

**REPORT TO:** Audit and Governance Committee

**MEETING DATE:** 12 June 2018

**BY:** Depute Chief Executive (Resources & People Services)

**SUBJECT:** Internal Audit Report – Care at Home Payments

---

**1 PURPOSE**

- 1.1 To inform the Audit and Governance Committee of the recently issued audit report on Care at Home Payments.

**2 RECOMMENDATION**

- 2.1 That the Audit and Governance Committee note the contents of the Executive Summary and Action Plan.

**3 BACKGROUND**

- 3.1 A review of the internal controls surrounding Care at Home Payments was undertaken as part of the Audit Plan for 2017/18. Our review has included the arrangements in place for monitoring the use of the Social Care Fund.
- 3.2 The main objective of the audit was to ensure that the internal controls in place were operating effectively.
- 3.3 The main findings from our audit work are outlined in the attached report.

**4 POLICY IMPLICATIONS**

- 4.1 None

## **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial - None  
6.2 Personnel - None  
6.3 Other - None

## **7 BACKGROUND PAPERS**

- 7.1 None

<b>AUTHOR'S NAME</b>	Mala Garden
<b>DESIGNATION</b>	Internal Audit Manager
<b>CONTACT INFO</b>	01620 827326
<b>DATE</b>	4 June 2018

## **EAST LOTHIAN COUNCIL – INTERNAL AUDIT CARE AT HOME PAYMENTS**

### **1. EXECUTIVE SUMMARY**

#### **1.1 Introduction**

A review of Care at Home Payments was undertaken as part of the Audit Plan for 2017/18. Our review has included the arrangements in place for monitoring the use of the Social Care Fund. A summary of our main findings is outlined below.

#### **1.2 Areas where Expected Controls were Met**

- The Council has in place a framework agreement for the provision of Care at Home and Housing Support services. The contract commenced on 1 April 2017 and is for a five year period to 31 March 2022.
- A signed contract agreement is in place between the Council and each framework provider clearly setting out the responsibilities of both parties.
- Appropriate arrangements are in place for monitoring the use of the Social Care Fund and for ensuring that service providers are paying their care staff the Scottish Living Wage – written declarations were held on file from individual service providers confirming the hourly rates being paid to their employees who are providing care at home and housing support.

#### **1.3 Areas with Scope for Improvement**

- There was a failure to comply with the reporting requirements set out in the Council's Corporate Procurement Procedures – a report on the contracts awarded to care at home and housing support providers had been prepared, however it had not been lodged in the Members' Library. *Risk – failure to comply with the procedures in place.*
- There was a lack of evidence to confirm that referrals had been allocated to providers in accordance with the allocation ranking set out in the framework. *Risk – non-compliance with contract conditions.*
- In a number of cases, care at home services were being provided by non-framework providers. In some of these cases, there was a lack of evidence to indicate that the service user had elected to have their care provided under Self-Directed Support (SDS) Option 2 – this option enables service users to choose their care provider, but the Council organises and pays for their care. *Risk – lack of a clear audit trail.*

#### **1.4 Summary**

Our review of Care at Home Payments identified a number of areas with scope for improvement. Detailed findings and recommendations are contained in our main audit report.

**Mala Garden**  
**Internal Audit Manager**

**June 2018**

**EAST LoTHIAN COUNCIL – INTERNAL AUDIT  
CARE AT HOME PAYMENTS**

**ACTION PLAN**

<b>PARA REF</b>	<b>RECOMMENDATION</b>	<b>GRADE</b>	<b>RESPONSIBLE OFFICER</b>	<b>AGREED ACTION</b>	<b>RISK ACCEPTED/ MANAGED</b>	<b>AGREED DATE OF COMPLETION</b>
3.1.3	Management should ensure that the report on the Care at Home and Housing Support framework is lodged in the Members' Library as required by the Council's Corporate Procurement Procedures.	Medium	Group Service Manager – Planning and Performance	Agreed		In Place
3.1.4	Management should ensure that the framework allocation ranking for referrals is used in all cases.	Medium	Group Service Manager – Planning and Performance	Instructions will be issued to staff on allocating referrals.		July 2018
3.2.1	Management should ensure that non-framework providers are only being used where the client has specifically selected SDS option 2.	Medium	Group Service Manager – Planning and Performance	Agreed – we are currently seeking to resolve the historic spot purchasing of non-framework providers.		Ongoing
3.4.1	Management should ensure that clear explanations are held on the system for all variances identified.	Medium	Group Service Manager – Planning and Performance	Agreed – Support Plan Administrator to be appointed to undertake this task.		October 2018

<b>PARA REF</b>	<b>RECOMMENDATION</b>	<b>GRADE</b>	<b>RESPONSIBLE OFFICER</b>	<b>AGREED ACTION</b>	<b>RISK ACCEPTED/ MANAGED</b>	<b>AGREED DATE OF COMPLETION</b>
3.6.1	Management should ensure that appropriate SDS Option 2 support services contracts are issued to non-framework providers.	Medium	Senior Procurement Officer	Agreed		July 2018
3.7.1	Management should ensure that a clear audit trail is in place to locate individual invoices paid and scanned on to the system.	Medium	Group Service Manager – Planning and Performance	Agreed – this will be reviewed by the Information Systems & Business Manager.		August 2018

### **Grading of Recommendations**

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
<b>High</b>	Recommendations which are fundamental to the system and upon which Management should take immediate action.
<b>Medium</b>	Recommendations which will improve the efficiency and effectiveness of the existing controls.
<b>Low</b>	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.