

**CYNGOR SIR POWYS COUNTY COUNCIL**

**Audit Committee**  
**27<sup>th</sup> June 2011-06-16**

**REPORT BY:** Policy and Development Officer, (Mental Health and Learning Disabilities)

**SUBJECT:** Internal Audit Report Direct Payments- Adults Update of Action Plan

**REPORT FOR:** Information

Attached is a copy of the Action Plan from the Final Report of the above audit.

Significant progress has been made and the developments are appended to the Action Plan in blue text. However, changes to legislation and guidance have required further work to be undertaken. This work is also reflected on the Action Plan in blue text.

It is appropriate that there should be discrete policies for Adults' and Children's services. The legislation and guidance both create differences between Direct Payments made to Adults and those made for services to children. It is appropriate that there should be discrete policies for Adults' and Children's services and this is now the case. Equally, the development of forms for the two distinct service groups has been achieved.

Training on the new Policy and Procedures will be scheduled for the Autumn and will be delivered in-house by those officers that have written the new Policy and Procedures.

The tendering of the Support Service is due to commence in April 2012. Meanwhile, regular contract meetings with the current Support Provider are taking place.

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## 8.0 ACTION PLAN Update June 2011 (Updates in blue)

Ref	Control Weakness	Consequences / Risk	Grading	Agreed Actions by Client	When and by Whom
8.1	The current policy for Direct Payments is overdue for review and therefore may not reflect recent changes in legislation.	Incorrect procedures may be followed when dealing with a direct payment.	Significant	A revised version is awaiting approval. <b>However, new guidance from WAG received 12/04/11 to address changes in legislation relating to DPs. As an interim measure WAG guidance has been posted on the wiki. Policy to be redrafted by July 2011 and approved through SMT.</b>	Policy and Development Officer MH/LD/ Appointee/Deputy ship unit
8.2	Fully authorised paper copies of needs assessments and care plans requiring the signature of the Social Worker and Team Manager were not held on file. In addition one file examined did not contain a copy of the care plan.	No evidence of authorisation by a designated Senior Officer.  There is no evidence that a care plan has been completed.	Significant	To reiterate the accountability and responsibility of Team Managers to ensure Assessment and PPC are 'signed off' prior to the commencement of payment of a DP. Action to be taken through Team Manager meetings.	Shire Managers January 2011  <b>This exercise is underway</b>
8.3	Instances were noted where care plans had not been reviewed in line with policy i.e. 6 weeks from commencement of the care plan and then annually. In some cases care plans had not been reviewed for periods of up to seven years.	Non compliance with council policy. Clients may not be receiving the appropriate care for their needs.	Fundamental	Performance relating to overdue reviews currently under discussion.	Shire Manager – Montgomeryshire <b>This work is ongoing and has been subsumed into the current Care Management Review</b>

## 8.0 ACTION PLAN Update June 2011 (Updates in blue) cont.

Ref	Control Weakness	Consequences / Risk	Grading	Agreed Actions by Client	When and by Whom
8.4	Copies of the Direct Payment agreement between the client and the Council could not be found on the clients file. Therefore no assurance can be given that such an agreement is in place.	No binding contract has been entered into between the client and the Council.	Significant	Care Manager & Finance Team to ensure copy of contract on file prior to payment of first DP payment to client – ensure part of the business process for staff	Policy Officer MH/LD. DP forms to be embedded in DRAIG (in parallel to Children's services forms)- Forms currently awaiting testing before full embedding
8.5	Direct Payments are not being reviewed within the required timescales and in line with policy.	Direct Payments money may be spent inappropriately.	Significant	Financial Audits – Significant progress has been made since the appointment of a Direct Payment Audit assistant in Jan 2010 – of 131 adult audits there are currently 16 audits outstanding which will be completed by the end of the financial year.  Care Reviews – Please see point 8.3	Audit process to be embedded in DRAIG. Finance audits to be signed off by Team Managers See 8.4

## 8.0 ACTION PLAN Update June 2011 (Updates in blue) cont.

Ref	Control Weakness	Consequences / Risk	Grading	Agreed Actions by Client	When and by Whom
8.6	No formal documentation was available as evidence of the hourly rates. Not all Direct Payments are being paid at the approved rate for the current financial year.	Clients are being paid at an unauthorised / incorrect hourly rate.	Significant	Much of this is historical. Those paid more than the standard hourly rate will not be increased until their hourly rate is the same as the standard rate. Those cases with a lower hourly rate, are again historical, and should have had the annual % increase added to their hourly rate.	
8.7	A client who has an outstanding debt with the Council is in receipt of a Direct Payment.	Direct Payments are not being paid in accordance with policy.	Fundamental	Need for staff training on policy – need to ensure check re previous debt against council is included in business process prior to approval of DP at resource panel.	Policy Officer LD/MH Training in development to address new WAG guidance
8.8	Care Managers are not following procedures by informing the DPA of the commencement or amendment of a Direct Payment.	Financial Audits may not be undertaken as the DPA is not aware of the Direct Payment.	Significant	Discussion needs to take place re ensuring most appropriate process adopted to inform DPA of commencement of DP	Process to be developed within DRAIG to capture start/change to DP by end June2011

## 8.0 ACTION PLAN Update June 2011 (Updates in blue) cont.

Ref	Control Weakness	Consequences / Risk	Grading	Agreed Actions by Client	When and by Whom
8.9	Direct Payments were identified that were overdue for financial auditing and in some instances cases were noted where Direct Payments had not been audited for significant periods of up to 11 years.	No assurance can be given that Clients are utilising their Direct Payment correctly.	Fundamental	Prior to the appointment of a DP Assistant there was no clear process for audit, however the AD Unit together with an independent consultant audited the majority of cases. The specific case mentioned has been audited to a degree, the outcome of which was referred to the Service Area. 3 historical audits remain outstanding for specific reasons - one being a POVA case. Another is awaiting a High Court Judgement. All 16 audits outstanding have been written to requesting they send their papers in. These should be completed in this financial year.	<p>Appointee/ Deputyship Unit</p> <p>With the exception of 5 cases audits now complete. The outstanding cases have specific issues which have been referred to Care Management.</p> <p>e.g. Recipient refusal to provide paperwork; POVA cases + one case currently with High Court for judgement.</p>

## 8.0 ACTION PLAN Update June 2011 (Updates in blue) cont.

Ref	Control Weakness	Consequences / Risk	Grading	Agreed Actions by Client	When and by Whom
8.10	Clients are not retaining copies of the relevant documentation such as bank statements, cheque book stubs, timesheets etc for the DPA to undertake the financial audit.	Without a financial audit being undertaken no assurance can be given that clients are utilising their direct payments correctly.	Significant	<p>To date many of the audits completed have been historical therefore the probability of all documentation being kept on file from as far back as 2004 was limited. Many service users were unaware of the importance of retaining this information. It has now been communicated that financial information is to be kept for 6 years, this is stated on the contract signed by new service users.</p> <p>A number of historical cases have chosen to transfer the management of their DP to the Dewis scheme - the next audit should see an improvement.</p>	<a href="#">This will be addressed within future training to New Policy and Procedures</a>
8.11	Carer's who are not directly involved with DEWIS CIL do not complete timesheets; without this record it is not possible to evaluate the amount of care a Service User is receiving.	<p>Service Users may not be getting value for money.</p> <p>Direct Payments are not being used in accordance with policy.</p>	Significant	A time sheet has been drafted and will be included in the revised policy.	Appointee/Deputy ship Unit

## 8.0 ACTION PLAN Update June 2011 (Updates in blue) cont.

Ref	Control Weakness	Consequences / Risk	Grading	Agreed Actions by Client	When and by Whom
8.12	Issues identified as a result of the financial audit of a Direct Payment are not being addressed by the appropriate Social Worker / Care Manager.	No assurance can be given that Service Users are utilising their Direct Payments correctly.	Fundamental	Need to reiterate accountability and responsibility of Team Manager and Care Manager to follow through and agree actions required, ensuring appropriate instructions are made to Finance as required. Action to be completed through Team Manager/Team Meetings.	Shire Managers/Team Managers  To be addressed within training to revised policy and guidance.
8.13	Unspent funds identified as a result of the financial audit of a Direct Payment are not being re-claimed from the Service User.	Direct Payments are not being utilised correctly. Loss of income to the Authority.	Fundamental	It is not a guaranteed reclaim of the amount identified on the DP3 form. The care manager should inform finance where there is a need for repayment of any amount. There may be instances where money is paid for respite therefore more than the 8 weeks contingency is required. There needs to be clear instructions from care management, which needs addressing in the revised policy. ie email to finance teams to confirm. See note on 8.12	Each individual case has to be judged on its own merits. This is another area that will be addressed in training to new Policy and Guidance.

## 8.0 ACTION PLAN Update June 2011 (Updates in blue) cont.

Ref	Control Weakness	Consequences / Risk	Grading	Agreed Actions by Client	When and by Whom
8.14	There is no evidence to confirm that the contract between PCC and Dewis CIL is being periodically reviewed and therefore no assurance can be given that the contract is operating as per the specification or proving value for money.	The contract may not be operating as per the specification. Value for money may not be achieved.	Significant	Contract Review meeting to be held on 28/01/2011	Contract re-tendering exercise underway to be completed by April 2012. New service specification to be written by Policy and Development Officer MH/LD by July 2011 Meanwhile, contract review meeting now scheduled. Meetings took place on 28/01/2011. and 20/05/2011 further meeting scheduled for 17 <sup>th</sup> June 2011
8.15	No formal contract monitoring is in place between Dewis CIL and Powys County Council.	The contract may not be operating as per the specification. Value for money may not be achieved.	Significant	See 8.14	



8.16	No assurance can be given that Personal Assistants employed by Service Users have been CRB checked.	The Authority is potentially failing in its duty to ensure that arrangements designed to safeguard and promote the welfare of an adult are in place.	Fundamental	This is not a requirement for a Direct Payment issued to an Adult. The Council strongly advises that CRB checks are carried out and will arrange these when requested but does not require them in the case of adults with capacity. This is in line with WAG Guidance 10 – 12242 para 5.23)	
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