

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	8 May 2018
REPORT TITLE	Internal Audit Report AC1828 – Care Management
REPORT NUMBER	IA/AC1828
DIRECTOR	N/A
REPORT AUTHOR	David Hughes
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on Care Management.

2. RECOMMENDATION

- 2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report and the attached appendix.

3. BACKGROUND / MAIN ISSUES

- 3.1 Internal Audit has completed the attached report which relates to an audit of Care Management.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

- 6.1 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 attached appendix.

7. OUTCOMES

- 7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Module.
- 7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
Privacy Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. APPENDICES

- 9.1 Internal Audit report AC1828 – Care Management.

10. REPORT AUTHOR DETAILS

David Hughes, Chief Internal Auditor
David.Hughes@aberdeenshire.gov.uk
(01467) 537861



ABERDEEN

CITY COUNCIL

Internal Audit Report

Care Management

Issued to:

Judith Proctor, Chief Officer, Aberdeen City Health & Social Care Partnership
Tom Cowan, Head of Operations, Aberdeen City Health & Social Care Partnership
Alex Stephen, Chief Finance Officer, Aberdeen City Health & Social Care Partnership
Fraser Bell, Chief Officer – Governance
Sandra Buthlay, Interim Chief Officer – Finance
Claire Duncan, Lead Social Work Officer
Katharine Paton, Service Manager
External Audit

EXECUTIVE SUMMARY

The Health and Social Care Partnership has a statutory duty to undertake assessments of those in need of community care services; this includes assessment of the needs of Carers. Individuals who are entitled to assessment of their needs are those affected by illness or disability, older people, people with learning disability, mental health issues, physical disability and substance misuse issues. Eligibility criteria are then applied and people who have high and urgent needs are prioritised for care and support. Support may be financial, including one-off assistance or regular care / support provided through an ongoing service agreement, determined after consideration of self-directed support (SDS) options.

The objective of this audit was to obtain assurance that care needs are being identified, planned, and recorded accurately, and that costs charged are appropriate and adequately controlled.

Whilst in general staff understand their roles and processes, written procedures are in need of review and re-issue to ensure CareFirst system records are updated promptly and provide a full and accurate record of care needs, plans, reviews and planned costs. The Service has agreed to review procedures to ensure they are clarified, including a review of delegated authorisation levels and the circumstances in which segregation of duties is required, and determining how care reviews can be more consistently documented. Existing procedures for recording and evidencing the use of one-off financial assistance will also be reiterated to staff, as practice in this area varies.

There are regular payments for care which are being processed outwith the CareFirst system. In some instances there is no record of the particular care which has been paid for on the system, and payments have been authorised retrospectively. Although there is evidence that this care was required, without a CareFirst service agreement there is effectively no purchase order for these services, which is a breach of Financial Regulations. In other instances payments had not been matched against existing CareFirst records, resulting in a duplicate payment in one case. The Service has agreed to review non-CareFirst payments to determine where these should have a CareFirst record.

SDS Option 2 payments to a third party (currently only the Council) to manage on behalf of a service user are not currently recorded on CareFirst. Although there are processes for obtaining approval for payments, and a tracker system to monitor payments to the third party, important elements of the process including: development and application of indicative budgets on the system, and monitoring variations in the use of funds to ensure they remain within the allocated budget over a specified period, have still to be developed before this can be set up. The SDS Programme Board will determine an action plan for implementation.

The Service maintains and leases out a small portfolio of residential property. This is currently under review in conjunction with Housing to determine the most appropriate arrangements for its management.

1. INTRODUCTION

- 1.1 The Health and Social Care Partnership has a statutory duty to undertake assessments of those in need of community care services; this includes assessment of the needs of Carers. Individuals who are entitled to assessment of their needs are those affected by illness or disability, older people, people with learning disability, mental health issues, physical disability and substance misuse issues. Eligibility criteria are then applied and people who have high and urgent needs are prioritised for care and support. Support may be financial, including one-off assistance or regular care/support provided through an ongoing service agreement, determined after consideration of self-directed support options.
- 1.2 The objective of this audit was to obtain assurance that care needs are being identified, planned, and recorded accurately, and that costs charged are appropriate and adequately controlled. This involved a review of supporting documentation for care expenditure and discretionary support payments completed by a sample of adult services teams.
- 1.3 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Claire Duncan, Lead Social Work Officer, and Katharine Paton, Service Manager.

2. FINDINGS AND RECOMMENDATIONS

2.1 Written Procedures

- 2.1.1 There are various procedure notes on The Zone covering administration and CareFirst data entry, however very few of these cover the whole process, or why it is done in a particular way. For example, there is a procedure note detailing how to enter service agreements on the system for one off section 12 payments (see 2.3.8 below), but nothing to set out the circumstances in which this would be required. These procedures are also not all up to date. Whilst existing staff understand their roles and procedures, staff changes could compromise the process.

Recommendation

The Service should update, standardise and simplify their written procedures, and ensure all staff have access to them.

Service Response / Action

Agreed. There are existing practice and process notes in place but these will be revised, expanded and shared to ensure all practitioners are aware of what should be recorded on the system and when.

Implementation Date

September 2018

Responsible Officer

Team Manager,
Performance
Management and Adult
Social Work Service
Managers

Grading

Significant within audited
area

- 2.1.2 There are few notes on the financial process, and no list of delegated authority levels for either care packages or one-off support. When discussed with staff it was evident that each understood their role and their part of the process for administering payments (e.g. limits of £20 for social workers to approve one off support, £50 for senior social workers), but this does not appear to have been explicitly documented. Few staff were aware of limits beyond their own, which could make it more difficult to identify the most appropriate signatory for particular circumstances. Without clear delegated authority levels there is a risk of funding being committed without sufficient management oversight.
- 2.1.3 In emergency or out of hours cases the duty worker may make a decision without obtaining further authorisation. This practice is not documented in an official procedure, and there does not appear to be any requirement to obtain retrospective approval / acknowledgement from a senior officer. Authorisations are also not always being recorded – some are verbal.
- 2.1.4 In one instance records indicate that the Social Worker paid for accommodation on a service user's behalf, and then recovered the cost via the financial assistance application process. Although for cash payments there is approval at a later date when the petty cash reclaim is completed, this will be after cash has already been paid out.

Recommendation

The Service should set out a schedule of delegated authorisation levels, including any approved exceptions, and ensure all staff are aware of how this should be applied and evidenced.

Service Response / Action

Agreed. There are already delegations in place however these would benefit from

review. Service Managers and Finance will meet to review and approve financial authorisation levels, and guidance will be issued to reflect.

<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
May 2018	Business Manager	Significant within audited area

2.2 Planned Care

2.2.1 A sample of payments in respect of 20 service users was reviewed to ensure care needs are being identified, planned, and recorded accurately, and that costs charged are appropriate and adequately controlled.

2.2.2 In each case reviewed there was evidence that payments made related to a supported person whose details are held on the CareFirst system. Although there is a section on the system for 'care plans' these are not typically populated.

2.2.3 Assurance was therefore taken from 'assessments' recorded in a separate part of the system, which set out the level of needs identified, and from which a reasonable level of support can be determined. However, where assessments are held on the system they are not always recent or being reviewed regularly and updated to demonstrate that services which are being paid for continue to be relevant to supported people's needs. In 10 of 20 cases reviewed there was no record of an assessment within the last 2 years, or the notes did not clearly indicate the extent of the person's requirements. Whilst in many cases needs are likely to be continuing, i.e. because the conditions requiring support are not of a type which will improve, this will not necessarily always be the case. Changes are however being made, e.g. to hours and services, even in cases where there is no updated review, therefore other supporting information must be used to inform these decisions.

Recommendation

The Service should ensure that it can demonstrate that service agreements are and remain relevant to supported peoples' needs.

Service Response / Action

Agreed. At present there is no uniform method for recording completion of a review of service agreements. Service users are initially assessed, and there are follow up reviews of their care and outcomes scheduled. When a service specification is developed, the practitioner inputs a service agreement and should schedule a review activity, however such reviews will be taking place as part of the care and outcomes review and may not always be separately recorded. A review will be undertaken to determine how records should be updated to demonstrate that subsequent reviews of the agreed care are taking place as planned.

<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
October 2018	Adult Social Work Service Managers	Significant within audited area

2.2.4 Service agreements with external service providers are costed based on agreed rates, and the service users' needs as documented in a service specification. Service agreements, costs, and their authorisation, are documented on CareFirst.

2.2.5 Records show that 16 of 24 agreements reviewed (relating to the 20 individuals) were input after the service was intended to commence, and in 19 of 24 cases the agreements were authorised after the service commenced. There were only 2 cases where the service agreement was input a day or more in advance of the service commencing. In 5 instances,

delays in entering the agreement to CareFirst of over 1 month were identified (in one case almost 4 years).

- 2.2.6 In one case a one off payment was made to reimburse a service user for a course they had already paid for. Whilst the Service has demonstrated that the payment was made correctly, formal agreement was only recorded after the Service had effectively committed to funding the course.
- 2.2.7 Authorisations on CareFirst varied: Social Workers, Care Managers, Senior Social Workers, Team Managers, and Service Managers all authorised care packages of various values, with no clear pattern of more senior staff authorising higher value cases. In conjunction with the absence of a list of delegated authorisation levels (as discussed at 2.1.2) it is unclear whether or not authorisation was appropriate.
- 2.2.8 In 8 of 24 cases the same Social Worker or Care Manager has both input and authorised the service agreement on CareFirst, indicating a lack of segregation of duties in the system.

Recommendation

The Service should ensure there is evidence of advance separate authorisation at an appropriate level for all care agreements.

Service Response / Action

The Service is satisfied that within certain limits practitioners have delegated authority to apply professional judgement and enter into service agreements. There are compensating controls including care management reviews and case monitoring. The extent of delegated authority, and any requirements for further approval, will be considered and documented as part of the meeting taking place in response to 2.1.4 above.

Implementation Date

May 2018

Responsible Officer

Business Manager

Grading

Significant within audited area

- 2.2.9 The Finance team receives invoices and checks them against service agreements on CareFirst. Where there is a variation there is an element of discretion for the Finance team. Where variations were identified in the sample these were adequately explained by the Service. In all cases reviewed the payments made compared reasonably with service agreements and values on the system.
- 2.2.10 In one case there appeared to be two concurrent agreements for the same care service. In another an agreement had been left open on the system after a client was deceased. In such instances there is a risk that an erroneous invoice could be matched against an open service agreement, resulting in payment being made for services that have not been received.
- 2.2.11 Although the CareFirst team sends out reports to management to highlight such cases these may not be sufficiently regular or being acted upon timeously. Following an Internal Audit query the CareFirst team identified two omissions from management reports which have now been corrected. If the reports were reviewed regularly omissions could be highlighted and resolved more promptly.

Recommendation

The Service should ensure system data is reviewed regularly to identify and correct potential duplicate or expired records.

<u>Service Response / Action</u> Agreed.		
<u>Implementation Date</u> September 2018	<u>Responsible Officer</u> Team Manager, Performance Management; Lead Social Work Officer	<u>Grading</u> Important within audited area

- 2.2.12 Rate increases are being applied and invoiced retrospectively, and payments backdated. This makes it more difficult to match care payments with service agreements, particularly whilst changes are being processed.
- 2.2.13 Increases are not all being updated on CareFirst promptly – in one case two years of rate increases had not been updated. Whilst in this instance the differences were minor, and Finance can process variations to match minor adjustments, it would provide more assurance that payments are correct if they are updated on the system promptly.

<u>Recommendation</u> The Service should ensure cost rates are updated on the system promptly following agreed changes.		
<u>Service Response / Action</u> Agreed. Controls are in place and corrections have been made as appropriate.		
<u>Implementation Date</u> Implemented	<u>Responsible Officer</u> CareSupport Implementation Officer	<u>Grading</u> Important within audited area

2.3 Additional Support

- 2.3.1 There are regular payments for care which are being processed outwith the CareFirst system. These may relate to arrangements which have been put in place or changed on an interim basis and not formalised, though one case was identified where regular payments had been made but no record had been added to the system for four years. Whilst the invoices are being approved by a Service Manager, this is after the services are being delivered, which is inefficient and offers limited opportunity to challenge or amend the payment before it has to be made.
- 2.3.2 In addition, some invoices which could be matched against existing records in CareFirst are being processed through Accounts Payable instead. These invoices are bypassing the matching process, obtaining separate authorisation, and presenting a risk of duplicate payments. In one case a duplicate payment was made as a result, though this has subsequently been resolved.

<u>Recommendation</u> The Service should ensure payments for care provision are not processed unless they have been formally approved, registered and matched on the CareFirst system.		
<u>Service Response / Action</u> Agreed. There are some exceptions including SDS Option 2 (see following report paragraphs) and block funding arrangements where there is no specific service user against which to record care payments. All other care should be recorded on the system. Current payments that are not on the system will be reviewed to see if they can be brought on.		

Invoices should be forwarded to processing and matched accordingly where the invoices relate to specific service users. The Individual Services Order issued by Contracts tells providers to send invoices to processing and in general, this is adhered to.

There are robust controls in place in order to capture potential duplicate payments. The CareFirst invoice number field has been corrected to match e-financials and as such, provides assurance that the chances of duplicate payments are minimal. This fix had not been implemented at the time of the duplicate payment identified by Internal Audit.

<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
September 2018	Finance Support Manager	Significant within audited area

2.3.3 Agreements to make payments for Self Directed Support (SDS) Option 2 (payments to a third party on behalf of the service user) are not currently being entered on CareFirst. Although there are processes for obtaining approval for payments, and a tracker system to monitor payments to the third party, important elements of the process including: development and application of indicative budgets on the system, and monitoring variations in the use of funds to ensure they remain within the allocated budget over a specified period, have still to be developed before this can be set up. Coordination and reporting of care may be less efficient as a result.

2.3.4 There is a risk that clients contracting with providers under Option 2 may not obtain the same value as may be available through care providers directly contracted by the Council, however each service user is allocated a budget based on the equivalent cost of directly provided services, and is supported to select an Option. Once selected they must work within that budget to maximise their agreed outcomes. The examples reviewed by Internal Audit showed payments to care providers who were not at the time on a relevant supplier framework. Client choice is integral to SDS therefore the Service has to procure as directed, however expenditure on this care still counts as Council procurement, which is subject to corporate and national regulations. Commercial and Procurement Services continues to monitor national developments in this area.

2.3.5 Although there are no current cases, it is also an option under Option 2 to have a third party manage funds on behalf of a service user, similar to a Direct Payment (SDS Option 1) arrangement. How this would be managed and recorded has still to be considered.

<u>Recommendation</u>		
The Service should ensure arrangements for budgeting, managing payments via CareFirst, and monitoring third party use of funds, are developed for SDS Option 2.		
<u>Service Response / Action</u>		
Agreed. The SDS Programme Board will be asked to determine an action plan.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
September 2018	Lead Strategy and Performance Manager	Significant within audited area

2.3.6 In some cases multiple invoices are being received (e.g. both weekly and monthly covering the same period and services) increasing the risk of duplicate payment. Where it is being used, CareFirst reduces the risk of error. The recommendation at 2.3.2 applies.

2.3.7 Suppliers may also send a single invoice covering multiple service users. These take longer to match, and cause difficulties and delays if details for one or more service users / agreements are incorrect. Consultation and contractual arrangements with suppliers

could be used to streamline care payment processes for mutual benefit.

Recommendation

The Service should encourage suppliers to invoice per client and for fixed periods.

Service Response / Action

Agreed. Invoicing requirements are built in to new contracts, however there is limited control over this for existing contracts and externally procured frameworks (e.g. Scotland Excel). Finance has been asked to pass details to Commercial and Procurement Services where invoice formats cause difficulty, and this will be reviewed with suppliers.

Implementation Date

Implemented

Responsible Officer

Social Care Procurement and Contracts Manager

Grading

Important within audited area

- 2.3.8 One off financial assistance may be provided under certain circumstances. This should be recorded as a service agreement on CareFirst, however there is mixed practice with several teams using the 'observations', 'initial contacts', or 'classifications' fields on the system to record these instead. Whilst these options still provide a record of the activity taking place, unless they are documented in the correct part of the system it will not be possible to obtain an overview of all financial support provided for each person.
- 2.3.9 In one instance reviewed there was no record of the supported person in CareFirst. Whilst there is a Financial Assistance Application Form to support the transaction, the absence of system records reduces assurance that the support was appropriate.
- 2.3.10 In some cases there are a number of financial assistance applications and payments for the same person within a short space of time, with each treated as a separate one-off case. In such cases, or if there are delays in adding records to CareFirst, there is a risk that authorisation limits will be exceeded in total without management consideration being given to the level of care being provided.

Recommendation

The Service should ensure all one off assistance is recorded promptly on CareFirst as a service agreement against a supported person.

Service Response / Action

Agreed. The requirements and procedure will be reinforced to all staff.

Implementation Date

May 2018

Responsible Officer

Lead Social Work Officer

Grading

Significant within audited area

- 2.3.11 There is mixed practice in respect of obtaining signatures or receipts from service users to demonstrate that funds have been handed to them. The Financial Assistance Application Form requires a service user signature but this is not always being completed. Often the audit trail ends with the Social Worker drawing the cash. In other cases funds are given to someone else on the client's behalf. Whilst in some instances this is well documented, there is no clear procedure for it.
- 2.3.12 There is also only a limited audit trail for indirect support (i.e. non-care services) being purchased on behalf of service users, as these are subject to the same controls and documentation as cash financial support and the information is not recorded on CareFirst.
- 2.3.13 Without clear processes and consistent evidence there is less assurance that financial assistance has been provided to and used by the supported individual as intended.

Recommendation

The Service should ensure it can demonstrate that financial assistance has been delivered to the end user / used for the purposes intended.

Service Response / Action

Agreed. The requirements and procedure will be reinforced to all staff.

Implementation Date

May 2018

Responsible Officer

Lead Social Work Officer

Grading

Significant within audited area

- 2.3.14 There are residential properties being managed and let by the Service directly to service users. The Service is unable to demonstrate whether or not these arrangements represent best value, has limited capacity for managing these, and the arrangements are not aligned with current best practice which recommends supporting people to increase skills and self-reliance. The Service is already reviewing this with Housing and a recommendation is made to track progress.

Recommendation

The Service should conclude the review of its residential property portfolio in conjunction with Housing.

Service Response / Action

Agreed.

Implementation Date

September 2018

Responsible Officer

Housing Strategy Officer

Grading

Significant within audited area

- 2.3.15 There were substantial redundancy costs paid following the breakdown of an SDS arrangement. As needs and arrangements could change at any time, including change of needs or even the death of a client, provision for redundancy should be built in to SDS payments where personal assistants are going to be employed for more than two years. The Service has clarified that this instance was an exception and such costs should normally be covered by contingencies and insurance which are included in all direct payment agreements. However, this needs to be clear for service users to ensure they can make appropriate arrangements.

Recommendation

The Service should ensure SDS option 1 service users are made aware of the risks and processes to be followed should they have to make staff redundant.

Service Response / Action

Agreed. The Policy on redundancy payments is to be revised. The SDS Co-ordinator will contact Governance to discuss and make required changes to the Direct Payment application. A revised Policy will be submitted to the Programme Board to sign off on.

Implementation Date

June 2018

Responsible Officer

Lead Strategy and Performance Manager

Grading

Important within audited area

AUDITORS: D Hughes
C Harvey

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	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. Financial Regulations have been consistently breached.
Significant within audited area	Addressing this issue will enhance internal controls. An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on a system's adequacy and effectiveness. Financial Regulations have been breached.
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.