

To the Chair and Members of Audit Committee

ADULTS, HEALTH AND WELLBEING AUDIT RECOMMENDATIONS PROGRESS REPORT IN RELATION TO DIRECT PAYMENTS

EXECUTIVE SUMMARY

1. Audit Committee at its meeting in June 2016 noted the current progress being made in relation to the outstanding actions relating to Direct Payment and asked for a further update to be given at their meeting in November 2016.
2. This report provides a further update on the completion of recommendations and those that are still outstanding as at 31st October 2016.
3. Progress has been made in reducing the number of outstanding recommendations since the last meeting in June 2016 and there are now 11 actions still outstanding, some from the initial audit, some from a later review.
4. Since the Audit Committee Meeting in June 2016, 13 individual actions have been marked as implemented (5 major risk and 8 significant risk). Of the 11 actions still outstanding (3 major risk and 8 significant risk) all are progressing and many nearing completion as described in the body of the report.

RECOMMENDATIONS

5. Audit Committee is asked to:
 - a) Note the update on current Audit recommendations outstanding.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. 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.
7. The improvements as a result of the audit recommendations on Direct Payment means that risks associated with this have been reduced whilst at the same time efficiencies to processing means that people are paid promptly. The recovery of outstanding money, as a result of overpayment of Direct

Payment reduces the financial risk to the council, with changes in the arrangements for future payments reducing this risk of non-collection even further, to ensure best use of the public purse for the people of Doncaster.

BACKGROUND

Historical findings and challenges

8. The initial audit in 2014, found that there were significant issues regarding the whole process with regard to Direct Payments (DP), these were in process, practice, recording and in the number of people in receipt of DP, who owed money to the council as a result of overpayment, but had not been pursued to recover this.
9. Some of the problems lay with the lack of a clear and up to date Direct Payment policy, from which would be produced a revised Direct Payment agreement. This agreement would provide clarity to both the person receiving a DP, and the council in monitoring the use of a DP and, if required, the recovery of monies owed.
10. The recording difficulties on Care First, and use of separate systems were also highlighted in the audit recommendations for improvement. These increased the risk of duplication and error of records.
11. Payments of DP was a major issue, resulting long delays into the system to actually pay the DP; combined with a major backlog of reviews of expenditure, that resulted in significant sums of money potentially due to be returned to the council.

Response to recommendations

12. Audit Committee have already received previous reports on progress with regard to implementing these recommendations, but in summary actions have been taken across the council to improve process, practice and improve the recovery of any overpayments, or money due to the council.
13. Reviews of expenditure of individual DP has taken place, and continues, resulting in the recovery of significant sums of money of overpaid DP owed to the council.
14. In respect of payments, new procedures and systems including pre-paid cards introduced, to ensure money is paid promptly and efficiently to people in receipt of DP. Individual cases are reviewed and any monies owed recovered more promptly.
15. A new Direct Payment policy is being drafted and expected to be agreed in December 2017, together with a new Direct Payment agreement to help in managing finances and processes for a person receiving a DP.
16. Work continues on other outstanding recommendations to improve the whole process of DP, for the individual user and the council and updates are

provided at Appendix 1.

IMPROVEMENTS

Audit actions

17. The table below gives a brief overview of the progress made and the current position on the completion of recommendations and those that are still outstanding as at 31st October 2016.

Progress on the 2 Direct Payment Improvement Plans							
Risk Level	2014 Improvement Plan			2016 Improvement Plan			Current Overall Total
	Original	Jun 16	Oct 16	Original	Jun 16	Oct 16	
Major Risk	2	0	0	8	7	3	3
Significant Risk	15	5	4	14	11	4	8
Moderate Risk	0	0	0	2	1	0	0
Total	17	5	4	24	19	7	11

18. Progress has been made in reducing the number of outstanding recommendations since the last meeting in June 2016 and there are now 11 actions still outstanding.
19. Since the last Audit Committee Meeting in June 2016, 13 individual actions have been marked as implemented (5 major risk and 8 significant risk).
20. Of the 11 actions still outstanding (3 major risk and 8 significant risk) all are progressing and many are nearing completion. Appendix 1 of this report shows the current status in more detail.

System impacts

21. The impact of the actions as a result of the audit means that people receiving a DP are now paid promptly, as the process has been improved. Reviews of existing cases is done more regularly to reduce the risk of overpayment and recovery of monies owed. There is improved financial control over the payments made and money reversed.
22. Work on a single system within the Care First non-residential project will improve the recording and reduce the risk of duplication and error significantly, as all information will be held within one system.

Future plans and resilience

23. The implementation of the audit actions will reduce the risks to procedures not being followed and the financial risk to non-recovery of overpayments. In addition, the uptake in DP is also a significant action for Adults Health and Well-Being, with a separate action plan focussing on that in place, aligned to an immediate business improvement project.

24. To improve governance arrangements, the management of the overall project has been taken by the Interim Head of Assessment and Care Management, with key leads from across the council, representing services to support the take up, and improvements of DP. This project group will have oversight of this piece of work across all areas, particularly care management to ensure the offer and support to establish a DP are provided in a positive and empowering manner, to give greater choice and control to the person.
25. Some of the actions from this project are aligned to the audit recommendations; others are about improving professional practice and process. As such on an operational level, team and individual targets have been established, together with improvements in information and performance management. This helps identify areas for improvement, good practice examples and ways that the service can demonstrate evidence of DP take up.
26. Training is being established to ensure staff are fully aware of how to promote this option to individuals, together with the clarity on what a DP is and the real benefits it can bring to a person. Professional practice is being reinforced with front line staff to ensure they work with the person using the individual's strengths, to understand what they can do and how DP can support them to achieve their outcomes.
27. Information and advice for individuals is also being reviewed to be sure the wider awareness of DP is known to the public, so they can see the benefits of this option.
28. Payments and business process have already been refined and improved, to avoid delays in financial transactions, but the Care First non-residential project will provide further improvements.

Further improvements

29. Work on implementing the audit recommendations has seen some positive progress in areas of risk.
30. Revised processes have established much tighter control over the financial arrangements of services users associated with DP. In addition, with a new Direct Payment agreement being introduced this will make responsibilities for a DP clearer for all parties. We have set targets for all teams in the performance for delivery of direct payments. We have revised the policy and guidance for direct payments and are now seeking final approval and sign off for the end of December 2016.
31. Colleagues in Commissioning are looking externally at the current providers of support to services users of DP to ensure we have the capacity right given the demands placed upon the service. Money management, advice, support and other help is often seen as challenges to improve the take up of a DP with service users.

32. There is a focus on overall improvement of all aspects of service delivery in this area given it is fundamental to our work on transforming people's lives, and empowering them to make choices, about their service.
33. The project group meet regularly to maintain momentum and make the required tactical changes that are needed to significantly improve performance and quality in the delivery of DP. This group will also oversee the delivery and completion of the outstanding audit actions reported within.
34. This group will report and be held accountable through the immediate business improvement project governance arrangements.

IMPACT ON THE COUNCIL'S KEY PRIORITIES

35. Monitoring and implementing Internal Audit's recommendations is therefore relevant to all priorities but in particular the following:

	Outcomes	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>The use of DP to meet an individual's care and support needs will ensure they are given choice and control to live independent lives, together with being compliant with the Care Act</p>
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living.</i> 	
	<p>All families thrive.</p>	

	<ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	
	Council services are modern and value for money.	By implementing the actions outlined to address the issues identified will ensure the best use of the financial resources available is achieved.
	Working with our partners we will provide strong leadership and governance.	Working in partnership with external providers and the third sector, will deliver a modern and effective service to people.

RISKS AND ASSUMPTIONS

36. The implementation of audit recommendations is a response to identified risks and hence is an effective risk management action. This work aligned to other service changes will address the risks and will deliver a service that is modern, cost effective and personalised to the individual using a variety of options.

LEGAL IMPLICATIONS

37. Part of the process is to identify issues that could expose the council to litigation, therefore by delivering the recommended improvements there is a reduced risk and greater confidence that processes are compliant and less likely to be subject to legal challenge.

FINANCIAL IMPLICATIONS

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

HUMAN RESOURCES IMPLICATIONS

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

TECHNOLOGY IMPLICATIONS

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

EQUALITY IMPLICATIONS

41. 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

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

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

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

BACKGROUND PAPERS

44. Internal Audit Reports

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OUTSTANDING ACTIONS FROM THE 2014 AND 2016 AUDITS OF DIRECT PAYMENTS AND PERSONAL BUDGETS

Action	Owner	Risk	Comments
Backlog of Reviews	MH	Major	Reviews Rag Rated for financial risk, high cost packages brought forward, low cost deferred, and resources are in place to ensure all reviews are completed by the end of the financial year. Deadline extended to (April 2017) to enable this to be achieved.
Feedback Loop for Lessons Learned	MH	Major	There is now a clear link between finance and ASC meaning that budgetary issues are identified more quickly enabling quick action to address them. The process needs to be firmed up and documented now. This will need to be in the policy and guidance. Discussions will take place with Howard Monk to progress this and will be discussed at weekly Direct Payment Key Stakeholder meetings to track progress so change and support delivered. (December 2016)
Money Management Companies	PH	Major	Awaiting a copy of CPR waiver pending the service going out to tender in the near future. (December 2016)
Revised DP Agreement	MH	Significant	The revised DP agreement has been written and Senior Management have requested a few amendments, once agreed at this level it will be signed off by the portfolio holder at which point it will be implemented (December 2016)
DP Agreements – Authorised Support	MH	Significant	This is now in the revised DP agreement (paragraph 11) and has been agreed by Senior Management, therefore once the overarching document has been approved this will be implemented (December 2016)
No DP Audit Info on Care First	MH	Significant	The documents are prepared and a request for it to be put on CF has been requested, but it is currently in a queue and is not the highest priority at this time.(April 2017)
DP Account Charges	PH	Significant	The AD is in the process of writing an ODR which will address this

			action.(November 2016)
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NB. MH = Mark Howe and PH = Pat Higgs

Action	Owner	Risk	Comments
Quality Assurance programme and checks for social care	MH	Significant	Spot checks are now being undertaken on a monthly basis and have been included on the Casefile Checklist for anyone who takes up a direct payment. This was originally piloted with the Reviewing team and is now being rolled out to all other teams. Feedback on progress to be monitored by the Steering Group.(March 2017)
Financial Assessments	MH	Significant	Now in Paragraph 1, Section 5 of the Direct Payment agreement and has been agreed by Senior Management, other amendments to the overarching document have been requested and once these have been approved will be signed off by the Portfolio Holder which is anticipated to be before Christmas at which point it will be implemented.(December 2016)
Procedures	MH	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 and coordinated through the DP steering group (December 2016)
Direct Payments Agreements	MH	Significant	This is now in Appendix 5 of guidance in relation to annual reviews and has been agreed by Senior Management, other amendments to the overarching document have been requested and once these have been approved will be signed off by the Portfolio Holder which is anticipated to be before Christmas mas at which point it will be implemented.(December 2016)