



Internal Audit Report
Housing and Community Safety
Commissioned Services – Care at Home Assignment No.16-24
March 2017

Final Report

Finance Division
Corporate and Democratic Services
Perth & Kinross Council
2 High Street
Perth PH1 5PH

Internal Audit

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. Public Sector Internal Auditing Standards (PSIAS)

On 27th March 2013, the Council’s Audit Committee approved the PSIAS as the relevant standard for its Internal Audit activity.

Background and Introduction

This audit was carried out as part of the audit plan for 2016/17, which was approved by the Audit Committee on 30 March 2016.

The Housing and Community Safety, Housing and Strategic Commissioning Service of the Council commissions the letting of contracts to third parties for the provision of services, including Care at Home, to be provided throughout the Council’s area.

The 2016/17 Housing and Community Safety (H&CS) approved gross revenue budget of £124.264 million includes £54.277million as payments for a range of services to be provided by Third Parties, including services for Care at Home.

The indicative scope of the audit was to review the adequacy of the arrangements in place for the management of Care at Home service contract commissioning and monitoring. As the Service were in the process of commissioning contracts for Care At Home services, the review has concentrated on adding value by ensuring that arrangements are in place for the management of the new contracts in place.

Scope and Limitations

In order to arrive at an opinion on the achievement of the control objectives, the audit included reviews of practices and interviews with staff within Housing and Community Safety, Housing and Strategic Commissioning, at Pullar House.

Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A ‘control objective’ is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

Control Objective: 1. To ensure the Council’s strategy on the commissioning of contracts for Care at Home services is up-to-date and complies with current legislation, Financial Regulations and Corporate Plan
Audit Comments: The Council approved a Housing and Community Safety Services, Commissioning Strategy document in 2011/12 in line with legislation, Financial Regulations and Corporate Plan objectives. This is available on the web page and has remained appropriate until 2016. Following the creation of the Perth and Kinross Health and Social Care Integrated Joint Board (IJB) a new Strategic

Internal Audit Report

Commissioning Plan, 2016-2019, has been developed and introduced by the partnership which includes many of the essential features of the 2011 document but also incorporates the requirements of the new joint working and commissioning arrangements. The IJB has the strategic planning responsibility for the provision of a wide range of services, including Care at Home. The Council will continue to commission these services on behalf of the partnership for the immediate future and H&CS SMT have established a Commissioned Services Board to provide oversight of activity and developments on behalf of the Council and IJB, and in October 2016 agreed a new contract strategy specifically in respect of Care at Home Commissioning.

Our review confirms that the Council's contract commission strategy is up-to-date and complies with relevant legislation and regulations but the electronic copy of the 2011 document should be deleted

Strength of Internal Controls:

Strong

Control Objective: 2. To ensure that Care at Home service contract commissioning procedures are in line with approved strategy and support changing user needs and the Council's improvement priorities

Audit Comments: The commissioning of contracts for the provision of Care at Home services falls within the remit of the Contracting and Commissioning Team. The team have developed a range of standard documents, guides and templates for use in the contract commission process which ensure that contracts are commissioned in line with Council strategy and contract rules. However a number of the documents require updating following developments during 2016 and new documentation will be in place following the awarding of the new contract from 1 May 2017.

Strength of Internal Controls:

Moderately strong

Internal Audit Report

Control Objective: 3. To ensure that Care at Home service contract commissioning procedures include appropriate and effective contract monitoring and control provisions.

Auditor's Comments: The standard forms and documents in use within the contract commissioning procedures include provisions for the monitoring and control of the contracts, requiring providers to maintain adequate records and cooperate with the Council in reasonable monitoring processes. Contract monitoring activity falls within the remit of the Contracting and Commissioning Team and oversight of monitoring lies with the Commissioned Services Board. The Contracts and Commissioning Team have in place a contract monitoring guide; however, this is dated 2008 and has not yet been amended to reflect developments during 2016, particularly the creation of the IJB and the appointment of Quality Monitoring Officers based within Localities. Our review confirms that a number of service providers have been the subject of satisfactory monitoring during 2016 but there is no timetable for regular reporting to the Commissioned Services Board.

Strength of Internal Controls:

Moderately strong

Management Action and Follow-Up

Responsibility for the maintenance of adequate and effective internal controls rests with management.

Where the audit has identified areas where a response by management is required, these are listed in Appendix 1, along with an indication of the importance of each 'action point'. Appendix 2 describes these action points in more detail, and records the action plan that has been developed by management in response to each point.

It is management's responsibility to ensure that the action plan presented in this report is achievable and appropriate to the circumstances. Where a decision is taken not to act in response to this report, it is the responsibility of management to assess and accept the risks arising from non-implementation.

Achievement of the action plan is monitored through Internal Audit's 'follow up' arrangements.

Management should ensure that the relevant risk profiles are reviewed and updated where necessary to take account of the contents of Internal Audit reports. The completeness of risk profiles will be examined as part of Internal Audit's normal planned work.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of Housing and Strategic Commissioning staff during this audit.

Feedback

Internal Audit welcomes feedback from management, in connection with this audit or with the Internal Audit service in general.

Internal Audit Report

Distribution

The Final Report will be issued to the following officers:

B Malone, Chief Executive

J Fyffe, Senior Depute Chief Executive

B. Atkinson, Director (Social Work),

L. Cameron, Head of Housing & Strategic Commissioning

E. McMullen, Planning and Commissioning Manager

G. Peters, Team Leader, Commissioning and Contracting

J Symon, Head of Finance

L Simpson, Head of Legal and Governance Services

K McNamara, Head of Community Planning, Strategic Commissioning and Organisational Development

P Dickson, Complaints & Governance Officer

External Audit

Authorisation

The auditor for this assignment was D Brownlow. The supervising auditor was J Clark

Jacqueline Clark
Chief Internal Auditor
Date: 30 March 2017

Internal Audit Report

Appendix 1: Summary of Action Points

No.	Action Point	Risk/Importance
1	Out of date strategy document to be deleted	Low
2	Update guides and procedures	Low
3	Register of contracts	Low
4	Contract monitoring reporting timetable	Medium

Internal Audit Report

Appendix 2: Action Plan

Action Point 1 - Out of date strategy

The 2011 strategy document has been superseded. However, it remains accessible on the Council's intranet site, ERIC.

Management Action Plan

The Service will ensure that this out of date strategy is removed.

Importance:	Low
Responsible Officer:	G. Peters, Team Leader, Commissioning and Contracting
Lead Service:	Housing and Community Safety
Date for Completion (Month / Year):	Completed
Required Evidence of Completion:	Document deleted

Auditor's Comments

Satisfactory

Internal Audit Report

Action Point 2 - Update guides and procedures

The Contracts and Commissioning Team have a significant number of standard documents and guides but a number of these require review and update to reflect changes during 2016 and 2017.

Management Action Plan

The Service has identified the need to review and update standard documents and guides in line with the new contracts awarded from 1 May 2017.

Importance:	Low
Responsible Officers:	G. Peters, Team Leader, Commissioning and Contracting
Lead Service:	Housing and Community Safety
Date for Completion (Month / Year):	July 2017
Required Evidence of Completion:	Updated guides made available

Auditor's Comments

Satisfactory

Internal Audit Report

Action Point 3 - Register of contracts

Contract details and supporting documents are held for all contracts within the team's individual service provider files. However there is no overall register or management control records in place.

Management Action Plan

Revised arrangements will be put in place for the management of the new contracts for 2017.

Importance:	Low
Responsible Officer:	G. Peters, Team Leader, Commissioning and Contracting
Lead Service:	Housing and Community Safety
Date for Completion (Month / Year):	April 2017
Required Evidence of Completion:	Contract register or control record introduced

Auditor's Comments

Satisfactory

Internal Audit Report

Action Point 4 - Contract monitoring reporting

The remit of the Commissioned Services Board includes overseeing monitoring, reviewing work programmes and receiving regular reports on these. Monitoring of a number of Care at Home service providers was undertaken by the Contracts and Commissioning Team during 2016. However, there is no systematic reporting on monitoring provided to the Board.

Management Action Plan

- 1) The Service will agree an approach with the Commissioned Services Board for reporting on monitoring.
- 2) An annual report on commissioned services, which will include Care at Home Services, will be provided to the Commissioned Services Board.

Importance:	Medium
Responsible Officer:	E McMullen, Planning & Commissioning Manager
Lead Service:	Housing and Community Safety
Date for Completion (Month / Year):	1) July 2017 2) April 2018
Required Evidence of Completion:	1) Minutes from the Commissioned Services Board 2) Annual report

Auditor's Comments

Satisfactory