



Meeting of East Renfrewshire Health and Social Care Partnership	Performance and Audit Committee
Held on	27 November 2019
Agenda Item	6
Title	Audit Actions Update
<p>Summary</p> <p>This report provides the Performance and Audit Committee (PAC) with updates on the three audit action plans previously reported to PAC on 20 March 2019:</p> <ul style="list-style-type: none"> • CareFirst Finance audit action plan (MB1044RL) detailed at Appendix 1. • IJB Governance (MB1046RM) detailed at Appendix 2. • Action plan from the Audit Scotland annual report and accounts for 2018/19 detailed at Appendix 3. <p>The committee should also note that we continue to work closely with ERC Finance colleagues to ensure that following the implementation of the new council financial system we are able to maintain our current level of financial integrity, governance and control.</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>	
Presented by	Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)
<p>Action Required</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 18 Nov 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	Staff transitioned to new roles in May 2019 and work commenced on review process. However due to high demands and pressures across adult services the review service had to be disbanded in October. The review process is currently under review.	
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	As above	
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	Revised to 31-Dec-2019	Finance Support Officers (FSO) send vary reports to managers. A traffic light approach has been introduced to highlight the riskiest varies (anything over profiled spend and any large underspends) to aid with a targeted approach. Once individual budgets are fully implemented, along with	

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					<p>approval panels, this process will be amended if necessary.</p> <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 live operation in December 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 recent restructure of operational teams, 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>	24/05/2018

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					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.	
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	See 4.2.1 and 4.4.1 However the planned centralised entry of	Head of Finance and Resources	31-Dec-2019	This will form one of the compliance reports taken on by	

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	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.	service agreements will mitigate.			the FSOs to raise with operational teams. This will be superseded by the centralised entry of service agreements. This will go live in December with the approvals panel.	
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	Invoice processors now regularly complete a tidy action for their allocated providers, ensuring any un-invoiced periods are promptly raised with the provider. Given the dynamics of care package profiles and actual spend there are a large volume of varies, often not significant and routinely reviewed by the invoice processors. Where a Service Agreement does need revision the FSOs will escalate any issues with operational staff.	

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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: <ul style="list-style-type: none"> - 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
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 th 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

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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 which will form the basis of new L&D plan. Due to staffing difficulties, the plan has not yet been finalised, however the Lead Officer: Policy and Practice Development has been appointed and took up post in November. It is anticipated that the plan will be available for sign-off by 31 January 2020. Our workforce planning group is established and the 2019/20 workforce plan update complete. The Workforce Plan for 2020-23 will be developed following receipt of guidance from Scottish Government.	
4.3.1	The two members of the IJB	The code of conduct will be	31-Aug-2018	Democratic	This was confirmed as complete at the	27-Jun-2018

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	who have not signed a code of conduct undertaking should be requested to do so.	forwarded to the two members for sign off.		Services Manager	meeting on 27 June 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 possible in accordance with the Integration Scheme and the IJB decision of 17 June 2016.	A carer representative will be invited to join Clinical and Care Governance Committee.	31-Oct-2018	Public Engagement Officer	2 carer representatives have been identified and are attending meetings of the new Clinical and Care Governance Group.	Jun-2019
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	The RMP was sent to the Keeper of Records Scotland following approval of the both the RMP and MoU at the IJB on 30 January 2019, however the MoU was awaiting signoff by the Chief Executive of NHSGGC. The MoU has now been signed and submitted. The Keeper of Records Scotland has now reviewed the RMP and supporting evidence and agrees that combined they set out proper arrangements for the management of the IJBs public records. The assessment will be published on the National Records of Scotland website.	Oct-2019
4.6.1	The risk management policy's	We will review the existing	31-Oct-2018	Business	The risk register is reviewed by the DMT	1-Nov-18.

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	requirement of quarterly review of the risk profile by the HSCP Management Team should be amended to reflect actual practice.	risk management policy and amend where required.		Support Manager	prior to submission to every Performance and Audit Committee. In addition, the HSCP key risks are regularly updated with our partners.	

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Actions from Audit Scotland Action Plan - Appendix 1

Appendix 3

<https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=25170&p=0>

2018/19 recommendations for improvement

No	Issue	Risk	Recommendation	Agreed Management Action	Responsible Officer	Timing	Comments
1 B/F*	Financial Pressures The IJB is facing a funding gap of £3.1 million in 2019/20. A savings plan of £3.6 million has been identified to address this gap. The 2020/21 savings requirement is estimated between £3.1 million- £3.5 million and a savings plan has yet to be identified.	The IJB may not be able to deliver future savings without adversely impacting service delivery.	The IJB should develop savings plans for 2020/21 which link to, and support, the Fit for the Future programme and which reflect an assessment of the potential impact on service delivery Paragraph 43-51	As detailed in the MTFP the savings requirement will be dependent on our budget settlement. Should we be required to make significant savings the backstop to balancing future budgets will be to take a backwards step and look at implementing criteria-based assessment so only those with the highest level of need would receive support.	Chief Financial Officer	31-Mar-20	We have identified c£0.5 million that we could potentially take from nine front line services. The balance would come from a prioritised approach to care packages. The actual savings required will be dependant on the Scottish Government budget settlement for 2020/21.
2	Management Commentary Disclosures within the management commentary could be improved, particularly those regarding the key performance indicators against which the main strategic objectives will be measured.	The management commentary does not meet reporting requirements.	The Management Commentary should clearly detail the key performance indicators by which achievement of the IJB's seven strategic priorities will be measured and document the IJB's performance against them. Paragraph 69	We will review the management commentary for our 2019/20 annual report and accounts.	Chief Financial Officer	30-Jun-20	This will be reflected in the annual report and accounts for 2019/20.
3	Best Value The annual performance report does not include an assessment of how the IJB is meeting its best value duties in the delivery of services.	The IJB does not have appropriate arrangements in place for securing best value.	The IJB should assess how it is meeting its best value duties in the delivery of services and publish a summary and conclusion of the assessment within its Annual Performance Report. Paragraph 75	We will review how we report on best value for our 2019/20 annual performance report.	Chief Financial Officer	30-Jun-20	This will be reflected in the annual performance report for 2019/20.

4	Care at Home A report published by the Care Inspectorate during 2018/19 identified a number of concerns and areas for improvement regarding the IJB's Care at Home service. The IJB have developed a comprehensive improvement plan to address the report findings.	The issues identified within the Care Inspectorate report are not adequately addressed and no improvement is seen within the Care at Home Service, impacting on the achievement of strategic priorities within the strategic plan.	Defined to enable the IJB to monitor and review progress and initiate remedial action if required. Paragraph 79-80	All future inspections and all new inspection reports will be reported to the IJB.	Head of Adult Health and Care Localities	The timeline will be determined by independent external scrutiny.	The latest update and action plan is being presented to the IJB 27/11/19.
5 B/F*	Strategic Plan The current strategic plan 2018-2021 does not include the key performance measures/targets by which the IJB intend to measure progress.	The key performance measures by which the IJB intends to measure progress against the strategic plan is not clear.	The IJB should update the Strategic Plan to include the key performance measures and targets against which performance against key strategic priorities will be assessed. Paragraph 81-82	The annual implementation plan includes this information and will be appended to the Strategic Plan.	Chief Financial Officer	31-Mar-20	The key performance measures to be sent to Communications Team for inclusion on the website - this will be live by end Nov

*Those items marked with B/F are brought forward from the 2017/18 Annual Audit Report