



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 31 AUGUST 2023

SUBJECT: CLIENT MONIES AUDIT UPDATE

BY: HEAD OF SERVICE/CHIEF SOCIAL WORK OFFICER

1. REASON FOR REPORT

1.1. To inform the Audit, Performance and Risk Committee of progress against recommendations outlined in the November 2022 Client Monies Internal Audit report.

2. RECOMMENDATION

2.1. It is recommended that the Audit, Performance and Risk Committee consider and note the current progress relating to Client Monies Internal Audit report.

3. BACKGROUND

3.1. Health and Social Care Moray (HSCM) manages income for individuals under Corporate Appointeeship arrangements. This is where an individual cannot manage their monies or also have no alternative person to do so, resulting in the Council being able to make an application to the Department for Work and Pensions (DWP) for a named officer to become the Corporate Appointee and have the legal authority to manage that individual's personal finances).

3.2. An audit to review how HSCM manages the income commenced in December 2021. The scope of the audit was to ensure funds were appropriately handled, stored, recorded and administered on behalf of clients, in line with agreed policy and procedures. There are a number of formal arrangements for assisting individuals in managing their personal income, such as DWP appointeeship, Access to Funds Scheme and Intervention or Guardianship orders. The focus for this audit was on the Corporate Appointeeship awarded by DWP for clients in receipt of benefit payments.

3.3. The audit final report was presented to HSCM's Practice Governance Board in May 2022. The audit presented four key recommendations and these were accepted by the service. Relevant actions to meet these recommendations were discussed and agreed.

3.4. A follow up review by Internal Audit was undertaken in February 2023 and it was noted that three of the four recommendations had not yet been fully implemented. This report seeks to update the Committee on progress to date in order to provide assurance that the service is committed to implementing the agreed recommendations.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

4.1. The Community Care Finance (CCF) team administers the corporate bank account. The audit involved scrutiny of the processes undertaken to administer this. In addition, a sample of individuals was also selected, and a check made as to how the Health and Social Care Officer appointed as the named "Corporate Appointee" managed and supported individuals to access their funds appropriately.

4.2. At the time of the audit, 59 individuals were being managed within the "Corporate Appointeeship" Scheme with a combined value of £483,000 held within the Council's corporate bank account.

Internal Audit Findings, recommendations and progress updates

4.3 The key findings and recommendations were accepted by HSCM and work is ongoing to meet those recommendations. The key findings could be summarised as:

- Procedures required updating and shared widely with relevant staff.
- Changes in working practices due to the pandemic resulted in an increased risk to cash handling.
- Processes needed strengthened to manage deceased client's monies and reconciliation.

4.4 A summary of findings and recommendations and progress recorded at the last Internal Audit Follow up Review (February 2023) is attached at **APPENDIX 1**. A further progress update meantime from HSCM is noted below:-

<p>5.01 The Procedures for Managing Service User's Money and Corporate Appointeeship should be reviewed and updated and a subsequent regular cycle of review maintained.</p>	<p>NOT YET IMPLEMENTED: The Procedure is currently being updated and will be implemented within HSCM by end September 2023. (Original implementation date: 31/10/22).</p>
<p>5.02 Procedures for the management of client monies should be promoted to ensure there is an awareness of their requirements by all officers involved in client finance administration.</p>	<p>NOT YET IMPLEMENTED: Once the procedure is updated, this will be shared with the Community Care Finance (CCF) team and Social Work teams by end September 2023, with the implementation phase taking place from 1 October 2023. (Original implementation date: 31/10/22).</p>

<p>5.03 Clarification should be obtained from Legal Services regarding the length of time funds must be retained on behalf of deceased clients and potential action which can be taken should the funds not be claimed within the timeframe.</p>	<p>IMPLEMENTED: Evidence of actions taken to meet this recommendation was provided to the Audit team in January 2023. It was accepted by the Audit team that no further work was required and all actions have been met.</p>
<p>5.04 Due to changes in operating practices a full review of current cash handling procedures should be undertaken. The review should include a risk assessment to ensure best practices are followed regarding the safety and security of both officers and client funds. Documented procedures should thereafter be updated to reflect any agreed changes.</p>	<p>NOT YET IMPLEMENTED: Work is ongoing to review internal processes and an update will be provided at a future meeting. An Action Plan will be agreed by September 2023. (Implementation date was 31/7/23).</p>
<p>5.05 Confirmation of the monthly reconciliation of the Corporate bank account to manual records should be undertaken by Community Care Finance management. This should also include the verification of a sample of transactions to source cumentation</p>	<p>IMPLEMENTED. Evidence of actions taken to meet this recommendation was provided to the Audit team in January 2023. It was accepted by the Audit team that no further work was required and all actions have been met.</p>

5. **SUMMARY OF IMPLICATIONS**

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan “Partners in Care 2022 – 2032”

Internal audit work supports good governance and assists in securing appropriate systems of internal control.

(b) Policy and Legal

The Adults with Incapacity (Scotland) Act 2000 enables a Health and Social Care Officer to be appointed by the DWP to have "Corporate Appointeeship" responsibility for managing the benefits received by an individual. Where no alternative exists, the Council can make an application to the Department for Work and Pensions (DWP) for a named officer to become the 'Corporate Appointee' and have the legal authority to manage an individual's personal finances.

(c) Financial implications

Depending on the outcome of the review (5.04), there is a potential for further staffing required to undertake other requirements required in managing clients monies – eg. review of best values, more regular cash transactions and reconciliations.

(d) Risk Implications and Mitigation

The follow up audit review highlighted risk implications and contained recommendations to address these as means of mitigating. Progress update is detailed in section 4.3 of the report.

(e) Staffing Implications

To support the continuing increase in corporate appointeeships, additional staffing is required due to the limited capacity within the team and the competing demands of the team.

(f) Property

None arising directly from this report.

(g) Equalities/Socio Economic Impact

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(h) Climate Change and Biodiversity Impacts

None arising directly from this report

(i) Directions

None arising directly from this report

(j) Consultations

Service Manager, Children and Families and Justice Services
Interim Chief Financial Officer, Moray Integrated Joint Board

6. CONCLUSION

6.1 For Audit, Performance and Risk Committee to note the current progress relating to the Client Monies Internal Audit report.

Author of Report: Catherine Quinn, Interim Community Care Finance Officer

Background Papers:

Ref: