



Internal Audit Report

Self-Directed Support

Issued to:

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EXECUTIVE SUMMARY

Under the Social Care (Self-Directed Support) Scotland Act 2013, Self-Directed Support (SDS) options must be offered to all Social Work service users. The provisions of the Act came into force on 1 April 2014, placing a duty on local authorities to provide people with four options in respect of how their support is designed and delivered. These options include Direct Payment of funds to service users to purchase their own care, service user direction over the use of funds held by a third party, Council selection of and payment for services, or a mix of all three.

In 2014/15 just over £3.7 million of Direct Payments were made to service users in Aberdeen City; allowing them to purchase their own care. As at February 2016 the Service identified 331 service users managing or directing their own support funds.

The objective of this audit was to ensure that adequate control is exercised over SDS and Direct Payments made in advance to service users. At the time of the audit, a number of processes were still in development as the Service continues to progress with implementation of new SDS arrangements.

Improvements to procedures have been recommended and actions agreed by the Service in respect of retaining evidence of the SDS options offered, scanning paperwork, and ensuring the consistency and accuracy of system records. New forms, checks and automation of processes through CareFirst are being introduced.

Some delays were identified in following up financial monitoring returns to ensure that funds are being used to meet service users' agreed care needs. The Service will implement changes to the process to highlight and escalate potential problems more quickly. Additional guidance has also been developed to clarify the types of expenditure which are appropriate, and the Service intends that Practitioners and Finance colleagues will work together more closely in future to monitor use of funds and delivery of care within the agreed financial package.

1. INTRODUCTION

- 1.1 In November 2010 the Scottish Government set out a 10 year strategy for Self-Directed Support. Under the Social Care (Self-Directed Support) Scotland Act 2013, Self-Directed Support options must be offered to all eligible Social Work service users. The provisions of the Act came into force on 1 April 2014, placing a duty on local authorities to provide people with four options in respect of how their support is designed and delivered.
- 1.2 The four options are:
- Option 1 – Direct Payment (a cash payment) where the service user chooses how the budget is used and the service user manages the money.
 - Option 2 – The service user directs how the budget is used, but the money is managed by someone else.
 - Option 3 – The service user asks the council to choose and arrange services for them.
 - Option 4 – A mix of the above.
- 1.3 Self-Directed Support extends and replaces an existing system which included 'Direct Payments' offered by Practitioners to selected service users to utilise within specified limits and criteria. Under the 2013 Act eligible service users have more direct influence over the selection of the appropriate option and arrangement of elements to meet their agreed care needs. The Social Worker will still hold responsibility for ensuring that the decisions and choices made by the individual achieve their assessed outcomes and personal budgets are being spent according to need.
- 1.4 In 2014/15 approximately £3.7 million of Direct Payments were made to service users in Aberdeen City; allowing them to purchase their own care. As at February 2016 the Service identified that 326 service users are in receipt of Option 1 payments and a further 5 are receiving Option 2.
- 1.5 The objective of this audit was to ensure that adequate control is exercised over Self-Directed Support Payments made in advance to service users. This involved reviewing written procedures and analysing a sample of Self-Directed Support records selected from Service and Finance systems.
- 1.6 Although the Service has provided summary and detailed information and explanations on request, the scope of the audit has been restricted to a degree as the auditor was not granted access to CareFirst or the full detail of Support Plans and other records, due to concerns within the Service over compliance with data protection legislation. Whilst partial assurance has been obtained from the data and redacted documentation provided, there is a risk that omitted or redacted records could have contained information to confirm, add, or contradict findings raised within this report. The Service has stated that information redacted was third party and personal information relating to service users families only, however Internal Audit cannot verify this without access to the original documentation.
- 1.7 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Alex Stephen, Chief Finance Officer, Aberdeen City Health and Social Care Partnership; Gaynor Clarke, SDS Project Manager, and Carol Ann Smith, Accounting Manager.

2. FINDINGS AND RECOMMENDATIONS

2.1 Implementation of Self Directed Support

2.1.1 Under the Social Care (Self-Directed Support) Scotland Act the Council has a duty to offer the four Options detailed in paragraph 1.2, above. Although the Service has provided a timetable for 2015-2016 review and implementation, and has developed procedures, guidelines, leaflets and forms, these are still in the process of being rolled out.

2.1.2 In the last audit report relating to this area in June 2014 the Service stated that Full Council would be provided with a briefing on progress in July 2014. However, no matching Council or Committee reports were identified. If the plans are not published there is an increased risk of project slippage not being identified and addressed timeously.

Recommendation

The Service should ensure the appropriate Committees are provided with updates on progress with implementing the timetable for Self Directed Support.

Service Response / Action

Agreed. Six monthly committee updates will be provided to the IJB and Education Culture and Sport.

Implementation Date

October 2016

Responsible Officer

SDS Project Manager

Grading

Significant within audited area

2.1.3 The Service is currently unable to demonstrate that the 331 service users identified in CareFirst as in receipt of Option 1 and 2 have been offered each of the four Options.

2.1.4 A number of the arrangements included within that number and reviewed as part of this audit remain governed by former 'Direct Payments' agreements which have not yet been reviewed in line with current SDS Legislation. The four options being offered cannot be evidenced: therefore it cannot be demonstrated that they comply with the 2013 SDS legislation until a review has taken place and the Four Options have been offered.

2.1.5 Current procedures also suggest that other service users: for example in Substance Misuse or Mental Health may not be offered all of the options. However, this is not an exception included within the Act. The Service has stated that no blanket policy is in place, and individual risk assessments are carried out in line with statutory guidance.

Recommendation

The Service should ensure it can demonstrate that appropriate options have been offered to all eligible service users.

Service Response / Action

Agreed. The Board will be asked to consider a timeline to ensure all reviews are completed and all four options are offered where it is appropriate. New paperwork, applications, and six week reviews will begin to capture this data for supported people. Workshops to support implementation will commence in August 2016. Where it is not deemed appropriate to offer all options to a supported person this will be evidenced in their assessment, support plan and/or risk assessment and management plan.

Implementation Date

January 2017

Responsible Officer

Interim Head of Strategy and Transformation;
SDS Project Manager

Grading

Significant within audited area

2.2 Written Procedures

- 2.2.1 Written procedures are essential in any system, in order that staff take a consistent approach towards administration. Where they are robust they promote good internal control and if reviewed regularly and approved by management they ensure that staff are aware of management's expectations of how tasks should be performed.
- 2.2.2 There are procedures and guidance provided by the Service for Self-Directed Support which cover most eventualities, and are under review in 2016. These documents have been reviewed, and a sample of documentation relating to service users currently in receipt of Direct Payments (which included cases set up prior to implementation of new procedures under the 2013 Act) was reviewed in line with the procedures in place at the point each had been set up or last reviewed. Some variations from documented practice were identified during the course of the audit as discussed in the following sections of this report.
- 2.2.3 Finance's Direct Payments procedure states that processed documents are archived in either Whitemyres or Marischal College. The procedure does not reflect the process from January 2015 in which records are scanned onto a shared drive. This could result in this part of the process being missed if not included. In addition the Service has stated that Direct Payments documentation is not stored at Whitemyres.

Recommendation

Finance should update its Direct Payments procedure to reflect the current scanning and storage processes.

Service Response / Action

Agreed. Finance procedures will be updated to reflect the process for scanning all monitoring paperwork.

Implementation Date

October 2016

Responsible Officer

Finance Support Officer

Grading

Important within audited area

- 2.2.4 It was identified that documents relating to 12 of the 20 service users selected had not been fully scanned onto the shared drive. The majority of documents are double-sided, yet many had only been scanned on one side. Other documents including: Setup checklists, Application Forms, Alteration Forms, Startup and Variation Letters, Letters of Agreement, and Creditors data forms, were missing or had been corrupted and could not be opened.
- 2.2.5 Finance was also unable to produce some service user award letters issued between 2011 and January 2015 as they were lost during the transition between paper and scanned records.
- 2.2.6 Finance verified that data was missing, and advised that it could take some time to obtain all of it from archives. Whilst in most cases there was sufficient evidence to demonstrate existence of the relevant forms and signatures, and therefore Internal Audit did not request sight of the original documents, the missing pages are important to the Service and should be recovered if possible. Without these there is an increased risk of relevant information being missed from the audit trail of records. This could impact on accuracy when reviewing audit returns (see below), or risk delays whilst awaiting the information being retrieved from archives. Given that the majority of records pertaining to this small sample are incomplete, it is likely that further records are affected. It is important that the total number affected is identified and corrected.

Recommendation

Finance should ensure that all relevant documents are scanned onto the shared drive correctly, including review of existing scanned documents to ensure they are complete.

Service Response / Action

Agreed. A review of existing scanned documents will take place.

Implementation Date

October 2016

Responsible Officer

Finance Support Officer

Grading

Significant within audited area

- 2.2.7 Two procedures were provided by Finance in which the process for auditing service users' direct payments income and expenditure records are described. Neither exactly matches current practice in respect of following up overdue returns:
- 2.2.8 The Finance Direct Payments Procedures (v3 2015-16) document states that where returns are 'late' (undefined) a letter should be sent allowing 2 weeks to return the required paperwork. If there is no response within this time, a further letter will be sent allowing another 2 weeks. At this point the Care Manager should be contacted and advised that the final step will allow a further 8 weeks to return the audit or payments could be suspended. (Total of 12 weeks.)
- 2.2.9 The Aberdeen City Health & Social Care Partnership Non Return of Direct Payment Paperwork Escalation procedure states that on discovery of a failure to return the required information (within an undefined period), a reminder letter will be sent asking that they return the paperwork within 30 days. If nothing is received another reminder is sent allowing another 30 days, and the Practitioner will be contacted. This is then escalated to Social Work Management if not resolved within the 30 days. (Total of 8-9 weeks.)
- 2.2.10 Documenting the process in more than one place could result in confusion over the correct practice, leading to discrepancies in its application. Reviews may not take place timeously. Irrespective of these procedures Finance advised that reminder letters are sent allowing 30 days, 14 days and then a further 30 days. (Total of 10-11 weeks.)
- 2.2.11 Whichever process is applied it is likely that at least two, and probably three further payments will have been made to service users without having obtained assurance that the funds are being spent appropriately, before the Service will consider suspending payments. It may provide more incentive to service users to submit returns if payments are suspended, after an appropriate period and following reminders, pending receipt of evidence. This would need to be publicised and included within the signed agreements between the Service and service users.
- 2.2.12 The Non Return of Direct Payment Paperwork Escalation procedure also states that Finance will record observations regarding the non-return of the audits in the service users CareFirst record. The Service has noted that this should state 'Finance will record activities on CareFirst' to this effect, however this facility is not currently available to Finance, which maintains a spreadsheet of events instead. The ability to record an activity would assist Finance in maintaining consistent records, and these would be accessible to the Service.
- 2.2.13 In the previous Internal Audit report on this area, reported to Audit, Risk and Scrutiny Committee in September 2014, the Service agreed to: *"Continue to work with the CareFirst system provider, to eliminate restrictions on flexibility and enable SDS. In particular, to develop a facility for proportionate financial monitoring requirements to be input on an individual basis."* The Service agreed to implement this action by December 2014,

however it does not appear to have developed a proportionate risk based monitoring process to date.

- 2.2.14 It should be possible to set up records of financial monitoring as activities in CareFirst, which could be flagged for completion at specific points and updated or closed as the monitoring takes place. This could improve consistency of approach, and adherence to the review procedure. The period between review dates could also be adjusted based on a risk assessment of the service user's ability to manage the funds, as demonstrated by evidence obtained through previous reviews. A proportionate approach could reduce the administrative burden for staff administering the review process, and service users.

Recommendation

The Service should reduce the number of days allowed for late returns before suspending payments.

The Service should ensure all users are aware of and are consistently following the correct Direct Payments monitoring and escalation procedures.

The Service should review whether the audit return process can be managed through CareFirst, then ensure all relevant parties have appropriate access to do so.

The Service should consider whether the financial monitoring process can be made more proportionate to the level of risk involved in each instance.

Service Response / Action

Agreed.

A new 24 Day escalation process has been developed to supersede the current process. This will ensure limited payments are made where non return is evident.

New audit letters and the escalation process (using activities) will be developed on CareFirst. Letters and e-mails will be sent to supported people as part of the new process, all letters will sit in CareFirst.

Upskilling and engagement with practitioners and supported people is required to ensure they are all familiar with the new process. The 'My life' portal will be updated and an individual communication with each supported person in receipt of a DP will be completed.

Escalation data will be pulled from CareFirst and presented to the SDS Board by Finance on a monthly basis.

A timeline will be developed for the introduction of proportionate monitoring. Supported people who are recognised as requiring support at assessment will provide monthly monitoring statements. This will be reduced where audits are satisfactory. Where they are not, consideration will be given as to whether extra support is required i.e. payroll, i-connect or op2 is more suitable. Payroll support will be offered to all in the first instance. All supported people in receipt of a personal budget may be asked for paperwork at any given time as an aspect of quality assurance.

Implementation Date

March 2017

Responsible Officer

SDS Project Manager;
CareFirst Team Manager;
Finance Support Officer

Grading

Significant within audited
area

2.3 Self-Directed Support / Direct Payments

- 2.3.1 At the point of first contact with the Service, or during the course of a care review, Social Work Practitioners will assess the needs of each service user, and develop a support plan identifying how those needs can be met. This may or may not include paid support packages.
- 2.3.2 Reports were obtained from CareFirst and Finance showing payments made to service users. From these, 20 cases were randomly selected: 17 Direct Payments / 'Option 1' and 3 'Option 2' cases.
- 2.3.3 In order to set up a Direct Payment certain paperwork must be prepared and authorised, including a Direct Payment Application Form, a Service User Plan, and a Letter of Agreement. Forms should be being signed in all cases giving a clear audit trail of events and substantiating that the package has been authorised for payment. However, in 4 cases the Service had not signed these forms, but Finance had processed them on CareFirst. If forms are accepted without signatures, there is a risk of unauthorised payments being made.
- 2.3.4 The Service has stated that final authorisation, before a service agreement is commenced and any payments made, is always via CareFirst: therefore signed forms are effectively redundant. The system however has no facility to enforce limits on delegated authority e.g. limits by value or package type. It also cannot enforce segregation of duties. Whilst directive management controls are in place, and Practitioners are not supposed to enter Direct Payment agreements themselves, the system itself does not prevent officers with approval rights from authorising service packages they have set up themselves. This presents an increased risk of fraud or error. Where the correct process is followed, and Finance input service packages which are subsequently approved by an authorised signatory, this risk is mitigated against.
- 2.3.5 If the Service does not intend to apply alternative preventative controls e.g. signed forms entered by independent officers, then it should ensure sufficient controls are in place to identify any instances where segregation of duties has not been applied or authorisation limits exceeded so that these can be reviewed at an appropriate level.

Recommendation

The Service should ensure processes are in place to demonstrate that appropriate segregation of duties and delegated authority levels have been applied to all new or revised care packages.

Service Response / Action

The Service considers that sufficient checks and processes are already in place. It is established practice that Social Workers and other Practitioners have a delegated authorisation level up to which they may create and approve service agreements. There are six weekly professional supervision meetings, and quality assessment checks of 10% of case files are completed by line management.

Audit Comment

Service position noted. In the absence of segregation of duties there remains a risk of fraud or error, however this is partly mitigated by the review activities described. The Service has accepted the risk.

Grading

Significant within audited area

- 2.3.6 In 9 cases, Direct Payment Application forms were incomplete or had insufficient information to describe the planned support for the service user. A new version of the form has been introduced, which more clearly documents the required content, however in the majority of cases reviewed this was not yet in place. Introducing the new form to cover all service users would improve the audit trail and demonstrate that all service users were aware of and had signed up to the current terms and conditions as discussed at 2.1.4 above. This could be progressed at each Service User's next review point.

Recommendation

The Service should complete new style application forms for all service users following a change or review.

Service Response / Action

Agreed. Actions as noted above at 2.1.5 will address this point.

Implementation Date

October 2016

Responsible Officer

SDS Project Manager

Grading

Important within audited area

- 2.3.7 Elements of support provided or paid for are set up in CareFirst as 'Service Agreements'. These are given a monetary value and a start date in each instance. There are also fields for notes in which a description of the service being paid for can be recorded.
- 2.3.8 In 11 instances the Service Agreement notes were either left blank or were not sufficient to describe the service being paid for. Although in most cases the monetary values imply a certain type of service, this is insufficient for more complex examples. A user would have to access other records to determine whether or not the current Service Agreement was correctly calculated and matched care being provided. As this is not regularly checked, there is a risk of incorrect payments not being identified.
- 2.3.9 In one case the calculations on a Direct Payments Alteration form had not been correctly recorded. On further review Finance agreed that the total on the alteration form had been miscalculated, however Finance does not regularly check or query calculations – a Service Agreement is set up on CareFirst for payment based on the total as declared by the practitioner on the form. Without calculations being checked there is an increased risk of incorrect payments.
- 2.3.10 In another case a service user was paid a one off payment in January 2015 covering school holidays for 2015. This was reflected in the Service Agreement, however evidence showed that the service user left school in July 2015, resulting in an overpayment of £1,776. The Service has stated that this will be recovered from the audited account, however this could have been avoided by ensuring that separate Service Agreements were set up for discrete packages of care covering specific time periods, rather than a lump sum.

Recommendation

The Service should ensure calculations and service agreements are completed and entered correctly and consistently.

Service Response / Action

Agreed. There is a need for consistency in recording, although it should be noted that the notes field is limited to 250 characters. A consistent method of recording information and better understanding of the process and system will lead to better quality data and reduce the risk of error. New Direct Payment forms, and changes to forms on CareFirst, have made the requirements clearer. Finance role is to input data as provided by the

Service, however further information or clarification will be sought from practitioners where appropriate.

Implementation Date

Implemented

Responsible Officer

CareFirst Team Manager;
Finance Support Officer

Grading

Important within audited
area

- 2.3.11 In one instance (out of the 17 agreements reviewed as referenced at 2.3.2) the audit letter sent to the service user had the wrong year noted for the return. In another, a service user's award letter had the wrong total amount noted, albeit the correct amount was paid. These documents are prepared and sent by Finance. If the information sent to service users is incorrect there is a risk of misunderstanding which may cause difficulties if the Service needs to change services provided or recover funds in the future.

Recommendation

The Service should ensure information for service users is reviewed for accuracy before it is sent.

Service Response / Action

Agreed. New forms have been developed on CareFirst to automate the process, reducing the scope for error.

Implementation Date

Implemented

Responsible Officer

CareFirst Team Manager

Grading

Important within audited
area

- 2.3.12 In 5 instances, Finance's payments spreadsheets had not been updated with the Creditors Number, which is obtained from another team within Finance. In another case the weekly amount on the service user's paperwork did not match the spreadsheet, as the wrong formula had been added to the spreadsheet.

- 2.3.13 The spreadsheets are not used directly for processing payments to service users, as this is completed via CareFirst, however it is used to confirm that payments are correct before they are made. If the data is incorrect or incomplete, and has not been updated, there is a risk that these checks are not being completed effectively and incorrect payments may result.

Recommendation

Finance should ensure that the payments spreadsheets are complete and correct.

Payments should not be made until discrepancies or omissions have been corrected.

Service Response / Action

Creditor numbers on the spreadsheet are for information only and are not a key control in the payment process. Spreadsheets are not the primary control to compare CareFirst records with payment runs: checks are in place prior to this stage within CareFirst. Spreadsheets are however still used as an additional check.

Implementation Date

Implemented

Responsible Officer

Finance Support Officer

Grading

Significant within audited
area

- 2.3.14 In each of the 3 'Option 2' cases reviewed, the Council is managing a small amount of funds on behalf of the service user. Cash is withdrawn following submission of a payment request form, and is held by the Social Worker. Funds are then made available to the service user as and when required to pay for agreed items and activities.

- 2.3.15 The Option 2 cash payment request form in place at the time of the audit has nowhere to record a signature authorising the payment. The Service advised that authorisation via CareFirst, or other electronic approval is currently being considered. Without some form of authorisation control in place there is a risk of unauthorised or inappropriate payments being made. There are however few payments currently being made in this way.

Recommendation

The Service should ensure an authorisation process is put in place for cash payments.

Service Response / Action

Agreed. The most recent form has authorisation by service manager written into the process.

Implementation Date

Implemented

Responsible Officer

SDS Project Manager

Grading

Significant within audited area

2.4 Service User Contributions

- 2.4.1 Where chargeable elements of paid support are made available, service users may be asked to contribute towards a proportion of the cost of their care. A Financial Assessment will be offered, to determine the maximum amount of available income after allowances and disregards have been applied. If a service user has capital in excess of specified thresholds, or does not want to provide information to complete an Assessment, a maximum charge level applies.
- 2.4.2 Although a review of the charging policy, and the key elements which were planned to be changed, were agreed by the Education and Children's Services Committee in June 2015, the 'Contributing to Your Care and Support Policy' has not yet been implemented.

Recommendation

The Service should finalise and implement the Contributing to Your Care and Support Policy and guidance.

Service Response / Action

Agreed. The relevant committee report was approved, but has not been developed into a policy/guidance document. This will be completed and implemented.

Implementation Date

March 2017

Responsible Officer

Interim Head of Strategy and Transformation

Grading

Significant within audited area

- 2.4.3 The Financial Assessments part of the process could not be tested as staff were absent due to illness. Finance stated that this work was not being done while the staff are absent, and records were not accessible through other means. In one instance, it was identified that a service user had not received a new Financial Assessment since 2012. If Financial Assessments are not processed timeously, service users may be incorrectly charged. This could have financial and reputational impacts for the Council.

Recommendation

Finance should ensure Financial Assessments are carried out annually for all service users and that sufficient staff have been trained and have access to complete Financial Assessment work timeously in the event of absences.

Service Response / Action

Agreed. This activity was transferred to the Finance team shortly before the audit commenced, and Residential care assessments had been prioritised. Cover is now in place, and CareFirst reports have been set up to highlight upcoming reviews and assist in scheduling.

Implementation Date

Implemented

Responsible Officer

Finance Support Officer

Grading

Significant within audited area

2.5 Monitoring and Review

- 2.5.1 Service users in receipt of a direct payment are required to provide audit monitoring returns at least every 6 months to demonstrate that funds provided have been spent appropriately.
- 2.5.2 In 16 of the 20 cases selected for review, the most recently due audit returns were not recorded as received. Whilst Finance had records of overdue returns, this was not updated to record returns received but not yet processed. As at 22 January 2016 Finance records indicated that 266 returns were due. Of these, 27 related to monitoring periods between December 2014 and November 2015. Finance plans to review returns within 60 days of their due date, however at the point of the audit visit the returns had not been date stamped, or recorded as received. Finance cannot chase up any overdue audit returns until they have updated records of those received to date. As discussed at 2.2.11 above, further payments will be made in the interim.
- 2.5.3 A sample of 15 returns which had been processed was reviewed. In one instance the first audit was not pursued following discussion with the service user; resulting in the audit being written off until the next audit due date. This next audit has been overdue since 30 September 2015. On 12 April 2016, Finance confirmed that 50 returns from January monitoring periods had still to be reviewed.
- 2.5.4 Until returns and evidence are received and reviewed, the Service has no assurance that the payments have been used appropriately. Delays in obtaining this assurance could result in further payments being made and used inappropriately, and could impact on the ability of the Service to effect recovery. If funds are not being used, or are being put to another purpose not aligned with the support plan, there is a risk that service users might not be receiving the level of care planned and paid for. Timely monitoring should identify these risks and assist the Service in planning and paying for appropriate levels of care.
- 2.5.5 There were four instances where the audit checklist was not fully completed or signed. This makes it harder to substantiate the audit trail of events, and ensure that checks have been completed appropriately.

Recommendation

Finance should log the receipt of all monitoring returns, and ensure audit returns are reviewed promptly, and overdue returns followed up timeously.

Service Response / Action

Agreed. Returns are now being logged on a spreadsheet. Going forward the stage of completion of reviews will be recorded on CareFirst, and will be monitored.

Implementation Date

October 2016

Responsible Officer

Finance Support Officer;
CareFirst Team Manager

Grading

Significant within audited area

- 2.5.6 Service users are permitted to build up a contingency fund of up to 8 weeks payments, beyond which the Service will seek to recover any excess. Although one audit identified 12 months' worth of payments in the account, this was not recovered promptly. Finance has stated that this has been picked up in the next audit.

Recommendation

Finance should ensure that excess funds are recovered promptly following their identification.

Service Response / Action

Agreed. Following conclusion of the escalation process (see actions at 2.2.14) recovery will be progressed by raising invoices via efinancials, which can then be followed up through the corporate recovery process.

Implementation Date

January 2017

Responsible Officer

Finance Support Officer

Grading

Important within audited area

- 2.5.7 The Service has explained that Scottish Government guidance provides that any legal expenditure can be considered if it meets a supported person's assessed and agreed outcomes. The Service does not want guidance on the use of funds to be overly prescriptive, since they are to be directed by the service user in support of their identified needs. However, unless the Service documents what is and is not appropriate to fund via Self Directed Support there is a risk of challenge from service users, Finance in their monitoring role, and potentially from the public / media, in unusual cases. Potentially inappropriate activity may be implicitly accepted, or time may be spent exploring its legitimacy at a later date. Clear boundaries, approved by the appropriate Committee, would provide justification and support for Practitioners and Managers decision making.
- 2.5.8 In one case reviewed, receipts provided in support of a service user's spending indicated top ups to a bingo hall account. Although there is an argument that this specific use of funds could be viewed as a contribution towards social interaction, which aids the service user in meeting their needs, this could be perceived as an inappropriate use of public funds. The Service has stated that this was identified and challenged and is not considered appropriate. Any funds spent on gambling will be recovered.
- 2.5.9 Service users are regularly using payments to take part in activities. For example in one case: a service user's meal in addition to their carer's, in another: a football season ticket, and in another: holiday accommodation and travel for the service user and their parent. Although service users may have specific needs which the Service has agreed should be met, the purpose of Self Directed Support is to support them to engage in activities to meet their outcomes – not necessarily to pay for them to take part. For example a personal assistant might be employed to escort a service user to an activity and payments for that assistant to partake in the activity would be appropriate, since they are being employed to do so. It may however not be necessary for the service user's participation to be paid for directly.
- 2.5.10 Assessed and agreed outcomes and how they will be met are documented in individuals' assessments and subsequent reviews. The examples given above contribute towards developing social skills, and provide alternatives to day care and respite care respectively. Although this is correct there remains a risk that without clarity of guidance on what is and is not appropriate, this could be perceived as inappropriate use of public funds – since unsupported members of the public would have to pay to take part in these activities. Supported people not receiving these provisions may also perceive this as inequitable, however the Service has a finite budget and must prioritise its resources.

Recommendation

The Service should develop guidance in respect of activities and spending Direct Payments funds.

Service Response / Action

Agreed. Guidance has been developed and made available in 'My Life' and within 'My Life' link to the SDS area on The Zone for practitioners.

Implementation Date

Implemented

Responsible Officer

SDS Project Manager

Grading

Significant within audited area

- 2.5.11 In order to protect officers there may be a need for a consistent approach to the consideration of high value or unusual requests to be delivered under Self Directed Support. For example some other Local Authorities have resource panels or boards which consider applications in excess of a particular level of funding requirement.

Recommendation

The Service should consider whether a further layer of approval is necessary for unusual or high value cases.

Service Response / Action

Agreed. Consideration will be given to a board/resource panel that covers and represents all service areas, including Finance, NHS, Adult and Children's Social Care. Consideration needs to be taken to the needs of the LD and MH current panels to ensure the support of the senior practitioner is not lost. If agreed supported activities which are unusual, high cost, unique, negotiable as per can/cannot spend guidance (see 2.5.10) would be taken to the panel.

The development of a 'board' to ensure consistency of approach; eligibility criteria, negotiated spend and so on will benefit the Service. This may require a change in culture, and difficult conversations to be had with supported people where the new legislation does not support historical spend.

Implementation Date

November 2016

Responsible Officer

SDS Project Manager

Grading

Important within audited area

- 2.5.12 The Service has noted that it is not always clear in some existing assessments in Adult and Children's Social Work what the Direct Payment is specifically for, and that this needs to be improved. Unless acceptable expenditure under the agreement is documented in advance it will be difficult for the Service and Finance to monitor use of the funds appropriately. Without access to further information Finance may not be best placed to carry out this monitoring effectively. Incorrect assumptions may be made, or a response to correct and recover funds spent inappropriately may be delayed. However, it remains important that an independent review of expenditure is undertaken regularly.

Recommendation

The Service should ensure sufficient information is available to those carrying out monitoring reviews to determine whether service user expenditure included within monitoring returns is appropriate.

Service Response / Action

Agreed. The Service is working with Practitioners, Finance and the CareFirst team to improve communication and embed a consistent approach across service areas.

Changes are being considered to develop and better coordinate the current separate financial monitoring (Finance) and care needs (Practitioners) reviews.

Implementation Date

March 2017

Responsible Officer

SDS Project Manager

Grading

Significant within audited area

- 2.5.13 In one instance Finance established that since 2012 a service user had not been paying their own contributions into their Direct Payments account. The Service instructed Finance not to seek recovery of contributions prior to May 2015 as it was considered to be the Council's error. Although the Service may waive charges under specific circumstances, these did not apply in this case.
- 2.5.14 As a chargeable service has been provided during the period Internal Audit considers that a debt has effectively accrued. Financial Regulations require approval from the Head of Finance to write off debts, however this has not been sought.

Recommendation

Approval from the Head of Finance should be sought to write off the debt or the funds should be recovered.

Service Response / Action

Not Agreed. Finance and the Service do not consider that a debt has accrued in this case. If the service user did not contribute to their direct payment account, they cannot have purchased services with that money, and therefore no chargeable service has been provided. The service user's contribution towards their care is not available to be recovered by the Council – it is only possible to recover excess funds paid by the Council.

Internal Audit Position

The service user committed to paying a proportion of their care costs and has not done so. Had the Service identified this at an earlier stage it could have reviewed and adjusted the care plan and payments as appropriate (see 2.5.15). In the interim the Service has provided more funds than necessary to meet its share of the care being purchased. However, actions agreed as part of this Internal Audit report should ensure that such cases are identified and addressed at an earlier stage.

Grading

Significant within audited area

- 2.5.15 Where agreed contributions towards the cost of care is not evident at financial audit, consideration must be given at review as to whether or not the supported person's outcomes and care needs are being met.

Recommendation

The Service should ensure that in cases where contributions are not being paid, or care not being purchased to the level anticipated, the service users' needs and outcomes are reviewed timeously.

Service Response / Action

Agreed. This is a collaborative approach based on the financial audit, which may evidence that contributions are not being made. This will then require to be flagged with the relevant practitioner to ensure at review this can be discussed and considered, as to whether the supported persons needs and outcomes are being met and their SDS arrangement reviewed.

<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
Implemented	Lead Service Manager	Significant within audited area

AUDITORS: D Hughes
C Harvey
J Galloway

Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
Major at a Service Level	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.