



Item No. 8

Meeting Date: Wednesday 8th September 2021

Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee

Report By: Chief Internal Auditor for the Integration Joint Board
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Social Care Provider Sustainability

Purpose of Report:	To present to the IJB Finance, Audit and Scrutiny Committee details of the internal audit work undertaken in relation to the Social Care Provider Sustainability funding scheme.
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Background/Engagement:	The Integrated Joint Board is required to comply with Article 7 of the Local Authority Accounts (Scotland) Regulations 2014. The regulations require a local authority to operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing.
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Recommendations:	The IJB Finance, Audit and Scrutiny Committee is asked to: <ul style="list-style-type: none">a) note the content of the report; andb) recommend that the Head of Audit and Inspection submits a further report to the IJB Finance, Audit and Scrutiny Committee on the implementation of the actions contained in the attached Action Plan.
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Relevance to Integration Joint Board Strategic Plan:

To provide assurance on various aspects of the Strategic Plan.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	None
Personnel:	None
Carers:	None
Provider Organisations:	None
Equalities:	None
Fairer Scotland Compliance:	None
Financial:	None
Legal:	None
Economic Impact:	None
Sustainability:	None
Sustainable Procurement and Article 19:	None
Risk Implications:	None
Implications for Glasgow City Council:	The current internal auditors of the Council will continue to report to the Council on operational matters relating to Social Care services.
Implications for NHS Greater Glasgow & Clyde:	The current internal auditors of the NHSGG&C will continue to report to the NHS Board on operational matters relating to NHS services.

Glasgow City Integration Joint Board Social Care Provider Sustainability

1. Introduction

- 1.1 As part of the agreed Internal Audit plan we have carried out a review of the Social Care Provider Sustainability funding scheme arrangements in place within the Glasgow City Integration Joint Board (IJB).
- 1.2 In May 2020, the Scottish Government announced that additional funding would be provided to help support social care providers with the financial challenges faced in relation to the COVID-19 pandemic. The funding was aimed at helping to offset additional COVID-19 related costs being incurred by social care providers such as a reduction in occupancy due to the virus, or costs being incurred in relation to infection prevention and control or personal protective equipment (PPE) arrangements. The Glasgow City Health and Social Care Partnership (HSCP) was responsible for administering the payments for the Glasgow City area.
- 1.3 The application and assessment process were streamlined to reduce administrative burden on both the providers and IJBs to ensure that providers continued to receive payments promptly and remained financially sustainable. A flexible approach was put in place for the assessment of claims across the individual client groups and arrangements were also in place to ensure that all assessments were subject to overall review and validation by senior management prior to approval.
- 1.4 As of the end of March 2021, a total of 1,947 funding applications had been received and, in approximately 92% of these claims, a payment had been approved, with 83% of the

approved claims having been paid prior to the end of March 2021. The total amount paid to providers as at the end of March 2021 was approximately £10m. The current funding scheme was due to end in June 2021 however it is now been confirmed that parts of the programme will continue until at least March 2022.

- 1.5 The purpose of the audit was to gain assurance that the money allocated to the IJB by the Scottish Government to support social care providers during the pandemic has been managed in accordance with the scheme rules. The scope of the audit included:

- Reviewing the conditions of the funding to ensure payments were made in accordance with the scheme rules;
- Ensuring that robust procedures are in place for the assessment and payment of claims;
- Checking a sample of payments made to ensure compliance with the procedures in place;
- Reviewing the records retention and audit trail arrangements; and
- Reviewing the reconciliation process for payments made.

2. Audit Opinion

- 2.1 It is recognised that these new systems and processes were implemented under severe time pressure during a period of ongoing strains on resources and working arrangements. We also acknowledge the efforts of the employees of both the HSCP and Social Care Providers in carrying out the work necessary to implement the funding programme under dynamic and challenging work conditions.

2.2 Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements and one recommendation which management should address.

3. Main Findings

3.1 We are pleased to report that a number of key controls were in place and generally operating effectively. In particular we noted:

- Guidance issued by the Convention of Scottish Local Authorities (COSLA) and the Scottish Government with regard to the conditions and criteria for funding had been circulated to staff involved in the claims process as and when new versions of the guidance were released;
- Officers within the HSCP demonstrated a good understanding of the assessment and payment process;
- In assessing claims, consideration was given to the overall financial sustainability of the providers and their ability to continue to deliver vital services;
- Social Care Providers must complete a signed declaration/ supplier-relief form agreeing to the terms and conditions of the funding prior to payment being made. We reviewed a sample of payments and found that a signed declaration was in place prior to payment in all cases reviewed;
- For all payments reviewed, we found that the payment had been made to the correct provider who submitted the claim and to bank details already held by the Council;
- There were approximately 340 payments that were made to the same supplier in the same period. We selected a sample of ten of these cases and we did not find any indication that duplicate claims had been made; and
- We found that there are sufficient arrangements in place to

monitor the total value of approved payments and to report the total costs incurred to the Scottish Government.

3.2 However, we also identified some control weaknesses and some areas for improvement. We carried out testing on a sample of 30 of the 940 approved payments, at the time of the audit testing, and found minor errors in calculations and two instances where the amount paid was in excess of the amount agreed by management resulting in a small overpayment of approximately £1,400 in total. One case where the approved payment was approximately £13,000 and there was an overpayment of £100. In the other case the approved payment was approximately £9,000 and there was an overpayment of approximately £1,200.

3.3 We were advised that reconciliations are undertaken between the payments approved by management for payment and the amounts paid through the ledger. We were provided with three of these reconciliation documents. However, we noted that one of these reconciliations did not include the payments approved by management. We were also unable to confirm that these reconciliations had been subject to review or had been signed off by a second officer.

3.4 The guidance issued by COSLA and the Scottish Government stipulates that Local Authorities can recover payments from providers where it is found that they did not qualify for the funding, or where an overpayment has been made. We were advised that there are plans to carry out a retrospective reconciliation and that this will act as a mechanism to ensure that any overpayments are identified and recovered.

3.5 During our audit testing we found evidence to demonstrate that, in one client group, the same officer was responsible for

the assessment of claims submitted, making the decision and then making the request for payment, with no requirement for secondary authorisation prior to the payment being processed. In this client group there were approximately 280 payments made at the time of the audit testing.

- 3.6 For five of the payments reviewed we also found that evidence had not been retained to demonstrate management approval of the final payment value.
- 3.7 An action plan is provided at section four outlining our observations, risks and recommendations. We have made one recommendation for improvement. The priority of this recommendation is:

Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	1
Low	Lower level controls absent, not being operated as designed or could be improved.	0
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

- 3.8 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.9 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.10 It is recommended that the Head of Audit and Inspection submits a further report to the Finance, Audit and Scrutiny Committee on the implementation of the action contained in the attached Action Plan.

4. Action Plan

Title of the Audit: Glasgow City Integration Joint Board – Social Care Provider Sustainability

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Payments have been made in line with the scheme requirements and are being reconciled and authorised appropriately.				
1	<p>Audit testing of a sample of 30 payments identified the following issues:</p> <ul style="list-style-type: none"> • Two cases where the amounts paid were in excess of the amount approved for payment by management, resulting in a small total overpayment of approximately £1,400. One case where the approved payment was approximately £13,000 and there was an overpayment of £100. In the other case the approved payment was approximately £9,000 and there was an overpayment of approximately £1,200; • For one of the client groups reviewed, we found that the officer responsible for the assessment of the claims submitted was also responsible for making the decision on the claim and making the request for payment. One error identified during our sample testing originated in this client group and had not been identified prior to the audit; and • For five of the payments reviewed we found that evidence was not in place to demonstrate management approval of the final payment value. However, we have been advised that the process has 	<p>Management should put in place arrangements to undertake a thorough data quality check as part of the planned retrospective recovery process to ensure that the information included in the monitoring spreadsheets is accurate.</p> <p>Any errors or overpayments identified as part of the retrospective reconciliation review should be followed up and appropriate recovery action undertaken.</p>	Medium	<p>Response:</p> <p>Agreed. Retrospective reconciliations will be undertaken for all providers and this exercise has commenced with a pilot in 2 care groups before roll-out to the other care groups.</p> <p>Officer Responsible for Implementation:</p> <p>Assistant Chief Officer, Finance (HSCP)</p> <p>Timescale for Implementation:</p> <p>September 2021</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Payments have been made in line with the scheme requirements and are being reconciled and authorised appropriately.				
	<p>since been updated to ensure that an audit trail is maintained.</p> <p>We reviewed three reconciliations of the amounts paid through the ledger and the values approved by management for payment. One of these reconciliations did not include the full value of payments approved by management. We were also unable to confirm that any ongoing reconciliations being completed by responsible officers had been subject to review and had been signed off by a second officer.</p> <p>We were advised that there are plans to carry out a full retrospective reconciliation and that this will ensure that any overpayments are identified and recovered. We have been informed that the plans for the retrospective reconciliation have now been formalised and a pilot of the process has commenced.</p> <p>Without appropriate reconciliation processes being in place, there is an increased risk that overpayments and errors in assessments or record keeping will not be identified and followed up.</p>			