executive Director of Corporate Services	Head of Strategic Change and Delivery	31/12/2025

Internal Audit Report: CD2401 – Partnership Working (Edinburgh Partnership Board)

2.2	The Edinburgh Partnership website should be reviewed and updated, and a process to ensure a regular review is performed should be established to ensure that the information held remains up to date and accurate.	Accepted as recommended.		Strategy Manager (Communities)	31/12/2025
2.3	A process should be established to ensure there is clear linkage of actions, measures and outcomes, between the different plans to provide assurance that the relevant actions measures and outcomes within the Edinburgh Partnership plans are aligned.	Accepted as recommended.			30/05/2025
2.4	The 'Action specific measures section' within the Local Outcome Improvement Plan (LOIP) should be reviewed and updated to ensure that all relevant performance indicators are identified and established.	Accepted as recommended.			30/05/2025
2.5	The LOIP Delivery Group delivery plan should be updated to include a document date and version control. In addition, the plan should include detail of all complete/outstanding actions and measures, with named lead officers and defined timescales for completion of actions. Where there are revised timescales, a supporting rationale should be recorded.	Accepted as recommended.			30/05/2025

Finding 3 – Performance Monitoring and Resources Planning

Finding Rating	Medium Priority

Partnership Performance Monitoring - The Edinburgh Performance Framework was developed in 2018, however, as noted in the update report presented to the Edinburgh Partnership Board on 5 March 2024, the following elements of the framework have not yet been fully implemented:

- Medium-term performance indicators
- Exception Reporting
- SMART target setting
- Monitoring Framework.

While the Local Outcome Improvement Plan (LOIP) 2022-2028 annual report includes annual comparisons for the key performance indicators (KPIs) within the report, the KPIs do not include any targets and/or milestones to measure performance against.

Resource Planning – Management have advised that the resourcing is organised by requesting funds or capacity for each project/workstream from partner organisations. IA review however noted that there are no established controls and procedures to ensure that sufficient resources are planned and available for Edinburgh Partnership to deliver its priorities, outcomes and objectives. Management have also advised that Resourcing is part of the Support and Facilitation workstream of Transformation and Improvement Programme.

Risks

- **Strategic Delivery:** Limited oversight and monitoring of Partnership performance against planned targets and milestones impacting effective and efficient achievement of Partnership objectives
- **Financial and Budget Management**: Potentially inadequate resources for the Partnership to achieve timely delivery of community planning outcomes and objectives.

Recommendations and Management Action Plan: Performance Monitoring and Resources Planning

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
3.1	The outstanding elements of the performance framework should be implemented with clear timescales and supporting procedures.	Management is currently reviewing the approach to performance and will be implementing a new integrated performance management approach as part of the transformation and improvement programme.	Executive Director of Corporate Services	Head of Strategic Change and Delivery Strategy Manager (Communities)	31/12/2025
3.2	The performance framework should be updated to include expected targets and/or milestones against each KPI to provide Edinburgh Partnership board with effective oversight on targeted and achieved performance.	The recommended actions will be included within the new Performance management framework.			31/12/2025

3.3	Resource planning procedures should be introduced to ensure that the Edinburgh Partnership has sufficient resources available to support timely and effective delivery of community planning outcomes and objectives.	The recommended procedures will be established as part of the Transformation and improvement programme.			31/12/2025

Finding 4 – Risk Management

Finding Rating	Medium Priority

Edinburgh Partnership Risks - A formal risk management framework has not yet been established within the Edinburgh Partnership with no risk register in place to record the identification, assessment and management of risks.

Community Strategies Team Risks- Risk management is also not fully integrated within the Community Strategies team. Management have advised that they are currently liaising with the Council's Corporate Risk Management team to develop a risk register.

Risks

Strategic Delivery:

- Risks, impacting Partnership's ability to deliver its objectives might not be identified and managed.

- The Community Strategies team risks may not be effectively identified and managed which may impact ability to manage community planning objectives on behalf of the Council.

Recommendations and Management Action Plan: Risk Management

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
4.1	Risk management should be embedded within the Edinburgh Partnership and a risk register should be produced to capture Partnership risks which may impact on its ability to deliver its objectives.	Accepted as recommended.	Executive Director of Corporate Services	Head of Strategic Change and Delivery	31/12/2025
4.2	Risk management procedures, in accordance with the Council's Risk Management Framework, requires to be integrated within the Community Strategies team, and the risk register should be used to effectively identify, manage and escalate community planning risks.	Accepted as recommended.		Strategy Manager (Communities)	31/03/2025

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	
Substantial Assurance	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.
Reasonable Assurance	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.
Limited Assurance	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.
No Assurance	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	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	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 Areas	Control Objectives
Edinburgh Partnership Board Governance	• Clear decision-making and accountability structures and processes for the Edinburgh Partnership have been defined and agreed by all partners. • The drivers for the requirement of the Edinburgh Partnership are clear, and a clear vision and joint strategy has been set and formally committed to by all partners. • Roles and responsibilities of the Edinburgh Partnership's constituent organisations are clear with individual members of required skills been identified and involved. • Outcomes for Edinburgh Partnership activity have been agreed and indicators for measuring progress clearly defined, with regular reporting on progress and any challenges faced to the Board, and to Council committees where there is an impact on delivery of Council services.
Performance and Risk Management	• The Edinburgh Partnership has agreed and implemented a system for managing and reporting on the collective performance. • The Edinburgh Partnership working budget monitoring process is established, including measuring, and capturing efficiencies achieved through sharing resources (finance, staff, premises, equipment etc.) • Risks associated with the Edinburgh Partnership have been identified, recorded, and are managed appropriately.