



**REPORT TO THE ABERDEENSHIRE INTEGRATION JOINT BOARD
AUDIT COMMITTEE – 20 JUNE 2018**

INTERNAL AUDIT REPORT

1. Recommendation

1.1 The Committee is requested to note the issues raised within this report.

2. Discussion

2.1 This report advises the Committee of a completed audit. Appropriate officers agreed the factual accuracy of the Internal Audit report prior to issue and action has been agreed to address the issues identified.

2.2 The Chief Finance Officer and Legal Monitoring Officer within Business Services of the Council have been consulted in the preparation of this report and any comments made have been incorporated within the report and they are satisfied that the report complies with relevant legislation.

3. Internal Audit Report

3.1 Home Care and Community Hospital Staff Costs (Internal Audit Report AW1801 – May 2018)

3.1.1 In view of a forecast overspend on the Partnership's budget, the Chief Officer requested that Internal Audit undertake a review of staff costs in the Home Care Service and Community Hospitals. Although attempts are being made to determine appropriate staffing levels and to consider new models of service delivery, staff costs had been increasing.

3.1.2 The objective of this audit was to determine where weaknesses in control and service delivery may have been adding to staff budget pressures. This involved reviewing the adequacy of the policies and systems in place and to determine whether these are being complied with consistently and performance monitored adequately.

3.1.3 Whilst there are different operational requirements and issues, the two parts of the Service share difficulties in establishing and maintaining staffing budgets based on estimated need. Reviews of the budget setting assumptions, and alignment of budgets with establishments by April 2019, have been agreed in both areas.

3.1.4 The Service has agreed to review and implement suitable methodologies for determining and rostering safe and affordable nursing establishments at Community Hospitals. Staffing mix and levels will be reviewed annually.

Performance management information is also being developed to support operational decisions on staffing, and the requirements of existing rostering policy will be reinforced.

- 3.1.5 Within Home Care the Service has agreed to review the balance of contract hours and overtime / additional hours, and will consider the efficiency of more central coordination. The Service also intends to review implementation of a revised care management pathway, which it anticipates will yield benefits whilst balancing individual need and risk with the requirement that care is delivered and commissioned with the principles of best value, through delivery of its reshaping care at home programme. Whilst positive, there remain risks in doing so, as the external market is still developing and in some cases the internal service is being called upon to provide emergency cover for external providers. Providers have been reminded of their responsibilities, and performance data will be retained and used to address any recurring issues.

4. Implications and Risk

- 4.1 An equality impact assessment is not required because the reason for this report is for Committee to discuss and comment on the findings of Internal Audit work and there will be no differential impact, as a result of this report, on people with protected characteristics.
- 4.2 There are no staffing or financial implications arising directly from this report other than those implicit in the tightening of internal controls recommended in the Internal Audit reports.
- 4.3 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management.

CHIEF INTERNAL AUDITOR

Report prepared by David Hughes, Chief Internal Auditor.

8 June 2018.