

Internal Audit Report



Internal Audit Report
Housing & Community Care
Financial Management of Care Homes
Beechgrove House Care Home
Assignment No: 15-11a
October 2015

Final Report

Chief Executive's Service
Finance Division
Perth & Kinross Council
Blackfriars Development Centre
North Port
Perth PH1 5LU

Internal Audit

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. Public Sector Internal Auditing Standards (PSIAS)

On 27th March 2013, the Council’s Audit Committee approved the PSIAS as the relevant standard for its Internal Audit activity.

Background and Introduction

This audit was carried out as part of the audit plan for 2015/16, which was approved by the Audit Committee on 1 April 2015.

Perth and Kinross Council Community Care Services deliver support for older people matching individual need by assessment to ensure provision of support including residential care services. Provision incorporates residential care homes for people for whom living in their own home, even with support, is no longer a practical option.

Housing & Community Care Finance and Admin Manual, which was approved by the Senior Management Team on 25 September 2014 is in operation incorporating procedures that comply with the Financial Regulations. The Housing and Community Care Internal Control Team carry out a programme of visits to residential care homes throughout the year. Visits incorporate checks to determine whether establishment controls in place fulfil the requirements of the procedures.

Beechgrove House Care Home is situated in Perth and is a residential home providing permanent supported accommodation for adults who, because of age or disability, are no longer able to live independent lives within the community. The home also provides a respite care service for clients living in the surrounding areas. There are 26 permanent beds and 2 respite beds. The respite beds can also be used for crisis admissions.

Scope and Limitations

In order to arrive at an opinion on the achievement of the control objective, the auditor visited Beechgrove House Care Home, interviewed staff and reviewed the financial administration arrangements in place.

Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A ‘control objective’ is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

Control Objective: To ensure that arrangements in place for the financial administration of an establishment comply with laid down procedures.

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Auditor's Comments:

Audit testing confirmed that in the main adequate arrangements are in place for the financial administration of Beechgrove House Care Home and are in accordance with the Service's Finance and Admin Manual

Testing confirmed that the home's income and expenditure is adequately documented, authorised and receipted and that cash balances are checked in accordance with procedures and held securely. A resident's personal account form (F2 form) should be maintained for every resident. Audit tests confirmed that with one exception, residents had a fully completed, up to date, adequately authorised F2 form. The one exception stated that they did not want or need one, which was explicitly recorded within the resident's care plan.

Adequate arrangements are in place in respect of the administration of the comfort fund. The comfort fund constitution is currently being updated to reflect changes in staff and residents and was therefore not on display. The minutes of meetings were also not on display in the establishment at the time of the audit visit.

Staff advised that they had not received any training in the completion of the comfort fund spreadsheet.

Strength of Internal Controls:	Strong
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Management Action and Follow-Up

Responsibility for the maintenance of adequate and effective internal controls rests with management.

Where the audit has identified areas where a response by management is required, these are listed in Appendix 1, along with an indication of the importance of each 'action point'. Appendix 2 describes these action points in more detail, and records the action plan that has been developed by management in response to each point.

It is management's responsibility to ensure that the action plan presented in this report is achievable and appropriate to the circumstances. Where a decision is taken not to act in response to this report, it is the responsibility of management to assess and accept the risks arising from non-implementation.

Achievement of the action plan is monitored through Internal Audit's 'follow up' arrangements.

Management should ensure that the relevant risk profiles are reviewed and updated where necessary to take account of the contents of Internal Audit reports. The completeness of risk profiles will be examined as part of Internal Audit's normal planned work.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of the officers at Beechgrove House Care Home during this audit.

Feedback

Internal Audit welcomes feedback from management, in connection with this audit or with the Internal Audit service in general.

Distribution

This report has been distributed to:

B Malone, Chief Executive

J Walker, Depute Chief Executive, Corporate & Community Development Services

J Gilruth, Director of Housing & Community Care

D Fraser, Joint Head of Community Care

C Johnston, Joint Head of Community Care

A Taylor, Head of Corporate IT & Revenues

P Kippen, Service Manager

F Crawford, Team Leader, Care Homes

N Copland, Business & Resources Manager

J Symon, Head of Finance

G Taylor, Head of Democratic Services

P Dickson, Complaints & Governance Officer

External Audit

Authorisation

The auditor for this assignment was J O'Connor. The supervising auditor was .M Morrison.

This report is authorised for issue:

Jacqueline Clark
Chief Internal Auditor
Date: 30 October 2015

Appendix 1: Summary of Action Points

No.	Action Point	Risk/Importance
1	Comfort Fund	Low

Appendix 2: Action Plan

Action Point 1 - Comfort Fund

Although adequate arrangements are in place in respect of the administration of the comfort fund, the comfort fund constitution is currently being updated to reflect changes in staff and residents and was therefore not on display. The minutes of meetings were also not on display in the establishment at the time of the audit visit. In addition, staff advised that they had not received any training in the completion of the comfort fund spreadsheet.

Management Action Plan

The Constitution will be updated, authorised and displayed in the home, along with the minutes of meetings in accordance with procedures.

Additional support in the use of the Comfort Fund spreadsheet will be sought from Housing & Community Care's Finance Team.

Importance:	Low
Responsible Officer:	F Crawford, Team Leader, Care Homes
Lead Service:	Housing & Community Care
Date for Completion (Month / Year):	December 2015
Required Evidence of Completion:	Updated constitution Confirmation of additional support supplied

Auditor's Comments

Satisfactory