



Meeting of East Renfrewshire Integration Joint Board	Performance and Audit Committee
Held on	16 March 2016
Agenda Item	7
Title	External Audit Recommendations resulting from East Renfrewshire Annual Accounts
<p>Summary</p> <p>This report identifies the three recommendations specifically relating to the Health & Social Care Partnership, as a result of the external audit of the Council's annual accounts.</p>	
Presented by	Lesley Bairden, Chief Financial Officer
<p>Action Required</p> <p>The Performance and Audit Committee is requested to note the actions and the ongoing work to ensure these recommendations are fully complied with.</p>	

EAST RENFREWSHIRE INTEGRATION JOINT BOARD

PERFORMANCE & AUDIT COMMITTEE

16 MARCH 2016

Report by Julie Murray, Chief Officer

**EXTERNAL AUDIT RECOMMENDATIONS RESULTING FROM
EAST RENFREWSHIRE ANNUAL ACCOUNTS**

PURPOSE OF REPORT

1. The purpose of this report is to provide the Performance & Audit Committee with recommendations, specific to the HSCP, which resulted from the annual audit of the Council's accounts for financial year 2014/15.

RECOMMENDATION

2. The Performance and Audit committee is requested to:
 - a. Note the recommendations and progress made to date.
 - b. Agree to receive progress updates at future meetings.

BACKGROUND

3. As previously reported to the Performance & Audit Committee the Council's Annual Accounts and associated audit were reported to both the Audit and Scrutiny Committee and Full Council in September.
4. The Council was awarded an audit certificate with no qualifications. The annual audit report (ISA 260) identified a number of recommendations for Council consideration and this report focusses on those related to the HSCP.
5. Progress will also be reported to the Council Audit & Scrutiny as required, as part of the Council's governance process

REPORT

6. The Council's audit of the annual accounts contained three recommendations specific to the HSCP:
 1. Scheduled Payments
 2. Provider Contracts
 3. Systems
7. The full detail of the recommendations and associated management action/response is included at appendix 1, along with an updated position as at 16 March 2016. This is an update to progress last reported to the Performance and Audit Committee on 18 December 2015.

8. As already discussed at agenda item 4 the staffing structure within Finance is currently being populated. The recently appointed Development Accountant post is supporting the Finance Business Partners in ensuring all audit recommendations are complied with, as well as developing robust reporting, reconciliation and monitoring processes.
9. In order to ensure that data migrated to Care Finance is accurate and complete there have been a number of points of clarification needed, particularly in relation to some very complex care packages, often with numerous components to the service being delivered. This has been very time consuming and with hindsight the original timescales were somewhat optimistic. However with continued efforts from both operation and finance staff it is still anticipated that all care package information will be completely on Care Finance by 31 March 2016.
10. Whilst it is acknowledged here has been slippage against the original timescales the end date of 31 March 2016 should still be achieved for all actions as a result of continued efforts by the Finance Business Partners, service colleagues and the finance team.

CONCLUSIONS

11. Progress is being made to ensure all recommendations are fully complied with.

RECOMMENDATIONS

12. The Performance and Audit committee is requested to:
 - a. Note / approve the progress made to date.
 - b. Agree to receive progress updates at future meetings

REPORT AUTHOR AND PERSON TO CONTACT

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16 March 2016

BACKGROUND PAPERS

Annual accounts report

KEY WORDS

Audit, recommendations;

HSCP Response to External Audit
16-Sep-2015

	Issue	Management Action/response	Responsible Officer	Target Date	Progress as at 16 March 2016
1	<p>CHCP Scheduled Payments. Weaknesses in controls over the existing CHCP scheduled payments system led to overpayments of £1.3 million over a number of financial years. The scheduled payments system should be discontinued.</p>	<p>At the start of 2015/16 scheduled payments were being made for 6 organisations. Of these 3 are now paid on invoice, 1 will be paid on invoice by October 2015 and the remaining 2 organisations will move to payment on invoice by the end of the financial year.</p>	<p>Candy Millard / Frank White</p>	<p>31-Mar-16</p>	<p>Currently 3 providers remain on scheduled payments, with work ongoing to move to invoice arrangements.</p> <p>All schedule payments are planned to cease by 31/01/16.</p>
2	<p>CHCP provider contracts. The contractual terms could not be established with some providers of care and some contracts may not have been reviewed for over ten years. CHCP grants and payments to providers of care services should be reviewed to ensure appropriate contract terms exist that reflect the current procurement practices. These arrangements may reflect care provision on an individual basis within wider contract terms for each provider or arrangements where a provides a services which is not individual-based. However, the contractual basis should be clear with each provider.</p>	<p>The HSCP, through the Council, has in place contracts with a number of providers under the National Care Home Contract, the Care at Home framework and the Care and Support framework for major areas of service.</p> <p>For the Learning Disability former scheduled payment providers, the Public Social Partnership which commenced in 2013 is the vehicle for reviewing and redesigning over 100 complex and high value care packages. To date 65 of these have been redesigned, with clear expressions of individual choice being agreed and the relevant Self Directed Support route being followed. The HSCP will migrate these individuals on to their preferred self directed support option and associated contracts:</p> <p>Option 3 Care and Support Framework - 42 Individuals Option 2 Individual Service Fund Agreement - 20 Individuals Option 1 Direct Payment Agreement - 3 Individuals</p> <p>Individuals whose service redesign is currently underway will agree their preferred choice and the relevant Self Directed Support contracts will be put in place - 24 Individuals Work with the remaining individuals to redesign and implement their preferred Self Directed Support option. - 36 Individuals The HSCP will undertake a systematic review of all remaining grants and other contract arrangements.</p>	<p>Candy Millard Candy Millard Candy Millard Candy Millard / Frank White Candy Millard / Frank White Candy Millard</p>	<p>Complete 31-Oct-15 31-Oct-15 31-Dec-15 31-Mar-16 31-Mar-16</p>	<p>To date 111 of 124 of these complex packages have been redesigned, with clear expressions of individual choice being agreed and the relevant Self Directed Support route being followed.</p> <p>The HSCP is continuing to migrate these individuals on to their preferred self-directed support option and associated contracts:</p> <ul style="list-style-type: none"> • Option 3 Care and Support Framework/Interim arrangements - 93 Individuals – Individual Care Proposal Budget • Option 2 Individual Service Fund Agreement – 15 Individuals • Option 1 Direct Payment Agreement - 3 Individuals <p>The remaining 13 individuals whose service redesign is currently underway will agree their preferred choice and the relevant Self Directed Support contracts will be put in place by the end of March 2016.</p> <p>Individual Care Proposal Budgets are</p>

					<p>updated as part of regular outcome reviews for each person.</p> <p>A review of all grants and contractual arrangements is ongoing. The tender responses for care at home services are being assessed. The HSCP is involved in national care home contractual negotiations.</p>
3	<p>CHCP Systems. The existing systems and controls over CHCP budgeting and expenditure are fragmented, inconsistent and create poor audit trails. All CHCP records that lead to a payment for care, based on agreed care records, should be migrated to CareFinance.</p>	<p>All Community Care and Children & Families care and support packages will be migrated to CareFinance.</p> <p><u>Care Finance Workstream 1 - Data Migration</u></p> <ul style="list-style-type: none"> ➤ Permanent Care – complete ➤ OP & PD – complete ➤ LD – 48% complete ➤ MH – 26% complete ➤ C&F – commence October <p>➤ Home Care (CM2000 Integration) – linked to Care @Home project timescales</p> <p><u>Care Finance Workstream 2 - Payment Functionality</u></p> <ul style="list-style-type: none"> ➤ Invoice Matching – live running for Permanent Care ➤ Migration of non-residential payment commenced Aug 15 <p><u>Care Finance Workstream 3 – Support Tools</u></p> <ul style="list-style-type: none"> ➤ Residential Financial Assessments – commences Oct 15, target implementation Dec 15 ➤ CarePay – Fostering & Adoption, implementation commenced Aug 15 <p>The newly appointed Chief Financial Officer post for the HSCP will undertake a systematic review of wider processes and procedure and implement a Financial Governance Framework for the HSCP.</p>	<p>Lesley Bairden/ Candy Millard</p> <p>Lesley Bairden/ Candy Millard</p> <p>Lesley Bairden/ Candy Millard</p> <p>Lesley Bairden</p>	<p>Complete Complete 31-Oct-15 30-Nov-15 29 Feb-16</p> <p>31-Mar-16</p> <p>Complete 31-Mar-16</p> <p>31-Dec-15</p> <p>31-Dec-15</p> <p>31-Mar-16</p>	<p>Now 98% complete Now 50% complete Delayed to allow completion of above, will be March 16 On target with 89% complete</p> <p>Ongoing, on target, 27 of 51 providers implemented</p> <p>Testing complete, live imminent</p> <p>Live parallel running, legacy closure imminent</p> <p>Financial Regulations approved and Service Improvement Plan being implemented</p>

Footnote: SDS Definitions:

The Act places a duty on local authorities to offer four options of self-directed support to citizens: The options for self-directed support are:-

- *Option 1* - The making of a direct payment by the local authority to the supported person for the provision of support.
- *Option 2* - The selection of support by the supported person, the making of arrangements for the provision of it by the local authority on behalf of the supported person and, where it is provided by someone other than the authority, the payment by the local authority of the relevant amount in respect of the cost of that provision.
- *Option 3* - The selection of support for the supported person by the local authority, the making of arrangements for the provision of it by the authority and, where it is provided by someone other than the authority, the payment by the authority of the relevant amount in respect of the cost of that provision.
- *Option 4* - The selection by the supported person of Option 1, 2 or 3 for each type of support and, where it is provided by someone other than the authority, the payment by the local authority of the relevant amount in respect of the cost of the support