

# Internal Audit of Support Budgets & Direct Payments

Follow Up Review

## Purpose & Background Information

Our original review of Support Budgets & Direct Payments was completed in August 2019 giving a low assurance rating because of the major risks/issues raised, e.g. robustness of the monitoring processes, and the accessibility and consistency of key information held. The provision of support budgets and direct payments was in a transitional period at the time of our original review with documentation, processes and procedures being reviewed.

One of the key principles of the Social Services and Well-being (SSWB) (Wales) Act 2014 is ensuring that the citizen has a say and control over their outcomes to help them improve their wellbeing. A direct payment or support budget enables citizens to identify their own needs and make choices about how they want to be supported. Local authorities have a fiduciary duty to ensure that there are sufficient controls to manage public expenditure, but have to balance this in line with the principles of the Act to ensure it is adaptable to suit the individual.

Citizens can have a combination of support budgets (provider administered or local authority managed), or direct payments (an amount of money is paid to a citizen so they have control over their own care and support) to meet their needs.

Internal Audit carry out a follow up review of all audits that receive a low or no assurance rating and as well as any high or major risk issues to provide assurance that the agreed actions identified at our initial audit visit have been implemented, or suitable progress is being made to address the areas of concern. This enables us to reconsider the overall assurance opinion and provide an updated opinion where appropriate. The updated opinion is based on the assumption that systems and controls as previously identified during the original audit remain in operation and are being complied with in practice. The purpose of our follow up exercise is not to retest the operation of controls which have already been assessed, but to review how management has responded to the action plans following our initial work.

## Audit Opinion

During our original review, information in relation to support budgets or direct payments was difficult to find due to how it was recorded. Within this review, we identified that staff are working more electronically and there is more consistency in how information is recorded, providing a clearer audit trail for payments. Having robust guidance will also provide clarity to staff on where information should be saved, and this was being finalised at the conclusion of our review. Additionally, a quality assurance tool has been designed, but not yet implemented due to Covid-19, to check recording practices.

The council is looking to procure the Welsh Community Care Information System (WCCIS) to replace both the PARIS system and the CIS system that is used to make payments. At the conclusion of our original review, it was envisaged that the PARIS system could be improved in the interim, but this is no longer a feasible option due to staff capacity. Alternative measures have been put in place instead, including designing new care and support assessment and review templates.

Since our last review, all cases that were in receipt of care and support were checked to ensure that an annual review of the outcomes to be achieved from the support budget or direct payment is carried out. Administration staff now run regular system reports when these reviews are due.

Implementation of prepayment cards is in its infancy with training having been provided, but staff have identified that further improvement is needed to reporting to allow for effective monitoring.

While Community Support Services (CSS) have had other priorities, particularly as a result of the Covid-19 pandemic, significant progress has been made with implementing the agreed actions raised. Based on the results of our follow up review, we provide a medium assurance rating.

## Assurance Rating

Audit Opinion	Rating
At Final Report	Low ●
At First Follow Up	Medium ●

# Registration Service Follow Up

## Progress with Implementing Agreed Actions

Action Risk Rating	Actions Fully Implemented	Actions Not Implemented	Actions Not Yet Due
Critical ●	0	0	0
Major ●	14	4	0
Moderate ●	8	2	0

Ref	Agreed Action	Issue & Risk	Manager Responsible & Target Date	Follow Up Status and Comments
1.1	Reviewed welcome pack and changed stated retention period to 7 years.	Clearer documented guidance on support budgets and direct payments is needed. Without this, it could mean that staff are not clear of their duties and carry out processes inconsistently, which could lead to non-compliance with legislation.  Moderate Risk ●	Team Manager (Client Services)  Complete	<b>Completed</b>  The welcome pack has been updated to amend the retention period to seven years.

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1.2	Complete support budget/direct payment guidance review and finalise to ensure staff have a clear understanding of their roles and responsibilities.	Clearer documented guidance on support budgets and direct payments is needed. Without this, it could mean that staff are not clear of their duties and carry out processes inconsistently, which could lead to non-compliance with legislation.  Moderate Risk ●	Principal Manager (Operational Services)/ Quality & Policy Officer  29/11/2019	<p><b>In Progress</b></p> <p>Documented guidance for citizens has been updated since our initial review. A copy is available on the intranet, and on the council's website.</p> <p>All staff that are involved with support budgets and direct payments have been consulted as part of an internal review of the process. The documented guidance for staff is being drafted, but progress with finalising the document has been impacted by Covid-19 and other priorities.</p>
1.3	Training on revised support budget/direct payment guidance to be delivered to all CSS operational staff.	Clearer documented guidance on support budgets and direct payments is needed. Without this, it could mean that staff are not clear of their duties and carry out processes inconsistently, which could lead to non-compliance with legislation.  Moderate Risk ●	Principal Manager (Operational Services)/ Team Manager (Business Support)  20/12/2019	<p><b>In Progress</b></p> <p>Documented guidance for staff has not been finalised. Training is planned to be delivered virtually shortly.</p>

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2.1	New Mental Capacity assessment document and training implemented.	<p>Key management information held for support budgets and direct payments is not robust as it is either recorded incorrectly or inconsistently, or not easily accessible. This has meant that monitoring cannot be carried out in some areas as the information cannot easily be reported on.</p> <p>Major Risk ●</p>	<p>Team Manager (North Locality)</p> <p>Complete</p>	<p><b>Completed</b></p> <p>The new mental capacity assessment templates are in place. The Team Manager (North Locality) has completed training for staff on its use.</p>
2.2	<p>We have already put processes in place for all operational team administration officers to attach financial paperwork into the Legal documents section (this is a relatively new section of PARIS and previously information could have been held in case notes). We are also encouraging lead practitioners to provide scanned rather than paper copies of key documentation.</p>	<p>Key management information held for support budgets and direct payments is not robust as it is either recorded incorrectly or inconsistently, or not easily accessible. This has meant that monitoring cannot be carried out in some areas as the information cannot easily be reported on.</p> <p>Major Risk ●</p>	<p>Team Manager (Client Services)</p> <p>31/12/2019</p>	<p><b>Completed</b></p> <p>The Team Manager (Client Services) confirmed it is standard practice to scan documents and attach into the Legal documents section of PARIS.</p> <p>There were positive results overall in our sample testing, with three out of five cases having the required financial paperwork saved into the Legal documents section. Legitimate reasons were provided for the exceptions, e.g. paper copy held in the office and will be scanned</p>

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				in next time an employee is in the office.
2.3	Revised assessment document being developed in PARIS to better capture key information.	Key management information held for support budgets and direct payments is not robust as it is either recorded incorrectly or inconsistently, or not easily accessible. This has meant that monitoring cannot be carried out in some areas as the information cannot easily be reported on.  Major Risk ●	Team Manager (North Locality)/ ICT Business Partner (CSS)  20/12/2019	<b>Completed</b>  Various temporary forms have been used by staff during the Covid-19 pandemic in line with the Coronavirus Act.  However, a new assessment form was designed and implemented from October 2020 to provide consistency. The form is attached into PARIS when completed and this means that no system reporting of assessments can be carried out. The Service is pursuing a new system when the current contract ends in 2023, so no further time is being spent redesigning the current system to suit the Service's needs.
2.4	Training on new assessment document to be delivered to all CSS operational staff.	Key management information held for support budgets and direct payments is not robust as it is either recorded incorrectly or inconsistently, or not easily accessible. This has meant that monitoring cannot be carried out in some areas as the	Team Manager (North Locality)/ Team Manager (Business Support)  31/03/2020	<b>Completed</b>  Training on the use of the new assessment document has been delivered to all key staff.

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		information cannot easily be reported on.  Major Risk ●		
2.5	'Missing' CIS identifiers on PARIS have been identified for current Direct Payment recipients. A piece of work will be completed to record these on PARIS. Process to add CIS identifier on PARIS will be incorporated in the FAO Team practices.	Key management information held for support budgets and direct payments is not robust as it is either recorded incorrectly or inconsistently, or not easily accessible. This has meant that monitoring cannot be carried out in some areas as the information cannot easily be reported on.  Major Risk ●	Team Manager (Client Services)  30/09/2019	<b>In Progress</b>  The Team Manager (Client Services) confirmed that all cases have been checked to ensure a CIS number is recorded on PARIS. Our testing identified that 11% of citizens in receipt of direct payment or a support budget did not have a CIS number recorded. The Team Manager (Client Services) confirmed that cases will be reviewed again for both CCS and Education & Children's Services.
2.6	Regular monthly catch up meetings have been implemented between finance officers and the Team Manager, Client Services to look at budget recording and to identify processes to improve this. This will be tied into the development of a Direct Payment spreadsheet incorporating two new detail	Key management information held for support budgets and direct payments is not robust as it is either recorded incorrectly or inconsistently, or not easily accessible. This has meant that monitoring cannot be carried out in some areas as the information cannot easily be reported on.	Team Manager (Client Services)/ Principal Finance & Assurance Officer  31/12/2019	<b>Completed</b>  There were regular catch ups last year to improve the process, and to assist with the implementation of prepayment cards. Two new detail codes have been set up, but not yet implemented, on the ledger for third party support budgets and direct payments. Additionally,



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	<p>codes for third party and self-managed support budgets. Finance will transfer these transactions with effect from 1 April 2019.</p>	<p>Major Risk ●</p>		<p>the citizen's name is recorded on the ledger so payments can easily be traced. Local authority support budgets could be coded to various codes within the general ledger, but this is due to the limited functionality of the current payment system used. This makes it difficult to determine the true cost of support budgets and direct payments for the council. An alternative system is being pursued.</p>
2.7	<p>Implementation of regular Team &amp; Service Manager casefile audits to improve recording practice and ensure adherence to process (including authorisations).</p>	<p>Key management information held for support budgets and direct payments is not robust as it is either recorded incorrectly or inconsistently, or not easily accessible. This has meant that monitoring cannot be carried out in some areas as the information cannot easily be reported on.</p> <p>Major Risk ●</p>	<p>Service Manager (Specialist Services)/ Service Manager (Localities)</p> <p>20/12/2019</p>	<p><b>In Progress</b></p> <p>A process for carrying out quality assurance checks had been agreed at the conclusion of our original review, but further work has been carried out since and a new process designed. This includes a template for carrying out a casefile audit, but has not yet been implemented because of other priorities as a result of Covid-19. The Principal Manager (Operational Services) explained that this will be</p>

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				implemented as soon as it is practically possible.
2.8	Implementation of pre-payment cards for new and existing direct payment recipients. This has already been scoped including a separate payment method.	Key management information held for support budgets and direct payments is not robust as it is either recorded incorrectly or inconsistently, or not easily accessible. This has meant that monitoring cannot be carried out in some areas as the information cannot easily be reported on.  Major Risk ●	Principal Manager (Operational Services)/ Team Manager (Client Services)  31/03/2020	<b>In Progress</b>  The Team Manager (Client Services) confirmed that pre-payment cards have been implemented but with a pilot to identify how well the new process is working. This has identified some improvement is needed in terms of the real-time reporting to allow for robust monitoring, e.g. more detail in terms of expenditure. Staff have been trained to assist with embedding the process, but take up of new direct payments has been low during the pandemic as some lunch clubs and other support groups have been closed.
2.9	Team Managers are auditing their team's unauthorised ICSPs and ensuring they are all either authorised, closed or cancelled.	Key management information held for support budgets and direct payments is not robust as it is either recorded incorrectly or inconsistently, or not easily accessible. This has meant that monitoring cannot be carried out in some areas as the	All Operational Team Managers  31/10/2019	<b>Completed</b>  The Principal Manager (Operational Services) confirmed that a check had been completed as part of a data cleansing exercise, and all Integrated Care and Support

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		<p>information cannot easily be reported on.</p> <p>Major Risk ●</p>		<p>Plans (ICSPs) have been closed where required. A PARIS report has been designed to allow managers to monitor this going forward.</p>
2.10	<p>Implementation of regular case file audits to monitor effectiveness of actions listed in this report (this action cannot be implemented until changes to PARIS are complete and associated training delivered).</p>	<p>Key management information held for support budgets and direct payments is not robust as it is either recorded incorrectly or inconsistently, or not easily accessible. This has meant that monitoring cannot be carried out in some areas as the information cannot easily be reported on.</p> <p>Major Risk ●</p>	<p>Service Manager (Localities)/ All Operational Team Managers</p> <p>31/01/2020</p>	<p><b>Closed</b></p> <p>See action 2.7.</p>
3.1	<p>Values contained within the RAS have been updated and agreed to reflect 2019 costs.</p>	<p>There is a risk that direct payments may be calculated inconsistently due to a lack of clear guidance, and the original tool provided is not robust.</p> <p>Moderate Risk ●</p>	<p>Principal Manager (Operational Services)/ Principal Finance &amp; Assurance Officer</p> <p>Complete</p>	<p><b>Completed</b></p> <p>The values contained within the Resource Allocation System (RAS) were updated to reflect 2019 costs at the conclusion of our original review. However, they have not been updated since to reflect 2020 or 2021 costs, which the Principal Manager (Operational Services) will discuss with the Principal Finance &amp; Assurance Officer.</p>

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				The use of RAS to calculate support budgets or direct payments is optional, as all costings for cases are approved by a peer forum.
3.2	RAS is now an optional tool with responsibility for determining value of support budgets being assumed by peer forums. Determining the value of support budgets will be addressed in the revised guidance and associated training.	There is a risk that direct payments may be calculated inconsistently due to a lack of clear guidance, and the original tool provided is not robust.  Moderate Risk ●	Principal Manager (Operational Services)/ team managers  Complete	<b>Completed</b>  While the guidance for staff is currently in draft format, there is a section contained within the document on the calculation and payment of support budgets and direct payments.
3.3	Updating and finalising of staff guidance on the role of peer forums in determining value of support budgets, and ensuring staff have a clear understanding of their roles and responsibilities (see action 1.2).	There is a risk that direct payments may be calculated inconsistently due to a lack of clear guidance, and the original tool provided is not robust.  Moderate Risk ●	Principal Manager (Operational Services)/ Quality & Policy Officer  29/11/2019	<b>Completed</b>  While the guidance for staff is currently in draft format, the role of peer forums in approving the costs of a care and support plan is detailed.
3.4	Training on revised support budget/direct payment guidance to be delivered to all CSS operational staff (see action 1.3).	There is a risk that direct payments may be calculated inconsistently due to a lack of clear guidance, and the original tool provided is not robust.  Moderate Risk ●	Principal Manager (Operational Services)/ Team Manager (Business Support)  20/12/2019	<b>Closed</b>  Duplicate action (with 1.3). Documented guidance for staff has not been finalised. Training is planned to be delivered virtually shortly.

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3.5	Revised assessment document to be developed in PARIS to better capture key information (see action 2.3).	There is a risk that direct payments may be calculated inconsistently due to a lack of clear guidance, and the original tool provided is not robust.  Moderate Risk ●	Team Manager (North Locality)/ ICT Business Partner (CSS)  20/12/2019	<b>Completed</b>  A new assessment form was designed and implemented from October 2020 to provide consistency.
3.6	Training on new assessment document to be delivered to all CSS operational staff (see action 2.4).	There is a risk that direct payments may be calculated inconsistently due to a lack of clear guidance, and the original tool provided is not robust.  Moderate Risk ●	Team Manager (North Locality)/ Team Manager (Business Support)  31/03/2020	<b>Completed</b>  Training on the use of the new assessment document has been delivered to all key staff.
3.7	Implementation of regular Team & Service Manager casefile audit to improve recording practice and ensure adherence to process (including support budget calculation) (see action 2.7).	There is a risk that direct payments may be calculated inconsistently due to a lack of clear guidance, and the original tool provided is not robust.  Moderate Risk ●	Service Manager (Specialist Services)/ Service Manager (Localities)  20/12/2019	<b>Closed</b>  Duplication with 2.7. A process has been designed but has not yet been implemented because of other priorities as a result of Covid-19. The Principal Manager (Operational Services) explained that this will be implemented as soon as it is practically possible.
4.1	Explore possibility of a revised ICSP to improve output from PARIS and enable a copy to be shared with citizens.	The process for reviewing outcomes is not robust. There is a risk that the support budget or direct payment may not be working effectively, or that	Team Manager (North Locality)/ ICT Business Partner (CSS)  20/12/2019	<b>In Progress</b>  New templates have been redesigned for both the ICSP and outcome review process. These were designed to ensure

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		<p>payments continue after outcomes have been met.</p> <p>Major Risk ●</p>		<p>that they could be shared with citizens as the previous version was of poor quality when printed. However, there is nothing within the new template that prompts practitioners to share the documents. Additionally, the casefile audit tool does not prompt to check that the ICSP has been offered to be shared with the citizen.</p> <p>At the conclusion of our review, we were advised that the Service's assessment tool has been amended to prompt sharing with citizens. ICT also plan to amend the ICSP to record:</p> <ul style="list-style-type: none"> <li>• whether or not the citizen has been asked if they would like a copy of their plan</li> <li>• the date when the copy was sent to the citizen</li> </ul> <p>Revised Date – 31/05/2021</p>
4.2	Explore the possibility of amending PARIS to enable 'Review' alerts and reporting.	The process for reviewing outcomes is not robust. There is a risk that the support budget or direct payment may not be	Team Manager (North Locality)/ ICT Business Partner (CSS)	<p><b>Completed</b></p> <p>The Administration team (CSS) run regular system reports to</p>

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		working effectively, or that payments continue after outcomes have been met.  Major Risk ●	20/12/2019	identify when outcome reviews are due to ensure that reviews are completed in line with the SSWB Act.
4.3	Reviewing improvement plan to be developed and implemented.	The process for reviewing outcomes is not robust. There is a risk that the support budget or direct payment may not be working effectively, or that payments continue after outcomes have been met.  Major Risk ●	Team Manager (Stepdown and Review team)/ Service Manager (Localities)  29/11/2019	<b>Completed</b> A cross-check of the system was completed by the Administration team in conjunction with ICT to ensure all citizens in receipt of care and support are subject to an annual review. As part of this process, if it was identified that there was incomplete supporting documentation retained, cases were returned to the locality team so this could be resolved.
4.4	Support budget/direct payment guidance to be reviewed and finalised to ensure staff have a clear understanding of their roles and responsibilities (see action 1.2).	The process for reviewing outcomes is not robust. There is a risk that the support budget or direct payment may not be working effectively, or that payments continue after outcomes have been met.  Major Risk ●	Principal Manager (Operational Services)/ Quality & Policy Officer  29/11/2019	<b>Completed</b> While the guidance for staff is currently in draft format, there is a section contained within the document on the monitoring and review process for direct payments and support budgets.
4.5	Training on revised support budget/direct payment guidance to be delivered to all	The process for reviewing outcomes is not robust. There is a risk that the support budget or	Principal Manager (Operational Services)/	<b>Closed</b>

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	CSS operational staff (see action 1.3).	direct payment may not be working effectively, or that payments continue after outcomes have been met.  Major Risk ●	Team Manager (Business Support)  20/12/2019	Duplicate action (with 1.3). Documented guidance for staff has not been finalised. Training is planned to be delivered virtually shortly.
5.1	Implementation of pre-payment cards for new and existing direct payment recipients. This has already been scoped including a separate payment method (see action 2.8).	Implementation of pre-payment cards for new and existing direct payment recipients. This has already been scoped including a separate payment method (see action 2.8).  Major Risk ●	Principal Manager (Operational Services)/ Team Manager (Client Services)  31/03/2020	<b>Closed</b> See action 2.8.
5.2	Implementation of a Team Support Budget Monitoring spreadsheet with standardised recording across the Team.	Implementation of pre-payment cards for new and existing direct payment recipients. This has already been scoped including a separate payment method (see action 2.8).  Major Risk ●	Team Manager (Client Services)  31/12/2019	<b>Completed</b> A new spreadsheet template has been implemented to enable a standardised monitoring and recording of direct payments by the Financial Assessment Officers (FAOs).
5.3	Project to move monitoring role from all FAOs to specific FAOs, this will be part of the wider project to implement payment and monitoring of support budgets via prepaid cards solution.	Implementation of pre-payment cards for new and existing direct payment recipients. This has already been scoped including a separate payment method (see action 2.8).  Major Risk ●	Team Manager (Client Services)  30/09/2020	<b>Completed</b> Specific FAOs have been identified who monitor that key documentation in relation to direct payments is kept up-to-date.



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	<p>The financial monitoring capability of WCCIS will also be explored as part of the three year implementation project.</p>			<p>Progress with the implementation of the WCCIS project has been impacted by the Covid-19 pandemic, however, it is hoped that a business case will be submitted shortly.</p>
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## Report Recipients

- Principal Manager (Operational Services)
- Team Manager (Client Services)
- Quality & Policy Officer
- Head of Community Support Services
- ICT Business Partner (extract)
- Principal Finance & Assurance Officer (extract)
- Principal Manager (Support Services)
- Corporate Director: Communities
- Strategic Planning & Performance Officer
- Scrutiny Co-ordinator
- Chair – Performance Scrutiny Committee
- Lead Member for Wellbeing and Independence
- Lead Member for Finance, Performance & Strategic Assets
- Corporate Governance & Audit Committee

## Internal Audit Team

Lisa Harte, Senior Auditor 01824 718084 [lisa.harte@denbighshire.gov.uk](mailto:lisa.harte@denbighshire.gov.uk)

## Key Dates

Review commenced	March 2020
Review completed	March 2021
Proposed date for next follow up review	July 2021