

Report to the Audit and Governance Committee on July 30th 2021 on actions taken in relation to key recommendations made in the audit report relating to the audit of Direct Payments.

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Summary of Audit Area

Gloucestershire County Council (GCC) is committed to promoting individual wellbeing and to supporting independence through preventing, reducing or delaying the need for care and support. Direct Payments are the Government's and GCC's preferred mechanism for personalised care and support as they promote Service User independence, choice and control over how their needs are met.

A Direct Payment is a payment of money from the local authority to parents/carers of young people needing care and support so that services and/or equipment can be purchased to meet assessed needs. This allows parents/carers and young people greater choice and flexibility in obtaining individual services that will meet their needs. The 2020/21 budget for Direct Support Payments which is held by Disabled Children and Young People is £724,000.

Payment Card Accounts are provided by Prepaid Financial Services Limited (PFS). Children's Services within GCC has adopted the use of Payment Card Accounts and started issuing the cards in September 2018.

Summary Terms of Reference of the Audit

This audit reviewed whether there are effective arrangements in place for the:

- Monitoring of Direct Payments currently being made to parents/carers to ensure they are being effectively used to provide the agreed support to meet the assessed needs; and
- Administration of Payment Card Accounts.

The audit reviewed Direct Payments arranged by Disabled Children and Young People's Service (DCYPS).

Risks

- Needs of Service Users not being met;
- Misuse of public funds by Service User families;
- Lapses in the early identification of any potential fraud or irregularity and recovery of payments;
- Inconsistent processes being applied for ending Direct Payments and closing Direct Payment accounts;
- Fraud and irregularity; and
- Reputational damage to the Council.

Key Findings

The Internal Audit report raised six recommendations.

Finding 1

One-off Direct Payments are used to pay for occasional additional support a family may need such as emergency respite care or holiday clubs etc.

GCC's 'Children's Social Care Procedures Manual' states that a Direct Payment, including ongoing Direct Payments, must be monitored within the first three months of it being made. Internal Audit found that this does not happen and that Care Services Finance (CSF) was unaware of this requirement.

Recommendation 1

DYCPS to decide responsibilities and a process for:

- Monitoring one-off Direct Payments; and
- Monitoring ongoing Direct Payments within the first three months of them being made.

Consideration by Senior Management on whether the Council's requirement for three month reviews is appropriate and required to meet Government legislation.

The Direct Payment process documents and flowchart to be updated.

Original management response

- Three month review to be completed by DCYPS
- Monitoring of one off payments to take place at reviews
- Three month review falls into line with CIN review timescales.
- Following the three month review, reviews will move to six monthly within CIN timescales (early help is annually).
- Direct payment paperwork and flow chart to be updated (see below).

Updated management response as at July 2021

The three monthly review of the direct payment now takes place. This is taking place for all new cases held within the service. It has been decided that in only very exceptional circumstances that one off payments will be made as this has shown to be more problematic for families to manage.

Direct Payments are discussed at the CIN review.

Finding 2 and 3

Internal Audit found that the Service Level Agreement and Direct Payment flowchart does not include timeframes for DYCPs responding to CSF queries, or the process for ending Direct Payments and Payment Card Accounts.

As a generic mailbox address is used, it would be difficult for the correct Social Worker or Lead Professional to be identified and provide advice to CSF.

Currently CSF does not have access to Liquidlogic (Client/Service Users Management System) which would enable them to determine the Service User's Social Worker or Lead Professional and help to make their email requests more targeted.

Recommendation 2

The Service Level Agreement and the Direct Payment flowchart to be updated to include:

- Responsibilities and the process for ending Direct Payments and closing the Payment Card Accounts; and
- Timescales for DCYPS responses to CSF Direct Payment monitoring queries.

CSF to escalate to a named DCYPS Manager if responses are not received within the agreed timeframe although allowances to be considered when families are not engaging.

Original management response

- SLA and flow chart to be updated with the added information on responsibilities and timescales.
- Information to be given to allocated worker from CSF 1 week before the review so they can audit the usage of direct payments and raise with managers if there are any concerns.
- If there are not changes to the plan or payments then CSF to be notified within a fortnight.
- If there are changes to payments or plans then assessment to be instigated by manager. Timescale of 45 working days to outcome.
- CSF to develop a standard letter concerning the claiming back of funds. This to include the four week period after notification that an account is closing, before finally closing and recouping and remaining funds in the account.
- DCYPS to be informed if CSF are not getting a response from CSF to queries concerning children.

Updated management response as at July 2021

The Flowchart has been updated to reflect the added responsibilities and timescales which has been circulated. Reports from CSF are run and shared with managers and workers to ensure that meaningful reviews of DP's are included in CIN reviews. This continues to be embedded in practice and is discussed in team meetings. Feedback from workers is happening but remains on the agenda in team meetings to ensure that this is embedded in practice. If there is a change of need assessments are taking place to support and evidence a change in care plan.

The reclaiming of funds has been put on hold over the lockdown period. This is on government advice and guidance that has been published and also a call from families to support them to use their Direct Payment for a short break as they have not been either able to access a carer during this time or chosen not to on medical advice.

Regular monitoring meetings have been booked with CSF to ensure good communication and feedback so that any issues that arise can be put in place.

Recommendation 3

CSF to be given read only access to Liquidlogic to enable them to identify a Service User's Social Worker or Lead Professional, so that CSF can include that staff member's email address in correspondence with the DYCPS mailbox.

Original management response

Access to LL is not proportionate to the requirement and gives CSF access to highly confidential information and is not needed for the task of identifying social workers and lead professionals. This information can be sought from the team managers or team Admin if the SW on the original application has left.

Updated management response as at July 2021

Team Managers and admin have been informing CSF of the allocated social worker or lead professional in the case. CSF report that this has been working well and managers are sited on progress

Finding 4

When CSF review a Direct Payment the spend is not compared with the agreed services to meet the Service User's assessed needs as documented in the Direct Payment Agreement.

As at the date of the audit the spreadsheet contained 190 DCYPS Service Users with a Direct Payment, of which:

- 118 (62%) were marked as having a Payment Card Account; and
- 99 (52%) were due a review but the review had not been fully completed. Of the 99, CSF had identified issues with 36 (36%), such as under/over spend, notified the DCYPS mailbox (between one and nine months ago) requesting advice but have not received a reply which would allow the review to be completed.

Internal Audit sampled 15 ongoing Direct Payments to verify that annual monitoring had taken place, and found:

- 15 of the 15 (100%) sampled Direct Payments had a signed Direct Payment Agreement on file;
- Two of the 15 (13%) had been reviewed in the last 12 months;
- Nine of the 15 (60%) had not had a review in the last 12 months, of which:
 - Four were missing from the 'CWD Monitoring Spreadsheet'. Internal Audit informed CSF of the missing Service Users and the team has now scheduled reviews; and
 - Five had not been monitored at all as they had a Payment Card Account and the review date was prior to CSF taking responsibility for monitoring Payment Card Accounts. Prior to CSF taking responsibility for monitoring Payment Card Accounts and being granted access to the PFS System in July 2020, it was the responsibility of the DCYPS administration team. Internal Audit

was informed by the Business Senior Administrator (DCYPS) that the annual monitoring reviews had not taken place.

- Three of the 15 (20%) had a review started however the CSF has identified issues with the Direct Payment balance, notified the DCYPS and are awaiting advice on how to progress. The DCYPS had been contacted between three and 12 months ago for advice and CSF have not yet received replies; and
- One of the 15 (7%) had not had the ongoing payments triggered yet as the family has not returned an invoice to demonstrate that the initial payment has been spent appropriately. CSF do not annually monitor until ongoing payments have been set up.

Recommendation 4

To strengthen the current monitoring processes by the CSF Team:

- With immediate effect, the 'CWD Monitoring Spreadsheet' to be cross referenced against SAP on a periodic basis to ensure that all DCYPS Service Users who receive a Direct Payment are documented on the spreadsheet:
 - Once this has been completed all Service Users that have not had a review in the last 12 months to be identified and a monitoring review to take place; and
 - This cross referencing exercise to take place at regular intervals to ensure that all Direct Payment Service Users are monitored.
- Whenever a review takes place, the payment spend to be compared with the agreed services (to meet the Service User's assessed needs) documented in the Direct Payment Agreement.

Original management response

- Admin will run the CWD report.
- A report will run from SAP by the end of January.
- There will be an annual review of this information.
- There will be a new direct payment agreement that spells out the recuperation of money from accounts if there is a build up over 3 months (unless there is good reason agreed by a manager).
- There will be a quarterly cross referencing exercise run by CSF to monitor the situation.
- Quarterly monitoring meetings between DCYPS, CSF

Updated management response as at July 2021

The monitoring spreadsheet has been cross referenced with SAP and all corrections of users have been made. There are still some reviews that need to take place. This has been delayed by COVID and the focus on supporting families and keeping vulnerable children safe. All families in the service have had welfare calls.

Cross referencing of all care plans against agreed spend takes place monthly as part of budget monitoring in the service. A spreadsheet of care package spend is sent to all the manager to ensure correct payments are made. All quarterly monitoring is in place and meetings are well attended and meaningful.

Finding 5

The Business Senior Administrator provided Internal Audit with an extract from the PFS System of all Payment Card Accounts. Internal Audit analysed the extract and found (as at the date of the audit):

- 233 cards had been activated and:
 - 145 had a status of 'Open';
 - 34 had a status of 'Closed';
 - Three had a status of 'Deposit Only' with a total balance of £3,402.15;
 - 48 had a status of 'Issued not active', with three still having a balance on the cards totalling £1,748.45;
 - Two had a status of Lost; and
 - One had a status of Temporary Block.

Although the PFS system lists 145 cards with a status of 'Open', the CSF Team's 'CWD Monitoring Spreadsheet' only lists 118. This is likely to be because the remaining 27 are for one-off Direct Payments which are currently not included on the CSF spreadsheet.

Recommendation 5

DYCPS to ensure that all Payment Card Accounts have an appropriate status, are known to CSF and funding is reclaimed in a timely manner by the Council, a regular (at least six monthly) exercise should be undertaken to extract from the PFS System all Payment Card Accounts, their statuses and balances. Cards to be reviewed to identify if the status is appropriate, ensure that CSF is aware of the Service User and whether any funding can be reclaimed or if the accounts should be closed.

Original management response

Admin/SCF to run a report on current status of cards. Open inactive cards to be checked with social worker, outstanding balances reclaimed and account closed down.

Updated management response as at July 2021

The card system has been completely reviewed, dormant accounts have been closed and existing accounts converted to the new card system to ensure closer monitoring and scrutiny. No outstanding funds have been reclaimed during lockdown due to government guidance as explained in recommendation 2.

Finding 6

Currently DYCPs management do not receive regular reports that would allow them to have oversight of (as a minimum):

- Number of DYCPs Service Users who receive:
 - Ongoing Direct Payments; and
 - One-off Direct Payments
- The number of DYCPs Service Users with Payment Card Accounts and their status i.e. Open, Issued not active, Lost or Temporary Block;
- Number of DYCPs Service Users who have had a review within three months of the Direct Payment being set up, if appropriate;

- Number of DYCPS Service Users who have had an annual review;
- Number of months between annual reviews for each DYCPS Service User (to help identify where and why they exceed the expected 12 months); and
- How much funding has been reclaimed from Service Users e.g. when under or inappropriate spend has been identified.

Recommendation 6

DCYPS management to implement a quarterly reporting procedure that will give them oversight of the following area (as a minimum):

- Number of DYCPS Service Users who receive:
 - Ongoing Direct Payments; and
 - One-off Direct Payments
- The number of DYCPS Service Users with Payment Card Accounts and their status i.e. Open, Issued not active, Lost or Temporary Block;
- Number of DYCPS Service Users who have had a review within three months of the Direct Payment being set up;
- Number of DYCPS Service Users who have had an annual review;
- Number of months between annual reviews for each DYCPS Service User (to help identify where and why they exceed the expected 12 months); and
- How much funding has been reclaimed from Service Users e.g. when under or inappropriate spend has been identified.

Additional report measures/statistics to be considered to ensure full oversight and identify where monitoring could be improved.

Original management response

- CSF to run a quarterly report showing number of users receiving direct payments on an ongoing basis or as one off payments.
- Admin to run a report showing the status of payment cards.
- Currently it is difficult to run a report on service users accessing direct payments from information held on liquid logic. HoS to enquire if there is a way to fix this from liquid logic support Team.
- Annual review of direct payments to be pursued by DCYPS management using LL.
- CSF have a spread sheet of all recovered funds.
- Quarterly Monitoring meetings are now diarised.

Updated management response as at July 2021

CSF continue to run quarterly reports and meet with managers to review. The conversion of all accounts to payment cards has only just been completed and has been confirmed by admin in the running of the report. This will continue into the future

It is not possible at this time to run a Liquid Logic report but this will remain an area for development.