

Internal Audit Report 2018/2019

Primary Care Commissioning DRAFT

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*East Berkshire Clinical
Commissioning Groups
(EBCCG):*

DRAFT

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This is a draft prepared for discussion purposes only and should not be relied upon; the contents are subject to amendment or withdrawal and our final conclusions and findings will be set out in our final deliverable.

Distribution list

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Primary Care Commissioning Committee
Audit Committee (FINAL Only)

Executive summary (1 of 3)

Total number of findings

	Critical	High	Medium	Low	Advisory
Control Design	-	-	-	-	-
Operating Effectiveness	-	-	3	-	-
Total	-	-	3	-	-

Findings summary

Please see [appendix A](#) for the basis of our report classifications

- 1** Improvements required over the development of a targeted programme of GP practice list maintenance
- 2** No process in place to ensure equality of access and appropriate information for patients resident in a GP practice’s outer practice boundary
- 3** Ensuring up to date performance data is held to effectively monitor practice and programme performance

Report classification



Medium Risk (9 points)

Trend



The 2017/18 Primary Care Commissioning report was rated medium risk (7 points)

Executive summary (2 of 3)

Summary of findings

This review was undertaken as part of the 2018/19 Internal Audit Plan agreed with the Audit Committee.

Areas of good practice:

- The Primary Care Commissioning Committee (PCCC) & Primary Care Operations Group (PCOG) terms of reference (ToR) identify the roles and responsibilities for discharging primary care contract oversight and management functions, as well clear instructions for quorate decision making;
- The Primary Care Dashboard and Programme Reports include performance information to enable decisions on primary care contract oversight and management.
- East Berkshire CCG (EBCCG) have defined clear roles and responsibilities for contract oversight and management functions, as well as documenting how they will identify and manage any conflicts of interest;
- The Special Allocation Scheme (SAS) specification and supporting contract show that there are processes in place to provide primary care to qualifying patients and there are necessary security measures for the protection of staff whilst being supportive of the patient;
- The CCG have shown that evidence from the Care Quality Commission (CQC) is being taken in to account. Documents reviewed show CQC involvement, in particular the Heath Hill Surgery Merger Action Plan where CQC are included in the process, have a channel of communication and impact an action plan after an inspection;
- Where practices have merged a remediation plan is put in place to enable a successful merger in place and monitored weekly. This helps to mitigate any issues with safety, quality and performance of the practices under being merged.
- Where a practice is proposed for merger, there is evidence that a communication plan is in place to consult with stakeholders, inclusive of patients effected.
- Decisions for mergers have taken in to account the CCG's public sector equality and healthy inequality duties, evidenced through equality impact analysis for a practice merger and the inclusion of health inequality and equality information in a remedial notice provided by EBCCG as part of the merger process.

Limitations of Scope:

We have noted the following areas as a limitation of scope in reviewing the EBCCG's compliance with national requirements:

- We were unable to review evidence of EBCCG maintaining a list of all GP practices that volunteer to register patients who live outside the practice boundary as management have advised that there are no GP practices in the area who offer this or / and are willing to offer this service.

Executive summary (3 of 3)

Summary of findings (continued)

Findings:

We have identified **three medium** risk findings:

- 1. Improvements required over the development of a targeted programme of GP practice list maintenance** – With funding for primary care being provided on a capitated basis ensuring that a GPs patient list is accurate is important to ensure the correct allocation of resources. As a commissioner the CCG is required to ensure practice list maintenance is appropriately managed to ensure that patient lists reflect changes in the population. While we were able to evidence a three year rolling programme of list maintenance we were unable to evidence a targeted programme focussing on practices whose geography include attributes that suggest a higher risk of over- or under-stating the number of patients, e.g. the construction of a large housing development or a highly mobile population. **(Medium Risk)**
 - 2. No process in place to ensure equality of access and appropriate information for patients resident in a GP practice's outer practice boundary** – Where a GPs practice has a defined inner and outer practice boundary practices do not currently monitor and provide information as to how they ensure equality of access for patients resident in the outer boundary. Therefore, the CCG is unable to gain assurance that patients resident in the outer practice boundary are receive equal access to GP services and that patients are aware of their rights. The CCG should look at developing a local access policy to ensure that all practices are consistently informing patients in the outer boundary of their rights and receive equal access to primary care provision. **(Medium Risk)**
 - 3. Ensuring up to date performance data is held to effectively monitor practice and programme performance** – As part of effective primary care contract and oversight arrangements the CCG require good quality data in a range of areas, such as the performance of GP practices and whether funding for community enhanced services is appropriately spent. While this data is contained in the Primary Care Dashboard and individual programme reports there is often a significant time lag in receiving information, which can be several months old. This inhibits effective decision making and scrutiny as individuals and the PCCC may be using out of date information . **(Medium Risk)**
-

Background and scope

Background and scope

In August 2018 NHS England published the *Primary Medical Care Commissioning and Contracting: Internal Audit Framework for delegated Clinical Commissioning Groups* (“the Guidance”). As part of this there is a formal requirement for an annual audit of primary care provision that must cover the following four areas over the course of a three year cycle:

- Commissioning and Procurement of Services;
- Contract Oversight and Management Functions;
- Primary Care Finance; and
- Governance (common to each of the above areas).

It was agreed with members of the Audit Committee and management that this year’s audit will focus on Contract Oversight and Management Functions and the Governance arrangements in this area. Commissioning and Procurement of Services and Primary Care Finance will be picked up in future years.

We have reviewed the design and operating effectiveness of key controls in place relating to the CCG’s processes for the primary care contract oversight and management functions as set out in appendix B during the period 1 April to 31 October 2018. PwC were unable to perform testing against processes where monitoring of patients in a practices outer boundary is concerned. This is due to the fact the EBCCG practices are not currently monitoring patients in the outer boundary. Against the individual objectives we were able to test, we have considered the relevant elements of paragraph 24, of the Guidance, namely:

1. GP Practice opening times and the appropriateness of sub-contracted arrangements;
2. Managing patient lists and registration issues (for example, list closures, targeted list maintenance, out of area registration, special allocation schemes);
3. Identification of practices selected for contract review to assure quality, safety and performance, and the quality of the subsequent review and implementation of outcomes;
4. Decisions in relation to the management of poorly performing GP practices and including, without limitation, contractual management decisions and liaison with the CQC where the CQC has reported non-compliance with standards (but excluding any decisions in relation to the performers list);
5. Overall management of practice: (1) mergers (2) closures; and
6. Operation and oversight of the Primary Care Commissioning Committee (or alternative committee with responsibility for the delegated function) in regard to the points above (but not in relation to the management of Conflicts of Interest)

The detailed scope, as agreed with management, can be found at Appendix B. This review fulfils the requirement under section 4.1 of *Preparing for 2019/20 Operational Planning and Contracting* published on 21 December 2018 for a delegated CCG to have an internal audit to assess if they are compliant and effective in discharging their responsibilities for primary care contract and performance management as well as the associated governance elements. We have gathered the evidence in the report through meetings with key stakeholders and documentation provided by the Associate Director of Primary Care.

Current year findings (1 of 3)

Improvements required over the development of a targeted programme of GP practice list maintenance

Operating effectiveness

1

Rating

Medium

Finding and root cause

With funding for primary care being provided on a capitated basis ensuring that a GPs patient list is accurate is important to ensure the correct allocation of resources. If a patient list is overstated, the practice will receive more funding than it is entitled to and this presents a significant financial burden on NHS resources.

The Primary Medical Care Policy Guidance Manual (PGM) therefore sets out the processes for the commissioner to ensure practice list maintenance is appropriately managed to reflect changes in the population. This should be a mixture of a rolling programme, i.e. the patient lists for all practices are reviewed over a three year period, and a targeted programme focussing on practices whose geography include attributes that suggest a higher risk of over- or under-stating the number of patients, e.g. the construction of a large housing development or a highly mobile population. We have identified there is a lack of documentation to show there is a fully targeted programme, undertaken on a risk basis, of list maintenance with emphasis on prioritising those practices in geographies where the over- or under-statement of patient numbers is most likely. However, we do note that the PGM states that list management is excluded to delegation within the responsibilities of NHS England i.e. Primary Care Support England. As a result predictive population changes are considered by the CCG on the publication of Local Borough Plans specifically around the reference to housing growth, and work on this is being refined.

We have noted an area of good practice where evidence has been provided in the 'Final Data Quality Checks', it states that the CCG is collecting patient information and doing so on a three year cycle in line with section 3.3.2.1 of the PGM to enable a rolling review. Therefore, we have deemed this finding to be a medium risk as opposed to a high as all practices are subject to review on a rolling basis.

Implications

Failure to ensure that practices presenting high risk factors could have a negative impact in the following areas:

- the efficacy of ill-health prevention/screening programmes and total population capture;
- the assessment of performance and clinical outcomes which are often compared on a 'per patients' denominator; and
- the appropriate use of public funds, as allocations are made on a £ per patient basis.

Current year findings (1 of 3, cont.)

Improvements required over the development of a targeted programme of GP practice list maintenance

Operating effectiveness

1

Action plan

TBC

Responsible individual: TBC

Target date: TBC

Reference number: 2018/19-12-01

Rating

Medium

Current year findings (2 of 3)

No process in place to ensure equality of access and appropriate information for patients resident in a GP practice's outer practice boundary

Control design

2

Rating

Medium

Finding and root cause

The CCG does not have a formal process to effectively monitor patients in a GP practice's outer boundary to ensure when a GP agrees to a patient(s) remaining registered following a move, the patient(s) will continue to receive access to the full range of services offered and are aware of their right to home visits.

Section 4.6.3 of the PGM states that patients who move out of a practice's inner boundary area but still reside in the outer boundary may be able to remain registered with the practice and have access to all of the practice's services. Where providers have an outer practice boundary they do not currently provide information to the CCG and PCCC on the number of patients registered in the outer practice boundary and how they provide equality of access. CCG management advised that individual GPs are unlikely to be able to provide this information as it is not within their capability or remit to provide this data, given the complexity of extracting such information. The CCG should require practices to maintain a local access policy that clearly articulates the rights of patients residing in the outer practice boundary.

EBCCG are working with Frimley Health NHS Foundation Trust on the governance arrangements for a local access policy to deliver on the NHS Standard Contract 2016/17 General Conditions. From discussions with the Associate Director for Primary Care part of this work could be effectively leveraged to assist in developing a similar policy for general practice, i.e. GMS / PMS contracts. While this is not a requirement under the PGM we would strongly recommend such a development.

Implications

The CCG is unable to ensure practices provide equity of service access to those patients resident in the outer practice boundary, such as home visits and access to a full range of services, resulting in poor patient care and potential reputational damage if the local services decline.

Action plan

Responsible individual: TBC

Target date: TBC

Reference number: 2018/19-12-02

Current year findings (3 of 3)

Ensuring up to date performance data is held to effectively monitor practice and programme performance.

Operating effectiveness

3

Rating

Medium

Finding and root cause

As part of effective primary care contract oversight the CCG require good quality data in a range of areas, such as the performance of GP practices and whether funding for community enhanced services (CES) is appropriately spent.

While this data is contained in the Primary Care Dashboard (PCD) and individual programme reports there is often a significant time lag in receiving the national information, which can be several months old. This inhibits effective decision making and scrutiny as individuals and the PCCC may be using out of date information that results in a poor outcome for patients as decisions are made on the basis of information that is no longer relevant. The CCG and PCCC should work with practices to ensure they have access to the most recent data on practices' performance to be able to make informed decisions and prioritise actions.

Despite the age of the data the PCD and individual programme reports do mean the CCG and PCCC have detailed information on which to base their decisions. In addition, sources from national data feeds are outside of CCG control though the Associate Director of Primary Care has advised that the CCG are looking to request data direct from practices to substitute the nationally available figures as well as mitigations through other sources of data not recognised nationally, and request the CQC support this data provision also to align with their requirements in practices. Therefore, the overall risk to the CCG is assessed as medium.

Implications

Relying on data that is not current could lead the EBCCG to make sub-optimal commissioning decisions which could impact performance of practices, budget and potential reputational damage if there is a decline in local services.

Action plan

	Responsible individual:	TBC
TBC	Target date:	TBC
	Reference number:	2018/19-12-03

**Appendix A: Basis of our
classifications**

**Appendix B: Terms of
reference**

**Appendix C: Limitations
and responsibilities**

Appendices

Appendix A: Basis of our classifications

Critical

A finding that could have a:

- **Critical** impact on achievement of objectives or projects that could result in outputs being 25% over budget / schedule slippage or not meeting primary objectives ; or
- **Critical** impact on operational performance resulting in inability to continue core activities for more than two days; or
- **Critical** monetary or financial statement impact of 1% of budget of greater; or
- **Critical** breach in laws and regulations that could result in material fines or consequences over £200k; or
- **Critical** impact on the reputation or brand of the organisation which could threaten its future viability, e.g. high-profile political and media scrutiny i.e. front-page headlines in national press.

High

A finding that could have a:

- **Significant** impact on achievement of objectives or projects that could result in outputs being 10-25% over budget / schedule slippage or not meeting secondary objectives; or
- **Significant** impact on operational performance resulting in significant disruption to core activities; or
- **Significant** monetary or financial statement impact of 0.5% of budget of greater; or
- **Significant** breach in laws and regulations resulting in significant fines and consequences over £100k; or
- **Significant** impact on the reputation or brand of the organisation, resulting in unfavourable national media coverage.

Medium

A finding that could have a:

- **Moderate** impact on achievement of objectives or projects that could result in outputs being 5-10% over budget / schedule slippage or reduction in scope or quality; or
- **Moderate** impact on operational performance resulting in moderate disruption of core activities or major disruption of discrete non-core activities; or
- **Moderate** monetary or financial statement impact of 0.25% of budget of greater; or
- **Moderate** breach in laws and regulations resulting in fines and consequences over £25k; or
- **Moderate** impact on the reputation or brand of the organisation, resulting in long term unfavourable media coverage restricted to the local press and a significant effect on staff morale.

Appendix A: Basis of our classifications

Individual finding ratings

Low

A finding that could have a:

- **Minor** impact on achievement of objectives or projects that could result in outputs being up to 5% over budget / schedule slippage or a minor reduction in scope or quality; or
- **Minor** impact on the organisation’s operational performance resulting in moderate disruption of discrete non-core activities; or
- **Minor** monetary or financial statement impact of 0.1% of budget or greater; or
- **Minor** breach in laws and regulations with limited consequences over £10k; or
- **Minor** impact on the reputation of the organisation, resulting in short term limited unfavourable media coverage restricted to the local press and a minor effect on staff morale.

Advisory

A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.

Report classifications

The report classification is determined by allocating points to each of the findings included in the report.

Findings rating	Points
Critical	40 points per finding
High	10 points per finding
Medium	3 points per finding
Low	1 point per finding

Report classification	Description	Points
Low	Low risk	6 points or less
Medium	Medium risk	7 – 15 points
High	High risk	16 – 39 points
Critical	Critical risk	40 points and over

Appendix B: Terms of reference

Scope

We will review the design and operating effectiveness of key controls in place relating to the CCG's processes for the primary care contract oversight and management functions as set out below during the period 1 April to 31 October 2018. Against the individual objectives we will consider the relevant elements of paragraph 24, of the *Primary Medical Care Commissioning and Contracting: Internal Audit Framework for delegated Clinical Commissioning Groups* dated 22 August 2018.

Sub-process	Objectives
Contract Oversight and Management – Governance	<ul style="list-style-type: none"> The terms of reference for the PCC and the PCOG identifies roles and responsibilities for discharging the primary care contract oversight and management functions, as well as the requirements for quorate decision making. Complete and relevant performance information is provided to the PCC to enable informed decisions to be made regarding primary care contract oversight and management. Key individuals involved in the primary care contract oversight and management functions are identified and their roles and responsibilities clearly defined. Any conflicts of interest are declared and managed.
Contract Oversight and Management – Operations	<ul style="list-style-type: none"> For all delegated contracts an agreement is in place regarding GP practice opening times and that compliance is validated by the CCG on an annual basis. A targeted programme of list maintenance is underway focusing on those practices likely to experience a significant turnover in patient numbers. A list is maintained of all GP practices that agree to register patients who live outside of the practice boundary area. Where this is offered processes are in place to advise patients that they are not entitled to home visits and that they are provided with information as to the actions they should take if they are unable to attend the practice for a visit. Processes are in place to monitor patients in a GP practices' outer practice boundary to ensure that where a GP agrees to a patient remaining registered following a move that the patient continues to receive access to the the full range of services, including clinically necessary home visits. The CCG has a special allocation scheme in place for qualifying patients and the CCG undertakes checks to ensure that protections for staff supplying the service are robust and operate efficiently and in line with the regulations, whilst being appropriately supportive of the patient.

Appendix B: Terms of reference (Cont.)

Sub-process	Objectives
Contract Oversight and Management – Operations (Cont.)	<ul style="list-style-type: none">• The CCG maintains a list of all CES or other paid for mandatory services (i.e.. vaccinations, screening) and performance of GP practices in delivering these services is monitored on a regular basis (e.g. as part of any contract review).• Practices are assessed on a risk basis in terms of safety, quality, and performance for identification for a contract review. For performance this includes financial metrics to identify any potential issues with their viability or the exposure of the CCG's to third party liabilities.• Evidence from the CQC is taken into account when identifying practices for intervention and there is appropriate involvement of the CQC in agreeing action plans for remediation.• Where a contract review identifies issue with the safety, quality, and performance of the practice, including but not limited to contract breaches, a remediation plan has been developed and this is actively monitored to ensure effective implementation.• Where a practice is proposed for closure or merger there has been sufficient and appropriate engagement of the effected population and evidence of this has been retained.• Decisions to close or merge a practice have taken into account the relevant equality and health inequality duties as well as other relevant non-equality and health inequalities related duties as set out in in the guidance from NHS England dated 22 August 2018.

Limitations of scope

The scope of this review will be limited to the areas identified above. Our review will focus on the processes and documentary evidence for the 2018/19 financial year only, unless it is appropriate to review documentation from 2017/18 to evidence processes followed by the CCG. Our testing is based on a sampling approach and findings may not be representative of all instances of a process undertaken by the CCG. Management have advised that there have been no list closures, or practice closures, in 2018/19; therefore no testing has been undertaken over these processes.

Internal audit work was performed in accordance with PwC's Internal Audit methodology which is aligned to the Public Sector Internal Audit Standards. As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Committee (IAASB), International Framework for Assurance Engagements (IFAE) and International Standard on Assurance Engagements (ISAE) 3000. The procedures performed will be limited to information and controls operated by the CCG, and we will not perform inquiry or review documentation that are owned by external third parties.

Appendix B: Terms of reference (Cont.)

Our audit approach is as follows:

- Obtain a detailed understanding of how primary care contract oversight and management processes and controls work.
- Identify the key risks of the CCG's processes and controls.
- Evaluate the design of the controls in place to address the key risks.
- Test the operating effectiveness of the key controls.

Appendix C: Limitations and responsibilities

Limitations inherent to the internal auditor's work

We have undertaken the review of primary care commissioning processes, subject to the limitations outlined below:

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future periods

Our assessment of controls is for the period 1 April 2018 to 31 October 2018 only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other changes; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

Specific limitations identified as part of the internal auditor's work

Internal audit work was performed in accordance with PwC's Internal Audit methodology which is aligned to the Public Sector Internal Audit Standards. As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Committee (IAASB), International Framework for Assurance Engagements (IFAE) and International Standard on Assurance Engagements (ISAE) 3000.

The procedures performed were limited to information and controls operated by the CCG, and we did not perform inquiry or review documentation that are owned by external third parties.

In the event that, pursuant to a request which East Berkshire CCG has received under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the "Legislation"), East Berkshire CCG is required to disclose any information contained in this document, it will notify PwC promptly and will consult with PwC prior to disclosing such document. East Berkshire CCG agrees to pay due regard to any representations which PwC may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such report. If, following consultation with PwC, East Berkshire CCG discloses any this document or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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