

Direct Payments Audit

Summary:

An internal Audit of the Direct Payments team was undertaken during May 2011. The purpose of the audit was to analyse the effectiveness of the arrangements in place at that time and to ensure that direct payments were being 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 to highlight any subsequent actions required to address the issues identified during this audit.

This report provides an update on progress against the improvement actions agreed.

Recommendation(s)

That Audit Committee note the update report.

Alternatives Considered: No alternatives have been considered in terms of the audit.

Reasons for Recommendation:

Update report requested for Audit Committee

Background

The Direct Payments Team is responsible for administering direct payments for the Adults and Children's directorate within Lincolnshire County Council and also on behalf of LPFT. As part of the administration process the team ensures that all monies issued to the service users are spent in accordance with the direct payments policy and in an appropriate manner.

The Audit Report undertaken in May 2011 identified eight key areas that required improvement in order to provide full assurance to the Internal Audit team.

Following the audit an improvement plan was developed and implemented. A number of improvements in the way the team operates have been delivered. The update provided below outline these improvements and other progress against the eight key areas identified in the audit report.

Update

Action	Improvement Update
1.1	The work in relation to streamlining processes and revising policy and procedures has commenced. However the team has been subject to a consultation period in relation to restructure which would have required significant changes to existing team processes. Consultation has now been concluded and it has been agreed that there is now no change to the team structure. As a result this work can now be concluded and fast tracked.
1.2	<p>Currently the team has an additional resource whose sole responsibility is to focus on the financial checks in order to ensure that the funds are being spent in accordance with the policy. To date 100 direct payment audits have been undertaken and £250,000 has been identified as under spent, not spent in line with the policy or where a service user has failed to contribute. This has enabled significant amounts of funding to be recouped by the team.</p> <p>In order to expedite this process additional administration resources work within the team to enable the officers to concentrate solely on the audits and recovery of inappropriately and under spent funding.</p>
1.3	The administration function for payments to carers has been removed from the team and is now undertaken by Business Support, thus decreasing the workload of the team and increasing capacity to administer direct payments and undertake financial checks.
1.4	A checking process has been implemented. The team are linking in with operation colleagues in relation to surplus and inappropriate spending.
1.5	A summary sheet is used to notify operational teams regarding the outcomes of financial checks.
1.6	Work has been undertaken by a project team to improve communication with operational colleagues to ensure that all of the information received by the team is complete thus reducing the time the team spends on chasing incorrect and incomplete information. This work remains ongoing with the team working closely with the project team to identify where the key blockages are in relation to information and documentation.
1.7	A spreadsheet to monitor documents requested and received has been set up and is monitored by the team.
1.8	Work is however currently underway to establish which directorate the team should function within in the future. Once a decision in relation to the future position of the team has been reached a revised action plan in relation to process and policy will be implemented