



# Continuing Healthcare City of York Council Internal Audit Report 2021/22

Business Unit: Health, Housing and Adult Social Care Directorate,  
Responsible Officer: Director Customer and Communities  
Service Manager: Head of Customer and Exchequer Services  
Date Issued: 19 October 2021  
Status: Final  
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	P1	P2	P3
Actions	0	4	0
Overall Audit Opinion	Reasonable Assurance		

## Summary and Overall Conclusions

### Introduction

Continuing Healthcare (CHC) is a package of care funded solely by the NHS for individuals who have been assessed as having a 'primary health need'. Clients are identified for CHC eligibility following the completion of the Checklist and Decision Support Tool (DST).

If an individual does not qualify for full funding the NHS may still have a responsibility to contribute to meeting the individual's health and social care needs. Where these needs may overlap then a flexible approach should be taken with a jointly funded package of care, with the NHS and City of York Council agreeing their respective contributions to the overall cost.

CHC is an area of high value spend, and a key area for adult social care budget management. In March 2021, invoices totalling just under £750k were raised to the relevant CCG's.

### 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:

- Appropriate financial arrangements are in place to ensure the completeness and accuracy of the invoicing process.

This audit included sample testing of jointly funded care packages as well as a high level review of current systems and processes involved in the invoicing process.

### Key Findings

The process for CHC assessment is that, following a CHC request being received, a multidisciplinary team meet and use the Decision Support Tool (DST) to assess whether there is a primary health need and determine a customer's eligibility for CHC funding. Prior to the introduction of the Mosaic CHC workflow in January 2020 the Income Services team were not notified of new part-funded CHCs and so had to rely on the CCG submitting a finance notification form to the council to issue a recharge. The CHC workflow is designed to address this system weakness by tracking the progress of all new CHC applications, from initial request for a DST meeting to receipt of the finance notification form from the CCG.

As part of the audit we reviewed the procedure notes created for Adult Social Care and Income Services staff and then performed a walkthrough of the system. We were able to confirm that the work steps in Mosaic match those recorded in the notes and, through a process of assignment and notification, are designed in such a way that all applications should be captured and the financial contributions recorded correctly. This assessment was supported by the review of a sample of CHCs in payment, taken from the KPI tracker report (showing all cases in the CHC workflow on Mosaic). All sampled CHCs in payment corresponded to the finance notification forms from the

CCG and evidence of this checking by Income Services was available on Mosaic by completion of check boxes on the 'Continuing Healthcare Finance Notification' work step. Recharge amounts are then automatically calculated from the Mosaic system and compiled into a single invoice for the CCG, accompanied by a separate Excel spreadsheet detailing individual recharge amounts.

From our review of a sample of existing CHC payments (i.e. those that pre-dated the Mosaic CHC workflow) where there had been a DST review and changes made and where inflationary increases or other uplifts have been applied, there was no clear audit trail in Mosaic to show what the recharge amount should be, and how, when or by whom amendments are made. It was therefore not possible to confirm whether the recharges to the CCG were accurate.

Testing showed that the Mosaic workflow is working as intended for new CHC applications as all notifications were on the workflow and the amounts corresponded to the financial notification forms and the recharge to the CCG. However, when a sample of pre-existing CHCs reviewed, we were not able to reconcile the contribution amount in Mosaic to the recharge amount as per the CCG invoice in all instances. This was due to uplifts being applied by the CCG for which an audit trail was not available either in Mosaic or outside of the system.

From the sample of existing CHCs, selected from the January 2021 invoice to the CCG, 2 of 5 recharge amounts corresponded to the finance notification form. There was a slight variance in the weekly amount for 1 of the sample items (£12.58) and for 2 of the sample items the financial notification did not record the weekly amount of the CCG contribution, instead showing as to be confirmed. Therefore, where there had been a DST review and changes made and where inflationary increases or other uplifts have been applied there was no clear audit trail in Mosaic of to show what the recharge amount should be, and how, or when or by whom it was amended

We were also unable to provide assurance that all service users had been recharged to the CCG. There is currently no method of identifying or reporting on the total number of service users in receipt of CHC funding within Mosaic. The KPI tracker report was created to provide an overview of clients going through the CHC process at-a-glance, rather than having to obtain the information from several separate reports. Anyone with access to Mosaic can run the report, as well as some selected individuals who have a need to access adult social care reporting (such as members of CMT). However, this report only identifies CHC packages agreed from January 2020 onwards. It was noted that, at the time of the audit, there was a suite of other reports under development, including a breakdown of all CHC-funded customers, panel decisions taken and exceptions reports.

## **Overall Conclusions**

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

## 1 Mosaic workflow audit trail: reviews and uplifts

### Issue/Control Weakness

There is no clear audit trail within Mosaic of alterations to the recharge amount.

### Risk

Service users entitled to CHC funding are not accurately recharged to the CCG.

### Findings

Testing showed that the Mosaic workflow is working as intended for new CHC applications as all notifications were on the workflow and the amounts corresponded to the financial notification forms and the recharge to the CCG.

From the sample of existing CHCs, selected from the January 2021 invoice to the CCG, 2 of 5 recharge amounts corresponded to the finance notification form. There was a slight variance in the weekly amount for 1 of the sample items (£12.58) and for 2 of the sample items the financial notification did not record the weekly amount of the CCG contribution, instead showing as to be confirmed. Therefore, where there had been a DST review and changes made and where inflationary increases or other uplifts have been applied there was no clear audit trail to show what the recharge amount should be, and how, or when or by whom it was amended.

It was also noted that a similar recharge process is required for S117 mental health clients. However, these are not passed via the CHC workflow to Income Services and cannot be differentiated from the CHC funding cases.

### Agreed Action 1.1

To create a designated area on the CYC network drives to hold all (bulk or collective) correspondence related to uplifts. To continue to upload relevant correspondence to Adults Mosaic where any changes to recharges are advised on an individual basis.

**Priority**

2

**Responsible Officer**

Customer Finance Team Leader

**Timescale**

31 December 2021

### Agreed Action 1.2

To add a workflow to record VPU funding decisions and VPU Funding Notification Due in an analogous way to CHC cases. To highlight issues relating to consistent and accurate use of the CHC and VPU workflows to ASC Management for action.

**Priority**

2

**Responsible Officer**

System Change & Benefit Realisation Manager

**Timescale**

31 December 2021

## 2 Identification of all those in receipt of CHC is not possible

### Issue/Control Weakness

It is not possible to identify and monitor the status of all CHC packages in place.

### Risk

Service users entitled to CHC funding are not recharged to the CCG resulting in a loss of income to the authority

### Findings

We were unable to provide assurance that all service users had been recharged to the CCG. There is no method of identifying or reporting on the total number of service users in receipt of CHC funding within Mosaic.

The CHC workflow was introduced in January 2020 and is designed to track the progress of all new CHC applications, from initial request for a DST meeting to receipt of the finance notification form from the CCG. CHC recharges to the CCG total over £700k per month, they are an area of high value spend for the service and, as such, a key area of budget management. The inability to identify all service users in receipt of CHC is a significant weakness within the system.

Adult Social Care and Income Services are aware of the weaknesses within the system and are looking to develop a suite of reports to provide more management information and to help mitigate these risks. The proposed reports currently under development include a report identifying all CCG funded customers, decisions taken within a defined period and exception reports for panel notifications and expired CCG funding.

### Agreed Action 2.1

To complete the KPI Machine report for all NHS-funded customers.

**Priority**

2

**Responsible Officer**

System Change & Benefit Realisation Manager

**Timescale**

Completed

### Agreed Action 2.2

To create additional Element Types on Mosaic to allow VPU recharges to be represented differently to CHC recharges, to support separate reporting of the two different funding streams

**Priority**

2

**Responsible Officer**

System Change & Benefit Realisation Manager

**Timescale**

31 March 2022

## Audit Opinions and Priorities for Actions

### Audit Opinions

Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.

Our overall audit opinion is based on 4 grades of opinion, as set out below.

### Opinion

### Assessment of internal control

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

### 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.

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