

Contributions to Care (Children's Services)

City of York Council

Internal Audit Report

Business Unit: Children, Education and Communities Directorate
Responsible Officer: AD, Children's Specialist Services
Service Manager: Head of Social Work Services
Date Issued: 4 June 2019
Status: Final
Reference: 11470/006

	P1	P2	P3
Actions	0	4	2
Overall Audit Opinion	Reasonable Assurance		

Summary and Overall Conclusions

Introduction

When children and young people have complex needs that cannot be met by universal or specialist health services, assessment of need and commissioning of care should be coordinated between the Clinical Commissioning Group (CCG) and local authority.

In particular, where a child or young person has a special educational need or disability (SEND), CCGs and local authorities should consider whether an assessment of eligibility for continuing care is required as part of the process to develop the child's Education, Health and Care plan. If eligibility is established, the package of care should be jointly funded by the CCG and the local authority, with the CCG paying for the healthcare element that is over and above needs that cannot be met by universal or specialist health services and the local authority paying for social care and, through the schools grant, the educational elements of care.

The Department of Health (DoH) document, 'National Framework for Children and Young People's Continuing Care', provides guidance on this process. This is primarily intended as guidance for CCGs but also provides key guidance on the role of local authorities in relation to children and young people's care. Local authorities and CCGs should have agreements in place for how services will be commissioned, decisions should be made by multi-agency groups and financial arrangements should be in place to ensure each party funds the required parts of a children or young persons care.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system will ensure that:

- Agreements are in place between the council and the CCG in relation to continuing care roles and responsibilities.
- Decisions regarding continuing care are made by a multi-agency group.
- Appropriate financial arrangements are in place for funding care and the correct contributions are made by each party.

The objectives above relate to the key elements of the continuing care framework that should be in place within the council and should determine what contributions towards packages of care are made by the CCG. However, it was apparent from early discussions that there are a number of different ways in which the CCG makes contributions towards care for children in York and also that continuing care arrangements are not embedded within all of the council's processes. Therefore, this review also considered other systems in place and the extent to which they ensure appropriate packages of care are commissioned and financial contributions agreed and paid by either party.

During the audit, issues were identified regarding the clarity of the processes for how the council deals with, health contributions to children's care. There are no formal agreements between the council and the CCG for assessing and funding health contributions to care and also a lack of clarity and inconsistency in how health contributions are determined and agreed across different elements of children's services. Therefore,

detailed testing was not carried out relating to commissioning of care packages and review of these (as had been originally planned). Further work should take place once the governance and procedure issues are dealt with and successfully followed-up.

Key Findings

There is a lack of clarity and formally documented understanding between the CCG and the council regarding health contributions to care. This includes continuing care and other contributions that the CCG makes towards short breaks care. A review of all health contributions towards care need to be undertaken and formal agreements reached with the CCG across the whole range of services.

Continuing care assessments are carried out by the CCG on the basis of the Department of Health's 'National Framework for Children and Young People's Continuing Care' and the responsibility for ensuring there are agreements in place with local authorities lies with the CCG. Nevertheless, the council should make efforts to work with the CCG to clarify their individual roles and responsibilities. This will also enable the council to provide more clarity to social workers regarding the referral and assessment pathways for children with complex and/or health needs.

The council is now liaising with the CCG to review which children are receiving continuing care and identifying any children that have not been referred or assessed for continuing care funding who they believe should be.

Panel arrangements have also recently been reviewed and refreshed. A draft terms of reference for the multi-agency funding panel has been drawn up and will be finalised, in conjunction with the CCG. The panel's membership will include council education and children's services staff and key staff from the CCG.

Health contributions to short breaks care are based on historic long standing agreements, which may have once been documented but there is no existing formal agreement with the CCG. Charges for short breaks care are calculated and agreed with the CCG each year but are only invoiced annually, which may mean they are more open to dispute or disputes would be harder to resolve.

It was identified during the audit that there is a difference in understanding between children's services and finance on how contributions by the CCG are calculated so it could not be confirmed whether the correct charges had been made to the CCG (though it should be noted that detailed information was provided to the CCG and the charges agreed with them).

The method for calculating the children whose care should be charged to the CCG is not based directly on information from children's service listing children and their category of need. Although testing did not find any significant errors in the calculations for the invoice, the process used to calculate charges is vulnerable to error and any changes in need during the year would not be identified.

The hourly rate of £12 per hour that is used to calculate health contributions towards the wages of community short breaks workers does not seem to cover the full costs to the council.

Overall Conclusions

The arrangements for managing risk were satisfactory with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

1 Clarity around continuing care roles and responsibilities

Issue/Control Weakness	Risk
There is a lack of clarity around continuing care roles and responsibilities.	Lack of clarity about the role and responsibilities of the council and CCG may lead to dispute or failure to meet the national framework requirements.

Findings

There is no formal agreement between the council and the CCG regarding their individual roles and responsibilities and decision making authority in respect of continuing healthcare.

The Department of Health's 'National Framework for Children and Young People's Continuing Care' suggests that the responsibility for ensuring there are agreements in place with local authorities lies with the CCG. Nevertheless, the council should make efforts to work with the CCG to clarify these roles and responsibilities. This will also enable the council to provide more clarity to social workers regarding the referral and assessment pathways for children with health needs.

The CCG has had a children's continuing care policy in place since August 2018, which set out a clear process for referral and assessment. The CCG and the council are also due to work with each other on an integrated pathway process to reinforce this.

Agreed Action 1.1

The council has discussed this with the CCG. The CCG will draft a proposed children's continuing health care agreement and this will be formally agreed with the council.

Priority	2
Responsible Officer	AD, Children's Specialist Services (Senior Quality Lead, Children and Young People for the CCG)
Timescale	July 2019

2 Review of continuing care funded children

Issue/Control Weakness

Children who should have been referred for a continuing care assessment may not have been.

Risk

Children who should have a continuing care assessment have not been referred to the CCG.

Findings

At the time of testing the council did not have a consolidated list of all children who are receiving continuing care. However, a meeting was held with the CCG in April 2018 and a list of all children receiving continuing care is now held. The council will use this list to identify any children that have not been referred or assessed for continuing care funding who they believe should be.

Any children who should be referred for continuing care assessments and have not been will be identified. Initially a discussion will be held with the CCG about whether these children should be referred for a full assessment and following this screening a full continuing care assessment will be undertaken for those children for whom it is appropriate.

Although information sharing and clarity about who is being funded by the CCG under continuing care has been weak, action has been taken, and is currently ongoing, to improve this.

Agreed Action 2.1

All children potentially entitled to continuing care will be identified and it will be clearly determined if they are eligible or not. Clear records will be kept on Mosaic to record individuals i) considered for referral and not referred; ii) referred and assessed and not found eligible or iii) referred, assessed and eligible for continuing care.

Priority

2

Responsible Officer

AD, Children's Specialist Services

Timescale

July 2019

Agreed Action 2.2

All children receiving continuing care funding will be reviewed to check whether formal agreements ('NHS Notification of Continuing Care details' forms) are in place. For any children where this form is not held, the CCG will be requested to provide a completed form.

Priority

2

Responsible Officer

Principal Accountant, Children's Services

Timescale

July 2019

3 Agreements with the CCG for contributions to care that are not continuing care

Issue/Control Weakness

There are no formal agreements between the CCG and the council about what contributions the CCG will make for care that is not continuing care. There is a lack of clarity within the council about these charges.

Risk

Charges may be disputed if there is no agreement and incorrect charges may be made.

Findings

There is no formal agreement with the CCG regarding the contributions that are paid to the council for children's care. Charges are agreed each year with the CCG before the invoice is created but this is open to dispute without a clear agreement on what contributions will be paid.

It also became apparent from conversations with children's services that what they understand the agreement with the CCG to be is not the same as finance's understanding and, therefore, does not match what has actually been charged to the CCG.

The allowance rates for carers do not seem to be consistent with what children's services understand is the proportion of costs above standard care. Children's services believe additional health needs are paid at 75% above the standard rate and complex care needs at 50% above the standard rate but the actual allowances set are 70% and 60% above standard respectively.

Agreed Action 3.1

The council is invoicing the CCG for short breaks care on the same basis as has happened in previous years, (i.e. 100% of additional health needs costs, contract carers costs and community short breaks carers costs). This has been agreed with the CCG.

On a monthly basis the council sends information to the CCG on what charges will be made for the different elements of short breaks care. Invoicing is now done on a quarterly basis.

Priority

2

Responsible Officer

Principal Accountant,
Children's Services

Timescale

Implemented

4 Method for calculating category of need and charges

Issue/Control Weakness

The method used for calculating health contributions to short breaks placements is vulnerable to error.

Risk

Errors in amount invoiced to CCG for contributions to short breaks placements.

Findings

Children's level of need is categorised by children's services when placements are requested. This determines the payments that are made. When working out the children whose care should be charged to the CCG the finance team works backwards from what has been paid and not from a list of children and their category of need. This means that it is prone to error and also that any changes in need during the year would not be identified.

Testing found some errors in the calculations of amounts to invoice the CCG. These errors were in themselves only very small in value but the process used to calculate charges is prone to error and not directly based on information provided by social care teams.

Agreed Action 4.1

The accounting technician will provide a list to children's social care of all children for whom the council has paid for care. Children's social care will advise which children have additional health needs. The accounting technician will raise charges to the CCG for the total costs of care delivered to children with additional health needs.

Priority

3

Responsible Officer

Accounting
Technician, Children's
Specialist Services

Timescale

July 2019

5 Community short breaks workers - hourly rate

Issue/Control Weakness

The hourly rate of £12 does not seem to cover the full costs to the council of community short breaks workers.

Risk

Contributions for care provided by short breaks workers will not cover 50% of the costs to the council, as per the (informal) agreement with the council.

Findings

The hourly rate used of £12 is based on the wage plus on costs. It has been increased from £10 to £12 recently and will be increased with any other wages changes but is not calculated from actual costs each year. A calculation was done to assess if this £12ph was accurate. This found that there is a £14.75 average (mean) and £12.91 mode average. Although these calculations are not 100% accurate as there was an element of data manipulation, they do suggest that the rate being charged is probably below what the council is paying.

Agreed Action 5.1

The hourly rate was reviewed and increased and the invoices to the CCG now include charges based on the revised hourly rate.

Priority

3

Responsible Officer

Accounting
Technician, Children's
Specialist Services

Timescale

Implemented

Audit Opinions and Priorities for Actions

Audit Opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.

Our overall audit opinion is based on 5 grades of opinion, as set out below.

Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

Where information resulting from audit work is made public or is provided to a third party by the client or by Veritau then this must be done on the understanding that any third party will rely on the information at its own risk. Veritau will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Veritau in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.