

FINAL INTERNAL AUDIT REPORT
EDUCATION CARE AND HEALTH SERVICES

REVIEW OF RESIDENTIAL PLACEMENTS OLDER PERSONS AND CENTRAL PLACEMENT TEAM FOR 2016-17

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REVIEW OF RESIDENTIAL PLACEMENTS OLDER PERSONS AND CENTRAL PLACEMENT TEAM AUDIT FOR 2016-17

INTRODUCTION

1. This report sets out the results of our systems based audit of Residential Placements Older Persons and Central Placement Team for 2016/17. The audit was carried out in quarter 4 as part of the programmed work specified in the 2016-17 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 1st March 2017. The period covered by this report is from 1st January 2016 to 31st January 2017.
4. The audit focused on residential care for Adults 18-64 and Adults over 65 for Support with Memory and Cognition, Physical Support and Sensory Support.
5. The 2016/17 total net budgets and actual figures as at 05/04/2017 spend for these services were as follows:

Service	Total Net Budget (£)	Actual (£)	Variance (£)
Support with Memory & Cognition for Adults & Older People	6,332,000	5,487,309	+ 844,691
Physical Support for Adults & Older People	10,898,030	11,376,788	- 478,758
Sensory Support for Adults & Older People	245,400	200,848	+ 44,552

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AUDIT SCOPE

6. The scope of the audit is detailed in the Terms of Reference.

AUDIT OPINION

7. Overall, the conclusion of this audit was that Substantial Assurance can be placed on the effectiveness of the overall controls. Definitions of the audit opinions can be found in Appendix C.

MANAGEMENT SUMMARY

8. A sample of 10 long term residential placements and 10 emergency placements were selected for testing.
9. Controls were in place and working well in that:
 - Policies and procedures were in place, readily available to staff and up to date;
 - Comprehensive initial needs and financial assessments had been undertaken for both long term and emergency placements;
 - Quarterly budget monitoring reports for Residential and Nursing placements are produced and discussed with the Head of Service and Director of Adult Social Care.
10. However we would like to bring to management attention the following issues:
 - Testing of a sample of 10 long term placements identified the following:
 - In three instances, individual service contracts had not been signed in a timely manner, resulting in service agreements being authorised in an untimely manner;
 - In one case, an individual service contract was not requested within 48 hours of the placement start date; and

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- In one case, a six week care review was overdue and had not been completed. In three other cases, care reviews had not taken place six weeks after the placement start dates.
 - Testing of a sample of 10 emergency placements identified that in one case, the Head of Service Assessment and Care Management had agreed for contributions to be waived for a year. No evidence of the authorised waiver was sighted.
 - Testing of a sample of 10 long term residential placements and 10 emergency placements identified that in six instances, there was no evidence on Carestore that a provider assessment of the client had been carried out, as required by the Adult Placements procedure notes.
 - Testing of a sample of 10 long term residential placements and 10 emergency placements identified that in three cases, references for the homes used for out of borough placements from the Local Authorities had not been stored on the Central Placement Team site as required by the Adult Placements procedure notes; and
 - The borough rates spreadsheet showing the ceiling rates for residential care homes was incomplete, with the ceiling rates for two boroughs not recorded.
11. The standard methodology to review value for money arrangements was agreed by Members in September 2010. The matrix to assess value for money gives a rating 1 to 4, with 1 equating to not met and 4 equating to fully met. This service has been rated a 3 given the issues with the budget.
12. The value for money arrangements for this service was discussed with the Head of Service Assessment and Care Management, the Head of Contract Compliance and Monitoring and the Senior Accountant of Care Services. The following was identified in relation to benchmarking, external assessments, customer satisfaction and budget monitoring:
- London Borough of Bromley undertakes the following benchmarking activities:
 - **Commissioning Intelligence Safeguarding Group (CISG):** This group is chaired by Bromley's Lead Consultant Practitioner and meetings take place on a bi monthly basis. Discussions are focused on quality issues, with the aim of improving the service as a whole. Agenda items include Learning Disabilities Providers with Concerns, Mental Health Providers with Concerns, Nursing Home Providers with Concerns, Residential Home Providers with Concerns, Out of Borough providers, Extra Care Housing Services with Concerns and Dom care providers.
 - **Associate Director of Adult Service Network (ADAS):** This is a quarterly meeting attended by Assistant Directors of various local authorities across London. Agenda items include Safeguarding, Mental Health, Demand Management and Sustainability and Peer Reviews. The ADAS network meeting represents an opportunity for Bromley to compare its service delivery with different boroughs.

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- **Care forum:** This is led by Bromley's Head of Contract Compliance and Monitoring and takes place on a quarterly basis. These meetings between Bromley officers and care homes across Bromley represents an opportunity for care homes within the borough to share best practice in terms of service delivery.
- The principal external assessments are undertaken by the Care Quality Commission (CQC) who inspect and regulate care homes within the borough. The CQC check whether the provider is meeting the legal requirements and regulations associated with the Health and Social Care Act 2008, assesses the overall quality of the service, and provides a rating for the service under the Care Act 2014. Inspection reports are published online.
- As part of the annual client reviews for individuals in residential care, customer feedback is sought. Review forms include fields for clients to complete around the overall quality of care provided by residential homes.
- The Council's complaints policy is used to deal with complaints around residential placements. A complaints log is maintained by the Quality Assurance team which can be filtered to include all residential placements queries. Complaints are then referred to Team Leaders to deal with. Between 1st April 2016 and 31st March 2017, there had been a total of 12 complaints received about residential care placements.
- The service is aware that there has been an overspend in the last financial year. In particular, there are overspends in Nursing and Nursing Residential homes A. This is primarily as a result of the primary support reasons policy established by the government. For example, an individual who has a history of mental health issues may but also requires physical support may have a primary support reason as physical support instead of mental health. This has seen increased pressure on the budgets for the Head of Assessment and Care Management. In light of market difficulties, discussions established that the budget may need to be reviewed in the future.
- Income is maximised through financial sustainability assessments for residential placements requiring third party top ups. When a third party states they will pay a top up amount, the finance team will assess whether that is sustainable for the time period stipulated (five years). Should the third party top up be assessed as unsustainable, it is stated within the Individual Service Contract that Bromley reserves the right to withdraw from the service, thereby not having to pay any differences.

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SIGNIFICANT FINDINGS (PRIORITY 1)

13. None

DETAILED FINDINGS / MANAGEMENT ACTION PLAN

14. 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

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

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DETAILED FINDINGS

APPENDIX A

No.	Findings	Risk	Recommendation
1	<p>Waivers</p> <p>A sample of 10 long term and 10 emergency placements were selected to test whether waivers for placements exceeding costs of £50,000 per annum had been appropriately authorised in line with the Council's Contract Procurement Rules and Financial Regulations and had been stored on Carestore.</p> <p>In one case, sample number 9, the observations notes dated 25/08/2016 on CareFirst stated that it was agreed by the Head of Service to waive domiciliary care charges (contributions) for a year. No evidence of this was sighted.</p>	<p>Inability to account for authorised waivers.</p>	<p>Where management have used discretion to postpone collection of contributions as a temporary measure, there should be a clear audit trail to support this decision.</p> <p>[Priority 2]</p>
2	<p>Service Agreement Authorisations</p> <p>Testing of a sample of 10 long term placements identified that in three instances, individual service contracts had not been signed in a timely manner, resulting in service agreements not being authorised in a timely manner. The cases were as follows:</p> <ul style="list-style-type: none"> Sample number 3: Placement start date 19/03/2015. The individual service contract was signed by Bromley on 10/06/2015, signed by client on 06/08/2015 and then by the provider on 15/09/2015. The Service Agreement was set up on 18/03/2015 and authorised on 16/09/2015. This delay was down to human error. The address details held by Bromley were not complete, resulting in correspondence, being sent to the wrong address. 	<p>Delayed payments are made to care homes, resulting in reputational damage for the Authority.</p>	<p>Management should continue to closely monitor individual service contracts that have not been signed, to ensure that service agreements are authorised in a timely manner.</p>

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	<ul style="list-style-type: none"> Sample number 4: Placement start date 04/11/2014. The individual service contract was signed by Bromley on 19/01/2015 and by the client and provider on 30/06/2015. The Service Agreement was set up on 04/11/2014 and authorised on 30/06/2015. Evidence was provided that Bromley was chasing the client to sign the individual service contract. However, discussion with the Contract and Operations Manager Exchequer identified that all cases where individual service contracts have not been signed after two months are monitored and authorisation is given to progress with signing the Service Agreement to trigger payments to care homes. The period between Bromley signing the individual service contract (19/01/2015) and the service agreement being authorised (30/06/2015) was five months in this case. Sample number 2 – Placement start date 08/01/2016. The Adult Placement procedures state that individual service contracts should be requested within 48 hours of the placement start date. However in this case, the individual service contract was requested on 21/01/2016 (13 days after the placement start date). The contract was then signed by Bromley on 26/01/2016, by the provider on 18/02/2016 and not by client. Discussions established that the contract had not been signed by the client because the client does not have the capacity to sign and Bromley are funding gross pending outcome of court of protection / deputyship. The contract was signed on behalf of the client 		<p>Staff should be reminded to request for individual service contracts in a timely manner, within 48 hours of the placement start date.</p> <p>[Priority 2]</p>

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	<p>by their solicitor. The Service Agreement was then authorised 28/04/2016. The period between Bromley signing the individual service contract and the service agreement was three months.</p>		
3	<p>Care Reviews</p> <p>A sample of 10 long term placements was selected to test whether reviews had taken place six weeks after placement start dates and annually thereafter.</p> <p>In one case, a six week review had not been completed. The individual, sample number 9 was placed in Nursing Home A on 13/12/2016.</p> <p>In three other cases, care reviews had not taken place six weeks after the placement start dates. The cases were as follows:</p> <ul style="list-style-type: none"> • Sample number 1: Placement start date 11/08/2016. The review was done on 27/10/2016 and authorised 08/11/2016; • Sample number 7: Placement start date 08/01/2016. The review was done on 06/06/2016 and authorised on 08/06/2016; and • Sample number 10: Placement start date 05/05/2015. The review was done on 17/07/2015 and authorised on 	<p>Care reviews are undertaken in an untimely manner, resulting in changes in circumstances not being detected in a timely manner.</p>	<p>Care reviews should be carried out 6 weeks after placement start dates in accordance with the Adult Placements procedures.</p> <p>Review teams should formalise a procedure to ensure that where clients are incorrectly included on their schedule for reviews, they are identified and referred to the appropriate team. This would improve data accuracy on CareFirst.</p> <p>[Priority 2]</p>

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	<p>24/07/2015.</p> <p>Examination of the residential placements review statistics identified that from a total of 459 individuals over 18 years old in a residential placement for more than 12 months as at 01/04/2017, in six cases, there were no records of reviews having taken place.</p> <ul style="list-style-type: none"> • Case number 1, placement start date: 20/04/2016; • Case number 2, placement start date: 11/01/2017; • Case number 3, placement start date 16/10/2016; • Case number 4, placement start date 16/09/2016; • Case number 5, placement start date 07/11/2016; and • Case number 6, placement start date 20/06/2016. <p>Residential placement reviews are carried out by the Co-ordination and Review Team. Discussion with the Team Leader identified that with the exception of case number 4, these reviews are the responsibility of the Community Mental Health Team. Discussions also established that case number 4 is open to the Complex West Team.</p>		

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4	<p>Care Provider Assessments</p> <p>The Adult Placements procedure notes dated 27/06/2016 state that 'where an assessment has been completed by a provider, a copy should be requested, checked through, shared with care manager and stored on Carestore regardless of if they can accept or not'.</p> <p>From the sample of 10 long term and 10 emergency placements selected, placements that had been made after 27/06/2016 were selected to test whether provider assessments had been stored on Carestore. From the total of seven placements, in six instances, there was no evidence on Carestore that an assessment of the client by the provider had been carried out. The cases were as follows:</p> <ul style="list-style-type: none"> • Sample number 1: Placement start date 11/08/2016, end date 22/11/2016; • Sample number 8: Placement start date 28/09/2016, end date 22/01/2017; • Sample number 9: Placement start date 13/12/2016; • Sample number 12: Placement start date 01/07/2016, end date 18/09/2016; • Sample number 14: Placement start date 30/12/2016, end date 18/01/2017; and • Sample number 20: Placement start date 29/12/2016. 	<p>Lack of transparency regarding assessments carried out by residential care providers.</p>	<p>Staff should be reminded to attach assessments completed by providers on Carestore in accordance with the Adult Placements procedures.</p> <p>[Priority 2]</p>

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No.	Findings	Risk	Recommendation
5	<p>Provider references</p> <p>The Adult Placement procedure notes state that 'all new providers should be able to supply 2 referees at least one from a local Authority. These need to be stored on the team site for anyone to access'.</p> <p>Testing of a sample of 10 long term residential placements and 10 emergency placements identified that eight had been placed out of borough. In three instances, references from the Local Authorities within which the individuals had been placed could not be located on the Central Placement team site. The cases were as follows:</p> <ul style="list-style-type: none"> • Sample number 2 (Long term placement): This individual had been placed in Home A; • Sample number 6 (Long term placement): This individual had been placed in Home B; and • Sample number 8 (Long term placement): This individual had been placed in Home C. 	<p>Unsuitable residential care homes are sourced by the Central Placement Team.</p>	<p>Where a new provider is being used out of borough, staff should be reminded that two referees should be supplied, with at least one from a Local Authority. These should be stored on the Central Placement Team site for anyone to access.</p> <p>[Priority 2]</p>
6	<p>Borough spreadsheet</p> <p>Examination of the borough rates spreadsheet held on the Central placements Team site identified that the ceiling rates for residential care homes in Buckinghamshire and Newham had not been recorded.</p>	<p>Incomplete records held by the Central Placements Team.</p>	<p>The Borough rates spreadsheet should be updated to include the residential care home ceiling rates for all local Authorities used by London Borough of</p>

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			Bromley to place individuals. [Priority 2]

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APPENDIX B

MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
1	Where management have used discretion to postpone collection of contributions as a temporary measure, there should be a clear audit trail to support this decision.	2	All waivers are stored on Carestore. The particular case mentioned identified that sample number 9 did not have a waiver for the client dom care contributions being waived. This was not a waiver of the contributions but a postponement of the collection of the contributions due to an issue of capacity of the client and no identified POA.	HOS, P&B	31 st May 2017

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Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
2	<p>Management should continue to closely monitor individual service contracts that have not been signed, to ensure that service agreements are authorised in a timely manner.</p> <p>Staff should be reminded to request for individual service contracts in a timely manner, within 48 hours of the placement start date.</p>	2	<p>Individual service contracts are monitored by both Deputy Mgr of Exchequer Services and the ACS Finance support in CPT. Prior to each monthly pay run outstanding ISCs are reviewed by the DM, ES to identify where payments should be made to the provider when ISC paperwork has not been completed.</p> <p>Delays occur with the production of the ISC if the Fairer Charging team, for instance have not been able to obtain all the financial information in a timely way – e.g. sample number 4 where delay between placement and issue of ISC was 2.5 months. Families do not always co-operate with the process.</p> <p>However Placements staff will be reminded to be prompt in their request for the issue of an ISC</p>	HoS, P&B	May 2017

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Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
3	<p>Care reviews should be carried out 6 weeks after placement start dates in accordance with the Adult Placements procedures.</p> <p>Review teams should formalise a procedure to ensure that where clients are incorrectly included on their schedule for reviews, they are identified and referred to the appropriate team. This would improve data accuracy on CareFirst.</p>	2	There are occasions when reviews are late because of the capacity of the team to carry them out in all areas. Management action is in place to address this and the performance digest is used to monitor progress in this area. The HoS is looking at mobile working options to provide greater efficiency within the service allowing for work to be carried out in a timely way.	Tricia Wennell	Ongoing
			Where the reviews are the responsibility of the LD or MH services these are directed to the responsible management for them to action.	Stephen John	Ongoing
			HoS will discuss issue of data accuracy regarding reviews belonging to LD and MH at CSMG to agree how to resolve this.	Tricia Wennell	July 2017

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4	Staff should be reminded to attach assessments completed by providers on Carestore in accordance with the Adult Placements procedures.	2	Not all providers will copy their assessment to the LA. Those that do are stored in Carestore. Staff will be reminded to ask for them for all placements	HoS, P&B	May 2017

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Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
5	Where a new provider is being used out of borough, staff should be reminded that two referees should be supplied, with at least one from a Local Authority. These should be stored on the Central Placement Team site for anyone to access.	2	<p>Staff have been reminded of the need to undertake checks for quality assurance, however not all placements are made by the Central Placements team and therefore some checks may be missed when undertaken by other parties;</p> <p>In respect of the cases identified in the audit :</p> <p>Sample number 2 – was not a placement made by CPT</p> <p>Sample number 6 – a verbal reference was taken and recorded and had been stored on the workers M drive. This has now been uploaded to Carestore.</p> <p>Sample number 8 was a placement made by the CCG. LBB were only involved short term during a period of funding review by the CCG (who are now funding the placement again).</p>	HoS, P&B	May 2017

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Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
6	The Borough rates spreadsheet should be updated to include the residential care home ceiling rates for all local Authorities used by London Borough of Bromley to place individuals.	2	This is a work tool for the placement officers and is updated whenever the staff have time. However for each individual placement if there is no record on the spreadsheet for the relevant LA the broker will contact the host LA and verify host rates. Not all LAs have ceiling rates.		

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.