

# PERTH AND KINROSS COUNCIL

## Audit Committee

22 May 2019

### FURTHER FOLLOW UP OF FINANCIAL ASSESSMENT & CHARGING

#### Report by Chief Internal Auditor (Report No. 19/160)

##### **PURPOSE OF REPORT**

This report presents a summary of the Service's response to the outcomes of Internal Audit's report on Financial Assessment & Charging and provides an update on the implementation of the agreed action plan.

## **1. BACKGROUND**

- 1.1 The Assessment & Charging Team complete financial assessments for clients accessing residential and non-residential community care services. Information gathered from these assessments is then used to evaluate the individual's financial situation and set an appropriate level of contribution for chargeable services being provided to them, where applicable.
- 1.2 An audit of Financial Assessment & Charging was undertaken as part of the 2016/17 Internal Audit Plan. The report was considered by Audit Committee in September 2016 ([report 16/416](#) refers). This report highlighted that, due to the number and content of issues raised, there would be benefit to internal audit carrying out a more detailed follow up review of the actions. This approach was approved by the Audit Committee.
- 1.3 As a result of the follow up work undertaken in August and September 2017, the Audit Committee was informed that Internal Audit concluded that many of the control issues highlighted had not been addressed or sustained ([report 17/384](#) refers). As a result of this, the Service commissioned a wholesale review of the assessment and charging arrangements, with support from an external consultant. In addition, a Charging Governance Board was established with a remit which included ensuring that the previously agreed Internal Audit actions were fully implemented. The Chief Internal Auditor sits on this Board, along with the Section 95 Officer and the Monitoring Officer.
- 1.4 In June 2018, the Audit Committee received a further update report on the implementation of agreed actions ([report 18/220](#) refers). This report highlighted that, whilst procedures and processes had been put in place for some of the actions, the sustainability of the actions and controls was uncertain. Furthermore, there were a number of actions where improvements had yet to be implemented, but where plans were in place to ensure their implementation. The Audit Committee approved the proposal to review the actions in the 4<sup>th</sup> quarter of 2018/19 and to report on the outcome.

- 1.5 The scope of the work undertaken by Internal Audit was to ensure that the Service had implemented and sustained the management action plans as agreed in the Internal Audit Report 16-07 on Financial Assessment & Charging. The assignment did not undertake a complete review of all arrangements in place within assessment and charging.

## **2. SUMMARY OF OUTCOMES**

- 2.1 The agreed action plan contained 15 actions arising from 7 action points, of which 14 were to be completed by the Financial Assessment and Charging team with the aim of improving the controls in place. The remaining action was partially allocated to the Heads of Community Care and has been completed. Appendix 1 contains details of the originally agreed actions and Internal Audit commentary on how the actions have been completed.
- 2.2 As described in report 18/220, Internal Audit has been monitoring progress on these actions since the completion of the original report.
- 2.3 Internal Audit has again met with the Service in March 2019 and reviewed the evidence in place to confirm that these actions have now been fully completed and sustained over a period of time.
- 2.4 Of the 14 actions agreed by the Financial Assessment and Charging Team, 13 have been completed and sustained. One action, in respect of annual billing procedures and controls, is partially completed.
- 2.5 There has been engagement with the Charging Board regarding factors impacting on annual billing processes, such as timing of rates received and introduction of Franks Law.

## **3. PROPOSALS**

- 3.1 Internal Audit proposes to continue to support the Financial Assessment and Charging Team through the Charging Board until the remaining action has been fully concluded.
- 3.2 Opportunities for utilising data matching software to assist in control processes within this action will also be investigated for future years.
- 3.3 Internal Audit proposes that no further report is brought back to the Committee regarding this Audit. Financial Assessment and Charging will remain within the Audit Universe and, as part of Internal Audit Planning process, will be considered on an annual basis for inclusion within future Internal Audit Plans.

## **4. CONCLUSION AND RECOMMENDATIONS**

- 4.1 It is recommended that the Committee notes the progress made by the Financial Assessment and Charging Team in implementing the actions agreed in the 16-07 Financial Assessment and Charging Report.

- 4.2 It is also recommended that the Committee requests that the Chief Internal Auditor continues to work with the Service, through the Charging Board, until the remaining action has been fully concluded.

**Author**

<b>Name</b>	<b>Designation</b>	<b>Contact Details</b>
Lorna Ferguson	Internal Auditor	<a href="mailto:InternalAudit@pkc.gov.uk">InternalAudit@pkc.gov.uk</a>

**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Jackie Clark	Chief Internal Auditor	March 2019

If you or someone you know would like a copy of this document in another language or format, (on occasion only, a summary of the document will be provided in translation), this can be arranged by contacting *Jackie Clark*



Council Text Phone Number 01738 442573

## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
<b>Resource Implications</b>	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
<b>Assessments</b>	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
<b>Consultation</b>	
Internal	Yes
External	None
<b>Communication</b>	
Communications Plan	None

### 1. Strategic Implications

#### Corporate Plan

- 1.1 The Council's Corporate Plan 2018-2022 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

- 1.2 This report relates to all of these objectives.

### 2. Assessments

#### Equality Impact Assessment

- 2.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

- 2.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

#### Risk

- 2.3 There is a risk to the strength of the control environment if the agreed action plans are not carried out in a timely manner.

### **3. Consultation**

#### Internal

- 3.1 The Chief Executive and the Depute Chief Executive have been consulted in the preparation of this report.

### **2. BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.