



Item No. 6

Meeting Date Wednesday 17th April 2024

**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 Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee details of the internal audit work undertaken in relation to Social Care Provider Sustainability.
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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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Governance Route:	<p>The matters contained within this paper have been previously considered by the following group(s) as part of its development.</p> <p>HSCP Senior Management Team <input type="checkbox"/></p> <p>Council Corporate Management Team <input type="checkbox"/></p> <p>Health Board Corporate Management Team <input type="checkbox"/></p> <p>Council Committee <input type="checkbox"/></p> <p>Update requested by IJB <input type="checkbox"/></p> <p>Other <input type="checkbox"/></p> <p>Not Applicable <input checked="" type="checkbox"/></p>
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Recommendations:	<p>The IJB Finance, Audit and Scrutiny Committee is asked to:</p> <p>a) note the content of the report; and</p> <p>b) recommend that the Chief Internal Auditor submits a further report to the IJB Finance, Audit and Scrutiny Committee on the implementation of the action contained in the attached Action Plan.</p>
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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:**

n/a

Personnel:

There are no direct implications for staff as a result of the content of this paper.

Carers:

There are no direct implications for carers as a result of the content of this paper.

Provider Organisations:

Sustainability payments to provider organisations, were funded by the Scottish Government and administered by the IJB.

Equalities:

n/a

Fairer Scotland Compliance:

n/a

Financial:

There are no direct financial implications as a result of the content of this paper.

Legal:

The IJB will be compliant with:

- The Integrated Resource Advisory Group guidance in relation to audit provision.
- The Local Authority Accounts (Scotland) Regulations 2014.

Economic Impact:

There is no direct wider economic impact within the city as a result of this report.

Sustainability:

There are no direct sustainability implications as a result of the content of this paper.

Sustainable Procurement and Article 19:

There are no direct sustainable procurement and Article 19 implications as a result of the content of this paper.

Risk Implications:

Internal Audit facilitates the reduction of risks identified during the audit process.

Implications for Glasgow City Council:

The Internal Auditors of Glasgow City Council will continue to report to the Council on operational matters relating to Social Care services.

Implications for NHS Greater Glasgow & Clyde:

The Internal Auditors of the NHSGGC will continue to report to the NHS Board on operational matters relating to NHS services.

1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a review of Social Care Provider Sustainability funding within the Glasgow City Integration Joint Board (IJB).
- 1.2 During the COVID-19 pandemic the Scottish Government provided additional funding to the IJB, and part of this funding was to be used to support social care providers to manage pandemic related financial challenges. The funding was aimed at helping to offset additional COVID-19 related costs, or income loss, being experienced, for example, due to reduction in permitted occupancy, or extra costs in relation to infection prevention and control.
- 1.3 Although initially expected to run until March 2021, the fund was extended on several occasions by Scottish Government and ultimately providers were permitted to submit claims for eligible expenditure incurred up to and including 31st March 2023. The Glasgow Health and Social Care Partnership (HSCP) was responsible for administering payments to providers in the Glasgow City area. Providers were required to submit claims to the HSCP for assessment, and the final deadline for claims to be submitted was 8th August 2023.
- 1.4 The purpose of the audit was to ensure that the HSCP had arrangements in place to manage the fund closure appropriately and in accordance with the scheme rules. The scope of the audit included ensuring:
- Fund closure deadlines were communicated.
 - Claims were assessed in line with Scottish Government guidance.
 - Accurate and timely payments had been made to providers in line with its approved claims.
 - An appropriate process for fund reconciliations was in place for the final year of the fund.
 - The closing balance for the fund was reconciled and the final claim was subject to appropriate review and approval prior to being submitted to the Scottish Government.
 - Payments had been received in respect of the final fund claims submitted to the Scottish Government.

2 Audit Opinion

- 2.1 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 with **one recommendation** which management should address.

3 Main Findings

- 3.1 We are pleased to report that the key controls are in place and generally operating effectively. We found that officers involved in the administration of the fund understood their roles and responsibilities and had access to all iterations of the Scottish Government's Guidance for Financial Support for Social Care Providers during the COVID-19 Pandemic document (there were ten versions issued over the life of the fund to reflect the criteria and allowable expenses at different stages).
- 3.2 Appropriate processes were in place to record and assess all claims received, identify instances of duplicate claims, and to review and approve claim assessments and payments. We found that there were clear arrangements in place for the closure of the fund and these were communicated to staff and providers in a timely manner. All claims submitted in advance of the fund closure date were found to have been assessed.
- 3.3 We selected a sample of five claims for review and found that the claims had been assessed, and payment made, in line with the relevant version of Scottish Government's guidance and the HSCP's internal review and approval processes.
- 3.4 The Scottish Government provided the HSCP with funding for the sustainability payments to providers as part of the wider pool of pandemic support measures. Management confirmed that a final reconciliation to calculate the total cost of the fund, which includes checks against the financial ledger, is currently underway and will be completed soon. Based on the information available, the payments made to providers do not exceed the amount of available COVID-19 funding.
- 3.5 However, our audit testing identified some opportunities for improvement. The purpose of the fund was to help sustain providers' financial position through the pandemic, not to improve it. To ensure compliance with this the HSCP implemented a process of retrospective reconciliations for all providers that received an award from the fund; if a provider is found to have benefitted financially then funding can be

recouped. Over the life of the fund, claims were submitted by 133 providers, and we found 3 cases where the retrospective reconciliation had not been completed.

- 3.6 We reviewed a sample of 16 completed retrospective reconciliations and found that in all cases it had been completed in accordance with the agreed process and that, where required, debt management activity is being undertaken and monitored to ensure compliance with Scottish Government requirements. However, in eight cases we identified that some of the records pertaining to the completed reconciliations were not held in a centrally accessible location.
- 3.7 An action plan is provided at section four outlining our observations, risks, and recommendation. We have made one recommendation for improvement. The priority of this 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.	0
Low	Lower-level controls absent, not being operated as designed or could be improved.	1
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 Chief Internal Auditor submits a further report to the IJB Finance, Audit and Scrutiny Committee on the implementation of the actions contained in the attached Action Plan.

4 Action Plan

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: There are effective retrospective reconciliation arrangements for the fund.				
1	<p>The HSCP has undertaken retrospective reconciliations in which the financial position of each provider, as reported through its management accounts, was assessed to identify whether an overpayment of funding had been made (i.e., the funding resulted in an improved financial position for the provider, rather than maintaining the pre-pandemic financial state).</p> <p>We found that 133 retrospective reconciliations were required and that 3 of these had not been completed, this was highlighted to management during the audit and two have since been completed, with a request made to the provider for the management accounts to complete the final outstanding reconciliation.</p> <p>We reviewed a sample of 16 reconciliations in further detail and found that in eight cases the supporting documentation was held in individual staff members' email folders instead of being saved in the agreed central location on the document management system (EDRMS).</p> <p>This increases the risk that overpayments made to providers are not identified and recovered in a timely manner.</p>	<p>Management should ensure that:</p> <ul style="list-style-type: none"> The final outstanding reconciliation is completed as soon as possible. All supporting documentation and evidence in relation to the reconciliations is held in the appropriate location so that it can be accessed as required. 	Low	<p>Response: Accepted.</p> <p>Two of the outstanding reconciliations have been completed and contact has been made with the relevant provider to complete the remaining reconciliation.</p> <p>Supporting documentation will be moved to EDRMS.</p> <p>Officer Responsible for Implementation: Assistant Chief Officer, Finance</p> <p>Timescales for Implementation: 30 June 2024</p>