



Risk, Audit and Performance Committee

Date of Meeting	3 December 2024
Report Title	Internal Audit Report – Social Care Financial Assessments
Report Number	HSCP.24.106
Lead Officer	Jamie Dale Chief Internal Auditor
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Consultation Checklist Completed	Yes
Directions Required	No
Exempt	No
Appendices	No
Terms of Reference	2. Review and approve the annual audit plans (internal and external) on behalf of the IJB, receiving reports, overseeing and reviewing actions taken on audit recommendations and escalating to the IJB as appropriate.

1. Purpose of the Report

- 1.1. The purpose of this report is to present the outcome from the planned audit of Social Care Financial Assessments Services that was included in the Internal Audit Plan.

2. Recommendations

- 2.1. It is recommended that the Committee:

a) Review, discuss and comment on the issues raised in the report.

3. Strategic Plan Context

- 3.1. Internal Audit's role is to provide assurance regarding the adequacy and effectiveness of the Integration Joint Board's framework of governance, risk



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management and control. Each of these areas helps ensure that the JB can deliver on all strategic priorities as identified in its strategic plan.

4. Summary of Key Information

Assurance Assessment

- 4.1. The level of net risk is assessed as **MAJOR**, with the control framework deemed to provide **LIMITED** assurance over the Council's arrangements for completing social care financial assessments.
- 4.2. The Non-Residential Charging Policy: "Contributing to your care", was agreed by the Council (City Growth and Resources Committee) on 6 June 2019, updating a previously approved policy from 2015 which had not been implemented pending health and social care integration. The 2019 Policy, which was to be implemented from 1 July 2019, is published on the Health and Social Care Partnership's website, and sets out defined methods of calculating required contributions to the cost of service users' care. However, this Policy has not been implemented in practice. The Service has referenced the impact of COVID-19 (March 2020 onwards) and implementing a new Care Management System (October 2022), and bases current practice on Policy originally determined in 2011, amended for changes in costs and benefits. The Service commenced a review of charging policy implementation in November 2023 with a view to implementing further agreed charges, developing training and practice to support its application, and to update the Policy again to reflect current requirements. It is intended to report to the Finance and Resources Committee in August 2024 with a proposed new Non-Residential Charging Policy. In the interim, and since July 2019, service users continue to be charged based on historic practices rather than published policy. There is a risk this will have an unintended impact on Service and service user finances, presenting a risk to service delivery and the Health and Social Care Partnership's reputation.
- 4.3. The implementation of a new Care Management System in October 2022 was a major shift in working practices and development of the system functionality has continued since then, with further development planned. Whilst there are generic practical procedures, and controls built in to the system, there are only limited notes on local application, reducing assurance over the application of internal controls throughout the process. The small size of the financial assessment team presents risk to consistent application of working practices in the event of changes. Procedures and training for Social Care practitioners supporting service users in the



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completion of application forms are still under development, presenting a risk of inconsistent application.

- 4.4. As part of its budget approved in March 2024, the Integration Joint Board agreed a saving of £1.5 million related to clearing a backlog of financial assessments. Additional staff resource has been identified to address this. At the time of the audit, data indicated there were 996 overdue assessments. Whilst this is being tracked, further data was not available to assist in prioritising this workload. The Service has noted this has increased to 1237, including 248 non-residential and 989 residential assessments.
- 4.5. Although calculations are largely carried out by the System itself, reducing the risk of manual error, this is wholly reliant on the accuracy of the data input. Variations between application form data and system records indicate there are further calculations and adjustments being completed prior to data entry. These further calculations, and the sources of further information, are not being retained along with other supporting documentation on the system. Adjustments are being made regularly to change the values recorded on the system, to effect a desired outcome (e.g. to apply anticipated changes to allowances or capital values in advance, to avoid having to re-perform another assessment in the short term.) Whilst in individual instances the impact would have been minimal, it means a different threshold is being applied to that required, and accurate data is not being recorded. If this is occurring regularly, the financial impact may be more material, and it impacts on transparency and equitable treatment. Given that the Charging Policy being applied does not match what has been published it is unlikely that service users or their representatives will be able to independently confirm the accuracy of what they are being charged.
- 4.6. Recommendations have been made to implement and consistently apply the agreed Charging Policy, seeking formal approval for any changes; to develop and implement written procedures clarifying the key controls to be applied; to set priorities for addressing overdue assessments; and to ensure all supporting evidence is reviewed and retained

Severe of major issues / risks

- 4.7. Issues and risks identified are categorised according to their impact on the Council. The following are summaries of higher rated issues / risks that have been identified as part of this review:



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Ref	Severe or Major Issues / Risks	Risk Agreed	Risk Rating
1.1	<p>Charging Policy – The latest version of the Non-Residential Charging Policy: “Contributing to your care”, was agreed by the Council (City Growth and Resources Committee) on 6 June 2019, updating a previously approved policy from 2015 which had not been implemented pending health and social care integration. The 2019 Policy is published on the Health and Social Care Partnership’s website, and sets out defined methods of calculating required contributions to the cost of service users’ care. It was agreed it would be implemented from 1 July 2019. However, this Policy has not been implemented in practice. The Service has referenced the impact of COVID-19 (March 2020 onwards) and implementing a new Care Management System (October 2022), and bases current practice on Policy originally determined in 2011 , amended for changes in costs and benefits.</p> <p>The Service commenced a review of charging policy implementation in November 2023 with a view to implementing further agreed charges, developing training and practice to support its application, and to update the Policy again to reflect current requirements. It is intended to report to the Finance and Resources Committee in August 2024 with a proposed new Non-Residential Charging Policy. In the interim, and since July 2019, service users continue to be charged on a different basis from agreed and published policy. There is a risk this will have a detrimental impact on Service and service user finances, presenting a risk to service delivery and the Health and Social Care Partnership’s reputation.</p>	Yes	Major
1.2	<p>Written Procedures – Following implementation of a new Care Management System in October 2022, procedures and their application are still under development. Processes are reliant on existing staff knowledge of how the process should operate and from where information should be obtained: there are no formal written procedures. With the exception of generic procedures and controls built in to the system, this provides limited assurance over the consistent application of internal controls throughout the process.</p> <p>Service users are supported by their Social Care Practitioner to complete financial assessment application forms. The Practitioner is also involved in confirming the accuracy of the content. Written procedures and training to provide this support are still under development, reducing assurance that responsibilities are clearly understood, and that the process is being applied consistently.</p>	Yes	Major
1.4	<p>Supporting Records – Calculations are largely carried out by the System itself, reducing the risk of manual error. However, it is evident there are further calculations and adjustments being completed prior to data entry. These further calculations, the sources of further information, assumptions and reviews to confirm values included in applications are accurate and reasonable, are either not</p>	Yes	Major



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	<p>being completed, or are not being retained along with other supporting documentation on the system. This, in addition to resource availability within the Service, led to delays in obtaining responses and explanations for audit enquiries.</p> <p>Adjustments are being made regularly to change the values recorded on the system, to effect a desired outcome (e.g. to apply anticipated changes to allowances or capital values in advance, to avoid having to re-perform another assessment in the short term.) Whilst in individual instances the impact would have been minimal, it means a different threshold is being applied to that required, and accurate data is not being recorded. If this is occurring regularly, the financial impact may be more material, and it impacts on transparency and equitable treatment.</p> <p>Given that the charging policy being applied does not match what has been published it is unlikely that service users or their representatives will be able to independently confirm the accuracy of what they are being charged. It is therefore essential there are sufficient checks, controls, supporting records and explanations on file to provide assurance to service users and management that the basis of charges is appropriate.</p>		

Management Response

- 4.8.** This report draws attention to the challenges and weaknesses that exist in the consistency and transparency of our processes for financially assessing the ability of service users to pay for adult social care services. A number of the recommendations were already being progressed, including preparation for the revision of the non-residential charging policy, which will be presented to the Finance & Resources Committee in August 2024. The recommendations also offer the opportunity for the Health & Social Care Partnership and Council to improve working practices, procedures and processes as well as consider the organisational structure and whether this is supporting the best outcomes for service users and the organisation.
- 4.9.** The recommendations are agreed as being necessary and the Health & Social Care Partnership and Council will actively pursue the actions required to make the improvements needed.

5. Implications for IJB

- 5.1.** Equalities, Fairer Scotland and Health Inequality – An equality impact assessment is not required because the reason for this report is for the



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RAPC to discuss, review and comment on the contents of and Internal Audit Report and there will be no differential impact, as a result of this report, on people with protected characteristics.

- 5.2. Financial – There are no direct implications arising from this report.
- 5.3. Workforce – There are no direct implications arising from this report.
- 5.4. Legal – There are no direct implications arising from this report.
- 5.5. Unpaid Carers – There are no direct implications arising from this report.
- 5.6. Information Governance – There are no direct implications arising from this report.
- 5.7. Environmental Impacts – There are no direct impacts arising from this report.
- 5.8. Sustainability – There are no direct impacts arising from this report.
- 5.9. Other – there are no other impacts arising from this report.

6. Management of Risk

- 6.1. **Identified risks(s):** The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are as detailed in the resultant report.
- 6.2. **Link to risks on strategic risk register:** The Internal Audit Plan, and this output report, is developed following consideration of the Aberdeen City Health and Social care Partnership Risk Register and through consultation with management.
- 6.3. **How might the content of this report impact or mitigate these risks:** Where risks are identified during the Internal Audit process, recommendations are made to management in order to mitigate these risks.