

FINAL INTERNAL AUDIT REPORT

EDUCATION, CARE AND HEALTH SERVICES DEPARTMENT

REVIEW OF CONTRACTS AND COMMISSIONING FOR PUBLIC HEALTH AUDIT FOR 2017-18 GP ALLIANCE

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Date of Issue: 27/04/2018

Report No: ECHS 16/2017/AU

REVIEW OF CONTRACTS AND COMMISSIONING FOR PUBLIC HEALTH 2017-18 – GP ALLIANCE

INTRODUCTION

1. This report sets out the results of our systems based audit of Contracts and Commissioning for Public Health - GP Alliance. The audit was carried out in quarter four as part of the programmed work specified in the 2017/18 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.

AUDIT SCOPE

3. The scope of the audit was outlined in the Terms of Reference issued on 19th February 2018.

AUDIT OPINION

4. 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

5. The GP Alliance was commissioned as a provider of NHS Health Checks to eligible people in Bromley, aged 40 to 74 and without evidence of Cardiovascular disease, in areas of low uptake in the borough. The six month contract commenced on 1st October 2017 during which time the GP Alliance was commissioned to complete a maximum of 500 Health Checks at a price of £24.00 per completed Health Check. As at the 23rd March, 158 Health Checks had been invoiced (October 17 – January 18) at a total cost of £3,792.

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6. Controls were in place and working well in the areas of data management and analysis.
7. Our testing identified the following issue which we would like to draw to management's attention:-
 - Three of the four orders for the GP Alliance contract had been raised after the date of the invoice, with the fourth raised on the same day. An official order, or its equivalent, should be raised in a timely manner for all goods, works and services to ensure that financial commitments are reflected in budget monitoring although Financial Regulations, para 6.7 does cite an exception (i) 'Where a specific formal contract exists which does not incorporate any facility for the regular draw-down of services'. In this case, it is recommended that Public Health either raises one order for the total value of the contract (500 x £24) or, on receipt of the dataset 'Data Requirement 4' raises an order for the number of Health Checks agreed as completed for the month.

SIGNIFICANT FINDINGS (PRIORITY 1)

8. There are no Significant findings.

DETAILED FINDINGS / MANAGEMENT ACTION PLAN

9. 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

10. 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>An Oracle data extract showed that three of the four orders sampled had been raised after the date of the invoice and the fourth was raised on the same day.</p> <p>Where orders are not raised in a timely manner, the budget commitment will be inaccurately reflected.</p> <p>This will also be addressed as part of the Creditors Audit which is currently in course.</p>	<p>If orders are not raised in a timely manner, commitments will not be reflected in budget monitoring</p>	<p>As the contract with the GP Alliance does not incorporate a facility for the regular draw down of goods/services, it is recommended that Public Health either raises one order for the total value of the contract (500 x £24) or, on receipt of the dataset 'Data Requirement 4' raises an order for the number of Health Checks agreed as completed for the month.</p> <p>[Priority 3]</p>

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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>As the contract with the GP Alliance does not incorporate a facility for the regular draw down of goods/services, it is recommended that Public Health either raises one order for the total value of the contract (500 x £24) or, on receipt of the dataset ‘Data Requirement 4’ raises an order for the number of Health Checks agreed as completed for the month.</p>	3	<p>Public Health will review and make changes to the process when the purchase orders are raised. Once the data has been validated and the amount to be paid calculated, the purchase order will be raised when the invoice is requested. This will ensure financial commitments will be reflected in budget monitoring.</p>	<p>Head of Vascular Disease Prevention Programme</p>	<p>June 2018</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

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.