

FTF Internal Audit Service

GP Prescribing Report No. AN05/19

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Angus Integration Joint Board

External Audit – Audit Scotland

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Management Responses Received	17 September 2019
Target Audit & Risk Committee Date	11 December 2019
Final Report Issued	18 September 2019

CONTEXT AND SCOPE

1. In 2017/18 Angus HSCP reported an Family Health Services (FHS) Prescribing overspend of £2.76m, after £0.5m of non-recurring funding being applied to budgets. This inevitably places prescribing as Angus HSCP's area of highest financial risk. The 2018/19 Financial Plan (report 25/18) includes reference to the "shortfall is still very significant and places a burden on other IJB services." Prescribing Management Updates were reported to the IJB throughout the year. As set out in the financial update provided to the June 2019 meeting of Angus IJB, *'it can be seen that the forecast improvement in the prescribing out-turn has materialised with a yearend over spend on FHS Prescribing of £1.4m – approximately half the level of overspend reported last year and a lower over spend than most recently forecast for 2018/19.'*
2. This review follows on from the broader governance overview provided by the NHS Tayside Internal Audit report T20B/18 - Effective Prescribing and focused on the monitoring of actions taken to contain FHS prescribing spend in Angus.
3. Overall, our audit assessed the controls and assurances described within the Prescribing Management Board Assurance Framework (BAF) in order to determine:
 - ◇ Are the controls described within the BAF the key controls required to bring the risk to the planned score?
 - ◇ Are assurances provided within the BAF designed to provide relevant, reliable and sufficient evidence that controls are in place and functioning as expected?
 - ◇ Are accurate and timely assurances provided to the Board and its Committees as described and in accordance with the agreed delegation of risks to committees?
4. This audit supports the strategic risk:
 - ◇ STRATEGIC RISK 2 – PRESCRIBING MANAGEMENT (Current Risk Exposure –Red. Probability: Almost Certain x Risk Exposure: Critical)
5. The scope of our audit was to review controls in place to determine whether:
 - ◇ Sufficient priority and resources are applied to the delivery of savings in this area
 - ◇ Plans, processes and actions are sufficient to achieve best value in prescribing spend
 - ◇ There is transparent reporting at both operational and governance level including clearly identifying whether prescribing spend is on track to support the delivery of the IJB's strategic objectives
 - ◇ The quality of both financial and prescribing data is sufficient to manage and monitor both passive and active interventions set out in the prescribing management plan to ensure actions are achieving results, and that effective remedial action is taken when required;
 - ◇ Future prescribing savings projections are informed by robust data and comprehensive understanding of previous performance

AUDIT OPINION

6. The Audit Opinion of the level of assurance is as follows:

Level of Assurance		System Adequacy	Controls
Moderate Assurance		Adequate framework of key controls with minor weaknesses present.	Controls are applied frequently but with evidence of non-compliance.

A description of all definitions of assurance and assessment of risks are given Section 4 of this report.

7. The main points arising from the review are:

- A prescribing management plan is in place, whereby interventions for 2019/20 were set out in the paper to the February 2019 IJB meeting, as well as additional funding for management resource agreed by the IJB to support the work on local interventions to address the prescribing overspends. We found proactive leadership and clear engagement from management. The financial outturn position for 2018/19 for prescribing was significantly improved compared to initial budget. Appropriate processes and governance structure are in place and were approved by the Angus Clinical Care & Professional Governance Group on 21 March 2018
- The Prescribing budget is not as clearly set out as other aspects of the financial plan (the Finance report to the June 2019 IJB meeting referenced *'the lack of clarity regarding the IJB's financial planning framework for Prescribing for 2019/20 onwards'*)
- Financial monitoring reports to the IJB show that late revisions to the 2018/19 GPS position were required suggesting shortcomings in the financial reporting of this cost earlier in the year, and this contributed to the substantial differential between the latest forecast position and the year end outturn for 2018/19 which only became evident at year end.
- Prescribing monitoring reports are descriptive rather than quantitative, and plans lack quantifiable financial impact figures.
- We would recommend that future prescribing plans are more clearly set out with SMART objectives, with a greater use of financial data including trajectories and targets for monitoring purposes (where relevant).
- We would recommend that the GP Prescribing risk BAF is reviewed and updated to take account of the results of this report, to note additional controls in place, review and improve assurances provided and ensure all relevant staff groups engage with the risk.

8. Detailed findings/information is included at Section 3.

ACTION

9. The action plan at Section 2 of this report 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

10. 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

Action Point Reference 1

Finding:

The Prescribing budget is not as clearly set out as other aspects of the financial plan indicating that reliable financial data for planning and monitoring prescribing spend in a timely manner is not available to the IJB. Finance reports to the IJB show that a lack of detailed, appropriately analysed financial data contributed to the substantial differential between the forecast position and the year end outturn for 2018/19, which only became evident at year end. While the Chief Finance Officer has been in dialogue with NHS Tayside finance colleagues, a satisfactory conclusion has not yet been reached.

In addition, we found that monitoring reports are descriptive rather than quantitative, and plans lack quantifiable financial impact figures, including trajectories and targets for monitoring purposes.


Despite the positive impact of work undertaken to date, Angus IJB will need to continue to develop proposals for future prescribing interventions to address the financial position for 2019/20 and beyond.

Audit Recommendation:

We would recommend that future prescribing plans are more clearly set out with SMART objectives showing what is intended to be done and the anticipated/ targeted result of such larger/ discrete interventions, with a greater use of data to help identify the impact made by projects on the financial position to allow efforts to be directed accordingly, as well as showing the overall trend.

Going forward, the prescribing saving plan should be more clearly based on relevant and reliable data.

Assessment of Risk:

Significant		<p>Weaknesses in control or design in some areas of established controls.</p> <p>Requires action to avoid exposure to significant risks in achieving the objectives for area under review.</p>
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Management Response/Action

Previous year financial plans have generally included specific financial (SMART) targets for larger, discrete interventions. We do plan to continue to do this for larger, discrete interventions. However much of our local work has been focused on a series of smaller, Practices based, often drug specific interventions and the proliferation, and (small) size of each makes quantifying, monitoring and reporting on each impractical. The IJB can indirectly measure the combined impact of smaller intervention by measuring high level proxies such as volume growth. The IJB has generally intended not to put Practice-specific data into public reports.

The IJB will plan to include more high level data in future Prescribing reports to the IJB (e.g. re volume growth and for specific larger discrete interventions). The IJB will also continue to set benefit targets for specific, larger discrete interventions.

Action by:

Angus Prescribing Management Group (Chair, Angus HSCP Prescribing Lead)

Date of expected completion:

December 2019


Action Point Reference 2**Finding:**

Our review of the papers and minutes provided for the Angus Prescribing Management Group (APMG) and the extended APMG+ showed that these lack a degree of structure and formality.

Audit Recommendation:

While the APMG and APMG+ are operating well, as evidenced by the improvement in the prescribing position, to enhance the overall governance arrangements and management of prescribing interventions, action notes of the APMG and APMG+ should be formalised to ensure actions are recorded and monitored. Action Points Updates would help ensure all actions are satisfactorily concluded and adequate assurances reported back to the groups.

Assessment of Risk:

Merits attention		<p>There are generally areas of good practice.</p> <p>Action may be advised to enhance control or improve operational efficiency.</p>
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Management Response/Action:

A revised Terms or Reference for the new PMG was discussed at the September 2019 meeting of the new group. The IJB is generally working to improve its management of its internal forums following the 2017/18 Governance Mapping Internal Audit.

The Angus PMG and Angus PMG+ have now merged. The merged group (Angus PMG) will follow the agreed requirements for meetings within Angus HSCP which includes producing action points and action point updates.

Action by:

Rhona Guild, Primary Care Manager

Date of expected completion:

November 2019

Action Point Reference 3

Finding:

A strategic risk in relation to GP Prescribing is in place, owned and updated by the Clinical Director and discussed and monitored at the R2 Clinical Care & Professional Governance Group, which does not include pharmacy and finance staff.


We noted work undertaken in addition to the controls noted on the BAF especially through the GP prescribing lead which has a substantial impact on prescribing costs not currently referenced in the risk.

As set out under Action Point Reference 1, quantitative monitoring should provide additional assurance.

Audit Recommendation:

We would recommend that the GP Prescribing risk BAF is reviewed and updated to take account of the results of this report, to note additional controls in place, to review and improve assurances provided and ensure all relevant staff groups engage with the risk.

Assessment of Risk

Merits attention		There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.
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Management Response/Action:

The HSCP will ensure the Prescribing BAF / Risk Assessment is a regular agenda item (at least every quarter) at the Angus PMG. This will ensure wider engagement, including Finance, with the associated risk.

Action by:

Alison Clement, Clinical Director

Date of expected completion:

November 2019

Plans and Resources

A prescribing management plan is in place, as well as additional funding agreed by the IJB to support local interventions to address the prescribing overspends. This includes funding the GP Lead for Prescribing at 2 sessions a month. We found proactive leadership and clear engagement from management.

We also welcome the clearly set out process and structure as approved by the Angus Clinical Care & Professional Governance Group on 21 March 2018.

Reporting to the IJB clearly set out the impact of the prescribing overspend on the IJB's overall financial position and therefore other services and the financial plan show realignment from other services towards prescribing.

We welcome the many ongoing prescribing activities being driven forward within Angus IJB. However, Angus IJB will need to continue to develop proposals for future prescribing interventions to address the financial position for 2019/20 and beyond. The quarterly report provided to the regional Tayside Prescribing Management Group (PMG) includes information which should be used to prompt plans in Angus.

As a development, we would recommend that future prescribing plans are more clearly set out with SMART objectives showing what is intended to be done and the anticipated/targeted result of such interventions using SMART principles.

The work being undertaken locally needs to fit within the overall framework of strategic and operational prescribing activity across NHS Tayside. Recommendations in relation to comprehensive reporting and monitoring to the NHST PMG have been made directly to NHS Tayside under internal audit report T20B/18 and implementation of actions is followed up and monitored by the NHS Tayside Audit & Risk Committee.

Monitoring & Reporting

At governance level, the IJB has been provided with regular prescribing monitoring reports. Whilst we welcome the regular reporting, the reports provided to the IJB are descriptive only and do not contain quantified targets or financial impact of the actions taken to date.

We compared the reporting to those provided to Dundee or Perth & Kinross IJB. Angus IJB receives significantly more comprehensive reports, commensurate with the level of risk to the organisation.

In addition to monitoring at IJB level, reporting also takes place at NHS Tayside level. As set out in the Integration Scheme, *'overspend will be shared in proportion to the spending Direction for each Party for that financial year'*. The April NHS Tayside Performance & Resources Committee (P&RC) received a prescribing monitoring report. We welcome the fact that good practice from Angus is now also being used in the other 2 Tayside partnership areas.

At management level, an Angus Prescribing Management Group (APMG) as well as an extended APMG+, which also includes GP cluster leads and locality prescribing coordinators, is in place. Prescribing is also a standing agenda item at the Clinical Partnership Group.

Our review of the papers and minutes provided for the APMG and APMG+ showed that these lack a degree of structure and formality. Action notes of the APMG and APMG+ should be formalised to ensure actions are recorded and monitored.

Quality of data

Our review found that the Prescribing budget for 2019/20 is not as clearly set out as other aspects of the financial plan. Reliable financial data for planning and monitoring prescribing spend in a timely manner is not available to the IJB. In common with national processes, data is at least 3 months out of date.

The Prescribing budget is not as clearly set out as other aspects of the financial plan (the Finance report to the June 2019 IJB meeting referenced '*the lack of clarity regarding the IJB's financial planning framework for Prescribing for 2019/20 onwards*')

Financial monitoring reports to the IJB show that late revisions to the 2018/19 GPS position were required suggesting shortcomings in the financial reporting of this cost earlier in the year, and this contributed to the substantial differential between the latest forecast position and the year end outturn for 2018/19 which only became evident at year end.

Prescribing monitoring reports are descriptive rather than quantitative, and plans lack quantifiable financial impact figures.

Whilst an action plan is in place, the ongoing prescribing work and its regular monitoring at IJB level would benefit from greater use of data to help identify the impact made by discrete projects as well as the overall trend on the financial position to allow efforts to be directed accordingly.

Board Assurance Framework

A strategic risk in relation to GP Prescribing is in place, owned and updated by the Clinical Director and discussed and monitored at the R2 Clinical Care & Professional Governance Group. We assessed the controls and assurances described within the Prescribing Management Board Assurance Framework (BAF).





We welcome the positive engagement with this strategic risk but would recommend that the BAF is reviewed and updated to take account of the results of this report and the following points: *(Note: Additional recommendations in relation to risk management arrangements will be made separately under Internal Audit AN05/20.)*

- ◇ Attendance at the R2 Clinical Care & Professional Governance Group does not include pharmacy and finance staff. We would recommend a multidisciplinary approach to the management and monitoring of this risk to include input from all relevant staff groups.
- ◇ The controls described operate well in practice. However, we noted work undertaken in addition to those noted on the BAF especially through the GP prescribing lead which was key/ substantial impact on prescribing costs and should therefore be referenced.
- ◇ We welcome the relevant and frequent detailed reporting to the IJB. However, as noted elsewhere in this report, there is insufficient quantitative data to provide reliable assurance

Section 4 Definition of Assurance and Recommendation Priorities




Definition of Assurance

To assist management in assessing the overall opinion of the area under review, we have assessed the system adequacy and control application, and categorised the opinion based on the following criteria:

Level of Assurance		System Adequacy	Controls
Comprehensive Assurance		Robust framework of key controls ensure objectives are likely to be achieved.	Controls are applied continuously or with only minor lapses.
Moderate Assurance		Adequate framework of key controls with minor weaknesses present.	Controls are applied frequently but with evidence of non-compliance.
Limited Assurance		Satisfactory framework of key controls but with significant weaknesses evident which are likely to undermine the achievement of objectives.	Controls are applied but with some significant lapses.
No Assurance		High risk of objectives not being achieved due to the absence of key internal controls.	Significant breakdown in the application of controls.

Assessment of Risk

To assist management in assessing each audit finding and recommendation, we have assessed the risk of each of the weaknesses identified and categorised each finding according to the following criteria:

Risk Assessment	Definition	Total
Fundamental	 <p>Non Compliance with key controls or evidence of material loss or error. Action is imperative to ensure that the objectives for the area under review are met.</p>	None
Significant	 <p>Weaknesses in control or design in some areas of established controls. Requires action to avoid exposure to significant risks in achieving the objectives for area under review.</p>	One
Merits attention	 <p>There are generally areas of good practice. Action may be advised to enhance control or improve operational efficiency.</p>	Two