



Infected blood scheme payment process

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Section one

Executive summary

Background to the review	<p>In accordance with the 2017-18 internal audit plan for NHS National Services Scotland ("NSS") as approved by the Audit and Risk Committee, we performed an internal audit to review the Scottish Infected Blood Support Scheme ("SIBSS") payment process. The specific objective, scope and approach as agreed with management is detailed in appendix one.</p> <p>A review was undertaken by the Scottish Government which resulted in the creation of the SIBSS. This scheme was to take control over an existing UK scheme run by a group of five charities/foundations which provide financial support to those infected with stage one or stage two Hepatitis C and/or HIV as a result of receiving infected blood from the NHS pre-September 1991. Testing for Hepatitis C was introduced on 1 September 1991 so only those who received blood transfusions prior to this date are considered. The SIBSS team, as part of NSS, took control of the payments and the process in April 2017 for approval of new applicants who were infected in Scotland (including those who have since emigrated).</p> <p>As part of our review we considered the initial data transfer between the UK wide scheme and SIBSS. Although this appeared to be a thorough process, carried out primarily by the Project Manager, we were unable to test the completeness of the information due to SIBSS not having visibility over all beneficiaries which should be included in their database. In the future the UK scheme will disband, therefore SIBSS will get sight of this information to ensure all the appropriate individuals are included on the database and no data is lost.</p> <p>During our review we walked through the process of processing applications, both from existing beneficiaries and new applicants who were not part of the UK scheme. Throughout the walkthrough we acknowledged that SIBSS had only been in control of the scheme for six months at the time of our fieldwork, therefore an entire annual cycle has yet to be complete and sampling was restricted to these first six months.</p> <p>Our review, as documented in the body of this report, was compiled based on discussions with various staff members, primarily within the SIBSS team, together with a critical review of support documentation. See appendix two for a list of staff and resources consulted.</p>
Overall conclusion	<p>Overall the SIBSS team is operating an effective payment process.</p> <p>The initial transition process is viewed as effective for the information that SIBSS received however we were unable to test the completeness of the information as some individuals have not given consent yet to allow Skipton to pass on their information.</p> <p>In our walkthrough we found that it is a robust process and the team is experienced in giving due consideration to each application and the processes to be followed for different applications. We did find that although the process is robust the controls are still in their infancy and there are improvements which can be made and we have documented in the recommendations.</p> <p>During our review we found that the SIBSS team in NSS had a good knowledge of the scheme and any changes that were being made to it. The team use a Staff Procedure Guide to refer to during the process which we reviewed and considered to be clear and gives sufficient information for a robust process to be carried out.</p> <p>Our overall conclusion for this review is <i>significant assurance with minor improvements.</i></p>

Section one

Executive summary (continued)

Summary of recommendations

We summarise below the number of recommendations raised. These have been agreed by management:

	Priority			
	Critical	High	Medium	Low
Raised	-	-	2	3
Accepted	-	-	2	3

The medium risk findings relate to:

- The potential lack of segregation of duties during the setup of beneficiary bank details;
- Obtaining paper records from the previous scheme administrators.

Process maturity assessment

In accordance with the internal audit charter, management and KPMG assess the level of the maturity of the process on a five tier scale to facilitate management's assessment relevant to comparable organisations. The maturity of the process has been assessed as **Managed and Measurable**.

Management monitors and measures compliance with procedures and takes action where processes appear not to be working effectively. Processes are under constant improvement and provide good practice. Automation and tools are used in a limited or fragmented way.

Objective one – Evaluate efficiency and effectiveness of the process and framework;

As of April 2017 the responsibility for processing payments for individuals who were infected with Hepatitis C or HIV in a Scottish hospital prior to 1 September 1991 devolved from five UK wide charities to SIBSS. As part of the devolution, the Skipton Fund ("Skipton") which was the lead charity in the UK scheme, sent the information SIBSS required to manage the payments via email. As individuals had already been accepted through one of the charities, validation of individuals right to the payments was not tested when information was migrated. Once information was sent to SIBSS, the NSS Project Manager copied the information received into an Excel spreadsheet that matched the layout of the SIBSS database. Quality checks were carried out to ensure no errors occurred during the transfer and Community Health Index ("CHI") checking was carried out.

A unique SIBSS database was created by NSS to manage the recipients' data and run the BACS payment run submission file. This was internally created by IT specialists and is bespoke to cope with the needs of SIBSS. During a walkthrough with the Payment Manager we viewed the database and found that the information which we would expect to be included in the database; such as name; infection; past and future payments; and contact details. We performed a test to check if staff members outside of the SIBSS team could access the dedicated SIBSS sharing folder on the server and we found the access controls to be robust.

If new applications are received from people who were not previously part of the UK scheme the team give due consideration to the application, requesting further evidence from the individual until they are able to comfortably make a decision that it is more likely than not that the applicant was infected or impacted as a result of infected blood being given to them in Scotland prior to 1 September 1991. Whilst onsite the payment manager walked us through the new applications process and we concluded it to be robust, with appropriate challenge from the team. The team keeps appropriate documentation throughout the application through the use of a 'Record of Application' form. New applications are not frequent, with only four to five coming in each quarter.

If an application is rejected the individual can appeal the decision. The individual is invited to explain their case in front of the Peoples Panel which then make a decision based on the evidence already gathered. It will give the matter due consideration and make a decision based on whether it is more likely than not that the applicant was infected or impacted as a result of infected blood being given to them in Scotland prior to 1 September 1991. Adequate notes are taken throughout this process and sufficient evidence for the decision to be made is collated.

Staff procedure guide

During transition the Project Manager produced a staff procedure guide. We reviewed the guide and found it clearly outlines the process and framework of the SIBSS scheme. To verify that staff follow the guide and processes are robust, we tested a sample of 14 applications of seven different application types. Through this testing we found that processes are effectively followed and resulted in a robust payment calculation process. Through our conversations with the Associate Director and Project Manager we found that there is no plan to regularly update the latest guidance and processes, which creates a risk that staff members may follow procedures which are out of date and no longer relevant which could effect the accuracy of payments.

Public presence

A comprehensive, informative website is available which we reviewed in order to support our understanding of the initiation phase of an application and we found that the resources are sufficient to meet the needs of potential applicants. The team send quarterly newsletters to beneficiaries to keep them informed of changes within the scheme. This is an effective method of public communication and will help the team to show it is proactive and manage NSS' reputation.

Continued overleaf...

Section two

Summary of findings

Objective one – Evaluate efficiency and effectiveness of the process and framework (cont.);

Areas of good practice

- ✓ The application process is well documented on the 'Record of Application' form. Signatory evidence is clear and key considerations in the decision making process are documented and evidenced.
- ✓ There is good evidence of review and robust approval of applications with due consideration given to the balance of probabilities principle.
- ✓ Effective public communications means that NSS manages its external perceptions and responsibilities in a proactive and visible manner.

Areas of development

- The staff procedure guide is not subject to regular review to ensure it is updated with the latest guidance and processes.

Recommendation five

Objective two – Evaluate controls surrounding discretionary and non-discretionary payments;

Beneficiaries can apply to receive different types of payments dependent on infection type, the stage of their infection and their circumstances. Some of these payments are not means tested such as the living cost supplement of £1,000 per year, which means anyone can apply and receive the amount. However others are means tested, such as support and assistance grant applications, in which cases the SIBSS team will receive and duly consider the application prior to making a payment. We tested one grant application whilst on site, in which a beneficiary requested £4,500 for a family holiday. The team considered the average cost of a family holiday and sought advice from the Scottish Government and the beneficiary was given £800 towards the family holiday process. This application was well documented and evidence of the team's decision making process was substantial for evaluating discretionary payments.

Initial recipient setup

If a new application is received and approved in relation to an individual who was not previously part of the UK Scheme, a new 'supplier' is setup on an application called 'Zendesk'. SIBSS request bank details from the individual and copies of bank statements, this helps ensure SIBSS is not paying a fraudulent bank account. To ensure the details are correct the recipient is sent a written record of the details to review. During our walkthrough with the Payment Manager they "created" a new 'supplier' on Zendesk and we reviewed the authorisation process. We found that the Payment Manager and Associate Director have the ability to both set-up and authorise a new 'supplier'. Although the self authorisation option is not used in practice, it could lead to potential fraudulent practice.

Payment process

Beneficiaries who receive regular payments are paid on a monthly basis and, as there are limited new applications, the amount each month is relatively consistent. We reviewed the reconciliation performed to review month on month movements, and although in practice it is a robust process, it lacks the formality needed for an established control. The reconciliation preparer and reviewer discuss the monthly changes to ensure they are appropriate and in line with expectations however no formal evidence of this review is documented, therefore we could not assess whether the process had been carried out correctly each month. Due to the size and close proximity of the team, regular discussion takes place regarding beneficiaries who may have unique scenarios or abnormalities in their application, this helps with the efficiency of the payment run reconciliation.

Once the payment run is reviewed, it is sanitised to remove personal details of the recipients, demonstrating that the SIBSS team is conscious of data security. The sanitised payment run is sent to the Treasury department which use the details provided through Zendesk to make payments. The SIBSS Associate Director receive a remittance note from finance which is reviewed against the submission and if deemed correct, an email is sent to finance confirming the payments are correct and can be processed. The final check and authorisation carried out by the Associate Director demonstrates there is a robust process, ensuring beneficiaries are receiving the correct amount.

Areas of good practice

- ✓ BACS submission files are sanitised to remove personal details of the recipients.
- ✓ Regular discussions take place within the team, which helps to identify irregularities and to understand potential unique scenarios.

Areas of development

- Remove the ability to self authorise new recipients on Zendesk, which currently allows staff to set up bank details without effective segregation of duties.

Recommendation one

- Document monthly payment run reviews with authorisation in order to evidence that appropriate checks have been performed and approval has been obtained to submit the payment run file.

Recommendation three

Objective three – Evaluate extent and effectiveness of record keeping;

Initial transfer

We discussed the transition and setup processes from the previous administrators to SIBSS with the Project Manager. Prior to the devolution, Skipton sent consent forms to the beneficiaries asking them for permission to send information to the SIBSS team. We were unable to assess the completeness of the information that SIBSS have as the team does not have visibility over the detail regarding who was sent a consent form and who has not replied. SIBSS should contact Skipton to receive this information, otherwise it could result in individuals who are supposed to be on SIBSS not being appropriately identified. The lack of visibility results in an inefficient process as the SIBSS team must first check with the previous administrator when new applications are received to ensure the applicant had not applied previously.

When SIBSS received the initial information it did not validate individual applicability to the Scottish scheme as the judgment had already been made by the previous administrators.

To transfer data during transition the former scheme administrator was assigned an internal NSS email address. This process was discussed with an NSS Data Manager and considered against other available options and ultimately selected as the most appropriate under the circumstances. The data transferred to NSS was uploaded to the purpose built SIBSS system by the Project Manager and verified back to the source data by a Project Support Officer. The address details were known to be accurate, as consent forms were sent and received back from the listed address. Additionally, a check was performed on each recipient's CHI number to ensure they were not deceased and still registered at the same address. This did not capture individuals who have since emigrated, as CHI records only relate to UK residents, therefore due to the low volume of beneficiaries who reside abroad these individuals were investigated on a case by case basis. The CHI and address checks demonstrate that during transition accuracy was considered and controls put in place to ensure an effective transition of accurate data.

Record keeping

All recipients are assigned a unique identity number starting 'XSB' which is used in all filing cases. This number is automatically generated by the system once all necessary fields in the SIBSS database are completed. The inclusion of necessary fields in the purpose built database supports data security as information is held in an 'essential information only' basis.

We selected a sample of 14 applications which were reviewed to confirm that the procedure guide is followed correctly. We found that for individuals who had been transferred from the UK scheme and only receive monthly payments, SIBSS does not have physical documentation relating to them but only the information provided in the initial transfer. There is a risk that the SIBSS team is not able to fully evaluate each new case and should the beneficiary make an application for a discretionary payment in the future, then additional information which the individual has already provided to the UK Scheme may be required.

Areas of good practice

- ✓ The Project Manager held appropriate discussions with data consultants at the planning phase to establish an appropriate data transfer method.
- ✓ Any data held follows an 'essential information only' principle due to the purpose built database only containing fields deemed necessary by the SIBSS team.
- ✓ Data quality was assessed to the best extent possible through CHI checks and address confirmation.

Areas of development

- Obtain paper files from previous administrators for the applicants processed prior to NSS taking control of the scheme to ensure full documentation on the recipient is held and their full case can be better understood. Additionally, justification of any successful application should be held in case of any future inspection into the matter.

Recommendation two

- Efforts should be made to obtain details of the remaining recipients who have not yet transferred from the previous administrator to ensure full records are held and no individual can re-apply without already being on the system.


Recommendation four

Section three

Recommendations


This section summarises our recommendations. We have given each of our recommendations a risk rating (as explained below) and agreed with management what action will be taken.

Priority rating for recommendations raised			
Critical Priority: a major weakness in the system or process which is putting NSS at serious risk of not achieving strategic aims and objectives. In particular: major adverse impact on reputation; non-compliance with key statutory requirements; or substantially raising the likelihood that any of strategic risks will occur. Requires immediate attention	High Priority: a significant level weakness in the system or process which may put NSS at serious risk of not achieving strategic aims and objectives. In particular: significant adverse impact on reputation; non-compliance with key statutory requirements; or raising the likelihood that any of strategic risks will occur. Requires attention within three months.	Medium Priority: a medium level weakness in the system or process which could put NSS at risk of not achieving strategic aims and objectives. In particular, having the potential for adverse impact on NSS reputation or for raising the likelihood of your strategic risks occurring. Requires attention within three to six months.	Low Priority: recommendations which could improve the efficiency and/or effectiveness of the system or process but which are not vital to achieving strategic aims and objectives. These are generally issues of good practice that the auditors consider would achieve better outcomes. Requires attention within six to twelve months.

1	Risk	Recommendation	Management response, executive and deadline
	 MEDIUM	<p>FINDINGS</p> <p>SIBSS team members can set up new suppliers ("recipients") on Zendesk which is the interface system with Treasury. We found that they can self-authorise these new suppliers including creation of bank details. A BACS reconciliation control is in operation that helps to mitigate the risk, but it is also subject to recommendation points.</p> <p>RISK</p> <p>There is a risk of ineffective segregation of duties. A member of staff in the SIBSS team could set up a new recipient with their own bank details which could be fraudulent. This new recipient could be added to the payment schedule through SIBSS and potentially make it through to payment without any intervention.</p> <p>RECOMMENDATION</p> <p>Restrict users on Zendesk to either submit or approve new details, but never both. Ensure that the system is set up with clear segregation of duties, automated where possible.</p>	<p>RECOMMENDATION ACCEPTED</p> <p>MANAGEMENT ACTION</p> <p>Segregation of duties has been implemented and Finance colleagues will monitor approvals to ensure segregation is enacted. A software change is awaited to eFinancials that will enforce this automatically. Finance estimate this will be delivered in late January.</p> <p>RESPONSIBLE OFFICER</p> <p>Deputy Regional Financial Services Manager</p> <p>DATE</p> <p>1 November 2017</p>


Section three

Recommendations (continued)

2	Risk	Recommendation	Management response, executive and deadline
	 MEDIUM	<p>FINDINGS</p> <p>The former UK scheme administrators retained the physical files for each individual that was already on the scheme prior to transfer.</p> <p>RISK</p> <p>The initial decision to allocate an individual to the Scottish scheme (rather than England, Wales or Northern Ireland) is not visible to NSS and the SIBSS team. Relevant documentation is not held by SIBSS to support the applicant, and any relevant case considerations made during the application would not be known. This lack of information presents a risk to NSS in the event that any investigation or freedom of information query is submitted.</p> <p>RECOMMENDATION</p> <p>NSS should request that the former scheme administrator pass on any files they have on the recipients that have since transferred to SIBSS.</p>	<p>RECOMMENDATION ACCEPTED</p> <p>MANAGEMENT ACTION</p> <p>A number of requests have been made by NSS and by Scottish Government to the previous scheme administrators but to date these have not been accepted. SG has raised this through the Department of Health. This matter remains on the Agenda for the quarterly meetings with SG.</p> <p>RESPONSIBLE OFFICER</p> <p>Deputy Regional Financial Services Manager</p> <p>DATE</p> <p>1 November 2017</p>



Section three

Recommendations (continued)

3	Risk	Recommendation	Management response, executive and deadline
	 LOW	<p>FINDINGS</p> <p>A monthly reconciliation of the payment run to the BACS submission file is performed. The SIBSS Payment Manager prepares the reconciliation and highlights any differences from the prior month's submission. Payments are usually consistent each month and few changes are expected. All differences are discussed with the SIBSS Scheme Manager who approves the BACS run for submission to Treasury. The Payment Manager submits the BACS file and the Scheme Manager receives the confirmation which is reconciled to the original submission.</p> <p>No documentation of the reconciliation or resultant approval is made. The Excel file has entries for 'prepared by' and 'approved by' but these are the same every month and are not unique to the individuals.</p> <p>RISK</p> <p>There is a risk that incorrect or inappropriate payments are made through the BACS submission. Incorrect payments could lead to issues for the recipient and potentially bad press for NSS for making an error. Additionally, inappropriate inclusions on the BACS submission which are not identified could be fraudulent in nature.</p> <p>RECOMMENDATION</p> <p>Implement a more robust reconciliation review with evidence of review and approval. This could be by printing and signing the submission, or even by emailing the submission to the Scheme Manager and having an approval by email before it is submitted.</p>	<p>RECOMMENDATION ACCEPTED</p> <p>MANAGEMENT ACTION</p> <p>Completed. New process in place incorporating a summary sheet of authorised payments which is returned to Scheme manager on completion for verification.</p> <p>RESPONSIBLE OFFICER</p> <p>Deputy Regional Financial Services Manager</p> <p>DATE</p> <p>13 November 2017</p>

Section three

Recommendations (continued)

4 Risk		Management response, executive and deadline
 LOW	FINDINGS <p>The former UK scheme administrator, as part of the transition process, sent out authorisation letters to every individual it believed to be impacted by the change. This list was not visible to NSS. A breakdown of the number of recipients to the scheme was shared with NSS, but without authorisation letters being returned, the old scheme administrator has not shared any further details with the SIBSS team.</p>	RECOMMENDATION ACCEPTED MANAGEMENT ACTION <p>Contact is maintained with the outgoing administrators in addition to the new English scheme Administrators. However SIBSS has no power to mandate the release of data held by the previous administrators. This matter remains on agenda for quarterly meetings with SG</p>
	RISK <p>Some recipients which belong on the Scottish scheme may not be known to NSS as it has not had details passed on from the UK administrator. This means that there may be potential recipients which are unknown to NSS and potentially beneficiaries or applicants could make duplicate applications.</p>	
	RECOMMENDATION <p>An action plan should be agreed with the incoming government agencies and outgoing scheme administrator to ensure relevant data is not lost.</p>	RESPONSIBLE OFFICER <p>Deputy Regional Financial Services Manager</p>
		DATE <p>1 November 2017</p>
5 Risk		Management response, executive and deadline
 LOW	FINDINGS <p>There is not a plan for updating the Staff Procedure Guide created by the project manager during the set up of the Scheme.</p>	RECOMMENDATION ACCEPTED MANAGEMENT ACTION <p>Completed</p>
	RISK <p>As the process for receiving and processing applications is in its infancy, there is likely to be a number of changes in the process to increase efficiency and include changes in policy. There is a risk that the Staff Procedure Guide will not be updated regularly to incorporate the changes in processes and therefore, employees may carry out an incorrect process.</p>	
	RECOMMENDATION <p>The procedure document should be handed over and managed by the Quality Management Team, and the SIBSS team should ensure it is informed of any appropriate updates in good time.</p>	RESPONSIBLE OFFICER <p>Deputy Regional Financial Services Manager</p>
		DATE <p>1 November 2017</p>

Objective, scope and work performed

In accordance with the 2016-17 internal audit plan as approved by the Audit and Risk Committee, we will perform an internal audit in respect of the infected blood scheme payment process.

Objective

This will be an internal audit focusing on the organisation's payment process that relates to the high profile infected blood support scheme in Scotland providing support to people who were historically infected with Hepatitis C and/or HIV following treatment with NHS blood, blood products or tissue.

Scope

NSS will take responsibility for the payment process relating to the infected blood support scheme for patients transferred from the UK scheme or for new applicants resident in Scotland.

The key focus is to verify that the scheme is implemented effectively and efficiently, due to its high public profile and associated reputational risk. Key areas of this review will consider:

- Efficiency and effectiveness of process and framework;
- Evaluation of the controls surrounding discretionary and non-discretionary payments; and
- Extent and effectiveness of record keeping.

Approach

We will adopt the following approach in this review.

- Project planning and scoping with management;
- Conducting interviews with staff to gain an understanding of the current and future contract, stakeholder and project management.
- Undertake testing to assess the efficiency and operating effectiveness of key controls.
- Compare against best practice in the public and commercial sectors.
- Agreeing findings and recommendations with management.

Appendix two

Staff involvement and documents reviewed

We undertook discussions in September 2017 with the following key stakeholders;

Stakeholder	Job Title
Sally Richards	Deputy Regional Financial Services Manager, Practitioner Counter Fraud Services
Carol O'Connor	Payment Manager
Steven Fenton	Project Manager, Programme Management Services

We reviewed the following documents:

- Scottish Infected Blood Support Scheme Staff Procedure Guide
- Assessment of Chronic Hepatitis C Infection Applications (Formerly known as Stage 1 of the Skipton Fund)
- Chronic Hepatitis C (Stage 1) Widows, Widowers, and Civil Partners – Cause of Death Assessment Guidance
- Assessor's Guidance – Support and Assistance Grant Applications
- Individual beneficiary files
- Scottish Infected Blood Support Scheme – Guidance on Appeals



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