



DERBY CITY COUNCIL

**AUDIT AND ACCOUNTS  
COMMITTEE  
6 APRIL 2006**

Report of the Head of Audit and  
Risk Management

# ITEM 9

## Audit Report – Direct Payments

### RECOMMENDATION

- 1.1 To note the report from the Senior Assistant Director Adult Social Services.

### SUPPORTING INFORMATION

- 2.1 At its meeting on 8 December 2005, the Committee requested that it wished to have the opportunity to review in greater detail the audit report on Direct Payments and discuss the findings of the report with the managers responsible for the service.
- 2.2 Appendix 2 is a report from Mick Connell, Senior Assistant Director Adult Social Services which briefs members on the actions taken since the publication of the audit report, in particular the progress that has been made on the implementation of recommendations contained within the audit report.
- 2.3 From the information provided by Senior Assistant Director Adult Social Services, the Head of Audit and Risk Management is satisfied that progress has been made to address those issues raised. The Committee will be informed of future progress in respect of this audit in the Head of Audit and Risk Management's Quarterly Internal Audit reports.

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**Background papers:** Final Internal Audit Report

**List of appendices:** Appendix 1 – Implications  
Appendix 2 – Report of Senior Assistant Director Adult Social Services

<b>IMPLICATIONS</b>
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**Financial**

1. None directly arising.

**Legal**

2. None directly arising.

**Personnel**

3. None directly arising.

**Equalities impact**

4. None directly arising.

**Corporate objectives and priorities for change**

5. None directly arising.

## Report of Mick Connell, Senior Assistant Director Adult Social Services

### Direct Payments – Internal Audit Review

Following an internal audit review of the above service, we agreed to address all the control issues raised. Progress to date on the implementation process is shown in Table 1 at the end of this report.

The original audit report contained 24 recommendations. We accepted all recommendations except for a small number where alternative means of achieving the necessary controls were proposed and accepted.

It was expected that the recommendations would take 6 months to implement. The majority of recommendations would be relatively easy to implement as they built upon existing practice and systems. However, it was felt that the development of Direct Payment recipient information and guidance and staff guidance would take longer because of the need to consult and involve a wide range of stakeholders.

It is essential that we get the balance right between audit control and service user control as otherwise Direct Payments will not be an attractive option for service users. Issues of service user control raise important issues for how we support the Direct Payment process and facilitate it, which are unique in social care. An action plan is in place to address the issues raised by the audit and additional resources have been deployed to strengthen the financial monitoring of Direct Payments.

Implementation of the recommendations and agreed actions is complex, in that a number of Officers have responsibility for specific parts of the system. Progress to date is as follows:

Implemented	–	4, 6, 7, 10, 12, 13, 16, 17, 18, 21, 22, 23
Being Implemented	–	1, 2, 3, 5, 8, 9, 11, 14, 19, 20
Not Implemented	–	15, 24

Recommendations “Being Implemented” have either been addressed by Interim Guidance or have been dependent upon recruitment issues in Finance section. Continuing development work is underway to consolidate practice. We expect to have fully implemented all of these recommendations by June 2006.

Recommendation 15 (Not Implemented) is provided for in other ways and will continue to be developed.

Recommendation 24 (Not Implemented) is dependant upon Finance priorities and resources to compete and will be prioritised in 2006/07.

We will review implementation in September 2006.

## Table 1 - Summary Of Progress Made In Implementing Audit Recommendations

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
1	<p>Merits Attention</p> <p>Needs Assessment Care Plans are not currently reviewed and signed by a supervisory officer, thus providing no independent check that the care assessed and recorded as being required is appropriate and entitled to.</p> <p>We recommend that Needs Assessment Care Plans are reviewed and signed by a designated senior officer, such as the Service Manager, following completion by the Care Worker.</p>	<p><b>Original Agreed Action</b></p> <p>The Care Plan is signed by the Care Manager, service provider and the service user but agree the supporting notes (Summary of Assessment) for funding can/will be signed by the Head of Service and the actual funding request which outlines the cost of the direct payment is also signed by the Service Manager. This is deemed sufficient, as the supporting notes should outline the needs of the person.</p> <p>To be implemented by April 2006</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Being Implemented via Interim Guidance issued via Heads of Service to all Service Managers and Assessors</p> <p>Full guidance by June 2006</p>	Being Implemented
2	<p>Merits Attention</p> <p>There are currently no written procedures available to Care Workers detailing the requirement to consider the client's suitability to receive direct payments as part of the needs assessment. In the absence of such documentation, it cannot be demonstrated that all Care Workers are aware of this requirement and, as a result, it may be omitted from the assessment or not be undertaken in a consistent manner.</p> <p>We recommend that procedures detailing the need to assess the client's suitability to manage direct payments are documented and made available to all Care Workers. The procedure documentation should include full details of the criteria that should be</p>	<p><b>Original Agreed Action</b></p> <p>Community Care Assessment procedures are under review as part of the Electronic Social Care Record (ESCR). This group is currently working on Draft Core Assessment Policies and Procedures. They will include guidance on type and depth of information. This will also have implications for how and where assessment and outcome information is recorded in systems such as SWIFT. We will make sure this issue is addressed.</p> <p>To be implemented by April 2006</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Being Implemented via Interim Guidance issued to Heads of Service to all Service Managers and Assessors.</p> <p>Full guidance by June 2006</p>	Being Implemented

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
	considered during each assessment.		
3	<p>Merits Attention</p> <p>The assessment of the client's suitability to receive direct payments is not currently documented. Therefore, there is no record of the judgement made at that point in time should it come under scrutiny in the future, nor can it be demonstrated that such an assessment has been completed for all clients.</p> <p>We recommend that a record of the assessment of a client's suitability to receive direct payments is made. The current needs assessment form could be extended to accommodate this or a new form devised. Whichever, it should prompt the recording of the judgement made against each criteria considered. The assessment recorded does not have to be detailed, a 'Yes/No' may suffice. (If a new form is devised it should prompt the signature of the Care Worker and Service Manager upon completion).</p>	<p><b>Original Agreed Action</b></p> <p>As Recommendation 2</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Interim guidance issued to Heads of Service to all Service Managers and Assessors requires this evidence to be recorded</p> <p>Full guidance by June 2006</p>	Being Implemented

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
4	<p>Merits Attention</p> <p>The assessment of the relationship between the client and the third party nominated to carry out the day-to-day management of the client's finances is not currently documented. Therefore, there is no record of the justification for the decision made should it come under scrutiny in the future, nor can it be demonstrated that such an assessment has been completed for all clients.</p> <p>We recommend that a record of the assessment of the relationship between the client and the third party nominated to carry out the day-to-day management of the client's finances is fully documented. Similar to Recommendation 3, the current needs assessment form could be extended to accommodate this or a new form devised. Whichever, it should prompt the recording of the decision and the names of those jointly involved.</p>	<p><b>Original Agreed Action</b></p> <p>As Recommendation 2</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Interim Guidance issued to Heads of Service to all Service Managers and Assessors requires this evidence to be recorded.</p> <p>Full guidance by June 2006</p>	Implemented
5	<p>Merits Attention</p> <p>The decision regarding a client's ability to manage direct payments and the reasoning behind this decision is not currently documented. Therefore, there is no record to refer to should it come under scrutiny in the future. Such a record would be required if a client contests the decision.</p> <p>We recommend that a record of the decision regarding the client's ability to manage direct payments and the reasoning behind it is fully documented. Similar to Recommendation 3, the current needs assessment form could be extended to accommodate this or a new form devised.</p>	<p><b>Original Agreed Action</b></p> <p>As Recommendation 2</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Interim Guidance issued to Heads of Service to all Service Managers and Assessors requires this evidence to be recorded.</p> <p>Full guidance by June 2006</p>	Being Implemented

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
6	<p>Merits Attention</p> <p>The Care Worker and Service Manager do not always sign the 'Direct Payments New Service User' form. Therefore, there is not always evidence to confirm the officers involved in the decision and the review of that decision should it come under scrutiny in the future.</p> <p>We recommend that the Care Worker and Service Manager must always sign the 'Direct Payments New Service User' form. Forms not signed by both officers should be returned to Operations Staff to be completed before a new user is set up to receive direct payments.</p>	<p><b>Original Agreed Action</b></p> <p>Care Managers will be reminded about signing the form.</p> <p>To be implemented immediately.</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Finance will not process Direct Payments unless all relevant paperwork is completed.</p> <p>This is included in interim guidance.</p> <p>Full guidance by June 2006.</p>	Implemented
7	<p>Merits Attention</p> <p>The 'Breakdown of Service' form detailing the services required and the direct payment entitlement does not require authorisation by the Service Manager. There is therefore no certification required to ensure the level of service to be funded by direct payments is reasonable.</p> <p>We recommend that the 'Breakdown of Service' form be amended to prompt the signature of the Service Manager to evidence that they have reviewed the form and authorise the level of service stated.</p>	<p><b>Original Agreed Action</b></p> <p>The supporting notes for funding can/will be signed by the Head of Service and the actual funding request that is attached to the supporting notes outlining the cost of the direct payment is signed by the Service Manager. This is deemed sufficient, as the supporting notes should outline the needs of the person.</p> <p>To be implemented by April 2006</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Heads of Service ensure that DP entitlement and level of funding is authorised and this procedure is reinforced by interim guidance.</p> <p>Full guidance by June 2006.</p>	Implemented

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
8	<p>Significant</p> <p>In the absence of an information pack available for distribution to eligible direct payment clients, there is no guarantee regarding the level and consistency of information eligible clients receive. The 'Paperwork Guide For Direct Payments' should form part of the information pack however, on its own, it does not provide enough information for potential clients.</p> <p>We recommend that an information pack should be produced and made available to all eligible clients. It should include details of:</p> <ul style="list-style-type: none"> <li>• What direct payments are.</li> <li>• How direct payments work.</li> <li>• Who can receive direct payments.</li> <li>• The benefits of direct payments.</li> <li>• The client's responsibilities.</li> <li>• The support service available.</li> <li>• The information clients will have to provide.</li> </ul>	<p><b>Original Agreed Action</b></p> <p>This is recognised and accepted. There is some information and Disability Direct are preparing an information pack but improvement is necessary.</p> <p>As part of draft policies and procedures out of the ESCR group, information about services will be commissioned.</p> <p>To be implemented by April 2006</p> <p><b>Actual Action taken/ to be taken</b></p> <p>User leaflets and guidance are being developed and are anticipated for completion in June 2006. This covers a stepped approach to information to all potential and eligible Direct Payment users.</p> <p>Assessors continue to issue existing leaflets and the pamphlet "About Direct Payment in Derby".</p> <p>Interim Guidance directs assessors to ensure appropriate referrals are submitted to Disability Direct and to record information shared.</p> <p>Consistency of information given by assessors supported by recent rolling programme of DP seminars run at Disability Direct.</p>	Being Implemented
9	<p>Merits Attention</p> <p>Current records maintained do not clearly evidence that all eligible clients have been informed about what direct payments are and how they work. Therefore, it cannot be demonstrated that all eligible clients have received this information, which is required by the Department of Health Direct Payments Guidance.</p> <p>We recommend that client logs, completed by the Care Worker, specifically record the visit/telephone call when direct payments were explained and discussed with the client.</p>	<p><b>Original Agreed Action</b></p> <p>Assessors will be reminded about this issue and it will be incorporated as part of the ESCR work.</p> <p>Modifications to SWIFT have already been requested which will help compliment evidence in assessment paperwork and day to day logs.</p> <p>To be implemented by September 2005</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Interim Guidance directs assessors to ensure appropriate referrals are submitted to Disability Direct and to record information shared.</p> <p>Full guidance by June 2006.</p>	Being Implemented



Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
10	<p>Merits Attention</p> <p>There is no evidence to demonstrate that clients are informed of the amount of direct payments they would receive prior to them opting for direct payments. Informing potential clients of the amount they will receive will help the client make a more informed decision.</p> <p>We recommend that the amount a client would receive in direct payments should be communicated to the client in writing, prior to them making a decision. A standard form/letter should be devised for this purpose.</p>	<p><b>Original Agreed Action</b></p> <p>The DP Form 2 – Breakdown of Service is intended to be the written confirmation of both the size and cost of the care package. Greater consistency will be achieved by briefing/reminder memo and inclusion in ongoing DP seminars.</p> <p>Sometimes it will be necessary to put in provided services before the final amount of DP is known but this allows time for people to consider their choices.</p> <p>To be implemented by September 2005</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Interim Guidance directs assessors to ensure details of amounts are given to service users and record action</p> <p>Written confirmation is being incorporated into standard letters detailing outcomes of assessment and the FACS eligibility decision from April 2006.</p>	Implemented

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
11	<p>Significant</p> <p>There is no published information available to direct payments clients regarding the support services provided by Disability Direct. Clients may not be aware of the support available to them, which may influence their decision to start or continue to use direct payments.</p> <p>We recommend that the information pack available to eligible direct payments clients (see Recommendation 8) includes an information leaflet about Disability Direct and the support and advice they offer, including contact details.</p> <p>Clients receiving direct payments since April 2004, who were not originally contacted about Disability Direct, should also be sent an information leaflet.</p>	<p><b>Original Agreed Action</b></p> <p>There is an information leaflet produced by Disability Direct and they are working on an information pack. We recognise the need to improve on consistency and availability (as well as style and quality) of information and will incorporate improvements through DP seminars, the production of information packs and reminder briefings.</p> <p>To be implemented by April 2006</p> <p><b>Actual Action taken/ to be taken</b></p> <p>User leaflets and guidance are being developed and are anticipated for completion in June 2006 (see Rec.8).</p> <p>Interim Guidance directs assessors to ensure Disability Direct leaflet is given.</p> <p>Consistency of information given by assessors supported by recent DP seminars run at Disability Direct.</p> <p>DD leaflet sent to all existing DP recipients with notification of rate increase for April 2006.</p>	Being Implemented
12	<p>Merits Attention</p> <p>The Disability Direct referral form is not currently completed as a matter of course by all Care Workers. The referral form ensures that Disability Direct are made aware of all new clients, subject to their approval.</p> <p>We recommend that all new clients are asked to complete the Disability Direct referral form. If a client declines, a note should be made on their personal file to this effect.</p>	<p><b>Original Agreed Action</b></p> <p>Assessor staff have been reminded of the importance of completing referrals (email Feb/March) and Disability Direct are enforcing this by refusing referrals not properly completed. Consistency has improved.</p> <p>A referral would only be filled in for people considering Direct Payments not all new referrals for community care services generally.</p> <p>To be implemented by September 2005</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Interim practice guidance directs staff to record the person's preference about support from DD and insists on referrals being submitted for all requiring this support.</p> <p>Reminders were also issued to all assessors in 2005</p>	Implemented

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
13	<p>Significant</p> <p>In the absence of a record to confirm that the client has received advice regarding CRB checks, this would be difficult to defend should it be contested in the future.</p> <p>We recommend that a record be kept of clients being advised to undertake CRB checks. As with Recommendation 3, the current needs assessment form could be extended to accommodate this or a new form devised. Whichever, it should prompt the Care Worker to inform the client of the requirement to undertake CRB checks and record that the client has been informed.</p>	<p><b>Original Agreed Action</b></p> <p>Disability Direct have recently been approved as an agent for CRB checks and can now offer to manage these for Direct Payment users. Disability Direct will include CRB information (as they do already) as part of their core business of providing advice and support and will record where this advice has been declined. This will be monitored as part of the contract monitoring arrangements and we will review the service specification for fit for purpose.</p> <p>To be implemented by November 2005</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Interim Guidance directs staff to discuss and record the advice given about CRB checks.</p> <p>We need to note that there is no requirement on the Direct Payment recipient to accept the advice unless assessment shows compelling reasons for this to be a condition of the Direct Payment.</p>	Implemented

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
14	<p>Merits Attention</p> <p>Clients should plan for the unexpected, which includes making back-up arrangements in case their normal arrangements fail. Failing to make adequate back-up arrangements may lead to a client being without care should their normal arrangements fail.</p> <p>We recommend that the section to record back-up arrangements in the 'Direct Payments Agreement for Services' form should always be completed. The Care Worker should ensure this is completed before the signing of the agreement.</p> <p>Clients without documented back-up arrangements should be requested to provide these details.</p>	<p><b>Original Agreed Action</b></p> <p>Guidance already requires us to make people aware of the consequences of care arrangements failing. This will not always be a condition on awarding Direct Payments.</p> <p>Whilst raising awareness of the importance of considering back-up arrangements will be taken through via ESCR work we do not think that the back-up arrangements should always be completed on the form and service users should not always be required to provide information. This would depend upon the service users choice – their responsibilities in this area should be explained though and evidence provided of consideration provided in logs. We will look to remove the reference in the agreement to back-up arrangements. Instead this should form part of the information pack about responsibilities. The discussion about back-up arrangements should be recorded in care planning documents and in logs.</p> <p>To be implemented by August 2005</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Interim Guidance directs staff to discuss and record "back up arrangements". This will be included in the information being developed as Rec.8.</p>	Being Implemented

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
15	<p>Significant</p> <p>There is currently no list of local providers of care services issued to clients. Clients may not be aware of where they can obtain the services they require, which may influence their decision to start or continue to use direct payments.</p> <p>We recommend that a list of local providers of care is compiled and made available to direct payments clients. It should be clear that the list is not exhaustive and is not recommending the listed providers over others who are not included. Best practice guidance suggests that the list should include local providers currently used by existing direct payments clients.</p>	<p><b>Original Agreed Action</b></p> <p>There are alternative measures in place to providing a list of local providers of care services. General advice about how the money can be used is already available in the form of support from Disability Direct and the information leaflets available.</p> <p>Employing PA's is by far the most efficient and empowering way to use Direct payment money and having a list may influence people to secure services that have the same restrictions as those provided directly.</p> <p>Disabled People may share information with each other through Disability Direct about the quality of services they have experienced.</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Advice is available from care managers and Disability Direct at the point of assessment and care planning which is shaped to enable choice.</p> <p>Commissioning and legal advice is being sought on the safeguards regarding costs, which may enable a provider list to be provided in the future.</p>	Not Implemented
16	<p>Significant</p> <p>Documentary evidence to confirm that reviews are completed in line with the timescales set is currently inadequate, and it is not clearly evidenced that reviews undertaken include a check on how the client is managing direct payments. Consequently, clients may not be obtaining the level of care they require or may not be adequately managing their direct payments and this may continue un-detected.</p> <p>We recommend that reviews of clients using direct payments should be undertaken within the timescales set and should be fully documented. The review documents should be amended to prompt the recording of how well the client is managing direct payments.</p>	<p><b>Original Agreed Action</b></p> <p>We will evaluate current review arrangements and issue guidance on procedures to all relevant staff. This will include a requirement to address how people are managing their Direct Payment within the philosophy of Direct Payment and guidance from the DoH.</p> <p>To be implemented by November 2005</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Interim Guidance directs staff to consider continuing ability to manage at every review and to record.</p> <p>Heads of Service monitor practice around consistent completion of reviews within timescales, which are within the top band of national performance.</p>	Implemented

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
17	<p>Merits Attention</p> <p>There is no guidance or agreed procedures as to how Care Workers should inform the Finance Section of changes to a client's care package. If the Finance Section fail to be notified of changes to a client's care package, there is a risk that direct payments made may be incorrect.</p> <p>We recommend that procedures regarding Finance Section notification of changes to care packages are documented and made available to all Care Workers. A standard form could be developed to record changes to care needs for existing direct payments clients.</p>	<p><b>Original Agreed Action</b></p> <p>We will review procedure in this area and implement clearer pathways for changes in care packages.</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Interim Guidance covers the requirement for care managers to notify Finance of any changes within 5 working days and evidenced by appropriate documentation.</p>	Implemented
18	<p>Merits Attention</p> <p>Care Workers should inform the Finance Section to cease making direct payments as soon as they become aware that a client should no longer receive them. Failure to promptly notify the Finance Section to cease payments may result in clients receiving payments they are not entitled to and the need to recover the overpaid monies.</p> <p>We recommend that procedures are documented and made available to all Care Workers stating that it is their responsibility to inform the Finance Section when direct payments are to be stopped. A standard form could be developed for this purpose.</p>	<p><b>Original Agreed Action</b></p> <p>We will review procedure in this area and implement clearer pathways for changes in care packages.</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Interim Guidance covers this as Rec.17</p>	Implemented

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
19	<p>Significant</p> <p>The 'Direct Payments Agreement for Care Services' does not contain all the information recommended in the 'CIPFA Community Care Direct Payments: Accounting and Financial Management Guideline'.</p> <p>We recommend that consideration is given to including the following information, as suggested by CIPFA:</p> <ul style="list-style-type: none"> <li>• a list of records the client is required to keep</li> <li>• a statement of those who can have access to the paperwork i.e. care staff and internal auditors</li> <li>• a statement that clients should keep a separate bank account if the direct payments are recurrent</li> <li>• a statement regarding the treatment of any interest and bank charges</li> <li>• a statement that payments are made in advance</li> <li>• the name of the person to whom the payments should be made (the name of the client is currently on the agreement but it does not prompt the name of the person to whom payment is to be made if different to the client)</li> <li>• details of the authority and the client contributions and a statement as to whether the direct payment is made gross or net</li> <li>• the procedure for collecting client contributions if the direct payments are paid gross</li> <li>• the local direct payment support service group contact details</li> <li>• the date of the next review and frequency of reviews</li> <li>• the client's responsibility to meet all Inland Revenue requirements, applicable employment legislation and to maintain adequate employers liability if employing their own staff</li> <li>• the prescriptive terms and conditions required as a result of purchase of equipment i.e. ownership, maintenance and disposal</li> <li>• the procedures a client should follow if they wish to become responsible for the purchase of more or fewer direct payment services than those indicated in the care plan</li> <li>• the contact details to use if a client circumstances change.</li> </ul>	<p><b>Original Agreed Action</b></p> <p>Whilst the agreement will be reviewed as part of an ongoing process the inclusion of much of the CIPFA suggestions would produce an unwieldy document.</p> <p>We will address this issue through the information and guidance as mentioned in point 1.</p> <p>To be implemented by April 2006</p> <p><b>Actual Action taken/ to be taken</b></p> <p>The majority of the key points of the CIPFA guidance are available to Direct Payments recipients from a variety of sources.</p> <p>User leaflets and guidance are being developed and are anticipated for completion in June 2006. Acceptance of the user guidance will form part of the agreement and the key points suggested by CIPFA will be brought together in that document to supplement the agreement.</p>	Being Implemented

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
20	<p>Significant</p> <p>The monitoring protocol reintroduced in April 2004 has not been adhered to. Failure to monitor the use of direct payments may result in inappropriate use of funds or a client failing to manage their payments going un-detected.</p> <p>We recommend that efforts are made to ensure the prompt issue of all reminders and thorough checking of information provided to confirm eligible expenditure.</p>	<p><b>Original Agreed Action</b></p> <p>The Payments Team was not allocated any resources to administer Direct Payments when they were introduced some years ago. Since then the number of service users on the scheme has increased significantly and currently stands at 172. During 2004/05, temporary cover of one Scale 3 Finance Clerk post was paid for from recovered Direct Payments but this one additional post proved insufficient to be able to monitor fully in line with the protocol. This funding for this additional post ceased on 31 March 2005.</p> <p>A review of the Payments Team as a whole was completed in February 2005. A report was produced which outlined the additional resources required to comply with the monitoring protocol if the Department is to continue to be able to offer Direct Payments as an option to the current and planned numbers of service users.</p> <p>To be implemented by 10 June 2005</p> <p><b>Actual Action taken/ to be taken</b></p> <p>New post, to start in April 2006, will meet capacity issues within Finance section to consistently apply the monitoring protocols</p>	Being Implemented
21	<p>Merits Attention</p> <p>Where there is uncertainty as to whether expenditure is eligible, the Care Worker is contacted for a decision. However, there is no documentary evidence of this approval should it come under scrutiny in the future.</p> <p>We recommend that when the Finance Section contact the Care Workers seeking approval of expenditure, a note should be made on the client's file detailing the expenditure queried, the name of the Care Worker approving or disallowing it and the date. Alternatively a standard form could be devised to send to Care Workers to query the eligibility of the expenditure.</p>	<p><b>Original Agreed Action</b></p> <p>For more lengthy or complex queries, Payments Team staff have used e-mails or memos to contact Care Workers (as indicated in paragraph 3.4.5 of your report). However for operational efficiency, easier or shorter queries have been discussed with the Care Worker over the telephone. In future, all queries will be made in writing (either by e-mail or memo) and a copy placed on the file.</p> <p><b>Actual Action taken/ to be taken</b></p> <p>Agreed action has been implemented</p>	Implemented



Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
22	<p>Merits Attention</p> <p>Expenditure that is not in line with the client's care plan should not be deemed eligible expenditure and should not be counted as allowable against the direct payments made. This will prevent clients using direct payments money for purposes other than what it is intended.</p> <p>We recommend that only eligible expenditure is allowable against the direct payments allocation. If it is identified that direct payments have been used to pay for in eligible expenditure, then direct payments should be recovered.</p>	<p><b>Original Agreed Action</b></p> <p>Where an overpayment has been identified, procedures are followed to recover Direct Payments, either by reducing future payments or by invoicing the service user or his/her next-of-kin. The Payments Team recovered £112,000 of such monies during 2004/05.</p> <p>This has been in place since 1 April 2004</p> <p><b>Actual Action taken/ to be taken</b></p> <p>A framework for making decisions about allowable expenditure will be included in staff guidance by June 2006.</p> <p>In 2005/06, £183,000 has been reclaimed.</p>	Implemented

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
23	<p>Significant</p> <p>There is currently no check undertaken to confirm that the BACS transmission report and direct payments database totals agree to the amounts posted to CODAS. In the absence of a check differences could arise which go undetected, which could ultimately impact on the accuracy of the statement of accounts.</p> <p>We recommend that for each payment run a report is produced from the direct payments database showing the amount of direct payments to be charged to each CODAS cost centre. This should then be checked to the cost centre in CODAS to ensure the amounts agree. This reconciliation should be undertaken by an independent officer i.e. an officer who is not involved in administering the direct payments system and the payment run. The independent officer undertaking the reconciliation should sign each document checked i.e. the direct payments database report, the BACS transmission report and the CODAS prints to evidence the check undertaken. Alternatively, a summary could be devised to list the totals per each source. The summary should record the signature of the independent officer completing the reconciliation.</p>	<p><b>Original Agreed Action</b></p> <p>Agree - this would be a valid internal control but we lack the staffing resource Social Services Payments team to check every single one of the current 172 payments every 4 weeks (plus any ad hoc/emergency payments), hence the total checks made in their place.</p> <p>As stated in the report, the system for verifying CODAS BACS payments is as follows: Details of each individual client's 4-weekly payment is agreed from the Direct Payments database to the Excel CODAS interface file which lists the cost centres to be charged. The file is sent to Financial Services for the interface to be run and the total figure from the interface file is agreed to the payment list. The Systems Officer in Financial Services also confirms this total amount on running the interface file. All these checks are documented on the file maintained by the Payments Team in Social Services. The current interface checks outlined above are sufficient to ensure the correct amounts are posted to CODAS (i.e. the control totals agree.)</p> <p><b>Actual Action taken/ to be taken</b></p> <p>The current interface checks continue to be used to confirm totals.</p>	Implemented

Rec No	Original Recommendation	Details of Actions to address weaknesses	Current Status
24	<p>Significant</p> <p>The basis of the rates set for direct payments are not known to current staff and therefore it cannot be confirmed whether the current rates set are reasonable.</p> <p>We recommend that the direct payments rates should be re-calculated as soon as possible and should be regularly reviewed thereafter.</p>	<p><b>Original Agreed Action</b></p> <p>The Direct Payments rates need to be reviewed and updated, particularly following the changes in rates paid to the independent sector arising from the modelling the cost of care exercise.</p> <p>Social Services Finance will lead on reviewing the rates and put forward recommendations to the Direct Payments Board.</p> <p>To be implemented by 1 October 2005</p> <p><b>Actual Action taken/ to be taken</b></p> <p>This work will be prioritised in 2006/07</p>	Not Implemented