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Agenda Item: 8

Performance and Audit Committee

Date of Meeting: 24 June 2026.

Subject: Internal Audit – Workforce Planning.

1. Purpose

1.1. To present the Workforce Planning Internal Audit Report for members scrutiny.

2. Recommendations

The Performance and Audit Committee is invited to scrutinise:

2.1. The findings contained in the internal audit report, attached as Appendix 1 to this report, reviewing the effectiveness of workforce planning, in order to obtain assurance that action has been taken or agreed where necessary.

3. Background

3.1. The Public Bodies (Joint Working) (Scotland) Act 2014 requires Integration Joint Boards to develop a Workforce Plan.

3.2. Workforce planning allows organisations to optimise use of limited staffing resources and build capacity in a structured and planned way. This helps ensure that the workforce is the right size, with the right skills and diversity, and is deployed in the right way.

3.3. Public sector finances will remain under pressure for the foreseeable future, meaning that public organisations may need to consider further workforce changes. This increases the need to have effective scrutiny and understanding of workforce planning and management arrangements and outcomes.

3.4. The 2025/26 Internal Audit Plan included a review of workforce planning. This has included a review of the current workforce planning position in relation to partners and the alignment with the Strategic Plan.

4. Audit Findings

4.1. The audit, attached as Appendix 1 to this report, is rated as substantial improvement required.

4.2. Pages 6 and 7 of the Appendix details the key findings including the good practice and areas for improvement highlighted.

4.3. The internal audit includes seven amber (Grade 3) priorities and one purple (advisory) recommendation. There are no red (immediate major improvements) requirements.

5. Contribution to quality

Please indicate which of the Orkney Community Plan 2025 to 2030 values are supported in this report adding Yes or No to the relevant area(s):

Resilience: To support and promote our strong communities.	Yes.
Enterprise: To tackle crosscutting issues such as digital connectivity, transport, housing and fuel poverty.	No.
Equality: To encourage services to provide equal opportunities for everyone.	Yes.
Fairness: To make sure socio-economic and social factors are balanced.	Yes.
Innovation: To overcome issues more effectively through partnership working.	Yes.
Leadership: To involve partners such as community councils, community groups, voluntary groups and individuals in the process.	No.
Sustainability: To make sure economic and environmental factors are balanced.	No.

6. Resource and financial implications

6.1. There are no resource or financial implications directly arising as a result of this report.

7. Risk, equality and climate change implications

7.1. There are no risk, equality and climate change implications directly arising as a result of this report.

8. Direction required

Please indicate if this report requires a direction to be passed to:

NHS Orkney.	No.
Orkney Islands Council.	No.

9. Escalation required

Please indicate if this report requires escalated to:

NHS Orkney.	No.
Orkney Islands Council.	No.

10. Authors and contact information

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11. Supporting documents

11.1. Appendix 1: Internal Audit - Workforce Planning.



Orkney IJB

Internal Audit Report 2025/26

Workforce Planning

February 2026

Review Sponsor: Stephen Brown, Chief Officer Orkney IJB



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Executive Summary

Conclusion

Audit Rating	Substantial Improvement Required
<p>Our review found that a formally approved Integrated Workforce Plan (2022-2025) included detailed analysis of workforce demographics, vacancy pressures and projected future workforce needs. It also clearly identified the organisation's key workforce challenges such as recruitment difficulties, reliance on supplementary staffing and the ageing workforce. At the time of its development, the plan was overtly aligned to relevant national and local strategic drivers and appropriately recognised the importance of staff wellbeing, learning and development.</p> <p>Our review has identified a number of issues. The current Integrated Workforce Plan is now out-of-date and has not been updated to reflect the IJB's 2025-2028 Strategic Plan, despite the Strategic Plan identifying workforce gaps as a major organisational challenge. Accountability for ownership between NHS Orkney (NHSO) and the Orkney Health and Social Care Partnership (HSCP) has also been unclear throughout the lifecycle of the plan which has contributed to limited clarity regarding responsibility for updating and overseeing the Plan.</p> <p>While stakeholder engagement is referenced, limited evidence was retained and there is no documented stakeholder identification process to demonstrate that all relevant internal and external stakeholders were considered. Although there is an action plan within the Integrated Workforce Plan, it is high-level and lacks defined owners, measurable outcomes, clear milestones and formal monitoring arrangements. In addition, no structured assessment of delivery capacity was undertaken to confirm actions were achievable. Succession planning arrangements also remain informal and are largely focused on addressing immediate vacancies rather than long-term workforce sustainability.</p> <p>In relation to financial alignment - although Finance representatives were consulted during the development of the plan - there is no documented reconciliation between workforce assumptions and approved budgets of medium-term financial forecasts. Therefore, planned workforce actions, workforce gaps and affordability considerations are not clearly linked.</p> <p>Overall, while the organisation has a solid understanding of its workforce challenges, the current workforce planning framework is no longer demonstrably and proactively robust and update to date to support delivery of the IJB's strategic objectives. The outdated Integrated Workforce Plan, limited succession planning, high-level action planning, gaps in evidencing stakeholder engagement and lack of alignment with financial planning mean the organisation does not currently have an integrated workforce plan that reflects its present needs. Developing a new, streamlined Integrated Workforce Plan that is clearly aligned to the 2025-2028 Strategic Plan and supported by defined actions, stakeholder engagement and financial integration will be essential to ensuring the organisation is equipped to address its workforce priorities going forward.</p>	

Background and scope

Effective workforce planning is essential to support delivery of Orkney IJB's strategic objectives.

Workforce planning allows organisations to optimise use of limited staffing resources and build capacity in a structured and planned way. This helps ensure that the workforce is the right size, with the right skills and diversity, and is deployed in the right way.

Public sector finances will remain under pressure for the foreseeable future, meaning that public organisations may need to consider further workforce changes. This increases the need to have effective scrutiny and understanding of workforce planning and management arrangements and outcomes.

In accordance with the 2025/26 Internal Audit Plan, we have performed a review of workforce planning. This has included a review of the current workforce planning position in relation to partners and the alignment with the Strategic Plan.

Key Contacts and Audit Team

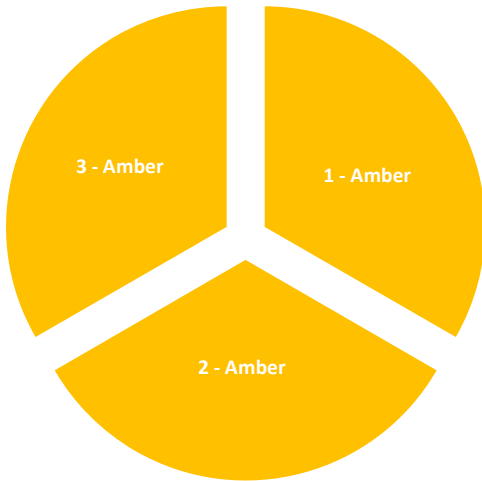
Key Contacts	Audit team
<i>John Daniels, Head of Primary Care Services (HSCP)</i>	<i>David Eardley, Partner</i>
<i>Darren Morrow, Head of Children, Families and Justice Services and Chief Social Work Officer (HSCP)</i>	<i>Rachel King, Manager</i>
<i>Lynda Bradford, Head of Health and Community Care (HSCP)</i>	<i>Evan Bresnihan, Internal Auditor</i>

Acknowledgement

We would like to take this opportunity to thank all members of management and staff for the help, courtesy and co-operation extended to us during the year.

Control assessment

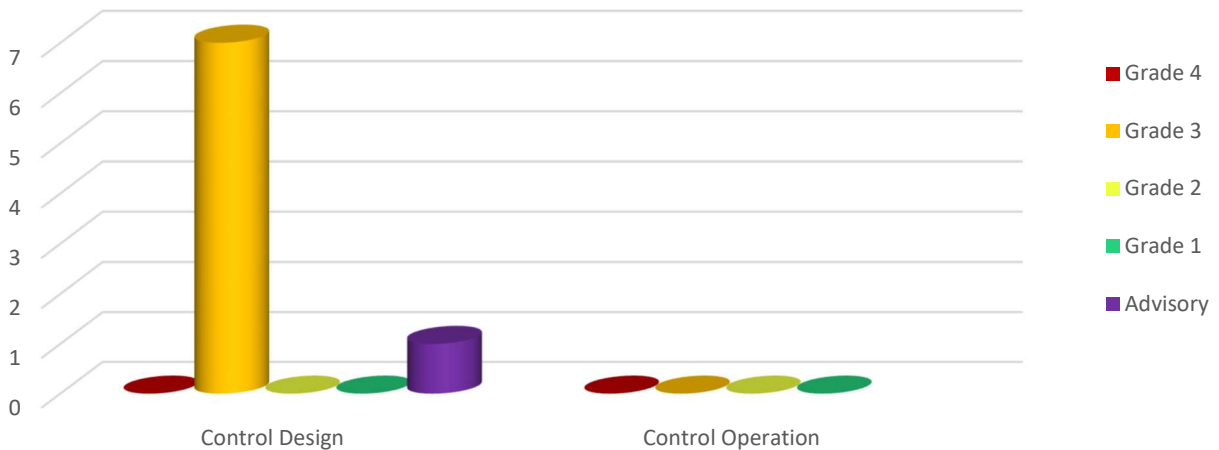
- 1. A clear workforce plan is in place which supports establishment planning, informs recruitment, retention, succession planning and deployment of staff who will contribute to the achievement of the strategic and operational objectives



- 2. The workforce plan has been informed by stakeholder engagement

- 3. The workforce plan, financial budget and performance are clearly linked, with any medium/longer term implications for the workforce plan being reflected in financial forecasts

Improvement actions by type and priority



Eight improvement actions have been identified from this review all of which relate to the design of controls themselves. See Appendix A for definitions of colour coding.

Key findings

Good practice

- A formally documented Integrated Workforce Plan covering the period 2022-2025 has been in place. This plan provided a structured overview of workforce challenges and priorities demonstrating that workforce planning has been recognised a strategic activity.
- The Integrated Workforce Plan included detailed analysis of workforce demographics, staffing profiles, vacancy pressures and anticipated future workforce needs providing a base to support understanding of workforce risks.
- The plan articulated both organisation's main workforce challenges including workforce gaps, recruitment difficulties, reliance on supplementary staffing and the ageing workforce demonstrating good awareness of workforce risks.
- At the time of development, the Integrated Workforce Plan appropriately considered relevant national and local drivers and these are outlined within the Strategic Drivers section. This included clinical priorities, legislative requirements and demographic trends demonstrating good practice in contextual workforce planning.
- The Plan appropriately recognised themes such as workforce wellbeing, learning and development and staff experience as important contributors to workforce sustainability reflecting good practice in workforce planning.

Areas for improvement

- Develop an updated Integrated Workforce Plan covering 2026 onwards, taking cognisance of the 2025-2028 Strategic Plan and its current workforce needs and priorities. The Plan should provide a clear, structured framework that supports the delivery of strategic objectives, supports establishment planning and informs recruitment, retention, succession planning and deployment of staff. Consideration should also be given to adopting a more streamlined structure which may comprise of a concise overarching integrated workforce plan/strategy with an accompanying action plan.
- Consider establishing a dedicated Workforce Planning Steering Group with representation across both NHSO and HSCP structures
- Develop and embed a proportionate succession planning approach within the workforce planning framework. This should include identifying critical roles, assessing succession risks and defining development pathways to support future workforce continuity.
- Management should consider strengthening future Integrated Workforce Action Plans by introducing a more structured and measurable approach. This should include:
 - Outlining a clear, specific description of the intended intervention
 - Assigning responsible owners
 - Setting defined target dates for completion
 - Establishing measurable targets or KPIs
 - Progress against actions should be formally tracked and reported to appropriate governance forums to support accountability and demonstrate delivery.
- Introduce a formal stakeholder identification and engagement process as part of future workforce planning exercises.

- Ensure that future workforce planning exercises are supported by a clear and proportionate audit trail of stakeholder engagement.
- Management should strengthen integration between workforce planning, financial planning and performance. This should include:
 - Clearly aligning workforce requirements and assumptions within the Integrated Workforce Plan with the approved annual budget and medium- to longer-term financial forecasts.
 - Ensuring that workforce actions and planned changes are costed and that associated workforce costs are explicitly reflected in financial forecasts
 - Ensuring that medium- and longer-term workforce implications are incorporated into financial planning.

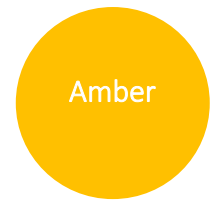
These are further discussed in the Management Action Plan below.

Cultural Observations

The absence of consistent documentation, structured processes and clear ownership indicates that elements of the organisation's culture remain reactive rather than proactive and more systematic in relation to workforce planning. Strengthening governance, clarifying roles and embedding more structured planning and engagement practices will support a culture that is more forward-looking, coordinated and more demonstrably aligned to strategic workforce priorities.

Management Action Plan

Control Objective 1: A clear workforce plan is in place which supports establishment planning, informs recruitment, retention, succession planning and deployment of staff who will contribute to the achievement of the strategic and operational objectives



1.1 Updated Workforce Plan

Observation

The current Integrated Workforce Plan covers the period 2022-2025 and has therefore expired. At the time of the audit, we were unable to obtain evidence that a new Integrated Workforce Plan covering 2026 onwards is in development or has been formally approved.

Section 2.2 of the Integrated Workforce Plan (“Strategic Drivers”) sets out the key drivers for workforce and service change which were most relevant at the time the plan was developed. However, in 2025, the IJB developed a new Strategic Plan which identifies that “our biggest challenge remains our workforce gaps”. Despite this clear strategic priority, no updated or accompanying Integrated Workforce Plan has been prepared to support delivery of the new strategic objectives. In addition, no evidence was provided to demonstrate progress towards refreshing or replacing the Integrated Workforce Plan to reflect the revised strategic direction.

The current Integrated Workforce Plan is comprehensive and detailed, however it is lengthy and combines strategic context, workforce analysis and action planning into a single document. As a result, the scale and format of the document have limited its practical usability as a live strategic tool. A more concise overarching document which clearly sets out workforce priorities and intended outcomes supported by a structured and measurable action plan may improve clarity, ownership and progression.

Root cause analysis

We sought to understand why the Integrated Workforce Plan has not been updated and we found that:

1. There is a lack of clarity between NHSO and the HSCP governance structures regarding the ultimate accountable owner for the Integrated workforce plan and who is responsible for driving its development and approval.

Risk

There is a risk that workforce planning priorities are outdated, not clearly focused or actively progressed as the Integrated Workforce Plan has not been updated and its structure does not lend itself to ongoing monitoring and refresh. This may lead to workforce gaps not being effectively addressed and reduced assurance that workforce capacity and capability support service delivery objectives.

Recommendations

Ref	Recommendation	Grade	Management Response	Action Owner and Due Date
1.1A	<p>Management should develop an updated Integrated Workforce Plan covering 2026 onwards, aligned to the 2025-2028 Strategic Plan and its current workforce needs and priorities. The plan should provide a clear, structured framework that supports the delivery of strategic objectives, supports establishment planning and informs recruitment, retention, succession planning and deployment of staff. Consideration should also be given to adopting a more streamlined structure which may comprise of:</p> <ul style="list-style-type: none"> • A concise overarching integrated workforce plan/strategy setting out key goals and priorities • A supporting action plan clearly linked to those priorities • Defined milestones which could be phased over the period of the plan • Assigned action owners, measurable outputs and realistic timescales. 	3 (Design)	An initial discussion between the Chief Officer, the Director of People and Culture and the Head of Human Resources and Organisational Development will be held to agree how best to approach a review and to agree a timescale for finalising an Integrated Workforce Plan for approval at the IJB and NHS Orkney.	Chief Officer. Director of People and Culture. Head of Human Resources and Organisational Development. 31 March 2027.
1.1B	The updated Integrated Workforce Plan should be subject to a defined review cycle to ensure it remains current and is responsive to organisational change.	3 (Design)	A review section will be included in the Integrated Workforce Plan. This will also be added to the HSCP's Policies, Plans and Strategies Log which is presented to the Orkney HSCP Senior Management Team regularly.	Chief Officer. Six monthly updates with first update due 30 September 2027.
1.1C	<p>Management should consider establishing a dedicated Workforce Planning Steering Group with representation across both NHSO and HSCP structures. The group should:</p> <ul style="list-style-type: none"> • Lead the development of a refreshed integrated workforce plan • Clarify governance and accountability arrangements • Ensure alignment with strategic and financial planning cycles • Oversee the development of supporting action plans 	Advisory (Design)	An initial discussion between the Chief Officer, the Director of People and Culture and the Head of Human Resources and Organisational Development will be held to consider establishing a Steering Group.	Chief Officer. Director of People and Culture. Head of Human Resources and Organisational Development. 30 September 2027

1.2 Succession Planning

Observation

The Integrated Workforce Plan includes somewhat limited and isolated references to succession-related issues such as anticipated retirements in certain service areas, workforce demographics and the need for learning and development to support future workforce capacity. The plan also acknowledges an ageing workforce and the risk of losing experience and skills over time.

However, the Integrated Workforce Plan does not include a formal or structured approach to succession planning. In particular, the plan does not set out:

- A defined succession planning framework or methodology
- Identification of critical roles or posts at higher risk
- Clear succession risks and mitigation actions by service area
- Structured development pathways linked explicitly to succession for key roles

Succession planning considerations are therefore largely implicit and high-level rather than embedded within a systematic and documented approach. As a result, assurance is limited that succession risks are being proactively managed across the organisation.

Root cause analysis

We sought to understand why succession planning is addressed in limited detail within the Integrated Workforce Plan and found that:

1. The primary focus has been on filling existing vacancies and maintaining safe service delivery particularly in the context of workforce shortages and operational pressures.

Risk

There is a risk that the organisation is not adequately prepared for the loss of critical skills, knowledge or leadership capacity as succession planning is not formally structured or documented. This may lead to service disruption, increased reliance on temporary staffing and reduce resilience in key services when staff leave or retire.

Recommendation

Ref	Recommendation	Grade	Management Response	Action Owner and Due Date
1.2A	Management should develop and embed a proportionate succession planning approach within the workforce planning framework. This should include identifying critical roles, assessing succession risks and defining development pathways to support future workforce continuity. Incorporating a structured succession planning framework into future	3 (Design)	For delegated services, there will be sessions for each of the key directorate areas. An initial discussion on critical roles will be discussed at the Orkney HSCP Senior Management Team and then further discussion will take place at each of the directorate sessions to ensure all roles identified.	Chief Officer. Head of Health and Community Care. Head of Children, Families and Justice Services.

	integrated workforce plans would strengthen long-term workforce sustainability and organisational resilience.			Head of Primary Care Services. Associate Director of Allied Health Professionals. 31 March 2027.
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1.3 Workforce Action Plans

Observation

The Integrated Workforce Plan 2022-2025 includes an action plan in Section 6 structured around the five pillars of the workforce journey: *Plan, Attract, Train, Employ* and *Nurture*. The action plan provides a broad outline of intended areas of focus over the 36 month period of the plan and demonstrates an intent to address identified workforce challenges.

However, the actions within the plan are largely high-level and generic and do not include sufficient detail to support effective implementation or monitoring. Examples of actions include activities such as undertaking school visits, attending careers fairs and reviewing the use of bank contracts. Additionally, the actions outlined within the action plan are not supported by:

- Clearly defined deliverables or outputs that articulate what successful completion looks like;
- Named responsible owners at an individual or team level;
- Action-specific timescales, as the only timing indicators are broad windows (e.g. next 12 months, 12-24 months, 24-36 months) which are not linked to individual actions; or
- Measurable targets or key performance indicators (KPIs) to enable progress or impact to be assessed.

As a result, while an action plan is in place, its current structure does not provide a clear mechanism for driving delivery, monitoring progress or evidencing outcomes. In addition, we did not obtain evidence of ongoing tracking, reporting or review of progress against the workforce action plan.

As outlined in MAP1.1, consideration should be given to simplifying the overall structure of the workforce planning documentation. A shorter, overarching workforce strategy clearly setting out key objectives and priorities would provide greater clarity and focus. Supporting action plans could then be developed which are explicitly linked to those priorities and include defined owners, milestones and measurable outcomes. This would provide a clearer line of sight between strategic intent and operational delivery.

Root cause analysis

We sought to understand why the action plan lacked sufficient detail and monitoring arrangements and found that:

1. There were no clearly defined overarching priorities against which individual actions were explicitly mapped which limited the clarity of linkage between strategy and delivery.
2. Roles and responsibilities for monitoring, updating and reporting on progress against the action plan were not formally assigned.

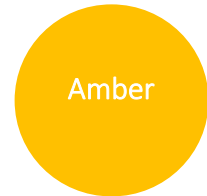
Risk

There is a risk that workforce actions are not effectively implemented or monitored as the action plan lacks clear ownership, measurable outcomes and defined time scales. This may lead to limited progress against workforce priorities and weakened assurance that workforce planning actions are delivering intended benefits.

Recommendation

Ref	Recommendation	Grade	Management Response	Action Owner and Due Date
1.3A	<p>As part of the development of the new integrated workforce plan/strategy, action plans should be created that support the strategic goals and objectives.</p> <p>Management should introduce a more structured and measurable approach. This should include:</p> <ul style="list-style-type: none"> • Outlining a clear, specific description of the intended intervention • Explicitly linking the action to the respective overarching priority/objective • Assigning responsible owners • Setting defined target dates for completion • Establishing measurable targets or KPIs <p>Progress against actions should be formally tracked and reported to appropriate governance forums to support accountability and demonstrate delivery.</p>	<p>3 (Design)</p>	<p>All actions will be quality checked to ensure they are SMART and in line with the strategic priorities in the Strategic Plan 2025 – 2028.</p> <p>Progress of the actions will be presented to the Joint Staff Forum.</p>	<p>Chief Officer. 31 March 2027 with the 6 monthly starting in September 2027.</p>

Control Objective 2: The integrated workforce plan has been informed by stakeholder engagement



2.1 Stakeholder Identification and Engagement

Observation

With regards to stakeholder engagement in the development of the integrated workforce plan, the plan itself states the following:

“To ensure appropriate alignment of Service, Workforce and Financial planning, while gathering appropriate information for plans, the following colleagues collectively met with Heads of Service and managers:

- Head of Assurance and Improvement
- Head of Finance
- HR Manager (Workforce Planning Lead)
- Programme Manager, Financial Sustainability Office (Project Manager deputised where necessary)
- Healthcare Staffing Lead Nurse (where appropriate)
- Head of Strategic Planning and Performance, Orkney Health and Social Care Partnership (where appropriate)”

The plan notes that meetings took place throughout May and June 2022 and that these discussions covered workforce data review, learning from previous periods, delivery priorities, financial and workforce considerations and next steps. It also states that managers were asked to complete templates to capture workforce demand, supply, opportunities and learning and development needs.

However, despite these references, we were unable to obtain evidence to demonstrate that the consultations took place. This includes the absence of completed templates, consultation summaries, attendance records or other records evidencing stakeholder input.

Additionally, the Plan does not set out a formal or structured stakeholder engagement framework, does not define stakeholder roles or responsibilities within the workforce planning process and does not detail how stakeholders are to be engaged during implementation. No documented communication plan, engagement methodology or governance structure for stakeholder involvement in workforce planning exists beyond these general references.

We also did not obtain evidence that a formal stakeholder identification process was undertaken at the outset of the workforce planning process. While the plan references engagement with the above internal colleagues, there is no documented evidence that a structured exercise was completed to identify all relevant stakeholders requiring consultation including potential external stakeholders. A clear stakeholder mapping process prior to the development of the integrated workforce plan would help ensure that all relevant parties are considerate and that appropriate buy-in is achieved.

As a result, assurance over the extent and effectiveness of stakeholder engagement in the development of the integrated workforce plan is limited.

Root cause analysis

We sought to understand why evidence of stakeholder engagement was unavailable and found that:

1. Management advised that there was a key person dependency on the HR manager who was most heavily involved in the development of the integrated workforce plan and they have since left the organisation.
2. Consultation records have not been centrally stored or retained as part of the workforce planning documentation.

Risk

There is a risk that the integrated workforce plan is not fully informed or effectively implemented due to limited stakeholder engagement and the absence of a structured process for identifying and involving key stakeholders. This may result in the plan not reflecting organisational needs and workforce priorities, leading to challenges in achieving agreed objectives.

Recommendations

Ref	Recommendation	Grade	Management Response	Action Owner and Due Date
2.1A	Management should introduce a formal stakeholder identification and engagement process as part of future workforce planning exercises. This should include completing a stakeholder mapping exercise at the outset to identify all relevant internal and external stakeholders and defining the method and timing of the engagement.	3 (Design)	For delegated services, there will be sessions for each of the key directorate areas. An initial discussion on key stakeholder required will be discussed at the Orkney HSCP Senior Management Team and then further discussion will take place at each of the directorate sessions to ensure all roles identified for participation.	Chief Officer. Head of Health and Community Care. Head of Children, Families and Justice Services. Head of Primary Care Services. Associate Director of Allied Health Professionals. 31 March 2027.
2.1B	Management should ensure that future workforce planning exercises are supported by a clear and proportionate audit trail of stakeholder engagement. This should include retaining evidence such as consultation schedules, meeting notes, completed templates or summaries of feedback received with documentation stored centrally.	3 (Design)	Evidence of each of the sessions identified at 2.1A will be saved within the Integration Joint Board files, and links will be included in the Policies, Plans and Strategies Log.	Chief Officer. 31 March 2027.

Control Objective 3: The integrated workforce plan, financial budget and performance are clearly linked, with any medium/longer term implications for the integrated workforce plan being reflected in financial forecasts

Amber

3.1 Limited Alignment between Workforce and Financial Planning

Observation

The Integrated Workforce Plan 2022-2025 recognises the importance of affordability and financial sustainability and includes narrative references to financial pressures, workforce costs and the reliance on supplementary staffing. Additionally, as noted in MAP2.1, the plan states that key stakeholders, including the Head of Finance were consulted during its development. This demonstrates that financial input was considered as part of the workforce planning discussions.

However, we were unable to obtain sufficient evidence to demonstrate that the Integrated Workforce Plan was developed in clear alignment with the approved financial budget or medium- to longer-term financial forecasts. In particular:

- The Integrated Workforce Plan does not clearly set out how workforce requirements/gaps are costed or reflected in financial forecasts.
- There is no clear linkage between the planned workforce actions and their affordability.
- There is no formal assessment of organisational capacity that was undertaken to determine whether there was sufficient time, resource and capability to deliver the proposed actions.
- Any medium- or longer-term workforce implications identified in the plan (such as addressing workforce gaps and reducing reliance on agency staffing) are not clearly linked to corresponding financial modelling or forecast assumptions.
- There is no multi-year budget impact analysis within the Integrated Workforce Plan.

Additionally, within the Board meeting minutes from 22 February 2023, it mentioned that members had "difficulties in attempting to interrogate the data to determine whether the Board should commission services and whether it aligned with local financial plans" and that "more work would be undertaken to make it more relevant to the local situation"; however we found no evidence that this further work was progressed.

Root cause analysis

We sought to understand why evidence of alignment between workforce, finance and performance planning was limited and found that:

1. Financial planning and reporting arrangements operate largely separately across NHS and HSCP governance structures limiting integrated visibility of workforce-related costs and finances.

Risk

There is a risk that integrated workforce plans are not financially sustainable or deliverable as workforce requirements and actions are not clearly reflected in financial forecasts. This may lead to misalignment between workforce priorities, budgetary decisions and performance objectives and reduced assurance that workforce gaps can be addressed within available resources.

Recommendation

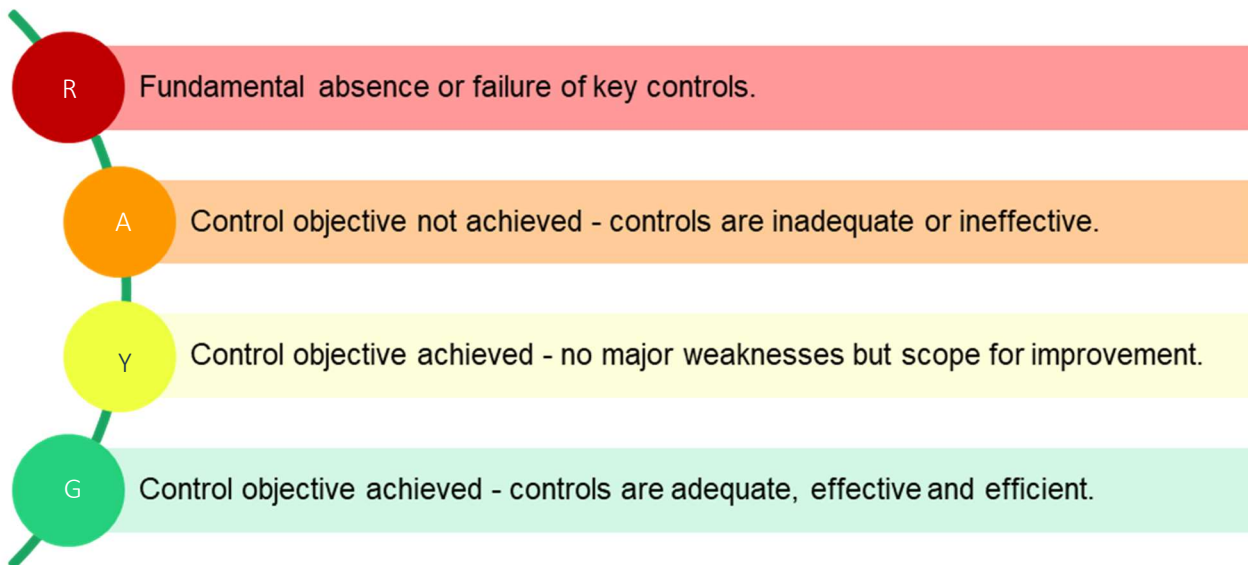
Ref	Recommendation	Grade	Management Response	Action Owner and Due Date
3.1A	<p>Management should strengthen integration between workforce planning, financial planning and performance. This should include:</p> <ul style="list-style-type: none"> Clearly aligning workforce requirements and assumptions within the Integrated Workforce Plan with the approved annual budget and medium- to longer-term financial forecasts. Assessing organisational capacity before assigning workforce actions to ensure action owners have sufficient time, resource and capability to deliver assigned actions. Ensuring that workforce actions and planned changes are costed and that associated workforce costs are explicitly reflected in financial forecasts. Ensuring that medium- and longer-term workforce implications are incorporated into financial planning. 	3 (Design)	<p>In the new Integrated Workforce Plan representation will include the Chief Finance Officer and financial colleagues from NHSO.</p> <p>We will ensure that the Integrated Workforce Plan will have clear links to the Medium Term Financial Plan, and where possible, we will align these documents.</p>	<p>Chief Officer. Chief Finance Officer. Principal Management Accountant. 31 March 2027.</p>

Appendix A – Definitions

Audit Ratings

Immediate major improvement required
•Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.
Substantial improvement required
•Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
Minor improvement required
•A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Effective
•Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

Control assessments



Management action grades

4	•Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation.
3	•High risk exposure - absence / failure of key controls that create significant risks within the organisation.
2	•Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation.
1	•Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.

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