

REPORT TO: Audit and Governance Committee

MEETING DATE: 18 March 2014

BY: Depute Chief Executive (Resources & People Services)

SUBJECT: Internal Audit Report – Community Care Finance Unit

1 PURPOSE

- 1.1 To inform the Audit and Governance Committee of the recently issued audit report on the Community Care Finance Unit.

2 RECOMMENDATION

- 2.1 That the Audit and Governance Committee note the contents of the Executive Summary and Action Plan for the Community Care Finance Unit.

3 BACKGROUND

- 3.1 A review was undertaken as part of the audit plan for 2013/14. The main objective of the audit was to ensure that the internal controls in place for administering the services previously provided by the Community Care Finance Unit (CCFU) were operating effectively.
- 3.2 The CCFU had responsibility for providing a separate function for all Adult Wellbeing clients including carrying out financial assessments for clients in receipt of chargeable services, administering the recovery of client contributions and processing payments to service providers. During 2013 the CCFU was disbanded – responsibility for financial assessments was transferred to the Benefits Section while responsibility for recovery and invoicing moved to Adult Wellbeing.
- 3.3 The main findings from our audit work are outlined in the attached report.

4 POLICY IMPLICATIONS

- 4.1 None.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and Equality Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – None.
6.2 Personnel – None.
6.3 Other – None.

7 BACKGROUND PAPERS

- 7.1 None.

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EAST LOTHIAN COUNCIL – INTERNAL AUDIT COMMUNITY CARE FINANCE UNIT

1. EXECUTIVE SUMMARY

1.1 Introduction

As part of the Audit Plan for 2013/14, a review was undertaken of the internal controls surrounding the charging arrangements for services provided to Adult Wellbeing clients. A summary of our main findings is outlined below.

1.2 Areas where Expected Controls were Met

- The charges set for residential and non-residential care services for 2013/14 were formally approved by Cabinet.
- For non-residential care, the assessment of service user contributions takes cognisance of the guidance issued by COSLA.
- For clients in nursing or residential care homes, the National Care Home Contract rates have been properly applied.
- Adequate procedures are in place for the completion, authorisation and procurement of new care packages and for amendments to existing packages.
- Payments to external providers for Care at Home services are in accordance with agreed contracted rates.

1.3 Areas with Scope for Improvement

- The existing arrangements in place for financial assessments being undertaken require review – in some cases, clients receiving a chargeable care service had not been properly identified for financial assessment and in other cases there were delays in financial assessments being carried out. *Risk – loss of income to the Council.*
- In some cases, there was a lack of documentation on file to validate the income and capital figures used in financial assessments – service users or their representatives had failed to provide evidence to support the financial information provided on the assessment form. *Risk – errors and irregularities may occur.*
- The arrangements for updating standing data on the Frameworki system require review. *Risk – errors and omissions may occur and remain undetected.*
- In some cases, there was a lack of contract documentation on file to support the rates being paid by the Council to external providers for specialist residential care services. *Risk – errors and irregularities may go undetected.*

1.4 Summary

Our review has identified a number of areas with scope for improvement. Detailed findings and recommendations are contained in our main Audit Report.

Mala Garden
Internal Audit Manager

March 2014

ACTION PLAN

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.1.1	Management should ensure that the draft Charging Policy is formally approved and made available to the public via the Council's website.	Medium	Service Manager – Resources	Agreed		March 2014
3.3.2	Management should ensure that appropriate contract documentation is in place to support all payments made for specialist residential care.	Medium	Service Manager – Resources	Agreed		September 2014
3.4.1	<p>The arrangements for updating standing data on the Frameworki system should be reviewed.</p> <p>A clear audit trail should exist for all changes to data on the Frameworki system – documentary evidence of all changes should be retained.</p> <p>A person independent of processing should check to ensure that the annual up-rating of data on the Frameworki system is accurate and complete. Evidence of this check should be retained on file.</p>	Medium	Service Manager – Resources	<p>Agreed</p> <p>A service review to be undertaken to identify efficiencies and re-align staff resources.</p>		September 2014

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.5.1	Appropriate monitoring arrangements should be put in place to identify all clients in receipt of a chargeable service and ensure that financial assessments are carried out.	Medium	Service Manager – Resources	Agreed A service review to be undertaken to identify efficiencies and re-align staff resources to develop monitoring capacity.		September 2014
3.5.2	Management should explore the possibility of maximising the full potential of Frameworki to enable financial assessments to be undertaken timeously.	Medium	Service Manager – Benefits	The Financial Assessment Team will work with Adult Wellbeing to establish how the Frameworki system may support a risk based approach to financial assessments.		June 2014
3.5.3	Appropriate documentation should be held on file to support the income and capital figures used in financial assessments.	Medium	Service Manager – Benefits	The Financial Assessment Team will review their processes to ensure that supporting income information is recorded for all financial assessments.		March 2014

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.5.4	For all financial assessments, a person independent of the assessor should verify the accuracy and completeness of the assessment carried out.	Medium	Service Manager – Benefits	Once the current round of recruitment has been completed the Financial Assessment Team will review its processes to introduce a form of accuracy checking.		April 2014

Grading of Recommendations

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
High	Recommendations which are fundamental to the system and upon which Management should take immediate action.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.