

Final Internal Audit Report

Memorandum of Understanding with the Clinical Commissioning Group

May 2017

Distribution: Executive Director People (Final Only)
Director of Public Health
Consultant in Public Health

Assurance Level	Recommendations Made	
Substantial Assurance	Priority 1	0
	Priority 2	4
	Priority 3	0

Status of Our Reports

This report ("Report") was prepared by Mazars Public Sector Internal Audit Ltd at the request of London Borough of Croydon and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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Please refer to the Statement of Responsibility in Appendix 3 of this report for further information about responsibilities, limitations and confidentiality.

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Executive Summary

1. Introduction

- 1.1 The Health and Social Care Act (2012) established new arrangements in England for health protection, health improvement and for commissioning health services. Under the Act, each Clinical Commissioning Group (CCG) has a duty to 'obtain advice appropriate for enabling it effectively to discharge its functions from persons who (taken together) have a broad range of professional expertise in:
 - (a) the prevention, diagnosis or treatment of illness; and
 - (b) the protection or improvement of public health.'
- 1.2 Local authorities have a duty to provide specialist public health expertise and advice to NHS commissioners to support them in delivering their objectives to improve the health of their population.
- 1.3 This audit has been undertaken as part of the Internal Audit Plan for 2016/17. The objectives, scope and approach are contained in the agreed Audit Terms of Reference, at Appendix 1.

2 Key Issues

Priority 2 Recommendations

The Memorandum of Understanding with the Clinical Commissioning Group has not been agreed and signed, **(Rec 1)**.

An analysis of the effectiveness of the advice service has not been carried out, **(Rec 2)**.

A process for obtaining feedback from the CCG is not in place, **(Rec 3)**.

No reporting on the services to the CCG is currently in place, **(Rec 4)**.

3. Actions and Key Findings/Rationale

Control Area 1: Management, Organisational and Regulatory requirements							
Priority	Detailed Finding/Rational						
2	<p>Under the Health and Social Care Act, from April 2013 clinical commissioning groups have a duty to access public health advice, information and expertise in relation to the healthcare services that they commission. At the same time, public health teams based in local authorities have a responsibility for providing this advice to clinical commissioning groups (CCGs). Therefore, an agreement between the Local Authority and the CCG for the provision of these services should be in place.</p> <p>Discussion with the Consultant in Public Health and examination of the relevant evidence identified that the Memorandum of Understanding between the Council and the CCG is still in draft form.</p> <p>Where an agreement in the form of a Memorandum of Understanding is not in place to provide a framework for the working relationships between Croydon Council and the Clinical Commissioning Group, there is a risk of confusion, ineffectiveness and inefficiencies in the provision of Public Health advice and also a financial and reputational loss due to non-compliance with the Health and Social Care Act.</p>						
Management Response							
The MoU draft with the CCG is now near sign off	<table border="1"> <thead> <tr> <th>Agreed/Disagreed</th> <th>Responsible Officer</th> <th>Deadline</th> </tr> </thead> <tbody> <tr> <td>Agreed</td> <td>Consultant in Public Health</td> <td>1 June 2017</td> </tr> </tbody> </table>	Agreed/Disagreed	Responsible Officer	Deadline	Agreed	Consultant in Public Health	1 June 2017
Agreed/Disagreed	Responsible Officer	Deadline					
Agreed	Consultant in Public Health	1 June 2017					

Control Area 3: <u>Reviewing Service Provision</u>	
Priority	Detailed Finding/Rational
2	<p>A core criterion for the delivery of a high quality advice service, as recommended by the Department of Health task and finish group, is that inputs are closely linked to the outcomes in National Outcome Frameworks, the priorities of the JSNA (Joint Strategic Needs Assessment) and Joint Health and Wellbeing Strategies, and furthermore, that an analysis of effectiveness of the service is carried out to demonstrate the contribution of the advice to the achievement of those outcomes.</p> <p>Discussion with the Consultant in Public Health established that a process for analysing the effectiveness of the advice service has not been carried out; therefore it is not possible to determine whether advice provided has contributed to the achievement of national outcomes; JSNA or Joint Health and Wellbeing Strategies.</p> <p>Where a process for analysing the effectiveness of the services provided has not been set, there is a risk that the quality of the services provided to the CCG will not be able to be assessed, monitored or improved.</p>
Management Response	Agreed/Disagreed
A formal response from the CCG is now required on all pieces of Public Health advice. The outcomes of the response and review of effectiveness of the advice given will be evaluated at the end of each financial year.	Agreed
Responsible Officer	Deadline
Consultant in Public Health	End of March 2018

Priority	Recommendation 3	Detailed Finding/Rational		
2	A formal process should be put in place for feedback from the CCG to be obtained, recorded and monitored in order to assess the efficacy of advice provided.	<p>Obtaining feedback from the CCG on advice or services provided helps to ensure areas requiring improvement are identified and advice or services provided are effective.</p> <p>Discussion with the Consultant in Public Health established that there is no process in place for requesting, recording and monitoring feedback from the CCG on the services provided.</p> <p>Where a process for obtaining and analysing feedback from the CCG is not established, there is a risk that poor quality of service will not be communicated and thus no improvements in the provided services could be made.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
A formal process is now in place.		Agreed	Consultant in Public Health	May 2017

<u>Control Area 4: Monitoring and Evaluation</u>			
Priority	Recommendation 4	Detailed Finding/Rational	
2	Annual reporting on the services provided to the CCG should be in place.	<p>The Department of Health 'Healthcare Public Health Advice Service to Clinical Commissioning Groups' recommends that, 'accountability could be provided by the Director of Public Health and CCG jointly presenting to the relevant health and wellbeing board information setting out how the service had been provided that year. This might cover the process for engaging with public health expertise, names and teams, how the time had been spent, how statistically robust any data had been, lessons to be learnt for next year.'</p> <p>Discussion with the Consultant in Public Health established that no reporting on the services to CCG is currently in place.</p> <p>Where no upward reporting on the services provided to the CCG takes place, there is the risk that top management will not be able to assess and make informed decisions on the future of these services.</p>	
Management Response		Agreed/Disagreed	Responsible Officer
An annual report on PH advice to the CCG will be done at the end of each financial year.		Agreed	Consultant in Public Health
			Deadline
			March 2018

TERMS OF REFERENCE

Memorandum of Understanding with CCG

1 INTRODUCTION

- 1.1 Good population health outcomes including reducing health inequalities, rely not only on health protection and health improvement but also on effective health services provided by the NHS. Healthcare public health advice is critical in giving NHS commissioners this population focus.
- 1.2 Under the Health and Social Care Act 2012 as part of their statutory responsibilities for public health, local authorities are now responsible for providing healthcare public health advice to the Clinical Commissioning Groups (CCG). This service is funded from the public health budget allocated to local authorities and at no cost to the CCG.
- 1.3 To ensure a clear understanding of roles and responsibilities, guidance from the Department of Health recommends the introduction of a local service agreement agreed with the CCG via a contract or Memorandum of Understanding (MoU). This audit was agreed as part of the Internal Audit Plan for 2016/17.

2 OBJECTIVES AND METHOD

- 2.1 The overall audit objective is to provide an objective and independent opinion on the adequacy and effectiveness of controls / processes.
- 2.2 The audit will for each controls / process being considered:
- Walkthrough the processes to consider the key controls;
 - Conduct sample testing of the identified key controls, and
 - Report on these accordingly.

3 SCOPE





- 3.1 The audit included the following areas

Control Areas/Risks	Recommendations Made		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Regulatory, organisational and management requirements	0	1	0
Strategic Planning	0	0	0
Reviewing Service Provision	0	2	0
Monitoring and Evaluation	0	1	0
Total	0	4	0

DEFINITIONS FOR AUDIT OPINIONS AND RECOMMENDATIONS

In order to assist management in using our reports:

We categorise our audit assurance opinion according to our overall assessment of the risk management system, effectiveness of the controls in place and the level of compliance with these controls and the action being taken to remedy significant findings or weaknesses.

	Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are consistently applied.
	Substantial Assurance	While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance which may put this achievement at risk.
	Limited Assurance	There are significant weaknesses in key areas of system controls and/or non-compliance that puts achieving the system objectives at risk.
	No Assurance	Controls are non-existent or weak and/or there are high levels of non-compliance, leaving the system open to the high risk of error or abuse which could result in financial loss and/or reputational damage.

Priorities assigned to recommendations are based on the following criteria:

Priority 1 (High)	Fundamental control weaknesses that require the immediate attention of management to mitigate significant exposure to risk.
Priority 2 (Medium)	Control weakness that represent an exposure to risk and require timely action.
Priority 3 (Low)	Although control weaknesses are considered to be relatively minor and low risk, action to address still provides an opportunity for improvement. May also apply to areas considered to be of best practice.

STATEMENT OF RESPONSIBILITY

We take responsibility to the London Borough of Croydon for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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