



REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 8 December 2020

BY: Chief Internal Auditor

SUBJECT: Internal Audit Update of East Lothian Council and NHS
Lothian 2020/21 Audit Plans

1 PURPOSE

- 1.1 To inform the Audit and Risk Committee of the recently issued audit reports relevant to IJB services reported to the East Lothian Council Audit & Governance Committee and the NHS Lothian Audit & Risk Committee.

2 RECOMMENDATION

- 2.1 That the Committee note the contents of the audit reports.

3 BACKGROUND

- 3.1 The East Lothian Council Internal Audit service reports key audit findings, conclusions and recommendations to the East Lothian Council Audit & Governance Committee. This includes audit reviews on the Health and Social Care Partnership (HSCP). The NHS Lothian Internal Audit team reports key audit findings, conclusions and recommendations to the NHS Lothian Audit & Risk Committee. Some of this internal audit work covers areas of interest to the East Lothian IJB.
- 3.2 Two audit reviews reported to the most recent meetings of the East Lothian Council Audit & Governance Committee and the NHS Lothian Audit & Risk Committee respectively are summarised in Appendices 1 and 2. These reports are:
- Residential and Non-Residential Charging: Graded as Moderate Assurance (Appendix 1)
 - Workforce Planning: All three objectives are graded as Substantial Assurance (Appendix 2)

4 ENGAGEMENT

- 4.1 Engagement with management will have been undertaken in accordance with the procedures in place for the relevant Internal Audit teams.

5 POLICY IMPLICATIONS

- 5.1 None

6 INTEGRATED IMPACT ASSESSMENT

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

7 DIRECTIONS

- 7.1 The subject of this report does not require any amendment to or creation of Directions.

8 RESOURCE IMPLICATIONS

- 8.1 Financial - None
8.2 Personnel - None
8.3 Other - None

9 BACKGROUND PAPERS

- 9.1 None

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Executive Summary: Residential & Non-Residential Charging

Conclusion: Moderate Assurance

The Council has appropriate processes and procedures in place for the raising of charges for residential and non-residential social care costs in most circumstances. However there are a few significant areas where processes should be improved including reviewing of care plans, application of waivers and temporary charging values, authorisation of non-residential invoices and monitoring and control of charges made through to debt collection on a regular basis.

Background

Section 14 of the Care Act 2014 provides the power for Local Authorities to make charges for care costs in certain circumstances. The Council has a Charging Policy for Non-Residential Social Care that is updated and approved on an annual basis. Residential charges are made in accordance with guidance on charging for Residential Accommodation issued by the Scottish Government with Council operated residential accommodation charges set within the East Lothian Council Charging Book.

Summary of findings & recommendations

The following key findings and recommendations are highlighted, which have all been **agreed by Management**:

- 7 of 30 residential clients tested did not have evidence that their care plans had been reviewed in the last 3 years. *Management have agreed that following return to full capacity following COVID restrictions clients will all have annual care reviews completed and documented by January 2022.*
- Review of residential charging identified that in 3 cases clients did not have the appropriate charges made against them as a result of a lack of review of waivers approved or application of a minimum temporary charge whilst financial assessment is completed. *Management have agreed to resolve both the issues with these individual clients and improve processes and monitoring to improve control by April 2021.*
- In one case a client had not had a charging order raised against their property when this was required. *Management have agreed to resolve this case and then monitor the raising of charging orders on an ongoing basis moving forward.*
- Care at Home invoicing is manually intensive and as a result is often delayed by 3-4 months, and does not contain appropriate authorisation processes. From testing of 30 residential clients, 3 clients were not having timely invoices raised. *Management have agreed to review current manual processes and establish a more automated process to improve controls over raising timely and accurate invoices by June 2021.*
- Older Peoples services currently have outstanding debt in excess of £824K. The Debt Management Group last met in August 2019 and recommendations for debt recovery and write off are not being progressed resulting in continued increases in large individual debts. *Management have agreed that the Debt Management Group should now meet on a two monthly basis going forward from December 2020.*

Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	23	-	23
Prior report	N/A	N/A	N/A	N/A*

Materiality

There are currently 568 residential clients contributing on average approximately 25% of the residential care costs of approximately £16 million. There are 982 clients who receive care at home.

* This control review is new and no prior report exists for comparison

Headlines

Objectives	Conclusion	Comment
1. A clear and accessible Council Residential and Non-Residential Charging Policy is in place.	Reasonable	A Council Residential and Non-residential Charging Policy is in place for 2019/20 – however the 2020/21 Policy has been delayed in being agreed due to issues with the introduction of an allowance for disability related expenditure and the requirement for some changes in wording around over 65 assessments to avoid claims of age discrimination.
2. Clients have an up to date care assessment; a Care Plan is in place and residential reviews are regularly carried out.	Limited	For all of the clients tested a care plan or support plan was in place. However 7 of 30 (23%) residential care clients did not have a record of a review taking place in the last 3 years and 1 of 30 non-residential clients. Whilst COVID-19 restrictions may have reduced current capability for Residential Care reviews, action is required to prevent further slippage in review times.
3. Where appropriate a financial assessment has been completed for all clients on a timely basis.	Reasonable	From a sample of 60 clients, 7 had not yet had a financial assessment completed however in 6 of these cases placements had started between late February 2020 and July 2020. In 1 case the placement had commenced in October 2019 and despite requests to the family member with guardianship no financial assessment had been completed. As a temporary minimum client contribution level was not applied and due to the client's death, the debt is now held by the Council. Recommendations have been made to ensure responsibilities and escalation mechanisms are clear in these circumstances.
4. The charges being made against clients are accurate and complete to the package of support being received, and in line with the financial assessment and charging policy.	Limited	For a sample of 30 clients in residential accommodation, 26 had charges applied correctly in accordance with procedures, 1 client had not had a contribution charged as their placement had been made under section 16 and 17 of the COVID Act and statutory guidance prevents charging, 1 client had a waiver placed on charges in April 2018 that had not properly been reviewed resulting in charges of £24k now being due and in 2 cases a failure to apply temporary minimum contributions had contributed to debt of £2k and £10k now being due. Care at Home clients had charges applied correctly. Regular reviews of client charges are required to prevent large future debts being incurred.
5. Where specialist services are being procured clarity on the funding for these services across Council, NHS and personal funding are documented.	Substantial	From the one case of specialist services identified during testing the regular invoicing to the NHS of the correct value is being made and the invoices are being paid to the Council in a timely manner.
6. Procedures are in place to clearly contact clients and their representatives confirming charges that are due and the payment schedule for payments on a timely basis.	Limited	Processes are in place to appropriately confirm with clients and their representatives what charges clients are due to make for residential and non-residential care. However from testing of 30 residential clients, 3 clients were not having timely invoices raised. It was also established that in one case a client that should have had a charging order in place to allow for payment had not had this charging order applied. Homecare invoicing is manually intensive and as a result often delayed by 3-4 months, and does not contain appropriate authorisation processes. Recommendations have been made to improve these processes.
7. Accurate, complete, timely and appropriate action is taken when charges are being recovered.	Limited	Older Peoples services currently have outstanding debt in excess of £824K. The Debt Management Group last met in August 2019 and recommendations for debt recovery and write off are not being progressed. The Debt Management Group should now meet every two months from December 2020.

Areas where expected controls are met/good practice

No.	Areas of Positive Assurance
1.	Charging policies are reviewed on an annual basis including the use of an independent Charging Working Group including Councillors and independent members representing service users and providers.
2.	Testing established that when emergency care has been procured as a result of COVID-19 arrangements without full assessments being completed charges are not being made in accordance with statutory guidance.
3.	When specialist services are being provided in conjunction with the NHS, testing established that these are being invoiced and paid in accordance with the agreements in place.
4.	An appeals process is in place for financial assessments and whilst not reviewed as part of this exercise will form part of a future Internal Audit review.

Recommendation Grading/Overall opinion definitions

Recommendation	Definition
High	Recommendations relating to factors fundamental to the success of the control objectives of the system. The weaknesses may give rise to significant financial loss/misstatement or failure of business processes.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.

Levels of Assurance	Definition
Substantial Assurance	There is a sound system of internal control designed and operating in a way that gives a reasonable likelihood that the objectives will be met.
Reasonable Assurance	Whilst there is a sound system of internal control, there are minor weaknesses, which may put some of the objectives at risk or there is evidence of non-compliance with some of the controls, which may put some of the objectives at risk.
Moderate Assurance	The system of internal control is broadly reliable, however there are a number of weaknesses, which put some of the objectives at risk or there is evidence that the level of non-compliance with controls put some of the objectives at risk.
Limited Assurance	Weaknesses in the system of internal control are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk.
No Assurance	Control is generally weak leaving the system open to error or abuse, or there is significant non-compliance with basic controls, which leaves the system open to error or abuse.

Appendix 2

NHS Lothian Internal Audit Report Workforce Planning - Conclusion and Main Findings

1. Conclusion

1.1 There is evidence to demonstrate that the development of the Workforce Plan has included input from all relevant stakeholders, with the Plan itself recording a number of local and national priorities. However, delay to the implementation of controls established earlier in the year to monitor the actions identified in the 12-month action plan could impact on the delivery of the plan.

2. Main Findings

2.1 The Workforce Planning & Development Programme Board (WPDPB) is chaired by the Director of HR & OD and has a membership that has been designed to ensure that all professions are represented by their Professional Director/Lead.

2.2 At the start of the Workforce Plan development process WPDPB members were consulted around how the plan would be developed, with the intention that the plan would reflect the input from service and professional leads and be owned by them.

2.3 On 27 September 2019, the Head of Workforce Planning wrote to the Professional Leads, requesting that they contribute to a 12 month action plan, including the intended outcomes, how progress will be measured and where support is likely to be required.

2.4 The 12-month action plan has been developed with contributions from professions including Nursing, Medical, Psychology, Facilities, Healthcare Science and Pharmacy. Comparison against the Workforce Plan has identified a number of actions that have been integrated into the 12-month plan. A schedule of reporting has been developed to direct specialities on when they will be expected to provide updates to the WPDPB.

2.5 Section 1 of the Workforce Plan documents the key national policy and strategies set out by the Scottish Government.

2.6 Additional local priorities recorded in the Workforce Plan are representative of the feedback from the WPDPB and reflect the workforce planning priorities set out in NHS Lothian's Annual Operational Plan 2019-20.

2.7 We identified one advisory point during this review:

While it is noted that the disruption resulting from the Covid-19 pandemic has impacted on the WPDPB reporting schedule, there is a risk that without a formal appraisal of the progress made to date, milestones recorded in the 12-month action plan are not being met.

