

Appendix 1

2018 Financial Assessment and Charging Extended Follow Up

Scope: To continue working with Financial Assessment and Charging to be able to ensure that matters arising from Internal Audit 16-07 and Extended Follow Up 17-07 are dealt with and evidence provided.

The table below gives an overview of progress made and evidence provided.

Audit Action Point	Sub Action	16-07 Management Action Plan	Sept 2017 complete	June 2018 complete	Feb 2019 complete	Comment
1.1	1	Information available on the pkc.gov.uk/care charges site and information leaflets provided to clients will be reviewed to ensure up to date information is available.	No	Yes	Yes	Some information was uploaded following Internal Audit's visit in August 2017. Following discussions in April 2018, the information relating to 2018/19 has been uploaded.
1.2	2	A version control document which outlines all documents/webpages for clients and staff which require review and update will be introduced.	No	Yes	Yes	In August 17 this document had not been amended, and was not used as a control, to ensure all relevant information was updated with 2017/18 rates. The document appeared to be up to date in May 2018. A new and more detailed version control document was provided in February 19 which also incorporated the review of team procedures

1.3	3	Operational staff will be reminded of the requirement to complete the Financial Assessment Request. Reports detailing noncompliance will be provided regularly to Community Care Management Team.	No	Yes	Yes	Whilst the Community Care Management Team no longer exists, evidence of the reminder has been received by Internal Audit.
1.4	4	Procedures will be collated, updated as required and uploaded to the team SharePoint site.	No	No	Yes	Appropriate procedures are available for staff on the Assessment & Charging Team SharePoint Site.
<p style="text-align: center;">Action Point 2 – Previous Internal Audit Actions</p> <p style="text-align: center;">Importance Rating: High</p>						
2.1	1	Specific areas highlighted such as lone working procedure and cash handling will be updated immediately. Due to changes in the roles, responsibilities and working practices of the Financial Assessment Officers, previous procedures may no longer be relevant. These will be reviewed and where appropriate reinstated; where they are no longer valid, procedures will be reviewed and/or prepared as part of the wider team review of procedures	In part	In part	Yes	<p>Independent review of procedures in June 2018 had revealed that, whilst there have been updates to these procedures they could benefit from further development and are not held centrally, in line with 1.4 above. In addition, Internal Audit has been informed that the daily movement sheets are not always fully completed.</p> <p>The review undertaken in February revealed that procedures have been introduced as per the action and there is an agreement amongst all interviewed that cash is not handled and any cheques received are dealt with immediately. A spot check by Auditor verified that daily movement sheets are being completed and signed off as appropriate.</p>

2.2	2	The previously agreed action in relation to manual bills has been reinstated. Clients impacted will be invoiced.	No	In part	Yes	<p>The originally identified clients were invoiced at the time that the issue was highlighted but some control issues remained outstanding at the review in June 2018.</p> <p>Procedures have been introduced subsequently and there is evidence that controls are operating effectively, with clients being invoiced appropriately over a prolonged period.</p>
<p style="text-align: center;">Action Point 3 – Data Protection</p> <p style="text-align: center;">Importance Rating: High</p>						
3.1	1	The Service accept that data protection security checks require to be undertaken, and will liaise with the Information Security Manager to agree a protocol which is appropriate for this client base.	Yes	Yes	Yes	There is a Telephone Security Measure procedure in place and accessible to staff. Previous testing and management confirm that this is being followed.
3.2	2	Management will liaise with the Information Security Manager and consider implementation of call recording facilities within the current review of performance and quality and available resources.	Yes	Yes	Yes	The Service and the Information Compliance Manager considered the issue of call recording and decided not to progress with recording calls.

Action Point 4 – Supervisory Oversight						
Importance Rating: High						
4	1	<p>The Service will review and document procedures and oversight checks for the full scope of the Financial Assessments and charging process.</p> <p>This will include reviewing the arrangements for the oversight of the allocation of work within the team alongside verifying FAs and invoices and ensuring that there is an adequate audit trail.</p> <p>As per the third action at Action Point 1, the Service will review how errors are communicated to Community Care teams</p>	No	No	Yes	<p>New arrangements were put in place in June 2018 to manage new referrals to the Assessment & Charging team through a single point in order to have a clear understanding of cases in the system.</p> <p>There are now processes in place which support appropriate management oversight, these are backed up by written procedures and the Auditor was able to verify that controls have been operating over an extended period.</p>
Action Point 5 – Annual Review Process						
Importance Rating: High						
5.1	1	The 59 cases identified above have been reviewed (those who had not received an annual invoice).	Yes	Yes	Yes	Evidence was provided that all of these cases had been reviewed. Sample checks highlighted revealed that invoices were raised appropriately.

5.2	2	<p>The Service will document the annual review procedures and ensure that an audit trail and control checks are implemented.</p> <p>Should any historic cases be highlighted, relevant action will be taken.</p>	No	No	In part	<p>In June 2018, the Service was in the process of documenting the annual review procedure and there was scope to be explicit about control checks.</p> <p>Internal Audit were informed as part of routine follow up that no further cases had come to light during the review. However, a full review was undertaken in March 2018 and this highlighted 413 instances where changes had been made to services provided which may have required the team to be involved. Some changes dated back to 2013. The Service worked through these cases to ensure that appropriate action was taken.</p> <p>The February 2019 review revealed that a timeline chart and checklist have been designed to enhance control by outlining required activity and anticipated dates for completion. At the time of the audit, however, owing to external factors, this years' annual reassessment has been delayed and therefore this has not been fully completed. In addition there is evidence that the Service is considering the best way of taking this forward which may see development of a different document.</p> <p>The Service advises that there is a draft procedure for staff but this has to be updated in line with a recent decision taken by the Charging and Governance Board regarding unit cost uplift and direct interaction/update with the DWP system.</p> <p>There is evidence of discussion and awareness of issues surrounding annual billing at the Charging Board.</p>
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Action Point 6 – Deprivation Recording						
Importance Rating: Low						
6	1	The form used to assess deprivation cases has been amended	Yes	Yes	Yes	<p>A revised form was in use in June 2018, however there is no overarching document which records cases where deprivation may have occurred. A review of 3 completed forms revealed that there was scope to develop further processes to ensure clarity around rationale and timeliness.</p> <p>In February 2019, there is evidence that the form is being considered by a panel, signed off by more than one person and there is a traceable history through minutes. There is evidence of plans being progressed to allow for easier reporting of deprivation cases considered.</p>
Action Point 7 – Credit Notes & Invoices on Hold						
Importance Rating: High						
7.1	1	The Service will implement a procedure which outlines steps requiring to be taken to investigate the need for a credit note to be issued; this should also document audit trail requirements for rationale of issuance	No	In part	Yes	<p>In June 2018, Internal Audit found that there was evidence of procedures in use. The use of the e-form for raising credit notes resulted in improvements to the process. However the detailed calculations which have taken place are not always retained. This has caused difficulty in the verification of the accuracy of the credit notes raised.</p> <p>In February 2019, there is evidence of procedures and an audit trail of information, verifying the rationale for raising the credit notes and their authorisation.</p>

7.2	2	The Service will document the review of the credit note control report along with resultant discussions/actions	No	Yes	Yes	<p>Evidence has been provided showing appropriate oversight and conversations relating to credit note control</p> <p>There is an appropriate procedure and evidence of Management receiving and investigating instances where a credit note has been raised against an invoice raised by the same advisor, and feeding back to advisors as necessary.</p>
7.3	3	<p>The Service will undertake a one-off exercise to ensure that all invoices on hold are reviewed with appropriate action taken.</p> <p>Additionally, the Service will introduce a documented control which provides assurance that invoices which have been placed on hold are being reviewed on a regular, at least once a quarter, basis.</p>	No	In part	Yes	<p>There is evidence that on-hold invoices have been reviewed.</p> <p>It was noted that all services ceased relate to either the current or previous financial years invoices which would suggest service ceased are being completed timeously.</p> <p>In June 2018, it was noted that regular checking of invoices which remain on hold has been undertaken in most cases but there is scope to increase the frequency of these reviews.</p> <p>The February 2019 review found that the Service has produced a documented procedure which formalises the intended on-hold review procedure. This outlines categorisation of on-hold types, whether these are reviewed by the Assessment & Charging Team or Sales Ledger, and commits the team to quarterly review of all on-hold categories.</p> <p>There is evidence that the Service is reviewing invoices which are on hold more frequently. Additionally the Service has provided evidence that most invoice types subject to review by the Assessment & Charging Team are being reviewed once a quarter.</p>