City of York Council

Public Health 2014/15

Internal Audit Report

Business Unit: Communities & Neighbourhoods
Responsible Officer: Interim Director of Public Health
Service Manager: Public Health Consultants
Date Issued: 24th November 2015
Status: Final
Reference: 10845/004

	P1	P2	P3
Actions	**2**	**2**	**2**
Overall Audit Opinion	Limited Assurance		

Summary and Overall Conclusions

Introduction

Public Health responsibilities transferred from the NHS to local government on 1 April 2013. The council and Director of Public Health have statutory responsibility to provide mandated services which include:

- Taking steps to protect the health of the population
- Providing advice to NHS commissioners
- Sexual health and contraception services
- the National Child Measurement Programme
- NHS Health Check Assessments

On 1 October 2015, the council and Director of Public Health will also have responsibility for the mandated elements of the national 0-5 Healthy Child Programme including:

- Antenatal health promoting visits
- New baby review by a health visitor
- 6-8 week assessment
- 1 year assessment
- 2 to 2.5 year review

As well as these mandated services, others are discretionary and are guided by the Public Health Outcomes Framework, the local Joint Strategic Needs Assessment (JSNA) and the Joint Health and Wellbeing Strategy (JHWS). The JSNA and JHWS are produced by the Health and Wellbeing Board (HWB), which brings together relevant local organisations and of which the Director of Public Health is the Chair.

The council received £7.3m of funding from the Department of Health in 2014-15 and is due to receive the same amount in 2015-16 with an uplift of £916k in respect of the part year allocation for 0-5 services for the period 1 October to 31 March 2016..

Objectives and Scope of the Audit

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

- there were sound systems in place to develop and implement Public Health contracts
- a Public Health budget had been produced in line with council financial procedure rules, with clear links to Public Health contracts and supported by sound and documented assumptions

- robust performance management arrangements were in place for Public Health contracts

As part of the audit, the actions agreed during the 2013-14 Public Health audit were followed up to confirm whether they have been implemented and to assess whether they have been effective in addressing the issues previously identified.

The audit also included looking at the arrangements in place to prepare for the transfer of commissioning responsibility for the Healthy Child Programme 0-5 years.

Key Findings

Since Public Health transferred to the council in April 2013 there has not been a full management team in position to guide the work and integration of the various teams that make up the Public Health service. At the time of the audit the service was operating with an Interim Director of Public Health, who also fills one of the Public Health consultant roles and the service did not have a second Public Health consultant.

At the time of the closing meeting the previous Interim Director of Public Health had left, to be replaced by another Interim. At this time, there were no Public Health consultants employed.

It is felt that there is a need for stability within the Public Health Senior Management team and for the team to be fully resourced to continue driving the service forward and providing the direction and support needed. There is also a very strong risk that the council will not be able to provide its statutory responsibilities in relation to Public Health.

Performance monitoring was examined across fours areas: Substance Misuse, Healthy Child and National Child Measurement Programme, Sexual Health, and GP/Pharmacy Contracts. Despite the services having transferred in April 2013, the GP/Pharmacy contracts for public health services had only recently been agreed and it was too early to make judgements about the effectiveness of performance monitoring arrangements. A standard contract is in place that contains schedules detailing the performance monitoring that will take place. Controls need to be put in place to ensure that this monitoring does take place.

The evidence of contract monitoring was varied across the remaining three areas. For the contracts in relation to Substance Misuse and the Healthy Child and National Child Measurement Programme there was evidence of liaison with the providers and the services were being monitored. However, the governance was poor, with limited documentation, such as minutes of meetings, to demonstrate that this work had been undertaken.

For the Sexual Health contract, the team were able to provide full details of the monitoring that had been carried out.

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Overall Conclusions

It was found that the arrangements for managing risk were poor with significant control weaknesses in key area and major improvements required before an effective control environment will be in operation. Our overall opinion of the controls within the system at the time of the audit was that they provided Limited Assurance.

1 Public Health Management

Issue/Control Weakness	Risk
Director of Public health is not a designated member of the Corporate Management Group Team. Lack of a stable and complete senior management team. Lack of Public Health experience. No business continuity planning in place.	The council will fail to meet its statutory responsibilities in relation to Public Health.

Findings

Since Public Health transferred to the council, there has been difficulties in recruitment to the key management positions especially Public Health Consultants. The council did have a Director of Public Health in place immediately after the transfer of responsibilities to local authorities on 1st April 2013. The Director subsequently inherited other roles within the council. Since this Director left in October 2014, one of the Public Health consultants was acting as Interim Director of Public Health.

The Interim Director then left in July 2015 and was replaced by another Interim Director. The council has recently been advertising for an Acting Director of Public Health. As at November 2015, there are no Public Health consultants employed by the council, therefore there is a lot of responsibility on the current Interim Director with very little resilience. There is no business continuity planning in place to ensure that the council continues to discharge their statutory responsibilities in Public Health.

During 2014-15 a restructure moved Public Health from the Adult Social Care portfolio to the Communities and Neighbourhoods portfolio. As a result, the Director of Public Health no longer attends CMT, nor reports directly to the Chief Executive. National guidance advises that this should be the case. The Director of Public Health has statutory responsibilities and the council should review their position relating to the absence of this officer from a key strategic decision making group.

One of the statutory roles is to provide advice to the local Clinical Commissioning Group and this role is not being discharged due to the lack of the required resources at the level of Public Health Consultant.

It was felt that there were some elements of good work being done by the present Public Health teams despite the lack of consistency in Public Health senior management. The transition of responsibilities to the council was always going to be a significant undertaking; however, now that this transition has happened the service needs to begin transforming services and ensuring Public Health is embedded. In order to do this effectively the Public Health teams needs sufficient capacity and stability in its senior management and to ensure that the Director of Public Health remains part of the senior leadership team.

Agreed Action 1.1		
The Director of Public Health now sits on CMT; however they do not always attend depending on the agenda. In addition, they also hold regular 1-2-1s with the Chief Executive.	**Priority**	1
	Responsible Officer	Director of Communities & Neighbourhoods
	Timescale	Implemented

Agreed Action 1.2		
Public Health Consultants will be appointed and other vacancies will be filled. Business Continuity plan will be produced. Risk registers will be produced and reported appropriately.	**Priority**	1
	Responsible Officer	Interim Director of Public Health
	Timescale	31 January 2016

2 Performance Monitoring

Issue/Control Weakness	Risk
Contract Management is sometimes not rigorous enough and what is actually reported does not match the requirements of the contract	Providers will fail to achieve the required targets and the services provided will not be delivered in the required manner or to the required standard.

Findings

When the contracts were initially transferred to the council from the NHS in April 2013, work was carried out to transfer across the Key Performance Indicators (KPIs) and other contract monitoring requirements into some new service specifications. These service specifications are backed up to the main contract and there are requirements within the main contract for the KPI's to be complied with and for the provider to demonstrate such compliance to the council. The requirements under the contract also set out that there must be quarterly service review meetings and annual contract monitoring meetings. The wording of these requirements varies slightly from contract to contract.

Contracts examined as part of this audit work were the Substance Misuse (both Lifeline and Changing Lives), the Healthy Child Programme and the National Child Measurement Programme, a Pharmacy contract, and the contract relating to Sexual Health.

On 30 April 2014 an internal audit report was issued which identified three areas where contract monitoring had been poor within substance misuse services. The issues were:

- Failing to address poor performance in relation to Lifeline not meeting the Key performance Indicators
- Lifeline failing to provide quarterly reports
- No contract review meetings or reports from the provider Changing Lives

Actions were identified to address these findings; however these actions have not been implemented.

The current audit has found that the contract monitoring varies xxxxxxxxxxxxxxxxx.

There is an opportunity within the development of new contracts to ensure that the KPIs and outcomes are both relevant and measurable. It was felt particularly in the Lifeline Contract that what was being reported did not match the actual requirements outlined in the specification.

Management should also consider how these contracts are managed. Management should consider if the level of monitoring of that contract could be partly devolved to a support team. However in that case the contract manager, who has the specialist knowledge, would be needed to analyse the data.

Slight progress has been made on performance monitoring but further improvements need to be made before the processes could be considered effective in ensuring the council's Public Health contracts are delivering the services specified and to the required standard. There remains a lack of evidence of meetings held and any actions agreed. In addition, some contracts still require revised key performance indicators/targets to be set.

Agreed Action 2.1

It has been recognised that the contract performance monitoring is not of the expected standard and there will be a departmental audit carried out to discover the extent of the problem.

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A contract register and a forward planning document will be introduced as soon as possible to help improve the processes and ensure that contracts are renewed and not continuously rolled forward.

Priority	2
Responsible Officer	Interim Director of Public Health
Timescale	31 January 2016

3 Reporting of Proposed Spend to Scrutiny Committees

Issue/Control Weakness	Risk
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Findings

The Director of Public Health presents reports to meetings of the Cabinet and the Health and Overview Scrutiny Committee. The outturn figure for 2013-14 was reviewed in order to understand how this fed into the budgeting process for 2014-15. xxxxxxxxxxxxxxxxxxxxxx. These figures were also reported to the cabinet meeting of the 11 February 2014.

The same cabinet meeting also included 2014-15 budget proposals. xxxxxxxxxxxxxxxxxxxxxxxx

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Agreed Action 3.1

The previous situation with the Director of Public Health also holding two other roles within the council led to a lack of clarity about situations as outlined above. Work is being carried out with the Finance Department to gain an improved understanding of how the accounting processes have been developed since Public Health transferred to the council in 2013. The specific instance above will be investigated.

Priority	2
Responsible Officer	Interim Director of Public Health
Timescale	31 January 2016

4 Budget Monitoring Process

Issue/Control Weakness	Risk
Failing to have a budget setting and monitoring process that complies with the council's requirements	The council may not deliver the intended Public Health aims and objectives. xxxxxxxxxxxxxx.

Findings

Effective and robust budget preparation is essential to allow Public Health monies to be properly managed and to maximise the delivery of effective Public Health services. Under the council's monthly budget monitoring cycle there are responsibilities on the budget managers to perform various functions on a monthly basis. Once completed these are then submitted back to finance within three working days and finance will then upload what is required onto the Financial Management System.

It is recognised that following the transfer of the funding from the NHS there was some uncertainty over the level of spend that would actually be incurred during the year especially in relation to areas involving expenditure based on levels of activity and that a majority of the budget is based on fixed price contracts. From speaking to the budget managers it is apparent that in 2013-14 the process of budget management was poor and there was no regular review. Enquiries with the previous finance officer indicated that the budget for 2014-15 had been rolled over from 2013-14.

Following our work we are unable to give assurance that there was a rigorous budget monitoring process in place prior to 2014-2015 or that the budget for 2014-15 was set based on anything other then to rollover the budget from 2013-14. However, in 2014-15 the budget managers have been engaging with the finance officers on a regular basis. The budgets for 2015-16 needs to be sufficiently detailed and more specific rather than allocating a level of spend to a non-descriptive heading. The budget should also have clear links into the published Public Health priorities and contribute to Public Health Outcomes.

Agreed Action 4.1

There is presently work taking place with the Finance Team of the CANS Directorate to gain a full understanding on how the budget has evolved since Public health transferred to the council.

There will be some management team meetings held on a monthly basis which will address the Public Health team's understanding of the business, including budget monitoring

Priority	3
Responsible Officer	Interim Director of Public Health
Timescale	31 January 2016

5 Public Health Analyst

Issue/Control Weakness	Risk
Failure to address their responsibilities under the act and provide business continuity of a key function in the Public Health team.	Knowledge held by the analyst with Public Health experience may be lost.

Findings

One of the Intelligence Analysts has a more specialist knowledge of the requirements of Public Health due to him being previously attached to the Public Health team on a full time basis. Other staff in the Intelligence Hub will also have to deal with Public Health matters as and when needed.

The analyst is an important role within Public Health as Public Health intelligence drives a lot of the reporting mechanisms and therefore the operational decisions. For the hub to work effectively and to ensure business continuity, and to provide resilience to the Public Health team, it should be ensured that the knowledge is shared with other members of the team. If this individual were to leave then it would put Public Health objectives at risk.

Agreed Action 5.1

We will work with the Business Intelligence Hub to ensure that there is sufficient knowledge across the team to ensure Business Continuity.

Priority	3
Responsible Officer	Interim Director of Public Health
Timescale	31 January 2016

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.

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