



Meeting of East Renfrewshire Health and Social Care Partnership	Performance and Audit Committee
Held on	29 November 2017
Agenda Item	9
Title	Audit Actions Update
<p>Summary</p> <p>This report provides a progress position on:</p> <ul style="list-style-type: none"> ▪ An update on the Council Internal Audit report on Payment to care Providers (MB/919/RMEL) ▪ The action plan from the IJB Annual Report and Accounts 2016/17 	
Presented by	Lesley Bairden, 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>	
<p>Implications checklist – check box if applicable and include detail in report</p> <p> <input type="checkbox"/> Financial <input checked="" type="checkbox"/> Policy <input type="checkbox"/> Legal <input type="checkbox"/> Equalities <input type="checkbox"/> Efficient Government <input type="checkbox"/> Staffing <input type="checkbox"/> Property <input type="checkbox"/> IT </p>	

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

PERFORMANCE AND AUDIT COMMITTEE

29 November 2017

Report by Chief Financial Officer

AUDIT ACTIONS UPDATE REPORT

PURPOSE OF REPORT

1. The purpose of this report is to provide the Performance and Audit Committee with an update on:
 - An update on the Council Internal Audit report on Payment to Care Providers (MB/919/RMEL)
 - The action plan from the IJB Annual Report and Accounts 2016/17

RECOMMENDATION

2. The Performance and Audit committee is requested to note the progress to date against recommendations in the action plans.

BACKGROUND

3. This report provides updates on key audit recommendations and action plans relating to the HSCP.
4. We will report all significant new activity as and when it arises during the year, including any reports resulting from NHS audit work plan relating to partnerships which will include financial controls, performance reporting, delayed discharge and governance.
5. The supporting appendices are:
 - Appendix 1: The action plan from the IJB Annual Report and Accounts 2016/17
 - Appendix 2: Follow up of Payment to Care Providers Audit

REPORT

6. The main developments since we last reported are discussed below.
7. The action plan for the 3 recommendations resulting from Audit Scotland's review of the 2016/17 annual report and accounts as reported to this committee on 27 September 2017 is detailed at Appendix 1. The progress against each action is self-explanatory and the budget setting timing will not change without a national policy decision.
8. There are no HSCP actions resulting from the Council External Audit Key Controls Report 2016/17 recognising that the recommendations from 2015/16 relating to care finance were fully implemented.

9. The action plan at Appendix 2 provides the position on the recommendations from the Chief Internal Auditor's follow up report on Payment to Care Providers reported to East Renfrewshire Council's Audit and Scrutiny Committee on 2 March 2017 and to this committee on 29 March 2017.
10. The Chief Financial Officer gave a commitment that this action plan would be reported to this committee until all actions are formally closed. The update shown at Appendix 2 has yet to be reviewed by the Chief Internal Auditor as part of the follow up work.
11. The internal auditors for NHSGGC are currently undertaking a review of delayed discharge and any actions specific to our partnership will be reported in due course.
12. Work has commenced on developing a Code of Governance for the IJB, in line with best practice, as agreed in the audit work plan for the IJB for the current year. The intention is to bring a code to the next committee in February 2018.

CONCLUSIONS

13. The Performance and Audit Committee can take assurance that progress continues to be made to ensure all audit recommendations are fully complied with.

RECOMMENDATIONS

14. The Performance and Audit committee is requested to note and the progress to date against recommendations in the action plans.

REPORT AUTHOR AND PERSON TO CONTACT

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29 November 2017

HSCP Chief Officer: Julie Murray

BACKGROUND PAPERS

East Renfrewshire Council Audit and Scrutiny Committee: Follow up of Payments to Care Providers Audit
<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=19659&p=0>

Annual Report and Accounts Action plan 2016/17

Page no.	Issue/risk	Recommendation	Agreed management action/timing	Progress
13	<p>1. Efficiency Savings</p> <p>For 2017/18 the board is required to deliver savings of £4.3 million. It has still to be determined how some of these savings will be achieved. The board should ensure that efficiency savings are agreed as soon as possible and that they do not impact on the IJB's ability to achieve its strategic priorities. The change programme being implemented by the IJB aims to achieve some of these savings. There is a risk that this delay results in savings targets not being met which may impact on delivery of services.</p>	<p>It is recommended that progress against savings be regularly reported to the Board.</p>	<p>Regular progress updates will be provided through seminars, revenue monitoring and budget update reporting.</p>	<p>Financial planning seminar held 8 September 2017 and further sessions will be arranged as required.</p> <p>Savings progress is included in budget and revenue monitoring reports.</p>
13	<p>2. 2017/18 budget</p> <p>The 2017/18 budget was finalised by the IJB on 16th August following approval to accept the NHSGGC contribution. There is a risk that approving contributions from partners after the financial year has commenced may impact on financial planning and service delivery.</p>	<p>The IJB should work with the Health Board to determine funding allocations as early as possible. Regular and detailed financial monitoring should be maintained to ensure that service delivery remains unaffected by the delays to the budget setting.</p>	<p>There is regular engagement and discussion with the health board on financial matters, including future year budget planning.</p> <p>2018/19 is likely to operate on an assumed budget contribution (as with 2017/18) unless the timing of the NHS settlement changes.</p>	<p>The congruence of local and central government timetables is a national issue.</p> <p>We will continue to work closely with our partners in the meantime and this includes sharing our assumptions around expected budget implications.</p> <p>We will continue to take a pragmatic approach whilst the current timescales remain.</p>

13	<p>3. Long-term financial planning</p> <p>Due to the nature of its funding, it is difficult for the IJB to prepare a detailed long-term financial strategy. Long-term financial planning is currently high-level and this may result in the IJB not being fully aware of its funding needs and an over-dependence on reserves. Again, there is a risk of strategic priorities not being achieved without adequate forward planning.</p>	<p>The board should consider preparing a detailed long-term financial strategy which will account for future budget pressures as well as the need to adhere to the IJB's strategic plan.</p>	<p>Longer term financial planning is being developed to a more detailed level, linked to our strategic commissioning plan. This will look at the impacts of different funding scenarios in future years.</p>	<p>The strategic plan for the period 2018 – 2021 will include a financial strategy as an integral component of the plan. This will include detailed financial information at service, locality and outcome level.</p> <p>In addition the CFO will maintain high level modelling for a longer time period which will include future funding needs and scenarios, assumptions, risks and challenges.</p>
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Audit Response - MB/919/RMEL - Report on Payments to Care Providers
Progress as at 20 November 2017

Ref.	Audit Recommendation	Rec Accepted YES / NO	Action	Progress	Expected Completion	Responsible Officer
4.1.1	Reconciliations between Carefirst Finance and the ledger should contain sufficient information to allow identification of amounts paid to the actual invoice.	Yes	Quarterly reconciliation process in place	Procedure in place as part of routine workload planning and quarterly reconciliations are undertaken. Considered Closed subject to Audit Confirmation	Done	CFO
4.1.2	A full reconciliation is required for 2015/16 between actual and committed expenditure for learning disability ensuring that any over or underspend can be identified to individual service user.	No	This recommendation was not accepted per response and briefing note previously reported.	For information: Care Finance reporting developed to produce reconciliations by person as standard practice. This includes: <ul style="list-style-type: none"> • Care Finance commitment • Care Finance payment • Ledger Payment • Service Sign off Thus providing full "account management" information. These reconciliations are signed off quarterly by service managers.	31/03/17 31/03/17	CFO

4.2.1	A full reconciliation over the last several years needs to be done for all service users who receive ILF to ensure that the funds are fully and accurately accounted for. Any resulting overpayments to providers identified must be invoiced promptly.	Yes	Will be completed for period 2014/15 to 2016/17 and ongoing thereafter as one element of full reconciliation process set out above	Current year completed periodically on receipt of bank statements as part of routine practice. A full reconciliation by client for 2015/16 and 2016/17 is with Internal Audit for review. Considered Closed subject to Audit Confirmation	31/03/17	CFO
4.2.2	Confirmation is sought that regular reconciliations will be carried out on an ongoing basis to ensure that all ILF monies are appropriately accounted for.	Yes	Please see 4.2.1 above	As 4.2.1 above Considered Closed subject to Audit Confirmation	Ongoing	CFO
5.1.1	Where spreadsheets continue to be used for commitments and monitoring they should be kept up to date and reconciled regularly with a supervisor evidencing checks on the reconciliations.	Yes	See 4.1.2	All use of spreadsheets as part of routine business will be covered as in reconciliations above. Considered Closed subject to Audit Confirmation	Ongoing	CFO
6.1.1	On an ongoing basis, front line operational staff should be required to confirm that each service user is still receiving the services that are being paid for.	Yes	Client information is sent quarterly to services for verification. In addition the client commitment information is an integral element of budget monitoring.	A formal sign off process is part of the quarterly reconciliation per 4.1.2 Considered Closed subject to Audit Confirmation	31/3/17	CFO
6.1.2	The commitment report set up should be revised to include agreed daily/weekly hours of	Yes in part	The commitment reporting from CareFinance will be	The commitment report now includes daily and weekly hours. This is included in the	31/3/17	CFO

	service as well as weekly cost and actual costs processed and this detail should be verified as correct for each individual service user by operational management on a regular periodic basis.		further developed to allow activity and financial commitment information to be viewed within one report – subject to system parameters	quarterly reconciliation per 4.1.2 Considered Closed subject to Audit Confirmation		
6.2.1	Ongoing review of all active authorised service agreements should take place and evidence of this should be held for all teams. Specifically review of unallocated clients with service agreements should be carried out and evidenced.	Yes	Annual reviews will take place for all active service agreements. A report identifying all unallocated clients who are not on a review clipboard will be distributed to teams weekly for review.	Reviews in 16-17 concentrated on out-of-area and high-value packages. From 17-18, the intention is to review all care packages annually, using CareFirst data as the driver for this exercise. Report has been developed by the CareFirst team and they plan to meet with teams shortly to analyse data. Anyone who should have an allocated worker will have their record amended and the remainder will be provided in report format to teams on a regular basis to allow them to monitor.	Ongoing	Head of Health & Community Care

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