



# Personal Finance Contribution - Income Collection


## Final Report




Issue Date: 31 March 2017

Working in Partnership to Deliver Audit Excellence




## Executive Summary

-  This section provides an overview for senior management to understand the main conclusions of this audit review, including the opinion, significant findings and a summary of the corporate risk exposure.

## Findings and Outcomes

-  This section contains the more detailed findings identified during this review for consideration by service managers. It details individual findings together with the potential risk exposure and an action plan for addressing the risk.

## Appendices:

-  Audit Framework Definitions
-  Support and Distribution
-  Statement of Responsibility

# Executive Summary

## Overview

As part of the 2016-17 audit plan a review has been undertaken to assess the adequacy of the controls and procedures in place for the management of income from personal finance contributions towards adults care across Somerset County Council.

Under the Care Act (2014) local authorities have a duty to arrange care and support for adults with eligible needs and a power to meet non-eligible needs. In both cases the local authorities have discretion to choose whether or not to charge.

Somerset County Council (SCC) has applied its powers (provided within the Care Act) to require clients to make a personal financial contribution towards their care. The amount of contribution is worked out using Government guidance and is based on the amount of money that can be afforded after taking into account all income and essential expenditure. Clients can choose to manage their care themselves through a Direct Payment where they are required to set up their own account and pay contributions into this or have their care managed by the Local Authority. This audit review has focussed on care managed by the Local Authority.

At SCC, clients' care needs are assessed by a Social Worker first, this is then referred to the Care Coordination team to arrange care provision, once a care placement has been made the client is then referred to the Finance and Benefits teams to complete a financial assessment to determine the client's ability to contribute towards their care costs. Charges can only commence once the financial assessment has been completed. Where individuals refuse to be financially assessed, the Council will assume they have the ability to pay for their care and will be charged for the full value of their care provision.

Clients are required to make their contributions direct to the care homes who will chase debts outstanding for three, four-weekly, payment periods. Where the debt remains outstanding, these are transferred from the care home to SCC. Once transferred, SCC will pay the outstanding debt to the care home and will invoice the client for the outstanding debt and undertake their own debt recovery process. It should be noted that this arrangement is of significant benefit to SCC

Debts transferred by the Care Homes to SCC are managed by relevant local finance teams based in Taunton, Bridgwater, Shepton Mallet and Yeovil. Officers within these teams are responsible for raising the debts on the Council's Financial Management system (SAP) and for completing the debt recovery.

As at 31 August 2016, there was a total of £645k of client debt at SCC (note total income per annum = approx. £20m). This has been broken down by region and debtor days below:

Location	Instalment Plans	Not due	31-60 days	61-90 days	91-180 days	181-365 days	1 year+	Total
Client Finances	87	3,739	17,216	19,021	5,759	9,767	16,187	71,775
Direct Payments	13,293		7,446	465	9,732	1,306	10,348	42,589
Mendip	56	11,075	0	1,103	19,975	20,186	74,640	127,034
Sedgemoor	0	3,678	583	6,896	11,959	2,085	1,277	26,476
South Somerset	24,277	99,976	1,488	493	6,632	161,175	61,711	355,752
Taunton	6,206	243	2,082	28	56	11,901	1,008	21,525
<b>Total</b>	<b>43,918</b>	<b>118,711</b>	<b>28,814</b>	<b>28,005</b>	<b>54,114</b>	<b>206,420</b>	<b>165,169</b>	<b>645,151</b>

\*Note – figures have been rounded to nearest £.

Somerset County Council’s Financial Assessment and Benefits Team have targets of completing a Financial Assessment within 15 working days for Fairer Charging (i.e. Care at Home) and 20 working days for Residential. Between 1 April 2016 and 30 September 2016, the average timescales between a placement commencing and a finance assessment being completed was 31 days this is broken down by local offices as follow:

Local Office	Days
Mendip	39
Sedgemoor	30
South Somerset	29
Taunton	23

Clients are required to make a contribution based on a calculation of their savings and income less expenditure covering general living expenses, housing costs and extra costs linked to their disability. Clients who have over £23,250 in savings will pay towards the full costs of their care. For clients required to pay towards their care, any delays in completing their financial assessment will result in a loss of income to the Council.

The local finance teams are currently going through a consultation which will result in some restructuring of teams and responsibilities. The findings based in this report are based on current methods of working, the recommendations included will support future processes once structures have been determined.

## Objective

To ensure that people pay their agreed contribution towards their care and support costs.

Audit Objective: To provide assurance that personal contributions are identified promptly and there are sufficient controls in place to record and recover debts where personal contributions are not made to care homes.

## Significant Findings

Finding:	Risk:
No clear guidance to support staff in recovering debts from vulnerable clients.	Personal Finance Contribution is not collected leading to increased expenditure for the local authority.
Debt recovery was managed inconsistently across local finance teams, and unsuccessful attempts were routinely repeated without appropriate escalation.	

## Audit Opinion:

**Partial**

I am able to offer partial assurance in relation to the areas reviewed and the controls found to be in place. Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

The main areas of concern can be summarised as follows:

- There is no single team approach to the management of debt recovery across the local finance teams resulting in differing monitoring and control frameworks and inconsistent record keeping between offices and a reliance on hard copy files.
- Debts are chased by individual officers which results in a lack of continuity of chasing when absences occur.
- Outstanding debts are not escalated promptly, in some instances this may allow debts to accrue beyond a client's financial ability to repay. Debts are already outstanding for 90 days before being managed by the service.
- Debt recovery does not follow the defined corporate standards, whilst there will be some expected variation due to the nature of these debts, these variations should be defined clearly by the service.
- Initial debt chasing by care homes differed in quality, one care home did not provide an adequate breakdown of costs or copies of invoices. This will impact on the success of the debt recovery prior to being transferred over to SCC.

It is now recommended that the findings in this report are used to strengthen the debt management framework and monitoring arrangements in place, to ensure that income collection is maximised across Adult Services.

Corporate Risk Assessment			
Risks	Inherent Risk Assessment	Manager's Initial Assessment	Auditor's Assessment
1. Personal Finance Contribution is not collected leading to increased expenditure for the local authority.	High	Medium	Medium
2. Delays in determining the Personal Finance Contribution result in increased SCC expenditure towards care.	High	Medium	Low

# Findings and Outcomes

## Method and Scope

This audit has been undertaken using an agreed risk based audit. This means that:

- the objectives and risks are discussed and agreed with management at the outset of the audit;
- the controls established to manage risks are discussed with key staff and relevant documentation reviewed;
- these controls are evaluated to assess whether they are proportionate to the risks and evidence sought to confirm controls are operating effectively;
- at the end of the audit, findings are discussed at a close-out meeting with the main contact and suggestions for improvement are agreed.

Client contributions made as part of the Direct Payment procedures are subject to a different control framework and have therefore been excluded from this review.

Aged debt reports have been generated by the Finance Manager from the Council's Financial Management System (SAP) and provided to Audit. Evidence of debt recovery and timescales for completing financial assessments was accessed by the Auditor using the Adults Social Care system, AIS. Audit also accessed SAP to verify whether any case notes had been entered in relation to debt recovery.

Audit was only able to obtain a report of all personal finance contribution debts once they had transferred to the SAP system. Therefore it is not possible to place assurance that all debts reported by Care Homes have been transferred to the system.

It was not possible to report on instances where individuals have refused a Finance and Benefits assessment, we received verbal assurance from the Senior FAB Officers that there are very few instances where this happens. It was determined during testing that where FAB Assessments are declined there is provision in SCC policy to assume they are a maximum payer and therefore there is no impact on the Council.

A Corporate Debt Management audit has also been undertaken during quarter 3 of the 2016/17 audit plan, recommendations made within this adults review are at a service level rather than corporate, however references have been made to the Corporate Debt Management findings where relevant.

Risk 1	Personal Finance Contribution is not collected leading to increased expenditure for the local authority.	Medium
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### 1.1 Finding and Impact

#### Council debt recovery procedures and guidance

There is corporate Code of Practice for Income Management at SCC, however, as a result of the nature of these debts the local finance teams cannot always follow the principles within this policy e.g. it is not possible to cease the care provision to the client based on non-payment of debt and escalation of some debts needs to be handled sensitively due to safeguarding concerns. There is no internal guidance however on what level of discretion can be used in relation to pursuing client debt and therefore there is a risk that the debt recovery will be managed inconsistently based on the officer undertaking the recovery process.

Due to the types of client accumulating debt, it is acknowledged that a different approach may be required rather than the procedures used for recovering other traditional types of debt. However, lengthy timescales will result in an increased accumulation of debt and potential inability to repay. In particular, early intervention may require social worker support to ensure and identify reasons for non-payment with the client before engaging in a recovery process and some guidance should be provided on how this process will work. In some cases, the Council may need to apply for Court of Protection to assume responsibilities for the client's finances and consideration to this part of the process needs to be given before any progress to write-offs.

The Code of Practice for Income Management at SCC states that for debts between 28-35 days the client should be contacted to ascertain a payment date, 35-42 days debts should be passed to the budget holder to agree a plan of action to recover the debt over the next 14 days and between 49-56 days debt is referred to the legal debt recovery officer. Debts are only pursued by the Council after being chased for three payment periods by the Care Home. At this point the debt chasing effectively commences again.

Without clear guidance for officers managing the non-payment of client contributions there is a risk that debts will not be chased/escalated in a timely manner and opportunities for the recovery and settlement of debts at an early stage will be missed.

If these processes are followed once the debt has been passed over to SCC the payment will have been outstanding for at least 139 days before it is progressed to legal.

It was noted during the Corporate Debt Management review that the Income Code of Practice does have provision for agreeing variations from corporate guidelines however no service variations had been noted. A recommendation has been at a corporate level to further develop the Code of Practice.

1.1a Agreed Outcome: Priority 4

I recommend that the Finance Manager ensures there is sufficient guidance in relation to unpaid income from clients including Social Worker involvement (where relevant) and timescales for escalating the recovery actions to the Legal Team. Guidance should refer to the Corporate Code of Practice for Income Management.

Action Plan:

Person Responsible:	Finance Manager	Target Date:	June 2017
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Management Response:	A restructure of all Adults Local Finance Teams is already underway which whilst resulting in a reduction in staff, is introducing a dedicated debt recovery post. This will result in a more consistent recovery however given the nature of the debtor, i.e. vulnerable adults the collection of these debts require a more flexible approach		
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1.2 Finding and Impact

Management of debt following notification from Care Home

No associated timescales have been published with regards to inputting debtor data onto the Financial Management System following return from the Care Homes but the Senior Finance Officer stated that it should be completed as soon as possible. As soon as debt is recorded on the system an invoice should be raised to client.

Based on a review of 20 debts, the west of the region averaged 16 days from receipt of the debt from the care providers to the data being input onto SAP, the East of the region had an average of 34 days (however two cases had to be excluded from this calculation as relevant paperwork was not available). Within this sample there was a delay of 64 days processing one debt transfer onto

SAP, which resulted from staff vacancies Recalculating the average from November 2015, the average days for the East of the region have improved from 34 days to 24 days.

The same sample was reviewed to check that all debts received by Care Homes had been processed on SAP, promptly and accurately. The following findings were identified:

- Five debts were transferred from Candlelight Care, the supporting evidence and debt chasing letters for these debts from the provider were poor. The letters sent to clients did not make reference to any debt chasing, only that the amounts outstanding will be passed to SCC for collection.
- Two debts in the sample did not have any supporting evidence, limiting the quality of the audit trail to determine that debts were transferred accurately and promptly.

There is a risk that with supporting evidence from care homes either being inconsistent in its quality or not being retained on file, the Council does not have a sufficient audit trail of debt recovery action that has been undertaken. This could also create difficulties for SCC in pursuing the debt further.

In addition, no qualitative data is received from Care Homes, detailing client circumstances or any discussions had with the client or members of the family, only the amounts outstanding and records of chasing. Additional information could be requested to help identify an individual's ability to pay and to determine whether there have been any discussions with the clients regarding their debt.

There is a risk that debts are being transferred to the Council without sufficient information to support the Council in maximising debts recovered.

1.2a	Agreed Outcome:	<b>Priority 3</b>
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I recommend that the Finance Manager ensures that contracts provide greater detail on what information needs to be provided to both clients and the local authority regarding recovery action undertaken. Guidance should include:

- how debt should be reported to the client and the role of the local authority following non-payment;
- details on how to engage in Social Worker support if required; and
- records of any conversations with clients (or family/support if appropriate) regarding the non-payment of debt.

Example pro-formas could be provided by the Local Authority to ensure consistency across all providers with a lead officer working with providers to ensure continuous improvement

**Action Plan:**

Person Responsible:	Finance Manager	Target Date:	June 2017
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Management Response:	<p>Whilst recognising these points, it should be noted that the large majority of client debt is collected successfully by the providers. Not only this – It also reduces the administrative financial burden on the council. The finance service do however recognise the need to work with providers to ensure they have suitable debt recovery processes in place. This will be considered by a new dedicated debt recovery post.</p>
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1.3	<b>Finding and Impact</b>
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Management of debt recovery processes  
 Contrary to the requirements detailed within the Corporate Code of Practice for Income Recovery, the Local Finance teams do not use the Council's Financial Management system (SAP) to record details of recovery action.



Although it is acknowledged that debt recording on SAP is an organisation-wide weakness, during this review it was also identified that there are inconsistencies with recording information across the four local finance teams.

The debt recovery records held were dependent on whether the debt was being managed in the East of the County (Shepton Mallet and Yeovil) or the West (Taunton and Bridgwater). The East teams were recording all recovery action on the Adult Social Care database (AIS) and attaching evidence where relevant, however in the West of the Council, recovery records were hard copy paper files with some limited notes on AIS.

The reliance on paper records creates a risk to data integrity and business continuity in the event that records cannot be accessed, the use of paper records also does not facilitate cross-team working. Inconsistencies with how local finance teams manage controls has been reported previously as part of the Direct Payments – ISP implementation audit 2015/16. The findings reported in this audit demonstrate that there is still no single team approach.

Similar findings were identified during the Corporate Debt Management audit with multiple services not consistently recording a full audit trail on the financial management system. A wider recommendation was made to improve guidance and training for staff in this area.

1.3a	Agreed Outcome:	<b>Priority 4</b>
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I recommend that the Finance Manager ensures that there is a single defined process to manage debt recording, recovery and the retention of records ensuring consistency across all areas. Processes should be consistent and records accessible from other offices to ensure business continuity in the event of staff absence. This may be delivered through the planned restructure.

**Action Plan:**

Person Responsible:	Finance Manager	Target Date:	September 2017
Management Response:	A restructure of all Adults Local Finance Teams is already underway which whilst resulting in a reduction in staff, is introducing a dedicated debt recovery post. This will result in a more consistent recovery across the county.		

1.4	Finding and Impact
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Management review of aged debts

There is a monthly management meeting held between the Finance Manager and the Senior Finance Officers where debts and ongoing recovery is discussed. Evidence of the data used to facilitate these discussions was provided to audit, however, it was identified during testing that not all debts discussed had been raised ahead of these meetings. The Finance Officer in South Somerset has recently been absent from work, during this time no further action has been undertaken on her cases and consequently no update on the status of these debts has been provided to management.

There is a risk that without adequate cover arrangements and shared processes the success and continuity of debt recovery actions is compromised by staff absence.

1.4a	Agreed Outcome:	<b>Priority 3</b>
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I recommend that the Finance Manager develops a protocol that ensures there is sufficient cover for managing debts rather than being managed locally the responsibility of one individual to ensure sufficient cover in the event of staff absence/turnover.

**Action Plan:**

Person Responsible:	Finance Manager	Target Date:	September 2017
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Management Response:

There are insufficient resources to provide this function consistently across the service in periods of extended staff absence. This will be considered however as the restructure is implemented.

## 1.5 Finding and Impact

### Recovery action undertaken

A sample of ten aged debts was reviewed to identify what recovery action had been undertaken, given the differences in how local teams treat processes the sample was split across the four regions as follows (3 cases each for Mendip and South Somerset and 2 cases each for Bridgwater and Taunton) the findings were as follows:

- Mendip - Some debts appear to have built up over a number of years with repeated reminder letters being issued, but no further action. One example showed a debt first being raised in 2013, with nine debt chasing letters sent since this time. However it noted that the most recent letter stated that the debt would be referred to legal within seven days.
- South Somerset - Two of the sampled debtors did not appear on the reports to management as referenced above. The Finance Officer stated that they had recently returned from long term sick (several months) and no action had been taken on her cases during this time. Consequently no update of the status of these debts was provided to management during this time. These two cases have also had no action recorded against them since June 2016. This again is due the Finance Officer being off sick and this part of her workload not being covered in her absence.
- South Somerset – one debt was transferred to the service with a value of £217.50 in 2011, since then 29 debt chasing letters have been sent with the debt accumulating to a value of just under £7k.
- Taunton - one of the sample had accrued a debt of £742.50 since being referred to SCC in 2013 at a value of £340, during this time there has been approximately 40 debt chasing letters sent to the debtor without sufficient escalation, whilst some payments have been received in this time, these payments have not cleared the balance and the debt has continued to accumulate.
- Sedgemoor - supporting evidence has not been provided to allow an assessment to be made during testing.

Repeated debt chasing letters demonstrates the limited effectiveness of the debt recovery procedures at present. Furthermore, the debt will continue to accrue throughout this duration to a level that may become unmanageable or may, if repaid, may impact on their capital thresholds and future contributions. Debt recovery is unlikely to be successful where 40 letters have already been sent and consideration needs to be made regarding whether social worker intervention at an earlier stage would support the recovery process or whether the case needs progressing to legal. It was noted that the two examples at Mendip included a request for Social Workers to visit the clients prior to any legal action being undertaken.

The findings above demonstrate that debt chasing is prolonged with repeated unsuccessful attempts continuing, without a review of the strategy undertaken or willingness to escalate. As a result balances continue to accumulate and debt becomes increasingly unrecoverable. It should also be noted that the Care Homes will already have chased the debts for up to 90 days prior to the debt being transferred over to SCC.

Discussions with the Finance Officer and Finance Manager have indicated that the need to refer debt to legal earlier is recognised and a recommendation has been made to produce supporting guidance with guidance from legal.

1.5a Agreed Outcome:

**Priority 4**

I recommend that the Finance Manager should develop guidance for the Finance Officers on what attempts should be made to recover debt and when they should be referred to legal. Guidance

should consider the following:

- Timescales for managing the process, to include consideration of time already spent by Care Homes pursuing debts; and
- Guidance on where exceptions or social worker involvement may apply and an identified authorisation process to apply such exceptions.

**Action Plan:**

Person Responsible:	Finance Manager	Target Date:	June 2017
Management Response:	We acknowledge the findings above and will be implement a more robust process as part of the restructure.		

**1.6 Finding and Impact**

A sample of five debt write-offs was reviewed to identify whether appropriate recovery actions were undertaken prior to the approval of the write-off. Of this sample, two cases were from the Taunton region, one from South Somerset, one from Mendip and one from the Learning Disabilities (LD) team.

The findings identified this testing were as follows:

- Evidence of debt recovery actions prior to the write-offs were only available for one case (LD). Signed copies of the write-of request forms were available for all five from the Debtor Team Leader, however, copies of the approved forms are not always returned to the originating Finance Officer to allow them to keep complete records.
- The client in one case was assessed as having no funds in her estate after her death in May 2014, yet the debt was not written-off until January 2016.

Without adequate records for write-offs being retained, there is a risk that debts will be written off before all avenues of recovery action have been exhausted resulting in a financial loss to the Council. A recommendation regarding the management of recovery evidence has already been stated above and no further recommendations are made in this area.

However, debts once identified should be progressed to write-off without delay. There is a risk that budget reporting will be impacted where debts are not written off in a timely manner.

**1.6a Agreed Outcome: Priority 3**

I recommend that the Finance Manager should ensure that debt is progressed to write-off once adequate demonstration of non-recovery has been identified.

**Action Plan:**

Person Responsible:	Finance Manager	Target Date:	June 2017
Management Response:	We acknowledge the findings above and will be implement a more robust process as part of the restructure.		

**Risk 2 Delays in determining the Personal Finance Contribution result in increased SCC expenditure towards care. Medium**

**2.1 Finding and Impact**

Timescales for assessing financial contributions

There are no formal target timescales included in SCC procedures for completing FAB assessments, however, Senior FAB Assessors state there is a target of 15 days for Care at Home and 20 days for Residential Care. Despite these timescales, there is no performance monitoring to assess whether these targets are being met. The Senior FAB Assessor (East) has been tasked with setting up reports on the system to provide monthly performance data that will demonstrate average timescales at

both individual and team level. They are also looking at amending some of the fields within AIS to provide better data on the reasons for delays.

Once a FAB Assessment is requested for a client, it was reported that there are currently no delays in completing financial assessments. However, cases are currently not being work flowed into the team as a result of a backlog within the Care Coordination team where they have an estimated 1,600 cases that may require a FAB assessment and these are not getting passed through to the FAB team in a timely manner. There is a risk that these cases may be suddenly progressed and the FAB team will not have capacity to deliver.

A sample of ten delayed cases were reviewed with the Senior Care Coordinator to identify causes in the delays. The Senior Care Coordinator stated that there is currently a significant backlog in the administrative side of their process as they are prioritising the sourcing of care to ensure that clients are safe, this means that the background processes have not been completed promptly. The backlog started to build in April 2016, when three members of staff left the team, leaving them with only 2.4 full-time equivalent members of staff. The task of training their replacements and subsequent further loss of staff have further contributed to the extent of the backlog. Staff have been borrowed from other departments, and the backlog is currently being reduced. The Senior Care Coordinator estimated that the backlog totals approximately 1,000 items across a number of team in-boxes, although there may be a number of items associated to one client, and therefore these will not necessarily relate to 1,000 client accounts. Results of sample testing is detailed below:

- 6/10 delays can be directly attributed to the backlog in administrative work.
- 1/10 delayed due to the Clients admission to hospital
- 2/10 were Direct Payments and FAB would have been requested by the Finance Teams. The Senior Care Coordinator could not fill in the reasons for the delay in these cases.
- 1/10 delayed could not be identified from the information available although system data showed that the request for a FAB Assessment was raised by the Care Coordinators on 17/05/2016, but did not appear in the FAB team's task list until 29/09/2016. The Senior Care Coordinator stated this could be the result of incorrect data input which caused the action to remain hidden until September or the FAB Assessment was reallocated which then reset the date.

Although there is a backlog relating to processing it was evidenced during testing that the timescales between provision start and FAB assessment are reducing as seen below:

Month	Calendar Days
April 2016	52
May 2016	30
June 2016	27
July 2016	24
August 2016	23
September 2016	16

There continues to be a risk that the volume of care coordination impacts on the delivery of FAB Assessments and these delays result in a loss of income to the Council. Efforts should be made to ensure that timescales are monitored to identify they remain at an acceptable level where volume is increased.

2.1a      Agreed Outcome: Priority 3

I recommend that the Senior FAB Assessor develops a process for monitoring the performance of the FAB team and FAB assessments, this data should then be used to inform future performance targets.

<b>Action Plan:</b>			
Person Responsible:	Team Manager – Client Finances and FAB	Target Date:	31 July 2017
Management Response:	Agreed		
2.1b	<b>Agreed Outcome:</b>		<b>Priority 3</b>
I recommend that the Team Manager - Client Finances and FAB Team develops a strategy with the Care Coordination team to develop a manageable flow of referrals to the FAB team, this may involve cross-team working to minimise impact of high demand for care provision.			
<b>Action Plan:</b>			
Person Responsible:	Business Support Manager	Target Date:	Ongoing
Management Response:	Business Support Manager – since the audit testing was undertaken additional resource has been made available in the care coordination team and the backlog is now cleared. The team is currently going through a restructuring process which will facilitate an improvement in the process.		

## 2.2 Finding and Impact

FAB Assessments are completed by four different local teams in Mendip, Sedgemoor, South Somerset and Taunton. A review of timescales between provision start date and FAB assessment was undertaken by audit for all financial assessments between 1 April 2016 and 30 September 2016. This provided the following results:

	Calendar days
Mendip	39
Sedgemoor	30
South Somerset	29
Taunton	23

20 cases were reviewed (10 each from the East and West of the County) with the relevant Senior FAB Assessors to identify reasons for delays. The timescales reported above are from the date of the provision starting and not the date that the request for FAB Assessment was made. Results as follows:

### East Somerset:

- 3/10 assessments were completed within the target of 15 days following the request for assessment being recorded on AIS. For 1/10 the timescale was not applicable as it was identified during testing as being a reassessment and therefore client contributions had already been determined previously.

Of the 6/9 assessments that exceed the 15 day target the following reasons were recorded in the AIS case notes:

- 1/9 due to social worker availability
- 1/9 FAB team delay due to staff illness.
- 3/9 due to Client/Power of Attorney availability
- 1/9 due to Client hospital admission

### West Somerset:

- 9/10 assessments were completed within the target of 15 days following the request for assessment being recorded on AIS. 1/10 assessments could not be completed at the initial request as the package of care had not been put in the system. This client was subsequently

assessed as above the financial threshold.

- 0/10 had appointments that were cancelled/missed.

The findings above indicate that there are delays within the FAB Assessment process as well as the Care Coordination process detailed previously. Delays in completing the Financial Assessment will, inevitably, resulting in a direct loss of income for the Council. 893 assessments were completed for this period with the average weekly charge for this period was £21.15. Therefore a ten day delay would result in an estimated loss to the Council of c.£27k for the six month period.

A recommendation on performance reporting and monitoring has already been made and no further recommendations are made as a result of this finding.

## 2.3 Finding and Impact

The Council allows clients to delay a FAB assessment three times before they are automatically assessed as being self-funding. Although, as part of this, missed/cancelled assessments due to hospital admissions and other unforeseen medical appointments and other incidents beyond the control of the clients are disregarded. Social Workers will also contact the Client and/or their designated Power of Attorney to stress the importance of the need to complete the FAB assessment. This is not recorded with in the internal FAB assessment procedures as a formal policy.

There is a risk that without this part of the process being noted down in the formal procedures, it will be inconsistently applied across the region with potential for costs of care being covered at the expense of the Council until such time as a financial assessment has been completed.

It should also be noted, that in assuming clients are maximum payers if they have not completed a FAB Assessment, there is a risk that resources will be utilised in progressing debt recovery where the client has no current or previous financial ability to repay. This is an accepted risk of implementing such a control.

### 2.3a Agreed Outcome:

Priority 3

I recommend that the Team Manager – Client Finances and FAB ensures that the Finance and Benefits Assessment procedures are updated to include the Council's policy of allowing clients to delay a FAB assessment three times before they are automatically assessed as being self-funding.

#### Action Plan:

Person Responsible:	Team Manager – Client Finances and FAB	Target Date:	31 July 2017
Management Response:	Agreed		

# Audit Framework and Definitions

## Assurance Definitions

<b>None</b>	The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
<b>Partial</b>	In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
<b>Reasonable</b>	Most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
<b>Substantial</b>	The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

## Definition of Corporate Risks

Risk	Reporting Implications
<b>High</b>	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
<b>Medium</b>	Issues which should be addressed by management in their areas of responsibility.
<b>Low</b>	Issues of a minor nature or best practice where some improvement can be made.

## Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors, however, the definitions imply the importance.

<b>Priority 5</b>	Findings that are fundamental to the integrity of the unit's business processes and require the immediate attention of management.
<b>Priority 4</b>	Important findings that need to be resolved by management.
<b>Priority 3</b>	The accuracy of records is at risk and requires attention.

*Priority 2 and 1 Actions will normally be reported verbally to the Service Manager.*

## Report Authors

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## Support

We would like to record our thanks to the following individuals who supported and helped us in the delivery of this audit review:

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## Distribution List

This report has been distributed to the following individuals:

Ben Casson, Finance Manager  
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## Working in Partnership with

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# Statement of Responsibility

## Conformance with Professional Standards

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Auditing Standards.

## SWAP Responsibility

Please note that this report has been prepared and distributed in accordance with the agreed Audit Charter and procedures. The report has been prepared for the sole use of the Partnership. No responsibility is assumed by us to any other person or organisation.