

21 June 2016

To the Chair and Members of Audit Committee

ADULTS, HEALTH AND WELLBEING AUDIT RECOMMENDATIONS PROGRESS REPORT INCLUDING THE RECOVERY OF OVERPAYMENT OF DIRECT PAYMENTS

EXECUTIVE SUMMARY

1. Audit Committee at its meeting in January 2016 noted the current progress being made in relation to the outstanding actions within Adults Health and Wellbeing and requested further update at a future particularly in relation to the Major Risks.
2. This report provides the basis for a further update on the completion of recommendations and those that were still outstanding as at 31 May 2016. The table below gives a brief overview of the progress made and the current position:

Progress in relation to the 84 original recommendations						Current Position including new actions
	Feb 2015	Aug 2015	Dec 2015	Mar 2016	Jun 2016	
Major Risk	7	2	2	0	0	7
Significant Risk	73	22	19	15	9	19
Moderate Risk	11	1	1	1	0	3
Total	84	25	22	16	9	29

3. Progress has been made in reducing the number of outstanding recommendations since the last meeting in January 2016 and there are now 9 of the original 84 actions still outstanding. The reason for further time is needed due to other directorate issues to deliver the required outcomes.
4. The action plan relating to CASPER which is a new case management system used by SAPAT (Safeguarding Adults and Personal Assets Team) has been removed as there are concerns with the processes and it was deemed appropriate to suspend the remaining actions until an ongoing internal audit review has been completed.
5. In addition there are 22 outstanding actions from those added since work commenced on clearing the original actions, 19 of these are related to the recent Overpayments Review of Direct Payments which consisted of 24 individual actions 5 of which have been implemented. A breakdown of the outstanding actions linked to this audit can be found in table 1 at the end of this report.

6. Since the last Audit Committee Meeting in April 2016, 13 individual actions have been implemented (2 Major, 1 Moderate and 10 Significant).
7. Of the 9 actions still outstanding from the original 84 recommendations, 5 are linked to the Direct Payments/Personal Budgets improvement plan. A Meeting was held with the action plan owner of the DPPB plan and a way forward was agreed, however shortly after this meeting the senior member of staff tasked with delivering these actions has been absent which has delayed progress although a replacement has now been identified. Also following the implementation of the new improvement plan a meeting has taken place to look at progress and it was identified that some of the original actions would be addressed as part of the work to deliver the new actions (Table 2 at the end of this report shows the current status with these actions). The remaining 4 actions and their status is as follows:
 - 1 was originally part of an overarching enforcement strategy which was awaiting a signed ODR, however since then a standalone strategy has been requested and an update has been requested, but is still awaited.
 - 1 is wholly linked to the commissioning of a new Domiciliary Care Contract which has not yet completed, but measures are in place to mitigate the risk until this is achieved.
 - 1 is the application of retention guidelines to records currently held on CareFirst and work cannot commence on this until the new Case Management system has been implemented and data cleansing completed as the resources are wholly tied up with this activity.
 - 1 relates to the systems in use by the OT team and work is progressing but it is not anticipated that this work will be completed until September and an extension has been requested.

8. Update on Overpayments of Direct Payments:-

Since work commenced in reviewing direct payments in 2011/12, almost £1.5m of overpayments have been identified which has led to 449 accounts being raised. This figure has climbed steadily from £940k in September 2015, i.e. a further £560k of overpayments have been identified from October 2015 to date. During the October 2015 to date period, £520k of outstanding debt has been collected which evidences the success of the work that is being undertaken. Further increases are anticipated as the team continue to gather the evidence required to be able to assess whether budgets have been spent correctly or not. The current level of debt is £582k and all outstanding reviews are anticipated to be complete by September 2016.

In the last two months an additional £137k of overpayments was identified but £60k of this has been recovered during this period.

£147k of debt has been identified as unrecoverable and has been written off in accordance with Financial Rules.

24% of outstanding debt now has a payment plan in place.

Invoices are now being raised when evidence has not been provided to show that the personal budget has not been spent correctly.

9. In relation to the Overpayment of Direct Payments action plan, there were originally 24 actions, but 5 have now been fully implemented. Of the remaining 19, progress is being made on all of them and for several once evidence is compiled, these will also be fully implemented (see Table 1 at the end of this report for a breakdown of progress being made against each individual action).
10. There were 8 major actions arising from the review – one of these has been implemented, the status of the remaining 7 are as follows:
 - Backlog of reviews – the backlog of annual reviews has now been completed and priority is now being given to completing reviews of service users who are no longer in receipt of a direct payment. It is anticipated that this backlog will be cleared by the 30th September 2016.
 - Feedback Loop for Lessons Learned – this action is tied up with the overall review of the service and processes, this is currently underway.
 - Direct Payment Accounts as the first option – Everyone who is given a direct payment is initially put on a pre-payment card and they are strongly encouraged to stay in this mode of payment following the 6 week review.
 - Money Management Companies – this action is being aligned with the new “Commissioning Care and Support at Home service” and is being led by colleagues within the commissioning team.
 - Bad Debts Management and Recovery/Validation of existing debts (2 actions) – A new process was implemented in April 2016 which includes a risk based approach to financial reviews to ensure those of the highest risk are prioritised and their reviews are conducted on a more regular basis. An assessment officer is now joint working where a debt has been identified as well as a need for a social care review and this is already having a positive effect.
 - Outstanding audits - Weekly audits are being undertaken but the work is not yet fully completed.

Please see Table 3 at the end of this report for a breakdown of financial activity from September 2015.

RECOMMENDATIONS

11. Audit Committee is asked to:

- a) Note the update on current Audit recommendations.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

12. Audits and subsequent improvement plans are designed to improve services, make them more efficient and effective and identify issues with processes that could cause reputational and financial damage to the authority. By delivering the audit recommendations, the interactions between the authority and citizens should be a more positive experience, work will be progressed more quickly

which will mean that individuals will achieve their outcomes much more quickly and the potential for them receiving confusing or conflicting information will be greatly reduced.

BACKGROUND

13. This report provides audit committee with a further update on the progress of outstanding audit recommendations within Adults, Health and Wellbeing.

IMPACT ON THE COUNCIL'S KEY PRIORITIES

14. Any improvement in the management of the risks will have a positive impact thereby increasing the likelihood of the Adults, Health and Wellbeing achieving its objectives. Monitoring and implementing Internal Audit's recommendations is therefore relevant to all priorities but in particular the following:

Outcomes	Implications
Council services are modern and value for money.	By delivering audit action plans performance will improve and increase the effectiveness and efficiency of a whole range of services across the directorate.
Working with our partners we will provide strong leadership and governance.	The work undertaken to address and implement audit actions will drive forward performance improvements across the directorate

RISKS AND ASSUMPTIONS

15. The implementation of audit recommendations is a response to identified risks and hence is an effective risk management action.

LEGAL IMPLICATIONS

16. Part of the process is to identify issues that could have open the council up to litigation, therefore by delivering the recommended improvements there can be more confidence that processes are compliant and less likely to be subject to challenge.

FINANCIAL IMPLICATIONS

17. There are no identified direct financial implications arising from this report.

HUMAN RESOURCES IMPLICATIONS

18. There are no identified human resource implications arising from this report.

TECHNOLOGY IMPLICATIONS

19. There are no identified human resource implications arising from this report.

EQUALITY IMPLICATIONS

20. We are aware of the Council's obligations under the Public Sector Equalities Duties and there are no identified equal opportunities issues within this report.

CONSULTATION

21. There have been a number of meetings between the Directorate and internal Audit.

22. This report has significant implications in terms of the following:

Procurement		Crime & Disorder	
Human Resources		Human Rights & Equalities	
Buildings, Land and Occupiers		Environment & Sustainability	
ICT		Capital Programme	
Directorate Strategies and Policies		The Care Act 2014	

BACKGROUND PAPERS

23. Internal Audit Reports

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Table 1 below highlights the current situation in relation to the new Overpayments Review of Direct Payments

Action	Owner	Risk	Comments
Backlog of Reviews	JHH	Major	Substantial progress has been made in clearing the backlog of review and the ones still outstanding will be completed by the end of September 2016.
Feedback Loop for Lessons Learned	JHH	Major	This is linked with the overall review of Direct payments and processes.
DP Accounts as the first option	JHH	Major	Everyone who is given a direct payment is initially put on a pre-payment card and they are strongly encouraged to stay in this mode of payment following the 6 week review.
Bad Debts Management	AP	Major	Work has commenced but is not yet complete.
Assessment of debt outstanding	AP	Major	Weekly audits are being undertaken but the work is not yet fully completed.
Outstanding audits	AP	Major	Weekly audits are being undertaken but the work is not yet fully completed.
Money Management Companies	PH	Major	This work stream is being led by Commissioning colleagues and will be aligned to the new Commissioning Care and Support at Home service.
Starter Budget	JHH	Significant	Currently being looked into by the Project Lead
RAS bracket authorisation	JHH	Significant	The process included workers providing evidence for uplifts and managers to sign off, but work is still continuing in this area to further improve the process.
RAG rating for review cycle	JHH	Significant	Looking at linking to review procedure and will be addressed as part of this exercise.
Revised DP Agreement	JHH	Significant	Work has commenced looking at the current agreements and whilst not fully complete yet amendments are anticipated to be implemented

			in the near future.
DP agreements – authorised support	JHH	Significant	This is being considered alongside the revised DP agreement (above) and will be dealt with as part of this exercise.
No DP Audit Info on Care First	JHH	Significant	This is now in place and is just awaiting evidence to be gathered.
Joint Working	JHH	Significant	Awaiting evidence to submit as implemented.
DP accounts – exception reporting and monitoring	AP	Significant	Reports have been developed and implemented and work is on-going.
DP account charges	PH	Significant	Consideration of inclusion within the Direct Payments agreement currently underway.
Charge over property	AP	Significant	Work has commenced more needs to be done before this is ready to be implemented.
DP account exception audits	AP	Significant	Progress has been made and a process has been written but further work is required before fully implemented
Care Act Assessment change in circumstances	JHH	Moderate	A new process was implemented in April 2016 – awaiting evidence of the improvement

NB. JHH = Jayne Hewitt Hardy, AP = Anthony Patterson and PH = Pat Higgs

Table 2 below highlights the current situation in relation to the previous Direct Payments Improvement Plan

Action	Owner	Risk	Comments
Quality Assurance programme and checks for social care	JHH	Significant	Awaiting a report to show that spot checks are being undertaken
Annual Review	JHH	Significant	A report is being compiled of all outstanding reviews including any reasons for delays.
Financial Assessments	JHH	Significant	The work required to deliver this action is now being looked at alongside the Overpayment Review of Direct Payments Improvement Plan and should be implemented at the same time.
Procedures	JHH	Significant	A flow chart has been circulated for comment includes ownership at each stage of the process once agreed the action will be fully implemented.
Direct Payments Agreements	JHH	Significant	Proposal is that a new direct payment agreement will be issued and signed off following an annual review of the individual's ongoing care and support needs. This will be reflected in a new direct payment policy which is currently being drafted.

Table 3 – Current position of outstanding debts from Direct Payments Overpayments

Status as at 26/05/2016								
Financial Year	Number Outstanding	Original Balance	Paid	Written off	Outstanding Balance	Payment Plan	Invoice	Percentage Paid
2011/12	9	94,383.63	3,030.13	6,945.92	84,407.58	7,729.87	76,677.71	3.21%
2012/13	28	254,030.44	72,449.27	116,116.93	65,464.24	49,410.04	16,054.20	28.52%
2013/14	1	2,056.00	50.00	0.00	2,006.00	2,006.00	0.00	2.43%
2014/15	84	354,029.28	138,920.09	17,869.57	197,239.62	40,645.11	156,594.51	39.24%
2015/16	267	657,960.43	495,376.54	6,910.71	155,673.18	35,462.23	120,210.95	75.29%
2016/17	60	137,123.35	60,086.72	0.00	77,036.63	3,160.00	73,876.63	43.82%
Total	449	1,499,583.13	769,912.75	147,843.13	581,827.25	138,413.25	443,414.00	51.34%