



PERTH AND KINROSS INTEGRATION JOINT BOARD

Council Building
2 High Street
Perth
PH1 5PH

26 June 2017

With reference to the meeting of the **Audit and Performance Committee of the Perth and Kinross Integration Joint Board** to be held in **Room 415, Fourth Floor, Council Building, 2 High Street, Perth** on **Tuesday 27 June 2017** at **1.00pm**, I now enclose paper relative an additional **Item 11** on the agenda.

Please note the change to the originally scheduled venue for the meeting.

If you have any queries, please contact Scott Hendry on 01738 475126 or e-mail committee@pkc.gov.uk.

Robert Packham
Chief Officer

Members

Councillor Chris Ahern, Perth and Kinross Council
Councillor Eric Drysdale, Perth and Kinross Council
Bernie Campbell, Carer Public Partner
Linda Dunion, Tayside NHS Board (Chair)
Jim Foulis, Associate Nurse Director, NHS Tayside
Stephen Hay, Tayside NHS Board

Audit and Performance Committee of the Perth and Kinross Integration Joint Board

27 JUNE 2017

AGENDA

11. **Draft Internal Audit report PK06/17 Delayed Discharges** – Report by Chief Finance Officer (copy herewith G/17/114) (*Pages 1-11*)

DRAFT REPORT

PERTH AND KINROSS INTEGRATION JOINT BOARD
INTERNAL AUDIT SERVICE



DELAYED DISCHARGES

REPORT NO. PK06/17

Issued To: [R Packham, Chief Officer]
[J Smith, Chief Financial Officer]

[D Fraser, Head of Adult Social Work and Social Care]
[E Devine, Head of Health, Health & Social Care Partnership]
[H Dougall, Clinical Director, Perth & Kinross IJB]

[Audit Committee]
[External Audit]

Date Draft Issued: 20 June 2017
Date Response Required: YY July 2017
Target Audit Committee Date: 27 June 2017

INTRODUCTION & SCOPE

1. The Perth and Kinross Health and Social Care Strategic Commissioning Plan 2016 – 2019 sets out how the partnership will achieve or contribute to national health and well-being outcomes. In its introduction, the plan describes what a successful Perth and Kinross health and social care system will look like in future and this includes: 'Fewer people delayed unnecessarily from hospital'.
2. A Delayed Discharges Plan 2016/17 was prepared and submitted to Perth & Kinross Health & Social Care Partnership in May 2016.
3. The scope of this review was to review arrangements within the Partnership to plan, support and deliver an improvement in the level of hospital and community delayed discharges.
4. This review supports the IJB's Strategic Risk No 9 on Capacity & Flow:

There is a risk of failure to engage effectively and timeously regarding key service developments which will lead to a risk of reputational damage and unnecessary delay. This risk includes Delayed Discharges.

OBJECTIVES

5. Our audit work was designed to evaluate whether appropriate systems were in place and operating effectively to mitigate risks to the achievement of the objectives identified below.
6. The relevant service objectives of the review were:
 - ◇ The partnership is committed to "Review pathways between hospital and the community to ensure that individual care is provided at the right time and in the right place and reduce delayed discharges."
7. These objectives support the national core indicator for integration No 19: 'Number of days people spend in hospital when they are ready to be discharged' which in turn supports several of the national health and wellbeing outcomes.

RISKS

8. The following risks could prevent the achievement of the above objectives and were identified as within scope for this audit.
 - ◇ There may not be a clearly set out action plan in place which clearly identifies improvement actions, responsible officers and time frames by which actions are to be completed or reviewed;
 - ◇ The Delayed Discharge Plan may not be based on relevant, reliable and sufficient data to prioritise improvements which would have the greatest impact on the causes of Delayed Discharges;
 - ◇ Implementation of the plan may not be clearly linked to identified resources (staff and financial);

- ◇ Monitoring and reporting arrangements may be insufficient to lead to effective scrutiny and timely corrective action;
- ◇ Work undertaken in relation to delayed discharges may not be adequately aligned to performance and risk management.

AUDIT OPINION AND FINDINGS

9. The audit opinion is **Category B** – Broadly Satisfactory – There is an adequate and effective system of risk management, control and governance to address risks to the achievement of objectives, although minor weaknesses are present. A description of all audit opinion categories is given in the final section of this report.

10. The following chart shows where the grade lies within the B band:

A	B	C	D	E	F
	X				

11. In 2016, Persons aged 60 and over made up 29.2 per cent of the population of Perth and Kinross. This is a larger proportion of the population than Scotland overall, where 24.4 per cent are aged 60 and over; with life expectancy in Perth & Kinross also higher than the Scottish average. The number of individuals aged 75+ is projected to increase by nearly 59%. All these factors combine to increase the demand on health and social care services.

12. Our overall opinion is based on a positive impression of the arrangements at management level whilst reporting at governance level could be improved.

Action Plan and link to resources

13. At its meeting on 13 May 2016, the Perth & Kinross Health and Social Care Integration Joint Board (the IJB) received the Delayed Discharges Plan 2016/17 and resolved that *'the future improvement activities contained within the Delayed Discharge Action Plan for 2016/17 be supported'*.

14. This document does not clearly set out SMART action points linked to resources and allocated to responsible officers with achievable timescales.

15. Following a visit in January 2016, the Joint Commissioning Lead – Older People, Scottish Government, who is the senior civil servant that oversees the performance and improvement activity around Delayed Discharges across Scotland, issued a report with a number of recommendations for action by the Health and Social Care Partnership. A follow up visit took place in March 2017 and a presentation was made to the IJB Chief Officer and the parties' Chief Executives showing key changes made and their impact.

16. Subsequent to the follow up visit, an updated Delayed Discharges Action Plan 2017 was created which sets out responsibility, timescales and progress/deliverables; however, this has yet to be presented to the IJB for their consideration. We recommend that a 2017/18 Delayed Discharges Plan is presented to the IJB in the format of a SMART action plan, identifying specific actions to be undertaken, those officers who will be responsible for putting the actions in place, the time frames by which actions will be implemented and the review to be undertaken to ensure that action described has been implemented. This would provide accountability at governance level. Financial consequences of actions to be taken should also be clearly indicated in this plan.
17. We reviewed project documentation for four of the individual workstreams which are intended to address the risks arising from delayed discharges under the overall umbrella of Capacity and Flow work. Internal Audit was satisfied with the documentation, reporting lines and project management arrangements put in place which should all contribute towards achievement of a reduction in delayed discharges as set out in the IJB's Strategic Commissioning Plan.

Data

18. Delayed Discharges data derives from the Edison IT system. At operational level, data is input by ward level staff. Training was delivered under the Change fund to ward level staff on identification of delayed discharges and use of the system. Classification of a delayed discharge is based on national definitions.

Prioritisation

19. Data collected for performance management and ISD collection includes coding for reasons for the delay with 'Care package' and 'Care home' accounting for the vast majority of days lost. The dashboards used operationally to monitor delayed discharges provide a more detailed list of standard reasons for delay with 'awaiting assessment', 'care package', 'nursing home/ residential home' being the most common.
20. We compared this to the projects feeding into the Capacity & Flow transformation such as Carer Support, Discharge to Assess and Intermediate Care. Other information provided on ongoing work, e.g. the Chief Officer updates to the IJB also show that work is targeted appropriately.
21. We also compared the allocation of funding from designated resources for delayed discharge and found that these mostly address 'Care at Home' which again is considered appropriate given that the performance data shows this to be the largest single cause of delayed discharge..
22. Delayed discharges arising due to 'Care home' reasons are not currently clearly addressed in the documentation reviewed by internal audit as part of our fieldwork. A review of the IJB financial update reports shows that there is a significant underspend in residential care home budgets and these reasons are therefore not caused by capacity or funding issues. We have been informed that delays under this category are more likely to be caused by patient choice (awaiting placement in a preferred care home).

A needs analysis against current provision should be carried out and any future delayed discharge action plan should seek to address the findings of such an analysis and the impact this has on achieving a reduction in delayed discharges

including any strategic resource realignment necessary to achieve the required outcomes. **Monitoring and Scrutiny**

23. At operational level, delayed discharge dashboards are used by relevant staff on a daily basis as well as being presented to the Performance and Resources Group which was established to reduce delayed discharges and direct, monitor and report on operational performance.
24. Progress reports on projects established under the Capacity and Flow workstream are reported to the Partnership Transformation Programme Board. Our review of relevant documentation provided sufficient assurance.
25. A performance report on key elements of the Strategic Commissioning Plan was presented to the 3 February 2017 meeting of the IJB. The IJB noted that Delayed Discharges continues to be an area which requires improvement.
26. In addition, a Strategic Commissioning Plan Update paper was presented to the 27 March 2017 IJB meeting. This report provides an overall figure for the number of beds lost due to delayed discharges in 2015/16 and in 2016/17 to date. However, this update paper does not contain context information against the overall figures provided as contained in the performance report which would allow a conclusion to be reached on whether the figures represent poor or good performance.
27. An Audit & Performance Committee was established in October 2016 and its remit includes 'monitoring the performance of the Partnership towards achieving its policy objectives and priorities in relation to all functions of the IJB. Performance reporting arrangements have focused at IJB level to date and the Audit and Performance Committee is yet to receive a report which addresses delayed discharge performance.
28. No update report against the original Delayed Discharge Action Plan 2016/17 was presented to the IJB. Overall, reporting to IJB level has not yet enabled members to scrutinise what effect actions taken have had on delayed discharge performance. We would however note that at the point of reporting to IJB, the data available for statistical analysis may not as yet have been affected by most of the ongoing work to improve delayed discharges.
29. Whilst our audit work found that at operational level, adequate monitoring and scrutiny arrangements are in place, arrangements at governance level could be improved.
30. We would recommend that management review delayed discharges reporting at governance level to ensure reporting addresses:
 - Progress reports against the updated Delayed Discharges Action Plan 2017/18 including analysis of whether the IJB is on track to achieve these targets, of the success of actions taken and of lessons learned.
 - Performance against the targets set out in the Business Management and Improvement Plan for Perth and Kinross Council's Housing and Community Safety service.

- Reporting should also include consideration of whether resources are sufficient at present to achieve targets and any recommended strategic realignments which may be required.

Link to risk management

31. The Strategic Risk Framework includes a strategic risk on Capacity & Flow and some of the current controls listed relate to ongoing activities to address delayed discharges at management level. Whilst the Delayed Discharge Plan is mentioned as a relevant document in the IJB's summary risk profile, it is not listed as a control against the Capacity & Flow risk. The updated Delayed Discharges Plan 2017/18, once approved by the IJB, should be referenced as a control against this risk.
32. We would also note that the format of the IJB's risk register does not currently set out how assurance against the controls will be received nor does it provide current performance information as laid out in Appendix 2 to the Risk Management Strategy. Further work on the development of the risk management framework will be reviewed under future audit plans.

ACTION

33. An action plan [has been agreed with management] to address the identified weaknesses. A follow-up of implementation of the agreed actions will be undertaken in accordance with the audit reporting protocol.

ACKNOWLEDGEMENT

34. We would like to thank all members of staff for the help and co-operation received during the course of the audit.

A Gaskin, BSc. ACA
Chief Internal Auditor

Ref.	Finding	Audit Recommendation	Priority	Management Response / Action	Action by/Date
1.	<p>The Delayed Discharges Plan 2016/17 does not clearly set out SMART action points linked to resources and allocated to responsible officers and timescales.</p> <p>An updated Delayed Discharges Action Plan 2017 was created which sets out responsibility, timescales and progress/deliverables; however, this has yet to be presented to the IJB for their consideration.</p>	<p>We recommend that a 2017/18 Delayed Discharges Plan is presented to the IJB in the format of a SMART action plan, identifying specific actions to be undertaken, those officers who will be responsible for putting the actions in place, the time frames by which actions will be implemented and the review to be undertaken to ensure that action described has been implemented.</p> <p>Financial consequences of actions to be taken should also be clearly indicated in this plan.</p>	2	<p>A Capacity & Flow Programme Board is to be set up lead by PKHSCP Clinical Director which will oversee delivery of the 6 Key Measures of Performance under Integration which includes reducing delayed discharges.</p> <p>A key output of the Board will be a SMART Action Plan and clear identification of all financial consequences linked to the wider Financial Plan. This will be reported to the IJB.</p> <p>The Board will be supported by a dedicated Programme Manager.</p> <p>To support the board, a performance reporting framework will be established to ensure robust, routine performance data.</p>	<p>Clinical Director 30 September 2017.</p>

Ref.	Finding	Audit Recommendation	Priority	Management Response / Action	Action by/Date
2.	Delayed discharges arising due to 'Care home' reasons are not currently clearly addressed in the documentation reviewed by internal audit as part of our fieldwork.	A needs analysis against current provision should be carried out and any future delayed discharge action plan should seek to address the findings of such an analysis and the impact this has on achieving a reduction in delayed discharges, including any strategic resource realignment necessary to achieve the required outcomes.	2	As part of budget setting for 17/18 a detailed forecast has been undertaken of anticipated increase in demand and additional budget for Care Home Placements made. The budget setting process ensures the strategic alignment of resources to support this increased investment in Care Home capacity.	Actioned

Ref.	Finding	Audit Recommendation	Priority	Management Response / Action	Action by/Date
3.	<p>No update report against the original Delayed Discharge Action Plan 2016/17 was presented to the IJB. Overall, reporting to IJB level has not yet enabled members to scrutinise what effect actions taken have had on delayed discharge performance.</p>	<p>We would recommend that management review delayed discharges reporting at governance level to ensure reporting addresses:</p> <ul style="list-style-type: none"> - Progress reports against the updated Delayed Discharges Action Plan 2017/18 including analysis of whether the IJB is on track to achieve these targets, of the success of actions taken and of lessons learned. - Performance against the targets set out in the Business Management and Improvement Plan for Perth and Kinross Council's Housing and Community Safety service. - Reporting should also include consideration of whether resources are sufficient at present to achieve targets and any recommended strategic realignments which may be required. 	2	<p>A Capacity & Flow Programme Board is to be set up lead by PKHSCP Clinical Director which will oversee delivery of the 6 Key Measures of Performance under Integration which includes reducing delayed discharges.</p> <p>A key output of the Board will be a SMART Action Plan and clear identification of all financial consequences linked to the wider Financial Plan. The Board will be supported by a dedicated Programme Manager.</p> <p>To support the board, a performance reporting framework will be established to ensure robust, routine performance data.</p> <p>Regular performance reports against the 6 Key Measures of performance under integration will be presented to the IJB and this will include investment proposals as required to ensure delivery of performance objectives to support Strategic Plan delivery.</p>	Clinical Director 30 September 2017.

Ref.	Finding	Audit Recommendation	Priority	Management Response / Action	Action by/Date
4.	<p>The Strategic Risk Framework includes a strategic risk on Capacity & Flow and some of the current controls listed relate to ongoing activities to address delayed discharges at management level. Whilst the delayed Discharge Plan is mentioned as a relevant document in the IJB's summary risk profile, it is not listed as a control against the Capacity & Flow risk.</p> <p>We would also note that the format of the IJB's risk register does not currently set out how assurance against the controls will be received nor does it provide current performance information as laid out in Appendix 2 to the Risk Management Strategy</p>	<p>The updated Discharges Plan 2017, once approved by the IJB, should be referenced as a control against this risk.</p> <p>Consideration should be given to the format of risk reporting.</p>	2	<p>The establishment of the Capacity and Flow Programme Board, the investment in a dedicated programme manager and the development of a SMART Action Plan and supporting Performance Reporting Framework will be added to the Risk Register as a proposed control at this stage.</p> <p>The format of the risk register will be considered as part of the planned Risk Management Workshop outlined in the 17/18 Transforming Governance Action Plan.</p>	<p>Chief Officer Finance 30 September 2017</p> <p>Chief Officer Finance 30 November 2017</p>

DEFINITION OF ASSURANCE CATEGORIES AND RECOMMENDATION PRIORITIES

Categories of Assurance:

A	Good	There is an adequate and effective system of risk management, control and governance to address risks to the achievement of objectives.
B	Broadly Satisfactory	There is an adequate and effective system of risk management, control and governance to address risks to the achievement of objectives, although minor weaknesses are present.
C	Adequate	Business objectives are likely to be achieved. However, improvements are required to enhance the adequacy/ effectiveness of risk management, control and governance.
D	Inadequate	There is increased risk that objectives may not be achieved. Improvements are required to enhance the adequacy and/or effectiveness of risk management, control and governance.
E	Unsatisfactory	There is considerable risk that the system will fail to meet its objectives. Significant improvements are required to improve the adequacy and effectiveness of risk management, control and governance and to place reliance on the system for corporate governance assurance.
F	Unacceptable	The system has failed or there is a real and substantial risk that the system will fail to meet its objectives. Immediate action is required to improve the adequacy and effectiveness of risk management, control and governance.

The priorities relating to Internal Audit recommendations are defined as follows:

Priority 1 recommendations relate to critical issues, which will feature in our evaluation of the Governance Statement. These are significant matters relating to factors critical to the success of the organisation. The weakness may also give rise to material loss or error or seriously impact on the reputation of the organisation and require urgent attention by a Director.

Priority 2 recommendations relate to important issues that require the attention of senior management and may also give rise to material financial loss or error.

Priority 1 and 2 recommendations are highlighted to the Audit Committee and included in the main body of the report within the Audit Opinion and Findings

Priority 3 recommendations are usually matters that can be corrected through line management action or improvements to the efficiency and effectiveness of controls.

Priority 4 recommendations are recommendations that improve the efficiency and effectiveness of controls operated mainly at supervisory level. The weaknesses highlighted do not affect the ability of the controls to meet their objectives in any significant way.