



<b>Meeting of East Renfrewshire Integration Joint Board</b>	Performance and Audit Committee
<b>Held on</b>	29 June 2016
<b>Agenda Item</b>	10
<b>Title</b>	External Audit Recommendations resulting from East Renfrewshire Annual Accounts
<p><b>Summary</b></p> <p>This report identifies the three recommendations specifically relating to the Health &amp; Social Care Partnership, as a result of the external audit of the Council's annual accounts.</p>	
<b>Presented by</b>	Lesley Bairden, Chief Financial Officer
<p><b>Action Required</b></p> <p>The Performance and Audit committee is requested to:-</p> <ul style="list-style-type: none"> <li>▪ Note the recommendations and progress made to date.</li> <li>▪ Agree to receive progress updates at future meetings.</li> </ul>	

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**EAST RENFREWSHIRE INTEGRATION JOINT BOARD**

**PERFORMANCE & AUDIT COMMITTEE**

**29 June 2016**

**Report by Lesley Bairden, Chief Financial 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:
  - Note the recommendations and progress made to date.
  - 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 10 June 2016. This is an update to progress last reported to the Performance and Audit Committee on 16 March 2016.

8. As already discussed at agenda item 8 the staffing structure within Finance is now fully populated and the service transferred to the HSCP as of 1 April 2016. This structure provides senior accountant support for each Head of Service and the matrix approach and generic job descriptions ensure no single points of dependency. The focus is on professional support, relationship management and providing robust governance and monitoring.
9. As previously reported the migration of Learning disability cases took longer than expected given the 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 is mirrored within the Mental Health cases, compounded by the absence of key staff members. Whilst the original date of 31 March for date migration could technically have been it is the view of the Chief Financial Officer that this would have impacted on the quality and integrity of the data.
10. The position as at 31 March and the current position are reported in full at agenda item 8. Whilst there is slippage against the original deadlines the Performance and Audit Committee should take assurance that this is through deliberate decision.

## **CONCLUSIONS**

11. Progress continues to be made to ensure all recommendations are fully complied with.

## **RECOMMENDATIONS**

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

## **REPORT AUTHOR AND PERSON TO CONTACT**

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29 June 2016

HSCP Chief Officer: Julie Murray

## **BACKGROUND PAPERS**

Annual accounts report  
ISA 260  
Audit Recommendations

## **KEY WORDS**

Audit, recommendations;

	Issue	Management Action/response	Responsible Officer	Target Date	Progress as at 10 June 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>All schedule payments ceased by 31/03/16.</p> <p>All services are paid on the receipt of an invoice for services delivered.</p> <p><b>Propose to close this action for next review.</b></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>All 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 has migrated these individuals on to their preferred self-directed support option and associated contracts: :</p> <ul style="list-style-type: none"> <li>• Option 3 Care and Support Framework – 106 Individuals – Individual Care Proposal Budget</li> <li>• Option 2 Individual Service Fund Agreement – 15 Individuals</li> <li>• Option 1 Direct Payment Agreement - 3 Individuals</li> </ul> <p>Individual Care Proposal Budgets are updated as part of regular outcome reviews for each person.</p> <p>A review of all grants and contractual arrangements has been undertaken. A new module for care finance “Commissioner” is now installed and presently undergoing testing, once operational will add further visibility to</p>

					<p>service delivery and contracts A tendering exercise for care at home services will conclude shortly. A new Care &amp; Support Framework to replace the existing Framework Agreement is currently being drafted. This framework agreement will clearly highlight the responsibility of partner providers to notify changes to an individual's care &amp; support needs. In addition it will be a condition of the framework that all partners submit accurate monthly and quarterly data</p> <p><b>Propose to close this action for next review.</b></p>
<p>3</p>	<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 &amp; Families care and support packages will be migrated to CareFinance. <u>Care Finance Workstream 1 - Data Migration</u></p> <ul style="list-style-type: none"> <li>➤ Permanent Care – complete</li> <li>➤ OP &amp; PD – complete</li> <li>➤ LD – 48% complete</li> <li>➤ MH – 26% complete</li> <li>➤</li> <li>➤ C&amp;F – commence October</li> <li>➤ Home Care (CM2000 Integration) – linked to Care @Home project timescales</li> </ul> <p><u>Care Finance Workstream 2 - Payment Functionality</u></p> <ul style="list-style-type: none"> <li>➤ Invoice Matching – live running for Permanent Care</li> <li>➤ Migration of non-residential payment commenced Aug 15</li> </ul> <p><u>Care Finance Workstream 3 – Support Tools</u></p> <ul style="list-style-type: none"> <li>➤ Residential Financial Assessments – commences Oct 15, target implementation Dec 15</li> <li>➤ CarePay – Fostering &amp; Adoption, implementation commenced Aug 15</li> </ul> <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</p> <p>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>Complete Now 66% complete, expected completed in full July 16 Revised to October 2016</p> <p>Complete</p> <p>Ongoing, 43 of 53 providers implemented</p> <p>Testing complete, live imminent</p> <p>Live parallel running, closure expected at July project meeting</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

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