



Audit and Scrutiny Committee

Wednesday, 16 February 2022

NOTICE IS HEREBY GIVEN that a Meeting of the **Audit and Scrutiny Committee** is to be held at **Remote Locations via Video Conference**, on **Wednesday, 16 February 2022** at **09:30**.

BUSINESS

1. **Sederunt**
2. **Declaration of Group Decisions and Members Interests ***
3. **Minute of Meeting 15 December 2021** 5 - 6
4. **Written Questions ****
5. **National Fraud Initiative 2020-21** 7 - 12
A report by the Depute Chief Executive (Education, Communities and Organisational Development)
6. **Work of the Internal Audit Section 16 December 21 to 16 February 22** 13 - 26
A report by the Depute Chief Executive (Education, Communities and Organisational Development)
7. **Question Time *****
Consider any oral question on matters delegated to the Committee in terms of the Council's Scheme of Administration.

Summary of Audit and Scrutiny Committee functions:

Audit Functions - Consider reports from the Council's internal auditor & Audit Scotland concerning Council Functions.

Scrutiny Functions - Scrutinising the policies of the Council and their effectiveness in meeting the action plans of the Council as set out in the Corporate Development Plan and evaluating the actions of Committees in implementing the action plans set out in the Corporate Development Plan.

Performance Monitoring - To receive reports on the performance of and trends within all of the Council's services in terms of service standards and performance information.

Standards - To ensure that the highest standards of probity and public accountability are demonstrated.

Moray Council Committee meetings are currently being held virtually due to Covid-19. If you wish to watch the webcast of the meeting please go to:
http://www.moray.gov.uk/moray_standard/page_43661.html
to watch the meeting live.

GUIDANCE NOTES

* **Declaration of Group Decisions and Members Interests** - The Chair of the meeting shall seek declarations from any individual or political group at the beginning of a meeting whether any prior decision has been reached on how the individual or members of the group will vote on any item(s) of business on the Agenda, and if so on which item(s). A prior decision shall be one that the individual or the group deems to be mandatory on the individual or the group members such that the individual or the group members will be subject to sanctions should they not vote in accordance with the prior decision. Any such prior decisions will be recorded in the Minute of the meeting.

** **Written Questions** - Any Member can put one written question about any relevant and competent business within the specified remits not already on the agenda, to the Chair provided it is received by the Proper Officer or Committee Services by 12 noon two working days prior to the day of the meeting. A copy of any written answer provided by the Chair will be tabled at the start of the relevant section of the meeting. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed.

No supplementary question can be put or answered more than 10 minutes after the Council has started on the relevant item of business, except with the consent of the Chair. If a Member does not have the opportunity to put a supplementary question because no time remains, then he or she can submit it in writing to the Proper Officer who will arrange for a written answer to be provided within 7 working days.

*** **Question Time** - At each ordinary meeting of the Committee ten minutes will be allowed for Members questions when any Member of the Committee can put a question to the Chair on any business within the remit of that Section of the Committee. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed.

No supplementary question can be put or answered more than ten minutes after the Committee has started on the relevant item of business, except with the consent of the Chair. If a Member does not have the opportunity to put a supplementary question because no time remains, then he/she can submit it in writing to the proper officer who will arrange for a written answer to be provided within seven working days.

THE MORAY COUNCIL

Audit and Scrutiny Committee

SEDERUNT

Councillor Donald Gatt (Chair)
Councillor Frank Brown (Depute Chair)

Councillor George Alexander (Member)
Councillor John Cowe (Member)
Councillor John Divers (Member)
Councillor Tim Eagle (Member)
Councillor Ryan Edwards (Member)
Councillor Graham Leadbitter (Member)
Councillor Marc Macrae (Member)
Councillor Aaron McLean (Member)
Councillor Maria McLean (Member)
Councillor Shona Morrison (Member)
Councillor Sonya Warren (Member)
Councillor Walter Wilson (Member)

Clerk Name:	Lindsey Robinson
Clerk Telephone:	07966 120593
Clerk Email:	committee.services@moray.gov.uk

Minute of Meeting of the Audit and Scrutiny Committee

Wednesday, 15 December 2021

Remote Locations via Video Conference

PRESENT

Councillor George Alexander, Councillor Frank Brown, Councillor John Cowe, Councillor John Divers, Councillor Tim Eagle, Councillor Donald Gatt, Councillor Graham Leadbitter, Councillor Marc Macrae, Councillor Aaron McLean, Councillor Shona Morrison, Councillor Sonya Warren

APOLOGIES

Councillor Ryan Edwards, Councillor Maria McLean, Councillor Walter Wilson

IN ATTENDANCE

Also in attendance at the above meeting were the Chief Executive, Head of Governance, Strategy and Performance, Audit and Risk Manager, and Lindsey Robinson, Committee Services Officer, as clerk to the Committee.

1. Chair

Councillor Donald Gatt, as Chair of the Audit and Scrutiny, chaired the meeting.

2. Declaration of Group Decisions and Members Interests *

In terms of Standing Order 20 and the Councillors' Code of Conduct, there were no declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

3. Minute of meeting of 27 October 2021

The minute of the meeting of the Audit and Scrutiny Committee dated 27 October 2021 was submitted and approved.

4. Written Questions **

The Committee noted that no written questions had been submitted.

5. Work of the Internal Audit Section- Update

A report by the Depute Chief Executive (Education, Communities and Organisational Development) provided the Committee with an update on the work of the Internal Audit Section.

Following consideration, where Officers answered questions on cyber security and petty cash, the Committee agreed to note the contents of the report.

6. Report on the Work of the Internal Audit Section in the Period from 1 November 2021 to 15 December 2021

A report by the Depute Chief Executive (Education, Communities and Organisational Development) advised the Committee on the work of the Internal Audit Section for the period from 1 November 2021 to 15 December 2021.

Following consideration, where Officers answered questions on Housing Benefit and Universal Credit, the Committee agreed to note the contents of the report.

7. Question Time ***

Councillor Eagle sought clarification on how large scale projects, such as the work in Findochy Harbour, could be reviewed.

In response, the Chief Executive advised that it would depend on the nature of the project as some have project boards and others are reviewed by the Council through the service.

The Head of Governance, Strategy and Performance advised he would have a discussion with Councillor Eagle outwith the meeting with regards to any specific issues.

Councillor Alexander sought clarification on what would happen if the funding from the Scottish Government did not cover the costs of the new bridge in Lossiemouth.

In response the Chief Executive advised that the Head of Service would be best placed to answer that.

The Head of Governance, Strategy and Performance advised that the Council would have a contractual responsibility to the contactors but he was not aware of the funding that had been made available for the project.

Councillor Alexander stated his concerns about the project going over budget and advised he would speak to the relevant Heads of Service for clarification.



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 16 FEBRUARY 2022

SUBJECT: NATIONAL FRAUD INITIATIVE- 2020/21

BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)

1. REASON FOR REPORT

- 1.1 To advise the Committee of outcomes from the Council's participation in the National Fraud Initiative for 2020/21.
- 1.2 This report is submitted to Committee in terms of Section III (I) (8) of the Council's Scheme of Administration relating to consideration of reports prepared by the Accounts Commission/Audit Scotland.

2. RECOMMENDATIONS

- 2.1 **Committee is asked to consider the contents of this report; seek clarification on any points noted and otherwise note the report.**

3. BACKGROUND

- 3.1 The National Fraud Initiative is a data matching project conducted by the Cabinet Office on behalf of Audit Scotland. Public bodies including Local Authorities are mandatory participants in this process. Each body is required to submit data it holds on individuals and businesses that receive public funds either as paid employees or suppliers of goods, works or services, or in the form of benefits, rates relief, or Covid-19 Business Grants. Information is also provided on individuals with housing tenancies and housing waiting lists, on taxi licence holders and on recipients of blue badges.
- 3.2 The matching process takes place and this extracts data 'matches' for each participant that are considered worthy of investigation. There is no presumption of fraud, simply a match comprises two or more records where there appears to be some anomaly that would merit further review. For example, if an individual is on Moray's council house waiting list from an address in Dundee but is in receipt of council tax reduction at an address in Aberdeen, this is recorded as a match. Most likely the 'error' is that the information is out of date, as the individual has relocated to Aberdeen and our waiting list has not been updated. Similarly, an individual employed as a teacher may be identified on two payroll records with different authorities. This

will appear as a match, but is not irregular if the individual is employed part time at each council.

3.3 A further and common reason for matches occurring is simply timing differences i.e. if an individual changes jobs or address around the time the data for matching is submitted, the old and new information can appear as a match but on checking can be quickly discounted.

3.4 The 2020/21 matching process for Moray Council at the time of drafting this report disclosed 2,748 matches across ten data themes as follows:

• Creditors (Payments to Suppliers)	1394	
• Council Tax Reduction Scheme	396	
• Council Housing Waiting List	380	
• Blue Badges	208	
• Housing Tenancies	148	
• Business Rates Relief	89	
• Procurement	43	
• Housing Benefits	32	
• Payroll	23	
• Business Grants	<u>35</u>	<u>2748</u>

3.5 While this volume of matches is significant, experience from prior exercises has shown that the incidence of fraud is not. Accordingly, a proportionate approach has been taken to testing this time, which involved a high level 'scanning' of all matched data and more in-depth testing of a sample of items to confirm the outcomes are as expected. Further detail is provided below which concludes that the principal benefits from participating in the exercise are two-fold:

- It provides confirmation that control systems designed to prevent fraud are working effectively;
- There is an opportunity to undertake data cleansing to improve the currency and accuracy of data held in council systems.

Outcomes

3.6 **Creditor Payments** matches consider payee names, addresses, bank account details, vat calculations etc. looking mainly for duplicate or erroneous payments. While a high volume of matches were generated, it should be noted that the council routinely makes legitimate payments of the same amount to a single supplier. Typical examples are monthly school transport invoices where a contracted daily rate applies, purchases by fleet services of more than one vehicle with identical specifications, and payments for monthly care packages for an individual. Testing did disclose minor data cleansing issues that have been addressed e.g. where the same supplier had two creditor records (the second having been set up in error). No fraud or irregularity resulting in financial loss was disclosed.

- 3.7 **Council Tax Reduction Scheme (CTRS)** entitles qualifying households to a reduction in the amount of council tax they pay. The level of reduction depends on individual circumstances. CTRS awards are referenced to other CTRS claims, to public sector payroll and pension records, to taxi licensing, housing tenancies and to Department for Work and Pensions (DWP) records of deceased persons. The matches are designed to ensure claim forms have been accurately completed and disclose information e.g. on income, that can influence the amount of the CTRS award. In most cases the correct disclosures had been made although for small number, further investigations are being undertaken. In terms of these investigations it should be noted that where an individual is also in receipt of other benefits, the NFI system requires onward referral of the match to the DWP. The DWP determines any investigation work required and the council receives no feedback on the outcomes from these referrals.
- 3.8 **Council Housing Waiting List** applicants are referenced to other councils' waiting lists, housing tenancy records, Housing Benefit claimants, and DWP records of deceased persons. Audit testing of these datasets disclosed the data held in many cases was out of date with references in many cases to limited or no contact with an applicant for many years. These cases had remained on the waiting list even where the applicant had changed address /been rehoused elsewhere in the interim. This has been acknowledged by the Housing Service and a new system for managing the Housing waiting list was introduced in early 2021 to address this issue.
- 3.9 **Blue Badge** parking permits are compared with permits issued by other councils and to DWP records of deceased persons. The relatively high number of matches from these datasets has occurred because the council did not have a mechanism to cancel current badges on the system - (a badge being valid for three years) immediately after a badge was no longer required. This increases the risk, in theory, if not in practice, that a badge no longer required by its recipient may be misused by others to avoid parking charges or to park in designated spaces to the detriment of those entitled to use them. Current arrangements are being amended to ensure the Service receives a notification of any changes to an individual's entitlement for a blue badge.
- 3.10 **Housing Tenancy** records are referenced to other councils' tenancy records, Housing Benefit claims, housing waiting lists and DWP records of deceased persons all with the purpose of validating the accuracy of information the council holds on the occupancy of its council housing. Sample testing noted there were legitimate reasons for the matches e.g. a recent move or family change of circumstances, with detailed information available to evidence why matches had been generated.
- 3.11 **Business Rates Relief** looks at rating records held by all councils to validate awards of rates relief. This is new data match that recognises that eligibility for rates relief can be affected by the number and combined rateable value of premises occupied by a single business in different council areas across Scotland. Testing found the correct award of rates relief applied for different premises occupied by the same business.

- 3.12 **Procurement** matches compare the council's payroll records with supplier records including company director information held by Companies House. Matches are looking at potential conflicts of interest in the award of council contracts but none was disclosed; those highlighted being known (e.g. Councillors who are paid and also Directors of Moray Leisure) and not considered irregular.
- 3.13 **Housing Benefit** matches are referenced to recipients of student loans, Housing tenancy records, taxi licensing Information, Housing waiting lists, recipients of Council Tax Reduction and DWP records of deceased persons. The matches are designed to ensure claim forms have been accurately completed and have disclosed information e.g. on income, that can influence the amount of the Housing Benefit award. The number of matches in this category is reducing, as more claimants move to Universal Credit. Audit testing disclosed a small number of data cleansing issues. Testing found no fraud or irregularity, however the review has resulted in the need to update some Council records.
- 3.14 **Payroll** matches are compared with other payroll records and public sector pension records. Again the number of matches was low and mainly related to individuals with two part time jobs or where employee address details had not been recently updated.
- 3.15 **COVID 19 - Business Grants** matches related to businesses that had received Small Business Grant Fund and Retail Hospitality Leisure Grant payments. Reports detailed payments made to companies with multiple premises both within and outwith Moray. Testing found no issues and payments had been made in accordance with Scottish Government Guidelines.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Fraud and irregularity has the potential to impact on the council's ability to deliver on its key strategic outcomes, although the results of this exercise suggest that the council's control systems are working well and mitigating this risk.

(b) Policy and Legal

Participation in the NFI is mandatory for all Scottish councils, however this has advantages in that national protocols have been developed and agreed for data management and security.

(c) Financial implications

There are costs for staff time associated with organising and submitting the data and reviewing the returned matches. These can be set against 'notional' savings e.g. a cancelled blue badge is valued by NFI at £575, but these savings are indirect at best and more likely the benefits from participation are in improving the accuracy of the systems from which data is derived.

(d) Risk Implications

The risk of not adequately checking returned matches is that a significant fraud may go undetected resulting in substantial financial loss. However with no such fraud being detected in this council for the 15 years the NFI has operated in Scotland, a proportionate approach to checking the matches is judged to be the most prudent approach.

(e) Staffing Implications

Work linked to the NFI is covered in the day to day duties of data owners in service departments and within ICT and time is made available in the audit plan for Internal Audit to co-ordinate the checking of matches returned.

(f) Property

No implications directly arising from this report.

(g) Equalities/Socio Economic Impact

No implications directly arising from this report.

(h) Climate Change and Biodiversity Impacts

No implications directly arising from this report.

(i) Consultations

There have been no direct consultations during the preparation of this report.

5. CONCLUSION

5.1 Participation in the NFI exercise for 2020/21 has highlighted a few issues around data cleansing and minor system improvements, some of which were already in process of implementing, but little in the way of fraud or irregularity. Based on the findings of this exercise the main benefits from participation arise from the assurances provided that the council's main systems are accurate and up to date and that system controls are working well.

Author of Report: Dafydd Lewis, Audit and Risk Manager
Background Papers: NFI Database
Ref: SPMAN-1042990102-86



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 16 FEBRUARY 2022

SUBJECT: REPORT ON THE WORK OF THE INTERNAL AUDIT SECTION IN THE PERIOD FROM 16 DECEMBER 2021 TO 16 FEBRUARY 2022

BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)

1. REASON FOR REPORT

- 1.1 The report advises Committee on the work of the Internal Audit Section for the period from 16 December 2021 to 16 February 2022.
- 1.2 This report is submitted to Committee in terms of Section III (2) and (7) of the Council's Scheme of Administration relating to consideration of reports from the council's Internal Auditor and monitoring delivery of the audit service carried out by internal audit.

2. RECOMMENDATION

- 2.1 **That Committee consider the contents of this report, seeks clarification on any points noted and otherwise notes the report.**

3. BACKGROUND

- 3.1 This report provides details of the internal audit work concluded during the period 16 December 2021 to 16 February 2022.

Departmental Systems – Self Directed Support (SDS)

- 3.2 An audit has been undertaken into the financial monitoring arrangements within the SDS Team for direct payments made to service users. The audit has checked for effective procedures in the monitoring of funds issued to service users. 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.
- 3.3 The audit found several areas where further improvements are required to current operating arrangements with a need to review all service user care packages to recover any excess funds. 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. The executive summary and recommendations for this project is given in **Appendix 1**.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcome Improvement Plan (LOIP))

Internal audit work supports good governance and the delivery of efficient services.

(b) Policy and Legal

No implications.

(c) Financial Implications

No implications directly arising from this report.

(d) Risk Implications

The independent review of selected systems and procedures mitigates the risks associated with inadequate or ineffective control procedures.

(e) Staffing Implications

No implications.

(f) Property

No implications.

(g) Equalities/Socio Economic Impact

No implications.

(h) Climate Change and Biodiversity Impacts

No implications.

(i) Consultations

There have been no direct consultations during the preparation of this report.

5. CONCLUSION

5.1 This report provides Committee with a summary of findings arising from an audit project completed during the review period.

Author of Report: Dafydd Lewis, Audit and Risk Manager

Background Papers: Internal audit files

Ref: SPMAN-1042990102-88

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

AUDIT REPORT 22'013
SELF-DIRECTED SUPPORT FINANCIAL REVIEW

£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.

AUDIT REPORT 22'013
SELF-DIRECTED SUPPORT FINANCIAL REVIEW

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
Key Control: 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
Key Control: 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

AUDIT REPORT 22'013
SELF-DIRECTED SUPPORT FINANCIAL REVIEW

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
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

AUDIT REPORT 22'013
SELF-DIRECTED SUPPORT FINANCIAL REVIEW

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
	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

AUDIT REPORT 22'013
SELF-DIRECTED SUPPORT FINANCIAL REVIEW

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
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

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

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
	(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

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

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
	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.		
Key Control: 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

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

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
				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.		

AUDIT REPORT 22'013
SELF-DIRECTED SUPPORT FINANCIAL REVIEW

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
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
Key Control: 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

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

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

