

**FINAL INTERNAL AUDIT REPORT**  
**EDUCATION, CARE & HEALTH SERVICES**

**REVIEW OF TCES 2013-14**

**Issued to:** Head of Assessment & Care Management,  
Assistant Director, Care Services (Interim),  
Assistant Director, Strategy & Performance,  
Strategic Manager, Procurement & Commissioning,  
Head of Finance, Education, Care & Health Services,  
Assistant Director, Strategic & Business Support Services,

**Cc:** Executive Director, Education, Care & Health Services,  
Director of Finance.

**Prepared by:** Principal Auditor,

**Date of Issue:** April 2<sup>nd</sup> 2014

**Report No.:**

**ECH/005/01/2013**

## REVIEW OF TCES AUDIT FOR 2013-14

### INTRODUCTION

1. This report sets out the results of our systems based audit of **TCES Audit for 2013-14**. The audit was carried out in quarter 2 as part of the programmed work specified in the 2013/14 Internal Audit Plan agreed by the Section 151 Officer and Audit Sub-Committee.
2. The controls we expect to see in place are designed to minimise the department's exposure to a range of risks. Weaknesses in controls that have been highlighted will increase the associated risks and should therefore be corrected to assist overall effective operations.
3. The original scope of the audit was outlined in the Terms of Reference issued on 24/9/13. The period covered by this report is from April 1<sup>st</sup> 2013 to November 30<sup>th</sup> 2013.
4. TCES stands for Transforming Community Equipment Services and this service has an annual budget of £1.4 million. The extract on the contract register records the contract for Integrated Community Equipment Service (ICES) that commenced on 2<sup>nd</sup> July 2012 until 1<sup>st</sup> July 2015 years with a total cost of £4,470,000.
5. The original ICES equipment store was externalised and all Community Equipment Services transferred to Provider A, using the London Consortium Framework agreement led by the Royal Borough of Kensington and Chelsea.
6. In July 2012, there was an ICES stock transfer to Provider A totalling £114,390. Some staff also transferred over to Provider A and as a result TUPE costs are applicable. It was reported to the Executive Committee, on 7<sup>th</sup> March 2012, that the new contractual arrangement would ultimately yield a saving. 'The savings of £132k in option 4 will be used to meet the cost pressures facing the Council over the next 4 years as identified in the 4 year Financial Forecast'.
7. After a referral or possibly a hospital discharge, community equipment may be allocated to service users, following an assessment by an Occupational Therapist (OT). For social care, the service user must meet the fair access to care criteria and be ordinarily resident in the Borough to which they have applied for assistance. Service users may require community equipment. This is currently provided at no charge to the service user. The service is split between Partner A and social care.

## REVIEW OF TCES AUDIT FOR 2013-14

8. In order to manage the funding arrangements between Partner A and LBB, a S.256 was arranged for 2013-14 whereby Partner A would contribute a maximum of £600,000 towards the spend for 2013-14. In November 2013, it was confirmed that Partner A would fund a further £435,000, in respect of the winter pressures period for 2013/14 (which could be used to fund overspend) following a variation to the S.256 agreement. Therefore, there have been no recommendations made on this issue. This will resolve the overspend by Partner A for this current financial year, however, financial difficulties may arise in future years if the £600k cap is to be maintained going forward.
9. The Authority is a member of the Consortium along with other London Boroughs. The framework agreement is still to be signed by the Authority and is currently with our legal department. This agreement is between the Royal Borough Kensington & Chelsea (the lead authority), the London Borough of Bromley and Provider A. London Borough of Bromley pays a membership fee of £14,700 for 2013/14, which includes maintenance of the TCES system which is provided by CSS.
10. As part of this arrangement, Provider A is the contractor delivering the service to our clients and they sub contract, a small part of this work involving e.g the installation of grab rails to another contractor.
11. For 2012-13, total payments to this supplier were £ 1,467,936.00 (July – March) and so far for 2013-14 the costs were £1,039,011.06 (April to November).

### AUDIT SCOPE

12. The scope of the audit is detailed in the Terms of Reference. This review was limited to social care clients.

### AUDIT OPINION

13. Overall, the conclusion of this audit was that limited assurance can be placed on the effectiveness of the overall controls. Definitions of the audit opinions can be found in Appendix C.

### MANAGEMENT SUMMARY

14. The findings made within this report are summarised below :-
- Invoices are being paid without the necessary checks being undertaken.
  - There is no reconciliation of the stock held at the Woolwich depot to confirm that charges are correct for storage.
  - Lack of contract monitoring as performance data requested but not yet provided. Feedback is not actively responded to by the provider.
  - Shared specials - Photos and equipment descriptions and dimensions are poorly uploaded onto TCES. In some cases items are in need of repair and there are safety issues. The delivery times for such items can take months.
  - OT assessments could not be located for two of the samples selected.
  - Service agreements- It was found that there were missing service agreements on Carefirst and also statement of needs could also not be located on Carefirst.
  - Sub-Contractor- The performance of this provider should be reviewed to ensure that there are no further causes for concern.
  - TCES system – there is no formal process in place to update records on TCES. Records were identified that remain active when the client was deceased. Duplicated records were also identified.
  - Equipment collections – Credits were not always received for all items returned.
  - Procedures were found not to be complete.

### SIGNIFICANT FINDINGS (PRIORITY 1)

15. Priority 1 findings are also listed here:

#### **Verification of Invoices Submitted**

16. The equipment invoices from the provider for October and November 2013 were reviewed. Ten lines were selected at random and were reviewed from the supporting documentation that is sent with the invoices.

## REVIEW OF TCES AUDIT FOR 2013-14

17. For October 2013, the total value of the equipment invoice was £118,100.46 (including VAT) and the following issues arose:-
- The invoice is not broken down into key elements such as delivery types (individual speed rates and costs), individual collection costs.
  - Invoice period is not specified
  - Credits not actioned for returned/collected items.
  - Items not charged for by contractor.
  - Standard stock items charged at almost double.
  - Listed items supplied but were not standard stock items.
  - It was found that under the October invoice, approximately £6,500 was charged for the speed rates (not including the standard collection and delivery rates):-  
The rate on the invoices could not be verified as these were not broken down into the different delivery categories. Different delivery speed rates charged for such as; 24 Hour notice; Delivery 2 day (Discharge); Emergency Out of Hours; Emergency within 4 hours - this is despite management instruction. These speed rates were selected by the following teams Speed methods were selected by officers at the officers within Partner A and by Provider A staff. (Authorisations for these speed rates have not been provided to the auditor).
18. For the November 2013 invoice, the total value of the equipment invoice was £132,870.10 (including VAT) and the following issues arose :-
- Items requested to be repaired, unable to repair. Collection and recycling cost charged. Additionally, new item ordered and new delivery cost at high cost rate. No detail recorded of fault with item.
  - Items listed on the supporting documentation as a TCES Stock Item. There is no record of this on the Bromley Stock list. Actual charges were considerably higher.
  - Stock storage costs. See paragraph 24.
19. It was found that, over £9,000 was charged for the speed rates selected (not including the standard collection and delivery rates) there was an additional speed rate of Emergency Same Day. Rates were selected by the provider and Partner A officers

## REVIEW OF TCES AUDIT FOR 2013-14

21. No evidence of management checking of invoices has been provided to Internal Audit. The Head of Assessment & Care Management and other senior officers placed reliance on service users or staff highlighting negative issues. There is a Financial Procedure 8.25 requirement that more detailed checks are carried out on invoices over £10K before payment. It is detailed that over £10,000 100% check should be undertaken.
22. It is unclear why these speed rates are being utilised, as there was a management instruction for both social care and Partner A staff that these were not to be used in order to reduce the overspend. It is unclear why Provider A are adding on these higher cost speed rates and what approval is made by the Authority.
23. The performance monitoring figures provided by Provider A for October and November 2013 were found not to reconcile to the actual delivery and collection charges detailed within the invoices for October and November 2013.

### **Stock Reconciliation/Stock Charges**

24. Discussions with one of the Senior OT's concentrated on the storage of equipment at the provider's depot in Woolwich. Since July 2012, the Authority has stored equipment at this depot. The auditor was advised that LBB 'are not charged for the storage of standard stock items'. LBB are 'charged 50p per week per item for the storage of special non stock item such as bespoke paediatric equipment for which details are listed on the monthly invoice'. On the November invoice, the charges are itemised as Special Storage, (Per Product per Day as agreed). (No charges were made for storage on the October invoice as this was missed off by the provider). There is no up to date schedule of non stock items maintained by LBB officers and reliance is placed upon the provider. The Senior OT confirmed that she took details of the items displayed on the TCES system and made a site visit with the contracts officer. Some of the items appearing on the TCES system could not be located at the depot. Also there were items in the depot that are not displayed on the TCES system and items that were then scrapped by the Senior OT's. This was highlighted to Provider A by email and the Senior OT advised that no response had been received.
25. It should be noted that since our discussions with management , Internal Audit has been notified of a list of 112 non stock items that they have identified should be in store attracting a charge of 50p per day by the contractor (although the contract states it should be 50p per week).

### **Contract Monitoring**

## REVIEW OF TCES AUDIT FOR 2013-14

26. The annual performance measures and quarterly performance monitoring reports were requested. Details of the collection and deliveries were supplied but the other performance measures are still awaited. Management have stated that these will be addressed going forward.
27. It was found that the Senior OT's do not regularly attend the operational meetings that are attended by the contractor. On review of the minutes, no evidence could be found of any discussion around individual cases with the provider.
28. Stemming from poor communication between Provider A and Provider B and then again with the Authority has resulted in a formal complaint being made by service users. These are detailed in the report.
29. A meeting took place on 30/1/14 jointly with Partner A, the provider and Bromley staff to discuss problems and issues.
30. It should be noted that a copy of the Project Initiation Document for Community Equipment 2015 has since been provided to Internal Audit.

### DETAILED FINDINGS / MANAGEMENT ACTION PLAN

31. The findings of this report, together with an assessment of the risk associated with any control weaknesses identified, are detailed in Appendix A. Any recommendations to management are raised and prioritised at Appendix B.

### ACKNOWLEDGEMENT

32. Internal Audit would like to thank all staff contacted during this review for their help and co-operation.



DETAILED FINDINGS

No.	Findings	Risk	Recommendation
1	<p><b><u>Verification Of Invoices Submitted</u></b></p> <p>The invoices for October and November 2013 were reviewed. Transaction lines were selected at random and were reviewed from the supporting documentation that is sent with the invoices.</p> <p>For October 2013 the total cost of the invoice was £118,100.46 (including VAT). The following issues arose:-</p> <ul style="list-style-type: none"> <li>• Cases identified where collection of equipment arranged but not all items credited back to Bromley.</li> <li>• Case where not all items charged for by the provider.</li> <li>• Misleading information recorded on TCES system.</li> <li>• In four cases, a Standard Hoist off the Bromley Stock list would have cost £615.94 each, however, these were not supplied but instead a different hoist costing £1211.63 in all cases.</li> <li>• An item was returned (although it was recorded as a repair) this could not be repaired so replacement was ordered at a cost of £914.06 which again is not included within the Bromley Stock list.</li> <li>• Speed rates charged at higher costs despite</li> </ul>	<p>Charges detailed on invoices cannot easily be verified and reconciled back to the individual clients.</p>	<p><b>Invoices must be checked in compliance with Financial Procedures 8.25. The requirement is that for invoices over £10K 100% checks should be undertaken. Management should be undertaking the required management checks on invoices to confirm that goods and services have been received as required by Financial Procedures.</b></p>

**Priority 1**  
**Required to address major weaknesses and should be implemented as soon as possible**

**Priority 2**  
**Required to address issues which do not represent good practice**

**Priority 3**  
**Identification of suggested areas for improvement**

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
	<p>management instruction. Speed methods were selected by Partner A officers and by Provider A's staff. Speed rates charged by provider but no evidence seen at the time of the audit to see approval given by LBB officers.</p> <ul style="list-style-type: none"> <li>• Collectively, speed rates requested by Partner A staff and the Provider A costing approximately £6,500.</li> <li>• The delivery and collection charges on the invoices are shown as a total and not broken down. E.g. October 1924 deliveries and 1235 collections. It is not broken down by each type as there are different speed rates utilised within deliveries and collections relate to different levels of refunds. However, within the stats provided by Provider A show a total 1979 deliveries for October and a total of 1129 collections.</li> <li>• From the invoice analysis, the PPM codes show that there were 172 individual PPM lines however, on the invoice the charge is for 191 services.</li> <li>• From the invoice analysis, there are 31 lines highlighting products unsuitable. No reasons for unsuitability. Unclear how this arises following assessment.</li> <li>• The performance stats show that the deliveries were</li> </ul>	<p>Incorrect charges may be made by the contractor.</p>	

**Priority 1**  
**Required to address major weaknesses and should be implemented as soon as possible**

**Priority 2**  
**Required to address issues which do not represent good practice**

**Priority 3**  
**Identification of suggested areas for improvement**

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
	<p>100% on time and none were late but there were reason codes for 9.56%. The October invoice analysis details a column late by hours detailing numerous transactions. This compares the actual delivery date to the original date. However, in some cases it shows the original date as 01/01/2999. Some of the transaction lines at the higher cost speed rate.</p> <ul style="list-style-type: none"> <li>The actual period of the invoice is not clear. Assumption is made that the period is 1<sup>st</sup>-31<sup>st</sup> confirmed by the Head of Assessment &amp; Care Management.</li> <li>The performance figures for 2013 specifically for October shows that there were 1979 deliveries however, the invoice for October details 1924. For collections the performance figures for October shows that there were 1129 collections but the Authority has received a credit for 1235.</li> </ul> <p>The total for the November 2013 invoice was £132,870.10 (including vat). The following issues arose:-</p> <ul style="list-style-type: none"> <li>Speed rates charged at higher costs despite management instruction. Requested by the following Partner A's staff.</li> </ul> <p>Speed rates charged by the provider but no evidence seen at the time of the audit, that approval given by LBB</p>		

**Priority 1**  
**Required to address major weaknesses and should be implemented as soon as possible**

**Priority 2**  
**Required to address issues which do not represent good practice**

**Priority 3**  
**Identification of suggested areas for improvement**

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
	<p>officers.</p> <ul style="list-style-type: none"> <li>• Collectively, speed rates requested by Partner A staff and Provider A staff exceed £9,000.</li> <li>• Items were arranged to be collected by the provider. Recycling charges made but items scrapped. For one client, there is also a note on Carefirst that this client was a visitor from abroad. There is no service agreement on Carefirst.</li> <li>• The November invoice was reviewed in order to confirm that stock rates are those that are agreed from the Bromley Stock List. Six cases where Bromley Stock list items were not supplied and alternative items were supplied at a much higher cost.</li> <li>• The November invoice was reviewed in order to confirm that stock rates are those that are agreed from the Bromley Stock List. Six cases where Bromley Stock list items were not supplied and alternative items were supplied at a much higher cost.</li> <li>• The delivery and collection charges on the invoices are shown as a total and not broken down. E.g. November 1582 deliveries and 1172 collections. It is not broken down by each type as there are different speed rates</li> </ul>		<p><b>The delivery and collection charges should be further reviewed to ensure that these speed rates are not utilised unless there are exceptional circumstances, as advised by the Head of Assessment &amp; Care Management. A reminder should be made to all social care and Partner A staff. Current approvers need to be revisited within Social Care and Partner A.</b></p> <p><b>It should be further reviewed how the Contractor is able to add these speed rates.</b></p>

**Priority 1**  
**Required to address major weaknesses and should be implemented as soon as possible**

**Priority 2**  
**Required to address issues which do not represent good practice**

**Priority 3**  
**Identification of suggested areas for improvement**

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
	<p>utilised within deliveries and collections relate to different levels of refunds. However, within the stats provided by Provider A show a total of 1547 deliveries and 930 collections.</p> <ul style="list-style-type: none"> <li>From the invoice analysis, the PPM codes show that there were 100 individual PPM lines however, on the invoice the charge is for 103 services.</li> <li>From the invoice analysis, there are 6 lines highlighting product unsuitable. No reasons for unsuitability. Unclear how this arises following assessment.</li> <li>The performance stats show that the deliveries were 100% on time and none were late but there were reason codes for 16.63%. The November invoice analysis details a column late by hours detailing numerous transactions. This compares the actual delivery date to the original date. However, in some cases it shows the original date as 01/01/2999. Some of the transaction lines at the higher cost speed rate.</li> <li>The actual period of the invoice is not clear. Assumption is made that the period is 1<sup>st</sup>-30<sup>th</sup> as confirmed by the Head of Assessment &amp; Care Management.</li> <li>Storage costs charged – per product per day. 4025</li> </ul>		<p><b>Discrepancies between the statistical returns and invoices should be reconciled.</b></p>

**Priority 1**  
**Required to address major weaknesses and should be implemented as soon as possible**

**Priority 2**  
**Required to address issues which do not represent good practice**

**Priority 3**  
**Identification of suggested areas for improvement**

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
	<p>items. Advised that charge should be per item per week. October charges added onto November charge as missed off charge on the October invoice 4947 items.</p> <ul style="list-style-type: none"> <li>The performance figures for 2013 specifically for November 2013 shows that there were 1547 deliveries however, the invoice for November details 1582. For collections the performance figures for November shows that there were 930 collections but the Authority has received a credit for 1172.</li> <li>No evidence of management checking of invoices has been provided to Internal Audit to date. The Head of Assessment &amp; Care Management and other senior officers place reliance on service users or staff highlighting negative issues. It was confirmed by the Head of Assessment &amp; Care Management on 13/12/13, that she had since instructed her six managers to now sample check the Provider A invoices.</li> </ul>		<p><b>It should be confirmed why a higher rate for these equipment items was charged to the Authority instead of the Bromley Stock List charge.</b></p> <p><b>This should also include confirmation that all credits due have been received back by the Authority.</b></p> <p><b>[Priority 1]</b></p>
2	<p><b><u>Stock Reconciliation/Stock Charges</u></b></p> <p>Discussions with one of the Senior OT's concentrated on the storage of equipment at the provider's depot in Woolwich. Since July 2012, the Authority has stored equipment at this depot. The auditor was advised that LBB 'are not charged for</p>	<p>The Authority may be paying for storage of items that are not actually held.</p>	<p><b>A physical inspection should be made of the non- stock items held at the Woolwich depot. This should be reconciled to the stock displayed on the</b></p>

**Priority 1**  
**Required to address major weaknesses and should be implemented as soon as possible**

**Priority 2**  
**Required to address issues which do not represent good practice**

**Priority 3**  
**Identification of suggested areas for improvement**

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
	<p>the storage of standard stock items'. LBB are 'charged 50p per week per item for the storage of special non stock item such as bespoke paediatric equipment for which details are listed on the monthly invoice'. On the invoice, the charges are itemised as Special Storage, (Per Product per Day as agreed). There is no up to date schedule of stock maintained by LBB officers and reliance is placed upon the provider. It is unclear how checks are being undertaken prior to invoices passed for payment. The Senior OT confirmed that she took details of the items displayed on the TCES system and made a site visit with the contracts officer. Items appearing on the TCES system could not be located at the depot. Also there were items in the depot that are not displayed on the TCES system. Also items that were then scrapped by the Senior OT's. This was highlighted to Provider A by email and the Senior OT advised that no response had been received.</p> <p>For October 2013 invoice, there was no charge itemised for storage costs. For November 2013, the special storage charges were £402.50 plus VAT. The storage charges for October 2013, were missed off the invoice and instead charged on the November invoice. The charge was £494.70 plus VAT.</p> <p>The Procurement Officer advised Internal Audit on 3/3/14 that a visit would be made to the depot along with the Partner A's staff</p>		<p><b>TCES system.</b></p> <p><b>A stock list should be maintained and regularly updated of the stock held at the depot. This should be reconciled to the number of stock items charged for as detailed on the invoice. It should be confirmed whether the storage costs are per item per week or per item per day.</b></p> <p><b>[Priority 1]</b></p>

**Priority 1**  
**Required to address major weaknesses and should be implemented as soon as possible**

**Priority 2**  
**Required to address issues which do not represent good practice**

**Priority 3**  
**Identification of suggested areas for improvement**

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
	<p>and Provider A's Procurement Manager to review these items and re categorise/scrap as necessary. A stock list with 112 items dated December 2013 has also been submitted to Internal Audit.</p>		
3	<p><b><u>Contract Monitoring</u></b>                      Stemming from poor communication between Provider A and Provider B which is the sub contractor and then again with the Authority has resulted in a formal complaint being made by a service user.</p> <p>The installation of grab rails needed to be fitted for one client. A request was submitted on 30/07/13. On 13/8/13 stated that the sub contractor needed to update the order for it to be processed. This issue was also raised under feedback reference 2328 and at the end of November, no response had been made and the grab rails still remained as outstanding. Grab rails are a standard stock item and should be held in stock. This related to Client 1.</p> <p>For Client 2, this client was awaiting grab rails to be installed. The OT advised that the contractor failed to install 2 x grab rails stating that client had cancelled them – this was refuted by his daughter. They were reordered again. They were scheduled for delivery 26/11/13 and the daughter waited in all day</p>	<p>Reputational risk to the Authority for poor service delivery to our service users.</p>	<p><b>Management should be actively reviewing the feedback from service users and staff and monitoring the performance of the contractor.</b></p>

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement



DETAILED FINDINGS

No.	Findings	Risk	Recommendation
	<p>(Contractors system did show delivery date as 26/11/13 – this has now disappeared from the system and is showing Queries code). The daughter called again to advise that no technician turned up and this was after she called the contractor to check that the delivery would be made. OT was told by the contractor that the rails were out of stock (450mm). Client has since made a complaint.</p> <p>There have been similar problems highlighted additionally in respect of the following service users :-</p> <ul style="list-style-type: none"> <li>• Faulty equipment delivered Client 3 as opposed to new. File note states that contractor said that it should be under ‘repair and replace’ which would incur a repair charge and not resolve the item being faulty on delivery.</li> <li>• For Client 4, a new shower chair was ordered for this client but when it was delivered a footplate was missing. This has been ongoing since 14/10/2013 and the OT telephoned the client again on 25/11/13 to enquire whether the foot plate had since been received.</li> <li>• For Client 5, a replacement bed was ordered (Sidhill) for this client and on delivery it was found that instead the bed was a paediatric bed and therefore too short.</li> </ul>		

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
	<p>Extensions were ordered and they then did not work correctly so a new bed had to be ordered. Enquiries have been made to ensure that the paediatric bed has been returned.</p> <ul style="list-style-type: none"> <li>• Same situation applicable for Client 6, but here the contractor stated that they had no technicians available to repair the item so would replace the item.</li> <li>• Delays in equipment being fitted. Client 7</li> <li>• Contractor out of stock of standard items – Client 8</li> <li>• Equipment fitted incorrectly - Client 9</li> </ul> <p>It was found that the Senior OT's do not regularly attend the operational meetings that are attended by the contractor.</p> <p>On review of the operational minutes, no evidence could be found of any discussion around individual cases.</p> <p>Contract monitoring was not found to be effective.</p> <ul style="list-style-type: none"> <li>• Quarterly performance monitoring reports were requested but these refer to deliveries and collections of equipment only.</li> <li>• Annual performance measures required by the contract were requested from the named contact officer from the</li> </ul>	<p>The contractor may not be delivering responsibilities.</p>	

**Priority 1**  
**Required to address major weaknesses and should be implemented as soon as possible**

**Priority 2**  
**Required to address issues which do not represent good practice**

**Priority 3**  
**Identification of suggested areas for improvement**

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
	<p>contract register such as Standard/Non-Standard Stock in store; Emergency call out and repair service; Planned maintenance; Reports and also System Availability. Although these performance measures are in the contract, it has not been confirmed to date if these are monitored.</p> <ul style="list-style-type: none"> <li>• Only the Contracts officer attends the Consortium meetings and no senior officers are in attendance.</li> <li>• Issues do not seem to be raised with the contractor regarding feedback from staff and service users.</li> <li>• The Consortium agreement was found not to have been signed by all parties. <i>This was awaiting Legal action to seal and the signed copy has subsequently been provided to Audit.</i></li> </ul>		<p><b>Issues should be raised by the Senior OT's, who are in a position to have the awareness of the individual cases, with the contractor at the operational meetings. Key information regarding performance should be recorded within the minutes.</b></p> <p><b>Senior OT's should attend these meetings on a rota basis in order to raise the issues highlighted.</b></p> <p><b>Contract monitoring needs to be more robust</b></p> <p><b>[Priority 1]</b></p>

**Priority 1**  
**Required to address major weaknesses and should be implemented as soon as possible**

**Priority 2**  
**Required to address issues which do not represent good practice**

**Priority 3**  
**Identification of suggested areas for improvement**

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
4	<p><b>Shared Specials</b>                      Although there is the Bromley Stock List, it is possible for staff to order shared specials which are recycled stock for circa £10 in some cases.                      Shared specials are items that have come from any of the other Local Authority members of the Consortium. A request is made to order the item for a specific client.</p> <p>The following issues have been highlighted :-</p> <ul style="list-style-type: none"> <li>• Photos and equipment descriptions and dimensions are poorly uploaded (as above).</li> <li>• No standardisation of details uploaded. May just say 'sold as seen'.</li> <li>• Items 'sold as seen' are in some cases in need of repair and in some cases have been condemned by Bromley – Client 11.</li> <li>• Refunds for items returned have not been actioned.</li> <li>• Shared specials are sometimes dirty, there is a risk of cross contamination and concerns also raised from the safety aspect as items can be dangerous.</li> <li>• The wait for the delivery times can be months rather than weeks.</li> </ul>	<p>Safety of service users may be compromised.</p>	<p><b>Concerns should be raised with the Consortium in regards to the shared specials.</b></p> <p><b>Management should resolve these issues and attempt to agree a standardised approach in relation to shared specials across the Consortium in relation to items being fit for use and from the safety aspect, standardisation of description and dimensions.</b></p>

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
			<p>Discussions should be made with the Consortium and the contractor to improve delivery times in order that the shared specials are a viable option.</p> <p>[Priority 2]</p>
5	<p><b><u>OT Assessments</u></b>                      From the sample selected, it was found that for 2 out of 15 cases, queries arose from the OT assessment. Equipment allocated to the client could not easily be reconciled back to the OT assessments. Client 12 and Client 13.</p>	<p>Equipment may possibly be duplicated or may not be serviced as expected.</p>	<p><b>OT assessments should clearly identify the equipment being allocated to individual clients.</b></p> <p>[Priority 2]</p>

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
6	<p><b><u>Service Agreement</u></b>                      It was found that one case had a missing service agreement on Carefirst and a further 5 had no statement of needs.</p> <ul style="list-style-type: none"> <li>Client 14 (P127207), Client 15, Client 16 ,Client 17 and Client 18 had no statement of needs recorded under Care Cycle.</li> </ul>	<p>Inadequate supporting documentation to evidence decisions made.</p>	<p><b>Service agreements should be set up within CareFirst. Statement of needs should be recorded to confirm that clients meet the Fair Access to Care Criteria.</b></p> <p><b>[Priority 2]</b></p>

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
7	<p><b><u>Sub-Contractor</u></b>                      The Authority's provider sub contracts work to a third party. This contractor undertook work for the Authority through the Disabled Facilities Grant. It was confirmed by the Housing Improvement Team Manager that this contractor was used by them between 2004 -2012 but due to performance issues they were removed from the approved list. Despite this the same contractor is providing the work through this contract although it forms only a small proportion of the work carried out.</p> <p>Concerns raised by Senior OT's were that :-                      There is no control over what equipment is utilised by this contractor in order to undertake work.</p>	<p>Poor service delivery to clients and reputational risk to the Authority.</p>	<p><b>The performance of this provider should be reviewed to ensure that there are no further causes for concern.</b></p> <p><b>[Priority 2]</b></p>

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
8	<p><b>TCES System</b>                      The Authority pays a membership subscription and for 2013/14 the cost was £14,700. As part of this fee, the membership covers expenses for maintenance and support from CSS for the TCES Connections equipment ordering system. It was found that there were records that remained active on the TCES system and had not been marked as deceased as expected. All records were updated correctly on Carefirst.</p> <ul style="list-style-type: none"> <li>• Seven cases were identified where the client had died and remained active on TCES.</li> <li>• Three cases identified had duplicated records and in two of the cases both accounts had equipment to both accounts.</li> <li>• There is no formal process in updating the records held in respect of our clients on the TCES system.</li> <li>• Discussions with Senior OT's highlighted that equipment displayed on the TCES system is generally inadequate and lacks essential detail. Photos are unclear and dimensions are not provided which are essential for the OT's to determine whether the equipment is suitable for not only the client, but for access to the clients property. This in the case of shared specials.</li> </ul>	<p>Information held on the TCES system is not accurate and up to date.</p> <p>Duplicate orders may arise resulting in greater costs.</p> <p>Key information is not made available to enable lower cost items to be utilised.</p> <p>Reputational risk to the Authority for poor service delivery.</p>	<p><b>Management should review the process for updating the records held on TCES. This matter should be raised at the next Consortium meeting. All cases identified should be requested to be closed.</b></p> <p><b>[Priority 2]</b></p>

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement



DETAILED FINDINGS

No.	Findings	Risk	Recommendation
9	<p><b>Credits for Returns</b>                      When equipment is allocated to clients and services are ended or equipment is no longer required, equipment is collected and if this is a standard stock item, the Authority will receive a credit back for the returned item.</p> <ul style="list-style-type: none"> <li>Cases have highlighted that credits were not always applied against all items as expected. One example was that for Client 14, this client died on 8/8/13. Six items were arranged to be collected by the provider on 8/11/13. The supporting spreadsheet for the invoice shows that for this client no credit was applied for the Perching Stool, Walking Frame and Trolley as items were marked by the provider as scrapped. There is no mention of the remaining three items collected the commode, bed leaver and raised toilet seat or a credit being applied. There was also no collection charge levied.</li> <li>Senior OT's explained that 'the criteria for allocating equipment by Partner A, is vastly different to Bromley. There are no follow up appointments by Partner A, post the issue of equipment'.                      The Head of Assessment &amp; Care Management advised that</li> </ul>	<p>Credits are not received by the Authority. Equipment cannot be re-allocated.</p>	<p><b>Management should ensure that the required credits are received back and that the equipment allocated by Partner A is collected in the same way. Consideration should be made of the use of equipment 'collection days'.</b></p> <p><b>[Priority 2]</b></p>

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement

DETAILED FINDINGS

No.	Findings	Risk	Recommendation
	collections were being tackled. It was suggested by a member of the OT staff that there should be 'collection days' in order that collections can be made rather than individual collection charges being levied. Credits would be then applied as applicable.		
10	<p><b><u>Procedures</u></b>                      'The Guidelines for the loan and prescription of equipment to people with disabilities' were found not to have been fully completed.</p>	Staff may work to different operating practices.	<p><b>The Guidelines for the loan and prescription of equipment to people with disabilities were found not to have been fully completed.</b></p> <p><b>[Priority 2]</b></p>

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
1	<p><b><u>Verification of Invoices Submitted</u></b>  <b>Invoices must be checked in compliance with Financial Procedures 8.25.</b>  <b>The requirement is that for invoices over £10K 100% checks should be undertaken.</b>  <b>Management should be undertaking the required management checks on invoices to confirm that goods and services have been received as required by Financial Procedures.</b></p> <p><b>The delivery and collection charges should be further reviewed to ensure that these speed rates are not utilised unless there are exceptional</b></p>		<p>Finance has been commissioned (14.03.14) by ECHS to review invoice checking arrangements and to recommend a new process which meets the requirements of Financial Regulations and which is proportionate in the context of the volume of activity and potential financial risk. From December 2013 approximately 70 cases per month have been selected at random and checked for accuracy.</p> <p>The majority of urgent delivery requests are made by Partner A staff. The list of approvers for both Partner A and social care is being reviewed in conjunction with the</p>	<p>AD Commissioning/ AD Care Services</p> <p>Head of Assessment and Care Management/ Partner A</p>	<p>Review to be completed by end of June 2014</p> <p>End of April 2014</p>

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
	<p>circumstances, as advised by the Head of Assessment &amp; Care Management. A reminder should be made to all social care and Partner A staff. Current approvers need to be revisited within Social Care and Partner A.</p> <p>It should be further reviewed how the Contractor is able to add these speed rates.</p> <p>Discrepancies between the statistical returns and invoices should be reconciled.</p>	<p>1</p>	<p>Partner A and all delivery speeds for the past year are being rechecked.</p> <p>Contracts Officer to check whether this is a system issue. If so add to PID for new system.</p> <p>However it is likely that this has arisen as part of the out of hours service. The need for this service is being reviewed.</p> <p>Contracts Officer to check whether this is a systems issue as system constantly updates with backdated</p>	<p>Contracts officer</p> <p>Head of Assessment and Care Management</p> <p>Contracts Officer</p>	<p>End of April 2014</p> <p>End of April 2014</p> <p>End of April 2014</p>

**Priority 1**  
Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
Required to address issues which do not represent good practice

**Priority 3**  
Identification of suggested areas for improvement

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
	<p><b>It should be confirmed why a higher rate for these equipment items was charged to the Authority instead of the Bromley Stock List charge. This should also include confirmation that all credits have been received back by the Authority.</b></p>		<p>activity. If so add to PID for new system.</p> <p>All of the items identified were ordered by Partner A. Issue has been raised with Provider A by Partner A to establish who authorised non stock item.</p>	<p>Partner A</p>	

**Priority 1**  
Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
Required to address issues which do not represent good practice

**Priority 3**  
Identification of suggested areas for improvement

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
2	<p><b><u>Stock reconciliation/Stock charges</u></b>                      A physical inspection should be made of the non- stock items held at the Woolwich depot. This should be reconciled to the stock displayed on the TCES system.                      A stock list should be maintained and regularly updated of the stock held at the depot. It should be confirmed whether the storage costs are per item per week or per item per day.</p>	1	<p>Contracts Officer provided stock list and visited depot with OT on . 10.10.13. Next visit planned with Partner A and social care staff.</p> <p>The business case for this service will be reviewed to determine whether it is cost effective.</p> <p>Contracts Officer to establish correct cost and ensure that any over/under payments are corrected.</p>	<p>Head of Assessment and Care Management</p> <p>Contracts Officer</p>	<p>End of April 2014</p> <p>End of June 2014</p> <p>Mid April 2014</p>
3	<p><b><u>Contract Monitoring</u></b>                      Management should be actively reviewing the feedback from</p>	1	<p>Additional reports requested from Provider A February 2014.</p>	<p>Contracts Officer</p>	<p>Ongoing</p>

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
	<p>service users and staff and monitoring the performance of the contractor. Issues should be raised by the Senior OT's, who are in a position to have the awareness of the individual cases, with the contractor at the operational meetings. Key information regarding performance should be recorded within the minutes. Senior OT's should attend these meetings on a rota basis in order to raise the issues highlighted. Contract monitoring needs to be more robust.</p>		<p>Monitoring to date has focused on ensuring processes comply with LBB requirements.</p> <p>Process issue has been identified which meant that issues were not being raised with Provider A or escalated to Provider A via the system although this was not apparent to OTs. This has now been rectified. OTs will be emailed to remind them of the complaints and escalation process.</p> <p>Contracts Officer will run regular reports from system to raise specific performance issues at contract meetings where relevant.</p> <p>It would be inappropriate for OTs to attend contract monitoring</p>	<p>Head of Assessment and Care Management</p> <p>Contracts Officer</p>	<p>End of April 2014</p> <p>Ongoing</p>

**Priority 1**  
Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
Required to address issues which do not represent good practice

**Priority 3**  
Identification of suggested areas for improvement

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
			meetings to discuss details of individual cases,		

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement



MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
4	<p><b><u>Shared Specials</u></b>  <b>Concerns should be raised with the Consortium in regards to the shared specials.</b></p> <p><b>Management should resolve these issues and attempt to agree a standardised approach in relation to shared specials across the Consortium in relation to safety, standardisation of description and dimensions.</b></p> <p><b>Discussions should be made with the Consortium and the contractor to improve delivery times in order that the shared specials are a viable option.</b></p>	2	The business case for this service will be reviewed to determine whether it is cost effective.	Head of Assessment and Care Management	End of June 2014

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
5	<b><u>OT Assessments</u></b>  OT assessments should clearly identify the equipment being allocated to individual clients.	2	Individual cases identified by Audit are being checked – cases may be Partner A cases or information recorded in Clinical Reasoning Document which is held on another part of the system not checked by Audit.	Head of Assessment and Care Management	End of April 2014
6	<b><u>Service Agreements</u></b>  Services agreements should be set up within CareFirst. Statement of needs should be recorded to confirm that clients meet the Fair Access to Care Criteria.	2	Individual cases identified by Audit are being checked. Cases which are Partner A cases are not recorded on Care First.  Ability to record a second statement of need in respect of equipment may require system change – this is being investigated.	Head of Assessment and Care Management	End of April 2014

**Priority 1**  
Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
Required to address issues which do not represent good practice

**Priority 3**  
Identification of suggested areas for improvement

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
7	<p><b><u>Sub-Contractor</u></b></p> <p>The performance of this provider should be reviewed to ensure that there are no further causes for concern.</p>	2	Performance will be monitored by Contracts Officer	Contracts Officer	Ongoing
8	<p><b><u>TCES System</u></b></p> <p>Management should review the process for updating the records held on TCES. This matter should be raised at the next Consortium meeting. All cases identified should be requested to be closed.</p>	2	<p>Cases identified by Audit will be reviewed and closed on TCES system if social care client (some may be Partner A cases).</p> <p>Issue of updating system when client/ patient dies will be raised at Consortium meeting and included in PID for new system.</p>	<p>Head of Assessment and Care Management</p> <p>Contracts Officer</p>	<p>End of April 2014</p> <p>Ongoing</p>

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
9	<b><u>Credit for Returns</u></b> Management should ensure that the required credits are received back and that the equipment allocated by Partner A is collected in the same way. Consideration should be made of the use of equipment 'collection days'.	2	Individual case to be checked by Head of Assessment and Care Management as details not clear in Audit report.  In February 2014 Provider A was instructed not to collect any equipment which cannot be reused.	Head of Assessment and Care Management	End of April 2014
10	<b><u>Procedures</u></b> The Guidelines for the loan and prescription of equipment to children and young people with disabilities were found not to have been fully completed.	2	The Policies and Procedures including Guidelines were completed in May 13 and all OT staff have a copy in their office as well as an electronic version on one Bromley. The unfinished guidelines are referring to the integrated paediatric OT service. They follow the guidance for adults but do not have a separate process written	Head of Assessment and Care Management.	End of June 2014

**Priority 1**  
Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
Required to address issues which do not represent good practice

**Priority 3**  
Identification of suggested areas for improvement

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
			down. It is recognised that this needs to be reviewed, documented and included in the procedures.		

**Priority 1**  
 Required to address major weaknesses and should be implemented as soon as possible

**Priority 2**  
 Required to address issues which do not represent good practice

**Priority 3**  
 Identification of suggested areas for improvement

## OPINION DEFINITIONS

## APPENDIX C

As a result of their audit work auditors should form an overall opinion on the extent that actual controls in existence provide assurance that significant risks are being managed. They grade the control system accordingly. Absolute assurance cannot be given as internal control systems, no matter how sophisticated, cannot prevent or detect all errors or irregularities.

### **Assurance Level**

### **Definition**

Full Assurance

There is a sound system of control designed to achieve all the objectives tested.

Substantial Assurance

While there is a basically sound systems and procedures in place, there are weaknesses, which put some of these objectives at risk. It is possible to give substantial assurance even in circumstances where there may be a priority one recommendation that is not considered to be a fundamental control system weakness. Fundamental control systems are considered to be crucial to the overall integrity of the system under review. Examples would include no regular bank reconciliation, non-compliance with legislation, substantial lack of documentation to support expenditure, inaccurate and untimely reporting to management, material income losses and material inaccurate data collection or recording.

Limited Assurance

Weaknesses in the system of controls and procedures are such as to put the objectives at risk. This opinion is given in circumstances where there are priority one recommendations considered to be fundamental control system weaknesses and/or several priority two recommendations relating to control and procedural weaknesses.

No Assurance

Control is generally weak leaving the systems and procedures open to significant error or abuse. There will be a number of fundamental control weaknesses highlighted.