

**AUDIT REPORT 22'013**  
**SELF-DIRECTED SUPPORT FINANCIAL REVIEW**

**1. Executive Summary**

The approved Internal Audit Plan for 2021/22 includes a review of financial monitoring arrangements for Self-Directed Support (SDS) packages as part of the coverage of Health & Social Care Moray activities. The Social Care (SDS) (Scotland) Act 2013 came into force in April 2014 with the intention to help people manage their social-care support and choose services that best meet their needs.

Self-Directed support allows people eligible for social care to have greater choice and control over how they receive these services. This means care services can be 'personalised' to an individual's needs and wishes. The Council is required to offer several different options to individuals who have been assessed as needing a care service, e.g. direct payment, which is a payment to a person or third party to purchase their own support, person / council directs the available support.

This audit has reviewed the arrangements for monitoring service users who receive an SDS direct payment to purchase their own support. This involved the random selection of a sample of care packages and a check made to ensure compliance with operating procedures, expenditure incurred by the service user is in accordance with the agreed budget and support plans, and surplus funds are recovered from service users where appropriate. It was noted that a total of 150 adult service users receive an SDS direct payment to purchase their own support, at a cost of approximately £3 million annually.

The audit was carried out in accordance with Public Sector Internal Audit Standards (PSIAS).

The review has highlighted several areas for improvement in systems and administrative procedures:-

- Agreed procedures detail a requirement for officers to undertake financial reviews of the payments made to service users at agreed intervals. This is to check that service users are using funds in accordance with their approved support plans. The audit noted from testing a random sample of 15 SDS direct payments, 13 were found to have outstanding financial reviews at the time of audit with 6 under one year overdue, 6 between one and two years overdue, and 1 over two years overdue. It is appreciated that staff resources have been diverted to support Covid related activities and the focus has been on supporting direct payment recipients, employers and personal assistants to ensure essential care has continued to be delivered.
- From a sample of 15 service users' care packages, a check was made to ensure monies held within individual SDS bank accounts do not exceed the agreed 3 monthly contingency fund limit. It was found that in 8 of the 15 cases, funds in excess of the allowed contingency period were held at the point of their last financial reviews. The surplus funds ranged from £618 at the lowest to

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£13,285 at the highest, with an overall total of £45,587 from the sample checked. Whilst there is a requirement for service users to contact the Authority should excess funds accumulate, officers should now undertake a review of all service users SDS bank accounts and arrangements be made for any unused funds to be repaid.

- Spreadsheets are used by the SDS Team to monitor the payments made to service users and to remind officers of when financial reviews should be undertaken. The details recorded within these spreadsheets include information already held within the primary recording database called Care First. Audit testing found the spreadsheets contained inaccurate information regarding the dates of when reviews were due or had been undertaken. An error was also found in that the amount to be paid to a service user had been incorrectly recorded. The use of spreadsheets carries an inherent risk of input error. Consideration should be given to make greater use of the Care First System. This should assist in providing greater consistency of the information held within the service and avoid the need to maintain additional databases.

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**Recommendations**

Risk Ratings for Recommendations						
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.	
No.	Audit Recommendation	Priority	Accepted (Yes/No)	Comments	Responsible Officer	Timescale for Implementation
<b>Key Control:</b> Clear and current policy documents and operational guidelines have been developed for the financial administration of SDS packages.						
5.01	The SDS Direct Payment guidance and financial monitoring procedures should be reviewed and updated on a regular basis.	Low	Yes	This is to be scheduled into the teams calendar to review on a 12 month basis at the start of the financial year.	SDS & Carers Officer	30/04/2022
<b>Key Control:</b> Financial reviews are being carried out to monitor the usage of SDS funding in accordance with operational guidelines.						
5.02	Annual financial reviews should be undertaken in line with the direct payment financial monitoring procedures.	High	Yes	Staffing is currently being addressed with the Service Manager.	Commissioning and Performance Manager	31/01/2022

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5.03	Consideration should be given to the routine production of reports from the Care First System which can be used to detail financial reviews falling due and allow management to prioritise workloads accordingly. The requirement of manual spreadsheets should be minimised wherever possible to ensure information reference points come direct from the Care First system.	Medium	Yes	Work is currently underway with the CareFirst team to produce reports that are required. The reports just now need final adjustments and then they can be used and the other spreadsheets deleted	SDS & Carers Officer	31/12/2021
5.04	A risk based approach should be initiated by management to prioritise outstanding financial reviews and work through the backlog in an order which makes best use	High	Yes	Discussions have taken place with the DP Coordinators to prioritise unmanaged	SDS & Carers Officer	Implemented

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	of limited resources.			accounts first. Team members to allocate set days in the week to complete reviews.		
5.05	A reminder should be issued to service users, and approved payroll providers where applicable, to inform the Authority when funds in excess of the contingency amount are held. This may assist in the prioritisation of early financial reviews and highlight issues for further investigation.	High	Yes	This reminder has been sent out to all individuals and payroll providers. This will be added to the routine actions for the team to send reminders out every 6 months and attention drawn to it for new packages.	SDS & Carers Officer	Implemented

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5.06	A review should be undertaken of all Service Users in regard to the current balances held within their SDS bank account. Action should then be taken to recover excess funds.	High	Yes	Bank balances have been obtained for all managed accounts and work is underway to reclaim surplus on these accounts and notify the SW where there is a significant build up as the DP may need to be reviewed and reduced. Unmanaged accounts will be addressed through review prioritisation.	SDS & Carers Officer	30/04/2022
5.07	In compliance with established procedures, one-off direct payments should be subject to a financial monitoring review 3 months	Medium	Yes	Historic ones will be picked up through prioritisation and measures	SDS & Carers Officer	30/04/2022

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	(or in limited circumstances at another interval) after the funding has been distributed to confirm its appropriate usage.			put in place to ensure these happen within timescales going forward. Capacity an issue for the team.		
5.08	The Service should comply with the monitoring requirements detailed within an agreement between the Council and Service User for the purchase and adaptation of a mini van.	Medium	Yes	Direct Payments Adviser will contact the SW and family to address as a priority and close off.	SDS & Carers Officer	31/12/2021
5.09	Closing financial reviews of SDS care packages should be undertaken in accordance with agreed procedures.	Medium	Yes	The team will prioritise closing reviews and ensure they are closed off	SDS & Carers Officer	31/12/2021

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	Evidence should be retained of any expenditure outwith the agreed support plan and of the full discussions held and decisions made by Social Workers regarding retrospective authorisation.			timeously. Going forward it has been agreed that any discussion with the budget holder will be referred to in the review and any email confirmation from the budget holder will be added to the observation on CareFirst for evidence.		
<b>Key Control:</b> SDS Funding is only used to support the service user's support plan outcomes and compliance is monitored to ensure public funds are spend appropriately.						
5.10	Care and Support Plans should be reviewed annually to ensure the agreed care is being provided and continues to meet the service user's needs.	High	Yes	Workload pressures as a result of diversion of services in response to the pandemic have led to the lack of	Head of Community Care	01/05/2022



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				routine annual support plan reviews since March 2020. The position will continue to be reviewed in terms of resource availability with a commitment to resuming routine annual reviews once the service is in a recovery position from the Omnicrom experience.		

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5.11	All Social Workers should be reminded of the requirement to inform the SDS Team of any amendment to a Support Plan that will have a financial change to a service user's care package.	High	Yes	This has been actioned and will be resent every 6 months to all teams and team managers.	SDS & Carers Officer	Implemented
<b>Key Control:</b> SDS service has effective arrangements in place to monitor support packages and report on performance.						
5.12	Consideration should be given to the development of appropriate performance monitoring measures to be reported to service management on a regular basis. Given the current backlog of reviews and consequences of direct payment accounts not being scrutinised on a timely schedule, it may be beneficial for performance information to be made available for	Low	Yes	Discussion will take place with the Service Manager in line with any work being undertaken with the 3 Conversation Model and ensure new performance measures follow the 3CM principles.	Commissioning and Performance Manager	30/09/2022

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	management to identify any resourcing issues arising and assess risks involved.					