

FINAL INTERNAL AUDIT REPORT
EDUCATION, CARE, HEALTH SERVICES DEPARTMENT

REVIEW OF CONTINUING HEALTHCARE FUNDING FOR 2017-18

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Prepared by: Auditor

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REVIEW OF CONTINUING HEALTHCARE FUNDING AUDIT FOR 2017-18

INTRODUCTION

1. This report sets out the results of our systems based audit of Continuing Healthcare (CHC) Funding. The audit was carried out in quarter Q4 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.
3. The original scope of the audit was outlined in the Terms of Reference issued March 2018.
4. A process is in place for CHC funding with decisions being made between the Council, CCG's the Joint Funded Panel and the CHC Panel.

AUDIT SCOPE

5. The scope of the audit was outlined in the Terms of Reference.

AUDIT OPINION

6. 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.

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MANAGEMENT SUMMARY

7. Controls noted to be in place and working well based on audit work conducted included:
 - Formal reporting lines are in place in the form of a Team Structure Chart;
 - The CHC Panel and Joint Funded Panel meet on a monthly basis;
 - Checklists and Decision Support Tools (DST) are completed and uploaded onto the case management system where possible; and
 - Joint funded cases are reviewed on a regular basis.
8. Our testing identified the following issues which we would like to draw to management's attention:
 - There were no policies and procedures in place covering the relevant areas for CHC/joint funding. Inconsistent practices were evidenced as being used for record keeping in the case management system.
 - There were no formal training records maintained to confirm training attendance by appropriate officers.
 - The terms of reference for the CHC Panel and the Joint Funding Panel were not evidenced as being finalised and approved, and did not detail quorum requirements.
 - For 13/20 cases sampled, checklists and DST's were not available to view on the case management system for the CHC / joint funded cases.
 - For 3/10 CHC cases sampled, confirmation could not be obtained to verify that the checklist, that had been completed solely by LBB, had been passed to the CCG in a timely manner.
 - For 1/10 cases, the end date for an individual's CHC funding could not be identified, which made it unclear whether a payment made by the Council towards the individual's health care should have been recovered from the CCG or not. The one off direct payment of £648 and was made on the 04/07/2017.
 - Decision sheets for eight out of 10 cases sampled from the Joint Funded Panel were not complete for all joint funded cases agreed.
 - In one case out of 10 joint funded cases sampled, details of the individual's care plan could not be located on to the case management system. For eight out of the 10 cases, a signed Service Agreement could not be located on the case management system.

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- In three cases out of 10 joint funded cases sampled, invoices for the CCG had not been raised in a timely manner, leading to costs due to the Council not being recovered.

The individual cases were discussed with the Senior Care Manager (CHC) to seek resolution but remain as outstanding issues at this time.

SIGNIFICANT FINDINGS (PRIORITY 1)

9. There were no priority one recommendations raised as part of this audit.

DETAILED FINDINGS / MANAGEMENT ACTION PLAN

10. 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

11. 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><u>Policies and Procedures</u></p> <p>Policies, procedures and guidelines should be in place to help ensure that staff act consistently and in line with approved methodologies.</p> <p>It was identified that there were no policies and procedures covering any aspects of CHC funding / joint funding in place and available to staff.</p> <p>Testing of a sample of 10 CHC cases identified that staff members were using inconsistent document names and storing information in inconsistent locations on the case management system.</p>	<p>Where policies and procedures are not in place, there is a risk that inconsistent or out-of-date practices are adopted by staff.</p> <p>Where staff use inconsistent practices for the case management system, there is a risk that this information will not be easily accessible if required. This could result in duplication of work being completed or work not being completed accurately and timely.</p>	<p>Policies and procedures should be put in place for all aspects of CHC funding / joint funding. Areas to consider could be:</p> <ul style="list-style-type: none"> • Assessments; • Setting up of care plans/funding arrangements; • Reviews; • Appeals; • Fund recovery; and • Communication between CCG and LBB, and between care management staff and the finance team. <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
2	<p>Training</p> <p>Audit was advised that all care management staff had attended mandatory training in 2015 and external training in 2016 was delivered as 'on the job' training.</p> <p>However, there were no formal training records in place to verify which staff had attended this or other training. It was advised that there is a high turnover of care management staff and a high dependency on agency staff within the team.</p> <p>It is acknowledged that the Head of Assessment Management and Care Manager has now begun to produce a training log for key staff.</p>	<p>Where up-to-date training records are not maintained, there is a risk that gaps of knowledge are not identified leading to staff not being adequately equipped to carry out their duties.</p>	<p>A training record should be produced and maintained to ensure that all relevant staff have adequate training to carry out their duties.</p> <p>(Priority 2)</p>

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No.	Findings	Risk	Recommendation
3	<p><u>CHC Panel and Joint Funded Panel Terms of Reference</u></p> <p>Terms of reference for groups, committees and panels inform members of meeting requirements, such as membership, quorum requirements and the frequency of meetings.</p> <p>Examination of the respective terms of references for the CHC Panel and the Joint Funded Panel provided identified that these are marked as ‘draft’ and staff were unable to confirm whether these had been finalised and approved.</p> <p>It was also identified that the respective terms of reference did not detail quorum requirements.</p>	<p>Where the terms of references are not approved and do not detail quorum requirements, there is a risk decisions stated by the Panels may not be upheld and that the roles and responsibilities assigned to the Panels are not performed.</p>	<p>The Council should ensure that both the CHC Panel and the Joint Funded Panel have finalised their terms of reference. The terms of reference should include the date these were approved and who by, as well as the quorum requirements.</p> <p>(Priority 3)</p>

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4	<p><u>Identification of Individuals Requiring CHC/Joint Funding</u></p> <p>Testing of 10 CHC funded cases and 10 joint funded cases identified that the following documents were not filed on to the case management system:</p> <ul style="list-style-type: none"> • 7 checklists for CHC funded cases; • 9 DSTs for CHC funded cases; • 6 checklists for joint funded cases; • 4 DSTs for joint funded cases; <p>We were informed that the missing cases were due to there being no formal requirement for the CCG to pass over their assessments to the Council. Thus, whilst both parties would be aware of the outcome, the Council might not have access to the actual documents as these are retained by the CCG in their records.</p> <p>For completeness of information, where appropriate, staff should record on the case management system that they have confirmed with the CCG that all the appropriate assessments were carried out.</p>	<p>Where assessment documents are not retained within the case management system, there is a risk that any outstanding assessments may not be identified.</p>	<p>The identified cases should be followed up and the outstanding documentation obtained.</p> <p>Where appropriate, Care Managers should record on the case management system a note confirming they have checked with the CCG that the required assessments were carried out by them even though a copy is not required to be on file.</p> <p>(Priority 2)</p>

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5	<p><u>Checklists passed to CCG in a timely manner</u></p> <p>Testing of 10 CHC cases and 10 joint funded cases identified three instances where the checklists were undertaken solely by an LBB staff member, instead of in collaboration with CCG staff.</p> <p>In two of the aforementioned cases emails on the case management system of LBB and CCG staff planning the DST suggests that the checklists were passed to CCG; however, the exact date when these checklists were passed to CCG could not be identified.</p> <p>In one instance, we obtained emails confirming the checklist had been sent to the CCG; however, this was undertaken approximately a month after the checklist was completed.</p>	<p>Where checklists are not passed to the CCG in a timely manner and accurate records of this are not retained, there is a risk that further delays will occur in conducting the DST assessment and reaching a funding agreement.</p>	<p>Staff should ensure all checklists are passed over to CCG as soon as practicably possible. The date these are communicated to the CCG should be clearly recorded on the case management system for completeness of records.</p> <p>(Priority 3)</p>

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6	<p><u>Case Management Record Keeping</u></p> <p>Testing of a sample of 10 individuals receiving CHC funding identified that in one case, the Council made a one off direct payment on the 4th July 2017 to the claimant totalling £648, which was not recovered from the CCG.</p> <p>We were unable to establish from the evidence available on the case management system whether the payment was granted before the CHC funding had stopped (in which case the costs should have been recovered from the CCG), or after the funding had stopped.</p> <p>Discussion with members of staff could also not establish the end date for CHC funding, so it is unclear whether these costs should have been recovered.</p>	<p>Where accurate records of funding arrangements are not maintained, there is a risk that the relevant costs are not recovered, leading to a financial loss to the Council.</p>	<p>The identified case should be investigated further to determine whether the costs should be recovered from the CCG or not.</p> <p>Clear and accurate records of beginning and end dates should be put on the case management system for any CHC funding to ensure all appropriate costs are recovered.</p> <p>(Priority 2)</p>

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7	<p><u>Joint Funding Decisions</u></p> <p>Recent joint funded cases are discussed and agreed at the Joint Funded Panel attended by LBB and CCG staff.</p> <p>Testing of 10 joint funded cases identified the following:-</p> <ul style="list-style-type: none"> • Eight cases where complete evidence on the case management system could not be located to confirm joint funding being agreed by both parties (emails, observations, panel papers and decision sheets). • One case where evidence to support that joint funding was agreed by both parties could not be located. • One case where the individual was documented on the case management system as being joint funded, but the decision sheet from the Mental Health Panel suggested the person was 100% LBB funded. Discussion with staff could not establish why this was the case. 	<p>Where there is no clear confirmation of the agreed cost split between the Council and CCG, there is a risk that appropriate costs might not be recovered by the Council and in case of a disagreement, there is no evidence to establish the correct cost split.</p>	<p>A decision sheet should be completed for all joint funded cases decided at the Panel to confirm the agreed split of costs.</p> <p>(Priority 2)</p>

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8	<p><u>Care Plans & Funding Arrangements on the Case Management System</u></p> <p>Care plans are started once the initial assessment has been completed. These will be reviewed and agreed when the joint funding is granted.</p> <p>Testing of 10 joint funded cases identified that there was one case where the claimant’s care plan could not be located on the case management system.</p> <p>Following the joint funding being granted, an Individual Service Contract between the Council and the Health Provider is set up by the brokerage team. An entry for the Service Agreement is also made on the case management system. Once this has been completed, the Exchequer contractor will invoice the CCG for the appropriate amount.</p> <p>Whilst an entry on the case management system for the Service Agreement for all 10 joint funded samples tested was verified, the individual service contract was only available on the case management system in two cases, (although in one case the version available was not signed by the Health Provider).</p>	<p>Where details of the care plans and funding arrangements are not recorded on the case management system, there is a risk that staff will not have adequate information for decision-making.</p>	<p>Details of the care plan for each joint funded individual should be put on the case management system to confirm that the Council is aware of care they are contributing towards.</p> <p>The Individual Service Agreement signed by all parties involved should be put uploaded onto the case management system to confirm the agreed payment plan and funding arrangements.</p> <p>(Priority 2)</p>

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9	<p><u>Recovery of Costs</u></p> <p>Testing of 10 joint funded cases identified three cases where no invoices had been sent out to the CCG. We were advised that this was because the contributions were only recently authorised on the case management system. However, all three funding agreements started over 10 months ago</p> <p><u>Joint - Funding break down.</u></p> <table border="1" data-bbox="282 699 1178 943"> <thead> <tr> <th>Reference</th> <th>Total</th> <th>LBB</th> <th>CCG</th> </tr> </thead> <tbody> <tr> <td>Sample 1</td> <td>£2,959.74</td> <td>£1,424.45</td> <td>£941.74</td> </tr> <tr> <td>Sample 2</td> <td>£1,295.00</td> <td>£1,082.00</td> <td>£213.00</td> </tr> <tr> <td>Sample 3</td> <td>£2,856.00</td> <td>£1,456.66</td> <td>£1,399.44</td> </tr> </tbody> </table> <p>For completeness of information, we were advised that it would be useful if care management staff could be provided with regular information regarding the financial position of the joint funded cases.</p>	Reference	Total	LBB	CCG	Sample 1	£2,959.74	£1,424.45	£941.74	Sample 2	£1,295.00	£1,082.00	£213.00	Sample 3	£2,856.00	£1,456.66	£1,399.44	<p>Where payments to the Council are not recovered in a timely manner, there is a risk that an accumulation of costs may give rise to a dispute with the CCG. This in turn may lead to costs not being recovered in full.</p> <p>Senior care management staff are not provided with information on the financial state of the joint funded cases for a complete overview of the case and the Authority's liability.</p>	<p>The Council should ensure the CCG is invoiced in a timely manner for all costs due to be recovered. Where this cannot be achieved due to any outstanding issues that need to be resolved before an invoice can be sent out, proactive action should be taken to resolve those as soon as possible to avoid an accumulations of costs arising.</p> <p>A monthly report should be provided to senior care management staff with regards to the financial state of the joint funded cases.</p> <p>(Priority 2)</p>
Reference	Total	LBB	CCG																
Sample 1	£2,959.74	£1,424.45	£941.74																
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MANAGEMENT ACTION PLAN

Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
1	<p>Policies and procedures should be put in place for all aspects of CHC funding / joint funding. Areas to consider including could be:</p> <ul style="list-style-type: none"> • Assessments; • Setting up of care plans/funding arrangements; • Reviews; • Appeals; • Fund recovery; and • Communication between CCG and LBB, and between care management staff and the finance team. <p>(Priority 2)</p>	2	<p>The processes being used for CHC have developed over time and it is known that they are not fit for purpose. Some urgent work is underway to improve the processes specifically with the CHC Checklist being incorporated as a case management system document with alerts and reportable data. Guidance will be issued to all staff.</p> <p>The iBCF is being used to resource a Process and Systems person who will work with Managers and the CHC Lead across adult social care to implement a user friendly system.</p>	Director of Adult Social Care and Head of Assessment and Care Management	<p>Sept 2018</p> <p>Sept 2018</p>

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Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
2	A training record should be produced and maintained to ensure that all relevant staff have adequate training to carry out their duties.	2	All staff will be provided with training and a guidance to refer to and this will be mandatory training. L&D will be included in the planning and venue of training days so a formal record will be kept. All staff attending the CHC training have been logged and we can identify them - all staff have attended at least one session	Director of Adult Social Care and Head of Assessment and Care Management	Sept 2018
3	The Council should ensure that both the CHC Panel and the Joint Funded Panel have finalised their terms of reference. The terms of reference should include the date these were approved and who by, as well as the quorum requirements.	3	This is in process. The Joint Funding CHC Panel Terms of Reference are owned by the CCG and this will be raised at the next meeting.	Director of Adult Social Care and Head of Assessment and Care Management	October 2018

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Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
4	<p>The identified cases should be followed up and the outstanding documentation obtained.</p> <p>Where appropriate, Care Managers should record on the case management system a note confirming they have checked with the CCG that the required assessments were carried out by them even though a copy is not required to be on file.</p>	2	<p>As in 1 above</p> <p>As in 1 above</p>	Director of Adult Social Care and Head of Assessment and Care Management	Sept 2018
5	Staff should ensure all checklists are passed over to CCG as soon as practicably possible. The date these are communicated to the CCG should be clearly recorded on the case management system for completeness of records.	3	As in 1 above	Director of Adult Social Care and Head of Assessment and Care Management	October 2018

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Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
6	<p>The identified case should be investigated further to determine whether the costs should be recovered from the CCG or not.</p> <p>Clear and accurate records of beginning and end dates should be put on the case management system for any CHC funding to ensure all appropriate costs are recovered.</p>	2	<p>Cases will be looked at as a priority as part of the CHC iBCF Project</p> <p>As in 1 above</p>	<p>Head of Assessment and Care Management and Strategic Commissioner,</p> <p>Head of Assessment and Care Management</p>	<p>July 2018</p> <p>Sept 2018</p>
7	<p>A decision sheet should be completed for all joint funded cases decided at the Panel to confirm the agreed split of costs.</p>	2	As in 1 above	Head of Assessment and Care Management	July 2018

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Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
8	<p>Details of the care plan for each joint funded individual should be put on the case management system to confirm that the Council is aware of care they are contributing towards.</p> <p>The Individual Service Agreement signed by all parties involved should be put uploaded onto the case management system to confirm the agreed payment plan and funding arrangements.</p>	2	<p>This will be looked at during the actions of finding 1 above to ensure a clear and user friendly system is in place for staff to follow with up to date guidance.</p>	<p>Head of Assessment and Care Management and Strategic Commissioner</p>	<p>Sept 2018</p>

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Finding No.	Recommendation	Priority *Raised in Previous Audit	Management Comment	Responsibility	Agreed Timescale
9	<p>The Council should ensure the CCG is invoiced in a timely manner for all costs due to be recovered. Where this cannot be achieved due to any outstanding issues that need to be resolved before an invoice can be sent out, proactive action should be taken to resolves those as soon as possible to avoid an accumulations of costs arising.</p> <p>A monthly report should be provided to senior care management staff with regards to the financial state of the joint funded cases.</p>	2	This will be included in the actions in finding 1 above.	Head of Assessment and Care Management with Strategic Commissioner	Sept 2018

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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.