



<b>Meeting of East Renfrewshire Health and Social Care Partnership</b>	Performance and Audit Committee
<b>Held on</b>	20 March 2019
<b>Agenda Item</b>	12
<b>Title</b>	Audit Actions Update
<p><b>Summary</b></p> <p>At the Performance and Audit Committee meeting on 26 June 2018, members requested a six monthly update report on the CareFirst Finance audit action plan (MB1044RL), which is attached at Appendix 1.</p> <p>The committee should also note that we are working closely with ERC Finance colleagues to ensure that the implementation of a new council financial system allows us to maintain our current level of financial integrity, governance and control.</p> <p>At the same meeting the Committee also considered the audit report on IJB Governance (MB1046RM). An update is attached at Appendix 2.</p> <p>An update is also provided on the action plan from the Audit Scotland annual report and accounts for 2017/18.</p> <p>It should be noted that the updates provided in the supporting appendices are all subject to internal and external audit follow up respectively.</p>	
<b>Presented by</b>	Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)
<p><b>Action Required</b></p> <p>The Performance and Audit committee is requested to note the progress to date against recommendations in the action plans</p>	

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**MB1044RL - CareFirst Finance**  
Audit Actions Update

Ref	Recommendation	Comments	Responsible Officer	Timescale for Completion	Update at 11 March 2019	Date considered closed
4.1.1	Priority needs to be given to ensure that annual review takes place for each client with an authorised service agreement however the Head of Finance and Resources stated that it is not possible to undertake a full annual review on every care package and that this operates on a risk based approach. Details of the risk based approach needs to be documented and approved by the IJB	A risk based approach was agreed a number of years ago. The policy will be revised and taken to the IJB for approval.	Head of Adult Health & Social Care Localities	31-Mar-2019	Review team established as part of structure changes and the team is located at Barrhead HCC. Staff will transition to new roles by the end of March 2019.	
4.1.2	Operational Managers need to review and prioritise cases to ensure that those most likely to have changed are addressed first. In practice these cases should have been reviewed under routine work.	Will be in line with revised policy to be taken to IJB (SEE 4.1.1)	Head of Adult Health & Social Care Localities	31-Mar-2019	The review team will take forward prioritised case review activity.	
4.2.1	Action is required by operational managers to ensure that varies processed are appropriate to the client and that service agreements reflect clients' needs accurately. Operational managers should prioritise checking of vary reports to approve all varies processed and to take action to update service agreements where appropriate.	This is already in place, however the formal sign off recording will be strengthened. To avoid duplication of effort and issues the sign off will incorporate some of the points below, as we suggested during the audit.	Head of Finance and Resources	31-Mar-2019	Quarterly reports and vary reports continue to be sent to managers together and discussed and minuted at budget meetings. Once individual budgets are implemented, along with approval panels, this process will be amended accordingly.	

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					<p>It should be recognised that changes in staffing structure mean that some managers need to take additional time to review areas / cases new to them.</p> <p>The approval panel is expected to commence in April 2019.</p>	
4.2.2	A positive response should be obtained by the Finance Team from each operational manager regarding review and approval of vary reports to ensure that each case is addressed and the manager is confirming an awareness of the differences and any required actions. This could be combined with the quarterly client verification check (which covers existence of client, commitment value and provider) and signed off within budget monitoring to avoid numerous verification checks.	As 4.2.1	Head of Finance and Resources	31-Mar-2019	As per 4.2.1 above, this now forms part of the budget monitoring minute. It should also be noted that due to a recent restructure, managers may be having to familiarise themselves with a new service area	
4.3.1	Operational managers should be reminded that service agreements must be authorised as a priority to avoid backlogs in payments to providers.	Reminder issued 24 May 2018. However the planned centralised entry of service agreements will also improve authorisation times.	Head of Finance and Resources	31-Mar-2019	<p>Email issued 24.5.18.</p> <p>This will be superseded by the centralised entry of service agreements once implemented.</p> <p>The timing will be dependent on the review of business support functions however interim arrangements will be put in place to support the approvals panel.</p>	24/05/2018

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4.3.2	Social Workers should be instructed that updating the CFF system is essential and that this must be done before the service agreement commences where possible.	See 4.3.1	Head of Finance and Resources	31-Mar-2019	Email issued 24.5.18 attached to scorecard outcome	24/05/2018
4.4.1	Regular review of provider rates should take place within the commissioning team and appropriate action taken where anomalies are found. Evidence of this review should be held.	Report developed, will inform actions and any compliance issue will be taken to DMT	Head of Finance and Resources	31-Mar-2019	Commissioning, CareFirst and Finance meet weekly to discuss any new rate anomalies. Records are maintained by CareFirst.	24/05/2018
4.4.2	The report should be presented to DMT in line with procedures to obtain approval of rates not set by commissioning.	See 4.4.1	Head of Finance and Resources	31-Mar-2019	Commissioning report to DMT annually when rates are reviewed. HOS approval for individual non-framework rates is now delegated to locality managers per 4.6.1. the Commissioning team also have access to business objects reports to check rates on an ad-hock basis.	13/11/2018
4.5.1	A review of the uprating process should take place to address the processing of varies where a rate has been approved to be paid but needs to be updated on a service agreement. Service agreements should be identified and subject to independent review and update prior to processing the next period invoice.	See 4.2.1 and 4.4.1 However the planned centralised entry of service agreements will mitigate.	Head of Finance and Resources	31-Mar-2019	Once finance structure is fully populated , this will be addressed as part of the finance support officer role.  This will be superseded by centralised entry of service agreements.	

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4.5.2	Processing staff should be reminded to check the number of hours charged to the service agreement to ensure that varies processed for rate changes do not also cover increased charges for additional hours.	Reminder issued during audit and will be routinely reviewed	Head of Finance and Resources	31-Mar-2019	Team were reminded at time of audit. This is also included within the procedures to deal with invoice variations.	24/05/18
4.5.3	Housekeeping checks should be implemented ensuring that all of the adjustments processed that are intended to be offset at a later date are actually matched up and cleared.	This was deemed low risk, when team is fully staffed will be a routine process	Head of Finance and Resources	31-Mar-2019	Updates are actioned on an ad-hoc basis depending on query but a proactive and scheduled approach will commence when the Finance Support Office roles are fully recruited.	
4.6.1	Head of service approval must be seen by the carefirst team before they enter a non-framework rate.	Sign off process being refreshed	Head of Finance and Resources	31-Mar-2019	This requirement was causing a delay in Service Agreements going onto the system, due to the demands already on HOS. As agreed with the Chief Officer, this has now been delegated to Locality Managers.	13/11/2018
4.7.1	The deceased clients with open service agreements report should be reviewed and service updated to: - Remove clients whose service agreements were not authorised - Ensure that service agreements effectively ended do not appear Appropriately end agreements on the system.	Reminder issued 24 May 2018 and also see 4.2.1	Head of Finance and Resources	31-Mar-2019	The deceased clients report was updated in July 2018 to ensure cancelled and ended service agreements do not appear on the report. Incomplete/unauthorised service agreements are still included in the report as these require action; i.e. cancelled or completed and authorised.	01/07/2018

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4.7.2	Homecare Managers should be instructed of the procedure and the requirement to end the service agreements promptly of clients who have died.	See 4.7.1	Head of Finance and Resources	31-Mar-2019	All managers instructed, per email of 24 <sup>th</sup> May 2018. Weekly reports are sent to Intensive Services Manager. Any outstanding service agreements are discussed as part of the routine budget meetings.	24/05/2018

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**MB1046RM - IJB Governance**  
Audit Actions Update

Ref	Recommendation	Comments	Timescale for Completion	Responsible Officer	Update	Completion Date
4.1.1	The IJB should develop a protocol with the auditors to ensure all internal audit reports that affect the IJB are made available to its performance and audit committee.	We will agree a protocol with NHS Internal Audit ensuring that a copy of any Internal audits that impact on IJB will be forwarded to the next available Performance and Audit Committee following the submission of audit response to Internal Audit Section.	31-Oct-2018	Business Support Manager	The Financial Governance Manager, NHS GGC has confirmed that the current process is that after each meeting of the NHSGGC Audit and Risk Committee, a paper is prepared which summarises Integration Joint Boards the internal audit activity within NHSGGC. Where a report has a direct impact on an IJB, that report is shared with the IJB.	07-Nov-2018
4.2.1	A Workforce and Development Plan and an Organisational Development Strategy should be put in place as stipulated in the Integration Scheme.	We will meet this requirement through the production of a workforce plan and a learning & development plan.	31-Mar-2019	HR Business Partner/L&D Team	Learning & Development staff are working with our partners to deliver an integrated approach. This will form the basis of new L&D plan.  Data for the workforce plan is currently being analysed and outline text for the documents is being pulled together.	
4.3.1	The two members of the IJB who have not signed a code of conduct undertaking should be requested to do so.	The code of conduct will be forwarded to the two members for sign off.	31-Aug-2018	Democratic Services Manager	This was confirmed as complete at the meeting on 27 June 2018.	27-Jun-2018
4.4.1	A carer's representative should be invited to join the membership of the Clinical and Care Governance Committee as soon as	A carer representative will be invited to join Clinical and Care Governance Committee.	31-Oct-2018	Public Engagement Officer	A carer representative will be invited to join Clinical and Care Governance Committee  This matter is an agenda item on Your Voice meeting November 2018 as the	

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	possible in accordance with the Integration Scheme and the IJB decision of 17 June 2016.				previous meeting was postponed. The Public Engagement Officer will discuss with Your Voice members and East Renfrewshire Carers Centre to ensure representation from carers on Clinical and Care Governance Committee.	
4.5.1	All documents relating to the IJB should comply with the requirements of the Records Management Plan.	The IJB has received advanced notice from the Keeper of Scottish Records to produce an IJB Records Management Plan (RMP). The Keepers office indicated they will write formally in October 2018 and ask the IJB to produce an RMP within three months. Meantime we will review IJB documents and ensure they comply with ERC RMP	31-Oct-2018	Business Support Manager	1.At its meeting on 30 January 2019 the Integration Joint Board approved the Records Management Plan and associated Memorandum of Understanding and agreed that they be submitted to the Keeper for the Records of Scotland for agreement.  2.The Records Management Plan has been submitted, however the Memorandum of Understanding is currently awaiting sign off by the Chief Executive of NHS Greater Glasgow and Clyde and will be forwarded thereafter.	
4.6.1	The risk management policy's requirement of quarterly review of the risk profile by the HSCP Management Team should be amended to reflect actual practice.	We will review the existing risk management policy and amend where required.	31-Oct-2018	Business Support Manager	The risk register is reviewed by the DMT prior to submission to every Performance and Audit Committee. In addition, the HSCP key risks are regularly updated with our partners.	1-Nov-18.

## 2017/18 recommendations for improvement

No	Issue	Risk	Recommendation	Agreed Management Action	Responsible Officer	Timing	Comments
1	<b>Financial Sustainability</b> The IJB has identified a savings requirement of £1.978m in 2018/19 and a potential savings requirement of £8.3m to 2020/21. It is currently estimating a savings gap of £3.97m in the two years to 2020/21 which it has identified may require reductions to care packages and future grant funding.	Future savings requirements cannot be delivered without adversely impacting on services and fully utilising all available reserve balances.	The IJB should continue to closely monitor performance against budgets and wherever possible work towards meeting its agreed reserves policy Paragraph 38	In- year revenue monitoring, budget updates and IJB seminars will continue to take place. Budget reports will continue to consider future years funding scenarios, cost pressures, risks and associated savings targets along with proposals and progress to close any funding gap.	CFO	Ongoing	Revenue monitoring reports are a standing item on the IJB agenda and identify current year performance including savings delivery. Budget update reports are taken to the IJB regularly, and seminars held as required, where funding scenarios are discussed.
2	<b>Medium and long-term financial planning</b> While target areas for savings over the 3 years to 2020/21 are set out in its draft Strategic Commissioning Plan, a broader longer term Financial or Budget Strategy paper has yet to be prepared which considers the impact of future costs and funding uncertainties on services such as future prescribing costs and the extent of benefits realised from the ongoing Fit for the Future service redesigns.	Decisions on financial planning do not reflect a longer term assessment of future cost pressures and funding levels and the potential impact on services and financial sustainability.	The IJB should prepare a medium to long term financial strategy for approval by the Board which includes a range of outcomes and scenarios which reflect as far as possible the current uncertainties surrounding future funding levels, cost pressures and service redesigns. Paragraph 43	A range of financial scenarios and associated impacts have been modelled and included in the Strategic Commissioning Plan 2018-21. A separate financial strategy will be produced and will reflect the Scottish Government financial framework due to be published in September 2018.	CFO	31/03/2019	The November budget update to the IJB included the key messages as well as the full detail of the Scottish Government Medium Term Health and Social Care Financial Framework. A medium term financial plan for the HSCP will be taken to the IJB on 20 March 2019.
3	<b>Strategic Plan</b> The Strategic Plan for 2018-2021 does not clearly link its plans under each of its strategic objectives to the delivery of the national outcomes. The Plan does not include the key indicators by which the IJB will measure its performance and progress in achieving its priorities and the delivery of the national health and wellbeing outcomes	The Strategic Plan does not demonstrate progress against the IJB's key performance measures and links between the IJB's aims and national outcomes are unclear.	The Strategic Plan should include references by which successful performance against strategic aims can be measured and progress against the national outcomes demonstrated. Paragraph 68	We are reviewing our performance reporting to realign this to reflect the new Strategic Plan.	CFO	31/03/2019	The HSCP undertook a strategic mapping exercise and logic modelling to support to the implementation of the Strategic Plan. As a result we have produced driver diagrams for the strategic objectives set out the plan – and a fully aligned performance reporting framework. Each driver diagram clearly sets out which national health and wellbeing outcome(s) are being supported by the strategic priority area – and sets out critical delivery activities and key performance indicators to measure progress. Our reporting framework produces detailed six monthly reports structured under each Strategic Plan priority (linked to National Outcomes) with updates on progress against activities and PIs.
4	<b>GDPR Compliance</b> The IJB does not hold personal data and the intention is to rely on the GDPR arrangements in place in East Renfrewshire Council and NHS Greater Glasgow and Clyde. This position has never been formally reported to the Board along with confirmation that the IJB has met all relevant GDPR requirements.	The arrangements for complying with GDPR are not formally agreed by the Board and the IJB partners.	The Board should formally agree its position regarding GDPR and should set out its position regarding Data Protection Officers. Paragraph 62	A report will be taken to the Integration Joint Board to formalise the position.	CFO	31/03/2019	A paper on GDPR regulations was taken to the IJB on 30 January 2019

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