

Direct Payments Findings, Recommendations and Agreed Actions

	Findings	Recommendations	Agreed Actions	Priority	Responsibility & Timescale	Update 29 November 2011
1.1	<p>The Direct Payments Team has been unable to deliver the documented process for carrying out financial checks due to the limited resource available and the priority given to making direct payments to Service Users.</p> <p>Comparison of the Lincolnshire County Council and Lincolnshire Partnership Trust Direct Payments Process Notes and the financial checks carried out in practice highlighted a number of variations.</p>	<p>The Lincolnshire County Council and Lincolnshire Partnership Trust Direct Payments Process Notes should be reviewed alongside the process carried out in practice.</p> <p>The review should consider the risk of not carrying out parts of the documented process and determine whether these:</p> <ul style="list-style-type: none"> ▪ are no longer required/appropriate; ▪ need to be re-introduced in practice. <p>The review should include whether it would be beneficial to carry out the lesser Bank Account and Close Down Checks.</p>	<p>Look at the current process and streamline.</p> <p>Write new process and include audit checklists for all tasks and a checking process.</p> <p>Look at spot checking the work of the direct payments.</p> <p>Look at roles and responsibilities of the team and work split.</p>	High	Rachel Wing 31 Aug 2011	<p>Ongoing</p> <p>Some progress made in this area however has not been progressed in detail due to restructure and the requirement to develop entire new processes.</p> <p>The process in relation to printing and saving documentation electronically has been implemented for all new cases and the spot checking of work has been implemented.</p> <p>The roles and responsibilities within the team has also been explored and a revised way of working</p>

	<p>There are a number of activities detailed in the Process Notes which are not carried out in practice. Our view is that some of these activities are important, for example:</p> <ul style="list-style-type: none"> ▪ Requesting that the Service User submits 12 months worth of documentation; ▪ Monitoring and chasing up documentation not received; ▪ Investigating and notifying the Assessor of the circumstances behind the accrued surplus. <p>The Process Notes include Bank Account Checks and Close Down Checks. These lesser checks are not carried out in practice.</p>		<p>Immediate</p> <p>Immediate</p> <p>This will be built into the new process</p> <p>This will be built into the new process.</p>		<p>Rachel Wing</p> <p>Commence June 2011 to be completed by end of July 2011.</p>	<p>introduced.</p> <p>Complete</p> <p>A full programme of audits has been implemented and the full 12 month accounts and documentation have been requested.</p> <p>Any information not received is chased on a regular basis.</p> <p>Assessors are being notified of the circumstances behind any accrued surplus and the team are requesting a re assessment of need.</p>
1.2	<p>We found that that although the 20% target had been met, financial checks had been carried out on only 10.87% of ongoing</p>	<p>It is recommended that the target number of financial checks to be carried out is reviewed.</p>	<p>Agreed as minimum that every service users bank details will be checked on an annual basis.</p>	<p>Medium</p>	<p>Rachel Wing</p> <p>Commence June 2011 – ongoing</p>	<p>Ongoing</p> <p>A programme to undertake an audit of every open case</p>

	<p>cases.</p> <p>In practice, financial checks of closed cases are prioritised, followed by requested checks. Checks on a random sample of current cases over £5,000 are unlikely to be carried out. This means that issues or surplus balances on ongoing cases above the threshold may not be identified. Reclaiming Direct Payments after the case has closed is potentially harder.</p> <p>As the number of cases moves throughout the year, the 20% target is fluid.</p>	<p>The target should be easily measurable and enable the level achieved to be monitored.</p> <p>As all closed cases are checked to reclaim any surplus or unaccounted for monies, consideration should be given to specifying the % of ongoing cases which should be subject to financial check.</p> <p>Consideration should be given to identifying the number of ongoing cases over the threshold at, for example, the 1st of the month, and calculating the required number of ongoing cases to be checked during that month.</p>	<p>50% of existing cases will then have a full check, thus ensuring that all cases are fully audited every two years. A record will be maintained of cases audited and cases due for audit in the next year.</p> <p>All new cases will be audited and reviewed within the first year.</p> <p>Closed cases to be checked within 4 weeks of closure.</p>			<p>has been implemented for 2011/2012. To date 100 audits have been undertaken with a realisation of £250k in inappropriate expenditure/failure to pay contribution and surplus funds.</p> <p>Records of all audits are being maintained and it has been agreed that any cases that have resulted in an invoice being raised will be audited again within 9 to 12 months.</p> <p>Closed cases are now being checked within 4 weeks of closure.</p>
1.3	<p>There is no requirement for single direct payments to be checked unless there are identified issues</p>	<p>The required financial checks should be prioritised above</p>	<p>Review of these cases currently being undertaken. Once a</p>	Medium	End July 2011	<p>Complete The cases are now administered</p>

	<p>that give cause for concern. In practice, single payments are checked if the documentation is sent in.</p> <p>The monitoring spreadsheet showed that 580 single direct payments have been checked during 2010/11. Very few cases resulted in a reclaim. Although these checks are relatively quick to carry out, a significant resource has been spent on these.</p>	<p>checks of single direct payments to ensure that the resource is focused on checking higher risk cases.</p>	<p>decision regarding the payment of the cases is made a process for checking and auditing the payments will be put into place.</p>			<p>through business support and not through the Direct Payments team.</p>
1.4	<p>The Direct Payments Team is not in a position to determine whether or not the use of expenditure is appropriate for the intended purpose.</p> <p>Decisions are made by the Team whether or not to recover unsupported expenditure along with any surplus. Where no documentation is received, all direct payments are reclaimed.</p> <p>Issues/concerns raised by the Direct Payments Team on an Outcome of Financial Check form were followed up with the relevant Manager in respect of 3 cases.</p>	<p>It is recommended that the role and scope of the Direct Payments Team is reviewed.</p> <p>It should be clear what is expected of the Direct Payments Team when carrying out financial checks. Responsibilities for ensuring the direct payments are used for the intended purpose should be clear.</p> <p>There should be clear/strong links with the operational teams.</p>	<p>A new checking process is put into place and monitored to ensure it is being complied with.</p> <p>Links to ensure reassessment are carried out where a surplus is identified and mechanism is put in</p>	High	Rachel Wing August 2011	<p>Complete The checking process is in place.</p> <p>The team are linking with operational colleagues in relation to surplus and inappropriate spend along with failure to pay service user contribution.</p>

	<p>We have been unable to confirm whether any action was required/taken as a result of the notes entered as no responses have been received.</p>	<p>Improved links with the operational teams should ensure that any issues arising from the financial checks are addressed.</p>	<p>place to inform Operations of the surplus to enable them to take forward the re-assessment.</p>			
1.5	<p>In accordance with the documented process, any issues arising from the financial check should be communicated to the Service User, the Assessor and the relevant Manager.</p> <p>We found that Outcome of Financial Check forms are not routinely completed, particularly for closed cases, or ongoing cases supported by Penderels.</p>	<p>There should be strong links with the operational teams as above and a clear and consistent approach to communicating the outcome of the financial check and any issues or concerns.</p>	<p>As per point 4.</p>	<p>Medium</p>	<p>Rachel Wing August 2011.</p>	<p>Complete The team is reporting such incidents to the operational teams however further work in this area is ongoing.</p>
1.6	<p>A review of the financial check spreadsheet at the time of the audit identified the following:</p> <ul style="list-style-type: none"> • 133 ongoing cases had been checked; 50 cases resulted in a reclaim (37%); the total reclaimed was around £91k • 182 closed cases had been 	<p>It is recommended that management explore, with operational teams, the possible reasons for such surpluses and how these relate to the support planning.</p>	<p>Working with operations to ensure that a re-assessment process is put into place for these cases.</p>	<p>Medium</p>	<p>Rachel Wing August 2011</p>	<p>Ongoing This work is ongoing and also links to the project work being undertaken by Ken Blackie.</p>

	<p>checked; 135 cases resulted in a reclaim (74%); the total reclaimed was around £376k.</p> <ul style="list-style-type: none"> In total 315 cases have been checked; 185 cases resulted in a reclaim (58%); the total reclaimed was in excess of £467k. <p>It is acknowledged that in closed cases, any remaining balance in the direct payments bank account is reclaimed (after allowing for any unrepresented items).</p>					
1.7	<p>Documentation requested for a financial check is not chased in accordance with the documented process.</p> <p>There are closed and ongoing cases for which documentation has been requested and is now overdue; in some cases the documentation has not been chased up.</p> <p>There is currently a backlog of documents received for cases which have not yet been checked. This means that the bank balance and documentation are out of date</p>	<p>Documentation requested but not received should be monitored and action taken as per the Process Notes. There may be issues and/or a surplus which remains unidentified if appropriate action is not taken.</p> <p>Financial checks should be carried out promptly on receipt of documentation requested.</p>	<p>Spreadsheet to be set up to monitor the documents request and review process in relation to action required.</p>	Medium	<p>Rachel Wing Commence June 2011 to August 2011.</p>	Complete

	when the financial check is carried out.	Sufficient resource should be available to enable the above actions to be carried out.				
1.8	<p>The Development and Co-ordination Assistant carries out the financial check and raises the invoice. There is currently no division of duty or independent check.</p> <p>We found anomalies during testing of 19 cases as follows:</p> <ul style="list-style-type: none"> the Service User's contribution had not been taken into account when calculating the surplus to be reclaimed; unsupported expenditure was identified to be reclaimed along with the surplus balance, but the value of these items was omitted from the invoice; Anomalies were identified in a further 2 cases however these did not impact on the invoice value. 	The process should include adequate division of duty and/or an independent check or spot checks of the financial checks carried out.	<p>This will be covered within the new process including separation of duties and supervisory checks.</p> <p>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.</p> <p>The 19 cases will be reviewed and appropriate action taken to ensure that the anomalies are addressed.</p>	Medium	<p>Rachel Wing / Jane Maddison August 2011</p> <p>Rachel Wing/Jane Maddison July 2011</p>	<p>Ongoing</p> <p>Currently it is a separate employee undertaking the checks and therefore there is a separation of duty.</p> <p>This will be reviewed now that the structure has been confirmed.</p> <p>Complete</p> <p>All of the issues in relation to the 19 cases have been resolved.</p>

