



## RISK, AUDIT AND PERFORMANCE COMMITTEE

<b>Date of Meeting</b>	26.01.2021
<b>Report Title</b>	Internal Audit Report AC2027: Social Care Commissioned Services – Contract Monitoring
<b>Report Number</b>	HSCP/21/002
<b>Lead Officer</b>	Colin Harvey, Chief Internal Auditor (Interim)
<b>Report Author Details</b>	Name: Colin Harvey Job Title: Chief Internal Auditor (Interim) Email Address: <a href="mailto:Colin.Harvey@aberdeenshire.gov.uk">Colin.Harvey@aberdeenshire.gov.uk</a>
<b>Consultation Checklist Completed</b>	Yes
<b>Directions Required</b>	No
<b>Appendices</b>	None

### 1. Purpose of the Report

- 1.1. The purpose of this report is to present the outcome from the planned audit of Contract Monitoring for Social Care Commissioned Services that was included in the 2019/20 Internal Audit Plan for Aberdeen City Council.

### 2. Recommendations

- 2.1. It is recommended that the Risk, Audit and Performance Committee review, discuss and comment on the issues raised within this report.

### 3. Summary of Key Information

- 3.1. The following summary of the Internal Audit report was considered by the Council's Audit, Risk and Scrutiny Committee on 4 November 2020. After some discussion of the issues identified, the Committee noted the report and endorsed the recommendations for improvement.



## **RISK, AUDIT AND PERFORMANCE COMMITTEE**

- 3.2. Aberdeen City Health & Social Care Partnership (the HSCP) procures care services from a variety of contracted Suppliers in order to meet the assessed needs of persons requiring support and assistance. The contracts register indicates contracts are in place for £86 million of social care services in 2020/21.
- 3.3. The objective of this audit was to provide assurance that contract monitoring arrangements relating to Social Care Commissioned Services are adequate. Contract monitoring is undertaken by Commercial & Procurement Shared Services (the Service).
- 3.4. The contract monitoring procedures were examined as part of a National Care Home Contract (NCHC) Internal Audit (report AC1920) in January 2019, in which recommendations were made, and have been subsequently reported to Committee as having been actioned. Whilst the procedures, associated template documents, and changes made as a result of the previous audit, are appropriate, it has been identified following review of individual contract monitoring reports as part of the current audit that further clarification with regards to some areas, could improve the procedures and their application. This includes scheduling to ensure all monitoring activity takes place at required frequencies, and ensuring records are complete and variations reviewed, adequately explained and challenged where appropriate.
- 3.5. The Service has noted that it was always the intention to carry out a review of the revised procedures after a full year of operation, to consider whether they had achieved the desired outcome, and where improvements might be made. It has not been possible to do this due to the Covid19 situation, which has meant that routine monitoring has been temporarily suspended, and all resources within the team are fully engaged in dealing with supplier sustainability issues and reconciliation of service provision, contract variations, and additional cost claims. All of the points raised in the audit will be considered as part of the review, completion of which is planned by the end of the financial year, depending on available resources pending transition to a 'new normal' post Covid19.
- 3.6. An instance was identified of a supplier being used where a signed contract was not in place. Whilst there may be implications for service provision,



## RISK, AUDIT AND PERFORMANCE COMMITTEE

services should not be procured from suppliers for which there is no signed contract in place. The absence of a signed contract is an indicator that procurement may not have followed the correct route. If contract terms have not been agreed, there is a greater risk to service delivery, service users, and to the level of assurance the Service can obtain through contract monitoring – as it may be more difficult to enforce the contract. The HSCP is aware of this risk and the Service will continue to reinforce this point.

### 4. Implications for IJB

4.1. **Equalities** – An equality impact assessment is not required because the reason for this report is for Committee to discuss, review and comment on the contents of an Internal Audit report and there will be no differential impact, as a result of this report, on people with protected characteristics.

4.2. **Fairer Scotland Duty** – there are no direct implications arising from this report.

4.3. **Financial** – there are no direct implications arising from this report.

4.4. **Workforce** - there are no direct implications arising from this report.

4.5. **Legal** – there are no direct implications arising from this report.

4.6. Other - NA

### 5. Links to ACHSCP Strategic Plan

5.1. Ensuring effective performance reporting and use of Key Performance Indicators will help the IJB deliver on all strategic priorities as identified in its strategic plan.

### 6. Management of Risk

6.1. **Identified risks(s):** The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are as detailed in the resultant report.

6.2. **Link to risks on strategic risk register:** There is a risk of financial failure, that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and projects an overspend.



## **RISK, AUDIT AND PERFORMANCE COMMITTEE**

- 6.3. **How might the content of this report impact or mitigate these risks:**  
Where risks have been identified during the Internal Audit process, recommendations have been made to management in order to mitigate these risks.