

Appendix B – Part 1

Audits where assurance is assessed as ‘No’ or ‘Limited’

LIMITED ASSURANCE

Adult Services – Resource Allocation System

Introduction and Scope

The Resource Allocation System (RAS) is used to work out an amount of money an individual will have for their care and support following an assessment. Part of the assessment includes a questionnaire and each question carries a score. The total score determines the level of need and a person’s indicative budget. This will become their Personal Budget after their support plan is confirmed. Where the budget is insufficient to cover a person’s needs, cases are referred for consideration to the Risk Enablement Group.

Data is collected from various sources to inform decision making with respect to the Resource Allocation System:

- Ø Data held on SWIFT/AIS relating to individual scores within the Resource Allocation System.
- Ø Data held on financial systems regarding the spend on personal budgets.
- Ø Data held at Area Manager level regarding the outcomes of Risk Enablement Groups.

The Council does not operate a RAS based budget. The overall cost of RAS care provision is exercised by underlying Adult Services budget monitoring procedures.

The purpose of the audit is to provide assurance about whether:

- Ø The calculation is based on accurate information.
- Ø The model is ‘fit for purpose’.

There are numerous processes associated with an end to end review of RAS. We have not reviewed:

- Ø Client assessments
- Ø Support planning
- Ø Service User Review process
- Ø Carer’s Assessment process

Management Summary

Assurance Opinion

Substantial assurance - Resource Allocation System calculation

The Resource Allocation System model was established in January 2010 with all areas using it from October 2010. Processes are still being developed and embedded. Our review confirms that processes exist to establish and calculate the amount of money available to support a person's needs.

Limited assurance - compliance with procedures

Due to the non-compliance with current processes, the data used to produce performance management information on which decisions about the Resource Allocation System are made, is incomplete. There is a risk that decision making is affected and whilst we appreciate the Council is not currently operating its budgetary control through the Resource Allocation System, ultimately this will be the case when everyone is on a personal budget. Data accuracy is a key requirement.

Our audit raises the following key findings:

Data issues: The Resource Allocation System Analysis data drives the calculation and forms the basis of review and reporting arrangements. It is vital this information is accurate and complete to ensure that correct decisions are made. Our review highlights:

- Ø Data differences between the supporting systems (e.g. SWIFT/AIS) and the Resource Allocation System data - this reduces our confidence that the calculation is based on correct information.
- Ø The Resource Allocation System is not being updated with data changes e.g. increased actual costs approved by the Risk Enablement Group.
- Ø Current arrangements for recording Resource Allocation System data is labour intensive and prone to error as information is collated from various sources manually and duplicates information that already exists.

The specification underpinning the integrated financial management system needs to consider the Resource Allocation System calculation to make data collection more efficient and accurate. Compliance checks need to be established to ensure field staff are entering the required information to AIS.

Compliance issues: underlying procedures are not being followed e.g., not all new users are being assessed under the Resource Allocation System and cases are not being submitted to the Risk Enablement Group. This needs to happen to ensure the Resource Allocation System calculation is reflecting the true costs of service delivery.

Review and monitoring arrangements: Adult Services are relying on a combination of indicators to provide assurance that the Resource Allocation System is being provided within budget and is 'fit for purpose'. Our assurance on the review and monitoring arrangements is reduced as:

- Ø Reported information may be inaccurate, as we have found data and compliance issues.
- Ø There are no formalised arrangements for reviewing the Resource Allocation calculation to ensure it reflects the actual Adult Services budget position.

Contingency arrangements: Detailed understanding of the calculation and underlying data rests with the Assistant Head of Finance leaving the Council exposed should he leave or become absent.

Contingency arrangements should be established to ensure that understanding is shared. This point was raised in a previous audit report.

Actions and Priorities

Management agreed the following actions at the closure meeting:

- Ø To include Resource Allocation System data checks within the proposed scope of the compliance team that will be introduced under re-structure. This will provide greater assurance about the accuracy of the Resource Allocation System data.
- Ø To formalise the review and monitoring arrangements and develop Resource Allocation System reporting for DMT, as required.
- Ø To establish contingency arrangements for performing the Resource Allocation System calculation.

Management response

The audit report has confirmed the fact that there has been limited compliance with some processes required for effective delivery of personal budgets through the mechanism of the RAS.

The restructuring of Adult Social care Operations which took place on 4 July 2011 is designed in part to ensure much greater compliance with processes and all staff have received training in the new processes during May and June of 2011.

There is a need to closely monitor compliance in the future and to this end we have created a compliance monitoring function within our Organisational Development Team in the new structure. This Team will conduct file and records audits to ensure compliance and to flag concerns.

I can confirm that the actions recorded in the Action Plan will be carried out within the timescales suggested.

The actions were due to be completed by the end of July 2011.

Adult Services – Direct Payments

Introduction and Scope

We have completed an audit of Direct Payments. This is part of the agreed plan of work for 2010/11.

The purpose of the audit was to provide an opinion on the effectiveness of the arrangements in place to ensure that direct payments have been used for the intended purpose.

The review focused on the process for carrying out financial checks on Service Users, the outcomes of financial checks and any subsequent action to address issues identified during the check.

Management Summary

Assurance Opinion

Limited Assurance

Our review identified that improvements are needed in a number of key areas:

The Direct Payments Team has been unable to deliver the documented process for Financial Checks due to the limited resource available and the priority given to making direct payments to Service Users. The documented process requires review by management, alongside the process carried out in practice.

To ensure the Financial Check process works as expected and any issues raised are addressed, improved communication with the operational teams is required.

In our opinion, the role and scope of the Direct Payments Team requires review to ensure that responsibilities and expectations are clear, in particular, for ensuring that direct payments have been used for the intended purpose. The Direct Payments Team is not currently in a position to give assurance that the monies are used to deliver outcomes e.g. for social inclusion.

The Direct Payments Team prioritises closed cases and requested financial checks. Financial Checks on a random sample of ongoing cases above the threshold of £5,000 are not carried out. This means that issues or surplus balances on ongoing cases above the threshold may not be identified.

Financial checks of 315 cases resulted in excess of £467,000 being reclaimed. The reasons for significant surpluses should be explored with operational teams, to determine whether these relate to support planning or other issues.

There are a number of activities relating to Financial Checks detailed in the Lincolnshire County Council and Lincolnshire Partnership Trust Direct Payments Process Notes which are not carried out in practice. A review of the documented

process would determine which elements are no longer required/appropriate and which activities need to be re-introduced in practice, to ensure the financial checks meet requirements efficiently and effectively.

The outcome of financial checks is not consistently communicated to the relevant officers and we were unable to confirm that issues raised had been addressed.

For example:

- § Service User has not been assessed for a contribution
- § Care package has not been recorded on Abacus
- § Service User purchasing more care than is funded by the Direct Payments.

Strengthening the links with the operational teams should ensure that the process is effective and any issues raised are communicated and addressed.

Financial checks are currently required on 20% of all cases over £5,000. Closed cases and requested financial checks are prioritised; financial checks on a random sample of cases above the threshold are unlikely to be achieved. Revising the current requirements could provide a simple measurable target, clearly identifying how many ongoing cases over the threshold are to be checked.

Documentation requested for a financial check is not chased in accordance with the documented process. In addition, there is currently a backlog of documents received for cases which have not yet been checked. Prompt action to follow up documentation not received is required to ensure that there are no issues or surplus balances which remain unidentified. Carrying out financial checks promptly would ensure that the bank balance and documentation are not out of date when the financial check is carried out.

The areas where we believe improvements can be made include:

- § reviewing the Lincolnshire County Council and Lincolnshire Partnership Trust Direct Payments Process Notes and ensuring the required process is carried out in practice
- § reviewing the target number of cases to be checked, ensuring that the target is easily measurable and results in regular review of ongoing cases above the threshold
- § reviewing the role and scope of the Direct Payments Team ensuring expectations and responsibilities are clear, particularly for ensuring direct payments are used for the intended purpose
- § strengthening links with the operational teams
- § ensuring a clear and consistent approach to communicating the outcome of the financial check and any issues
- § ensuring resources are not used to check low risk single direct payments
- § exploring, with operational teams, the reasons for surpluses and how these relate to the support planning
- § taking prompt action when documentation requested is not received
- § carrying out financial checks promptly on receipt of documentation
- § ensuring division of duty within the process or carrying out independent checks

In addition to making direct payments, the work carried out by the Direct Payments Team in the last year has included financial checks of over 300 cases, meeting the current requirement to check 20%. These checks have resulted in reclaimed direct payments of over £467,000.

Actions and Priorities

Management have agreed the following actions:

- To look at the current process and streamline.
- Write a new process and include audit checklists for all tasks and a checking process.
- Spot checking the work of the direct payments team.
- Review roles and responsibilities of the team and work split.
- Review the checking process and maintain a record of cases audited and due for audit
- Closed cases to be checked within 4 weeks of closure
- Improved links to operations team.
- Spreadsheet to be set up to monitor the document requests and review process in relation to action required
- A process to ensure all audits are fed back into the transformation team will also be established to ensure that we are able to track the efficiencies in this area.

Management Response

The Action Plan has been populated in order to carry out the recommendations of the report.

The plan will be reviewed on a monthly basis by the Head of Service to track that the actions have been completed.

The actions were due to be completed by the end of August 2011

