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Agenda Item: 6.

Integration Joint Board – Audit Committee

Date of Meeting: 19 November 2019.

Subject: Orkney Islands Council (OIC) Internal Audit of Self-Directed Support.

1. Summary

1.1. An Internal Audit was completed for OIC in September 2019 on procedures and controls relating to implementation of Self-Directed Support.

2. Purpose

2.1. This report has been prepared to present the internal audit report relating to Self-Directed Support.

3. Recommendations

The Audit Committee is invited to:

3.1. That OIC Internal Audit has undertaken an audit of the procedures and controls relating to Self-Directed Support.

3.2. That the Internal Audit report, attached to this report, was scrutinised by the OIC Monitoring and Audit Committee on 26 September 2019.

3.3. The findings of the Internal Audit Report – Self-Directed Support, attached as Appendix 1, to this report.

4. Background

4.1. In 2013 the Scottish Parliament passed a new law on social care support, the Social Care (Self-directed Support) (Scotland) Act 2013, which came into force on 1 April 2014. The Act gives people a range of options for how their social care is delivered.

5. Audit Findings

5.1. The audit provides adequate assurance that the processes and procedures relating to implementation of Self-Directed Support are well controlled and managed.

5.2. Areas of good practice are highlighted within the Executive Summary of the internal audit report, attached as Appendix 1 to this report.

5.3. There were also areas identified where improvements could be made. The audit report includes eight medium priority recommendations. There are no high-level recommendations made as a result of this audit.

6. Contribution to quality

The table below indicates which of the Council Plan 2018 to 2023 and 2020 vision/quality ambitions are supported in this report.

Promoting survival: To support our communities.	No.
Promoting sustainability: To make sure economic, environmental and social factors are balanced.	No.
Promoting equality: To encourage services to provide equal opportunities for everyone.	Yes.
Working together: To overcome issues more effectively through partnership working.	Yes.
Working with communities: To involve community councils, community groups, voluntary groups and individuals in the process.	Yes.
Working to provide better services: To improve the planning and delivery of services.	Yes.
Safe: Avoiding injuries to patients from healthcare that is intended to help them.	No.
Effective: Providing services based on scientific knowledge.	No.
Efficient: Avoiding waste, including waste of equipment, supplies, ideas, and energy.	Yes.

7. Resource implications and identified source of funding

7.1. The internal audit report on procedures and controls relating to implementation of Self-Directed Support makes a number of recommendations that if implemented should improve control and governance of self-directed support payments and may also contribute to improved management of scarce budget resources.

8. Risk and Equality assessment

8.1. There are no risk or equality implications associated with this report.

9. Direction Required

Please indicate if this report requires a direction to be passed to:

NHS Orkney.	No.
Orkney Islands Council.	No.
Both NHS Orkney and Orkney Islands Council.	No.

10. Escalation Required

Please indicate if this report requires escalated to:

NHS Orkney.	No.
Orkney Islands Council.	No.
Both NHS Orkney and Orkney Islands Council.	No.

11. Authors

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13. Supporting documents

13.1. Appendix 1: Internal Audit Report – Self-Directed Support.



INTERNAL AUDIT

Self-directed Support

Audit Report

2018/19

Draft Report Issue Date: 14 August 2019
Final Report Issue Date: 4 September 2019

Distribution:
Chief Officer/Executive Director of Orkney
Health and Care
Chief Finance Officer IJB
Interim Head of Health and Community Care
Principal Social Worker for Adult Services

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EXECUTIVE SUMMARY

- This audit reviewed the controls in place for the implementation of Self-directed Support.
- Based on our findings in this review we have given an audit opinion of adequate. Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.
- There are areas of good practice within the system, examples include: -
 - Assessments are carried out for all Adult Services' clients considering the self-directed support route.
 - Individual care packages are produced which demonstrate involvement and choice.
 - There is an Allocation of Resources Committee in place which meets weekly and is where all care packages are agreed.
 - The minutes of the Committee record the decisions made and the packages which are agreed.
 - Those in receipt of direct payments are required to submit evidence to the Council at agreed timescales to identify how the money has been used, together with supporting receipts and paid invoices.
 - Option 1 clients are required to sign an agreement with the Council before any money is released.
- The report includes recommendations which have arisen from the audit. The numbers of recommendations are set out in the table below under each of the priority headings. The priority headings assist management in assessing the significance of the issues raised. The report includes 8 recommendations which have been made to address the issues identified.
- Responsible officers will be required to update progress on the agreed actions via Aspireview.

Total	High	Medium	Low
8	0	8	0

- The assistance provided by officers contacted during the audit is gratefully acknowledged.

INTRODUCTION

Social care services provide personal and practical help to improve the quality of people's lives and support them to live as independently as possible.

In 2013 the Scottish Parliament passed a new law on social care support, the Social Care (Self-directed Support) (Scotland) Act 2013, which came into force on 1 April 2014. The Act gives people a range of options for how their social care is delivered, beyond just direct payments, empowering people to decide how much ongoing control and responsibility they want over their own support arrangements. The Act places a duty on Councils to offer people four choices as to how they receive their social care support. The choices are:

- Option 1 The individual or carer chooses and arranges the support and manages the budget as a direct payment.
- Option 2 The individual chooses the support and the authority or other organisation arranges the chosen support and manages the budget.
- Option 3 The authority chooses and arranges the support.
- Option 4 A mixture of options 1, 2 and 3.

AUDIT OBJECTIVES

The purpose of the audit was to confirm the following: -

1. There are appropriate policy and procedures in place for staff regarding self-directed support which includes local eligibility criteria.
2. Assessments are carried out for all adult services and children's services clients considering the self-directed support route which involves the client and establishes desired outcomes.
3. There is an adequate care package in place for all self-directed support clients and there are appropriate authorisation procedures for the provision of support.
4. Adequate systems are developed for the calculation of the indicative budget and clients are informed of their indicative budgets.
5. There is evidence on file of the financial support agreed by the Council in order to meet the support of a person and in the event of means tested assessments, evidence is held on file supporting any calculation which results in full, partial or unfunded decisions.
6. There is clear guidance provided to the person eligible for SDS assistance in relation to what the money can and cannot be used for and if unsure advises that contact should be made with the Council for advice prior to committing any expenditure.
7. Evidence is submitted to the Council identifying how self-directed support has been used, together with supporting receipts and paid invoices.
8. The Council reviews the evidence to determine whether support has been purchased in accordance with the agreed care package. Where identified that this is not the case the reasons are obtained, and arrangements made to reclaim any payments which have not been used in accordance with the relevant care package.
9. There is evidence of sufficient monitoring of care packages, together with periodic review in order to assess whether the level of support is appropriate.
10. There are arrangements in place to ensure that risks associated with direct payments and option 2 service provision are properly assessed and managed with adequate monitoring and review.
11. A formal letter of agreement is in place for all clients who have chosen the Direct Payment option.
12. There are adequate arrangements in place to ensure financial assessments are carried out for all clients.

AUDIT APPROACH

The audit approach undertaken was to examine compliance with the procedures in place for the implementation of Self-directed Support for a sample of clients under each of the options detailed in the Act. Audit testing focussed on the financial year 2018/19.

Audit Findings

The audit work carried out has confirmed that there are some controls in place within the system for the implementation of Self-directed Support however there are areas where controls could be improved, and these are detailed below.

1.0 Policy and Procedures

1.1 There are procedures in place for Self-directed Support however it was found that these require updating.

1.2 The documented procedures for Self-directed Support should be reviewed and updated to reflect current practice.

Recommendation 1

2.0 Assessments

2.1 The forms which are used to present care package requests to the Allocation of Resources Committee (ARC) do not always consider the full cost which will be incurred when using external providers for option 2 clients. Decisions are therefore being made based on under estimations of the costs to the Council for some care packages.

2.2 All relevant staff should be made aware of the costs incurred through external providers and these full costs should be recorded on the ARC Request – Summary Sheets as well as in the individual assessments to ensure all costs are considered when approving care packages.

Recommendation 2

2.3 The assessment form does not confirm that eligible persons have been offered each of the 4 options and the chosen option is not recorded on the client database, Paris. This proved difficult during the audit when trying to obtain client details from Paris to select audit samples.

2.4 The assessment form should be reviewed and updated to include a section for the recording of the options discussion and which option is chosen. A system should be established to ensure that this data can then be extracted from Paris where required for monitoring and reporting purposes of the options and uptake.

Recommendation 3

3.0 Support Plans and Authorisation

3.1 Audit testing confirmed that care packages are agreed by the ARC however it was found that this committee does not have the input of finance to advise on budget availability.

3.2 The composition of ARC should include a representative from finance or as a minimum have input from finance before each meeting to advise on budget availability before packages are approved.

Recommendation 4

4.0 Indicative Budgets

4.1 There are no contracts in place with the external providers for the provision of option 2.

4.2 The possibility of establishing flexible contracts or framework agreements with the option 2 providers should be explored to achieve savings and value for money for the Council.

Recommendation 5

4.3 There are no checks between the invoices received for option 2 provision to clients and the agreed packages of care.

4.4 The process of checking and authorising invoices for option 2 provision should be amended to include a check to the agreed packages of care to confirm that the approved number of hours of care are being provided to clients and the correct amounts are being invoiced to the Council.

Recommendation 6

5.0 Support Plan Monitoring

5.1 A system for reviews has been established however these reviews are currently not being progressed due to a lack of staff capacity. At present reviews or reassessments of clients are carried out only when requested. While some reviews and reassessments have been carried out this is not done routinely for all clients.

5.2 The review system should be fully implemented and include the scheduling of regular reviews to review or reassess the needs of all clients to ensure that approved packages of care are being implemented as agreed and outcomes are being achieved. The system implemented should provide prompts when timescales approach to assist with the process.

Recommendation 7

5.3 While individual monitoring is carried out when a review takes place this is not used collectively to assess the difference Self-directed Support is making to people's personal outcomes.

5.4 A system should be established to record and monitor the extent to which people's personal outcomes are being met. This information should then be used to help plan for future processes and services.

Recommendation 8

	Recommendation	Responsible Officer	Management Comments	Agreed Completion Date
	Policy and Procedures			
1	The documented procedures for Self-directed Support should be reviewed and updated to reflect current practice. Medium Priority	Senior Social Worker Practitioner	Given the current commitments of the responsible officer, the completion date is more realistic.	April 2020
	Assessments			
2	All relevant staff should be made aware of the costs incurred through external providers and these full costs should be recorded on the ARC Request – Summary Sheets as well as in the individual assessments to ensure all costs are considered when approving care packages. Medium Priority	Chief Finance Officer IJB Principal Social Worker for Adults Services Interim Head of Health and Community Care	The Chief Finance Officer will liaise with all providers to ascertain current service charges and this will be updated annually. The Principal Social Worker will ensure that all staff have access to the above information and ensure that all social workers apply charges to ARC documentation. Approval will not be given by ARC without all the appropriate information. This will be included within the refreshed guidance on any submissions to ARC.	December 2019 January 2020 January 2020
3	The assessment form should be reviewed and updated to include a section for the recording of the options discussion and which option is chosen. A system should be established to ensure that this data can then be extracted from Paris where required for monitoring and reporting purposes of the options and uptake. Medium Priority	Principal Social Worker for Adults Services	Discussions will be held with Paris admin support in respect of ensuring that Paris has the capability of capturing this information and being able to report where necessary.	January 2020
	Support Plans and Authorisation			
4	The composition of ARC should include a representative from finance or as a minimum have input from finance before each meeting to advise on budget availability before packages are approved. Medium Priority	-	Once an assessed need has been identified and agreed the budget availability cannot be a deciding factor on provision of service, this recommendation therefore will not be implemented. Internal Audit accept the management response received and the actions to be implemented at recommendation 2 above which will enhance the controls in place for the monitoring of costs for all care packages.	N/a

	Recommendation	Responsible Officer	Management Comments	Agreed Completion Date
	Indicative Budgets			
5	<p>The possibility of establishing flexible contracts or framework agreements with the option 2 providers should be explored to achieve savings and value for money for the Council.</p> <p>Medium Priority</p>	Chief Officer/ Executive Director	There has been some initial work done regarding establishing a framework and this is now in the process of being progressed.	October 2019
6	<p>The process of checking and authorising invoices for option 2 provision should be amended to include a check to the agreed packages of care to confirm that the approved number of hours of care are being provided to clients and the correct amounts are being invoiced to the Council.</p> <p>Medium Priority</p>	Principal Social Worker for Adults Services	<p>A process will be put in place for admin to check the invoices before being authorised by the Principal Social Worker.</p> <p>Further work will be undertaken to look at future options regarding the financial implications of option 2's and this will be incorporated within action 5.</p>	November 2019
	Support Plan Monitoring			
7	<p>The review system should be fully implemented and include the scheduling of regular reviews to review or reassess the needs of all clients to ensure that approved packages of care are being implemented as agreed and outcomes are being achieved. The system implemented should provide prompts when timescales approach to assist with the process.</p> <p>Medium Priority</p>	Chief Social Work Officer/Interim Head of Health and Community Care	<p>The structure of Orkney Health and Care is under review and looking to progress to a new structure by Autumn/Winter 2020.</p> <p>Ensuring adequate review capacity will be considered in this review. Whilst working to the new structure, an interim structure is needed, and review capacity will be looked at as part of this.</p>	<p>October/ November 2020</p> <p>December 2020</p>
8	<p>A system should be established to record and monitor the extent to which people's personal outcomes are being met. This information should then be used to help plan for future processes and services.</p> <p>Medium Priority</p>	Chief Social Work Officer/Interim Head of Health and Community Care	This will be work undertaken by the Strategic Planning Group – looking at how we measure against the priorities in our Strategic Plan.	April 2020

Priority	Assessment
High	<ul style="list-style-type: none"> • Key control absent or inadequate; • Serious breach of regulations; • Significantly impairs overall system of internal control; • No progress made on implementing control; • Requires urgent management attention.
Medium	<ul style="list-style-type: none"> • Element of control is missing or only partial in nature; • Weakness does not impair overall reliability of the system; • Recommendation considered important in contributing towards improvement in internal controls; • Management action required within a reasonable timescale.
Low	<ul style="list-style-type: none"> • Control exists or on target to be implemented within timescales; • Minor weakness, does not compromise overall system control; • To be considered by management within a reasonable timescale

Note:

It should be recognised that where recommendations in the action plan are not implemented there may be an increased risk of a control failure. It should be noted however that it is the responsibility of management to determine the extent of the internal control system appropriate to their area of operation.