



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 10 MAY 2023

SUBJECT: ADULT SOCIAL CARE COMMISSIONING SERVICE

BY: AUDIT AND RISK MANAGER

1. REASON FOR REPORT

- 1.1 The report advises Committee on an audit of adult social care Commissioning Service within Health & Social Care Moray (HSCM) completed by KPMG Governance, Risk & Compliance Services.
- 1.2 This report is submitted to Committee in terms of Section III (2) and (7) of the Council's Scheme of Administration relating to consideration of reports from the Council's Internal Auditor and monitoring delivery of the audit service carried out by Internal Audit.

2. RECOMMENDATION

- 2.1 **That Committee consider the contents of this report, seeks clarification on any points noted and otherwise notes the report.**

3. BACKGROUND

- 3.1 The Chief Social Work Officer reported an audit review of adult social care Commissioning Service undertaken by KPMG Governance, Risk & Compliance Services to the Audit, Performance and Risk Committee (item 11) of the Moray Integration Joint Board (MIJB) on 30 March 2023. The audit report is given in **Appendix 1**.
- 3.2 This audit was requested by the Audit, Performance and Risk Committee of the MIJB on 31 March 2022. The need for the review was highlighted due to concerns raised by senior management of HSCM and senior officers in the Council including the Depute Chief Executive (Economy, Environment & Finance); the Chief Financial Officer and the Payments Manager regarding administrative arrangements within the Commissioning Service, and the findings from a peer review report in January 2022.
- 3.3 The peer review was an audit of systems and procedures within the Commissioning Service by the Strategic Procurement Manager Aberdeen City and Aberdeenshire Councils Shared Services (Commissioning), with the purpose of providing evidence and assurance that the Commissioning Service was robust, appropriate, equitable, efficient and provided value for money for the population of Moray. Unfortunately, most of the findings from this peer

review report were not accepted by the Commissioning Service or the previous Head of Service/Chief Social Work Officer (CSWO) due to concerns relating to the sample of contracts selected for review and the assumptions made from the testing undertaken. Subsequently, the MIJB's Audit, Performance and Risk Committee on 31 March 2022 agreed to procure an external review of the Commissioning Service.

3.4 A detailed scope for this external review was prepared that included the following "broad purpose of the audit":

- To enable a reasonable level of assurance to be provided to the Integration Joint Board on the effectiveness of the Commissioning Service
- From the audit findings, the opportunity to highlight to the Commissioning Service any required improvements to ensure an adequate and efficient service can be delivered in meeting the needs of the Moray population.

A procurement exercise was thereafter undertaken and KPMG Governance, Risk & Compliance Services was appointed as the Auditor for the review.

3.5 The report in **Appendix 1** has detailed 11 key findings relating to governance, roles and responsibilities, strategy/processes and contract management. It is pleasing to note that all recommendations have been accepted. However, the Head of Service/CSWO has detailed within the report to the Audit, Performance and Risk Committee of the MIJB on 30 March 2023 (Item 11), risks to achieving the set timescales for implementation of the recommendations due to staffing implications and related restructuring that has taken place following the external review. The Head of Service/CSWO confirmed that a review would be undertaken regarding capacity issues and how that risk can be mitigated using interim support. In addition, the Head of Service/CWSO has also made a commitment that progress on implementation of the actions will be reported back to the Audit, Performance and Risk Committee of the MIJB on a quarterly basis.

3.6 As the Audit and Risk Manager of the Council and the Chief Internal Auditor of the MIJB, I note the findings detailed within the audit report. I will be closely monitoring progress and undertaking a follow up review once the implementation dates for the recommendations have passed. The findings of this follow up review will be reported to a future Audit and Scrutiny Committee.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcome Improvement Plan (LOIP))

Internal audit work supports good governance and the delivery of efficient services.

(b) Policy and Legal

No implications.

(c) Financial Implications

No implications directly arising from this report.

(d) Risk Implications

The independent review of selected systems and procedures mitigates

the risks associated with inadequate or ineffective control procedures.

(e) Staffing Implications

No implications.

(f) Property

No implications.

(g) Equalities/ Socio Economic Impacts

No implications.

(h) Climate Change and Biodiversity Impacts

No implications.

(i) Consultations

CMT has been consulted on the external report and has commented as follows in terms of the need for clarity and for agreed timescales to bring adult care commissioning and procurement up to date:-

Clarity

- Although the first sentence of the report refers to HSCM, most of the report refers simply to Moray Council. There is an ambiguity created by this, as most if not all of the actions are for HSCM and MIJB and not for Moray Council governance or for departments of the Council which are not part of HSCM.
- There is a lack of clarity when referring to the Finance team as to whether this is Moray Council Financial Services or the Finance Team which reports to the HSCM Commissioning Manager.
- There is a lack of clarity in some sections as to whether the contracts database referred to is the Moray Council wide contracts database (mandated by statute) maintained by the Moray Council Procurement team or the list of social care contracts / agreements kept by the HSCM Commissioning team.
- Progress of the “Partners in Care Strategy” would be a matter for the HSCM and the MIJB.
- A number of actions are assigned to “Service Manager” without identifying what service and where there is / appears to be responsibilities for the tasks (eg paying invoices) across more than one service.

Timescales

That while noting the action at 2.8 to improve contract management processes, the meeting note that pending completion of that work, a separate short term priority plan has been put in place to ensure that the activity required to bring adult care contracts up to date and aligned to current requirements is achieved with a sharp focus on the highest risk areas. As the priority plan progresses regular reviews by the Council's Audit and Risk Manager will be needed to ensure that progress is being made with the additional safeguard of a follow-up report to a future Audit and Scrutiny Committee

Moving forward, it would be a requirement to develop a detailed Action Plan that clearly specifies the requirements from all the recommendations with an assigned officer(s) responsible for implementation and providing indicators of progress/milestones en route to meeting final targets to avoid any possible ambiguity and effectively track progress.

5. CONCLUSION

- 5.1 This report provides Committee with a copy of an external audit report regarding a review of adult social Care Commissioning within HSCM, and the planned reporting arrangements of progress in the implementation of the recommendations.**

Author of Report:	Dafydd Lewis, Audit and Risk Manager
Background Papers:	Internal audit files
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