

Report to Audit and Governance Committee 25th March 2021 on actions taken in relation to key recommendations made in the audit report relating to the audit of Client Affairs

Lead Officer: Richard Thorne, Lead Officer Client Affairs

Presenting officer (if different to above)

Summary of Audit Area

Every day, we make decisions about our lives. Our ability to make decisions is called mental capacity. When a person lacks mental capacity to manage their finances or assets and there is no other suitable individual to do so on their behalf, the council's Client Affairs team (CAT) is able to apply to the Department for Works and Pensions to act as their benefit Appointee, and to the Court of Protection to act as their Deputy for property and financial affairs. This duty requires the team to undertake a breadth of administrative tasks / duties.

Prepaid Cards

Prepaid Financial Services (PFS) offers a card account facility to the council. In January 2020 the CAT adopted the use of these as a method to distribute an individual's personal spending money provided that the individual is capable of managing their own finances using a card authorised by a personal identification number. (PIN).

If an individual is unable to manage the use of a card and PIN, where appropriate, a card can be issued to a third party (such as a carer) in order to gain access to the individual's personal spending money on their behalf.

As at August 2020, the CAT manage the financial and property affairs of circa 550 individuals, of these circa 40 have been issued with a Prepaid Card.

Motability Vehicles

A person who is eligible to receive a Disability Living Allowance / Personal Independence Payment mobility, at the highest rate, can forfeit payment of the benefit and instead have the use of a Motability vehicle.

As at August 2020, circa 18 individuals have opted for the use of a Motability vehicle.

It is acknowledged that the service is in the process of digitising its processes and some recent process changes have been made due to the changed way of working brought about by the pandemic.

Summary Terms of Reference of the Audit

To review the effectiveness of the control environment in relation to the:

- Risk management arrangements to ensure these are in compliance with the council's Risk Management Policy Statement & Strategy 2018-2021;
- Management and monitoring of Prepaid Cards; and
- Administrative arrangements for an individual to have use of a Motability vehicle that may also be driven by a third party, i.e. a carer.

Risks

- Failure to protect vulnerable adults.
- Risk management arrangements are not aligned to the council's Risk Management Policy Statement & Strategy 2018-2021.
- Lack of, or out of date procedural guidance, leading to inconsistent practice or application of the agreed processes.
- Lack of separation of duties within the administration and monitoring functions.
- Potential financial losses;
- Complaints; and
- Damage to the council's reputation.

Key Findings

Conclusion

The service needs to further develop their risk management arrangements to ensure that these are in compliance with the council's Risk Management Policy Statement & Strategy 2018-2021.

The current control framework for the management and monitoring of Prepaid Cards could be further strengthened to ensure separation of duties within the administration and monitoring functions; greater transparency over the initial request / approval for a Prepaid Card, authorisation process for financial transactions, monitoring usage and status of Prepaid Cards, and the requirement for more detailed and up-to-date guidance.

Similarly, the control framework for administering Motability vehicles could be further strengthened to:

- Ensure that procedural guidance is sufficiently detailed and refreshed to include the proposed agreed internal control changes as detailed within this report;
- Permitted drivers are informed of and acknowledge the conditions of the respective insurance policy and understand the role of the permitted driver and known liabilities;
- Promote greater assurance that pre-requisite driver checks are more robust, verifications checks are applied consistently, and are re-performed on a periodic basis; and
- Ensure compliance with GDPR requirements.

Action(s) taken to implement the recommendations as at 1st February 2021 and / or proposed.

Medium priority recommendation 1: Review and refresh of risk management arrangements.	Original management response
<p>Management to review and refresh their risk management arrangements in conjunction with Planning, Performance and Improvement and / or the council's Senior Risk Management Advisor (if deemed appropriate) to ensure going forward these are adequate for identifying new and / or emerging risks or, failure of control measures, in compliance with the council's Risk Management Policy Statement & Strategy 2018-2021.</p>	<p>Compile risk management template – to be reviewed by the council's Senior Risk Management Advisor. Refresh KPIs and discuss with Planning & Co-ordination Business Partner. Arrange InPhase performance monitoring recording</p> <p>Completion date: March 2021</p>
<p>Management update as at 1st February 2021:</p>	
<p>This is still due completion which we intend to have done by end of March 2021. Initial discussions have been held and advice provided by the council's Senior Risk Management Advisor. Further discussions will take place with Planning & Co-ordination Business Partner to ensure that relevant KPI's are aligned with those risks identified in the Risk Management Template.</p>	

Medium priority recommendation 2: Review and refresh the Client Affairs Procedure Note: Expenditure.	Original management response
<p>Review and refresh the Client Affairs Procedure Note: Expenditure to ensure that:</p> <ul style="list-style-type: none"> • The procedures reflect the changes that have been agreed and implemented due to C19 and the shift towards greater digitisation; • There is a requirement for: <ul style="list-style-type: none"> ○ The account monitoring check undertaken after one week to be formally documented; ○ Prepaid Card accounts to be subject to periodic review as part of the Annual Review process; and ○ Prime records to support the request for the authorisation of Standing Orders or BACS payments to be made available to view by the authorising officer. Email trails of the authorisation process to be saved within CASPAR. • The process, roles and responsibilities are documented for: <ul style="list-style-type: none"> ○ Requesting / approval for a Prepaid Card to be set up for the individual. Consideration to be given to development of a standard template to be utilised to capture details of the request / authorisation process; and ○ The replacement / cancellation / closure of a Prepaid Card (to include the requirement to update the individual's record within CASPAR). 	<p>Refresh of Expenditure procedure – to include requirement for email trail to be saved with all online banking transactions in CASPAR letter writer</p> <p>Prepay cards: Create template / Best interest decision – to document need for prepay card account.</p> <p>Refresh procedure.</p> <p>Completion date: February 2021</p>
<p>Management update as at 1st February 2021:</p>	
<p>All actions completed. New procedure notes including all recommendations have been developed and rolled out along with corresponding newly issued document templates to demonstrate decision making and audit trail.</p>	

High priority recommendation 3: Administration and Monitoring of Prepaid Cards	Original management response
<p>The roles currently assigned / undertaken by the Lead Officer Client Affairs being that of i) Administrator access to PFS, enabling the set up of Prepaid Cards and ii) the oversight / monitoring role of Prepaid Card usage / status should be separated going forward so that these reside with two individuals. It is advised that the monitoring role remains with the Lead Officer Client Affairs and the Administrator role is reassigned to Admin.</p>	<p>All new card requests to be processed by Client Affairs admin. PFS system access to be amended accordingly.</p> <p>Procedures to be updated.</p> <p>Completion date: December 2020</p>
<p>Management update as at 1st February 2021:</p>	
<p>All actions completed. Card creation is now solely responsibility of Administrators. The Lead Officer retains responsibility for quarterly monitoring checks. Procedures have been updated accordingly.</p>	

Medium priority recommendation 4: Prepaid Card Template	Original management response
<p>The template for receipt of the Prepaid Card is revised to include the requirement for:</p> <ul style="list-style-type: none"> • The individual to also print their name; and • Where appropriate record the position or relationship of the person to the individual who is signing to confirm receipt of the card. 	<p>Refresh prepaid card template.</p> <p>Completion date: December 2020</p>
Management update as at 1 st February 2021:	
<p>Actions completed – document templates have been amended accordingly</p>	

Medium priority recommendation 5:Monitoring Reports	Original management response
<ul style="list-style-type: none"> • Monitoring reports should be retained in line with the service’s retention policy to provide a clear audit trail of the monitoring function / compliance with the agreed procedures. • Identified actions, as a result of the quarterly monitoring of the status of payment card accounts should be documented within CASPAR. 	<p>Quarterly monitoring outcomes to be saved and documented re: cards that haven’t been used; accounts with high balances (£750+)</p> <p>Monitoring to also include sample checking of accounts recently opened for compliance with procedure</p> <p>Completion date: February 2021</p>
<p>Management update as at 1st February 2021:</p>	
<p>All actions completed – enhanced quarterly monitoring checks are now underway by Lead Officer with issues and outcomes recorded and retained. Next check due to be completed 3rd February 2021.</p>	

High priority recommendation 6: Procedure Note Motability Vehicles	Original management response
<p>The Procedure Note Motability Vehicles is refreshed to:</p> <ul style="list-style-type: none"> • Prescribe the prime records that should be reviewed when checking for a full and valid UK or EU licence. (Minimum requirement for UK licence card only, would be to ensure details are validated to the GOV UK website). • Include the requirement for receipt of declarations made by nominated drivers concerning any accidents / losses / motoring convictions, fixed penalty notices or any licence endorsements in the last five years, or which are currently pending prior to issue of the Motability 2 letter. • Prescribe a minimum periodic timeline for the re-performance of the pre-requisite driver checks. • Include the proposed revisions to the current processes for the council's approval of permitted drivers (as outlined within this section). • Prescribe the document retention requirements to ensure compliance with GDPR. 	<p>Agreed. Refresh procedure note to include the identified enhancements.</p> <p>Completion date: January 2021</p>
<p>Management update as at 1st February 2021:</p>	
<p>All actions completed – new procedure note including all recommendations has been completed.</p>	

High priority recommendation 7: Driver Declaration Form	Original management response
<p>Develop a declaration form to capture for each nominated driver:</p> <ul style="list-style-type: none"> • Details of any accidents, losses or motoring convictions, fixed penalty notices or licence endorsements within the last five years / or last review period, or which are currently pending; and • Confirmation that they have not been advised by a medical practitioner that they are not to drive. <p>The completed form to be returned and retained by the council for their records.</p>	<p>Develop a declaration form to capture for each nominated driver:</p> <ul style="list-style-type: none"> • Details of any accidents, losses or motoring convictions, fixed penalty notices or licence endorsements within the last five years / or last review period, or which are currently pending; and • Confirmation that they have not been advised by a medical practitioner that they are not to drive. <p>The completed form to be returned and retained by the council for their records.</p> <p>Completion date: January 2021</p>
Management update as at 1st February 2021:	
<p>All actions completed – a driver’s declaration form has been developed to which all drivers are required to sign up to before authorisation is given to drive client’s vehicle.</p>	

High priority recommendation 8: Motability 2 Letter/ Driver Declaration Form	Original management response
<ul style="list-style-type: none"> • Revise the wording of the Motability 2 letter to align with that proposed within the declaration form concerning responsibilities for the cost of repair for uninsured incidents; and the addition of the requirement to advise if the driver has been advised by a medical practitioner not to drive. • Development of a nominated driver declaration form that references: <ul style="list-style-type: none"> ○ the insurance policy conditions; ○ Confirms where an uninsured incident occurs through the fault of the nominated driver, the nominated driver <u>will</u> be responsible for the associated costs of repair; and ○ A declaration statement that as an authorised nominated driver the individual has read, acknowledged, and will abide by the stated policy requirements. • The form should be completed, returned and retained by Client Affairs for their records. <p>Upon receipt of the declaration form, the revised Motability 2 letter to be issued to confirm the council's approval of the nominated permitted driver.</p>	<p>Revise templates. Create driver's declaration.</p> <p>Completion date: January 2021</p>
<p>Management update as at 1st February 2021:</p>	
<p>All actions completed - documents templates have been revised to include all recommendations. New driver's declaration has been developed and issued to drivers.</p>	

High priority recommendation 9: Driver Checks	Original management response
<p>Standardise the process / prime record to be viewed to check for the validity of a full UK or EU driving licence. Minimum requirement for UK card only, would be to ensure this is validated to the GOV.UK website.</p>	<p>Agreed. Review driver checks for current individuals to ensure these meet the new pre-requisite requirement to validate information using GOV.UK. Driver checks to then be renewed every year thereafter.</p> <p>Completion date: December 2020</p>
<p>Management update as at 1st February 2021:</p>	
<p>All actions completed – all drivers are required to provide information to allow their licence to be independently checked using the DVLA system. Any non-UK licences will require further investigation by the Lead Officer (presently all drivers have a UK licence). Procedure has been amended to state that all checks to be renewed within 12 months</p>	

High priority recommendation 10: GDPR Compliance	Original management response
<p>Management to consider whether a data cleanse is required to ensure that the records held by the service are fully compliant with GDPR requirements</p>	<p>Review all Motability records on CASPAR and delete records</p> <p>Completion date: December 2020</p>
<p>Management update as at 1st February 2021:</p>	
<p>All actions completed – cleanse of non-GDPR compliant data held on CASPAR has been completed and files deleted.</p>	

High priority recommendation 11: Annual Reviews	Original management response
<p>The Annual Review Checklist to be refreshed to include the requirement to:</p> <ul style="list-style-type: none"> • Ensure that the driver licence check is re-performed; and <p>Confirmation that the permitted drivers have declared any accidents / losses / motoring convictions, fixed penalty notices or any licence endorsements within the period of the last review date or which are currently pending (To be captured using the proposed template at recommendation.7 of this report).</p>	<p>Refresh of Annual Review template to prompt yearly Motability checks to include re-performance of GOV.UK checks and driver's declaration.</p> <p>Completion date: January 2021</p>
<p>Management update as at 1st February 2021:</p>	
<p>All actions completed – annual review template amended to state requirement for yearly re-check of all licences and restatement of declaration.</p>	