



Doug Wilson  
Head of Strategy and Service  
Development

Please reply to :

E-mail : [gemma.young@enfield.gov.uk](mailto:gemma.young@enfield.gov.uk)

Telephone : 07900 168938

Date : 25 February 2020

Dear Doug,

### **2018/2019 COMMISSIONING (BROKERAGE) INTERNAL AUDIT FOLLOW-UP REVIEW**

This letter summarises the findings from our recent follow-up review, which we conducted of the Commissioning (Brokerage) Audit concluded in March 2019. The full scope of this review was set out in our terms of reference, which were issued on 6 December 2019.

#### **Background**

This review was undertaken as part of the 2019/20 internal audit programme, which has been approved by the Council's Audit and Risk Management Committee.

Under the Care Act 2014, Councils have a statutory duty to provide adult social care. At Enfield, the Commissioning (Brokerage) team supports front line services by matching an appropriate external care provider with service users' needs.

Cases are received through the Customer Support Centre (CSC) or Access Team (AT). Once a case has been logged into CareFirst (Care Management System), a social worker will attend a site-visit for an initial care and financial assessment with the client. The initial assessment will be reviewed by a team manager and converted into a support plan before referral for a detailed financial assessment to develop the care budget. Once the support plan and budget have been approved by the respective team managers, the care 'package' will be sent for approval by the CMS Panel (multidisciplinary panel including practitioners and representation from: CMS, Brokerage Team, Procurement Team etc.) to approve the care required. Brokerage can then match the care needs to a care provider through Eclipse (A dynamic purchasing system that has recently replaced CarePlace). The client's care requirements will be matched with an appropriate care provider, which will be approved by an appropriate team manager.

In the 2018/19 Commissioning (Brokerage) Audit we identified one medium risk finding and two low risk findings associated with the Council's brokerage process.

#### **Audit objective, approach and scope**

The objective of this follow up was to review the processes, procedures and controls that have been implemented to address the risks identified during the 2018/19 Commissioning (Brokerage) Internal Audit review.

The approach was to understand and evaluate the processes and controls now in place to address the finding and risks identified during the 2018/19 audit, through discussions with key personnel, review of systems documentation and by undertaking walkthrough tests.

### **Observations**

The process is clearly understood, and brokerage officers have sufficient understanding, however this is not reflected in the policy document at present. Therefore, the policy requires further updates to ensure clarification.

We have set out our detailed observations below.

### **Status of Prior Findings**

- 1. Selection of Care Providers** – This finding is closed as this has been remediated. Policy documents have been updated in line with agreed actions, however require further updating is required to ensure only one requirement is documented when selecting a care provider. Following the testing of 20 cases in the CareFirst system, we found exceptions, where documentation was either missing or had not been appropriately updated. However, this related to one individual only, who has since left the Council.
- 2. Policy Documentation** – This finding has been implemented and is therefore closed. An overarching policy document that sets out the purpose and objective of the Service has been developed and approved by the Director of Health and Adult Social Care.
- 3. Documentation on CareFirst System** – This finding has been implemented and is therefore closed. The need to document justification is now regularly communicated to the brokerage officers as evidenced in team meetings.

I would like to thank you and your staff for your assistance during the course of this review. If you have any queries or comments, please do not hesitate to contact myself or Marion Cameron.

Yours sincerely,

**Gemma Young**

**Head of Internal Audit & Risk Management Cc:**

Des O'Donoghue	Brokerage & Market Development Manager
Bindi Nagra	Director of Health & Adult Social Care
Jeremy Chambers	Director of Legal and Governance
Marion Cameron	Deputy Head of Audit and Risk Management
Lisa Byrne Ejaz	Audit and Risk Manager
Patel	Senior Risk Officer

## STATUS OF ACTIONS

REF	DETAILED FINDING	RISK	RISK RATING	REVISED RISK RATING	AGREED ACTIONS AND IMPLEMENTATION DATES	STATUS OF ACTION
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1	<p><b>Selection of Care Providers</b></p> <p>When multiple care providers confirm that they are able to provide care to a service user, it is normally the responsibility of the service user or their next of kin to select a provider as the Council applies the Direct Payments model where possible. For non-direct payments cases, the Council still allows the service user to choose a care provider in the first instance. The total financial amount of Council managed payments and of direct payments is as follows:</p> <ul style="list-style-type: none"> <li>• Direct Payments £20.52m</li> <li>• Council managed £6.85m</li> </ul> <p>Where the service user or next of kin selects a provider, there is no documented policy around what contextual information on the providers is given to service users by the Council to support an informed decision.</p> <p>In addition, sometimes the Council is required to select a</p>	<p>Without documented principles for selecting care providers, reasoning for selection may be inconsistent in cases where the council makes the decision. If this is the case, or if service users are not fully informed about providers, users may not be placed with the optimal provider for their care needs, resulting in the Council not fulfilling its legal obligations.</p> <p>If care providers are selected arbitrarily based on an informal rotation of providers, case</p>	<p><b>MEDIUM</b></p>	<p><b>NA</b></p>	<p>We will amend our process documentation to include the information that will be provided to service users to enable them to make an informed decision. This information will include:</p> <ul style="list-style-type: none"> <li>• CQC rating</li> <li>• Geographical location</li> <li>• Culturally specific factors</li> <li>• Response time.</li> </ul> <p>We will also update our process documentation to include details of the basis the Council uses for selecting providers. We will run reports by provider on a monthly basis to identify whether market access is being appropriately rotated and will inform brokerage officers if we identify this is not the case. Evidence of these reports will be retained.</p> <p>Responsible Officer:</p>	<p><b>Implemented</b></p> <p><b>Finding: Closed</b></p> <p>It was evident that the process documentation has been updated to include details of the justification for selecting care providers with the aim of ensuring that brokers maintain records of their care provider selection decision. Despite this action being fully remediated, the policy document requires further updates to ensure clarity when officers discuss the basis of selecting providers.</p> <p>We have also confirmed that a monthly report detailing care providers used, is run and is independently monitored by the Brokerage Team Manager to ensure that market access is being appropriately rotated. This action has been fully remediated.</p>
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	<p>provider, most commonly because the service user is unable or unwilling to make the decision. There is currently no defined policy over what information is provided to the service user to enable an informed decision.</p> <p>In these cases, the Council will first prioritise providers where price is in line with the Council’s agreed rates.</p> <p>Where there are multiple providers that do this, the Council will select a provider, relying on the knowledge and experience of its officers. Brokerage Officers sometimes consider criteria such as Care Quality Commission (CQC) inspection ratings or geography and are also instructed to informally rotate providers to avoid denying market access, as is required under Direct Payments regulation. We were advised that care providers should be preassessed for quality before appearing on CarePlace.</p> <p>However, there are no clearly defined criteria for selecting a</p>	<p>specific details may not be considered. Without team wide tracking and monitoring, the aim to rotate may be ineffective, resulting in a challenge by providers who do not have regular or any placements with them, which could result in reputational or financial implications for the Council.</p>			<p>Des O’Donoghue (Brokerage Manager) Target date: 1 July 2019</p>	

Internal Audit – CHIEF EXECUTIVE'S Commissioning  
Follow Up

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Internal Audit – CHIEF EXECUTIVE'S Commissioning  
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	<p>provider in these circumstances and we saw varied means of selecting. For example, in our sample of 25 cases we noted one case where a provider was selected based on CQC rating, and another where a provider was selected because the other three providers had been recently used by that broker.</p> <p>There is no formal tracking across the Service of the rotation of providers. Reports are run on an ad hoc basis to show acceptances by provider, for example to gather information to respond if a provider believes it is not receiving sufficient cases. However, there is no periodic system to proactively monitor the rotation of providers.</p> <p>In our sample of 25 cases, we identified five cases where the Council selected a provider based on non-price factors. This is not an issue in itself, but these are the cases where the finding described may leave the Council open to challenge.</p>					
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2	<p><b>Policy Documentation</b></p> <p>Whilst the Service has a detailed process document which is</p>	- Without a policy document, it may	LOW	NA	Management will produce an overarching policy	Implemented

<p>followed by brokers, there is no overarching policy document setting out the purpose and objective of the Service. We would expect such a policy to include:</p> <ul style="list-style-type: none"> <li>- The overall objective of the Service.</li> <li>- How this objective aligns with the Council's strategic priorities.</li> <li>- A summary of the key responsibilities of the Service and tasks performed (we note that these are described in detail in the process document).</li> <li>- The resource required by the Service to achieve its objective.</li> </ul> <p>Any policy should be approved at senior level and reviewed regularly.</p>	<p>be unclear how the Brokerage Service fits into the strategic objectives of the Council, which may lead to duplication or omission of tasks, particularly if key staff members leave the organisation. Accountability for officers in the Service may also be unclear. This could result in reduced quality of Service and consequent legal or reputational damage.</p>		<p>document setting out the purpose and objective of the Service including the key tasks performed, the required resourcing, and key relationships held by the Service. This will be subject to director approval and will be reviewed annually going forwards Responsible Officer:  Des O'Donoghue (Brokerage Manager) Target date:  1 July 2019</p>	<p><b>Finding: Closed</b>  An overarching policy document has been implemented. This sets out the purpose and objective of the Service and includes key tasks performed, required resourcing and key relationships held.  We have been advised by the Brokerage Manager that this has been reviewed and approved by the Director of Health and Adult Social Care.</p>
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<p><b>3</b></p>	<p><b>Documentation on CareFirst System</b></p> <p>All information relating to cases is stored in the CareFirst system. This includes Service User Support Plans and Financial Assessment documentation, records of the tender process and communication with Service providers, and notes explaining any consultations and how key case decisions were made.</p> <p>For a sample of 25 cases concluded between April and December 2018, we noted that in three cases (12%), there was no information on the system demonstrating how the Care Provider had been selected. It was not obvious whether these were selected by the Council or by the Service User. In all three cases, there had been multiple bidders at Enfield's agreed rate.</p>	<p>Without clear documentation in the CareFirst system indicating how the winning provider was selected, the Council may not be able to retain transparency in the process. Additionally, if the provider turns out to be not fit for purpose, the Council may be held accountable for any resulting issues. This may lead to legal or reputational damage.</p>	<p><b>LOW</b></p>	<p><b>NA</b></p>	<p>We will reiterate to the brokerage officers in the weekly meetings the importance of fully documenting the details of cases within the CareFirst system</p> <p>Responsible Officer: Des O'Donoghue (Brokerage Manager) Target date: 1 July 2019</p>	<p><b>Implemented</b></p> <p><b>Finding: Closed</b></p> <p>It was noted that efforts have been made to ensure that brokerage officers are aware that they must document details of care provider decisions within the CareFirst system. This is also a standing item on the agenda for formal monthly meetings held by the Brokerage Team.</p> <p>The current policy document specifies that all four requirements must be documented, however after discussions with the team and management we understand this is not the case, therefore the policy requires updating to ensure clarity when documenting the reasoning of the care provider being selected.</p>
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**APPENDIX 2 - DEFINITION OF ASSURANCE CATEGORIES AND PRIORITIES**

<p><b>Risk rating</b></p>	
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<p><b>Critical</b> ★</p>	<p>Life threatening or multiple serious injuries or prolonged work place stress. Severe impact on morale &amp; service performance. Mass strike actions etc.</p> <p>Critical impact on the reputation or brand of the organisation which could threaten its future viability. Intense political and media scrutiny i.e. front-page headlines, TV. Possible criminal, or high profile, civil action against the Council, members or officers.</p> <p>Cessation of core activities, Strategies not consistent with government's agenda, trends show service is degraded. Failure of major Projects – elected Members &amp; SMBs are required to intervene</p> <p>Major financial loss – Significant, material increase on project budget/cost. Statutory intervention triggered. Impact the whole Council; Critical breach in laws and regulations that could result in material fines or consequences</p>
<p><b>High</b> ★</p>	<p>Serious injuries or stressful experience requiring medical many workdays lost. Major impact on morale &amp; performance of staff.</p> <p>Significant impact on the reputation or brand of the organisation; Scrutiny required by external agencies, Audit Commission etc. Unfavourable external media coverage. Noticeable impact on public opinion</p> <p>Significant disruption of core activities. Key targets missed, some services compromised. Management action required to overcome med – term difficulties High financial loss Significant increase on project budget/cost. Service budgets exceeded. Significant breach in laws and regulations resulting in significant fines and consequences</p>
<p><b>Medium</b> ★</p>	<p>Injuries or stress level requiring some medical treatment, potentially some workdays lost. Some impact on morale &amp; performance of staff.</p> <p>Moderate impact on the reputation or brand of the organisation; Scrutiny required by internal committees or internal audit to prevent escalation. Probable limited unfavourable media coverage.</p> <p>Significant short-term disruption of non-core activities. Standing Orders occasionally not complied with, or services do not fully meet needs. Service action will be required.</p> <p>Medium financial loss - Small increase on project budget/cost. Handled within the team. Moderate breach in laws and regulations resulting in fines and consequences</p>
<p><b>Low</b> ★</p>	<p>Minor injuries or stress with no workdays lost or minimal medical treatment. No impact on staff morale</p> <p>Internal Review, unlikely to have impact on the corporate image. Minor impact on the reputation of the organisation</p> <p>Minor errors in systems/operations or processes requiring action or minor delay without impact on overall schedule. Handled within normal day to day routines.</p> <p>Minimal financial loss – Minimal effect on project budget/cost. Minor breach in laws and regulations with limited consequences</p>
<p><b>Advisory</b> ★</p>	<p>Advisory findings or observation that would help to improve the system or process being reviewed or align it to good practice seen elsewhere. Does not require a formal management response.</p>